

**BASEL III –
DISCLOSURE UNDER PILLAR 3
AS PER THE BANKING
ACT DIRECTIONS NO. 01 OF 2016
AS AT 31 DECEMBER 2024**



Pride of the Nation

BASEL III – MARKET DISCIPLINE DISCLOSURE REQUIREMENT UNDER PILLAR III

Capital Adequacy

Capital adequacy is one of the key financial indicators which illustrate the soundness and the stability of a bank. This measures Bank's ability to withstand in an unexpected loss scenarios during various activities carried out by the Bank.

Basle committee on Bank supervision (BCBS) has implemented set of stringent measures of capital, liquidity and funding reforms. Accordingly BASLE III accord was issued in December 2010 and it has come into force and effect in Sri Lanka on 1 July 2017 based on the Central bank direction 01 of 2016 on capital requirement under BASLE III for licensed commercial banks. This replaces Basel II reforms which were in force and effect in Sri Lanka since 1 January 2008 onwards.

Commencing from 1 July 2017, with the amendment thereto under Direction No. 11 of 2019 on Domestically Systemically Important Banks (D-SIBS) dated 20 December 2019; Bank has to maintain the Capital in 3 Tiers as mentioned below

Accordingly minimum capital requirement of the Bank are as follows.

Minimum Requirement	%
Common Equity Tier I Capital Ratio (CETI)	8.00
Total Tier I Capital Ratio (CET I+ AT I)	9.50
Total Capital Ratio	13.50

Common Equity Tier I (CET I) is mainly comprised of equity capital, other capital and retained earnings. CET I is the highest quality capital and effective capital in absorbing losses.

Additional Tier I (AT 1) capital includes capital instruments other than the instruments included in CET I capital.

Total capital comprised Tier I plus other qualifying capital instruments (i.e. such as subordinated debentures subject to regulatory deductions, revaluation reserves on property plant and equipment with a cap of up to 50% and general loan loss provision)

BASLE III has introduced new capital buffers and all banks are required to hold additional capital buffers over and above the minimum CET I and Total Capital Adequacy levels stipulated above.

- Capital Conservation Buffer
- High Loss Absorbency (HLA) requirement on Domestically Significant Banks (D-SIBs)
- Counter Cyclical Buffer

Three Pillars introduced by BASLE II is continued to be applied in the BASLE III framework is mentioned below.

- **Pillar I** – Minimum capital requirements
- **Pillar II** – Supervisory Review Process
- **Pillar III** – Market Discipline

Pillar I – Minimum Capital Requirement

Minimum Capital Requirement shall maintain as a percentage of Risk Weighted Assets (RWAs) and bank calculated its RWAs based on following approaches.

- The Standardised Approach for Credit Risk
- The Standardised Measurement Method for Market Risk
- The Basic Indicator Approach for Operational Risk

Pillar II – Supervisory Review Process (SRP)

SRP framework assesses the Bank's capital adequacy and determining whether Bank is maintaining additional capital to cover its risks. Bank has developed an Internal Capital Adequacy Assessment Process (ICAAP) framework in this regard, which closely indicates risks and capital assessment processes to support the Bank's current and projected demand for capital under unexpected and stressed conditions.

Pillar III – Market Discipline

Pillar III aims to provide consistent and comprehensive disclosure framework which enhances the comparability between banks. It requires number of disclosure requirements to give better understanding of capital adequacy to external shareholders by providing an insight into the internal computation procedures followed by the Bank.

Accordingly disclosures required to be published as per the Central Bank Direction No. 01 of 2016 are set out below.

Template 1: Key regulatory ratio – Capital and Liquidity

	Bank		Group	
	As at 31 December 2024 LKR '000	As at 31 December 2023 LKR '000	As at 31 December 2024 LKR '000	As at 31 December 2023 LKR '000
Regulatory Capital				
Common Equity Tier 1 Capital	117,433,508	122,360,337	155,947,874	156,650,481
Total Tier 1 Capital	122,433,508	127,360,337	160,947,874	161,650,481
Total Capital	186,055,559	178,793,109	226,208,990	214,717,978
Regulatory Capital Ratio				
Common Equity Tier 1 Capital Ratio (Minimum Requirement – 2022 – 8.00%, 2021 – 7.00%)	10.43	11.88	12.18	13.30
Total Tier 1 Capital (Minimum Requirement – 2022, 9.50%, 2021 – 8.50%)	10.88	12.37	12.57	13.72
Total Capital (Minimum Requirement – 2022 – 13.50%, 2021 – 12.50%)	16.53	17.37	17.67	18.23
Regulatory Liquidity				
Statutory Liquid Assets – Bank				
Domestic Banking Unit (Rs. '000)	N/A	1,030,521,078	NA	NA
Off – Shore Banking Unit (USD '000)	N/A	77,677	NA	NA
Statutory Liquid Assets – (Minimum Requirement 20%)				
Domestic Banking Unit (%)	N/A	37.41	NA	NA
Off – Shore Banking Unit (%)	N/A	38.4	NA	NA
Liquidity Coverage Ratio (%) Rupee (Minimum Requirement 2022 – 90%, 2021 – 100%)	354.00	257.00	NA	NA
Liquidity Coverage Ratio (%) All currency (Minimum Requirement 2022 – 90%, 2021 – 100%)	279.52	207.91	NA	NA

