



**PEOPLE'S
BANK**

**BASEL III - DISCLOSURES UNDER PILLAR 3
AS PER THE BANKING ACT
DIRECTIONS NO.01 OF 2016
AS AT JUNE 30TH 2021**

TEMPLATE 1 : KEY REGULATORY RATIOS CAPITAL & LIQUIDITY

| | BANK | | GROUP | |
|---|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | As at 30.06.2021 (Unaudited) | As at 31.12.2020 (Audited) | As at 30.06.2021 (Unaudited) | As at 31.12.2020 (Audited) |
| Regulatory Capital | | | | |
| Common Equity Tier 1 Capital [Rs. 000] | 89,108,466 | 79,604,100 | 119,811,532 | 109,596,440 |
| Tier 1 Capital [Rs. 000] | 92,608,466 | 79,604,100 | 123,311,532 | 109,596,440 |
| Total Capital | 140,797,214 | 129,271,791 | 173,439,790 | 160,292,747 |
| Regulatory Capital Ratios (%) | | | | |
| Common Equity Tier 1 Ratio (Min. requirement 7.0%) | 10.08 | 9.53 | 11.18 | 10.69 |
| Tier 1 Capital Ratio (Min. requirement 8.5%) | 10.48 | 9.53 | 11.50 | 10.69 |
| Total Capital Ratio (Min. requirement 12.5%) | 15.93 | 15.47 | 16.18 | 15.63 |
| Regulatory Liquidity | | | | |
| Statutory Liquid Assets | | | | |
| Domestic Banking Unit Rs.'000 | 566,976,950 | 463,930,635 | NA | NA |
| Off- Shore Banking Unit US\$ ('000) | 766,805 | 1,165,688 | NA | NA |
| Statutory Liquid Assets, Ratio % (Minimum Requirement, 20%) | | | | |
| Domestic Banking Unit , % | 27.19 | 25.61 | NA | NA |
| Off- Shore Banking Unit , % | 45.37 | 60.46 | NA | NA |
| Liquidity Coverage Ratio (%) (Minimum Requirement, 90%) | | | | |
| Liquidity Coverage Ratio - Rupee | 143.67 | 166.82 | NA | NA |
| Liquidity Coverage Ratio - All Currency | 111.79 | 111.55 | NA | NA |

