

Main Features of Regulatory Capital Instruments – Bank/Group

Description of the capital instrument (Bank only)	Stated capital	Subordinated Term-debt (2016 – Type A)	Subordinated Term-debt (2016 – Type B)	Subordinated Term-debt (2018 – Type A)	Subordinated Term-debt (2018 – Type B)	Subordinated Term-debt (2020 – Type A)	Subordinated Term-debt (2020 – Type B)
Issuer	DFCC Bank PLC	DFCC Bank PLC	DFCC Bank PLC	DFCC Bank PLC	DFCC Bank PLC	DFCC Bank PLC	DFCC Bank PLC
Unique identifier (e.g. ISIN or Bloomberg identifier for private placement)	LK0055N00000	C 2366	C-2367	C-2393	C-2394	C-2458	C-2457
Governing law(s) of the instrument	Companies Act, No. 07 of 2007, Colombo Stock Exchange Regulations	Securities and Exchange Commission Act No. 36 of 1987 (as amended), Colombo Stock Exchange Regulations					
Original date of issuance	May 1956 to May 2019	9 November 2016	9 November 2016	26 March 2018	26 March 2018	23 October 2020	23 October 2020
Par value of instrument (LKR)		100	100	100	100	100	100
Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated
Original maturity date, if applicable	N/A	9 November 2021	9 November 2023	29 March 2023	29 March 2025	23 October 2025	23 October 2027
Amount recognised in regulatory capital (in LKR '000 as at the reporting date)	7,682,465	191,372	3,625,884	1,748,082	4,086,530	4,318,000	205,000
Accounting classification (equity/liability)	Equity	Liability	Liability	Liability	Liability	Liability	Liability
Issuer call subject to prior supervisory approval							
Optional call date, contingent call dates and redemption amount (LKR '000)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Main Features of Regulatory Capital Instruments – Bank/Group

Description of the capital instrument (Bank only)	Stated capital	Subordinated Term-debt (2016 – Type A)	Subordinated Term-debt (2016 – Type B)	Subordinated Term-debt (2018 – Type A)	Subordinated Term-debt (2018 – Type B)	Subordinated Term-debt (2020 – Type A)	Subordinated Term-debt (2020 – Type B)
Coupons/ dividends							
Fixed or floating dividend/coupon	Floating dividend	Fixed coupon	Fixed coupon	Fixed coupon	Fixed coupon	Fixed coupon	Fixed coupon
Coupon rate and any related index (%)	N/A	12.15	12.75	12.6	13	9	9.25
Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Convertible	Convertible	Convertible	Convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A	Determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka, and is defined in the Banking Act Direction No. 1 of 2016	Determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka, and is defined in the Banking Act Direction No. 1 of 2016	Determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka, and is defined in the Banking Act Direction No. 1 of 2016	Determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka, and is defined in the Banking Act Direction No. 1 of 2016
If convertible, fully or partially	N/A	N/A	N/A	Fully	Fully	Fully	Fully
If convertible, mandatory or optional	N/A	N/A	N/A	Mandatory	Mandatory	Mandatory	Mandatory
If convertible, conversion rate	N/A	N/A	N/A	Based on the simple average of the daily Volume Weighted Average Price (VWAP) of an ordinary voting shares	Based on the simple average of the daily Volume Weighted Average Price (VWAP) of an ordinary voting shares	Based on the simple average of the daily Volume Weighted Average Price (VWAP) of an ordinary voting shares	Based on the simple average of the daily Volume Weighted Average Price (VWAP) of an ordinary voting shares

N/A – Not applicable

Main Features of Regulatory Capital Instruments – Bank/Group

Item	Amount (LKR '000) as at 31 December 2020					
	Carrying Values as Reported in Published Financial Statements	Carrying Values under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital	Explanation for Differences between Accounting and Regulatory Reporting
Assets						
Cash and cash equivalents	7,724,364	7,724,364	7,724,364	-	-	
Balances with Central Bank of Sri Lanka	4,901,753	4,901,753	4,901,753	-	-	
Placements with banks	15,414,287	15,414,287	15,414,287	-	-	
Derivative financial assets	835,464	-	-	-	-	Included under other asset in regulatory reporting
Financial Assets measured at fair value through profit or loss	609,717	74,752,722	74,752,722	11,069	-	Classified into Held to Maturity and Held for Trading in the regulatory reporting based on the purpose and the intent of the investments. Accrued interest is classified under other assets.
Financial assets at amortised cost – Loans to and receivable from banks	4,152,717	4,152,717	4,152,717	-	-	
Financial assets at amortised cost – Loans to and receivables from other customers	301,909,337	304,954,868	277,291,099	-	-	As per the Banking Act Direction No. 03 of 2008 Classification of Loans and Advances, Income Recognition and Provisioning. The CBSL time based provisions were netted off in arriving loans and advances to customers in the regulatory reporting while in the published financial impairment allowance based on expected credit loss was netted off.
Financial assets at amortised cost – Debt and other instruments	31,604,175	41,219,700	32,648,414	-	-	Classified into Held to Maturity and Held for Trading in the regulatory reporting based on the purpose and the intent of the investments. Accrued interest is classified under other assets.
Financial assets measured at fair value through other comprehensive income	88,718,002	-	-	-	-	Classified into Held to Maturity and Held for Trading in the regulatory reporting based on the purpose and the intent of the investments. Accrued interest is classified under other assets.
Investments in subsidiaries	217,435	1,007,705	910,670	-	97,035	Investments in associates and joint ventures are included in regulatory reporting in addition to those in subsidiaries
Investments in associates	35,270	-	-	-	-	Included in investments in Subsidiaries

