



**PEOPLE'S  
BANK**

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# **FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30TH SEPTEMBER**

# **2021**

**FITCH RATING AA- (LKA)**

**INCOME STATEMENT**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER**

	BANK			GROUP		
	2021 (Rs. '000) (Unaudited)	2020* (Rs. '000) (Unaudited)	Change %	2021 (Rs. '000) (Unaudited)	2020* (Rs. '000) (Unaudited)	Change %
<b>Gross Income</b>	<b>149,251,477</b>	<b>139,647,420</b>	6.9	<b>171,318,529</b>	<b>164,815,869</b>	3.9
Interest income	143,443,296	132,168,394	8.5	162,123,320	152,820,203	6.1
Interest expenses	(84,454,718)	(89,687,571)	(5.8)	(92,545,324)	(100,480,385)	(7.9)
<b>Net Interest Income</b>	<b>58,988,578</b>	<b>42,480,823</b>	38.9	<b>69,577,996</b>	<b>52,339,818</b>	32.9
Fee and commission income	5,983,391	4,611,895	29.7	6,966,523	5,471,539	27.3
Fee and commission expenses	(391,315)	(402,274)	(2.7)	(391,315)	(402,274)	(2.7)
<b>Net Fee and Commission Income</b>	<b>5,592,076</b>	<b>4,209,621</b>	32.8	<b>6,575,208</b>	<b>5,069,265</b>	29.7
Net gain / (loss) from trading	(1,940,382)	1,937,412	(200.2)	(1,814,980)	2,050,431	(188.5)
Other operating income (net)	1,765,172	929,719	89.9	4,043,666	4,473,696	(9.6)
<b>Total Operating Income</b>	<b>64,405,444</b>	<b>49,557,575</b>	30.0	<b>78,381,890</b>	<b>63,933,210</b>	22.6
Impairment Charge	(12,122,127)	(10,951,550)	10.7	(12,234,532)	(15,052,470)	(18.7)
Loans & advances to Customers	(11,872,513)	(11,524,647)		(11,634,248)	(15,064,841)	
Other Financial Assets	(249,614)	573,097		(249,614)	573,097	
Others	-	-		(350,670)	(560,726)	
<b>Net Operating Income</b>	<b>52,283,317</b>	<b>38,606,025</b>	35.4	<b>66,147,358</b>	<b>48,880,740</b>	35.3
Personnel Expenses	(17,001,892)	(14,750,083)	15.3	(20,802,800)	(17,724,278)	17.4
Depreciation and Amortisation	(3,309,540)	(3,059,562)	8.2	(3,900,032)	(3,833,697)	1.7
Other Expenses	(8,354,464)	(8,711,016)	(4.1)	(11,423,020)	(11,330,116)	0.8
<b>Operating Profit Before Value Added Tax (VAT) on Financial Services</b>	<b>23,617,421</b>	<b>12,085,364</b>	95.4	<b>30,021,506</b>	<b>15,992,649</b>	87.7
Value added Tax (VAT) on financial services	(5,032,502)	(3,209,620)	56.8	(6,191,225)	(3,881,173)	59.5
<b>Operating Profit after Value added Tax (VAT) on Financial Services</b>	<b>18,584,919</b>	<b>8,875,744</b>	109.4	<b>23,830,281</b>	<b>12,111,476</b>	96.8
Share of Profits/(Loss) of Associates (Net of Tax)	-	-	-	10,893	(6,894)	(258.0)
<b>Profit Before Tax</b>	<b>18,584,919</b>	<b>8,875,744</b>	109.4	<b>23,841,174</b>	<b>12,104,582</b>	97.0
Income Tax Expenses	(3,558,424)	(2,850,462)	24.8	(5,400,219)	(4,009,751)	34.7
<b>Profit for the Period</b>	<b>15,026,495</b>	<b>6,025,282</b>	149.4	<b>18,440,955</b>	<b>8,094,831</b>	127.8
<b>Profit Attributable to :</b>						
Equity Holders of the Bank	15,026,495	6,025,282	149.4	17,145,362	7,418,457	131.1
Non-Controlling Interests	-	-		1,295,593	676,374	91.5
	<b>15,026,495</b>	<b>6,025,282</b>	149.4	<b>18,440,955</b>	<b>8,094,831</b>	127.8
<b>Earnings Per Share on Profit</b>						
Basic Earnings per Ordinary Share [Rs.]	15,026	6,025	149.4	17,145	7,418	131.1
Diluted Earnings per Ordinary Share [Rs.]	62	25	149.4	70	30	131.1