TEMPLATE 2 : KEY REGULATORY RATIOS CAPITAL & LIQUIDITY

| | BANK | | GROUP | |
|--|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | As at 30.06.2021 (Unaudited) | As at 31.12.2020 (Audited) | As at 30.06.2021 (Unaudited) | As at 31.12.2020 (Audited) |
| Common Equity Tier 1 (CET I) Capital after adjustments | 89,108,466 | 79,604,100 | 119,811,532 | 109,596,440 |
| Common Equity Tier 1 (CET I) Capital | 93,025,249 | 83,062,102 | 121,829,911 | 111,748,610 |
| Equity / Assigned Capital | 12,201,998 | 12,201,998 | 12,201,998 | 12,201,998 |
| Reserve Fund | 8,024,521 | 8,024,521 | 8,024,521 | 8,024,521 |
| Public Retained Earning /(Accumulated Retained Losses) | 58,975,465 | 49,012,539 | 82,489,594 | 72,526,668 |
| Publish accumulated Other Comprehensive Income (OCI) | 248,936 | 248,715 | 246,874 | 252,196 |
| General and other Disclosed Reserves | 13,574,329 | 13,574,329 | 13,574,329 | 13,574,329 |
| 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 | - | - | 5,292,595 | 5,168,898 |
| Total Adjustments to CETI Capital | 3,916,783 | 3,458,002 | 2,018,379 | 2,152,170 |
| Goodwill (net) | - | - | - | - |
| Intangible Assets (Net) | 1,288,327 | 695,424 | - | - |
| Other (Investment the in the Capital of Subsidiaries & Other Financial Institution) | 712,547 | 702,181 | 945,056 | 1,007,730 |
| Defined Benefit Asset | 1,915,909 | 2,060,397 | 1,073,323 | 1,144,440 |
| Additional Tier I (AT i) Capital after adjustments | - | - | - | - |
| Additional Tier I (AT i) Capital | - | - | - | - |
| Qualifying additional Tier I Capital instruments | 3,500,000 | - | 3,500,000 | - |
| 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 | 48,188,748 | 49,667,691 | 50,128,258 | 50,696,308 |
| Tier II Capital | 48,188,748 | 49,667,691 | 50,128,258 | 50,696,308 |
| Qualifying Tier II capital instruments | 29,015,550 | 33,796,850 | 29,015,550 | 33,796,850 |
| Revaluation Gains | 9,374,466 | 7,025,956 | 9,374,466 | 7,025,956 |
| Loan Loss Provisions | 9,798,732 | 8,844,885 | 11,738,242 | 9,873,502 |
| 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 | 89,108,466 | 79,604,100 | 119,811,532 | 109,596,440 |
| Total Tier I Capital | 92,608,466 | 79,604,100 | 123,311,532 | 109,596,440 |
| Total Capital | 140,797,214 | 129,271,791 | 173,439,790 | 160,292,747 |
| Total Risk Wegtهد Assets (RWA) | 883,800,846 | 835,523,801 | 1,072,086,483 | 1,025,663,845 |
| RWA for Credit Risk | 783,898,590 | 743,655,441 | 939,059,321 | 896,234,579 |
| RWA for Market Risk | 9,663,179 | 5,591,325 | 17,816,608 | 18,454,779 |
| RWA for Operational Risk | 90,239,077 | 86,277,034 | 115,210,554 | 110,974,487 |
| CET I Capital Ratio (including Capital Conservstion Buffer, Countercyclical Capital Buffer & Surcharge on D-SIB) (%) | 10.08 | 9.53 | 11.18 | 10.69 |
| of which: Capital Conservation Buffer (%) | 1.50 | 1.50 | 1.50 | 1.50 |
| of which: Countercyclical Buffer (%) | - | - | - | - |
| of which: Capital surcharge Countercyclical Buffer (%) | 1.00 | 1.00 | 1.00 | 1.00 |
| Total Tier I Capital Ratio (%) | 10.48 | 9.53 | 11.50 | 10.69 |
| Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%) | 15.93 | 15.47 | 16.18 | 15.63 |
| of which: Capital Conservation Buffer (%) | 1.50 | 1.5 | 1.50 | 1.5 |
| 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 | |
|---|---------------|---------------|---------------|---------------|
| | 30.06.2021 | 31.12.2020 | 30.06.2021 | 31.12.2020 |
| Tier 1 Capital | 92,608,466 | 79,604,100 | 123,311,532 | 109,596,440 |
| Total Exposures | 2,577,220,689 | 2,319,824,014 | 2,752,578,863 | 2,492,962,547 |
| On balance Sheet items (Excluding derivatives and securities financing transactions, but including collateral) | 2,458,349,659 | 2,215,313,018 | 2,633,707,833 | 2,387,054,979 |
| Deravitive Exposures | 2,300,298 | 1,817,796 | 2,300,298 | 1,817,796 |
| Securities financing transaction exposures | 28,793,483 | 28,184,933 | 28,793,483 | 28,197,532 |
| Other off-balance sheet exposures | 87,777,249 | 74,508,267 | 87,777,249 | 75,892,240 |
| Basel III Leverage ratio (%) (Tier 1/Total Expesure) | 3.59% | 3.43% | 4.48% | 4.40% |

