



**PEOPLE'S  
BANK**

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# **FINANCIAL STATEMENTS**

## **FOR THE PERIOD ENDED 31ST MARCH**

# **2020**

**FITCH RATING AA+ (LKA)**

**INCOME STATEMENT**  
**FOR THE PERIOD ENDED 31ST MARCH**

	BANK			GROUP		
	2020 (Rs. '000) (Audited)	2019 (Rs. '000) (Audited)	Change %	2020 (Rs. '000) (Unaudited)	2019 (Rs. '000) (Unaudited)	Change %
<b>Gross Income</b>	<b>48,116,550</b>	<b>47,465,828</b>	1.4	<b>57,725,249</b>	<b>57,079,739</b>	1.1
Interest income	45,184,716	44,672,527	1.1	53,092,026	52,826,959	0.5
Interest expenses	(30,525,289)	(30,456,196)	0.2	(34,346,917)	(34,279,817)	0.2
<b>Net Interest Income</b>	<b>14,659,427</b>	<b>14,216,331</b>	3.1	<b>18,745,109</b>	<b>18,547,142</b>	1.1
Fee and commission income	1,514,333	1,665,262	(9.1)	1,823,550	1,924,862	(5.3)
Fee and commission expenses	(123,726)	(106,307)	16.4	(123,726)	(106,307)	16.4
<b>Net Fee and Commission Income</b>	<b>1,390,607</b>	<b>1,558,955</b>	(10.8)	<b>1,699,824</b>	<b>1,818,555</b>	(6.5)
Net gain / (loss) from trading	1,084,363	784,776	38.2	1,093,496	746,940	46.4
Other operating income (net)	333,138	343,263	(2.9)	1,716,177	1,580,978	8.6
<b>Total Operating Income</b>	<b>17,467,535</b>	<b>16,903,325</b>	3.3	<b>23,254,606</b>	<b>22,693,615</b>	2.5
Impairment Charge	(2,521,868)	(1,773,144)	42.2	(4,713,907)	(2,683,708)	75.6
Loans & advances to Customers	(2,495,644)	(1,405,857)		(4,436,893)	(1,850,818)	
Other Financial Assets	(26,224)	(367,287)		(26,224)	(367,287)	
Others	-	-		(250,790)	(465,603)	
<b>Net Operating Income</b>	<b>14,945,667</b>	<b>15,130,181</b>	(1.2)	<b>18,540,699</b>	<b>20,009,907</b>	(7.3)
Personnel Expenses	(4,926,231)	(4,944,705)	(0.4)	(6,081,555)	(5,971,070)	1.9
Depreciation and Amortisation	(1,002,954)	(453,176)	121.3	(1,380,069)	(582,510)	136.9
Other Expenses	(2,590,635)	(3,323,018)	(22.0)	(3,612,902)	(4,758,572)	(24.1)
<b>Operating Profit Before Value Added Tax (VAT), Nation Building Tax (NBT) and Debt Repayment Levy (DRL)</b>	<b>6,425,847</b>	<b>6,409,282</b>	0.3	<b>7,466,173</b>	<b>8,697,755</b>	(14.2)
VAT , NBT and DRL on financial services	(1,275,577)	(2,207,197)	(42.2)	(1,510,728)	(2,973,115)	(49.2)
Operating Profit after VAT, NBT and DRL	5,150,270	4,202,085	22.6	5,955,445	5,724,640	4.0
Share of Profits/(Loss) of Associates (Net of Tax)	-	-	-	(6,748)	-	-
<b>Profit Before Tax</b>	<b>5,150,270</b>	<b>4,202,085</b>	22.6	<b>5,948,697</b>	<b>5,724,640</b>	3.9
Income Tax Expenses	(1,348,672)	(1,607,584)	(16.1)	(1,649,837)	(2,518,807)	(34.5)
<b>Profit for the Period</b>	<b>3,801,598</b>	<b>2,594,501</b>	46.5	<b>4,298,860</b>	<b>3,205,833</b>	34.1
<b>Profit Attributable to :</b>						
Equity Holders of the Bank	3,801,598	2,594,501	46.5	4,123,463	3,052,349	35.1
Non-Controlling Interests	-	-	-	175,397	153,484	14.3
	<b>3,801,598</b>	<b>2,594,501</b>	46.5	<b>4,298,860</b>	<b>3,205,833</b>	34.1
<b>Earnings Per Share on Profit</b>						
Basic Earnings per Ordinary Share [Rs.]	3,802	2,595	46.5	4,123	3,052	35.1
Diluted Earnings per Ordinary Share [Rs.]	16	11	46.5	17	13	35.1