\* 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	
	2021 (Rs. '000) (Unaudited)	2020 (Rs. '000) (Unaudited)	2021 (Rs. '000) (Unaudited)	2020 (Rs. '000) (Unaudited)
<b>Profit for the Period</b>	<b>15,026,495</b>	<b>6,025,282</b>	<b>18,440,955</b>	<b>8,094,831</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	18,298	(137,004)	29,333	(130,152)
Net Actuarial Gains and Losses on Defined Benefit Plans	-	-	107,453	242
Deferred Tax Effect on above (including change in income tax rate)	245,293	-	215,332	(73)
<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	380	20,206	(31,107)	12,754
Deferred tax effect on above	-	-	13,342	-
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	165,927	70,215
<b>Other Comprehensive Income for the Period, Net of Taxes</b>	<b>263,971</b>	<b>(116,798)</b>	<b>500,280</b>	<b>(47,014)</b>
<b>Total Comprehensive Income for the Period</b>	<b>15,290,466</b>	<b>5,908,484</b>	<b>18,941,235</b>	<b>8,047,817</b>
<b>Attributable to :</b>				
Equity Holders of the Bank	15,290,466	5,908,484	17,615,849	7,364,099
Non-Controlling Interests	-	-	1,325,386	683,718
	<b>15,290,466</b>	<b>5,908,484</b>	<b>18,941,235</b>	<b>8,047,817</b>