Template 2: key regulatory ratio – Capital and Liquidity

	Bank		Group	
	As at 31 December 2024 LKR '000	As at 31 December 2023 LKR '000	As at 31 December 2024 LKR '000	As at 31 December 2023 LKR '000
Common Equity Tier 1 (CET I) Capital after adjustments	117,433,508	122,360,337	155,947,874	156,650,481
Common Equity Tier 1 (CET I) Capital	127,341,526	132,299,216	162,057,327	163,735,110
Equity/assigned capital	12,201,998	12,201,998	12,201,998	12,201,998
Reserve Fund	11,828,689	10,574,271	11,828,689	10,574,271
Public Retained Earning/ (Accumulated retained losses)	88,985,599	95,161,263	118,455,452	122,239,676
Publish accumulated other comprehensive income (OCI)	183,867	220,311	177,563	200,158
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	-	-	5,252,252	4,377,635
Total Adjustments to CETI Capital	9,908,018	9,938,879	6,109,453	7,084,629
Goodwill (net)	-	-	-	-
Deferred Tax Asset (Net)	-	-	-	-
Intangible Assets (Net)	2,586,674	1,763,287	2,760,809	1,930,788
Other (Investment in the Capital of Subsidiaries and Other Financial Institution)	3,972,700	3,021,751	-	-
Defined Benefit Asset	3,348,644	5,153,841	3,348,644	5,153,841
Additional Tier 1 (AT I) Capital after adjustments	5,000,000	5,000,000	5,000,000	5,000,000
Additional Tier 1 (AT I) Capital	5,000,000	5,000,000	5,000,000	5,000,000
Qualifying additional Tier 1 Capital instruments	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 (Specify)	-	-	-	-
Tier 2 Capital after adjustments	63,622,052	51,432,771	65,261,116	53,067,497
Tier 2 Capital	63,622,052	51,432,771	65,261,116	53,067,497
Qualifying Tier 2 capital instruments	36,352,750	29,112,200	36,352,750	29,112,200
Revaluation Gains	14,981,528	11,049,988	14,981,528	11,232,440
Loan Loss Provisions	12,287,774	11,270,584	13,926,838	12,722,857
Instrument issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties				

Basel III – Market discipline disclosure requirement under pillar III

	Bank		Group	
	As at 31 December 2024 LKR '000	As at 31 December 2023 LKR '000	As at 31 December 2024 LKR '000	As at 31 December 2023 LKR '000
Total Adjustment to Tier 2	-	-	-	-
Investment in own shares	-	-	-	-
Other (specify)	-	-	-	-
CET Capital	117,433,508	122,360,337	155,947,874	156,650,481
Total Tier 1 Capital	122,433,508	127,360,337	160,947,874	161,650,481
Total Capital	186,055,559	178,793,109	226,208,990	214,717,978
Total Risk Weighted Assets (RWA)	1,125,156,919	1,029,554,806	1,280,052,360	1,178,028,452
RWA for Credit Risk	983,021,898	901,646,691	1,114,147,040	1,017,828,564
RWA for Market Risk	24,745,126	23,050,845	28,239,784	29,268,677
RWA for Operational Risk	117,389,896	104,857,270	137,665,537	130,931,211
CET I Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer and Surcharge on D-SIB) (%)	10.43	11.88	12.18	13.30
of which: Capital Conservation Buffer (%)	2.50	2.50	2.50	2.50
of which: Countercyclical Buffer (%)	-	-	-	-
of which: Capital surcharge on D-SIBs (%)	1.00	1.00	1.00	1.00
Total Tier 1 Capital Ratio (%)	10.88	12.37	12.57	13.72
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer and Surcharge on D-SIBs) (%)	16.53	17.37	17.67	18.23
of which: Capital Conservation Buffer (%)	2.50	2.50	2.50	2.50
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

	Bank		Group	
	As at 31 December 2024 LKR '000	As at 31 December 2023 LKR '000	As at 31 December 2024 LKR '000	As at 31 December 2023 LKR '000
Tier 1 Capital	122,433,508	127,360,337	160,947,874	161,650,481
Total Exposures	3,353,594,241	3,030,416,129	3,531,299,634	3,203,275,517
On balance Sheet items (Excluding derivatives and securities financing transactions, but including collateral)	3,259,949,793	2,907,877,016	3,428,803,280	3,080,336,189
Derivative Exposures	9,524,081	17,639,936	9,524,081	17,639,936
Securities financing transaction exposures	37,471,372	55,264,285	42,524,712	55,664,500
Other off-balance sheet exposures	56,557,014	49,634,892	56,557,014	49,634,892
Basel III Leverage ratio (%) (Tier 1/total Exposure)	3.65%	4.20%	4.56%	5.05%