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31ST MARCH**

	BANK		GROUP	
	2020 (Rs. '000) (Audited)	2019 (Rs. '000) (Audited)	2020 (Rs. '000) (Unaudited)	2019 (Rs. '000) (Unaudited)
<b>Profit for the Period</b>	<b>3,801,598</b>	<b>2,594,501</b>	<b>4,298,860</b>	<b>3,205,833</b>
<b>Other comprehensive income that will not be reclassified to the income statement</b>				
Net Gains/( Losses) on equity instruments at fair value through OCI	(225,455)	(19,690)	(196,517)	(19,690)
Net Actuarial Gains and Losses on Defined Benefit Plans	-	-	-	(20,136)
Deferred Tax Effect on Defined Benefit Plans	-	-	-	4,956
Deferred tax effect on land revaluation in previous years	-	-	-	(83,385)
<b>Other comprehensive income that will be reclassified to the income statement</b>				
Net Gains/( Losses)[including change in ECL] on debt instruments at fair value through OCI	7,466	265,648	(13,296)	265,648
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	88,735	(101,191)
<b>Other Comprehensive Income for the period, Net of Taxes</b>	<b>(217,989)</b>	<b>245,958</b>	<b>(121,078)</b>	<b>46,202</b>
<b>Total Comprehensive Income for the period</b>	<b>3,583,609</b>	<b>2,840,459</b>	<b>4,177,782</b>	<b>3,252,035</b>
<b>Attributable to :</b>				
Equity Holders of the Bank	3,583,609	2,840,459	4,008,606	3,148,695
Non-Controlling Interests	-	-	169,176	103,340
	<b>3,583,609</b>	<b>2,840,459</b>	<b>4,177,782</b>	<b>3,252,035</b>

## STATEMENT OF FINANCIAL POSITION

**AS AT**

	<b>BANK</b>			<b>GROUP</b>		
	<b>31.03.2020</b> <b>(Rs.'000)</b> <b>(Unaudited)</b>	<b>31.12.2019</b> <b>(Rs. '000)</b> <b>(Audited)</b>	<b>Change</b> <b>%</b>	<b>31.03.2020</b> <b>(Rs.'000)</b> <b>(Unaudited)</b>	<b>31.12.2019</b> <b>(Rs. '000)</b> <b>(Audited)</b>	<b>Change</b> <b>%</b>
<b>Assets</b>						
Cash and Cash Equivalents	116,604,873	50,703,158	130.0	117,389,671	51,594,638	127.5
Balances with Central Bank of Sri Lanka	30,070,249	38,858,470	(22.6)	30,070,249	38,858,470	(22.6)
Placements with Banks	-	9,689,132	(100.0)	3,320,566	13,395,360	(75.2)
Derivative Financial Instruments	248,705	90,560	174.6	248,705	90,560	174.6
Financial Assets - At Fair Value through Profit or Loss	58,587,356	79,514,568	(26.3)	60,442,368	80,405,966	(24.8)
Financial Assets - At Amortised Cost						
Loans and advances to Banks	24,776,798	29,771,919	(16.8)	24,781,738	29,771,919	(16.8)
Loans and advances to Other Customers	1,453,069,939	1,310,150,137	10.9	1,606,966,426	1,460,497,766	10.0
Debt instruments measured at amortised cost	279,277,010	280,935,892	(0.6)	283,383,973	290,739,848	(2.5)
Financial Assets - At Fair Value through other Comprehensive income [OCI]						
Equity instruments at fair value through OCI	1,772,441	1,997,896	(11.3)	1,576,320	1,772,838	(11.1)
Debt instruments at fair value through OCI	2,516,872	2,573,067	(2.2)	3,648,193	2,573,067	41.8
Investments in Subsidiaries	1,205,414	1,205,414	-	-	-	-
Investments in Associates	-	-	-	524,337	531,085	(1.3)
Investment Properties	1,262,524	1,263,045	-	1,258,685	1,259,206	-
Property, Plant, Equipment and Right of use assets	33,497,818	34,310,028	(2.4)	43,635,578	43,744,442	(0.2)
Intangible Assets and Goodwill	655,780	700,875	(6.4)	1,026,781	1,090,714	(5.9)
Other Assets	34,632,842	31,642,057	9.5	37,141,575	33,448,808	11.0
<b>Total Assets</b>	<u>2,038,178,621</u>	<u>1,873,406,218</u>	<u>8.8</u>	<u>2,215,415,165</u>	<u>2,049,774,687</u>	<u>8.1</u>
<b>Liabilities</b>						
Due to Banks	266,174,969	207,484,446	28.3	276,368,719	219,434,075	25.9
Derivative Financial Instruments	848,292	59,748	1319.8	848,292	59,748	1319.8
Due to Other Customers	1,584,153,558	1,491,385,937	6.2	1,687,002,625	1,588,903,098	6.2
Other Borrowings	21,858,589	17,324,960	26.2	16,746,662	16,289,502	2.8
Current Tax Liabilities	3,757,741	3,775,283	(0.5)	5,873,020	6,127,935	(4.2)
Net Deferred Tax Liabilities	1,071,797	1,071,797	-	2,674,096	2,821,420	(5.2)
Other Liabilities	39,898,424	34,625,117	15.2	51,573,557	45,610,085	13.1
Subordinated Term Debts	23,422,125	22,714,490	3.1	41,744,602	40,513,091	3.0
<b>Total Liabilities</b>	<u>1,941,185,495</u>	<u>1,778,441,778</u>	<u>9.2</u>	<u>2,082,831,573</u>	<u>1,919,758,954</u>	<u>8.5</u>
<b>Equity</b>						
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	12,201,998	12,201,998	-
Statutory Reserve Fund	7,315,774	7,315,774	-	7,315,774	7,315,774	-
Other Reserves	27,150,553	27,368,542	(0.8)	29,182,615	29,297,472	(0.4)
Retained Earnings	50,324,801	48,078,126	4.7	72,908,369	70,339,829	3.7
<b>Total Shareholders' Equity</b>	<u>96,993,126</u>	<u>94,964,440</u>	<u>2.1</u>	<u>121,608,756</u>	<u>119,155,073</u>	<u>2.1</u>
Non-Controlling Interests	-	-	-	10,974,836	10,860,660	1.1
<b>Total Equity</b>	<u>96,993,126</u>	<u>94,964,440</u>	<u>2.1</u>	<u>132,583,592</u>	<u>130,015,733</u>	<u>2.0</u>
<b>Total Equity and Liabilities</b>	<u>2,038,178,621</u>	<u>1,873,406,218</u>	<u>8.8</u>	<u>2,215,415,165</u>	<u>2,049,774,687</u>	<u>8.1</u>
<b>Contingent Liabilities and Commitments</b>	413,141,380	363,925,754	13.5	418,490,380	370,985,611	12.8
Number of Employees	7,801	7,836		11,200	11,237	
Number of Branches	740	739		846	845	

