



**PEOPLE'S
BANK**

**BASEL III - DISCLOSURES UNDER PILLAR 3
AS PER THE BANKING ACT
DIRECTIONS NO.01 OF 2016
AS AT SEPTEMBER 30TH 2022**

TEMPLATE 1 : KEY REGULATORY RATIOS CAPITAL & LIQUIDITY

| | BANK | | GROUP | |
|--|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | As at 30.09.2022 (Unaudited) | As at 31.12.2021 (Audited) | As at 30.09.2022 (Unaudited) | As at 31.12.2021 (Audited) |
| Regulatory Capital | | | | |
| Common Equity Tier 1 Capital [Rs. 000] | 107,719,088 | 104,747,717 | 141,395,060 | 138,667,285 |
| Tier 1 Capital [Rs. 000] | 112,719,088 | 109,747,717 | 146,395,060 | 143,667,285 |
| Total Capital | 157,210,313 | 155,798,954 | 192,822,752 | 191,833,922 |
| Regulatory Capital Ratios (%) | | | | |
| Common Equity Tier I Capital Ratio (Minimum Requirement -2022-8.00%,2021-7.00%) | 10.72 | 11.99 | 11.96 | 12.95 |
| Total Tier I Capital (Minimum Requirement -2022, 9.50%, 2021- 8.50%) | 11.22 | 12.56 | 12.38 | 13.41 |
| Total Capital (Minimum Requirement - 2022- 13.50%, 2021-12.50%) | 15.64 | 17.83 | 16.31 | 17.91 |
| Regulatory Liquidity | | | | |
| Statutory Liquid Assets | | | | |
| Domestic Banking Unit Rs.'000 | 450,646,227 | 502,575,831 | NA | NA |
| Off- Shore Banking Unit US\$ ('000) | 70,622 | 239,417 | NA | NA |
| Statutory Liquid Assets, Ratio % | | | | |
| (Minimum Requirement, 20%) | | | | |
| Domestic Banking Unit , %* | 18.36 | 23.52 | NA | NA |
| Off- Shore Banking Unit , % | 20.34 | 25.94 | NA | NA |
| Liquidity Coverage Ratio (%) | | | | |
| (Minimum Requirement - 100%) | | | | |
| Liquidity Coverage Ratio - Rupee | 230.18 | 155.83 | NA | NA |
| Liquidity Coverage Ratio - All Currency | 98.22 | 105.71 | NA | NA |

