



**PEOPLE'S
BANK**

**BASEL III - DISCLOSURES UNDER PILLAR 3
AS PER THE BANKING ACT
DIRECTIONS NO.01 OF 2016
AS AT JUNE 30TH 2020**

TEMPLATE 1 : KEY REGULATORY RATIOS CAPITAL & LIQUIDITY

	BANK		GROUP	
	As at 30.06.2020 (Unaudited)	As at 31.12.2019 (Audited)	As at 30.06.2020 (Unaudited)	As at 31.12.2019 (Audited)
Regulatory Capital				
Common Equity Tier 1 Capital [Rs. 000]	77,592,093	77,941,284	105,292,228	106,246,759
Tier 1 Capital [Rs. 000]	77,592,093	77,941,284	105,292,228	106,246,759
Total Capital	107,132,118	106,972,204	136,301,232	136,303,475
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Ratio (Min. requirement - 2020 - 7.0%, 2019 - 8.0%,)	10.15	10.68	11.12	11.58
Tier 1 Capital Ratio (Min. requirement - 2020 - 8.5%, 2019 - 9.5%)	10.15	10.68	11.12	11.58
Total Capital Ratio (Min. requirement - 2020 - 12.5%, 2019 - 13.5%)	14.01	14.66	14.39	14.86
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking Unit Rs.'000	462,476,663	446,351,080	NA	NA
Off- Shore Banking Unit US\$ ('000)	1,313,506	504,025	NA	NA
Statutory Liquid Assets, Ratio % (Minimum Requirement, 20%)				
Domestic Banking Unit , %	28.70	29.54	NA	NA
Off- Shore Banking Unit , %	72.47	34.61	NA	NA
Liquidity Coverage Ratio (%) (Minimum Requirement, (100%) 2019- 100%,2018-,90%)				
Liquidity Coverage Ratio - Rupee	148.74	160.80	NA	NA
Liquidity Coverage Ratio - All Currency	113.50	132.10	NA	NA

TEMPLATE 2 : KEY REGULATORY RATIOS CAPITAL & LIQUIDITY

	BANK		GROUP	
	As at 30.06.2020 (Unaudited)	As at 31.12.2019 (Audited)	As at 30.06.2020 (Unaudited)	As at 31.12.2019 (Audited)
Common Equity Tier 1 (CET I) Capital after adjustments	77,592,093	77,941,284	105,292,228	106,246,759
Common Equity Tier 1 (CET I) Capital	80,480,537	80,750,618	108,308,557	109,238,461
Equity / Assigned Capital	12,201,998	12,201,998	12,201,998	12,201,998
Reserve Fund	7,315,774	7,315,774	7,315,774	7,315,774
Public Retained Earning /(Accumulated Retained Losses)	48,028,369	48,307,520	70,576,663	70,855,815
Publish accumulated Other Comprehensive Income (OCI)	233,932	224,861	233,932	224,861
General and other Disclosed Reserves	12,700,465	12,700,465	12,700,465	12,700,465
Unpublished Current Year's Profit / Loss and Gain reflected in OCI	-	-	-	-
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	5,279,725	5,939,548
Total Adjustments to CETI Capital	2,888,445	2,809,334	3,016,329	2,991,702
Goodwill (net)	-	-	-	-
Intangible Assets (Net)	612,719	700,875	967,019	1,090,714
Other (Investment the in the Capital of Subsidiaries & Other Financial Institution)	1,414,842	1,412,952	1,188,426	1,205,481
Defined Benefit Asset	860,884	695,507	860,884	695,507
Additional Tier I (AT i) Capital after adjustments	-	-	-	-
Additional Tier I (AT i) Capital	-	-	-	-
Qualifying additional Tier I Capital instruments	-	-	-	-
Instrument issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
Total Adjustments to AT I Capital	-	-	-	-
Investment in own shares	-	-	-	-
Other (Specify)	-	-	-	-
Tier II Capital after adjustments	29,540,025	29,030,921	31,009,004	30,056,716
Tier II Capital	29,540,025	29,030,921	31,009,004	30,056,716
Qualifying Tier II capital instruments	14,875,000	15,625,000	14,875,000	15,625,000
Revaluation Gains	7,025,956	7,025,956	7,025,956	7,025,956
Loan Loss Provisions	7,639,070	6,379,965	9,108,048	7,405,760
Instrument issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
Total Adjustment to Tier II	-	-	-	-
Investment in own shares	-	-	-	-
Other (specify)	-	-	-	-
CET Capital	77,592,093	77,941,284	105,292,228	106,246,759
Total Tier I Capital	77,592,093	77,941,284	105,292,228	106,246,759
Total Capital	107,132,118	106,972,205	136,301,232	136,303,475
Total Risk Weighted Assets (RWA)	764,783,014	729,657,045	947,162,214	917,382,332
RWA for Credit Risk	679,971,183	650,675,272	835,091,980	815,617,770
RWA for Market Risk	4,421,367	6,430,053	7,355,306	8,402,021
RWA for Operational Risk	80,390,464	72,551,719	104,714,928	93,362,542
CET I Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	10.15	10.68	11.12	11.58
of which: Capital Conservation Buffer (%)	1.50	2.50	1.50	2.50
of which: Countercyclical Buffer (%)	-	-	-	-
of which: Capital surcharge Countercyclical Buffer (%)	1.00	1.00	1.00	1.00
Total Tier I Capital Ratio (%)	10.15	10.68	11.12	11.58
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	14.01	14.66	14.39	14.86
of which: Capital Conservation Buffer (%)	1.50	2.50	1.50	2.50
of which: Countercyclical Buffer (%)	-	-	-	-
of which: Capital surcharge on D-SIBs (%)	1.00	1.00	1.00	1.00