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31ST MARCH**

**BANK**

	Stated capital/Assigned capital		Reserves				Retained Earnings (Rs.'000)	Total (Rs.'000)
	Ordinary Shares (Rs.'000)	Assigned capital (Rs.'000)	Statutory Reserve Fund (Rs.'000)	Revaluation Reserve (Rs.'000)	Other Reserves (Rs.'000)	Financial assets at FVOCI Reserve (Rs.'000)		
<b>Balance as at 1st January 2019</b>	49,998	12,152,000	6,669,490	14,051,911	11,826,601	130,436	46,329,489	91,209,925
<b>Total Comprehensive Income for the year</b>								
Profit for the year	-	-	-	-	-	-	12,925,683	12,925,683
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	-	-	485,730	(7,237,208)	(6,751,478)
<b>Total Comprehensive Income/(Expense)</b>	-	-	-	-	-	485,730	5,688,475	6,174,205
<b>Transactions with equity holders, recognised directly in equity</b>	-	-	-	-	-	-	-	-
Transfer to Reserve during the Year	-	-	646,284	-	873,864	-	(1,520,148)	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(2,419,690)	(2,419,690)
<b>Total Transactions with Equity Holders</b>	-	-	646,284	-	873,864	-	(3,939,838)	(2,419,690)
<b>Balance as at 31st December 2019</b>	49,998	12,152,000	7,315,774	14,051,911	12,700,465	616,166	48,078,126	94,964,440
<b>Balance as at 1st January 2020</b>	49,998	12,152,000	7,315,774	14,051,911	12,700,465	616,166	48,078,126	94,964,440
<b>Total Comprehensive Income for the year</b>								
Profit for the period	-	-	-	-	-	-	3,801,598	3,801,598
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	-	-	(217,989)	-	(217,989)
<b>Total Comprehensive Income/(Expense)</b>	-	-	-	-	-	(217,989)	3,801,598	3,583,609
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>	-	-	-	-	-	-	-	-
Transfer to Reserve during the period	-	-	-	-	-	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(1,554,923)	(1,554,923)
<b>Total Transactions with Equity Holders</b>	-	-	-	-	-	-	(1,554,923)	(1,554,923)
<b>Balance as at 31st March 2020</b>	49,998	12,152,000	7,315,774	14,051,911	12,700,465	398,177	50,324,801	96,993,126