*Subsequently enhanced to 20.23% as of October 31 2022

TEMPLATE 2 : KEY REGULATORY RATIOS CAPITAL & LIQUIDITY

| | BANK | | GROUP | |
|--|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | As at 30.09.2022 (Unaudited) | As at 31.12.2021 (Audited) | As at 30.09.2022 (Unaudited) | As at 31.12.2021 (Audited) |
| Common Equity Tier 1 (CET I) Capital after adjustments | 107,719,088 | 104,747,717 | 141,395,060 | 138,667,285 |
| Common Equity Tier 1 (CET I) Capital | 117,266,431 | 114,565,325 | 148,743,631 | 146,338,443 |
| Equity / Assigned Capital | 12,201,998 | 12,201,998 | 12,201,998 | 12,201,998 |
| Reserve Fund | 9,210,528 | 9,210,528 | 9,210,528 | 9,210,528 |
| Public Retained Earning /(Accumalated Retained Losses) | 81,534,295 | 78,762,283 | 107,527,274 | 104,755,262 |
| Publish accumulated Other Comprehensive Income (OCI) | 178,237 | 249,143 | 210,196 | 210,196 |
| General and other Disclosed Reserves | 14,141,373 | 14,141,373 | 14,141,373 | 14,141,373 |
| 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 | - | - | 5,452,263 | 5,819,087 |
| Total Adjustments to CETI Capital | 9,547,343 | 9,817,608 | 7,348,571 | 7,671,158 |
| Goodwill (net) | - | - | - | - |
| Deffered Tax Asset (Net) | - | - | - | - |
| Intangible Assets (Net) | 1,869,800 | 2,077,544 | 2,005,926 | 2,252,557 |
| Other (Investment the in the Capital of Subsidiaries & Other Financial Institution) | 2,821,324 | 2,883,845 | 486,426 | 562,382 |
| Defined Benefit Asset | 4,856,219 | 4,856,219 | 4,856,219 | 4,856,219 |
| Additional Tier I (AT i) Capital after adjustments | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Additional Tier I (AT i) Capital | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Qualifying additional Tier I Capital instuments | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| 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 (Spcify) | - | - | - | - |
| Tier II Capital after adjustments | 44,491,225 | 46,051,238 | 46,427,692 | 48,166,637 |
| Tier II Capital | 44,491,225 | 46,051,238 | 46,427,692 | 48,166,637 |
| Qualifying Tier II capital instruments | 24,149,800 | 27,069,250 | 24,149,800 | 27,069,250 |
| Revaluation Gains | 9,374,467 | 9,374,467 | 9,374,467 | 9,374,466 |
| Loan Loss Provisions | 10,966,958 | 9,607,521 | 12,903,425 | 11,722,921 |
| 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 | 107,719,088 | 104,747,717 | 141,395,060 | 138,667,285 |
| Total Tier I Capital | 112,719,088 | 109,747,717 | 146,395,060 | 143,667,285 |
| Total Capital | 157,210,313 | 155,798,954 | 192,822,752 | 191,833,922 |
| Total Risk Weghted Assets (RWA) | 1,004,978,750 | 873,669,797 | 1,182,359,729 | 1,071,197,412 |
| RWA for Credit Risk | 877,356,677 | 768,601,693 | 1,032,274,039 | 937,833,649 |
| RWA for Market Risk | 25,757,691 | 9,947,942 | 26,551,048 | 13,920,731 |
| RWA for Operational Risk | 101,864,383 | 95,120,162 | 123,534,641 | 119,443,032 |
| CET I Capital Ratio (including Capital Conservstion Buffer, Countercyclical Capital Buffer & Surcharge on D-SIB) (%) | 10.72 | 11.99 | 11.96 | 12.95 |
| of which: Capital Conservation Buffer (%) | 2.50 | 1.50 | 2.50 | 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 (%) | 11.22 | 12.56 | 12.38 | 13.41 |
| Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%) | 15.64 | 17.83 | 16.31 | 17.91 |
| of which: Capital Conservation Buffer (%) | 2.50 | 1.5 | 2.50 | 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 | |
|---|---------------|---------------|---------------|---------------|
| | 30.09.2022 | 31.12.2021 | 30.09.2022 | 31.12.2021 |
| Tier 1 Capital | 112,719,088 | 109,747,717 | 146,395,060 | 143,667,285 |
| Total Exposures | 3,098,236,097 | 2,772,318,458 | 3,272,110,981 | 2,962,165,320 |
| On balance Sheet items (Excluding derivatives and securities financing transactions, but including collateral) | 2,705,684,982 | 2,434,881,651 | 2,879,559,866 | 2,621,996,953 |
| Derivative Exposures | 25,202,835 | 3,466,934 | 25,202,835 | 3,466,934 |
| Securities financing transaction exposures | 310,173,952 | 249,384,608 | 310,173,952 | 249,384,608 |
| Other off-balance sheet exposures | 57,174,328 | 84,585,865 | 57,174,328 | 87,316,825 |
| Basel III Leverage ratio (%) (Tier 1/Total Exposure) | 3.64% | 3.96% | 4.47% | 4.85% |