TEMPLATE 03 : COMPUTATION OF LEVERAGE RATIO

ITEM	BANK		GROUP	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Tier 1 Capital	77,592,093	77,941,284	105,292,228	106,246,759
Total Exposures	2,077,771,835	1,956,281,017	2,253,135,491	2,134,461,039
On balance Sheet items (Excluding derivatives and securities financing transactions, but including collateral)	1,975,626,321	1,852,096,324	2,150,838,571	2,028,282,425
Deravitive Exposures	1,459,676	553,750	1,459,676	553,750
Securities financing transaction exposures	26,501,407	18,410,000	26,652,813	18,410,000
Other off-balance sheet exposures	74,184,431	85,220,942	74,184,431	87,214,863
Basel III Leverage ratio (%) (Tier 1/ total Exposure)	3.73%	3.98%	4.67%	4.98%

Leverage ratio is prepared based on the consultation paper issued by the Central Bank of Sri Lanka direction no 12 of 2018 and the minimum ratio is 3%.

TEMPLATE 4 : COMPUTATION OF LIQUIDITY COVERAGE RATIO

	As at 30th June 2020		As at 31st December 2019	
	Total Un Weighted Value	Total Weighted Value	Total Un Weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	349,272,924	347,819,949	410,810,268	409,287,666
Level 1 Assets	346,366,973	346,366,973	407,765,063	407,765,063
Level 2A Assets	-	-	-	-
Level 2B Assets	2,905,951	1,452,976	3,045,205	1,522,603
Total Cash Outflows	1,903,643,721	402,708,629	1,851,660,335	381,470,849
Deposits	1,133,896,988	113,389,699	1,034,947,511	103,494,751
Unsecured Wholesale Funding	484,000,677	248,570,033	486,161,256	240,769,480
Secured Funding Transactions	18,961,212	-	11,508,468	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	249,969,954	23,934,007	306,238,279	24,401,797
Additional requirements	16,814,890	16,814,890	12,804,821	12,804,821
Total Cash Inflows	167,957,867	96,255,298	135,011,332	71,650,766
Maturing Secured Lending Transactions Backed by Collateral	21,188,626	21,188,626	29,841,508	11,415,369
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	115,387,601	58,251,782	95,505,309	52,853,956
Operational deposits	14,566,750	-	2,283,074	-
Other Cash Inflows	16,814,890	16,814,890	7,381,441	7,381,441
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/ Total Net Cash Outflows over the Next Calendar Days)* 100		113.50		132.10