## STATEMENT OF CHANGES IN EQUITY

### GROUP

	Stated capital/ Assigned capital		Reserves				Retained earnings	Total	Non controlling interest	Total equity
	Ordinary shares (Rs.'000)	Assigned capital (Rs.'000)	Statutory Reserve Fund (Rs.'000)	Revaluation Reserve (Rs.'000)	Other Reserves (Rs.'000)	Financial assets at FVOCI Reserve (Rs.'000)				
<b>Balance as at 1st January 2019</b>	<b>49,998</b>	<b>12,152,000</b>	<b>6,669,490</b>	<b>15,797,815</b>	<b>12,098,979</b>	<b>130,436</b>	<b>66,494,500</b>	<b>113,393,218</b>	<b>10,120,232</b>	<b>123,513,450</b>
<b>Total Comprehensive Income for the year</b>										
Profit for the year	-	-	-	-	-	-	14,984,837	14,984,837	1,193,331	16,178,168
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	66,156	(38,097)	368,319	(7,248,716)	(6,852,338)	(6,294)	(6,858,632)
<b>Total Comprehensive Income/(Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,156</b>	<b>(38,097)</b>	<b>368,319</b>	<b>7,736,121</b>	<b>8,132,499</b>	<b>1,187,037</b>	<b>9,319,536</b>
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>										
Movement due to changes in ownership	-	-	-	-	-	-	49,046	49,046	(41,613)	7,433
Transfer to Reserve during the year	-	-	646,284	-	873,864	-	(1,520,148)	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(2,419,690)	(2,419,690)	-	(2,419,690)
Dividends Paid	-	-	-	-	-	-	-	-	(404,996)	(404,996)
<b>Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>646,284</b>	<b>-</b>	<b>873,864</b>	<b>-</b>	<b>(3,890,792)</b>	<b>(2,370,644)</b>	<b>(446,609)</b>	<b>(2,817,253)</b>
<b>Balance as at 31st December 2019</b>	<b>49,998</b>	<b>12,152,000</b>	<b>7,315,774</b>	<b>15,863,971</b>	<b>12,934,746</b>	<b>498,755</b>	<b>70,339,829</b>	<b>119,155,073</b>	<b>10,860,660</b>	<b>130,015,733</b>
<b>Balance as at 1st January 2020</b>	<b>49,998</b>	<b>12,152,000</b>	<b>7,315,774</b>	<b>15,863,971</b>	<b>12,934,746</b>	<b>498,755</b>	<b>70,339,829</b>	<b>119,155,073</b>	<b>10,860,660</b>	<b>130,015,733</b>
<b>Total Comprehensive Income for the period</b>										
Profit for the period	-	-	-	-	-	-	4,123,463	4,123,463	175,397	4,298,860
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	-	66,551	(181,408)	-	(114,857)	(6,221)	(121,078)
<b>Total Comprehensive Income/(Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,551</b>	<b>(181,408)</b>	<b>4,123,463</b>	<b>4,008,606</b>	<b>169,176</b>	<b>4,177,782</b>
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>										
Transfer to Reserve during the year	-	-	-	-	-	-	-	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(1,554,923)	(1,554,923)	-	(1,554,923)
Dividends Paid	-	-	-	-	-	-	-	-	(55,000)	(55,000)
<b>Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,554,923)</b>	<b>(1,554,923)</b>	<b>(55,000)</b>	<b>(1,609,923)</b>
<b>Balance as at 31st March 2020</b>	<b>49,998</b>	<b>12,152,000</b>	<b>7,315,774</b>	<b>15,863,971</b>	<b>13,001,297</b>	<b>317,347</b>	<b>72,908,369</b>	<b>121,608,756</b>	<b>10,974,836</b>	<b>132,583,592</b>

**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31ST MARCH**

	BANK		GROUP	
	2020 (Rs. '000) (Unaudited)	2019 (Rs. '000) (Unaudited)	2020 (Rs. '000) (Unaudited)	2019 (Rs. '000) (Unaudited)
<b>Cash flows from operating activities</b>				
Profit before tax	5,150,270	4,202,085	5,948,697	5,724,640
Adjustment for				
Non-cash items included in profits before tax	4,545,202	382,711	7,166,101	1,421,145
Changes in operating assets	(104,108,718)	(21,997,358)	(112,286,571)	(30,484,998)
Changes in operating liabilities	161,049,936	(18,639,615)	161,375,534	(12,902,801)
Dividend income from subsidiaries and others	(27)	(153)	(111,033)	(17,944)
Interest expense on subordinated debt	707,635	403,767	1,234,554	991,047
Contribution paid to defined benefit plans/Gratuity	626,023	367,690	626,023	367,690
Tax paid	(1,366,214)	(2,096,160)	(2,052,076)	(2,234,399)
<b>Net Cash Generated from Operating Activities</b>	66,604,107	(37,377,033)	61,901,229	(37,135,620)
<b>Cash Flows from Investing Activities</b>				
Purchase of investment property	-	-	-	109
Purchase of property, plant and equipment	(142,356)	(428,285)	(1,203,979)	(657,935)
Proceeds from the sale of property, plant and equipment	3,296	32,770	3,368	2,188
Purchase of financial investments	1,592,845	40,952,442	7,289,838	40,995,555
Net purchase of intangible assets	(2,772)	(4,214)	(2,772)	(3,102)
Dividends received from investment in subsidiaries and Others	27	153	111,033	17,944
Proceeds due to change in ownership	-	-	-	160,075
<b>Net Cash (used in) from Investing Activities</b>	1,451,040	40,552,866	6,197,488	40,514,834
<b>Cash Flows from Financing Activities</b>				
Net proceed received/(paid) for subordinated debt	-	(403,767)	(3,043)	(414,864)
Repayment of Lease Liabilities	(598,509)	-	(690,718)	-
Dividend paid to non-controlling interest	-	-	(55,000)	(55,000)
Dividend/Levy paid to holders of other equity instruments	(1,554,923)	(54,923)	(1,554,923)	(54,923)
<b>Net Cash from Financial Activities</b>	(2,153,432)	(458,690)	(2,303,684)	(524,787)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	65,901,715	2,717,143	65,795,033	2,854,426
Cash and cash equivalents at the beginning of the period	50,703,158	57,879,933	51,594,638	58,835,090
Cash and cash equivalents at the end of the period	<b>116,604,873</b>	<b>60,597,076</b>	<b>117,389,671</b>	<b>61,689,516</b>

