



**PEOPLE'S
BANK**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH

2021

FITCH RATING AA- (LKA)

INCOME STATEMENT
FOR THE PERIOD ENDED 31ST MARCH

	BANK			GROUP		
	2021 (Rs. '000) (Audited)	2020* (Rs. '000) (Audited)	Change %	2021 (Rs. '000) (Unaudited)	2020* (Rs. '000) (Unaudited)	Change %
Gross Income	49,684,405	49,579,982	0.2	58,056,671	59,188,680	(1.9)
Interest income	46,449,090	46,648,148	(0.4)	53,402,763	54,555,457	(2.1)
Interest expenses	(27,018,808)	(30,525,289)	(11.5)	(29,859,706)	(34,346,917)	(13.1)
Net Interest Income	19,430,282	16,122,859	20.5	23,543,057	20,208,540	16.5
Fee and commission income	2,198,553	1,603,135	37.1	2,611,113	1,912,352	36.5
Fee and commission expenses	(136,296)	(123,726)	10.2	(136,296)	(123,726)	10.2
Net Fee and Commission Income	2,062,257	1,479,409	39.4	2,474,817	1,788,626	38.4
Net gain / (loss) from trading	794,149	1,084,363	(26.8)	850,575	1,093,496	(22.2)
Other operating income (net)	242,613	244,336	(0.7)	1,192,220	1,627,375	(26.7)
Total Operating Income	22,529,301	18,930,967	19.0	28,060,669	24,718,037	13.5
Impairment Charge	(4,599,847)	(3,985,300)	15.4	(2,654,439)	(6,177,338)	(57.0)
Loans & advances to Customers	(4,387,337)	(3,959,076)		(2,174,727)	(5,900,324)	
Other Financial Assets	(212,510)	(26,224)		(212,510)	(26,224)	
Others	-	-		(267,202)	(250,790)	
Net Operating Income	17,929,454	14,945,667	20.0	25,406,230	18,540,699	37.0
Personnel Expenses	(6,303,953)	(4,926,231)	28.0	(7,779,300)	(6,081,555)	27.9
Depreciation and Amortisation	(1,062,505)	(1,002,954)	5.9	(1,273,990)	(1,380,069)	(7.7)
Other Expenses	(2,997,920)	(2,590,635)	15.7	(3,999,752)	(3,612,902)	10.7
Operating Profit Before Value Added Tax (VAT) on Financial Services	7,565,076	6,425,847	17.7	12,353,188	7,466,173	65.5
Value Added Tax (VAT) on Financial Services	(1,688,852)	(1,275,577)	32.4	(2,343,364)	(1,510,728)	55.1
Operating Profit After Value Added Tax (VAT) on Financial Services	5,876,224	5,150,270	14.1	10,009,824	5,955,445	68.1
Share of Profits/(Loss) of Associates (Net of Tax)	-	-	-	10,893	(6,748)	(261.4)
Profit Before Tax	5,876,224	5,150,270	14.1	10,020,717	5,948,697	68.5
Income Tax Expenses	(424,165)	(1,348,672)	(68.5)	(1,489,811)	(1,649,837)	(9.7)
Profit for the period	5,452,059	3,801,598	43.4	8,530,906	4,298,860	98.4
Profit Attributable to :						
Equity Holders of the Bank	5,452,059	3,801,598	43.4	7,684,880	4,123,463	86.4
Non-Controlling Interests	-	-		846,026	175,397	382.4
	5,452,059	3,801,598	43.4	8,530,906	4,298,860	98.4
Earnings Per Share on Profit						
Basic Earnings per Ordinary Share [Rs.]	5,452	3,802	43.4	7,685	4,123	86.4
Diluted Earnings per Ordinary Share [Rs.]	22	16	43.4	31	17	86.4