TEMPLATE 5 : MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS

	No 2 Debenture issued in 2009	No 3 Debenture issued in 2011	No 4 Debenture issued in 2013	Type A Debenture issued in 2019	Type B Debenture issued in 2019
Must be provided for each type of capital instrument separately					
Description of the Capital Instrument					
Issuer	People's Bank	People's Bank	People's Bank	People's Bank	People's Bank
Unique Identifier (e.g., ISIN or Bloomberg Identifier for Private placement)	2	3	4	A	B
Original Date of Issuance	30 th December 2009	30 th December 2011	15 th December 2013	08 th November 2019	08 th November 2019
Par Value of Instrument	2,500,000,000	5,000,000,000	5,000,000,000	6,563,000,000	3,437,000,000
Original Maturity Date, if Applicable	29 th December 2022	29 th December 2022	29 th December 2022	08 th November 2024	08 th November 2027
Amount Recognised in Regulatory Capital (in LKR '000 as at the Reporting date)	1,625,000,000	-	3,250,000,000	6,563,000,000	3,437,000,000
Accounting Classification (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
Subsequent Call Dates, if Applicable	N/A	N/A	N/A	N/A	N/A
Coupons/Dividends					
Fixed or Floating Dividend/Coupon	Fixed rate	Fixed rate	Fixed rate	Fixed rate	Fixed rate
Coupon rate and any Related Index	13.50%	13.00%	13.00%	12.00%	12.25%
Non-Cumulative or Cumulative	N/A	N/A	N/A	N/A	N/A
Convertible or Non-Convertible					
If Convertible, Conversion trigger (s)	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
If Convertible, Fully or Partially	N/A	N/A	N/A	N/A	N/A
If Convertible, Mandatory or Optional	N/A	N/A	N/A	N/A	N/A
If Convertible, Conversion rate	N/A	N/A	N/A	N/A	N/A

TEMPLATE 07: CREDIT RISK UNDER STANDARDIZED APPROACH (CREDIT RISK EXPOSURES & CREDIT RISK MITIGATION (CRM) EFFECTS)
BANK

As at 30.06.2020

	Exposures Before CCF and CRM			Exposures After CCF and CRM			Risk weighted Assets	RWA Density (%)
	Exposures On Balance Sheet	Exposures Off Balance Sheet	Total	Exposures On Balance Sheet	Exposures Off Balance Sheet	Total		
Total Risk-weighted amount for Credit Risk	1,951,178,332	316,478,673	2,267,657,004	1,806,246,467	75,283,893	1,881,530,360	679,971,183	36
Claims on Central Government and Central Bank of Sri Lanka	936,189,247	20,576,575	956,765,822	831,502,966	1,828,043	833,331,009	34,249,043	4
Claims on Foreign sovereigns and their Central Banks	-	-	-	-	-	-	-	-
Claims on Public Sector Entities (PSEs)	140,860,920	119,264,532	260,125,452	140,860,920	18,824,716	159,685,636	96,943,915	61
Claims on BIS,IMF and Multilateral Development Banks(MDBs)	-	-	-	-	-	-	-	-
Claims on Banks Exposures	15,259,479	-	15,259,479	15,259,479	-	15,259,479	4,099,294	27
Claims on Financial Institutions	6,850,024	-	6,850,024	6,850,024	-	6,850,024	3,794,619	55
Claims on Corporates	109,214,676	144,340,637	253,555,314	109,087,835	48,171,749	157,259,583	146,792,509	93
Retail claims	360,899,937	32,296,929	393,196,866	338,168,670	6,459,386	344,628,056	275,679,419	80
Claims Secured by Gold	168,119,551	-	168,119,551	168,119,551	-	168,119,551	37	-
Claims Secured by Residential Property	61,646,876	-	61,646,876	61,646,876	-	61,646,876	30,823,438	50
Claims Secured by Commercial real Estate	-	-	-	-	-	-	-	-
Non Performing Assets (NPAs)	26,771,040	-	26,771,040	26,771,040	-	26,771,040	32,710,815	122
Higher-risk Categories	790,069	-	790,069	790,069	-	790,069	1,975,173	250
Cash Items, other assets	54,377,494	-	54,377,494	54,377,494	-	54,377,494	91,378	-
Other Assets	70,199,016	-	70,199,016	52,811,542	-	52,811,542	52,811,542	100