## ANALYSIS OF LOANS & ADVANCES TO OTHER CUSTOMERS

	BANK		GROUP	
	31.03.2020 (Rs.'000) (Unaudited)	31.12.2019 (Rs. '000) (Audited)	31.03.2020 (Rs.'000) (Unaudited)	31.12.2019 (Rs. '000) (Audited)
<b>Loans and advances to Other Customers</b>				
Gross Loans and advances	1,529,412,299	1,383,791,134	1,692,148,807	1,541,037,535
<b>Less :</b>				
Allowance for Expected Credit Losses	(76,342,360)	(73,640,997)	(85,182,381)	(80,539,769)
Stage 1	(5,037,921)	(5,036,021)	(5,891,134)	(5,693,729)
Stage 2	(1,293,751)	(1,442,409)	(2,525,283)	(2,178,583)
Stage 3	(70,010,688)	(67,162,567)	(76,765,964)	(72,667,457)
<b>Net Loans and advances</b>	<b>1,453,069,939</b>	<b>1,310,150,137</b>	<b>1,606,966,426</b>	<b>1,460,497,766</b>
<b>Product-wise Gross loans &amp; advances</b>				
<b>By product – Domestic currency</b>				
Overdrafts	168,228,494	143,430,730	167,790,257	142,707,101
Term loans	620,471,613	627,366,005	685,871,904	685,662,274
Lease rentals receivable	-	-	89,159,658	88,287,070
Credit cards	3,388,721	3,336,587	3,388,721	3,336,587
Pawning	171,348,716	162,582,929	171,348,716	162,582,929
Trade Finance	81,029,000	72,098,832	81,029,000	72,098,832
Others	22,174,501	22,039,395	30,789,297	30,772,372
<b>Sub Total</b>	<b>1,066,641,045</b>	<b>1,030,854,478</b>	<b>1,229,377,553</b>	<b>1,185,447,165</b>
<b>By product – Foreign currency</b>				
Overdrafts	1,898,159	2,017,871	1,898,159	2,017,871
Term loans	255,012,798	188,921,007	255,012,798	191,574,721
Trade Finance	205,860,297	161,997,778	205,860,297	161,997,778
<b>Sub Total</b>	<b>462,771,254</b>	<b>352,936,656</b>	<b>462,771,254</b>	<b>355,590,370</b>
<b>Grand Total</b>	<b>1,529,412,299</b>	<b>1,383,791,134</b>	<b>1,692,148,807</b>	<b>1,541,037,535</b>

### Movement in Allowance for Expected Credit loss during the year

BANK	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2020	5,036,021	1,442,409	67,162,567	73,640,997
Net Charge/(Reversal) for the period	1,900	(148,658)	2,642,402	2,495,644
Amounts written off	-	-	(13)	(13)
Exchange rate variance on foreign currency Impairment	-	-	205,732	205,732
Closing balance as at 31st March 2020	<u>5,037,921</u>	<u>1,293,751</u>	<u>70,010,688</u>	<u>76,342,360</u>

BANK	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2019	5,110,245	1,752,572	61,889,976	68,752,793
Net Charge/(Reversal) for the year	(74,224)	(310,163)	5,402,328	5,017,941
Amounts written off	-	-	(95,638)	(95,638)
Exchange rate variance on foreign currency Impairment	-	-	(34,099)	(34,099)
Closing balance as at 31st December 2019	<u>5,036,021</u>	<u>1,442,409</u>	<u>67,162,567</u>	<u>73,640,997</u>

