



**PEOPLE'S
BANK**

**BASEL III DISCLOSURES UNDER PILLAR III
AS PER THE BANKING ACT DIRECTION
NO 01 OF 2016**

KEY REGULATORY RATIOS CAPITAL & LIQUIDITY

	BANK		GROUP	
	As at 30.09.2018 (Unaudited)	As at 31.12.2017 (Audited)	As at 30.09.2018 (Unaudited)	As at 31.12.2017 (Audited)
Regulatory Capital				
Common Equity Tier 1 Capital [Rs. 000]	67,967,765	62,084,793	91,115,209	85,077,314
Tier 1 Capital [Rs. 000]	67,967,765	62,084,793	91,115,209	85,077,314
Total Capital	92,110,177	77,554,147	116,013,685	101,485,804
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Ratio (Min. requirement - 2018-7.375%, 2017-6.25%)	10.18	10.82	10.70	11.49
Tier 1 Capital Ratio (Min. requirement - 2018-8.875%, 2017-7.75%)	10.18	10.82	10.70	11.49
Total Capital Ratio (Min. requirement - 2018-12.875%, 2017-11.750%)	13.80	13.51	13.63	13.71
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking Unit Rs.'000				
Off- Shore Banking Unit US\$ ('000)	365,732,292	298,497,361		
	302,681	242,692		
Statutory Liquid Assets, Ratio %				
(Minimum Requirement, 20%)				
Domestic Banking Unit , %				
Off- Shore Banking Unit , %	25.33	24.07		
	31.67	32.35		
Liquidity Coverage Ratio (%) (Minimum Requirement, 2018-90%,2017-,80%)				
Liquidity Coverage Ratio - Rupee				
Liquidity Coverage Ratio - All Currency	127.60	104.00		
	101.72	95.08		

BASEL III COMPUTATION OF CAPITAL RATIOS

ITEM	BANK		GROUP	
	30.09.2018	31.12.2017	30.09.2018	31.12.2017
Common Equity Tier 1 (CET1) Capital after Adjustments	67,967,755	62,084,793	91,115,209	85,077,314
Total Common Equity Tier 1 (CET1) Capital	70,832,682	63,359,558	94,208,070	85,756,976
Equity Capital/ Stated Capital	12,201,998	12,201,998	12,201,998	12,201,998
Reserve Fund	5,814,742	5,814,742	5,814,742	5,814,742
Published Retained Profits/(Accumulated Losses) (+/-)	41,710,011	34,322,199	59,623,964	52,236,152
Accumulated Other Comprehensive Income (OCI)	153,194	67,882	167,186	81,875
General and Other disclosed Reserves	10,952,737	10,952,737	10,946,111	10,946,111
Unpublished Current Year's Profits/(Losses) (+/-)	-	-	-	-
Ordinary voting shares issued by consolidated banking and financial subsidiaries and held by third parties	-	-	5,454,069	4,476,098
Total Adjustments to CET 1 Capital	2,864,916	1,274,765	3,092,861	679,661
Goodwill	-	-	-	-
Other intangible assets	434,202	225,058	891,329	679,661
Defined benefit pension fund assets	1,635,231	-	1,635,231	-
Other (Significant investments in the capital of financial institutions where the bank own more than 10 per cent of the issued capital carrying voting rights of the entity)	795,483	1,049,707	566,301	-
Shortfall of Capital in Financial Subsidiaries	-	-	-	-
Additional Tier 1 Capital (AT1) Capital After Adjustments	-	-	-	-
Total Additional Tier I (AT1) Capital	-	-	-	-
Qualifying Additional Tier 1 Capital Instruments	-	-	-	-
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total adjustments to AT1 Capital	-	-	-	-
Investment in own Shares	-	-	-	-
Tier 2 Capital after Adjustments	24,142,412	15,469,355	24,898,476	16,408,487
Total Tier 2 Capital	24,142,412	15,469,355	24,898,476	16,408,487
Qualifying Tier 2 Capital Instruments	7,980,000	480,000	7,980,000	480,000
Revaluation reserve	8,797,393	8,797,393	8,797,393	8,797,393
General provisions	7,365,019	6,191,962	8,121,083	7,131,094
Instruments issued by consolidated subsidiaries of the bank and held by third parties	-	-	-	-
Total adjustments to Tier 2 Capital	-	-	-	-
Investment in own Shares	-	-	-	-
Common Equity Tier 1	70,832,682	63,359,558	94,208,070	85,756,976
Total Tier 1 Capital	67,967,765	62,084,793	91,115,209	85,077,314
Total Capital	92,110,177	77,554,147	116,013,685	101,485,804