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

STATEMENT OF COMPREHENSIVE INCOME				
FOR THE PERIOD ENDED 31ST MARCH				
	BANK		GROUP	
	2021	2020	2021	2020
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Profit for the period	5,452,059	3,801,598	8,530,906	4,298,860
Other comprehensive income that will not be reclassified to the income statement				
Net Gains/(Losses) on equity instruments at fair value through OCI	(65,550)	(225,455)	(21,104)	(196,517)
Net Actuarial Gains/(Losses) on Defined Benefit Plans	-	-	107,005	-
Deferred Tax Effect on Defined Benefit Plans	-	-	(29,961)	-
Other comprehensive income that will be reclassified to the income statement				
Net Gains/(Losses)[including change in ECL] on debt instruments at fair value through OCI	438	7,466	(8,871)	(13,296)
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	184,795	88,735
Other Comprehensive Income for the period, Net of Taxes	(65,112)	(217,989)	231,864	(121,078)
Total Comprehensive Income for the period	5,386,947	3,583,609	8,762,770	4,177,782
Attributable to :				
Equity Holders of the Bank	5,386,947	3,583,609	7,864,849	4,008,606
Non-Controlling Interests	-	-	897,921	169,176
	5,386,947	3,583,609	8,762,770	4,177,782

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	31.03.2021 (Rs.'000) (Unaudited)	31.12.2020 (Rs. '000) (Audited)	Change %	31.03.2021 (Rs.'000) (Unaudited)	31.12.2020 (Rs. '000) (Audited)	Change %
Assets						
Cash and Cash Equivalents	62,511,400	71,461,242	(12.5)	63,693,714	72,899,208	(12.6)
Balances with Central Bank of Sri Lanka	16,054,981	14,196,565	13.1	16,054,981	14,196,565	13.1
Placements with Banks	5,528,440	10,304,422	(46.3)	7,887,905	13,910,824	(43.3)
Derivative Financial Instruments	150,008	97,645	53.6	150,008	97,645	53.6
Financial Assets - At Fair Value through Profit or Loss	2,229,139	46,425,027	(95.2)	3,510,893	52,728,589	(93.3)
Financial Assets - At Amortised Cost						
Loans and advances to Banks	15,050,790	23,610,101	(36.3)	15,452,805	23,622,700	(34.6)
Loans and advances to Other Customers	1,814,392,379	1,635,579,343	10.9	1,962,721,217	1,776,231,315	10.5
Debt instruments measured at amortised cost	393,324,396	357,107,701	10.1	401,917,782	365,900,452	9.8
Financial Assets - At Fair Value through other Comprehensive income [OCI]						
Equity instruments at fair value through OCI	1,871,899	1,937,778	(3.4)	2,181,017	1,778,585	22.6
Debt instruments at fair value through OCI	6,172,565	2,632,231	134.5	6,598,941	2,899,609	127.6
Investments in Subsidiaries	1,937,881	1,937,881	-	-	-	-
Investments in Associates	-	-	-	-	531,963	(100.0)
Investment Properties	1,260,253	1,261,338	(0.1)	1,256,414	1,257,499	(0.1)
Property, Plant, Equipment and Right of use assets	37,572,586	38,405,839	(2.2)	47,334,242	48,101,865	(1.6)
Intangible Assets and Goodwill	665,248	702,181	(5.3)	930,754	1,007,730	(7.6)
Net Deferred Tax Assets	1,112,364	695,424	60.0	-	-	-
Other Assets	27,503,603	23,763,947	15.7	28,868,808	25,402,844	13.6
Total Assets	<u>2,387,337,932</u>	<u>2,230,118,665</u>	7.0	<u>2,558,559,481</u>	<u>2,400,567,393</u>	6.6
Liabilities						
Due to Banks	145,766,091	164,489,623	(11.4)	153,756,466	172,439,795	(10.8)
Derivative Financial Instruments	1,422,421	976,486	45.7	1,422,421	976,486	45.7
Due to Other Customers	1,997,516,636	1,835,099,456	8.9	2,093,440,605	1,935,194,040	8.2
Other Borrowings	39,107,983	36,362,434	7.6	38,732,581	36,362,434	6.5
Current Tax Liabilities	6,823,094	6,608,202	3.3	7,706,993	7,538,938	2.2
Net Deferred Tax Liabilities	-	-	-	638,570	805,442	(20.7)
Other Liabilities	41,642,328	41,041,170	1.5	53,614,960	51,271,458	4.6
Subordinated Term Debts	48,243,757	43,557,696	10.8	61,928,273	56,868,035	8.9
Total Liabilities	<u>2,280,522,310</u>	<u>2,128,135,067</u>	7.2	<u>2,411,240,869</u>	<u>2,261,456,628</u>	6.6
Equity						
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	12,201,998	12,201,998	-
Statutory Reserve Fund	8,024,521	8,024,521	-	8,024,521	8,024,521	-
Other Reserves	32,794,125	32,859,237	(0.2)	35,045,848	34,923,662	0.3
Retained Earnings	53,794,978	48,897,842	10.0	79,456,416	72,268,676	9.9
Total Shareholders' Equity	<u>106,815,622</u>	<u>101,983,598</u>	4.7	<u>134,728,783</u>	<u>127,418,857</u>	5.7
Non-Controlling Interests	-	-	-	12,589,829	11,691,908	7.7
Total Equity	<u>106,815,622</u>	<u>101,983,598</u>	4.7	<u>147,318,612</u>	<u>139,110,765</u>	5.9
Total Equity and Liabilities	<u>2,387,337,932</u>	<u>2,230,118,665</u>	7.0	<u>2,558,559,481</u>	<u>2,400,567,393</u>	6.6
Contingent Liabilities and Commitments	435,016,420	489,938,862	(11.2)	446,062,420	497,689,847	(10.4)
Number of Employees	7,651	7,692		11,023	11,051	
Number of Branches	741	741		848	848	