TEMPLATE 4 : COMPUTATION OF LIQUIDITY COVERAGE RATIO

| | As at 30th September 2022 | | As at 31st December 2021 | |
|---|-------------------------------|----------------------------|-------------------------------|----------------------------|
| | Total Un Weighted Value | Total Weighted Value | Total Un Weighted Value | Total Weighted Value |
| Total Stock of High-Quality Liquid Assets (HQLA) | 442,041,102 | 438,803,941 | 372,286,684 | 367,540,924 |
| Level 1 Assets | 431,743,678 | 431,743,678 | 362,795,163 | 362,795,163 |
| Level 2A Assets | 5,461,575 | 4,642,339 | - | - |
| Level 2B Assets | 4,835,849 | 2,417,925 | 9,491,521 | 4,745,761 |
| Total Cash Outflows | 2,689,224,616 | 680,796,437 | 2,449,124,055 | 518,681,448 |
| Deposits | 1,638,986,746 | 163,898,675 | 1,465,808,681 | 146,580,868 |
| Unsecured Wholesale Funding | 666,211,503 | 295,404,190 | 632,974,981 | 314,332,823 |
| Secured Funding Transactions | 3,566,195 | - | 17,051,850 | - |
| Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations | 174,860,394 | 15,893,794 | 306,123,236 | 30,602,450 |
| Additional requirements | 205,599,778 | 205,599,778 | 27,165,307 | 27,165,307 |
| Total Cash Inflows | 320,471,326 | 234,051,258 | 198,896,001 | 171,005,309 |
| Maturing Secured Lending Transactions Backed by Collateral Committed Facilities | 14,595,239 | 14,595,239 | 18,124,786 | 18,124,786 |
| Other Inflows by Counterparty which are Maturing within 30 Days | - | - | - | - |
| Other Inflows by Counterparty which are Maturing within 30 Days | 170,929,227 | 94,251,527 | 149,501,619 | 126,208,496 |
| Operational deposits | 9,742,368 | - | 4,597,569 | - |
| Other Cash Inflows | 125,204,492 | 125,204,492 | 26,672,027 | 26,672,027 |
| Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/ Total Net Cash Outflows over the Next Calendar Days)* 100 | | 98.22 | | 105.71 |

TEMPLATE 9 : MARKET RISK UNDER STANDARDISED MEASUREMENT METHOD

| ITEM | BANK | | GROUP | |
|---|-------------------|------------------|-------------------|-------------------|
| | 30.09.2022 | 31.12.2021 | 30.09.2022 | 31.12.2021 |
| (a) RWA for Interest Rate Risk | 749,099 | 748,043 | 749,099 | 748,043 |
| General Interest Risk | 389,276 | 387,643 | 389,276 | 387,643 |
| i) Net long or short position | 389,276 | 387,643 | 389,276 | 387,643 |
| ii) Horizontal disallowance | - | - | - | - |
| iii) Vertical disallowance | - | - | - | - |
| iv) Options | - | - | - | - |
| Specific Interest Rate Risk | 359,823 | 360,400 | 359,823 | 360,400 |
| (b) RWA for Equity | 412,896 | 363,033 | 519,999 | 859,631 |
| General Equity risk | 208,246 | 184,076 | 265,415 | 432,375 |
| Specific Equity risk | 204,649 | 178,957 | 254,584 | 427,256 |
| © RWA for foreign Exchange & Gold | 2,315,294 | 132,417 | 2,315,294 | 132,417 |
| Total Capital Charge for Market Risk | 3,477,288 | 1,243,493 | 3,584,391 | 1,740,091 |
| Total Risk Weighted Amount for Market Risk | 25,757,691 | 9,947,944 | 26,551,048 | 13,920,728 |

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 | 66,950,962 | 89,605,256 | 118,477,615 | 91,677,944 | 86,788,061 | 108,324,187 | 138,431,284 | 111,181,177 | |
| Capital Charge for Operational Risk (LKR'000) | 15% | 10,042,644 | 13,440,788 | 17,771,642 | 13,751,692 | 13,018,209 | 16,248,628 | 20,764,693 | 16,677,177 |
| Risk Weighted Amount for Operational Risk (LKR'000) | 7.4 | 74,389,958 | 99,561,396 | 131,641,794 | 101,864,383 | 96,431,179 | 120,360,208 | 153,812,538 | 123,534,641 |

