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 30.06.2018 (Unaudited)	**As at 31.12.2017 (Audited)**	**As at 30.06.2018 (Unaudited)**	**As at 31.12.2017 (Audited)**
Regulatory Capital				
Common Equity Tier 1 Capital [Rs. 000]	68,032,655	62,084,793	91,596,989	85,077,314
Tier 1 Capital [Rs. 000]	68,032,655	62,084,793	91,596,989	85,077,314
Total Capital	92,015,751	77,554,147	116,204,923	101,485,804
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Ratio (Min7.375 % w.e.f. 01/01/2018)	10.4	10.8	11.0	11.5
Tier 1 Capital Ratio (Min 8.875%)	10.4	10.8	11.0	11.5
Total Capital Ratio (12.875%)	14.1	13.5	14.0	13.7
Leverage Ratio (Min 3% w.e.f. 01/01/2018)				
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking Unit Rs.'000	331,318,759	298,497,361		
Off- Shore Banking Unit US$ ('000)	383,557	242,692		
Statutory Liquid Assets, Ratio %				
(Minimum Requirement, 20%)				
Domestic Banking Unit , %	24.9	24.1		
Off- Shore Banking Unit , %	41.6	32.4		
Liquidity Coverage Ratio (%) (Minimum Requirement, 2018- 90%,2017-,80%)				
Liquidity Coverage Ratio - Rupee	121.3	104.0		
Liquidity Coverage Ratio - All Currency	101.3	95.1		

BASEL III COMPUTATION OF CAPITAL RATIOS

ITEM	BANK 30.06.2018	BANK 31.12.2017	GROUP 30.06.2018	GROUP 31.12.2017
Common Equity Tier 1 (CET1) Capital after Adjustments	**68,032,655**	**62,084,793**	**91,596,989**	**85,077,315**
Total Common Equity Tier 1 (CET1) Capital	70,832,682	63,359,558	92,423,909	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	57,988,733	52,236,152
Accumilated 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Unpublished Current Year's Profits/(Losses) (+/-)	-	-	-	-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	-	-	5,305,139	4,476,098
Total Adjustments to CET 1 Capital	**2,800,027**	**1,274,765**	**826,920**	**679,661**
Goodwill	-	-	-	-
Other intangible assets	369,955	225,058	826,920	679,661
Defined benefit pension fund assets	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)	794,841	1,049,707	-	-
Shortfall of Capital in Financial Subsidaries	-	-	-	-
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	**23,983,096**	**15,469,355**	**24,607,934**	**16,408,487**
Total Tier 2 Capital	**23,983,096**	**15,469,355**	**24,607,934**	**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	7,205,703	6,191,962	7,830,541	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**	**92,423,909**	**85,756,976**
Total Tier 1 Capital	**68,032,655**	**62,084,793**	**91,596,989**	**85,077,315**
Total Capital	**92,015,751**	**77,554,148**	**116,204,923**	**101,485,802**

ITEM	BANK 30.06.2018	BANK 31.12.2017	GROUP 30.06.2018	GROUP 31.12.2017
Total Risk-weighted Amount	**653,469,394**	**574,005,436**	**830,967,447**	**740,159,181**
Risk-weighted amount for Credit risk	576,456,247	495,356,958	735,962,705	642,727,843
Risk-weighted amount for Market risk	6,787,715	5,252,085	7,478,350	6,208,013
Risk-weighted amount for Operational risk	70,225,432	73,396,393	87,526,392	91,223,325
Common Equity Tier 1 Capital	68,032,655	62,084,793	91,596,989	85,077,315
Total Tier 1 Capital	68,032,655	62,084,793	91,596,989	85,077,315
Total Capital	92,015,751	77,554,148	116,204,923	101,485,802
Common Equity Tier 1 Capital Ratio (including Capital Conservation Buffer,Countercyclical Capital Buffer, & Surcharge on D-SIBS (%)	**10.41%**	**10.82%**	**11.02%**	**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	**10.41%**	**10.82%**	**11.02%**	**11.49%**
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical capital Buffer,& Surcharge on D-SIBS (%)	**14.08%**	**13.51%**	**13.98%**	**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 REQUIRMENT

Computation of Liquidity Coverage Ratio - All Currency

	As at 30th June 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)	**323,532,020**	**329,898,168**	**209,576,585**	**210,556,463**
Total Adjusted Level 1A Assets	322,255,857	322,255,857	205,608,413	205,608,414
Level 1 Assets	329,085,101	329,085,101	207,515,715	207,515,715
Total Adjusted Level 2A Assets	499,960	424,966	3,019,035	2,566,180
Level 2A Assets	499,960	424,966	3,019,035	2,566,180
Total Adjusted Level 2B Assets	776,203	388,101	949,137	474,568
Level 2B Assets	776,203	388,101	949,137	474,568
Total Cash Outflows	**1,726,949,745**	**373,151,269**	**1,542,394,880**	**336,276,533**
Deposits	928,679,493	92,867,949	867,812,307	86,781,231
Unsecured Wholesale Funding	465,926,318	230,635,172	388,276,563	204,161,629
Secured Funding Transactions	14,590,344	-	17,998,855	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	299,027,046	30,921,604	247,268,129	24,294,647
Additional requirements	18,726,544	18,726,544	21,039,026	21,039,026
Total Cash Inflows	**152,470,173**	**47,601,896**	**186,923,677**	**114,816,052**
Maturing Secured Lending Transactions Backed by Collateral	83,376,849	9,601,014	47,175,521	8,833,348
Committed Facilities	-	-	-	-
Other Infolws by Counterparty which are Maturing within 30 Days	66,128,364	36,564,612	120,686,939	92,323,766
Operational deposits	1,341,001	-	4,568,707	-
Other Cash Inflows	1,623,959	1,436,270	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		**101.34**		**95.08**