## STATEMENT OF FINANCIAL POSITION

### AS AT

	BANK			GROUP		
	30.09.2021 (Rs.'000) (Unaudited)	31.12.2020 (Rs. '000) (Audited)	Change %	30.09.2021 (Rs.'000) (Unaudited)	31.12.2020* (Rs. '000) (Audited)	Change %
<b>Assets</b>						
Cash and Cash Equivalents	63,936,247	71,461,242	(10.5)	65,015,344	72,899,208	(10.8)
Balances with Central Bank of Sri Lanka	54,641,666	14,196,565	284.9	54,641,666	14,196,565	284.9
Placements with Banks	6,996,938	10,304,422	(32.1)	9,830,908	13,910,824	(29.3)
Derivative Financial Instruments	242,457	97,645	148.3	242,457	97,645	148.3
Financial Assets - At Fair Value through Profit or Loss	3,303,094	46,425,027	(92.9)	5,391,344	52,728,589	(89.8)
Financial Assets - At Amortised Cost						
Loans and advances to Banks	10,016,117	23,610,101	(57.6)	10,016,117	23,622,700	(57.6)
Loans and advances to Other Customers	1,802,967,756	1,635,579,343	10.2	1,950,582,017	1,776,231,315	9.8
Debt instruments measured at amortised cost	548,523,144	357,107,701	53.6	560,929,665	365,900,452	53.3
Financial Assets - At Fair Value through other Comprehensive income [OCI]						
Equity instruments at fair value through OCI	1,955,747	1,937,778	0.9	2,231,454	1,778,585	25.5
Debt instruments at fair value through OCI	9,196,185	2,632,231	249.4	10,546,645	2,899,609	263.7
Investments in Subsidiaries	2,896,720	1,937,881	49.5	-	-	-
Investments in Associates	-	-	-	-	531,963	(100.0)
Investment Properties	1,260,058	1,261,338	(0.1)	1,256,219	1,257,499	(0.1)
Property, Plant, Equipment and Right of use assets	36,801,845	38,405,839	(4.2)	46,437,161	48,101,865	(3.5)
Intangible Assets and Goodwill	652,072	702,181	(7.1)	855,308	1,007,730	(15.1)
Net Deferred Tax Assets	1,651,064	695,424	137.4	1,655,041	699,401	136.6
Other Assets	34,738,858	23,763,947	46.2	35,390,957	25,402,844	39.3
<b>Total Assets</b>	<b>2,579,779,968</b>	<b>2,230,118,665</b>	15.7	<b>2,755,022,303</b>	<b>2,401,266,794</b>	14.7
<b>Liabilities</b>						
Due to Banks	143,218,640	164,489,623	(12.9)	151,671,844	172,439,795	(12.0)
Derivative Financial Instruments	1,931,886	976,486	97.8	1,931,886	976,486	97.8
Due to Other Customers	2,111,682,230	1,835,099,456	15.1	2,199,447,775	1,935,194,040	13.7
Other Borrowings	112,793,759	36,362,434	210.2	112,793,759	36,362,434	210.2
Current Tax Liabilities	5,430,227	6,608,202	(17.8)	6,411,451	7,538,938	(15.0)
Net Deferred Tax Liabilities	-	-	-	1,510,151	1,504,843	0.4
Other Liabilities	38,551,181	41,041,170	(6.1)	51,044,237	51,271,458	(0.4)
Subordinated Term Debts	49,562,749	43,557,696	13.8	72,973,968	56,868,035	28.3
<b>Total Liabilities</b>	<b>2,463,170,672</b>	<b>2,128,135,067</b>	15.7	<b>2,597,785,071</b>	<b>2,262,156,029</b>	14.8
<b>Equity</b>						
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	32,877,915	32,859,237	0.1	35,090,737	34,923,662	0.5
Retained Earnings	63,504,862	48,897,842	29.9	89,052,682	72,268,676	23.2
<b>Total Shareholders' Equity</b>	<b>116,609,296</b>	<b>101,983,598</b>	14.3	<b>144,369,938</b>	<b>127,418,857</b>	13.3
Non-Controlling Interests	-	-	-	12,867,294	11,691,908	10.1
<b>Total Equity</b>	<b>116,609,296</b>	<b>101,983,598</b>	14.3	<b>157,237,232</b>	<b>139,110,765</b>	13.0
<b>Total Equity and Liabilities</b>	<b>2,579,779,968</b>	<b>2,230,118,665</b>	15.7	<b>2,755,022,303</b>	<b>2,401,266,794</b>	14.7
<b>Contingent Liabilities and Commitments</b>	<b>454,996,074</b>	<b>489,938,862</b>	(7.1)	<b>469,417,730</b>	<b>497,689,847</b>	(5.7)
Number of Employees	7,589	7,692	-	10,851	11,051	-
Number of Branches	741	741	-	856	848	-

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

**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)		
<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 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)
<b>Total Comprehensive Income/(Expense)</b>	-	-	-	4,697,022	-	(80,191)	5,425,997	10,042,828
<b>Transactions with equity holders, recognised directly in equity</b>								
Transfer to Reserve during the period	-	-	708,747	-	873,864	-	(1,582,611)	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(3,023,670)	(3,023,670)
<b>Total Transactions with Equity Holders</b>	-	-	708,747	-	873,864	-	(4,606,281)	(3,023,670)
<b>Balance as at 31st December 2020</b>	49,998	12,152,000	8,024,521	18,748,933	13,574,329	535,975	48,897,842	101,983,598
<b>Balance as at 1st January 2021</b>	49,998	12,152,000	8,024,521	18,748,933	13,574,329	535,975	48,897,842	101,983,598
<b>Total Comprehensive Income for the period</b>								
Profit for the period	-	-	-	-	-	-	15,026,495	15,026,495
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	-	-	18,678	245,293	263,971
<b>Total Comprehensive Income/(Expense)</b>	-	-	-	-	-	18,678	15,271,788	15,290,466
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>								
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(664,768)	(664,768)
<b>Total Transactions with Equity Holders</b>	-	-	-	-	-	-	(664,768)	(664,768)
<b>Balance as at 30th September 2021</b>	49,998	12,152,000	8,024,521	18,748,933	13,574,329	554,653	63,504,862	116,609,296