ITEM	BANK		GROUP	
	30.09.2018	31.12.2017	30.09.2018	31.12.2017
Total Risk-weighted Amount	667,580,367	574,005,436	851,269,646	740,159,181
Risk-weighted amount for Credit risk	589,201,546	495,356,958	754,104,821	642,727,843
Risk-weighted amount for Market risk	5,907,986	5,252,085	6,405,756	6,208,013
Risk-weighted amount for Operational risk	72,470,835	73,396,393	90,759,068	91,223,325
Common Equity Tier 1 Capital	67,967,765	62,084,793	91,115,209	85,077,314
Total Tier 1 Capital	67,967,765	62,084,793	91,115,209	85,077,315
Total Capital	92,110,177	77,554,147	116,013,684	101,485,802
Common Equity Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer, & Surcharge on D-SIBS (%)	10.18%	10.82%	10.70%	11.49%
of which Capital Conservation Buffer (%)	1.88%	1.25%	1.88%	1.25%
of which Capital Surcharge on D-SIBS	1.00%	0.50%	1.00%	0.50%
Total Tier 1 Capital Ratio	10.18%	10.82%	10.70%	11.49%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical capital Buffer, & Surcharge on D-SIBS (%)	13.80%	13.51%	13.63%	13.71%
of which Capital Conservation Buffer (%)	1.88%	1.25%	1.88%	1.25%
of which Capital Surcharge on D-SIBS	1.0%	0.5%	1.0%	0.5%

BASEL III DISCLOSURE REQUIREMENT

Computation of Liquidity Coverage Ratio - All Currency

	As at 30th September 2018		As at 31st December 2017	
	Total Un Weighted Value	Total Weighted Value	Total Un Weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	356,287,066	355,687,719	209,576,585	210,556,463
Total Adjusted Level 1A Assets	354,038,400	347,016,592	205,608,413	205,608,414
Level 1 Assets	354,038,400	354,038,400	207,515,715	207,515,715
Total Adjusted Level 2A Assets	1,499,960	1,274,966	3,019,035	2,566,180
Level 2A Assets	1,499,960	1,274,966	3,019,035	2,566,180
Total Adjusted Level 2B Assets	748,706	374,353	949,137	474,568
Level 2B Assets	748,706	374,353	949,137	474,568
Total Cash Outflows	1,810,856,959	397,689,289	1,542,394,880	336,276,533
Deposits	952,122,176	95,212,218	867,812,307	86,781,231
Unsecured Wholesale Funding	519,448,448	262,253,600	388,276,563	204,161,629
Secured Funding Transactions	9,292,559	-	17,998,855	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	316,847,450	27,077,145	247,268,129	24,294,647
Additional requirements	13,146,326	13,146,326	21,039,026	21,039,026
Total Cash Inflows	157,470,975	48,026,238	186,923,677	114,816,052
Maturing Secured Lending Transactions Backed by Collateral Committed Facilities	85,772,675	9,181,265	47,175,521	8,833,348
Other Inflows by Counterparty which are Maturing within 30 Days	66,709,101	35,792,380	120,686,939	-
Operational deposits	1,936,606	-	4,568,707	92,323,766
Other Cash Inflows	3,052,593	3,052,593	14,492,510	-
				13,658,938
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/ Total Net Cash Outflows over the Next Calendar Days)* 100		101.72		95.08

BASEL III DISCLOSURE REQUIREMENT

Main Features of Regulatory Capital Instruments

	No 2 Debenture issued in 2009	No 3 Debenture issued in 2011	No 4 Debenture issued in 2013
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
Unique Identifier (e.g., ISIN or Bloomberg Identifier for Private placement)	2	3	4
Original Date of Issuance	30 th December 2009	30 th December 2011	15 th December 2013
Par Value of Instrument	N/A	N/A	N/A
Original Maturity Date, if Applicable	29 th December 2022	29 th December 2022	29 th December 2022
Amount Recognised in Regulatory Capital (in LKR '000 as at the Reporting date)	2,500,000,000	480,000,000	5,000,000,000
Accounting Classification (Equity/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
Subsequent Call Dates, if Applicable	N/A	N/A	N/A
Coupons/Dividends			
Fixed or Floating Dividend/Coupon	Fixed rate	Fixed rate	Fixed rate
Coupon rate and any Related Index	13.5%	13.0%	13.0%
Non-Cumulative or Cumulative	N/A	N/A	N/A
Convertible or Non-Convertible			
If Convertible, Conversion trigger (s)	Non-convertible	Non-convertible	Non-convertible
If Convertible, Fully or Partially	N/A	N/A	N/A
If Convertible, Mandatory or Optional	N/A	N/A	N/A
If Convertible, Conversion rate	N/A	N/A	N/A

