



**PEOPLE'S
BANK**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE

2022

INCOME STATEMENT

FOR THE PERIOD ENDED 30TH JUNE

	BANK			GROUP		
	2022 (Rs. '000) (Audited)	2021 (Rs. '000) (Audited)	Change %	2022 (Rs. '000) (Unaudited)	2021 (Rs. '000) (Unaudited)	Change %
Gross Income	155,926,887	100,281,813	55.5	172,969,240	115,751,753	49.4
Interest income	137,913,024	94,876,305	45.4	152,145,165	107,584,839	41.4
Interest expenses	(86,244,943)	(55,272,797)	56.0	(91,912,838)	(60,778,695)	51.2
Net Interest Income	51,668,081	39,603,508	30.5	60,232,327	46,806,144	28.7
Fee and commission income	10,131,630	4,003,443	153.1	10,701,397	4,599,662	132.7
Fee and commission expenses	(368,802)	(261,079)	41.3	(368,802)	(261,079)	41.3
Net Fee and Commission Income	9,762,828	3,742,364	160.9	10,332,595	4,338,583	138.2
Net gain from trading	7,471,815	959,618	678.6	7,469,612	1,046,150	614.0
Other operating income (net)	410,418	442,447	(7.2)	2,653,066	2,521,102	5.2
Total Operating Income	69,313,142	44,747,937	54.9	80,687,600	54,711,979	47.5
Impairment Charge	(32,828,647)	(7,817,834)	319.9	(33,696,650)	(7,500,654)	349.2
Loans & advances to Customers	(30,295,735)	(7,745,885)		(31,189,635)	(7,105,111)	
Other Financial Assets	(2,532,912)	(71,949)		(2,532,912)	(71,949)	
Others	-	-		25,897	(323,594)	
Net Operating Income	36,484,495	36,930,103	(1.2)	46,990,950	47,211,325	(0.5)
Personnel Expenses	(11,261,352)	(11,988,175)	(6.1)	(14,070,139)	(14,617,595)	(3.7)
Depreciation and Amortisation	(2,405,729)	(2,166,821)	11.0	(2,760,634)	(2,516,998)	9.7
Other Expenses	(7,169,148)	(5,937,976)	20.7	(9,877,611)	(7,960,631)	24.1
Operating Profit Before Value Added Tax (VAT) on Financial Services	15,648,266	16,837,131	(7.1)	20,282,566	22,116,101	(8.3)
Value Added Tax (VAT) on Financial Services	(4,066,870)	(3,607,315)	12.7	(5,051,190)	(4,441,278)	13.7
Operating Profit After Value Added Tax (VAT) on Financial Services	11,581,396	13,229,816	(12.5)	15,231,376	17,674,823	(13.8)
Share of Profits/(Loss) of Associates (Net of Tax)	-	-	-	-	10,893	(100.0)
Profit Before Tax	11,581,396	13,229,816	(12.5)	15,231,376	17,685,716	(13.9)
Income Tax Expenses	(3,259,826)	(2,657,045)	22.7	(4,494,176)	(3,934,583)	14.2
Profit for the period	8,321,570	10,572,771	(21.3)	10,737,200	13,751,133	(21.9)
Profit Attributable to :						
Equity Holders of the Bank	8,321,570	10,572,771	(21.3)	10,216,210	12,818,411	(20.3)
Non-Controlling Interests	-	-	-	520,990	932,722	(44.1)
	8,321,570	10,572,771	(21.3)	10,737,200	13,751,133	(21.9)
Earnings Per Share on Profit						
Basic Earnings per Ordinary Share [Rs.]	8,322	10,573	(21.3)	10,216	12,818	(20.3)
Diluted Earnings per Ordinary Share [Rs.]	34	43	(21.3)	42	53	(20.3)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH JUNE**

	BANK		GROUP	
	2022 (Rs. '000) (Audited)	2021 (Rs. '000) (Audited)	2022 (Rs. '000) (Unaudited)	2021 (Rs. '000) (Unaudited)
Profit for the period	8,321,570	10,572,771	10,737,200	13,751,133
Other comprehensive income that will not be reclassified to the income statement				
Net Gains/(Losses) on equity instruments at fair value through OCI	(297,260)	(29,344)	(452,421)	339
Net Actuarial Gains/(Losses) on Defined Benefit Plans	-	-	(12,296)	107,453
Deferred Tax Effect on above (including change in income tax rate)	-	245,293	94,485	215,332
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	(84)	369	(221,990)	(8,940)
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	1,752,406	218,699
Other Comprehensive Income for the period, Net of Taxes	(297,344)	216,318	1,160,184	532,883
Total Comprehensive Income for the period	8,024,226	10,789,089	11,897,384	14,284,016
Attributable to :				
Equity Holders of the Bank	8,024,226	10,789,089	11,012,011	13,292,674
Non-Controlling Interests	-	-	885,373	991,342
	8,024,226	10,789,089	11,897,384	14,284,016