Basel III Disclosure Requirement

Template 04: Computation of Liquidity Coverage Ratio

	As at 31 December 2024		As at 31 December 2023	
	Total unweighted value LKR '000	Total weighted value LKR '000	Total unweighted value LKR '000	Total weighted value LKR '000
Total Stock of High-Quality Liquid Assets (HQLA)	1,418,666,041	1,417,850,575	972,884,868	971,952,946
Level 1 Assets	1,417,035,108	1,417,035,108	970,321,023	970,321,023
Level 2A Assets	-	-	1,000,000	850,000
Level 2B Assets	1,630,933	815,467	1,563,845	781,923
Total Cash Outflows	3,135,665,982	667,806,233	2,923,275,102	612,757,881
Deposits	2,042,708,670	204,270,867	1,931,549,144	193,154,914
Unsecured Wholesale Funding	832,413,905	404,072,368	735,508,931	355,722,329
Secured Funding Transactions	38,218,067	-	34,467,102	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	203,892,650	41,030,308	189,786,678	31,917,391
Additional requirements	18,432,690	18,432,690	31,963,247	31,963,247
Total Cash Inflows	262,716,225	160,564,255	180,356,815	145,264,852
Maturing Secured Lending Transactions Backed by Collateral	32,017,334	-	15,474,843	15,474,843
Committed Facilities	12,331,250	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	194,237,363	142,391,436	130,365,609	104,138,655
Operational deposits	5,957,459	-	8,865,009	-
Other Cash Inflows	18,172,819	18,172,819	25,651,354	25,651,354
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next Calendar Days)* 100		279.52		207.91

Template 5: Main Features of Regulatory Capital Instruments

	No 2 Debenture issued in 2009 LKR '000	No 3 Debenture issued in 2011 LKR '000	No 4 Debenture issued in 2013 LKR '000	Type A Debenture issued in 2019 LKR '000	Type B Debenture issued in 2019 LKR '000	Type A Debenture issued in 2020 LKR '000	
Must be provided for each type of capital instrument separately	People's Bank	People's Bank	People's Bank	People's Bank	People's Bank	People's Bank	
Description of the Capital Instrument	2	3	4	A	B	A	
Issuer	30 December 2009	30 December 2011	15 December 2013	8 November 2019	8 November 2019	27 July 2020	
Unique Identifier (e.g. ISIN or Bloomberg Identifier for Private placement)	2,500,000,000	5,000,000,000	5,000,000,000	6,563,000,000	3,437,000,000	12,900,000,000	
Original Date of Issuance	29 December 2022	29 December 2022	29 December 2022	8 November 2024	8 November 2027	27 July 2025	
Par Value of Instrument							
Original Maturity Date, if Applicable	-	-	-	-	2,577,750,000	3,870,000,000	
Amount Recognised in Regulatory Capital (in LKR '000 as at the Reporting date)	Liability	Liability	Liability	Liability	Liability	Liability	
Accounting Classification (Equity/Liability)							
Issuer Call subject to Prior Supervisory Approval							
Optional Call Date, Contingent Call dates and Redemption Amount	N/A	N/A	N/A	N/A	N/A	N/A	
Subsequent Call Dates, if Applicable	N/A	N/A	N/A	N/A	N/A	N/A	
Coupons/Dividends							
Fixed or Floating Dividend/ Coupon	Fixed rate	Fixed rate	Fixed rate	Fixed rate	Fixed rate	Fixed rate	
Coupon rate and any Related Index	13.50%	13.00%	13.00%	12.00%	12.25%	9.50%	
Non-Cumulative or Cumulative	N/A	N/A	N/A	N/A	N/A	N/A	
Convertible or Non-Convertible							
If Convertible, Conversion trigger (s)	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	
If Convertible, Fully or Partially	N/A	N/A	N/A	N/A	N/A	N/A	
If Convertible, Mandatory or Optional	N/A	N/A	N/A	N/A	N/A	N/A	
If Convertible, Conversion rate	N/A	N/A	N/A	N/A	N/A	N/A	

Basel III – Market discipline disclosure requirement under pillar III

Type B Debenture issued in 2020 LKR '000	Additional Tier 1 debenture 1 2021 LKR '000	Additional Tier 1 debenture 1 2021 LKR '000	Type A debenture issued in 2023 LKR '000	Type B debenture issued in 2023 LKR '000	Debenture issued in 2024 LKR '000	Debenture issued in 2024 LKR '000	Debenture issued in 2024 LKR '000
People's Bank	People's Bank	People's Bank	People's Bank	People's Bank	People's Bank	People's Bank	People's Bank
B	1	2	A	B	A	B	C
27 July 2020	29 March 2021	3 August 2021	20 October 2023	20 October 2023	30 August 2024	11 September 2024	19 September 2024
7,100,000,000	3,500,000,000	1,500,000,000	3,000,000,000	7,000,000,000	6,995,000,000	3,520,000,000	3,000,000,000
27 July 2028	N/A	N/A	1 December 2031	1 December 2028	30 August 2029	11 September 2029	19 September 2032
6,390,000,000	3,500,000,000	1,500,000,000	3,000,000,000	7,000,000,000	6,995,000,000	3,520,000,000	3,000,000,000
Liability	Liability	Liability	Liability	Liability	Liability	Liability	Liability
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fixed rate	Fixed rate	Fixed rate	Fixed rate	Fixed rate	Fixed rate	Fixed rate	Fixed rate
10.25%	9.50%	9.50%	16.25%	16.00%	13.50%	13.50%	13.75%
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Basel III – Market Discipline Disclosure Requirement Under Pillar III

Template 6 Summary discussion on the adequacy/meeting current and future capital requirements

Summary discussion on the adequacy/meeting current and future capital requirements

Overview

- In accordance with CBSL stipulations, the Bank carries out an annual Internal Capital Adequacy Assessment Process. The assessment covers a five (5) year time horizon with the last carried out for 2019-2024.

