



**PEOPLE'S
BANK**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH SEPTEMBER

2019

FITCH RATING AA+ (LKA)

INCOME STATEMENT

FOR THE PERIOD ENDED 30TH SEPTEMBER

	BANK			GROUP		
	2019 (Rs. '000) (Audited)	2018* (Rs. '000) (Unaudited)	Change %	2019 (Rs. '000) (Unaudited)	2018* (Rs. '000) (Unaudited)	Change %
Gross Income	147,684,017	130,548,472	13.1	176,314,664	155,773,396	13.2
Interest income	137,589,041	121,021,609	13.7	161,924,765	143,090,870	13.2
Interest expenses	(93,498,775)	(80,405,030)	16.3	(104,888,849)	(90,798,845)	15.5
Net Interest Income	44,090,266	40,616,579	8.6	57,035,916	52,292,025	9.1
Fee and commission income	5,517,488	5,096,634	8.3	6,455,236	5,689,415	13.5
Fee and commission expenses	(311,206)	(259,955)	19.7	(311,206)	(259,955)	19.7
Net Fee and Commission Income	5,206,282	4,836,679	7.6	6,144,030	5,429,460	13.2
Net gain / (loss) from trading	2,833,078	2,718,709	4.2	2,792,971	2,680,381	4.2
Other operating income (net)	1,744,410	1,711,520	1.9	5,141,692	4,312,730	19.2
Total Operating Income	53,874,036	49,883,487	8.0	71,114,609	64,714,596	9.9
Impairment Charge	(5,467,737)	(2,332,058)	134.5	(7,970,103)	(3,764,539)	111.7
Other Financial Assets	(592,386)	(76,743)		(592,386)	(76,743)	
Others	-	-		(833,862)	(733,523)	
Loans & Receivables to Customers	(4,875,351)	(2,255,315)		(6,543,855)	(2,954,273)	
Individual Impairment	(3,714,369)	(686,302)		(3,823,079)	(367,321)	
Collective Impairment	(1,160,982)	(1,569,013)		(2,720,776)	(2,586,952)	
Net Operating Income	48,406,299	47,551,429	1.8	63,144,506	60,950,057	3.6
Personnel Expenses	(15,162,877)	(14,460,981)	4.9	(18,491,074)	(17,276,619)	7.0
Depreciation and Amortisation	(1,447,999)	(1,257,030)	15.2	(1,792,659)	(1,485,871)	20.6
Other Expenses	(11,328,594)	(9,392,335)	20.6	(15,658,852)	(13,170,078)	18.9
Operating Profit Before Value Added Tax (VAT), Nation Building Tax (NBT) and Debt Repayment Levy (DRL)	20,466,829	22,441,083	(8.8)	27,201,921	29,017,489	(6.3)
VAT , NBT and DRL on financial services	(6,903,464)	(5,396,655)	27.9	(8,816,397)	(6,662,291)	32.3
Operating Profit After VAT, NBT and DRL	13,563,365	17,044,428	(20.4)	18,385,524	22,355,198	(17.8)
Share of Profits/(Loss) of Associates (Net of Tax)	-	-	-	(8,740)	-	-
Profit Before Tax	13,563,365	17,044,428	(20.4)	18,376,784	22,355,198	(17.8)
Income Tax Expenses	(4,278,787)	(5,487,571)	(22.0)	(6,293,556)	(7,117,857)	(11.6)
Profit for the Period	9,284,578	11,556,857	(19.7)	12,083,228	15,237,341	(20.7)
Profit Attributable to :						
Equity Holders of the Bank	9,284,578	11,556,857	(19.7)	11,257,583	14,059,415	(19.9)
Non-Controlling Interests	-	-	-	825,645	1,177,926	(29.9)
	9,284,578	11,556,857	(19.7)	12,083,228	15,237,341	(20.7)
Earnings Per Share on Profit						
Basic Earnings per Ordinary Share [Rs.]	9,285	11,557	(19.7)	11,258	14,059	(19.9)
Diluted Earnings per Ordinary Share [Rs.]	38	47	(19.7)	46	58	(19.9)

* Certain comparative figures have been reclassified to conform to the current period presentation