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

BANK

	Stated capital/Assigned capital		Reserves					Total
	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)	Retained Earnings (Rs.'000)	(Rs.'000)
Balance as at 1st January 2020	49,998	12,152,000	7,315,774	14,051,911	12,700,465	616,166	48,078,126	94,964,440
Total Comprehensive Income for the year								
Profit for the year	-	-	-	-	-	-	14,174,943	14,174,943
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	4,697,022	-	(80,191)	(8,748,946)	(4,132,115)
Total Comprehensive Income/(Expense)	-	-	-	4,697,022	-	(80,191)	5,425,997	10,042,828
Transactions with equity holders, recognised directly in equity								
Transfer to Reserve during the period	-	-	708,747	-	873,864	-	(1,582,611)	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(3,023,670)	(3,023,670)
Total Transactions with Equity Holders	-	-	708,747	-	873,864	-	(4,606,281)	(3,023,670)
Balance as at 31st December 2020	49,998	12,152,000	8,024,521	18,748,933	13,574,329	535,975	48,897,842	101,983,598
Balance as at 1st January 2021	49,998	12,152,000	8,024,521	18,748,933	13,574,329	535,975	48,897,842	101,983,598
Total Comprehensive Income for the period								
Profit for the period	-	-	-	-	-	-	5,452,059	5,452,059
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	-	(65,112)	-	(65,112)
Total Comprehensive Income/(Expense)	-	-	-	-	-	(65,112)	5,452,059	5,386,947
Transactions with Equity Holders, Recognised Directly in Equity								
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(554,923)	(554,923)
Total Transactions with Equity Holders	-	-	-	-	-	-	(554,923)	(554,923)
Balance as at 31st March 2021	49,998	12,152,000	8,024,521	18,748,933	13,574,329	470,863	53,794,978	106,815,622