Material exposures

At the end of 2024, close to 28.7% of the Bank's total loan book was composed of exposures to the State and Other State-Owned Enterprises. State exposures mostly backed by sovereign undertaking(s) by way of either a Treasury guarantee/indemnity and/or another form of government assurance.

Leaving aside such sovereign backed exposures, the Bank's single largest exposure to a non-sovereign does not account for over 2.0% of the Bank's total loan book

Initiatives taken to bolster regulatory capital during 2017, 2018, 2019, 2020, 2021, 2022 and 2023

- During 2017 – 2023 the Bank undertook several initiatives to bolster its regulatory capital and meet all requisite Basel III Risk Control measures. From a Capital Adequacy/Solvency perspective, these included amongst other.

2017

- Raise LKR 5.0 Bn. in New Capital from General Treasury, Ministry of Finance on 21 July 2017. This was first so received over the last eight (8) years.
- Reduce its dividend payout, as measured as a function of post tax profit, to 28.6% during 2017 from 54.8% in 2016.
- Revalued all its land and buildings on 1 July 2017. This enabled the Bank recognise close to LKR 3.6 Bn. in Tier 2 capital with requisite regulatory clearance.

- Ensured new facilities extended to State-Owned Enterprises were backed by the sovereign backed and, in case of other forms of government assurances, ensure they are as a general rule routed through the Monetary Board of the Central Bank of Sri Lanka for prior approval.
- Carry-out an interim profit certification for the six months period ended 30 June 2017 in view of ensuring interim regulatory capital pressures are managed in order to support loan book growth.
- Undertake efforts necessary to amend the People's Bank Act to facilitate the issuance of Debentures to enable the Bank conform with Basel rules. This process was once again revived with the assistance of the line of Ministry.
- As a result of all the above, during 2017 – the Bank successfully met all Basel III Risk Control measures without any exception or excuse, be Capital Adequacy Ratio, Liquidity Coverage Ratio, Net Stable Funding and Leverage.

2018

- The Bank endeavoured to further reduce its dividend payout ratio, as measured as a function of dividends over post tax profit, to 20.0% in 2018 from 28.6% in 2017.
- Loan book growth was risk measured during 2018.
- Interim profit certifications were carried out for the six months period ended 30 June 2018 in view of ensuring interim regulatory capital requirements were met.
- The process in relation to the People's Bank Act amendment continued. This was key to long term sustainable loan book growth.
- As a result of all the above, during 2018 – the Bank successfully met all Basel III Risk Control measures without any exception or excuse, be Capital Adequacy Ratio, Liquidity Coverage Ratio, Net Stable Funding and Leverage.

2019

- The Bank further reduced its dividend payout ratio to 18.7% in 2019 from 20.0% in 2018.
- Interim profit certifications were carried during the three months ended 31 March 2019, six months ended 30 June 2019 and the nine months ended 30 September 2019 in view of managing/avoiding interim regulatory capital pressures.

- The People's Bank Act amendments was finalised in September 2019.
- On 8 November 2019 – the Bank issued its first Basel III, Tier 2 compliant debenture for value LKR 10.0 Bn.
- As a result of all the above, during 2019 – the Bank successfully met all Basel III Risk Control measures without any exception or excuse, be Capital Adequacy Ratio, Liquidity Coverage Ratio, Net Stable Funding and Leverage.

2020

- On 1 July 2020 – as originally planned – the Bank revalued all its land and buildings. This resulted in a Tier 2 benefit of close to LKR 2.3 Bn. The next detailed revaluation is set to be carried out on 1 July 2023.
- On 27 July 2020 – the Bank issued LKR 20.0 Bn. in Basel III, Tier 2 debentures which was the single largest issuance for any Bank/Financial Services Provider to date in the country.
- As a result of all the above, during 2020 – the Bank successfully met all Basel III Risk Control measures without any exception or excuse, be Capital Adequacy Ratio, Liquidity Coverage Ratio, Net Stable Funding and Leverage.

2021

- On 29 March 2021 and 03, August 2021 – as originally planned – the Bank issued LKR 3.5 Bn. and LKR 1.5 Bn. Basel III, Additional Tier 1 Compliant debentures.
- The Bank further reduced its dividend payout ratio to 9.2 % in 2021.
- Interim Profit Certifications were carried out for three months ended 31 March 2021, Six months ended 30 June 2021 and nine months ended 30 September 2021 in view of managing regulatory capital pressure.
- As a result of all the above, during 2021 – the Bank successfully met all Basel III Risk Control measures without any exception or excuse, be Capital Adequacy Ratio, Liquidity Coverage Ratio, Net Stable Funding and Leverage.

2022

- The Bank further reduced its dividend payout ratio to 3.9% in 2022.
- Interim Profit Certifications were carried out for Six months ended 30 June 2022 in view of managing regulatory capital pressure.
- As a result of all the above, during 2022 – the Bank successfully met all Basel III Risk Control measures without any exception or excuse, be Capital Adequacy Ratio, Liquidity Coverage Ratio, Net Stable Funding and Leverage.