STATEMENT OF COMPREHENSIVE INCOME				
FOR THE PERIOD ENDED 30TH SEPTEMBER				
	BANK		GROUP	
	2019	2018	2019	2018
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the Period	9,284,578	11,556,857	12,083,228	15,237,341
Other comprehensive income that will not be reclassified to the income statement				
Net Gains/(Losses) on equity instruments at fair value through OCI	175,417	-	64,177	-
Net Actuarial Gains and Losses on Defined Benefit Plans	-	-	(20,050)	(25,625)
Deferred Tax Effect on Defined Benefit Plans	-	902,335	4,938	908,912
Gains on Revaluation of Land and Buildings	-	-	-	277,822
Deferred Tax Effect on Revaluation of Investment Property	-	-	(83,385)	(84,563)
Other comprehensive income that will be reclassified to the income statement				
Net Gains/(Losses) on Re-Measuring Available-for-Sale Financial Assets	-	125,420	-	59,294
Net Gains/(Losses) (Including change in ECL) on debt instruments at fair value through OCI	288,926	-	288,926	-
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	(35,065)	193,411
Other Comprehensive Income for the Period, Net of Taxes	464,343	1,027,755	219,541	1,329,251
Total Comprehensive Income for the Period	9,748,921	12,584,612	12,302,769	16,566,592
Attributable to :				
Equity Holders of the Bank	9,748,921	12,584,612	11,530,103	15,314,112
Non-Controlling Interests	-	-	772,666	1,252,480
	9,748,921	12,584,612	12,302,769	16,566,592

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	30.09.2019 (Rs. '000) (Unaudited)	31.12.2018 (Rs. '000) (Audited)	Change %	30.09.2019 (Rs. '000) (Unaudited)	31.12.2018 (Rs. '000) (Audited)	Change %
Assets						
Cash and Cash Equivalents	52,002,233	57,879,933	(10.2)	52,884,661	58,835,090	(10.1)
Balances with Central Bank of Sri Lanka	42,297,343	51,615,796	(18.1)	42,297,343	51,615,796	(18.1)
Placements with Banks	4,437,382	4,350,726	2.0	7,867,961	9,096,252	(13.5)
Derivative Financial Instruments	95,601	1,163,384	(91.8)	95,601	1,163,384	(91.8)
Financial Assets - At Fair Value through Profit or Loss	82,749,035	54,052,435	53.1	83,297,515	54,300,238	53.4
Financial Assets - At Amortised Cost						
Loans and Receivables to Banks	29,438,045	32,167,421	(8.5)	29,438,045	32,551,657	(9.6)
Loans and Receivables to Other Customers	1,258,519,018	1,265,667,467	(0.6)	1,411,599,264	1,415,927,536	(0.3)
Debt instruments measured at amortised cost	276,688,519	201,650,435	37.2	286,499,570	209,696,173	36.6
Financial Assets - At Fair Value through other Comprehensive income [OCI]						
Equity instruments at fair value through OCI	1,984,090	1,179,922	68.2	1,776,868	1,179,956	50.6
Debt instruments at fair value through OCI	2,505,915	4,731,261	(47.0)	2,505,915	4,756,298	(47.3)
Investments in Subsidiaries	1,205,414	1,027,542	17.3	-	-	-
Investments in Associates	-	-	-	532,866	-	-
Goodwill and Intangible Assets	749,274	439,517	70.5	1,153,082	869,473	32.6
Property, Plant and Equipment	27,182,082	26,259,745	3.5	35,350,860	35,434,318	(0.2)
Investment Properties	1,263,475	1,264,752	(0.1)	1,263,475	175,795	618.7
Prepaid Leases	443,754	461,043	(3.7)	526,285	545,874	(3.6)
Other Assets	33,659,744	30,791,610	9.3	35,511,458	32,392,393	9.6
Total Assets	<u>1,815,220,924</u>	<u>1,734,702,989</u>	4.6	<u>1,992,600,769</u>	<u>1,908,540,233</u>	4.4
Liabilities						
Due to Banks	170,456,480	138,031,420	23.5	183,696,634	172,247,861	6.6
Derivative Financial Instruments	116,407	2,512,205	(95.4)	116,407	2,512,205	(95.4)
Due to Other Customers	1,485,810,508	1,422,961,240	4.4	1,580,995,494	1,495,326,489	5.7
Other Borrowings	15,652,106	35,575,554	(56.0)	15,580,079	35,082,488	(55.6)
Current Tax Liabilities	2,862,394	4,004,218	(28.5)	3,599,114	5,075,102	(29.1)
Net Deferred Tax Liabilities	3,905,873	3,954,834	(1.2)	7,072,281	7,347,484	(3.7)
Other Liabilities	23,989,174	23,919,689	0.3	33,382,806	34,350,628	(2.8)
Subordinated Term Debts	12,533,904	12,533,904	-	33,481,716	33,084,526	(1.2)
Total Liabilities	<u>1,715,326,846</u>	<u>1,643,493,064</u>	4.4	<u>1,857,924,531</u>	<u>1,785,026,783</u>	4.1
Equity						
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	12,201,998	12,201,998	-
Statutory Reserve Fund	6,669,490	6,669,490	-	6,669,490	6,669,490	-
Other Reserves	26,473,291	26,008,948	1.8	28,373,418	28,027,230	1.2
Retained Earnings	54,549,299	46,329,489	17.7	76,662,693	66,494,500	15.3
Total Shareholders' Equity	<u>99,894,078</u>	<u>91,209,925</u>	9.5	<u>123,907,599</u>	<u>113,393,218</u>	9.3
Non-Controlling Interests	-	-	-	10,768,639	10,120,232	6.4
Total Equity	<u>99,894,078</u>	<u>91,209,925</u>	9.5	<u>134,676,238</u>	<u>123,513,450</u>	9.0
Total Equity and Liabilities	<u>1,815,220,924</u>	<u>1,734,702,989</u>	4.6	<u>1,992,600,769</u>	<u>1,908,540,233</u>	4.4
Contingent Liabilities and Commitments	403,510,315	402,761,963	0.2	411,046,315	409,575,397	0.4
Number of Employees	7,883	8,093		11,030	11,394	
Number of Branches	738	738		844	852	