## 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 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 year</b>										
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)
<b>Total Comprehensive Income/(Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,724,022</b>	<b>34,251</b>	<b>(5,947)</b>	<b>6,535,128</b>	<b>11,287,454</b>	<b>886,248</b>	<b>12,173,702</b>
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>										
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)
<b>Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>708,747</b>	<b>-</b>	<b>873,864</b>	<b>-</b>	<b>(4,606,281)</b>	<b>(3,023,670)</b>	<b>(55,000)</b>	<b>(3,078,670)</b>
<b>Balance as at 31st December 2020</b>	<b>49,998</b>	<b>12,152,000</b>	<b>8,024,521</b>	<b>20,587,993</b>	<b>13,842,861</b>	<b>492,808</b>	<b>72,268,676</b>	<b>127,418,857</b>	<b>11,691,908</b>	<b>139,110,765</b>
<b>Balance as at 1st January 2021</b>	<b>49,998</b>	<b>12,152,000</b>	<b>8,024,521</b>	<b>20,587,993</b>	<b>13,842,861</b>	<b>492,808</b>	<b>72,268,676</b>	<b>127,418,857</b>	<b>11,691,908</b>	<b>139,110,765</b>
<b>Total Comprehensive Income for the period</b>										
Profit for the period	-	-	-	-	-	-	17,145,362	17,145,362	1,295,593	18,440,955
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	-	124,445	42,630	303,412	470,487	29,793	500,280
<b>Total Comprehensive Income/(Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124,445</b>	<b>42,630</b>	<b>17,448,774</b>	<b>17,615,849</b>	<b>1,325,386</b>	<b>18,941,235</b>
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>										
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(664,768)	(664,768)	-	(664,768)
Dividends Paid	-	-	-	-	-	-	-	-	(150,000)	(150,000)
<b>Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(664,768)</b>	<b>(664,768)</b>	<b>(150,000)</b>	<b>(814,768)</b>
<b>Balance as at 30th September 2021</b>	<b>49,998</b>	<b>12,152,000</b>	<b>8,024,521</b>	<b>20,587,993</b>	<b>13,967,306</b>	<b>535,438</b>	<b>89,052,682</b>	<b>144,369,938</b>	<b>12,867,294</b>	<b>157,237,232</b>

<b>CASH FLOW STATEMENT</b>				
<b>FOR THE PERIOD ENDED 30TH SEPTEMBER</b>				
	BANK		GROUP	
	2021 (Rs. '000) (Unaudited)	2020 (Rs. '000) (Unaudited)	2021 (Rs. '000) (Unaudited)	2020 (Rs. '000) (Unaudited)
<b>Cash flows from operating activities</b>				
Profit before tax	18,584,919	8,875,744	23,841,174	12,104,582
Adjustment for				
Non-cash items included in profits before tax	17,132,687	12,115,681	18,989,951	17,261,015
Changes in operating assets	(177,552,993)	(239,590,934)	(179,755,114)	(243,623,682)
Changes in operating liabilities	327,935,661	196,463,981	318,827,379	194,961,936
Dividend income from subsidiaries and others	(999,221)	(153,571)	(45,571)	(170,611)
Interest expense on subordinated debt	3,777,053	2,482,907	5,122,181	4,047,974
Contribution paid to defined benefit plans/Gratuity	2,466,750	1,878,070	2,466,750	1,878,070
Changes in tax liabilities	(5,446,746)	(3,545,669)	(7,249,364)	(6,143,450)
<b>Net Cash Generated from (used in) Operating Activities</b>	185,898,110	(21,473,791)	182,197,385	(19,684,166)
<b>Cash Flows from Investing Activities</b>				
Purchase of property, plant and equipment	(1,174,264)	(666,739)	(1,595,990)	(1,568,976)
Proceeds from the sale of property, plant and equipment	2,951	8,234	66,233	21,411
Purchase of financial investments	(192,759,248)	20,402,842	(196,373,018)	21,326,663
Net purchase of intangible assets	(129,289)	(40,681)	(135,032)	(52,091)
Dividends received from investment in subsidiaries and Others	999,221	153,571	45,571	170,611
<b>Net Cash from (used in) Investing Activities</b>	(193,060,629)	19,857,227	(197,992,236)	19,897,618
<b>Cash Flows from Financing Activities</b>				
Net proceed received/(paid) for subordinated debt	5,000,000	20,000,000	15,000,000	20,000,000
Interest paid on subordinated debt	(2,772,000)	(818,751)	(4,016,248)	(2,039,792)
Repayment of Lease Liabilities	(1,925,708)	(1,800,261)	(2,257,997)	(2,264,978)
Dividend paid to non-controlling interest	-	-	(150,000)	(55,000)
Dividend/Levy paid to holders of other equity instruments	(664,768)	(1,968,747)	(664,768)	(1,968,747)
<b>Net Cash from (used in) Financial Activities</b>	(362,476)	15,412,241	7,910,987	13,671,483
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	(7,524,995)	13,795,677	(7,883,864)	13,884,935
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	<b>63,936,247</b>	<b>64,498,835</b>	<b>65,015,344</b>	<b>65,479,573</b>