2023

- During the year the Bank issued LKR 10.0 Bn. Basel III, Additional Tier 2 Compliant debentures.
- The Bank further reduced its dividend payout ratio to 0.18% in 2023.
- As a result of all the above, during 2023 – the Bank successfully met all Basel III Risk Control measures without any exception or excuse, be Capital Adequacy Ratio, Liquidity Coverage Ratio, Net Stable Funding and Leverage.

2024

- During the year the Bank issued LKR 13.515 Bn. Basel III, Additional Tier 2 Compliant debentures.
- The Bank revalued all its land and building. This resulted in Tier 2 benefit of close to LKR 5.61 Bn.
- The Bank did not paid dividend in 2024.
- As a result of all the above, during 2024 – the Bank successfully met all Basel III Risk Control measures without any exception or excuse, be Capital Adequacy Ratio, Liquidity Coverage Ratio, Net Stable Funding and Leverage Ratios.

2025 plan

- The Bank is in a constant and continuous process of undertaking measures reasonably necessary to bolster its regulatory capital levels.
- Following are slated to be undertaken during 2025.
 - Continue to maintain its lower dividend/levy payout policy during the year.
 - Carry-out an interim profit certification in view of avoiding regulatory capital shortfalls.

Template 07: Credit risk under standardised approach

Credit risk exposures and credit risk mitigation effects (Bank)

	Exposures Before CCF and CRM			Exposures Before CCF and CRM			Risk weighted Assets LKR '000	RWA Density %
	Exposures On Balance Sheet LKR '000	Exposures Off Balance Sheet LKR '000	Total LKR '000	Exposures On Balance Sheet LKR '000	Exposures Off Balance Sheet LKR '000	Total LKR '000		
Total Risk-weighted amount for Credit Risk	2,775,906,811	240,342,248	3,016,249,059	2,775,906,811	57,545,216	2,833,452,027	983,021,898	35
Claims on Central Government and Central Bank of Sri Lanka	1,421,157,807	30,000,000	1,451,157,807	1,421,157,807	0	1,421,157,807	36,497,932	3
Claims on Foreign sovereigns and their Central Banks	0	0	0	0	0	0	0	0
Claims on Public Sector Entities (PSEs)	61,205,722	16,243,424	77,449,146	61,205,722	3,548,878	64,754,600	64,609,075	100
Claims on BIS,IMF and Multilateral Development Banks(MDBs)	0	0	0	0	0	0	0	0
Claims on Banks Exposures	65,917,369	0	65,917,369	65,917,369	0	65,917,369	20,019,537	30
Claims on Financial Institutions	10,517,672	0	10,517,672	10,517,672	0	10,517,672	5,825,516	55
Claims on Corporates	109,197,709	124,072,961	233,270,670	109,197,709	40,502,984	149,700,692	144,667,081	97
Retail claims	434,087,010	70,025,863	504,112,873	434,087,010	13,493,354	447,580,364	350,826,762	78
Claims Secured by Gold	310,846,767	0	310,846,767	310,846,767	0	310,846,767	18,934,719	6
Claims Secured by Residential Property	54,778,386	0	54,778,386	54,778,386	0	54,778,386	19,172,435	35
Claims Secured by Commercial real Estate	-	-	0	0	0	0	0	0
Non-Performing Assets (NPAs)	178,312,609	0	178,312,609	178,312,609	0	178,312,609	252,349,553	142
Higher-risk Categories	1,214,062	0	1,214,062	1,214,062	0	1,214,062	3,035,155	250
Cash Items	61,732,570	0	61,732,570	61,732,570	0	61,732,570	145,003	0
Other Assets	66,939,128	0	66,939,128	66,939,128	0	66,939,128	66,939,128	100

Template 07: Credit risk under standardised approach

Credit risk exposures and credit risk mitigation effects (Group)

	Exposures Before CCF and CRM			Exposures Before CCF and CRM			Risk weighted Assets LKR '000	RWA Density %
	Exposures On Balance Sheet LKR '000	Exposures Off Balance Sheet LKR '000	Total LKR '000	Exposures On Balance Sheet LKR '000	Exposures Off Balance Sheet LKR '000	Total LKR '000		
Total Risk-weighted amount for Credit Risk	2,774,692,749	240,342,248	3,015,034,997	2,774,692,749	57,545,216	2,832,237,965	1,114,147,040	39
Claims on Central Government and Central Bank of Sri Lanka	1,421,157,807	30,000,000	1,451,157,807	1,421,157,807	0	1,421,157,807	36,497,932	3
Claims on Foreign sovereigns and their Central Banks	0	0	0	0	0	0	0	0
Claims on Public Sector Entities (PSEs)	61,205,722	16,243,424	77,449,146	61,205,722	3,548,878	64,754,600	64,609,075	100
Claims on BIS,IMF and Multilateral Development Banks(MDBs)	0	0	0	0	0	0	0	0
Claims on Banks Exposures	65,917,369	0	65,917,369	65,917,369	0	65,917,369	22,024,328	33
Claims on Financial Institutions	1,541,225	0	1,541,225	1,541,225	0	1,541,225	1,337,292	87
Claims on Corporates	109,197,709	124,072,961	233,270,670	109,197,709	40,502,984	149,700,692	144,667,081	97
Retail claims	438,603,440	70,025,863	508,629,302	438,603,440	13,493,354	452,096,794	454,882,351	101
Claims Secured by Gold	310,846,767	0	310,846,767	310,846,767	0	310,846,767	18,934,719	6
Claims Secured by Residential Property	54,778,386	0	54,778,386	54,778,386	0	54,778,386	19,172,435	35
Claims Secured by Commercial real Estate	-	-	0	0	0	0	0	0
Non Performing Assets (NPAs)	178,307,788	0	178,307,788	178,307,788	0	178,307,788	267,858,149	150
Higher-risk Categories	0	0	0	0	0	0	0	0
Cash Items	61,732,570	0	61,732,570	61,732,570	0	61,732,570	145,003	0
Other Assets	71,403,967	0	71,403,967	71,403,967	0	71,403,967	84,018,673	118