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	30.06.2022 (Rs. '000) (Unaudited)	31.12.2021 (Rs. '000) (Audited)	Change %	30.06.2022 (Rs. '000) (Unaudited)	31.12.2021 (Rs. '000) (Audited)	Change %
Assets						
Cash and Cash Equivalents	94,251,177	57,538,351	63.8	94,818,369	58,836,831	61.2
Balances with Central Bank of Sri Lanka	58,300,644	56,717,820	2.8	58,300,644	56,717,820	2.8
Placements with Banks	-	-	-	1,780,651	3,325,726	(46.5)
Derivative Financial Instruments	14,582,771	441,877	3200.2	14,582,771	441,877	3200.2
Financial Assets - At Fair Value through Profit or Loss	3,825,465	1,558,850	145.4	3,989,572	2,553,546	56.2
Financial Assets - At Amortised Cost						
Loans and advances to Banks	7,689,150	10,131,952	(24.1)	7,689,150	13,398,055	(42.6)
Loans and advances to Other Customers	1,812,226,261	1,835,697,108	(1.3)	1,966,307,896	1,990,689,061	(1.2)
Debt instruments measured at amortised cost	911,257,441	587,320,182	55.2	929,413,645	600,079,625	54.9
Financial Assets - At Fair Value through other Comprehensive income [OCI]						
Equity instruments at fair value through OCI	1,324,115	1,621,375	(18.3)	1,507,453	1,889,144	(20.2)
Debt instruments at fair value through OCI	9,136,257	9,399,272	(2.8)	10,213,556	10,596,723	(3.6)
Investments in Subsidiaries	3,572,824	3,572,824	-	-	-	-
Property, Plant, Equipment and Right of use assets	45,129,240	46,761,157	(3.5)	54,929,724	56,432,293	(2.7)
Intangible Assets and Goodwill	2,007,912	2,077,544	(3.4)	2,148,014	2,252,557	(4.6)
Other Assets	44,009,622	34,802,224	26.5	44,733,484	35,396,730	26.4
Total Assets	3,007,312,879	2,647,640,536	13.6	3,190,414,929	2,832,609,988	12.6
Liabilities						
Due to Banks	158,628,267	107,745,916	47.2	172,589,245	122,397,825	41.0
Derivative Financial Instruments	12,642,799	1,761,220	617.8	12,642,799	1,761,220	617.8
Due to Other Customers	2,332,818,507	2,071,532,612	12.6	2,429,176,409	2,168,674,742	12.0
Other Borrowings	273,617,032	241,419,125	13.3	273,617,032	241,419,125	13.3
Current Tax Liabilities	10,221,831	6,452,823	58.4	11,998,743	8,512,150	41.0
Net Deferred Tax Liabilities	3,289,506	2,687,330	22.4	4,288,140	3,194,714	34.2
Other Liabilities	27,109,321	31,102,734	(12.8)	37,192,719	43,451,531	(14.4)
Subordinated Term Debts	50,433,852	48,861,680	3.2	66,465,638	65,560,465	1.4
Total Liabilities	2,868,761,115	2,511,563,440	14.2	3,007,970,725	2,654,971,772	13.3
Equity						
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	12,201,998	12,201,998	-
Statutory Reserve Fund	9,210,528	9,210,528	-	9,210,528	9,210,528	-
Other Reserves	35,604,943	35,902,287	(0.8)	38,962,112	38,160,081	2.1
Retained Earnings	81,534,295	78,762,283	3.5	108,315,558	104,755,265	3.4
Total Shareholders' Equity	138,551,764	136,077,096	1.8	168,690,196	164,327,872	2.7
Non-Controlling Interests	-	-	-	13,754,008	13,310,344	3.3
Total Equity	138,551,764	136,077,096	1.8	182,444,204	177,638,216	2.7
Total Equity and Liabilities	3,007,312,879	2,647,640,536	13.6	3,190,414,929	2,832,609,988	12.6
Contingent Liabilities and Commitments	454,071,722	428,771,195	5.9	460,055,722	443,842,195	3.7
Number of Employees	7,505	7,568		10,703	10,798	
Number of Branches	743	742		857	857	

