



**PEOPLE'S  
BANK**

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**BASEL III - DISCLOSURES UNDER PILLAR 3  
AS PER THE BANKING ACT  
DIRECTIONS NO.01 OF 2016  
AS AT SEPTEMBER 30<sup>TH</sup> 2019**

**TEMPLATE 1 : KEY REGULATORY RATIOS CAPITAL & LIQUIDITY**

	BANK		GROUP	
	As at 30.09.2019 (Unaudited)	As at 31.12.2018 (Audited)	As at 30.09.2019 (Unaudited)	As at 31.12.2018 (Audited)
<b>Regulatory Capital</b>				
Common Equity Tier 1 Capital [Rs. 000]	82,246,144	74,623,023	109,079,246	101,088,945
Tier 1 Capital [Rs. 000]	82,246,144	74,623,023	109,079,246	101,088,945
Total Capital	102,887,934	97,987,548	130,649,230	125,548,973
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Ratio (Min. requirement - 2019-8.5%-2018-7.375%,)	11.71	11.02	12.22	11.66
Tier 1 Capital Ratio (Min. requirement - 2019-10.0%-2018-8.875%,)	11.71	11.02	12.22	11.66
Total Capital Ratio (Min. requirement - 2019-14.0%-2018-12.875%,)	14.65	14.47	14.63	14.48
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets				
Domestic Banking Unit Rs.'000	426,840,312	337,865,692	NA	NA
Off- Shore Banking Unit US\$ ('000)	504,529	303,616	NA	NA
<b>Statutory Liquid Assets, Ratio %</b> (Minimum Requirement, 20%)				
Domestic Banking Unit , %	28.39	23.01	NA	NA
Off- Shore Banking Unit , %	44.60	30.36	NA	NA
<b>Liquidity Coverage Ratio (%) (Minimum Requirement, 2019-100%,2018-,90%)</b>				
Liquidity Coverage Ratio - Rupee	161.98	144.90	NA	NA
Liquidity Coverage Ratio - All Currency	121.99	100.42	NA	NA