CREDIT RISK UNDER STANDARDISED APPROACH

Credit Risk Exposures and Credit Risk Mitigation(CRM) Effects

30.06.2018

BANK

	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	1,630,146,971	367,252,316	1,997,399,287	1,314,615,047	87,570,241	1,402,185,288	589,201,546	42%
Claims on Central Government and Central Bank of Sri Lanka	725,879,642	143,277,307	869,156,949	445,366,283	26,888,706	472,254,989	45,500,255	10%
Claims on Foreign sovereigns and their Central Banks	-	-	-	-	-	-	-	-
Claims on Public Sector Entities (PSEs)	77,817,152	51,682,622	129,499,774	77,817,152	6,259,051	84,076,203	25,681,352	31%
Claims on BIS,IMF and Multilateral Development Banks(MDBs)	-	-	-	-	-	-	-	-
Claims on Banks Exposures	5,026,794	-	5,026,794	5,026,794	-	5,026,794	1,123,749	22%
Claims on Financial Institutions	15,743,577	-	15,743,577	15,743,577	-	15,743,577	5,828,560	37%
Claims on Corporates	109,812,593	144,103,692	253,916,285	109,658,452	48,784,745	158,443,197	143,913,995	91%
Retail claims	355,632,216	28,188,695	383,820,911	330,886,929	5,637,739	336,524,668	262,649,438	78%
Claims Secured by Gold	146,914,591	-	146,914,591	146,914,591	-	146,914,591	797,135	1%
Claims Secured by Residential Property	76,198,340	-	76,198,340	76,198,340	-	76,198,340	38,099,170	50%
Claims Secured by Commercial real Estate	-	-	-	-	-	-	-	-
Non Performing Assets (NPAs)	18,301,662	-	18,301,662	18,301,662	-	18,301,662	25,606,134	140%
Higher-risk Categories	687,632	-	687,632	687,632	-	687,632	1,719,081	250%
Cash Items, other assets	49,834,646	-	49,834,646	49,834,646	-	49,834,646	103,688	-
Other Assets	48,298,126	-	48,298,126	38,178,988	-	38,178,988	38,178,988	100%

CREDIT RISK UNDER STANDARDISED APPROACH

Credit Risk Exposures and Credit Risk Mitigation(CRM) Effects

30.06.2018

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	1,799,822,954	367,252,316	2,167,075,270	1,484,291,029	87,570,241	1,571,861,270	754,118,979	48%
Claims on Central Government and Central Bank of Sri Lanka	733,673,089	143,277,307	876,950,396	453,159,730	26,888,706	480,048,436	45,500,255	9%
Claims on Foreign sovereigns and their Central Banks	-	-	-	-	-	-	-	-
Claims on Public Sector Entities (PSEs)	77,817,152	51,682,622	129,499,774	77,817,152	6,259,051	84,076,203	25,681,352	31%
Claims on BIS,IMF and Multilateral Development Banks(MDBs)	-	-	-	-	-	-	-	-
Claims on Banks Exposures	7,607,740	-	7,607,740	7,607,740	-	7,607,740	1,648,411	22%
Claims on Financial Institutions	9,661,198	-	9,661,198	9,661,198	-	9,661,198	5,196,132	54%
Claims on Corporates	109,812,593	144,103,692	253,916,285	109,658,452	48,784,745	158,443,197	143,913,995	91%
Retail claims	510,679,908	28,188,695	538,868,603	485,934,621	5,637,739	491,572,360	417,697,131	85%
Claims Secured by Gold	146,914,591	-	146,914,591	146,914,591	-	146,914,591	797,135	1%
Claims Secured by Residential Property	76,198,340	-	76,198,340	76,198,340	-	76,198,340	38,099,170	50%
Claims Secured by Commercial real Estate	-	-	-	-	-	-	-	-
Non Performing Assets (NPAs)	18,301,662	-	18,301,662	18,301,662	-	18,301,662	25,606,134	140%
Higher-risk Categories	916,815	-	916,815	916,815	-	916,815	2,292,038	250%
Cash Items, other assets	50,537,190	-	50,537,190	50,537,190	-	50,537,190	103,688	-
Other Assets	57,702,676	-	57,702,676	47,583,538	-	47,583,538	47,583,538	100%