GROUP	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2020	5,693,729	2,178,583	72,667,457	80,539,769
Net Charge/(Reversal) for the period	197,405	346,700	3,892,788	4,436,893
Amounts written off	-	-	(13)	(13)
Exchange rate variance on foreign currency Impairment	-	-	205,732	205,732
Closing balance as at 31st March 2020	<u>5,891,134</u>	<u>2,525,283</u>	<u>76,765,964</u>	<u>85,182,381</u>

GROUP	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2019	5,649,333	2,486,192	65,857,094	73,992,619
Net Charge/(Reversal) for the year	67,941	(229,402)	7,240,044	7,078,583
Amounts written off	-	-	(95,638)	(95,638)
Exchange rate variance on foreign currency Impairment	-	-	(34,099)	(34,099)
Deemed Disposal of Subsidiary during the year	(23,545)	(78,207)	(299,944)	(401,696)
Closing balance as at 31st December 2019	<u>5,693,729</u>	<u>2,178,583</u>	<u>72,667,457</u>	<u>80,539,769</u>



## ANALYSIS OF DEPOSITS

	BANK		GROUP	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>By product – Domestic currency</b>				
Demand deposits (current accounts)	58,616,438	51,681,263	57,373,008	50,213,752
Savings deposits	561,425,098	491,643,881	567,983,896	497,600,897
Fixed deposits	811,155,988	814,577,767	900,900,670	900,005,863
Others	3,038,496	3,262,093	10,827,513	10,861,653
<b>Sub total</b>	<b>1,434,236,020</b>	<b>1,361,165,004</b>	<b>1,537,085,087</b>	<b>1,458,682,165</b>
<b>By product – Foreign currency</b>				
Demand deposits (current accounts)	1,719,723	1,460,522	1,719,723	1,460,522
Savings deposits	22,681,035	21,586,421	22,681,035	21,586,421
Fixed deposits	125,309,169	107,074,611	125,309,169	107,074,611
Others	207,611	99,379	207,611	99,379
<b>Sub total</b>	<b>149,917,538</b>	<b>130,220,933</b>	<b>149,917,538</b>	<b>130,220,933</b>
<b>Grand Total</b>	<b>1,584,153,558</b>	<b>1,491,385,937</b>	<b>1,687,002,625</b>	<b>1,588,903,098</b>

## ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

	BANK		GROUP	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>By product</b>				
Acceptances	80,153,782	110,542,802	80,153,782	110,542,802
Documentary Credit	95,265,161	78,306,041	95,265,161	78,306,041
Guarantees	86,615,513	82,058,147	87,321,513	82,783,084
Forward Exchange Contracts	59,217,715	24,673,760	59,217,715	24,673,760
Non disbursed overdrafts & loans	93,081,039	69,519,348	97,724,039	75,854,268
Gross Contingent Liabilities and Commitments	<b>414,333,210</b>	<b>365,100,098</b>	<b>419,682,210</b>	<b>372,159,955</b>
<b>Less :</b>				
Allowance for Expected Credit Loss	(1,191,830)	(1,174,344)	(1,191,830)	(1,174,344)
Net Contingent Liabilities and Commitments	<b>413,141,380</b>	<b>363,925,754</b>	<b>418,490,380</b>	<b>370,985,611</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

### BANK AS AT 31ST MARCH 2020

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
<b>ASSETS</b>				
Cash and cash equivalents	-	-	116,604,873	116,604,873
Balances with Central Banks	-	-	30,070,249	30,070,249
Placements with Banks	-	-	-	-
Derivative Financial Instruments	248,705	-	-	248,705
Financial Assets - At Fair Value through Profit or Loss	58,587,356	-	-	58,587,356
Loans and advances to banks	-	-	24,776,798	24,776,798
Loans and advances to other customers	-	-	1,453,069,939	1,453,069,939
Debt instruments measured at amortised cost	-	-	279,277,010	279,277,010
Equity instruments at fair value through OCI	-	1,772,441	-	1,772,441
Debt instruments at fair value through OCI	-	2,516,872	-	2,516,872
<b>Total financial assets</b>	<b>58,836,061</b>	<b>4,289,313</b>	<b>1,903,798,869</b>	<b>1,966,924,243</b>
<b>LIABILITIES</b>				
Due to banks	-	-	266,174,969	266,174,969
Derivative Financial Instruments	848,292	-	-	848,292
Due to other customers	-	-	1,584,153,558	1,584,153,558
Other Borrowings	-	-	21,858,589	21,858,589
Subordinated term debts	-	-	23,422,125	23,422,125
<b>Total financial liabilities</b>	<b>848,292</b>	<b>-</b>	<b>1,895,609,241</b>	<b>1,896,457,533</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