BASEL III DISCLOSURE REQUIRMENT

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	30 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	5,000,000,000	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	13.50%	13%	13%
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

BANK

30.06.2018

		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		
20.3.1.0.0.0	Total Risk-weighted amount for Credit Risk	1,554,162,711	363,499,314	1,917,662,026	1,270,214,029	83,326,896	1,353,540,925	576,456,247	43%
20.3.1.1.0.0	Claims on Central Government and Central Bank of Sri Lanka	671,013,449	143,742,348	814,755,797	415,610,119	23,917,824	439,527,943	41,129,014	9%
20.3.1.2.0.0	Claims on Foreign sovereigns and their Central Banks	-	-	-	-	-	-	-	-
20.3.1.3.0.0	Claims on Public Sector Entities (PSEs)	64,766,848	49,408,038	114,174,886	64,766,848	5,804,320	70,571,168	20,780,705	29%
20.3.1.4.0.0	Claims on BIS,IMF and Multilateral Development Banks(MDBs)	-	-	-	-	-	-	-	-
20.3.1.5.0.0	Claims on Banks Exposures	8,480,080	-	8,480,080	8,480,080	-	8,480,080	2,225,046	26%
20.3.1.6.0.0	Claims on Financial Institutions	13,076,807	-	13,076,807	13,076,807	-	13,076,807	4,838,202	37%
20.3.1.7.0.0	Claims on Corporates	144,368,186	138,112,536	282,480,723	144,250,150	47,157,474	191,407,624	176,878,422	92%
20.3.1.8.0.0	Retail claims	325,758,797	32,236,393	357,995,190	302,204,932	6,447,279	308,652,211	235,245,730	76%
20.3.1.8.3.0	Claims Secured by Gold	141,797,289	-	141,797,289	141,797,289	-	141,797,289	321,622	-
20.3.1.9.0.0	Claims Secured by Residential Property	78,144,747	-	78,144,747	78,144,747	-	78,144,747	39,072,373	50%
20.3.1.10.0.0	Claims Secured by Commercial real Estate	-	-	-	-	-	-	-	-
20.3.1.11.0.0	Non Performing Assets (NPAs)	10,102,735	-	10,102,735	10,102,735	-	10,102,735	13,461,089	133%
20.3.1.13.0.0	Higher-risk Categories	688,275	-	688,275	688,275	-	688,275	1,720,687	250%
20.3.1.14.0.0	Cash Items, other assets	50,383,764	-	50,383,764	50,383,764	-	50,383,764	75,076	-
20.3.1.14.2.0	Other Assets	45,581,733	-	45,581,733	40,708,282	-	40,708,282	40,708,282	100%

CREDIT RISK UNDER STANDARDISED APPROACH

Credit Risk Exposures and Credit Risk Mitigation(CRM) Effects

GROUP

30.06.2018

		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		
20.3.1.0.0.0	Total Risk-weighted amount for Credit Risk	1,719,729,350	363,499,315	2,083,228,665	1,435,261,562	83,326,896	1,518,588,459	735,962,705	48%
20.3.1.1.0.0	Claims on Central Government and Central Bank of Sri Lanka	679,383,871	143,742,348	823,126,219	423,461,435	23,917,824	447,379,259	41,129,014	9%
20.3.1.2.0.0	Claims on Foreign sovereigns and their Central Banks	-	-	-	-	-	-	-	-
20.3.1.3.0.0	Claims on Public Sector Entities (PSEs)	64,766,848	49,408,038	114,174,886	64,766,848	5,804,320	70,571,168	20,780,705	29%
20.3.1.4.0.0	Claims on BIS,IMF and Multilateral Development Banks(MDBs)	-	-	-	-	-	-	-	-
20.3.1.5.0.0	Claims on Banks Exposures	8,594,339	-	8,594,339	8,594,339	-	8,594,339	2,290,475	27%
20.3.1.6.0.0	Claims on Financial Institutions	10,541,094	-	10,541,094	10,541,094	-	10,541,094	4,971,999	47%
20.3.1.7.0.0	Claims on Corporates	144,368,186	138,112,536	282,480,722	144,250,150	47,157,474	191,407,624	176,878,422	92%
20.3.1.8.0.0	Retail claims	475,206,932	32,236,393	507,443,325	451,653,068	6,447,279	458,100,346	384,693,866	84%
20.3.1.8.3.0	Claims Secured by Gold	141,797,289	-	141,797,289	141,797,289	-	141,797,289	321,622	-
20.3.1.9.0.0	Claims Secured by Residential Property	78,144,747	-	78,144,747	78,144,747	-	78,144,747	39,072,373	50%
20.3.1.10.0.0	Claims Secured by Commercial real Estate	-	-	-	-	-	-	-	-
20.3.1.11.0.0	Non Performing Assets (NPAs)	10,102,735	-	10,102,735	10,102,735	-	10,102,735	13,461,089	133%
20.3.1.13.0.0	Higher-risk Categories	915,970	-	915,970	915,970	-	915,970	2,289,925	250%
20.3.1.14.0.0	Cash Items, other assets	105,907,338	-	105,907,338	101,033,887	-	101,033,887	50,073,217	50%