**TEMPLATE 2 : KEY REGULATORY RATIOS CAPITAL & LIQUIDITY**

	BANK		GROUP	
	As at 30.09.2019 (Unaudited)	As at 31.12.2018 (Audited)	As at 30.09.2019 (Unaudited)	As at 31.12.2018 (Audited)
<b>Common Equity Tier 1 (CET I) Capital after adjustments</b>	82,246,144	74,623,023	109,079,246	101,088,945
<b>Common Equity Tier 1 (CET I) Capital</b>	85,811,791	77,449,928	112,889,303	103,911,483
Equity / Assigned Capital	12,201,998	12,201,998	12,201,998	12,201,998
Reserve Fund	6,669,490	6,669,490	6,669,490	6,669,490
Public Retained Earning /(Accumulated Retained Losses)	54,893,389	46,673,577	75,488,288	67,268,477
Unpublished accumulated Other Comprehensive Income (OCI)	220,313	78,262	220,313	78,262
General and other Disclosed Reserves	11,826,601	11,826,601	12,098,979	12,098,979
Unpublished Current Year's Profit / Loss and Gain reflected in OCI	-	-	-	-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	-	-	6,210,235	5,594,277
<b>Total Adjustments to CETI Capital</b>	3,565,647	2,826,905	3,810,057	2,822,538
Goodwill (net)	-	-	-	-
Intangible Assets (Net)	749,274	439,517	1,153,082	869,469
Other ( Investment the in the Capital of Subsidiaries & Other Financial Institution)	863,304	434,319	703,906	-
Defined Benefit Asset	1,953,069	1,953,069	1,953,069	1,953,069
<b>Additional Tier I (AT i) Capital after adjustments</b>	-	-	-	-
<b>Additional Tier I (AT i) Capital</b>	-	-	-	-
Qualifying additional Tier I Capital instruments	-	-	-	-
Instrument issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
<b>Total Adjustments to AT I Capital</b>	-	-	-	-
Investment in own shares	-	-	-	-
Other ( Specify )	-	-	-	-
<b>Tier II Capital after adjustments</b>	<b>20,641,790</b>	<b>23,364,526</b>	<b>21,569,984</b>	<b>24,460,028</b>
<b>Tier II Capital</b>	<b>20,641,790</b>	<b>23,364,526</b>	<b>21,569,984</b>	<b>24,460,028</b>
Qualifying Tier II capital instruments	6,000,000	7,125,000	6,000,000	7,125,000
Revaluation Gains	8,797,256	8,797,393	8,797,256	8,797,393
Loan Loss Provisions	5,844,534	7,442,133	6,772,728	8,537,635
Instrument issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
<b>Total Adjustment to Tier II</b>	-	-	-	-
Investment in own shares	-	-	-	-
Other (specify)	-	-	-	-
<b>CET Capital</b>	<b>82,246,144</b>	<b>74,623,023</b>	<b>109,079,246</b>	<b>101,088,945</b>
<b>Total Tier I Capital</b>	<b>82,246,144</b>	<b>74,623,023</b>	<b>109,079,246</b>	<b>101,088,945</b>
<b>Total Capital</b>	<b>102,887,934</b>	<b>99,940,618</b>	<b>130,649,230</b>	<b>125,548,973</b>
<b>Total Risk Wegtged Assets (RWA)</b>	<b>702,090,111</b>	<b>677,224,419</b>	<b>892,849,688</b>	<b>867,221,246</b>
RWA for Credit Risk ( refer table No 3)	621,239,873	595,370,603	788,550,998	765,873,723
RWA for Operational Risk ( refer table No 5)	73,702,235	74,300,869	96,370,531	93,317,447
RWA for Market Risk ( refer table No 6)	7,148,003	7,552,947	7,928,159	8,030,076
<b>CET I Capital Ratio (including Capital Conservstion Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>11.71</b>	<b>11.02</b>	<b>12.22</b>	<b>11.66</b>
of which: Capital Conservation Buffer (%)	2.50	1.875	2.50	1.875
of which: Countercyclical Buffer (%)	-	-	-	-
of which: Capital surcharge Countercyclical Buffer (%)	1.50	1.00	1.50	1.00
<b>Total Tier I Capital Ratio (%)</b>	<b>11.71</b>	<b>11.02</b>	<b>12.22</b>	<b>11.66</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>14.65</b>	<b>14.47</b>	<b>14.63</b>	<b>14.48</b>
of which: Capital Conservation Buffer (%)	2.50	1.875	2.50	1.875
of which: Countercyclical Buffer (%)	-	-	-	-
of which: Capital surcharge on D-SIBs (%)	1.50	1.00	1.50	1.00