Basel III Disclosure Requirement

Template 8: Credit Risk under Standardised Approach: Exposures by Asset Classes and Risk Weights – Bank

Description	0%	20%	35%
Claims on Central Government and Central Bank of Sri Lanka	1,238,668,146	182,489,661	
Claims on Foreign Sovereigns and their Central Banks	-	-	
Claims on Public Sector Entities	-	-	
Claims on Banks Exposures	-	49,627,899	
Claims on Financial Institutions		-	
Claims on Corporates	-	5,851,978	
SME Exposures			
Retail Claims	216,173,172	94,673,595	
Claims Secured by Residential Property	-	-	54,778,386
Claims Secured by Commercial Real Estate	-	-	
Non-Performing Assets (NPAs)	-	-	
Higher-risk Categories	-	-	
Cash Items and Other Assets	61,007,554	725,016	
Total	1,515,848,871	333,368,150	54,778,386

Exposures by Asset Classes and Risk Weights – Group

Description	0%	20%	35%
Claims on Central Government and Central Bank of Sri Lanka	-	36,497,932	-
Claims on Foreign Sovereigns and their Central Banks	-	-	-
Claims on Public Sector Entities	-	-	-
Claims on Official Entities and Multilateral Development Banks	-	-	-
Claims on Banks Exposures	-	9,925,580	-
Claims on Financial Institutions	-	-	-
Claims on Corporates	-	1,170,396	-
SME Exposures	-	-	-
Retail Claims	-	18,934,719	-
Claims Secured by Residential Property	-	-	19,172,435
Claims Secured by Commercial Real Estate	-	-	-
Non-Performing Assets (NPAs)	-	-	-
Higher-risk Categories	-	-	-
Cash Items and Other Assets	-	145,003	-
Total	-	66,673,630	19,172,435

Basel III - Market discipline disclosure requirement under pillar III

Amount (LKR '000) as at 31 December 2024 (Post CCF and CRM)							
	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount LKR '000
	-		-	-	-	-	1,421,157,807
	-		-	-	-	-	-
	291,050		-	64,463,550	-	-	64,754,600
	12,483,601		-	3,713,293	92,576	-	65,917,369
	9,384,312			1,133,360	-	-	10,517,672
	704,056		-	143,144,657	-	-	149,700,692
		869,899					869,899
	-		385,622,568	61,087,897	-	-	757,557,232
			-	-	-	-	54,778,386
	-		-	-	-	-	-
	536,442		-	29,165,838	148,610,329	-	178,312,609
	-		-	-	-	1,214,062	1,214,062
	-		-	66,939,128	-	-	128,671,698
	23,399,462	869,899	385,622,568	369,647,724	148,702,905	1,213,767	2,833,452,027

Amount (LKR'000) as at 31 December 2024 (Post CCF and CRM)							
	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount LKR '000
	-	-	-	-	-	-	36,497,932
	-	-	-	-	-	-	-
	145,525	-	-	64,463,550	-	-	64,609,075
	-	-	-	-	-	-	-
	6,241,801	-	-	3,713,293	138,864	-	20,019,537
	4,692,156	-	-	1,133,360	-	-	5,825,516
	352,028	-	-	143,144,657	-	-	144,667,081
	-	521,939	-	-	-	-	521,939
	-	-	289,216,926	61,087,897	-	-	369,239,542
	-	-	-	-	-	-	19,172,435
	-	-	-	-	-	-	-
	268,221	-	-	29,165,838	222,915,494	-	252,349,553
	-	-	-	-	-	3,035,155	3,035,155
	-	-	-	66,939,128	-	-	67,084,131
	11,699,731	521,939	289,216,926	369,647,724	223,054,358	3,034,418	983,021,898

Basel III Disclosure Requirement

Template 8: Credit Risk under Standardised Approach: Exposures by Asset Classes and Risk Weights – Group

Description	0%	20%	35%
Claims on Central Government and Central Bank of Sri Lanka	1,257,290,120	182,489,661	
Claims on Foreign Sovereigns and their Central Banks	-	-	
Claims on Public Sector Entities	-	-	
Claims on Official Entities and Multilateral Development Banks	-	-	
Claims on Banks Exposures	-	49,906,254	
Claims on Financial Institutions	-	-	
Claims on Corporates	-	5,851,978	
SME Exposures			
Retail Claims	216,173,172	94,673,595	
Claims Secured by Residential Property	-	-	54,778,386
Claims Secured by Commercial Real Estate	-	-	
Non-Performing Assets (NPAs)	-	-	
Higher-risk Categories	-	-	
Cash Items and Other Assets	61,711,844	725,016	
Total	1,535,175,135	333,646,505	54,778,386