TEMPLATE 4 : COMPUTATION OF LIQUIDITY COVERAGE RATIO

| | As at 30th June 2021 | | As at 31st December 2020 | |
|---|-------------------------|----------------------|--------------------------|----------------------|
| | Total Un Weighted Value | Total Weighted Value | Total Un Weighted Value | Total Weighted Value |
| Total Stock of High-Quality Liquid Assets (HQLA) | 501,237,054 | 496,599,502 | 435,978,801 | 434,450,384 |
| Level 1 Assets | 491,961,950 | 491,961,950 | 432,921,968 | 432,921,968 |
| Level 2A Assets | - | - | - | - |
| Level 2B Assets | 9,275,104 | 4,637,552 | 3,056,833 | 1,528,416 |
| Total Cash Outflows | 2,455,751,563 | 539,086,173 | 2,225,493,314 | 539,890,881 |
| Deposits | 1,397,174,854 | 139,717,485 | 1,281,030,229 | 128,103,023 |
| Unsecured Wholesale Funding | 700,588,180 | 346,143,780 | 594,546,403 | 307,322,741 |
| Secured Funding Transactions | 14,774,323 | - | 14,436,972 | - |
| Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations | 322,132,535 | 32,143,236 | 267,432,676 | 36,418,083 |
| Additional requirements | 21,081,672 | 21,081,672 | 68,047,034 | 68,047,034 |
| Total Cash Inflows | 141,340,068 | 94,867,354 | 218,809,925 | 150,423,304 |
| Maturing Secured Lending Transactions Backed by Collateral | 13,661,851 | 13,661,851 | 23,992,082 | 12,740,676 |
| Committed Facilities | - | - | - | - |
| Other Inflows by Counterparty which are Maturing within 30 Days | 103,655,019 | 60,853,403 | 116,278,613 | 71,457,687 |
| Operational deposits | 3,671,097 | - | 12,314,289 | - |
| Other Cash Inflows | 20,352,101 | 20,352,101 | 66,224,941 | 66,224,941 |
| Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/ Total Net Cash Outflows over the Next Calendar Days)* 100 | | 111.79 | | 111.55 |

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

BANK

As at 30.06.2021

| | 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 | 2,432,435,578 | 449,883,718 | 2,882,319,296 | 2,240,904,941 | 89,360,142 | 2,330,265,083 | 783,898,590 | 34 |
| Claims on Central Government and Central Bank of Sri Lanka | 1,125,958,226 | 48,002,353 | 1,173,960,579 | 1,125,958,226 | - | 1,125,958,226 | 33,275,208 | 3 |
| Claims on Foreign sovereigns and their Central Banks | - | - | - | - | - | - | - | - |
| Claims on Public Sector Entities (PSEs) | 297,939,142 | 160,446,978 | 458,386,120 | 135,175,267 | 25,235,228 | 160,410,495 | 102,028,122 | 64 |
| Claims on BIS,IMF and Multilateral Development Banks(MDBs) | - | - | - | - | - | - | - | - |
| Claims on Banks Exposures | 6,699,493 | - | 6,699,493 | 6,699,493 | - | 6,699,493 | 1,670,515 | 25 |
| Claims on Financial Institutions | 5,908,707 | - | 5,908,707 | 5,908,707 | - | 5,908,707 | 3,323,042 | 56 |
| Claims on Corporates | 101,699,202 | 194,957,474 | 296,656,676 | 101,605,751 | 54,829,531 | 156,435,282 | 145,571,561 | 93 |
| Retail claims | 500,864,381 | 46,476,912 | 547,341,293 | 472,191,070 | 9,295,382 | 481,486,452 | 377,553,834 | 78 |
| Claims Secured by Gold | 181,733,657 | - | 181,733,657 | 181,733,657 | - | 181,733,657 | 49,131 | - |
| Claims Secured by Residential Property | 60,737,469 | - | 60,737,469 | 60,737,469 | - | 60,737,469 | 21,258,114 | 35 |
| Claims Secured by Commercial real Estate | - | - | - | - | - | - | - | - |
| Non Performing Assets (NPAs) | 30,929,334 | - | 30,929,334 | 30,929,334 | - | 30,929,334 | 40,792,283 | 132 |
| Higher-risk Categories | 910,244 | - | 910,244 | 910,244 | - | 910,244 | 2,275,609 | 250 |
| Cash Items, other assets | 63,019,438 | - | 63,019,438 | 63,019,438 | - | 63,019,438 | 64,884 | - |
| Other Assets | 56,036,285 | - | 56,036,285 | 56,036,285 | - | 56,036,285 | 56,036,285 | 100 |