### TEMPLATE 03 : COMPUTATION OF LEVERAGE RATIO

ITEM	BANK		GROUP	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
<b>Tier 1 Capital</b>	<b>82,246,144</b>	<b>74,623,023</b>	<b>109,079,246</b>	<b>101,088,945</b>
<b>Total Exposures</b>	<b>1,896,343,097</b>	<b>1,808,606,489</b>	<b>2,077,457,966</b>	<b>1,985,824,469</b>
On balance Sheet items ( Excluding derivatives and securities financing transactions, but including collateral)	1,790,676,387	1,709,800,708	1,970,403,256	1,886,628,389
Derivative Exposures	615,023	3,135,654	615,023	3,135,654
Securities financing transaction exposures	18,300,000	18,000,000	18,300,000	18,390,299
Other off-balance sheet exposures	86,751,687	77,670,127	88,139,687	77,670,127
<b>Basel III Leverage ratio (%) (Tier 1/ total Exposure)</b>	<b>4.34%</b>	<b>4.13%</b>	<b>5.25%</b>	<b>5.09%</b>
Leverage ratio is prepared based on 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 Sep. 2019		As at 31st December 2018	
	Total Un Weighted Value	Total Weighted Value	Total Un Weighted Value	Total Weighted Value
<b>Total Stock of High-Quality Liquid Assets (HQLA)</b>	<b>412,884,335</b>	<b>412,297,208</b>	<b>303,195,792</b>	<b>303,919,749</b>
<b>Total Adjusted Level 1A Assets</b>	409,890,785	409,890,785	300,973,640	300,973,640
<b>Level 1 Assets</b>	410,800,433	410,800,433	302,283,687	302,283,687
<b>Total Adjusted Level 2A Assets</b>	-	-	1,499,960	1,274,966
<b>Level 2A Assets</b>	-	-	1,499,960	1,274,966
<b>Total Adjusted Level 2B Assets</b>	2,993,550	1,496,775	722,192	361,096
<b>Level 2B Assets</b>	2,993,550	1,496,775	722,192	361,096
<b>Total Cash Outflows</b>	<b>1,874,595,032</b>	<b>396,277,776</b>	<b>1,808,148,158</b>	<b>419,217,632</b>
Deposits	967,098,902	96,709,890	964,258,606	96,425,861
Unsecured Wholesale Funding	543,425,828	263,908,144	501,902,159	252,564,530
Secured Funding Transactions	9,137,467	-	8,221,306	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	344,531,609	25,258,516	286,321,471	22,782,625
Additional requirements	10,401,226	10,401,226	47,444,616	47,444,616
<b>Total Cash Inflows</b>				
Maturing Secured Lending Transactions Backed by Collateral	<b>106,346,424</b>	<b>58,309,845</b>	<b>186,469,947</b>	<b>116,564,250</b>
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	60,749,411	32,616,629	108,719,198	59,789,955
Operational deposits	1,550,233	-	2,853,418	-
Other Cash Inflows	10,401,226	10,401,226	43,672,249	43,672,249
<b>Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/ Total Net Cash Outflows over the Next Calendar Days)* 100</b>		<b>121.99</b>		<b>100.42</b>

## 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
Must be provided for each type of capital instrument separately			
<b>Description of the Capital Instrument</b>			
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	5,000,000,000	5,000,000,000
Accounting Classification (Equity/Liability)	Liability	Liability	Liability
<b>Issuer Call subject to Prior Supervisory Approval</b>			
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
<b>Coupons/Dividends</b>			
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
<b>Convertible or Non-Convertible</b>			
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

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

**BANK**

As at 30.09.2019

	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		
<b>Total Risk-weighted amount for Credit Risk</b>	<b>1,733,599,537</b>	<b>405,134,039</b>	<b>2,138,733,577</b>	<b>1,453,392,984</b>	<b>87,358,416</b>	<b>1,540,751,399</b>	<b>621,239,873</b>	<b>40%</b>
Claims on Central Government and Central Bank of Sri Lanka	809,829,951	30,515,427	840,345,378	566,650,736	-	566,650,736	21,681,277	4%
Claims on Foreign sovereigns and their Central Banks	-	-	-	-	-	-	-	-
Claims on Public Sector Entities (PSEs)	87,086,622	224,597,415	311,684,037	87,086,622	31,686,243	118,772,865	66,927,833	56%
Claims on BIS,IMF and Multilateral Development Banks(MDBs)	-	-	-	-	-	-	-	-
Claims on Banks Exposures	6,502,614	-	6,502,614	6,502,614	-	6,502,614	2,077,448	32%
Claims on Financial Institutions	7,293,534	-	7,293,534	7,293,534	-	7,293,534	4,233,967	58%
Claims on Corporates	107,605,673	125,545,752	233,151,425	107,431,974	50,777,084	158,209,058	144,319,822	91%
Retail claims	372,747,058	24,475,445	397,222,503	348,389,280	4,895,089	353,284,369	281,457,985	80%
Claims Secured by Gold	156,921,744	-	156,921,744	156,921,744	-	156,921,744	11,541	0.01%
Claims Secured by Residential Property	60,546,237	-	60,546,237	60,546,237	-	60,546,237	30,273,118	50%
Claims Secured by Commercial real Estate	-	-	-	-	-	-	-	0.2%
Non Performing Assets (NPAs)	21,086,992	-	21,086,992	21,086,992	-	21,086,992	28,786,000	137%
Higher-risk Categories	831,094	-	831,094	831,094	-	831,094	2,077,736	250%
Cash Items, other assets	51,348,524	-	51,348,524	51,348,524	-	51,348,524	89,514	-
Other Assets	51,799,495	-	51,799,495	39,303,632	-	39,303,632	39,303,632	100%