MARKET RISK UNDER STANDARDISED MEASUREMENT METHOD

ITEM	BANK		GROUP	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
(a) RWA for Interest Rate Risk	493,344	248,106	493,344	248,106
General Interest Risk				
i) Net long or short position	330,436	248,106	330,436	248,106
ii) Horizontal disallowance				
iii) Vertical disallowance				
iv) Options				
Specific Interest Rate Risk	162,908	-	162,908	-
(b) RWA for Equity	210,447	238,341	274,535	350,662
General Equity risk	106,704	121,975	143,063	183,072
Specific Equity risk	103,743	116,366	131,472	167,590
© RWA for foreign Exchange & Gold	56,862	130,673	56,862	130,673
Total Capital Charge for Market Risk	760,653	617,120	824,741	729,441
Total Risk Weighted Amount for Market Risk	5,907,986	5,252,085	6,405,756	6,208,013

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			53,446,016	60,982,836	72,183,548	62,204,133	67,667,407	75,323,122	90,714,073	77,901,534
Capital Charges for Operational Risk (LKR'000)										
The Basic Indicator Approach	15%		8,016,902	9,147,425	10,827,532	9,330,620	10,150,111	11,298,468	13,607,111	11,685,230
Risk Weighted Amount for Operational Risk (LKR'000)										
The Basic Indicator Approach	7.8		62,267,203	71,047,964	84,097,337	72,470,835	78,835,814	87,755,094	105,686,299	90,759,069

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	1,713,188,221	1,713,813,552	1,627,678,236	84,217,993	1,917,322
Cash and Cash Equivalents	52,025,850	52,025,850	52,025,850	-	-
Balances with Central Bank of Sri Lanka	74,159,381	74,159,381	74,159,381	-	-
Placements with Banks	3,596,604	3,596,604	3,596,604	-	-
Derivative Financial Instruments	692,191	692,191	692,191	-	-
Other Financial Assets Held-for-Trading	84,217,983	84,217,993	-	84,217,993	-
Loans and Receivables to Banks	89,677,899	89,677,899	89,677,899	-	-
Loans and Receivables to Other Customers	1,181,802,328	1,191,198,082	1,191,198,082	-	-
Financial Investments - Available-for-Sale	6,159,413	5,813,877	5,651,577	-	162,300
Financial Investments - Held-to-Maturity	165,140,690	165,140,690	165,140,690	-	-
Non Current Assets Held For Sale	-	-	-	-	-
Investments in Subsidiaries	1,325,766	1,325,766	4,950	-	1,320,816
Goodwill and Intangible Assets	434,202	434,206	-	-	434,206
Property, Plant and Equipment	26,084,576	26,084,576	26,084,576	-	-
Investment Properties	1,265,182	1,265,181	1,265,181	-	-
Prepaid Leases	467,595	467,597	467,597	-	-
Other Assets	26,138,561	17,713,658	17,713,658	-	-
Liabilities	1,626,011,650	1,623,916,107	-	-	-
Due to Banks	132,267,322	132,267,322	-	-	-
Derivative Financial Instruments	1,014,611	1,014,611	-	-	-
Due to Other Customers	1,433,428,018	1,433,705,636	-	-	-
Other Borrowings	15,753,369	15,753,369	-	-	-
Current Tax Liabilities	3,631,802	3,631,802	-	-	-
Net Deferred Tax Liabilities	3,367,202	4,350,037	-	-	-
Other Liabilities	24,017,598	20,693,329	-	-	-
Subordinated Term Debts	12,531,728	12,500,000	-	-	-
Shareholders' Equity	87,176,571	89,897,445	-	-	-
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	-	-
Statutory Reserve Fund	5,814,744	5,814,744	-	-	-
Other Reserves	25,243,205	24,897,670	-	-	-
Retained Earnings	43,916,624	46,983,033	-	-	-
Total Shareholders' Equity	1,713,188,221	1,713,813,552	-	-	-
Off-Balance Sheet Liabilities	369,135,997		367,663,382	-	-
Acceptance	101,922,496		101,922,496	-	-
Guarantees	72,695,593		72,695,593	-	-
Letter of Credit	95,283,277		95,283,277	-	-
Other Contingent Items	41,940,958		41,940,958	-	-
Undrawn Loan Commitments	55,821,058		55,821,058	-	-
Other Commitments	1,472,615		-	-	-