Description	0%	20%	35%
Claims on Central Government and Central Bank of Sri Lanka	-	36,497,932	-
Claims on Foreign Sovereigns and their Central Banks	-	-	-
Claims on Public Sector Entities	-	-	-
Claims on Official Entities and Multilateral Development Banks	-	-	-
Claims on Banks Exposures	-	9,981,251	-
Claims on Financial Institutions	-	-	-
Claims on Corporates	-	1,170,396	-
SME Exposures	-	-	-
Retail Claims	-	18,934,719	-
Claims Secured by Residential Property	-	-	19,172,435
Claims Secured by Commercial Real Estate	-	-	-
Non-Performing Assets (NPAs)	-	-	-
Higher-risk Categories	-	-	-
Cash Items and Other Assets	-	145,003	-
Total	-	66,729,301	19,172,435

Basel III - Market discipline disclosure requirement under pillar III

Amount (LKR '000) as at 31 December 2024 (Post CCF and CRM)							
	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount LKR '000
	-		-	-	-	-	1,439,779,781
	-		-	-	-	-	-
	291,050		-	64,463,550	-	-	64,754,600
	-		-	-	-	-	-
	12,483,601		-	5,499,975	200,868	-	68,090,698
	407,865			1,133,360	-	-	1,541,225
	704,056		-	143,144,657	-	-	149,700,692
		869,899					869,899
	-		518,341,447	65,604,327	-	-	894,792,541
			-	-	-	-	54,778,386
	-		-	-	-	-	-
	536,442		-	29,165,838	158,949,393	-	188,651,673
	-		-	-	-	-	-
	-		-	84,018,673	-	-	146,455,533
	14,423,014	869,899	518,341,447	393,030,380	159,150,261	-	3,009,415,028

Amount (LKR'000) as at 31 December 2024 (Post CCF and CRM)							
	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount LKR '000
	-	-	-	-	-	-	36,497,932
	-	-	-	-	-	-	-
	145,525	-	-	64,463,550	-	-	64,609,075
	-	-	-	-	-	-	-
	6,241,801	-	-	5,499,975	301,302	-	22,024,328
	203,932	-	-	1,133,360	-	-	1,337,292
	352,028	-	-	143,144,657	-	-	144,667,081
	-	521,939	-	-	-	-	521,939
	-	-	388,756,085	65,604,327	-	-	473,295,131
	-	-	-	-	-	-	19,172,435
	-	-	-	-	-	-	-
	268,221	-	-	29,165,838	238,424,089	-	267,858,149
	-	-	-	-	-	-	-
	-	-	-	84,018,673	-	-	84,163,676
	7,211,507	521,939	388,756,085	393,030,380	238,725,391	-	1,114,147,040

Template 9: Market Risk under Standardised Measurement Method

	Bank		Group	
	As at 31 December 2024 LKR '000	As at 31 December 2023 LKR '000	As at 31 December 2024 LKR '000	As at 31 December 2023 LKR '000
(a) R W A for Interest Rate Risk	2,493,107	1,474,711	2,493,107	1,474,711
General Interest Rate Risk	1,812,995	751,616	1,812,995	751,616
(i) Net Long or short Position	1,812,995	751,616	1,812,995	751,616
(ii) Horizontal Disallowance			-	-
(iii) Vertical Disallowance			-	-
(iv) Options			-	-
Specific Interest Rate Risk	680,112	723,095	680,112	723,095
(b) R W A for Equity	697,450	568,158	1,169,229	1,407,566
(i) General Equity Risk	352,932	286,205	588,821	705,909
(ii) Specific Equity Risk	344,518	281,953	580,408	701,657
© RWA for foreign exchange and gold	150,035	1,068,995	150,035	1,068,995
(d) Capital charge for Market Risk (a)+(b)+©	3,340,592	3,111,864	3,812,371	3,951,272
RWA for Market risk (d) *100/13.5 (2023), *100/13.5 (2022)	24,745,126	23,050,844	28,239,784	29,268,677

Template 10: Operational Risk under Basic Indicator Approach

		Bank				Group			
		Gross Income				Gross Income			
		1 year	2 year	3 year	Average	1 year	2 year	3 year	Average
The basic indicator approach		110,691,908	81,092,272	125,168,538	105,650,906	130,493,754	96,136,211	145,066,984	123,898,983
Capital Charges for Operational Risk (LKR '000)									
The Basic Indicator Approach	15%	16,603,786	12,163,841	18,775,281	15,847,636	19,574,063	14,420,432	21,760,048	18,584,847
Risk Weighted Amount for Operational Risk (LKR '000)									
The Basic Indicator Approach	7.4	122,991,009	90,102,524	139,076,153	117,389,896	144,993,060	106,818,012	161,185,538	137,665,537

Template 11: Differences Between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories – Bank Only