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30TH SEPTEMBER**

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)		
Balance as at 1st January 2018	49,998	12,152,000	5,814,744	14,051,911	10,952,737	115,030	33,863,412	76,999,832
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	17,094,922	17,094,922
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	-	15,406	519,455	534,861
Total Comprehensive Income/(Expense)	-	-	-	-	-	15,406	17,614,377	17,629,783
Transactions with Equity Holders, Recognised Directly in Equity	-	-	-	-	-	-	-	-
Transfer to Reserve during the Year	-	-	854,746	-	873,864	-	(1,728,610)	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(3,419,690)	(3,419,690)
Total Transactions with Equity Holders	-	-	854,746	-	873,864	-	(5,148,300)	(3,419,690)
Balance as at 31st December 2018	49,998	12,152,000	6,669,490	14,051,911	11,826,601	130,436	46,329,489	91,209,925
Balance as at 1st January 2019	49,998	12,152,000	6,669,490	14,051,911	11,826,601	130,436	46,329,489	91,209,925
Total Comprehensive Income for the period	-	-	-	-	-	-	-	-
Profit for the Period	-	-	-	-	-	-	9,284,578	9,284,578
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	-	464,343	-	464,343
Total Comprehensive Income/(Expense)	-	-	-	-	-	464,343	9,284,578	9,748,921
Transactions with Equity Holders, Recognised Directly in Equity	-	-	-	-	-	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(1,064,768)	(1,064,768)
Total Transactions with Equity Holders	-	-	-	-	-	-	(1,064,768)	(1,064,768)
Balance as at 30th September 2019	49,998	12,152,000	6,669,490	14,051,911	11,826,601	594,779	54,549,299	99,894,078