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)				
Balance as at 1st January 2020	49,998	12,152,000	7,315,774	15,863,971	12,934,746	498,755	70,339,829	119,155,073	10,860,660	130,015,733
Total Comprehensive Income for the year										
Profit for the year	-	-	-	-	-	-	15,229,858	15,229,858	860,628	16,090,486
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	4,724,022	34,251	(5,947)	(8,694,730)	(3,942,404)	25,620	(3,916,784)
Total Comprehensive Income/(Expense)	-	-	-	4,724,022	34,251	(5,947)	6,535,128	11,287,454	886,248	12,173,702
Transactions with Equity Holders, Recognised Directly in Equity										
Transfer to Reserve during the year	-	-	708,747	-	873,864	-	(1,582,611)	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(3,023,670)	(3,023,670)	-	(3,023,670)
Dividends Paid	-	-	-	-	-	-	-	-	(55,000)	(55,000)
Total Transactions with Equity Holders	-	-	708,747	-	873,864	-	(4,606,281)	(3,023,670)	(55,000)	(3,078,670)
Balance as at 31st December 2020	49,998	12,152,000	8,024,521	20,587,993	13,842,861	492,808	72,268,676	127,418,857	11,691,908	139,110,765
Balance as at 1st January 2021	49,998	12,152,000	8,024,521	20,587,993	13,842,861	492,808	72,268,676	127,418,857	11,691,908	139,110,765
Total Comprehensive Income for the period										
Profit for the period	-	-	-	-	-	-	7,684,880	7,684,880	846,026	8,530,906
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	138,596	(16,410)	57,783	179,969	51,895	231,864
Total Comprehensive Income/(Expense)	-	-	-	-	138,596	(16,410)	7,742,663	7,864,849	897,921	8,762,770
Transactions with Equity Holders, Recognised Directly in Equity										
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(554,923)	(554,923)	-	(554,923)
Dividends Paid	-	-	-	-	-	-	-	-	-	-
Total Transactions with Equity Holders	-	-	-	-	-	-	(554,923)	(554,923)	-	(554,923)
Balance as at 31st March 2021	49,998	12,152,000	8,024,521	20,587,993	13,981,457	476,398	79,456,416	134,728,783	12,589,829	147,318,612

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31ST MARCH

	BANK		GROUP	
	2021 (Rs. '000) (Unaudited)	2020 (Rs. '000) (Unaudited)	2021 (Rs. '000) (Unaudited)	2020 (Rs. '000) (Unaudited)
Cash flows from operating activities				
Profit before tax	5,876,224	5,150,270	10,020,717	5,948,697
Adjustment for				
Non-cash items included in profits before tax	6,672,898	4,545,202	5,095,193	7,166,101
Changes in operating assets	(135,068,292)	(104,108,718)	(134,815,035)	(112,286,571)
Changes in operating liabilities	146,675,860	161,049,936	144,265,351	161,375,534
Dividend income from subsidiaries and others	(600)	(27)	(633)	(111,033)
Interest expense on subordinated debt	1,186,060	707,635	1,595,117	1,234,554
Contribution paid to defined benefit plans/Gratuity	822,250	626,023	822,250	626,023
Changes in tax liabilities	(626,213)	(1,366,214)	(1,518,589)	(2,052,076)
Net Cash Generated from Operating Activities	25,538,187	66,604,107	25,464,371	61,901,229
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(168,697)	(142,356)	(405,399)	(1,203,979)
Proceeds from the sale of property, plant and equipment	21,721	3,296	28,553	3,368
Purchase of financial investments	(36,647,102)	1,592,845	(36,447,737)	7,289,838
Net purchase of intangible assets	(16,004)	(2,772)	(16,374)	(2,772)
Dividends received from investment in subsidiaries and Others	600	27	633	111,033
Net Cash (used in) from Investing Activities	(36,809,482)	1,451,040	(36,840,324)	6,197,488
Cash Flows from Financing Activities				
Proceed received from subordinated debt	3,500,000	-	3,500,000	-
Interest paid on subordinated debt	-	-	(34,879)	(3,043)
Repayment of Lease Liabilities	(623,624)	(598,509)	(739,739)	(690,718)
Dividend paid to non-controlling interest	-	-	-	(55,000)
Dividend/Levy paid to holders of other equity instruments	(554,923)	(1,554,923)	(554,923)	(1,554,923)
Net Cash from Financial Activities	2,321,453	(2,153,432)	2,170,459	(2,303,684)
Net Increase/(Decrease) in Cash & Cash Equivalents	(8,949,842)	65,901,715	(9,205,494)	65,795,033
Cash and cash equivalents at the beginning of the period	71,461,242	50,703,158	72,899,208	51,594,638
Cash and cash equivalents at the end of the period	62,511,400	116,604,873	63,693,714	117,389,671