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

| GROUP | As at 30.06.2021 | | | | | | | |
|--|------------------------------|-----------------------------|----------------------|-----------------------------|-----------------------------|----------------------|----------------------|-----------------|
| | 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 | 2,600,888,377 | 449,883,718 | 3,050,772,094 | 2,409,357,740 | 89,360,142 | 2,498,717,881 | 939,059,321 | 38 |
| Claims on Central Government and Central Bank of Sri Lanka | 1,134,046,892 | 48,002,353 | 1,182,049,245 | 1,134,046,892 | - | 1,134,046,892 | 33,275,208 | 3 |
| Claims on Foreign sovereigns and their Central Banks | - | - | - | - | - | - | - | - |
| Claims on Public Sector Entities (PSEs) | 298,874,877 | 160,446,978 | 459,321,855 | 136,111,002 | 25,235,228 | 161,346,230 | 102,215,269 | 63 |
| Claims on BIS,IMF and Multilateral Development Banks(MDBs) | - | - | - | - | - | - | - | - |
| Claims on Banks Exposures | 9,042,445 | - | 9,042,445 | 9,042,445 | - | 9,042,445 | 2,139,460 | 24 |
| Claims on Financial Institutions | 7,071,611 | - | 7,071,611 | 7,071,611 | - | 7,071,611 | 4,154,941 | 59 |
| Claims on Corporates | 101,699,202 | 194,957,474 | 296,656,676 | 101,605,751 | 54,829,531 | 156,435,282 | 145,571,561 | 93 |
| Retail claims | 645,882,727 | 46,476,912 | 692,359,639 | 617,209,416 | 9,295,382 | 626,504,798 | 522,572,180 | 83 |
| Claims Secured by Gold | 181,733,657 | - | 181,733,657 | 181,733,657 | - | 181,733,657 | 49,131 | - |
| Claims Secured by Residential Property | 60,737,469 | - | 60,737,469 | 60,737,469 | - | 60,737,469 | 21,258,114 | 35 |
| Claims Secured by Commercial real Estate | - | - | - | - | - | - | - | - |
| Non Performing Assets (NPAs) | 30,929,334 | - | 30,929,334 | 30,929,334 | - | 30,929,334 | 40,792,283 | 132 |
| Higher-risk Categories | - | - | - | - | - | - | - | - |
| Cash Items, other assets | 63,903,873 | - | 63,903,873 | 63,903,873 | - | 63,903,873 | 64,884 | - |
| Other Assets | 66,966,289 | - | 66,966,289 | 66,966,289 | - | 66,966,289 | 66,966,289 | 100 |

TEMPLATE 9 : MARKET RISK UNDER STANDARDISED MEASUREMENT METHOD

| ITEM | BANK | | GROUP | |
|---|------------------|------------------|-------------------|-------------------|
| | 30.06.2021 | 31.12.2020 | 31.03.2021 | 31.12.2020 |
| (a) RWA for Interest Rate Risk | 739,784 | 165,101 | 739,784 | 165,101 |
| General Interest Risk | 385,576 | 161,553 | 385,576 | 161,553 |
| i) Net long or short position | 385,576 | 161,553 | 385,576 | 161,553 |
| ii) Horizontal disallowance | - | - | - | - |
| iii) Vertical disallowance | - | - | - | - |
| iv) Options | - | - | - | - |
| Specific Interest Rate Risk | 354,208 | 3,548 | 354,208 | 3,548 |
| (b) RWA for Equity | 302,230 | 288,307 | 1,321,409 | 1,896,238 |
| General Equity risk | 153,425 | 155,657 | 663,015 | 960,097 |
| Specific Equity risk | 148,805 | 132,650 | 658,394 | 936,141 |
| © RWA for foreign Exchange & Gold | 165,884 | 245,508 | 165,884 | 245,508 |
| Total Capital Charge for Market Risk | 1,207,898 | 698,916 | 2,227,077 | 2,306,847 |
| Total Risk Weighted Amount for Market Risk | 9,663,179 | 5,591,325 | 17,816,608 | 18,454,779 |

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 | 70,188,247 | 66,952,724 | 88,456,722 | 75,199,231 | 92,088,862 | 88,582,528 | 107,354,994 | 96,008,795 |
| Capital Charge for Operational Risk (LKR'000) 15% | 10,528,237 | 10,042,909 | 13,268,508 | 11,279,885 | 13,813,329 | 13,287,379 | 16,103,249 | 14,401,319 |
| Risk Weighted Amount for Operational Risk (LKR'000) 8.0 | 84,225,896 | 80,343,269 | 106,148,066 | 90,239,077 | 110,506,634 | 106,299,034 | 128,825,993 | 115,210,554 |