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				
Balance as at 1st January 2018	49,998	12,152,000	5,814,744	15,831,237	10,946,111	115,030	51,159,341	96,068,461	9,122,451	105,190,912
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	19,977,862	19,977,862	1,514,281	21,492,143
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	(33,422)	279,004	15,406	505,597	766,585	77,219	843,804
Total Comprehensive Income/(Expense)	-	-	-	(33,422)	279,004	15,406	20,483,459	20,744,447	1,591,500	22,335,947
Transactions with Equity Holders, Recognised Directly in Equity	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve during the period	-	-	854,746	-	873,864	-	(1,728,610)	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(3,419,690)	(3,419,690)	-	(3,419,690)
Dividends Paid	-	-	-	-	-	-	-	-	(593,719)	(593,719)
Total Transactions with Equity Holders	-	-	854,746	-	873,864	-	(5,148,300)	(3,419,690)	(593,719)	(4,013,409)
Balance as at 31st December 2018	49,998	12,152,000	6,669,490	15,797,815	12,098,979	130,436	66,494,500	113,393,218	10,120,232	123,513,450
Balance as at 1st January 2019	49,998	12,152,000	6,669,490	15,797,815	12,098,979	130,436	66,494,500	113,393,218	10,120,232	123,513,450
Total Comprehensive Income for the period	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	11,257,583	11,257,583	825,645	12,083,228
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	(26,299)	372,487	(73,668)	272,520	(52,979)	219,541
Total Comprehensive Income/(Expense)	-	-	-	-	(26,299)	372,487	11,183,915	11,530,103	772,666	12,302,769
Transactions with Equity Holders, Recognised Directly in Equity	-	-	-	-	-	-	-	-	-	-
Movement due to changes in ownership	-	-	-	-	-	-	49,046	49,046	(41,612)	7,434
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(1,064,768)	(1,064,768)	-	(1,064,768)
Dividends Paid	-	-	-	-	-	-	-	-	(82,648)	(82,648)
Total Transactions with Equity Holders	-	-	-	-	-	-	(1,015,722)	(1,015,722)	(124,260)	(1,139,981)
Balance as at 30th September 2019	49,998	12,152,000	6,669,490	15,797,815	12,072,680	502,923	76,662,693	123,907,599	10,768,639	134,676,238

CASH FLOW STATEMENT				
FOR THE PERIOD ENDED 30TH SEPTEMBER				
	BANK		GROUP	
	2019 (Rs. '000) (Unaudited)	2018 (Rs. '000) (Unaudited)	2019 (Rs. '000) (Unaudited)	2018 (Rs. '000) (Unaudited)
Cash flows from operating activities				
Profit before tax	13,563,365	17,044,428	18,376,784	22,355,198
Adjustment for				
Non-cash items included in profits before tax	4,729,997	8,609,208	8,084,297	7,171,667
Changes in operating assets	(15,072,174)	(215,303,953)	(21,080,313)	(228,430,551)
Changes in operating liabilities	74,317,288	236,101,897	75,516,841	247,753,492
Dividend income from subsidiaries and others	(780,794)	(762,428)	(207,027)	(208,130)
Interest expense on subordinated debt	1,224,760	1,224,760	1,224,760	1,224,760
Contribution paid to defined benefit plans/Gratuity	1,103,076	1,125,000	1,103,076	1,125,000
Tax paid	(5,469,572)	(6,106,756)	(8,143,244)	(6,811,428)
Net Cash Generated from Operating Activities	73,615,946	41,932,156	74,875,174	44,180,008
Cash Flows from Investing Activities				
Sale /(Purchase) of investment property	-	(44,160)	-	(4,904)
Purchase of property, plant and equipment	(2,263,874)	(2,200,813)	(1,523,927)	(2,511,407)
Proceeds from the sale of property, plant and equipment	69,018	46,009	71,250	66,869
Sale /(Purchase) of financial investments	(75,360,360)	(53,054,223)	(77,125,673)	(55,150,787)
Net purchase of intangible assets	(429,696)	(284,031)	(479,294)	(296,893)
Dividends received from investment in subsidiaries and others	780,794	762,428	207,027	208,130
Net Cash (used in) from Investing Activities	(77,204,118)	(54,774,790)	(78,850,617)	(57,688,992)
Cash Flows from Financing Activities				
Net Proceeds from subordinated debt	-	-	397,190	1,064,488
Interest paid on subordinated debt	(1,224,760)	(1,224,760)	(1,224,760)	(1,224,760)
Dividend paid to non-controlling interest	-	-	(82,648)	(297,483)
Dividend/Levy paid to holders of other equity instruments	(1,064,768)	(2,864,768)	(1,064,768)	(2,864,768)
Net Cash (used in) from Financing Activities	(2,289,528)	(4,089,528)	(1,974,986)	(3,322,523)
Net Increase/(Decrease) in Cash & Cash Equivalents	(5,877,700)	(16,932,162)	(5,950,429)	(16,831,507)
Cash and cash equivalents at the beginning of the year	57,879,933	68,958,012	58,835,090	69,675,003
Cash and cash equivalents at the end of the period	52,002,233	52,025,850	52,884,661	52,843,496