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	**609,922**	**248,106**	**609,922**	**248,106**
General Interest Risk				
i) Net long or short position	**447,014**	**248,106**	**447,014**	**248,106**
ii) Horizontal disallowance				
iii) Vertical disallowance				
iv) Options				
Specific Interest Rate Risk	**162,908**	-	**162,908**	-
(b) RWA for Equity	**220,630**	**238,341**	**309,550**	**350,662**
General Equity risk	112,104	121,975	161,519	183,072
Specific Equity risk	108,526	116,366	148,030	167,590
© RWA for foreign Exchange & Gold	**43,366**	**130,673**	**43,366**	**130,673**
Total Capital Charge for Market Risk	**873,918**	**617,120**	**962,838**	**729,441**
Total Risk Weighted Amount for Market Risk	**6,787,715**	**5,252,085**	**7,478,350**	**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		53,315,579	59,660,434	67,854,476	60,276,830	66,979,062	73,266,183	85,135,216	75,126,820
Capital Charges for Operational Risk (LKR'000) The Basic Indicator Approach	15%	7,997,337	8,949,065	10,178,171	9,041,524	10,046,859	10,989,927	12,770,282	11,269,023
Risk Weighted Amount for Operational Risk (LKR'000) The Basic Indicator Approach	7.8	62,115,238	69,507,302	79,053,758	70,225,433	78,033,859	85,358,660	99,186,659	87,526,393

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

	Carring value as repoted 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	**1,632,971,354**	**1,631,206,229**	**1,551,484,788**	**77,868,366**	**1,853,075**
Cash and Cash Equivalents	56,415,306	56,415,306	56,415,306	-	-
Balances with Central Bank of Sri Lanka	74,413,476	74,413,476	74,413,476	-	-
Placements with Banks	3,784,399	3,784,399	3,784,399	-	-
Derivative Financial Instruments	225,133	225,133	225,133		-
Other Financial Assets Held-for-Trading	77,868,356	77,868,366	-	77,868,366	-
Loans and Receivables to Banks	86,068,313	86,068,313	86,068,313	-	-
Loans and Receivables to Other Customers	1,119,457,916	1,128,928,842	1,128,928,842	-	-
Financial Investments - Available-for-Sale	5,406,597	5,050,525	4,888,225	-	162,300
Financial Investments - Held-to-Maturity	153,933,683	153,933,683	153,933,683	-	-
Non Current Assets Held For Sale	-	-	-	-	-
Investments in Subsidiaries	1,325,766	1,325,766	4,950	-	1,320,816
Goodwill and Intangible Assets	369,955	369,959	-	-	369,959
Property, Plant and Equipment	25,815,920	25,815,920	25,815,920	-	-
Investment Properties	1,265,612	1,265,613	1,265,613	-	-
Prepaid Leases	472,607	472,609	472,609	-	-
Other Assets	26,148,315	15,268,319	15,268,319	-	-
Liabilities	**1,547,862,561**	**1,543,385,560**	-	-	-
Due to Banks	100,204,597	100,204,597	-	-	-
Derivative Financial Instruments	53,579	53,579	-	-	-
Due to Other Customers	1,383,594,271	1,383,877,142	-	-	-
Other Borrowings	21,402,403	21,402,403	-	-	-
Current Tax Liabilities	6,350,367	6,350,367	-	-	-
Net Deferred Tax Liabilities	3,367,202	4,350,037	-	-	-
Other Liabilities	20,358,414	14,647,434	-	-	-
Subordinated Term Debts	12,531,728	12,500,000	-	-	-
Shareholders' Equity	**85,108,793**	**87,820,669**	-	-	-
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	-	-
Statutory Reserve Fund	5,814,744	5,814,744	-	-	-
Other Reserves	25,259,971	24,827,157	-	-	-
Retained Earnings	41,832,080	44,976,770	-	-	-
Total Shareholders' Equity	**1,632,971,354**	**1,631,206,229**	-	-	-
Off-Balance Sheet Liabilities	**370,044,002**		**368,571,387**	-	-
Acceptance	67,948,843		67,948,843	-	-
Gurantees	71,575,377		71,575,377	-	-
Letter of Credit	106,273,282		106,273,282	-	-
Other Contingent Items	44,924,304		44,924,304	-	-
Undrawn Loan Commitments	77,849,581		77,849,581	-	-
Other Commitments	1,472,615		-	-	-