	Carrying value as reported in published financial statements	Carrying value under scope of regulatory reporting	Subject to credit risk framework	Subject to market risk framework	Subject to deduction risk framework
Assets	3,297,799,107	3,297,799,107	2,949,561,208	338,373,557	8,953,152
Cash and Cash Equivalents	71,694,016	71,694,016	71,694,016	-	-
Balances with Central Bank of Sri Lanka	33,798,107	33,798,107	33,798,107	-	-
Placements with Banks	59,831,807	59,831,807	59,831,807	-	-
Derivative Financial Instruments	5,842,194	5,842,194	5,842,194	-	-
Financial Assets – At Fair Value through Profit or Loss	329,810,350	329,810,350	-	329,810,350	-
Financial Assets – At Amortised Cost	-	-	-	-	-
Loans and Receivables to Banks	31,994,539	31,994,539	31,994,539	-	-
Loans and Receivables to Other Customers	1,521,965,020	1,521,965,020	1,521,965,020	-	-
Debt instruments measured at amortised cost	1,123,490,537	1,123,490,537	1,123,490,537	-	-
Financial Assets – At Fair Value through Other Comprehensive Income [OCI]	-	-	-	-	-
Equity instruments at fair value through OCI	2,313,187	2,313,187	-	2,313,187	-
Debt instruments at fair value through OCI	7,110,671.00	7,110,671	860,651	6,250,020	-
Investments in Subsidiaries	5,191,712.00	5,191,712	1,262,684	-	3,017,838
Investments in Associates	0	-	-	-	-
Goodwill and Intangible assets	2,586,671	2,586,671	-	-	2,586,671
Property, plant and equipment	61,079,218	61,079,218	61,079,218	-	-
Other Assets	41,091,078	41,091,078	37,742,434	-	3,348,644
Liabilities	3,115,831,052	3,115,831,052	-	-	-
Due to Banks	36,840,228	36,840,228	-	-	-
Derivative Financial Instruments	168,266	168,266	-	-	-
Due to Other Customers	2,854,704,194	2,854,704,194	-	-	-
Other Borrowings	75,545,595	75,545,595	-	-	-
Current Tax Liabilities	12,651,620	12,651,620	-	-	-
Net Deferred Tax Liabilities	5,207,184	5,207,184	-	-	-
Other Liabilities	76,557,256	76,557,256	-	-	-
Subordinated Term Debts	54,156,709	54,156,709	-	-	-
Shareholders' Equity	181,968,055	181,968,055	-	-	-
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	-	-
Statutory Reserve Fund	11,827,215	11,827,215	-	-	-
Other Reserves	68,981,258	68,981,258	-	-	-
Retained Earnings	88,957,584	88,957,584	-	-	-
Total Equity and Liabilities	3,297,799,107	3,297,799,107	-	-	-
Off-Balance Sheet Liabilities	233,829,736	233,829,736	233,829,736	-	-
Acceptances	7,463,176	7,463,176	7,463,176	-	-
Documentary Credit	22,325,041	22,325,041	22,325,041	-	-
Guarantees	54,102,771	54,102,771	54,102,771	-	-
Forward Exchange Contracts	43,134,112	43,134,112	43,134,112	-	-
Undrawn overdrafts and loans	107,041,146	107,041,146	107,041,146	-	-
(-) Allowance for ECL/impairment losses	(236,511)	(236,511)	(236,511)	-	-

Template 12: Group Assessment of Domestic Systemically important Banks (D-SIBS) As at 31 December 2024

Size Indicator	LKR '000
Section 1 – Total Exposures	
Total exposures measure	3,531,299,634
Interconnectedness Indicators	
Section 2 – Intra-Financial System Assets	
(a) Funds deposited with or lent to other financial institutions (including unused portion of committed lines extended)	69,672,876
(i) Funds deposited	68,131,652
(ii) Lending	1,541,225
(b) Holdings of securities issued by other financial institutions	777,458
(c) Net positive current exposure of securities financing transactions (SFTs) with other financial institutions	4,062,000
(d) Over-the-counter (OTC) derivatives with other financial institutions that have a net positive mark to market value	19,949,180
Intra-financial system assets	94,461,514
Section 3 – Intra-Financial System Liabilities	
(a) Funds deposited by or borrowed from other financial institutions (including unused portion of committed lines obtained)	55,774,438
(i) Funds deposited	5,917,627
(ii) Borrowings	49,856,810
(b) Net negative current exposure of securities financing transactions with other financial institutions	5,464,252
(c) Over-the-counter derivatives with other financial institutions that have a net negative mark to market value	29,111,512
Intra-financial system liabilities	90,350,201
Section 4 – Securities Outstanding	
Securities outstanding	59,065,270
Substitutability/Financial Institution Infrastructure Indicators	
Section 5 – Payments made in the reporting year (excluding intragroup payments)	
Payments activity	6,458,958,856
Section 6 – Assets Under Custody	
Assets under custody	-
Section 7 – Underwritten Transactions in Debt and Equity Markets	
Underwriting activity	-
Section 8 – Trading Volume	
(a) number of shares or securities	-283
(b) value of the transactions	-22,190
Complexity indicators	
Section 9 – Notional Amount of Over-the-Counter (OTC) Derivatives	
OTC derivatives	49,410,113
Section 10 – Level 2 Assets	
Level 2 assets	1,630,933
Section 11 – Trading and available for sale (AFS) securities	
(a) debt instruments	8,034,768
(b) equity instruments	3,756,511
(c) government securities	330,051,373
(d) derivatives	5,842,194
Section 12 – Cross-Jurisdictional Liabilities	
Cross-jurisdictional liabilities (excluding derivatives and intragroup liabilities)	143,954,604
Section 13 – Cross-Jurisdictional Claims	
Cross-jurisdictional claims (excluding derivatives and intragroup claims)	93,094,061



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