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 | 3,028,530,371 | 3,025,604,793 | 3,008,759,674 | 7,297,776 | 9,547,343 |
| Cash and Cash Equivalents | 71,456,147 | 71,456,147 | 71,456,147 | - | - |
| Balances with Central Bank of Sri Lanka | 80,170,465 | 80,170,465 | 80,170,465 | - | - |
| Placements with Banks | - | - | - | - | - |
| Derivative Financial Instruments | 14,748,233 | - | - | - | - |
| Financial Assets - At Fair Value through Profit or Loss | 6,044,781 | 6,044,781 | - | 6,044,781 | - |
| Financial Assets - At Amortised Cost | - | - | - | - | - |
| Loans and Receivables to Banks | 7,469,460 | 7,469,460 | 7,469,460 | - | - |
| Loans and Receivables to Other Customers | 1,810,960,996 | 1,810,960,996 | 1,810,960,996 | - | - |
| Debt instruments measured at amortised cost | 913,940,752 | 913,940,752 | 913,940,752 | - | - |
| Financial Assets - At Fair Value through Other Comprehensive Income [OCI] | - | - | - | - | - |
| Equity instruments at fair value through OCI | 1,611,849 | 1,611,849 | - | 1,252,995 | 358,854 |
| Debt instruments at fair value through OCI | 10,425,862 | 10,425,862 | 10,425,862 | - | - |
| Investments in Subsidiaries | 4,280,522 | 4,280,522 | 1,818,052 | - | 2,462,470 |
| Investments in Associates | - | - | - | - | - |
| Goodwill and Intangible Assets | 1,869,800 | 1,869,800 | - | - | 1,869,800 |
| Property, Plant and Equipment | 44,908,996 | 44,908,996 | 44,908,996 | - | - |
| Other Assets | 60,642,508 | 72,465,163 | 67,608,944 | - | 4,856,219 |
| Liabilities | 2,885,365,377 | 2,882,439,799 | - | - | - |
| Due to Banks | 122,765,077 | 122,765,077 | - | - | - |
| Derivative Financial Instruments | 3,257,664 | - | - | - | - |
| Due to Other Customers | 2,286,340,967 | 2,286,340,967 | - | - | - |
| Other Borrowings | 292,897,446 | 292,897,446 | - | - | - |
| Current Tax Liabilities | 7,480,692 | 7,480,692 | - | - | - |
| Net Deferred Tax Liabilities | 3,517,183 | 3,517,183 | - | - | - |
| Other Liabilities | 119,384,660 | 119,716,746 | - | - | - |
| Subordinated Term Debts | 49,721,688 | 49,721,688 | - | - | - |
| Shareholders' Equity | 143,164,994 | 143,164,994 | - | - | - |
| Stated Capital/Assigned Capital | 12,201,998 | 12,201,998 | - | - | - |
| Statutory Reserve Fund | 9,210,528 | 9,210,528 | - | - | - |
| Other Reserves | 35,916,615 | 35,916,615 | - | - | - |
| Retained Earnings | 85,835,853 | 85,835,853 | - | - | - |
| Total Equity and Liabilities | 3,028,530,371 | 3,025,604,793 | - | - | - |
| Off-Balance Sheet Liabilities | 441,064,710 | 441,064,710 | 441,064,710 | - | - |
| Acceptance | 100,428,195 | 100,428,195 | 100,428,195 | - | - |
| Guarantees | 23,177,403 | 23,177,403 | 23,177,403 | - | - |
| Letter of Credit | 79,877,861 | 79,877,861 | 79,877,861 | - | - |
| Other Contingent Items | 177,057,048 | 177,057,048 | 177,057,048 | - | - |
| Undrawn Loan Commitments | 61,717,753 | 61,717,753 | 61,717,753 | - | - |
| (-) Allowance for ECL/impairment losses | (1,193,550) | (1,193,550) | (1,193,550) | - | - |