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

GROUP	As at 30.09.2019							
	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		
<b>Total Risk-weighted amount for Credit Risk</b>	<b>1,910,203,716</b>	<b>412,074,039</b>	<b>2,322,277,756</b>	<b>1,629,997,162</b>	<b>88,746,416</b>	<b>1,718,743,578</b>	<b>788,550,998</b>	<b>46%</b>
Claims on Central Government and Central Bank of Sri Lanka	819,641,002	30,515,427	850,156,429	576,461,787	-	576,461,787	21,681,277	4%
Claims on Foreign sovereigns and their Central Banks	-	-	-	-	-	-	-	-
Claims on Public Sector Entities (PSEs)	87,086,622	224,597,415	311,684,037	87,086,622	31,686,243	118,772,865	66,927,833	56%
Claims on BIS,IMF and Multilateral Development Banks(MDBs)	-	-	-	-	-	-	-	-
Claims on Banks Exposures	8,249,154	-	8,249,154	8,249,154	-	8,249,154	2,434,835	30%
Claims on Financial Institutions	8,829,035	-	8,829,035	8,829,035	-	8,829,035	5,716,347	65%
Claims on Corporates	107,605,673	132,485,752	240,091,425	107,431,974	52,165,084	159,597,058	145,707,822	91%
Retail claims	521,021,657	24,475,445	545,497,103	496,663,880	4,895,089	501,558,969	429,732,584	86%
Claims Secured by Gold	156,921,744	-	156,921,744	156,921,744	-	156,921,744	11,541	0.01%
Claims Secured by Residential Property	60,546,237	-	60,546,237	60,546,237	-	60,546,237	30,273,118	50%
Claims Secured by Commercial real Estate	-	-	-	-	-	-	-	-
Non Performing Assets (NPAs)	26,275,972	-	26,275,972	26,275,972	-	26,275,972	36,569,470	139%
Higher-risk Categories	-	-	-	-	-	-	-	-
Cash Items, other assets	52,124,101	-	52,124,101	52,124,101	-	52,124,101	89,514	0.2%
Other Assets	61,902,520	-	61,902,520	49,406,657	-	49,406,657	49,406,657	100%



**TEMPLATE 9 : MARKET RISK UNDER STANDARDISED MEASUREMENT METHOD**

ITEM	BANK		GROUP	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
<b>(a) RWA for Interest Rate Risk</b>	<b>530,794</b>	<b>534,185</b>	<b>530,794</b>	<b>534,185</b>
<b>General Interest Risk</b>	519,702	371,277	519,702	371,277
i) Net long or short position	519,702	371,277	519,702	371,277
ii) Horizontal disallowance	-	-	-	-
iii) Vertical disallowance	-	-	-	-
iv) Options	-	-	-	-
<b>Specific Interest Rate Risk</b>	11,092	162,908	11,092	162,908
<b>(b) RWA for Equity</b>	<b>435,365</b>	<b>275,707</b>	<b>544,587</b>	<b>337,137</b>
General Equity risk	218,435	138,805	273,283	170,710
Specific Equity risk	216,930	136,902	271,304	166,427
<b>© RWA for foreign Exchange &amp; Gold</b>	<b>34,561</b>	<b>162,551</b>	<b>34,561</b>	<b>162,551</b>
<b>Total Capital Charge for Market Risk</b>	<b>1,000,720</b>	<b>972,443</b>	<b>1,109,942</b>	<b>1,033,873</b>
<b>Total Risk Weighted Amount for Market Risk</b>	<b>7,148,003</b>	<b>7,552,947</b>	<b>7,928,159</b>	<b>8,030,076</b>