ANALYSIS OF LOANS & ADVANCES TO OTHER CUSTOMERS

	BANK		GROUP	
	31.03.2021 (Rs.'000) (Unaudited)	31.12.2020 (Rs. '000) (Audited)	31.03.2021 (Rs.'000) (Unaudited)	31.12.2020 (Rs. '000) (Audited)
Loans and advances to Other Customers				
Gross Loans and advances	1,906,954,325	1,723,465,943	2,065,165,197	1,876,212,559
Less :				
Allowance for Expected Credit Losses	(92,561,946)	(87,886,600)	(102,443,980)	(99,981,244)
Stage 1	(6,686,155)	(6,419,888)	(7,610,584)	(7,309,834)
Stage 2	(7,121,251)	(3,533,121)	(8,333,388)	(5,250,002)
Stage 3	(78,754,540)	(77,933,591)	(86,500,008)	(87,421,408)
Net Loans and advances	1,814,392,379	1,635,579,343	1,962,721,217	1,776,231,315
Product-wise Gross loans & advances				
By product – Domestic currency				
Overdrafts	391,147,809	255,582,926	390,255,930	255,251,696
Term loans	839,471,170	798,475,437	902,256,663	856,494,308
Lease rentals receivable	-	-	81,274,787	81,891,112
Credit cards	3,175,340	3,067,432	3,175,340	3,067,432
Pawning	179,524,546	174,814,192	179,524,546	174,814,192
Trade Finance	42,898,996	36,650,482	42,898,996	36,650,482
Others	26,116,497	25,342,192	36,386,684	34,893,620
Sub Total	1,482,334,358	1,293,932,661	1,635,772,946	1,443,062,842
By product – Foreign currency				
Overdrafts	2,883,675	2,698,968	2,883,675	2,698,968
Term loans	183,241,173	212,589,823	188,013,457	216,206,258
Trade Finance	238,495,119	214,244,491	238,495,119	214,244,491
Sub Total	424,619,967	429,533,282	429,392,251	433,149,717
Grand Total	1,906,954,325	1,723,465,943	2,065,165,197	1,876,212,559
Movement in Allowance for Expected Credit loss during the period				
BANK	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2021	6,419,888	3,533,121	77,933,591	87,886,600
Net Charge/(Reversal) for the period	266,267	3,588,130	532,940	4,387,337
Amounts written off	-	-	(5,647)	(5,647)
Exchange rate variance on foreign currency Impairment	-	-	293,656	293,656
Closing balance as at 31st March 2021	6,686,155	7,121,251	78,754,540	92,561,946
BANK	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2020	5,036,021	1,442,409	69,851,947	76,330,377
Net Charge/(Reversal) for the year	1,383,867	2,090,712	8,353,847	11,828,426
Amounts written off	-	-	(412,843)	(412,843)
Exchange rate variance on foreign currency Impairment	-	-	140,640	140,640
Closing balance as at 31st December 2020	6,419,888	3,533,121	77,933,591	87,886,600
GROUP	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2021	7,309,834	5,250,002	87,421,408	99,981,244
Net Charge/(Reversal) for the period	300,750	3,083,386	(1,209,409)	2,174,727
Amounts written off	-	-	(5,647)	(5,647)
Exchange rate variance on foreign currency Impairment	-	-	293,656	293,656
Closing balance as at 31st March 2021	7,610,584	8,333,388	86,500,008	102,443,980
GROUP	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2020	5,693,729	2,178,583	75,356,837	83,229,149
Net Charge/(Reversal) for the year	1,616,105	3,071,419	12,336,774	17,024,298
Amounts written off	-	-	(412,843)	(412,843)
Exchange rate variance on foreign currency Impairment	-	-	140,640	140,640
Closing balance as at 31st December 2020	7,309,834	5,250,002	87,421,408	99,981,244