ANALYSIS OF LOANS & RECEIVABLES TO OTHER CUSTOMERS AND IMPAIRMENT

	BANK		GROUP	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Loans and Receivables to Other Customers				
Gross loans and receivables	1,332,030,709	1,334,420,260	1,491,617,587	1,489,920,155
Less :				
Allowance for Expected Credit Loss /Impairment losses	(73,511,691)	(68,752,793)	(80,018,323)	(73,992,619)
Individual impairment	(51,394,877)	(47,680,508)	(51,890,644)	(48,341,773)
Collective impairment	(22,116,814)	(21,072,285)	(28,127,679)	(25,650,846)
Net loans and receivables	1,258,519,018	1,265,667,467	1,411,599,264	1,415,927,536
Product-wise Gross loans & advances				
By product – Domestic currency				
Overdrafts	143,347,721	128,064,782	142,478,943	124,559,325
Term loans	629,297,861	627,127,993	692,550,728	683,488,108
Lease rentals receivable	-	-	89,180,878	95,132,968
Credit cards	3,206,188	2,883,268	3,206,188	2,883,268
Pawning	156,921,744	149,825,847	156,921,744	149,935,284
Trade Finance	58,330,355	108,206,301	58,330,355	108,206,301
Others	20,957,606	19,882,764	28,979,517	27,285,596
Sub Total	1,012,061,475	1,035,990,955	1,171,648,353	1,191,490,850
By product – Foreign currency				
Overdrafts	1,226,062	1,136,306	1,226,062	1,136,306
Term loans	187,091,106	124,723,981	187,091,106	124,723,981
Trade Finance	131,652,066	172,569,018	131,652,066	172,569,018
Sub Total	319,969,234	298,429,305	319,969,234	298,429,305
Grand Total	1,332,030,709	1,334,420,260	1,491,617,587	1,489,920,155
Movement of Impairment during the Period				
	BANK		GROUP	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Movements in Individual Impairment during the Year				
Opening balance	47,680,508	44,913,498	48,341,773	45,672,491
Charge/ (Reversal) for period	3,714,369	2,767,010	3,823,079	2,669,282
Deemed Disposal of Subsidiary during the period	-	-	(274,208)	-
Closing balance	51,394,877	47,680,508	51,890,644	48,341,773
Movements in Collective Impairment during the Year				
Opening balance	21,072,285	16,691,440	25,650,846	19,677,004
Impact of adopting SLFRS 9 as at 1st January 2018	-	(1,716,522)	-	(1,134,141)
Charge/ (Reversal) for period	1,160,982	5,694,043	2,720,776	6,704,658
Write off during the period	(94,478)	(160,306)	(94,478)	(160,306)
Exchange rate variance on foreign currency Impairment	(21,975)	563,630	(21,975)	563,631
Deemed Disposal of Subsidiary during the period	-	-	(127,490)	-
Closing balance	22,116,814	21,072,285	28,127,679	25,650,846
Total Impairment	73,511,691	68,752,793	80,018,323	73,992,619
Movement in Allowance for Expected Credit Loss [Impairment losses] based on exposure to credit risk				
Bank	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01st January 2019	5,110,245	1,752,572	61,889,976	68,752,793
Net Charge/(Reversal) for the period	(966,431)	922,930	4,918,852	4,875,351
Amounts written off	-	-	(94,478)	(94,478)
Exchange rate variance on foreign currency Impairment	-	-	(21,975)	(21,975)
Closing balance as at 30th September 2019	4,143,814	2,675,502	66,692,375	73,511,691
Group	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01st January 2019	5,649,333	2,486,192	65,857,094	73,992,619
Net Charge/(Reversal) for the period	(868,187)	896,334	6,515,708	6,543,855
Amounts written off	-	-	(94,478)	(94,478)
Exchange rate variance on foreign currency Impairment	-	-	(21,975)	(21,975)
Deemed Disposal of Subsidiary during the period	(23,545)	(78,207)	(299,946)	(401,698)
Closing balance as at 30th September 2019	4,757,601	3,304,319	71,956,403	80,018,323

ANALYSIS OF DEPOSITS

	BANK		GROUP	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
By product – Domestic currency				
Demand deposits (current accounts)	54,541,909	60,765,394	52,845,115	58,857,717
Savings deposits	479,287,709	455,323,630	484,924,015	460,563,427
Fixed deposits	822,076,615	804,075,204	906,489,376	867,501,720
Others	3,007,682	4,423,184	9,840,395	10,029,797
Sub total	1,358,913,915	1,324,587,412	1,454,098,901	1,396,952,661
By product – Foreign currency				
Demand deposits (current accounts)	2,050,247	2,904,892	2,050,247	2,904,892
Savings deposits	20,163,571	20,227,442	20,163,571	20,227,442
Fixed deposits	104,617,220	75,194,053	104,617,220	75,194,053
Others	65,555	47,441	65,555	47,441
Sub total	126,896,593	98,373,828	126,896,593	98,373,828
Grand Total	1,485,810,508	1,422,961,240	1,580,995,494	1,495,326,489

ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

	BANK		GROUP	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
By product				
Acceptances	131,694,335	90,195,344	131,694,335	90,195,344
Documentary Credit	97,651,943	84,103,230	97,651,943	84,103,230
Guarantees	80,926,675	73,255,113	81,522,675	74,001,537
Forward Exchange Contracts	29,711,647	99,087,601	29,711,647	99,087,601
Non disbursed overdrafts & loans	64,524,625	56,791,963	71,464,625	62,858,973
Gross Contingent Liabilities and Commitments	404,509,225	403,433,251	412,045,225	410,246,685
Less :				
Allowance for Expected Credit Loss [Impairment losses]	(998,910)	(671,288)	(998,910)	(671,288)
Net Contingent Liabilities and Commitments	403,510,315	402,761,963	411,046,315	409,575,397

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

BANK AS AT 30TH SEPTEMBER 2019

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
ASSETS				
Cash and cash equivalents	-	-	52,002,233	52,002,233
Balances with Central Banks	-	-	42,297,343	42,297,343
Placements with Banks	-	-	4,437,382	4,437,382
Derivative Financial Instruments	95,601	-	-	95,601
Financial assets - at fair value through profit or loss	82,749,035	-	-	82,749,035
Loans and receivables to banks	-	-	29,438,045	29,438,045
Loans and receivables to other customers	-	-	1,258,519,018	1,258,519,018
Debt instruments measured at amortised cost	-	-	276,688,519	276,688,519
Equity instruments at fair value through OCI	-	1,984,090	-	1,984,090
Debt instruments at fair value through OCI	-	2,505,915	-	2,505,915
Total Financial Assets	82,844,636	4,490,005	1,663,382,540	1,750,717,181
LIABILITIES				
Due to banks	-	-	170,456,480	170,456,480
Derivative Financial Instruments	116,407	-	-	116,407
Due to other customers	-	-	1,485,810,508	1,485,810,508
Other Borrowings	-	-	15,652,106	15,652,106
Subordinated term debts	-	-	12,533,904	12,533,904
Total Financial Liabilities	116,407	-	1,684,452,998	1,684,569,405

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

BANK AS AT 31ST DECEMBER 2018

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
ASSETS				
Cash and cash equivalents	-	-	57,879,933	57,879,933
Balances with Central Banks	-	-	51,615,796	51,615,796
Placements with Banks	-	-	4,350,726	4,350,726
Derivative Financial Instruments	1,163,384	-	-	1,163,384
Financial assets - at fair value through profit or loss	54,052,435	-	-	54,052,435
Loans and receivables to banks	-	-	32,167,421	32,167,421
Loans and receivables to other customers	-	-	1,265,667,467	1,265,667,467
Debt instruments measured at amortised cost	-	-	201,650,435	201,650,435
Equity instruments at fair value through OCI	-	1,179,922	-	1,179,922
Debt instruments at fair value through OCI	-	4,731,261	-	4,731,261
Total Financial Assets	55,215,819	5,911,183	1,613,331,778	1,674,458,780
LIABILITIES				
Due to banks	-	-	138,031,420	138,031,420
Derivative Financial Instruments	2,512,205	-	-	2,512,205
Due to other customers	-	-	1,422,961,240	1,422,961,240
Other Borrowings	-	-	35,575,554	35,575,554
Subordinated term debts	-	-	12,533,904	12,533,904
Total Financial Liabilities	2,512,205	-	1,609,102,118	1,611,614,323