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 | 2,462,670,580 | 2,463,582,540 | 2,428,473,144 | 31,192,613 | 3,916,783 |
| Cash and Cash Equivalents | 78,592,999 | 78,595,412 | 78,595,412 | - | - |
| Balances with Central Bank of Sri Lanka | 17,265,021 | 17,265,021 | 17,265,021 | - | - |
| Placements with Banks | 3,352,277 | 3,352,533 | 3,352,533 | - | - |
| Derivative Financial Instruments | 404,138 | 404,138 | 404,138 | - | - |
| Financial Assets - At Fair Value through Profit or Loss | 30,196,518 | 30,196,518 | - | 30,196,518 | - |
| Financial Assets - At Amortised Cost | | | | | |
| Loans and Receivables to Banks | 10,311,582 | 10,366,303 | 10,366,303 | - | - |
| Loans and Receivables to Other Customers | 1,802,883,078 | 1,803,524,711 | 1,803,524,711 | - | - |
| Debt instruments measured at amortised cost | 435,249,766 | 435,194,732 | 435,194,732 | - | - |
| Financial Assets - At Fair Value through Other Comprehensive Income [OCI] | | | | | |
| Equity instruments at fair value through OCI | 1,908,105 | 1,889,317 | - | 996,095 | 893,222 |
| Debt instruments at fair value through OCI | 9,060,150 | 9,067,086 | 9,067,086 | - | - |
| Investments in Subsidiaries | 1,937,881 | 1,937,881 | 915,194 | - | 1,022,687 |
| Investments in Associates | - | - | - | - | - |
| Goodwill and Intangible Assets | 712,547 | 712,547 | - | - | 712,547 |
| Property, Plant and Equipment | 37,293,096 | 37,393,110 | 37,393,110 | - | - |
| Investment Properties | 1,260,486 | 1,260,486 | 1,260,486 | - | - |
| Net Deferred Tax Assets | 1,541,307 | 1,288,327 | - | - | 1,288,327 |
| Other Assets | 30,701,629 | 31,134,418 | 31,134,418 | - | - |
| Liabilities | 2,350,507,738 | 2,351,359,619 | - | - | - |
| Due to Banks | 150,597,758 | 150,597,758 | - | - | - |
| Derivative Financial Instruments | 474,071 | 474,071 | - | - | - |
| Due to Other Customers | 2,069,115,469 | 2,069,116,694 | - | - | - |
| Other Borrowings | 35,261,494 | 35,261,494 | - | - | - |
| Current Tax Liabilities | 6,836,365 | 6,946,573 | - | - | - |
| Net Deferred Tax Liabilities | - | - | - | - | - |
| Other Liabilities | 39,520,310 | 40,260,758 | - | - | - |
| Subordinated Term Debts | 48,702,271 | 48,702,271 | - | - | - |
| Shareholders' Equity | 112,162,842 | 112,222,921 | - | - | - |
| Stated Capital/Assigned Capital | 12,201,998 | 12,201,998 | - | - | - |
| Statutory Reserve Fund | 8,024,521 | 8,024,521 | - | - | - |
| Other Reserves | 32,830,262 | 32,811,230 | - | - | - |
| Retained Earnings | 59,106,061 | 59,185,172 | - | - | - |
| Total Equity and Liabilities | 2,462,670,580 | 2,463,582,540 | - | - | - |
| Off-Balance Sheet Liabilities | 449,434,751 | 449,434,751 | 449,434,751 | - | - |
| Acceptance | 108,033,174 | 108,033,174 | 108,033,174 | - | - |
| Guarantees | 63,206,723 | 63,206,723 | 63,206,723 | - | - |
| Letter of Credit | 78,662,947 | 78,662,947 | 78,662,947 | - | - |
| Other Contingent Items | 79,346,917 | 79,346,917 | 79,346,917 | - | - |
| Undrawn Loan Commitments | 120,834,447 | 120,834,447 | 120,834,447 | - | - |
| (-) Allowance for ECL/impairment losses | (649,457) | (649,457) | (649,457) | - | - |