ANALYSIS OF DEPOSITS

	BANK		GROUP	
	31.03.2021 (Rs.'000) (Unaudited)	31.12.2020 (Rs. '000) (Audited)	31.03.2021 (Rs.'000) (Unaudited)	31.12.2020 (Rs. '000) (Audited)
By product – Domestic currency				
Demand deposits (current accounts)	64,859,601	73,516,730	63,168,700	72,417,368
Savings deposits	694,696,985	652,478,461	702,857,151	659,615,718
Fixed deposits	1,010,212,731	908,538,457	1,097,020,124	999,944,241
Others	3,461,930	3,341,966	6,109,241	5,992,871
Sub total	1,773,231,247	1,637,875,614	1,869,155,216	1,737,970,198
By product – Foreign currency				
Demand deposits (current accounts)	1,314,543	1,618,808	1,314,543	1,618,808
Savings deposits	25,643,337	23,516,130	25,643,337	23,516,130
Fixed deposits	197,314,481	172,071,874	197,314,481	172,071,874
Others	13,028	17,030	13,028	17,030
Sub total	224,285,389	197,223,842	224,285,389	197,223,842
Grand Total	1,997,516,636	1,835,099,456	2,093,440,605	1,935,194,040

ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

	BANK		GROUP	
	31.03.2021 (Rs.'000) (Unaudited)	31.12.2020 (Rs. '000) (Audited)	31.03.2021 (Rs.'000) (Unaudited)	31.12.2020 (Rs. '000) (Audited)
By product				
Acceptances	79,927,177	53,034,225	79,927,177	53,034,225
Documentary Credit	98,907,925	74,557,296	98,907,925	74,557,296
Guarantees	73,981,808	74,750,532	74,725,808	75,581,653
Forward Exchange Contracts	102,641,261	112,418,576	102,641,261	112,418,576
Non disbursed overdrafts & loans	80,350,161	175,725,812	90,652,161	182,645,676
Gross Contingent Liabilities and Commitments	435,808,332	490,486,441	446,854,332	498,237,426
Less :				
Allowance for Expected Credit Loss	(791,912)	(547,579)	(791,912)	(547,579)
Net Contingent Liabilities and Commitments	435,016,420	489,938,862	446,062,420	497,689,847

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS**BANK AS AT 31ST MARCH 2021**

	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	-	-	62,511,400	62,511,400
Balances with Central Banks	-	-	16,054,981	16,054,981
Placements with Banks	-	-	5,528,440	5,528,440
Derivative Financial Instruments	150,008	-	-	150,008
Financial Assets - At Fair Value through Profit or Loss	2,229,139	-	-	2,229,139
Loans and advances to banks	-	-	-	15,050,790
Loans and advances to other customers	-	-	15,050,790	1,814,392,379
Debt instruments measured at amortised cost	-	-	1,814,392,379	393,324,396
Equity instruments at fair value through OCI	-	1,871,899	393,324,396	1,871,899
Debt instruments at fair value through OCI	-	6,172,565	-	6,172,565
Total financial assets	2,379,147	8,044,464	2,306,862,386	2,317,285,997
LIABILITIES				
Due to banks	-	-	145,766,091	145,766,091
Derivative Financial Instruments	1,422,421	-	-	1,422,421
Due to other customers	-	-	1,997,516,636	1,997,516,636
Other Borrowings	-	-	39,107,983	39,107,983
Subordinated term debts	-	-	48,243,757	48,243,757
Total financial liabilities	1,422,421	-	2,230,634,467	2,232,056,888

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS**BANK AS AT 31ST DECEMBER 2020**

	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	-	-	71,461,242	71,461,242
Balances with Central Banks	-	-	14,196,565	14,196,565
Placements with Banks	-	-	10,304,422	10,304,422
Derivative Financial Instruments	97,645	-	-	97,645
Financial Assets - At Fair Value through Profit or Loss	46,425,027	-	-	46,425,027
Loans and advances to banks	-	-	23,610,101	23,610,101
Loans and advances to other customers	-	-	1,635,579,343	1,635,579,343
Debt instruments measured at amortised cost	-	-	357,107,701	357,107,701
Equity instruments at fair value through OCI	-	1,937,778	-	1,937,778
Debt instruments at fair value through OCI	-	2,632,231	-	2,632,231
Total financial assets	46,522,672	4,570,009	2,112,259,374	2,163,352,055
LIABILITIES				
Due to banks	-	-	164,489,623	164,489,623
Derivative Financial Instruments	976,486	-	-	976,486
Due to other customers	-	-	1,835,099,456	1,835,099,456
Other Borrowings	-	-	36,362,434	36,362,434
Subordinated term debts	-	-	43,557,696	43,557,696
Total financial liabilities	976,486	-	2,079,509,209	2,080,485,695