TEMPLATE 07: CREDIT RISK UNDER STANDARDIZED APPROACH (CREDIT RISK EXPOSURES & CREDIT RISK MITIGATION (CRM) EFFECTS)

As at 30.06.2020								
GROUP	Exposures Before CCF and CRM			Exposures After CCF and CRM			Risk weighted Assets	RWA Density (%)
	Exposures On Balance Sheet	Exposures Off Balance Sheet	Total	Exposures On Balance Sheet	Exposures Off Balance Sheet	Total		
Total Risk-weighted amount for Credit Risk	2,119,339,463	316,478,673	2,435,818,136	1,974,407,599	75,283,893	2,049,691,492	835,091,980	41
Claims on Central Government and Central Bank of Sri Lanka	945,261,810	20,576,575	965,838,385	840,575,529	1,828,043	842,403,572	34,249,043	4
Claims on Foreign sovereigns and their Central Banks	-	-	-	-	-	-	-	-
Claims on Public Sector Entities (PSEs)	140,860,920	119,264,532	260,125,452	140,860,920	18,824,716	159,685,636	96,943,915	61
Claims on BIS,IMF and Multilateral Development Banks(MDBs)	-	-	-	-	-	-	-	-
Claims on Banks Exposures	17,717,939	-	17,717,939	17,717,939	-	17,717,939	4,590,986	26
Claims on Financial Institutions	6,850,024	-	6,850,024	6,850,024	-	6,850,024	3,794,619	55
Claims on Corporates	109,214,676	144,340,637	253,555,314	109,087,835	48,171,749	157,259,583	146,792,509	93
Retail claims	505,578,124	32,296,929	537,875,053	482,846,857	6,459,386	489,306,243	420,357,606	86
Claims Secured by Gold	168,119,551	-	168,119,551	168,119,551	-	168,119,551	37	-
Claims Secured by Residential Property	61,646,876	-	61,646,876	61,646,876	-	61,646,876	30,823,438	50
Claims Secured by Commercial real Estate	-	-	-	-	-	-	-	-
Non Performing Assets (NPAs)	26,771,040	-	26,771,040	26,771,040	-	26,771,040	32,710,815	122
Higher-risk Categories	-	-	-	-	-	-	-	-
Cash Items, other assets	55,193,394	-	55,193,394	55,193,394	-	55,193,394	91,378	-
Other Assets	82,125,107	-	82,125,107	64,737,633	-	64,737,633	64,737,633	100

TEMPLATE 9 : MARKET RISK UNDER STANDARDISED MEASUREMENT METHOD

ITEM	BANK		GROUP	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
(a) RWA for Interest Rate Risk	143,370	419,575	143,370	419,575
General Interest Risk	134,097	408,483	134,097	408,483
i) Net long or short position	134,097	408,483	134,097	408,483
ii) Horizontal disallowance	-	-	-	-
iii) Vertical disallowance	-	-	-	-
iv) Options	-	-	-	-
Specific Interest Rate Risk	9,273	11,092	9,273	11,092
(b) RWA for Equity	221,849	434,005	588,591	710,080
General Equity risk	119,580	227,615	303,001	366,019
Specific Equity risk	102,269	206,390	285,590	344,061
© RWA for foreign Exchange & Gold	187,452	46,628	187,452	46,628
Total Capital Charge for Market Risk	552,671	900,207	919,413	1,176,283
Total Risk Weighted Amount for Market Risk	4,421,367	6,430,053	7,355,306	8,402,021