## ANALYSIS OF LOANS & ADVANCES TO OTHER CUSTOMERS

	BANK		GROUP	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Loans and advances to Other Customers</b>				
Gross Loans and advances	1,902,923,746	1,723,465,943	2,062,394,386	1,876,212,559
<b>Less :</b>				
Allowance for Expected Credit Losses	(99,955,990)	(87,886,600)	(111,812,369)	(99,981,244)
Stage 1	(6,857,541)	(6,419,888)	(8,405,248)	(7,309,834)
Stage 2	(9,468,254)	(3,533,121)	(11,000,393)	(5,250,002)
Stage 3	(83,630,195)	(77,933,591)	(92,406,728)	(87,421,408)
<b>Net Loans and advances</b>	<b>1,802,967,756</b>	<b>1,635,579,343</b>	<b>1,950,582,017</b>	<b>1,776,231,315</b>
<b>Product-wise Gross loans &amp; advances</b>				
<b>By product – Domestic currency</b>				
Overdrafts	384,537,504	255,582,926	383,814,774	255,251,696
Term loans	872,484,497	798,475,437	937,075,647	856,494,308
Lease rentals receivable	-	-	78,114,034	81,891,112
Credit cards	3,430,222	3,067,432	3,430,222	3,067,432
Pawning	186,133,053	174,814,192	186,133,053	174,814,192
Trade Finance	56,271,496	36,650,482	56,271,496	36,650,482
Others	25,804,069	25,342,192	38,841,342	34,893,620
<b>Sub Total</b>	<b>1,528,660,841</b>	<b>1,293,932,661</b>	<b>1,683,680,568</b>	<b>1,443,062,842</b>
<b>By product – Foreign currency</b>				
Overdrafts	3,107,568	2,698,968	3,107,568	2,698,968
Term loans	148,478,702	212,589,823	152,929,615	216,206,258
Trade Finance	222,676,635	214,244,491	222,676,635	214,244,491
<b>Sub Total</b>	<b>374,262,905</b>	<b>429,533,282</b>	<b>378,713,818</b>	<b>433,149,717</b>
<b>Grand Total</b>	<b>1,902,923,746</b>	<b>1,723,465,943</b>	<b>2,062,394,386</b>	<b>1,876,212,559</b>
<b>Movement in Allowance for Expected Credit loss during the period</b>				
<b>BANK</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
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	437,653	5,935,133	5,499,727	11,872,513
Amounts written off	-	-	(84,555)	(84,555)
Exchange rate variance on foreign currency Impairment	-	-	281,432	281,432
Closing balance as at 30th September 2021	6,857,541	9,468,254	83,630,195	99,955,990
<b>BANK</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
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
<b>GROUP</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
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	1,095,414	5,750,391	4,788,443	11,634,248
Amounts written off	-	-	(84,555)	(84,555)
Exchange rate variance on foreign currency Impairment	-	-	281,432	281,432
Closing balance as at 30th September 2021	8,405,248	11,000,393	92,406,728	111,812,369
<b>GROUP</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
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	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>By product – Domestic currency</b>				
Demand deposits (current accounts)	70,991,368	73,516,730	70,082,404	72,417,368
Savings deposits	746,941,324	652,478,461	755,330,445	659,615,718
Fixed deposits	1,064,319,492	908,538,457	1,143,063,395	999,944,241
Others	4,295,690	3,341,966	5,837,175	5,992,871
<b>Sub total</b>	<b>1,886,547,874</b>	<b>1,637,875,614</b>	<b>1,974,313,419</b>	<b>1,737,970,198</b>
<b>By product – Foreign currency</b>				
Demand deposits (current accounts)	2,140,594	1,618,808	2,140,594	1,618,808
Savings deposits	26,304,243	23,516,130	26,304,243	23,516,130
Fixed deposits	196,628,997	172,071,874	196,628,997	172,071,874
Others	60,522	17,030	60,522	17,030
<b>Sub total</b>	<b>225,134,356</b>	<b>197,223,842</b>	<b>225,134,356</b>	<b>197,223,842</b>
<b>Grand Total</b>	<b>2,111,682,230</b>	<b>1,835,099,456</b>	<b>2,199,447,775</b>	<b>1,935,194,040</b>

## ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

	BANK		GROUP	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>By product</b>				
Acceptances	120,393,579	53,034,225	120,393,579	53,034,225
Documentary Credit	100,389,296	74,557,296	100,389,296	74,557,296
Guarantees	82,492,204	74,750,532	83,259,059	75,581,653
Forward Exchange Contracts	77,290,660	112,418,576	77,290,660	112,418,576
Non disbursed overdrafts & loans	75,117,797	175,725,812	88,772,598	182,645,676
Gross Contingent Liabilities and Commitments	<b>455,683,536</b>	<b>490,486,441</b>	<b>470,105,192</b>	<b>498,237,426</b>
<b>Less :</b>				
Allowance for Expected Credit Loss	(687,462)	(547,579)	(687,462)	(547,579)
Net Contingent Liabilities and Commitments	<b>454,996,074</b>	<b>489,938,862</b>	<b>469,417,730</b>	<b>497,689,847</b>

**ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS****BANK AS AT 30TH SEPTEMBER 2021**

	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	-	-	63,936,247	63,936,247
Balances with Central Banks	-	-	54,641,666	54,641,666
Placements with Banks	-	-	6,996,938	6,996,938
Derivative Financial Instruments	242,457	-	-	242,457
Financial Assets - At Fair Value through Profit or Loss	3,303,094	-	-	3,303,094
Loans and advances to banks	-	-	10,016,117	10,016,117
Loans and advances to other customers	-	-	1,802,967,756	1,802,967,756
Debt instruments measured at amortised cost	-	-	548,523,144	548,523,144
Equity instruments at fair value through OCI	-	1,955,747	-	1,955,747
Debt instruments at fair value through OCI	-	9,196,185	-	9,196,185
<b>Total financial assets</b>	<b>3,545,551</b>	<b>11,151,932</b>	<b>2,487,081,868</b>	<b>2,501,779,351</b>
<b>LIABILITIES</b>				
Due to banks	-	-	143,218,640	143,218,640
Derivative Financial Instruments	1,931,886	-	-	1,931,886
Due to other customers	-	-	2,111,682,230	2,111,682,230
Other Borrowings	-	-	112,793,759	112,793,759
Subordinated term debts	-	-	49,562,749	49,562,749
<b>Total financial liabilities</b>	<b>1,931,886</b>	<b>-</b>	<b>2,417,257,378</b>	<b>2,419,189,264</b>

**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)
<b>ASSETS</b>				
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
<b>Total financial assets</b>	<b>46,522,672</b>	<b>4,570,009</b>	<b>2,112,259,374</b>	<b>2,163,352,055</b>
<b>LIABILITIES</b>				
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
<b>Total financial liabilities</b>	<b>976,486</b>	<b>-</b>	<b>2,079,509,209</b>	<b>2,080,485,695</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