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

GROUP AS AT 31ST MARCH 2021

	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	-	-	63,693,714	63,693,714
Balances with Central Banks	-	-	16,054,981	16,054,981
Placements with Banks	-	-	7,887,905	7,887,905
Derivative Financial Instruments	150,008	-	-	150,008
Financial Assets - At Fair Value through Profit or Loss	3,510,893	-	-	3,510,893
Loans and advances to banks	-	-	15,452,805	15,452,805
Loans and advances to other customers	-	-	1,962,721,217	1,962,721,217
Debt instruments measured at amortised cost	-	-	401,917,782	401,917,782
Equity instruments at fair value through OCI	-	2,181,017	-	2,181,017
Debt instruments at fair value through OCI	-	6,598,941	-	6,598,941
Total financial assets	3,660,901	8,779,958	2,467,728,404	2,480,169,263
LIABILITIES				
Due to banks	-	-	153,756,466	153,756,466
Derivative Financial Instruments	1,422,421	-	-	1,422,421
Due to other customers	-	-	2,093,440,605	2,093,440,605
Other Borrowings	-	-	38,732,581	38,732,581
Subordinated term debts	-	-	61,928,273	61,928,273
Total financial liabilities	1,422,421	-	2,347,857,925	2,349,280,346

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

GROUP AS AT 31ST DECEMBER 2020

	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	-	-	72,899,208	72,899,208
Balances with Central Banks	-	-	14,196,565	14,196,565
Placements with Banks	-	-	13,910,824	13,910,824
Derivative Financial Instruments	97,645	-	-	97,645
Financial Assets - At Fair Value through Profit or Loss	52,728,589	-	-	52,728,589
Loans and advances to banks	-	-	23,622,700	23,622,700
Loans and advances to other customers	-	-	1,776,231,315	1,776,231,315
Debt instruments measured at amortised cost	-	-	365,900,452	365,900,452
Equity instruments at fair value through OCI	-	1,778,585	-	1,778,585
Debt instruments at fair value through OCI	-	2,899,609	-	2,899,609
Total financial assets	52,826,234	4,678,194	2,266,761,064	2,324,265,492
LIABILITIES				
Due to banks	-	-	172,439,795	172,439,795
Derivative Financial Instruments	976,486	-	-	976,486
Due to other customers	-	-	1,935,194,040	1,935,194,040
Other Borrowings	-	-	36,362,434	36,362,434
Subordinated term debts	-	-	56,868,035	56,868,035
Total financial liabilities	976,486	-	2,200,864,304	2,201,840,790

SELECTED PERFORMANCE INDICATORS (Based on Regulatory Reporting)

	BANK		GROUP	
	As at 31.03.2021 (Unaudited)	As at 31.12.2020 (Audited)	As at 31.03.2021 (Unaudited)	As at 31.12.2020 (Audited)
Regulatory Capital Adequacy				
Common Equity Tier 1 Capital [Rs. 000]	84,226,652	79,604,100	114,806,807	109,596,440
Core (Tier 1) Capital [Rs. 000]	87,726,652	79,604,100	118,306,807	109,596,440
Total Capital Base [Rs. 000]	135,987,400	129,271,791	168,055,879	160,292,747
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital (%) (Min. requirement - 7.0%)	9.67	9.53	10.84	10.69
Tier 1 Capital Ratio (%) (Min. requirement - 8.5%)	10.07	9.53	11.17	10.69
Total Capital Ratio (%) (Min. requirement - 12.5%)	15.61	15.47	15.87	15.63
Asset Quality (Quality of Loan Portfolio)				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	2.99	3.25	3.37	3.89
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	1.51	1.74	1.56	1.87
Profitability				
Interest Margin, %	3.37	2.97	3.80	3.34
Return on Assets (Before Tax), %	1.02	1.03	1.62	1.11
Return on Equity (After Tax), %	20.89	14.39	23.83	11.96
Leverage Ratio (Min. requirement - 3%)	3.52	3.43	4.43	4.40
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking unit Rs.000	486,340,347	463,930,635		
Off-Shore Banking Unit USD.000	882,305	1,165,688		
Statutory Liquid Assets Ratio (%) (Min. requirement - 20%)				
Domestic Banking unit (%)	25.09	25.61		
Off-Shore Banking Unit (%)	51.47	60.46		
Total Stock of High Quality Liquid Assets [Rs.000]	425,949,001	434,450,384		
Liquidity Coverage Ratio (%) (Min. requirement - 90%)				
Liquidity Coverage Ratio - Rupee	125.78	166.82		
Liquidity Coverage Ratio - All Currency	94.48	111.55		
Net Stable Funding Ratio (%) (Min. requirement - 90%)	132.48	135.42		