Main Features of Regulatory Capital Instruments – Bank/Group

Item	Amount (LKR '000) as at 31 December 2020					Explanation for Differences between Accounting and Regulatory Reporting
	Carrying Values as Reported in Published Financial Statements	Carrying Values under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital	
Investments in joint ventures	755,000	-	-	-	-	Included in Investments in Subsidiaries
Investment property	9,879	9,879	9,879	-	-	
Property, plant and equipment	3,406,600	3,408,897	3,408,897	-	-	
Intangible assets and goodwill	1,713,052	1,713,052	-	-	1,713,052	
Other assets	3,070,235	5,688,710	3,535,346		2,153,363	
Total assets	465,077,287	464,948,654	424,750,148	11,069	3,963,450	
Liabilities						
Due to banks	14,909,937	-	-	-	-	Included under other borrowings in regulatory reporting
Derivative financial liabilities	267,883	-	-	-	-	Included under other liabilities in regulatory reporting
Financial liabilities at amortised cost – Due to depositors	310,026,892	302,180,886	-	-	302,180,886	Due to depositors are at Effective Interest Rate (EIR) method in published financial statements and interest payable on deposits are classified under other liabilities in the regulatory reporting
Financial liabilities at amortised cost – Due to other borrowers	46,847,076	76,128,700	-	-	76,128,700	Due to banks and debt securities issued are included under other borrowing in regulatory reporting
Debt securities in issue	16,291,279	-	-	-	-	Included under other borrowings in regulatory reporting
Retirement benefit obligation	643,118	-	-	-	-	Included under other liabilities in regulatory reporting
Current tax liabilities	1,012,645	1,553,824	-	-	1,553,824	Taxes are computed based on accounting profits derived from each reporting method
Deferred tax liabilities	243,949	378,234	-	-	378,234	
Other liabilities	6,119,854	17,600,916	-	-	17,600,916	Interest payable on borrowing and deposits added to the other liabilities in regulatory reporting
Subordinated term debt	19,357,497	18,523,000	-	-	4,348,132	Regulatory reporting reports only the principal amount and accrued interest is classified under other liabilities
Total liabilities	415,720,130	416,365,560	-	-	402,190,692	

Main Features of Regulatory Capital Instruments – Bank/Group

Item	Amount (LKR '000) as at 31 December 2020					Explanation for Differences between Accounting and Regulatory Reporting
	Carrying Values as Reported in Published Financial Statements	Carrying Values under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital	
Off-balance sheet liabilities						
Guarantees	11,801,465	11,004,915	9,217,050	-	1,787,865	
Performance bonds	4,487,667	4,487,667	4,361,518	-	126,149	
Letters of credit and acceptances	21,003,494	21,340,301	21,152,966	-	187,335	
Other contingent items (Bills on collection and capital expenditure approved by the Board)	4,964,010	4,950,995	-	-	4,950,995	
Undrawn loan commitments	87,320,270	87,320,270	87,320,270	-	-	
Other commitments (FX commitments)	1,187,241	323,405	54,814,705	-	-	
Total Off-Balance Sheet Liabilities	130,764,147	129,427,553	176,866,509	-	7,052,344	
Shareholders' equity						
Equity Capital (Stated Capital)/Assigned Capital	7,682,465	7,682,465	-	-	-	
of which amount eligible for CET1						
of which amount eligible for AT1						
Retained earnings	19,652,169	24,769,727	-	-	-	Due to differences which arise in regulatory reporting and SLFRS accounting standards.
Accumulated other comprehensive income	5,882,811	-	-	-	4,158,106	Accumulated other comprehensive income is only applicable in Published Financial Statements
Other reserves	16,139,712	16,130,902	-	-	-	Due to differences which arise in regulatory reporting and SLFRS accounting standards.
Total Shareholders' Equity	49,357,157	48,583,094	-	-	4,158,106	