TEMPLATE 10 : OPERATIONAL RISK UNDER BASIC INDICATOR APPROACH

		BANK				GROUP			
		Gross Income				Gross Income			
		1st Year	2nd Year	3rd Year	Average	1st Year	2nd Year	3rd Year	Average
The Basic Indicator Approach Gross Income		66,524,570	70,188,247	64,263,344	66,992,054	83,805,310	92,088,862	85,893,148	87,262,440
Capital Charge for Operational Risk (LKR'000)	15%	9,978,686	10,528,237	9,639,502	10,048,808	12,570,797	13,813,329	12,883,972	13,089,366
Risk Weighted Amount for Operational Risk (LKR'000)	8.0	79,829,484	84,225,896	77,116,013	80,390,464	100,566,372	110,506,634	103,071,778	104,714,928

BASEL III DISCLOSURE REQUIREMENT

TEMPLATE 11 : DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CATEGORIES - BANK ONLY

	Carring value as reported in published Financial statements	Carring value under scope of regulatory reporting	Subject to credit risk framework	Subject to market risk framework	Subject to deduction from capital
Assets					
Assets	1,978,918,899	1,983,696,323	1,942,451,416	38,356,462	2,888,445
Cash and Cash Equivalents	68,027,070	68,030,461	68,030,461	-	-
Balances with Central Bank of Sri Lanka	15,607,674	15,607,674	15,607,674	-	-
Placements with Banks	-	-	-	-	-
Derivative Financial Instruments	404,133	404,133	404,133	-	-
Financial Assets - At Fair Value through Profit or Loss	37,581,168	37,581,167	-	37,581,167	-
Financial Assets - At Amortised Cost					
Loans and Receivables to Banks	10,525,371	10,547,961	10,547,961	-	-
Loans and Receivables to Other Customers	1,502,919,478	1,505,551,506	1,505,551,506	-	-
Debt instruments measured at amortised cost	271,964,512	271,964,511	271,964,511	-	-
Financial Assets - At Fair Value through Other	1,709,034	1,779,742	-	775,295	1,004,447
Comprehensive Income [OCI]					
Equity instruments at fair value through OCI	2,833,573	2,788,696	2,788,696	-	410,395
Debt instruments at fair value through OCI	1,205,414	1,205,414	795,019	-	612,719
Investments in Subsidiaries	-	-	-	-	-
Goodwill and Intangible Assets	612,719	612,719	-	-	-
Property, Plant and Equipment & Right to use of Assets	32,764,239	33,252,786	33,252,786	-	-
Investment Properties	1,262,194	1,262,194	1,262,194	-	-
Other Assets	31,502,320	33,107,359	32,246,475	-	860,884
Liabilities	1,884,507,353	1,887,598,649	-	-	-
Due to Banks	214,173,838	214,179,115	-	-	-
Derivative Financial Instruments	104,132	104,132	-	-	-
Due to Other Customers	1,579,911,567	1,579,922,065	-	-	-
Other Borrowings	28,059,200	28,059,200	-	-	-
Current Tax Liabilities	2,173,017	2,746,910	-	-	-
Net Deferred Tax Liabilities	518,934	1,071,797	-	-	-
Other Liabilities	36,255,655	38,204,420	-	-	-
Subordinated Term Debts	23,311,010	23,311,010	-	-	-
Shareholders' Equity	94,411,546	96,097,678	-	-	-
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	-	-
Statutory Reserve Fund	7,315,774	7,315,774	-	-	-
Other Reserves	27,094,799	26,717,622	-	-	-
Retained Earnings	47,798,975	49,862,284	-	-	-
Total Equity and Liabilities	1,978,918,899	1,983,696,327	-	-	-
Off-Balance Sheet Liabilities	320,027,018	319,451,669	319,451,669	-	-
Acceptance	74,221,097	74,221,097	74,221,097	-	-
Guarantees	78,531,999	78,531,999	78,531,999	-	-
Letter of Credit	52,459,679	52,459,679	52,459,679	-	-
Other Contingent Items	59,120,442	59,120,442	59,120,442	-	-
Undrawn Loan Commitments	56,292,795	56,292,795	56,292,795	-	-
(-) Allowance for ECL/impairment losses	(598,994)	(1,174,343)	(1,174,343)	-	-