EXPLANATORY NOTES

1. These Financial Statements for the period ended March 31, 2021, 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, with effective ownership of 75.0% and 99.0% respectively.
2. Until March 30, 2021 - People's Merchant Finance PLC was an Associate Company of the Group with 24.96% effective ownership. However, pursuant to a right issue on March 30, 2021 to which the Group did not subscribe to, its holding was subsequently diluted to 16.1%. Accordingly, at March 31, 2021 - the Group treated its investment in Peoples Merchant Finance as an Equity Instrument at Fair Value Through Other Comprehensive Income.
3. There have been no changes in the accounting policies and methods of computation since the publication of its Annual Financial Statements for the year ended December 31, 2020.
4. During the period, there have been no material changes in the composition of its assets, liabilities including contingent liabilities except the issuance of LKR 3.5 Billion worth of Basel III Additional Tier 1 compliant, unlisted, rated, unsecured, subordinated, perpetual debentures on March 29, 2021. These debentures have been classified under subordinated term debt in the Statement of Financial Position. As per Central Bank of Sri Lanka, These debentures qualify to be considered under the Tier 1 Capital of the Bank.
5. The outbreak and spread of the Coronavirus ("COVID-19") pandemic - has caused a disruption to overall global and local economies effecting most industries and sub sectors. Its impact, and consequences thereby arising, are likely to be in future periods. As a State Bank, People's Bank remains fully committed to supporting the Government in their many initiatives to preserve and protect the economy from further consequence and to help in its ultimate revival. In conducting its business, the Bank has proactively adjusted to the situation and has diligently followed the guidelines and directions as issued by the Central Bank of Sri Lanka to aid individuals and businesses during these times of an unprecedented nature. In doing so, has abided by health and safety protocols for the benefit of its staff and customers. The Bank will continue to monitor the situation very closely and will take action as necessary to manage the impact of the pandemic.
6. The Bank and the Group's ECL at March 31, 2021 have been estimated using reasonable and supportable information that is available without undue cost or effort about past events, current conditions and future economic conditions. Should such circumstances change in future, based on new supportable information, then the Bank and Group shall reassess its ECL based on such additional supportable information on such future reporting periods.
7. In accordance with the guidelines as issued by CA Sri Lanka on the "Application of Tax Rates in Measurement of Current Tax and Deferred Tax in LKAS 12" dated April 23, 2021 - The Bank accounted for current tax and deferred tax as at March 31, 2021.
8. All known expenses have been charged to these financial statements.
9. Other than those above given, or already considered in these Financial Statements, no circumstances have arisen since March 31, 2021 which would require adjustments to, or disclosure in these interim financial statements.

CERTIFICATION

I certify that the above Financial Statements give a true and fair view of the state of affairs of the Bank and its Subsidiaries as at March 31, 2021 and the profit for the period then ended.

(Sgd.)
Azzam A. Ahamat
Head of Finance

We the undersigned being the Chairman and Chief Executive Officer/General Manager 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.)
Sujeewa Rajapakse
Chairman

(Sgd.)
Ranjith Kodituwakku
Chief Executive Officer/General Manager

28.05.2021
Colombo.