### GROUP AS AT 30TH SEPTEMBER 2021

	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	-	-	65,015,344	65,015,344
Balances with Central Banks	-	-	54,641,666	54,641,666
Placements with Banks	-	-	9,830,908	9,830,908
Derivative Financial Instruments	242,457	-	-	242,457
Financial Assets - At Fair Value through Profit or Loss	5,391,344	-	-	5,391,344
Loans and advances to banks	-	-	10,016,117	10,016,117
Loans and advances to other customers	-	-	1,950,582,017	1,950,582,017
Debt instruments measured at amortised cost	-	-	560,929,665	560,929,665
Equity instruments at fair value through OCI	-	2,231,454	-	2,231,454
Debt instruments at fair value through OCI	-	10,546,645	-	10,546,645
<b>Total financial assets</b>	<b>5,633,801</b>	<b>12,778,099</b>	<b>2,651,015,717</b>	<b>2,669,427,617</b>
<b>LIABILITIES</b>				
Due to banks	-	-	151,671,844	151,671,844
Derivative Financial Instruments	1,931,886	-	-	1,931,886
Due to other customers	-	-	2,199,447,775	2,199,447,775
Other Borrowings	-	-	112,793,759	112,793,759
Subordinated term debts	-	-	72,973,968	72,973,968
<b>Total financial liabilities</b>	<b>1,931,886</b>	<b>-</b>	<b>2,536,887,346</b>	<b>2,538,819,232</b>

## 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)
<b>ASSETS</b>				
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
<b>Total financial assets</b>	<b>52,826,234</b>	<b>4,678,194</b>	<b>2,266,761,064</b>	<b>2,324,265,492</b>
<b>LIABILITIES</b>				
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
<b>Total financial liabilities</b>	<b>976,486</b>	<b>-</b>	<b>2,200,864,304</b>	<b>2,201,840,790</b>

## SELECTED PERFORMANCE INDICATORS (Based on Regulatory Reporting)

	BANK		GROUP	
	As at 30.09.2021 (Unaudited)	As at 31.12.2020 (Audited)	As at 30.09.2021 (Unaudited)	As at 31.12.2020 (Audited)
<b>Regulatory Capital Adequacy</b>				
Common Equity Tier 1 Capital [Rs. 000]	87,460,325	79,604,100	118,062,675	109,596,440
Core (Tier 1) Capital [Rs. 000]	92,460,325	79,604,100	123,062,675	109,596,440
Total Capital Base [Rs. 000]	139,861,728	129,271,791	172,303,843	160,292,747
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital (%) (Min. requirement - 7.0%)	9.67	9.53	10.81	10.69
Tier 1 Capital Ratio (%) (Min. requirement - 8.5%)	10.23	9.53	11.21	10.69
Total Capital Ratio (%) (Min. requirement - 12.5%)	15.47	15.47	15.77	15.63
<b>Leverage Ratio (Min. requirement - 3%)</b>				
	3.39	3.43	4.23	4.40
<b>Asset Quality ( Quality of Loan Portfolio)</b>				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	3.54	3.25	3.96	3.89
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	1.91	1.74	1.96	1.87
Impaired Loans ( Stage 3 ) Ratio (%)	3.75	3.48	4.64	4.22
Impairment ( Stage 3 ) to Stage 3 Loans Ratio (%)	50.04	52.90	45.66	49.12
<b>Profitability</b>				
Interest Margin, %	3.27	2.97	3.60	3.34
Return on Assets (Before Tax ), %	1.03	1.03	1.23	1.11
Return on Equity (After Tax) , %	18.33	14.39	16.59	11.96
<b>Regulatory Liquidity</b>				
<b>Statutory Liquid Assets</b>				
Domestic Banking unit Rs.000	605,971,817	463,930,635		
Off-Shore Banking Unit USD.000	350,329	1,165,688		
<b>Statutory Liquid Assets Ratio (%) (Min. requirement - 20%)</b>				
Domestic Banking unit (%)	28.20	25.61		
Off-Shore Banking Unit (%)	20.42	60.46		
<b>Total Stock of High Quality Liquid Assets [Rs.000]</b>				
	526,711,584	434,450,384		
<b>Liquidity Coverage Ratio (%) (Min. requirement - 2021 - 100% , 2020 - 90%)</b>				
Liquidity Coverage Ratio - Rupee	128.71	166.82		
Liquidity Coverage Ratio - All Currency	104.81	111.55		
<b>Net Stable Funding Ratio (Min. requirement - 2021 - 100% , 2020 - 90%)</b>				
	136.12	135.42		

## EXPLANATORY NOTES

1. These Financial Statements for the period ended September 30, 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 25.96% 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 5 Billion worth of Basel III Additional Tier 1 compliant, unlisted, rated, unsecured, subordinated, perpetual debentures. 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 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 September 30, 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 September 30, 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 September 30, 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 September 30, 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  
17.11.2021  
Colombo.

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