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

GROUP AS AT 30TH SEPTEMBER 2019

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
ASSETS				
Cash and cash equivalents	-	-	52,884,661	52,884,661
Balances with Central Banks	-	-	42,297,343	42,297,343
Placements with Banks	-	-	7,867,961	7,867,961
Derivative Financial Instruments	95,601	-	-	95,601
Financial assets - at fair value through profit or loss	83,297,515	-	-	83,297,515
Loans and receivables to banks	-	-	29,438,045	29,438,045
Loans and receivables to other customers	-	-	1,411,599,264	1,411,599,264
Debt instruments measured at amortised cost	-	-	286,499,570	286,499,570
Equity instruments at fair value through OCI	-	1,776,868	-	1,776,868
Debt instruments at fair value through OCI	-	2,505,915	-	2,505,915
Total Financial Assets	83,393,116	4,282,783	1,830,586,844	1,918,262,743
LIABILITIES				
Due to banks	-	-	183,696,634	183,696,634
Derivative Financial Instruments	116,407	-	-	116,407
Due to other customers	-	-	1,580,995,494	1,580,995,494
Other Borrowings	-	-	15,580,079	15,580,079
Subordinated term debts	-	-	33,481,716	33,481,716
Total Financial Liabilities	116,407	-	1,813,753,923	1,813,870,330

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

GROUP AS AT 31ST DECEMBER 2018

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
ASSETS				
Cash and cash equivalents	-	-	58,835,090	58,835,090
Balances with Central Banks	-	-	51,615,796	51,615,796
Placements with Banks	-	-	9,096,252	9,096,252
Derivative Financial Instruments	1,163,384	-	-	1,163,384
Financial assets - at fair value through profit or loss	54,300,238	-	-	54,300,238
Loans and receivables to banks	-	-	32,551,657	32,551,657
Loans and receivables to other customers	-	-	1,415,927,536	1,415,927,536
Debt instruments measured at amortised cost	-	-	209,696,173	209,696,173
Equity instruments at fair value through OCI	-	1,179,956	-	1,179,956
Debt instruments at fair value through OCI	-	4,756,298	-	4,756,298
Total Financial Assets	55,463,622	5,936,254	1,777,722,504	1,839,122,380
LIABILITIES				
Due to banks	-	-	172,247,861	172,247,861
Derivative Financial Instruments	2,512,205	-	-	2,512,205
Due to other customers	-	-	1,495,326,489	1,495,326,489
Other Borrowings	-	-	35,082,488	35,082,488
Subordinated term debts	-	-	33,084,526	33,084,526
Total Financial Liabilities	2,512,205	-	1,735,741,364	1,738,253,569

SELECTED PERFORMANCE INDICATORS (Based on Regulatory Reporting)

	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)
Regulatory Capital Adequacy				
Common Equity Tier 1 Capital [Rs. 000]	82,246,144	74,623,023	109,079,246	101,088,945
Core (Tier 1) Capital [Rs. 000]	82,246,144	74,623,023	109,079,246	101,088,945
Total Capital Base [Rs. 000]	102,887,934	97,987,548	130,649,230	125,548,973
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital (%) (Min. requirement - 2019 - 8.5%, 2018 - 7.375%)	11.71	11.02	12.22	11.66
Tier 1 Capital Ratio (%) (Min. requirement - 2019 - 10%, 2018 - 8.875%)	11.71	11.02	12.22	11.66
Total Capital Ratio (%) (Min. requirement - 2019 - 14%, 2018 - 12.875%)	14.65	14.47	14.63	14.48
Asset Quality (Quality of Loan Portfolio)				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	3.18	2.49	3.49	2.70
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	1.74	1.36	1.70	1.34
Profitability				
Interest Margin, %	3.31	3.48	3.90	4.04
Return on Assets (Before Tax), %	1.02	1.52	1.26	1.77
Return on Equity (After Tax), %	12.96	20.27	12.48	18.69
Leverage Ratio (Min. requirement - 3%)	4.34	4.12	5.25	5.08
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking unit Rs.000	426,840,312	337,865,692		
Off-Shore Banking Unit USD.000	504,529	303,616		
Statutory Liquid Assets Ratio (%) (Min. requirement - 20%)				
Domestic Banking unit (%)	28.39	23.01		
Off-Shore Banking Unit (%)	44.60	30.36		
Total Stock of High Quality Liquid Assets [Rs.000]	412,297,207	303,919,749		
Liquidity Coverage Ratio (%) (Min. requirement , 2019 - 100%, 2018 - 90%)				
Liquidity Coverage Ratio - Rupee	161.98	144.90		
Liquidity Coverage Ratio - All Currency	121.99	100.42		

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

29.11.2019
Colombo.

(Sgd.)
Rasitha Gunawardana
Chief Executive Officer/General Manager

(Sgd.)
Nissanka Nanayakkara
Chairman



**PEOPLE'S
BANK**