**TEMPLATE 10 : OPERATIONAL RISK UNDER BASIC INDICATOR APPROACH**

		<b>BANK</b>				<b>GROUP</b>			
		<b>Gross Income</b>				<b>Gross Income</b>			
		<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>	<b>Average</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>	<b>Average</b>
<b>The Basic Indicator Approach</b>									
<b>Gross Income</b>		60,982,836	70,853,642	74,529,779	68,788,752	75,323,122	93,359,702	101,154,662	89,945,829
<b>Capital Charge for Operational Risk (LKR'000)</b>	15%	9,147,425	10,628,046	11,179,467	10,318,313	11,298,468	14,003,955	15,173,199	13,491,874
<b>Risk Weighted Amount for Operational Risk (LKR'000)</b>	7.1	65,338,753	75,914,616	79,853,335	73,702,235	80,703,345	100,028,252	108,379,995	96,370,531

**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
<b>Assets</b>					
<b>Assets</b>	<b>1,815,220,924</b>	<b>1,812,637,633</b>	<b>1,727,302,941</b>	<b>83,722,116</b>	<b>1,612,578</b>
Cash and Cash Equivalents	52,002,233	52,003,621	52,003,621	-	-
Balances with Central Bank of Sri Lanka	42,297,343	42,297,343	42,297,343	-	-
Placements with Banks	4,437,382	4,438,031	4,438,031	-	-
Derivative Financial Instruments	95,601	95,601	95,601	-	-
Financial Assets - At Fair Value through Profit or Loss	82,749,035	82,749,035	-	82,749,035	-
Financial Assets - At Amortised Cost					
Loans and Receivables to Banks	29,438,045	29,474,309	29,474,309	-	-
Loans and Receivables to Other Customers	1,258,519,018	1,268,500,617	1,268,500,617	-	-
Debt instruments measured at amortised cost	276,688,519	276,688,519	276,688,519	-	-
Financial Assets - At Fair Value through Other Comprehensive Income [ OCI ]					
Equity instruments at fair value through OCI	1,984,090	1,467,015	-	973,081	493,934
Debt instruments at fair value through OCI	2,505,915	2,505,915	2,505,915	-	-
Investments in Subsidiaries	1,205,414	1,205,414	836,044	-	369,370
Goodwill and Intangible Assets	749,274	749,274	-	-	749,274
Property, Plant and Equipment	27,182,082	27,182,082	27,182,082	-	-
Investment Properties	1,263,475	1,263,475	1,263,475	-	-
Prepaid Leases	443,754	443,754	443,754	-	-
Other Assets	33,659,744	21,573,628	21,573,628	-	-
<b>Liabilities</b>	<b>1,715,326,846</b>	<b>1,710,536,413</b>	<b>-</b>	<b>-</b>	<b>-</b>
Due to Banks	170,456,480	170,456,480	-	-	-
Derivative Financial Instruments	116,407	116,407	-	-	-
Due to Other Customers	1,485,810,508	1,486,171,986	-	-	-
Other Borrowings	15,652,106	15,652,106	-	-	-
Current Tax Liabilities	2,862,394	2,862,394	-	-	-
Net Deferred Tax Liabilities	3,905,873	3,598,284	-	-	-
Other Liabilities	23,989,174	19,144,852	-	-	-
Subordinated Term Debts	12,533,904	12,533,904	-	-	-
<b>Shareholders' Equity</b>	<b>99,894,078</b>	<b>102,101,222</b>	<b>-</b>	<b>-</b>	<b>-</b>
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	-	-
Statutory Reserve Fund	6,669,490	6,669,490	-	-	-
Other Reserves	26,473,291	25,657,392	-	-	-
Retained Earnings	54,549,299	57,572,342	-	-	-
<b>Total Equity and Liabilities</b>	<b>1,815,220,924</b>	<b>1,812,637,635</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-Balance Sheet Liabilities</b>	<b>403,510,315</b>	<b>404,509,225</b>	<b>404,509,225</b>	<b>-</b>	<b>-</b>
Acceptance	131,694,335	131,694,335	131,694,335	-	-
Guarantees	80,926,675	80,926,675	80,926,675	-	-
Letter of Credit	97,651,943	97,651,943	97,651,943	-	-
Other Contingent Items	29,711,647	29,711,647	29,711,647	-	-
Undrawn Loan Commitments	64,524,625	64,524,625	64,524,625	-	-
(-) Allowance for ECL/impairment losses	(998,910)	-	-	-	-