### BANK AS AT 31ST DECEMBER 2019

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
<b>ASSETS</b>				
Cash and cash equivalents	-	-	50,703,158	50,703,158
Balances with Central Banks	-	-	38,858,470	38,858,470
Placements with Banks	-	-	9,689,132	9,689,132
Derivative Financial Instruments	90,560	-	-	90,560
Financial Assets - At Fair Value through Profit or Loss	79,514,568	-	-	79,514,568
Loans and advances to banks	-	-	29,771,919	29,771,919
Loans and advances to other customers	-	-	1,310,150,137	1,310,150,137
Debt instruments measured at amortised cost	-	-	280,935,892	280,935,892
Equity instruments at fair value through OCI	-	1,997,896	-	1,997,896
Debt instruments at fair value through OCI	-	2,573,067	-	2,573,067
<b>Total financial assets</b>	<b>79,605,128</b>	<b>4,570,963</b>	<b>1,720,108,708</b>	<b>1,804,284,799</b>
<b>LIABILITIES</b>				
Due to banks	-	-	207,484,446	207,484,446
Derivative Financial Instruments	59,748	-	-	59,748
Due to other customers	-	-	1,491,385,937	1,491,385,937
Other Borrowings	-	-	17,324,960	17,324,960
Subordinated term debts	-	-	22,714,490	22,714,490
<b>Total financial liabilities</b>	<b>59,748</b>	<b>-</b>	<b>1,738,909,833</b>	<b>1,738,969,581</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

### GROUP AS AT 31ST MARCH 2020

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
<b>ASSETS</b>				
Cash and cash equivalents	-	-	117,389,671	117,389,671
Balances with Central Banks	-	-	30,070,249	30,070,249
Placements with Banks	-	-	3,320,566	3,320,566
Derivative Financial Instruments	248,705	-	-	248,705
Financial Assets - At Fair Value through Profit or Loss	60,442,368	-	-	60,442,368
Loans and advances to banks	-	-	24,781,738	24,781,738
Loans and advances to other customers	-	-	1,606,966,426	1,606,966,426
Debt instruments measured at amortised cost	-	-	283,383,973	283,383,973
Equity instruments at fair value through OCI	-	1,576,320	-	1,576,320
Debt instruments at fair value through OCI	-	3,648,193	-	3,648,193
<b>Total financial assets</b>	<b>60,691,073</b>	<b>5,224,513</b>	<b>2,065,912,623</b>	<b>2,131,828,209</b>
<b>LIABILITIES</b>				
Due to banks	-	-	276,368,719	276,368,719
Derivative Financial Instruments	848,292	-	-	848,292
Due to other customers	-	-	1,687,002,625	1,687,002,625
Other Borrowings	-	-	16,746,662	16,746,662
Subordinated term debts	-	-	41,744,602	41,744,602
<b>Total financial liabilities</b>	<b>848,292</b>	<b>-</b>	<b>2,021,862,608</b>	<b>2,022,710,900</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

### GROUP AS AT 31ST DECEMBER 2019

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
<b>ASSETS</b>				
Cash and cash equivalents	-	-	51,594,638	51,594,638
Balances with Central Banks	-	-	38,858,470	38,858,470
Placements with Banks	-	-	13,395,360	13,395,360
Derivative Financial Instruments	90,560	-	-	90,560
Financial Assets - At Fair Value through Profit or Loss	80,405,966	-	-	80,405,966
Loans and advances to banks	-	-	29,771,919	29,771,919
Loans and advances to other customers	-	-	1,460,497,766	1,460,497,766
Debt instruments measured at amortised cost	-	-	290,739,848	290,739,848
Equity instruments at fair value through OCI	-	1,772,838	-	1,772,838
Debt instruments at fair value through OCI	-	2,573,067	-	2,573,067
<b>Total financial assets</b>	<b>80,496,526</b>	<b>4,345,905</b>	<b>1,884,858,001</b>	<b>1,969,700,432</b>
<b>LIABILITIES</b>				
Due to banks	-	-	219,434,075	219,434,075
Derivative Financial Instruments	59,748	-	-	59,748
Due to other customers	-	-	1,588,903,098	1,588,903,098
Other Borrowings	-	-	16,289,502	16,289,502
Subordinated term debts	-	-	40,513,091	40,513,091
<b>Total financial liabilities</b>	<b>59,748</b>	<b>-</b>	<b>1,865,139,766</b>	<b>1,865,199,514</b>

## SELECTED PERFORMANCE INDICATORS (Based on Regulatory Reporting)

	BANK		GROUP	
	As at 31.03.2020 (Unaudited)	As at 31.12.2019 (Audited)	As at 31.03.2020 (Unaudited)	As at 31.12.2019 (Audited)
<b>Regulatory Capital Adequacy</b>				
Common Equity Tier 1 Capital [Rs. 000]	80,182,015	77,941,284	108,487,909	106,246,759
Core (Tier 1) Capital [Rs. 000]	80,182,015	77,941,284	108,487,909	106,246,759
Total Capital Base [Rs. 000]	108,814,027	106,972,204	138,588,899	136,303,475
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital (%) (Min. requirement - 2020 - 7.0%, 2019 - 8.0%)	10.31	10.68	11.16	11.58
Tier 1 Capital Ratio (%) (Min. requirement - 2020 - 8.5%, 2019 - 9.5%)	10.31	10.68	11.16	11.58
Total Capital Ratio (%) (Min. requirement - 2020 - 12.5%, 2019 - 13.5%)	14.00	14.66	14.25	14.86
<b>Asset Quality ( Quality of Loan Portfolio)</b>				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	3.38	3.31	3.78	3.68
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	1.88	1.85	1.91	1.82
<b>Profitability</b>				
Interest Margin, %	3.00	3.24	3.52	3.84
Return on Assets (Before Tax), %	1.05	1.09	1.12	1.30
Return on Equity (After Tax), %	15.84	13.89	13.10	12.76
<b>Leverage Ratio (Min. requirement - 3%)</b>	3.77	3.98	4.70	4.98
<b>Regulatory Liquidity</b>				
<b>Statutory Liquid Assets</b>				
Domestic Banking unit Rs.000	420,982,815	446,315,080		
Off-Shore Banking Unit USD.000	655,742	504,026		
<b>Statutory Liquid Assets Ratio (%) (Min. requirement - 20%)</b>				
Domestic Banking unit (%)	27.59	29.54		
Off-Shore Banking Unit (%)	39.53	34.61		
<b>Total Stock of High Quality Liquid Assets [Rs.000]</b>	398,104,020	409,287,666		
<b>Liquidity Coverage Ratio (%) (Min. requirement - 100%)</b>				
Liquidity Coverage Ratio - Rupee	168.79	160.80		
Liquidity Coverage Ratio - All Currency	113.24	132.10		

## EXPLANATORY NOTES

1. These Interim Financial Statements for the period ended March 31, 2020, includes "The Bank" referring to People's Bank, as the parent entity and "The group" referring to the consolidation of the Bank and its subsidiaries, People's Leasing & Finance PLC and People's Travels (private) Limited, along with the Group's interest in its associate company, People's Merchant Finance PLC.
2. The consolidated financial statements of the group and the separate financial statements of the bank which comprise with the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows have been prepared in accordance with Sri Lanka accounting standards [LKAS & SLFRS] and also in compliance with the requirements of the People's bank act No.29 of 1961 and the with the requirements of the banking Act. No.30 of 1988.
3. These Interim Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standard - LKAS 34 on "Interim Financial Reporting" and should be read in conjunction with the annual financial statements for the year ended December 31,2019.
4. There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2019.
5. During the period there were no material changes in the composition of assets, liabilities and contingent liabilities.
6. All known expenses have been charged in these financial statements.
7. **Coronavirus (COVID 19) Outbreak**

The outbreak and spread of the Corona Virus ("COVID 19") which originated in Wuhan, China in December 2019 is now a Global Pandemic having caused a disruption to overall global economic activity effecting most industries and sub-sectors.

The necessary COVID 19 containment measures taken by the Government of Sri Lanka has also naturally caused a temporary disruption to overall economic activity including work disruptions to business operations to several sectors thereby having implications on the Banking sector as a whole including People's Bank. The negative financial implications are likely to be felt by the Industry including People's Bank in first half of 2020.

8. **Amendments to the Income Tax Law Announced by the Government**

As per notice dated April 08, 2020 [ PN/IT/2020-03 (Revised)] issued by the Inland Revenue Department on "Implementation of Proposed Changes to the Inland Revenue Act No. 24 of 2017", Corporate income tax rate was revised from 28% to 24% with effective from January 01, 2020.

However such revisions were not considered in computing the income tax liabilities in these financial statements, since the said amendments are set of instructions by the ministry of finance which require pending formal amendments being made to the Act.

9. No circumstances have arisen since March 31, 2020 which would require adjustments to, or disclosure in these interim financial statements other than those disclosed above.

### CERTIFICATION

We the undersigned being the Chairman, Chief Executive Officer/General Manager and the Head of Finance of the Bank jointly certify that;

- (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka; and
- (b) the information contained in these statements have been extracted from the Unaudited financial statements of the bank and the group unless indicated as Audited.

(Sgd.)  
Azzam A. Ahamat  
Head of Finance

(Sgd.)  
M.A. Bonniface Silva  
Actg. Chief Executive Officer/General Manager

(Sgd.)  
Sujeewa Rajapakse  
Chairman

11.06.2020  
Colombo.