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

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 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 year								
Profit for the year	-	-	-	-	-	-	23,720,143	23,720,143
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	2,791,367	-	(315,361)	10,094,237	12,570,243
Total Comprehensive Income/(Expense)	-	-	-	2,791,367	-	(315,361)	33,814,380	36,290,386
Transactions with equity holders, recognised directly in equity								
Transfer to Reserve during the Year	-	-	1,186,007	-	567,044	-	(1,753,051)	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(2,196,888)	(2,196,888)
Total Transactions with Equity Holders	-	-	1,186,007	-	567,044	-	(3,949,939)	(2,196,888)
Balance as at 31st December 2021	49,998	12,152,000	9,210,528	21,540,300	14,141,373	220,614	78,762,283	136,077,096
Adjustment for Surcharge Tax Levied under Surcharge Tax Act No. 14 of 2022	-	-	-	-	-	-	(5,439,713)	(5,439,713)
Balance as at 1st January 2022	49,998	12,152,000	9,210,528	21,540,300	14,141,373	220,614	73,322,570	130,637,383
Total Comprehensive Income for the period								
Profit for the period	-	-	-	-	-	-	8,321,570	8,321,570
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	-	(297,344)	-	(297,344)
Total Comprehensive Income/(Expense)	-	-	-	-	-	(297,344)	8,321,570	8,024,226
Transactions with Equity Holders, Recognised Directly in Equity								
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(109,845)	(109,845)
Total Transactions with Equity Holders	-	-	-	-	-	-	(109,845)	(109,845)
Balance as at 30th June 2022	49,998	12,152,000	9,210,528	21,540,300	14,141,373	(76,730)	81,534,295	138,551,764

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 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 year										
Profit for the year	-	-	-	-	-	-	26,350,975	26,350,975	1,736,673	28,087,648
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	2,876,867	130,593	(338,085)	10,085,553	12,754,928	31,763	12,786,691
Total Comprehensive Income/(Expense)	-	-	-	2,876,867	130,593	(338,085)	36,436,528	39,105,903	1,768,436	40,874,339
Transactions with Equity Holders, Recognised Directly in Equity										
Transfer to Reserve during the period	-	-	1,186,007	-	567,044	-	(1,753,051)	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(2,196,888)	(2,196,888)	-	(2,196,888)
Dividends Paid	-	-	-	-	-	-	-	-	(150,000)	(150,000)
Total Transactions with Equity Holders	-	-	1,186,007	-	567,044	-	(3,949,939)	(2,196,888)	(150,000)	(2,346,888)
Balance as at 31st December 2021	49,998	12,152,000	9,210,528	23,464,860	14,540,498	154,723	104,755,265	164,327,872	13,310,344	177,638,216
Adjustment for Surcharge Tax Levied under Surcharge Tax Act No. 14 of 2022	-	-	-	-	-	-	(6,539,842)	(6,539,842)	(366,710)	(6,906,551)
Balance as at 1st January 2022	49,998	12,152,000	9,210,528	23,464,860	14,540,498	154,723	98,215,423	157,788,030	12,943,634	170,731,665
Total Comprehensive Income for the year										
Profit for the period	-	-	-	-	-	-	10,216,210	10,216,210	520,990	10,737,200
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	1,314,304	(512,273)	(6,230)	795,801	364,383	1,160,184
Total Comprehensive Income/(Expense)	-	-	-	-	1,314,304	(512,273)	10,209,980	11,012,011	885,373	11,897,384
Transactions with Equity Holders, Recognised Directly in Equity										
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(109,845)	(109,845)	-	(109,845)
Dividends Paid	-	-	-	-	-	-	-	-	(75,000)	(75,000)
Total Transactions with Equity Holders	-	-	-	-	-	-	(109,845)	(109,845)	(75,000)	(184,845)
Balance as at 30th June 2022	49,998	12,152,000	9,210,528	23,464,860	15,854,802	(357,550)	108,315,558	168,690,196	13,754,008	182,444,204

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30TH JUNE

	BANK		GROUP	
	2022 (Rs. '000) (Unaudited)	2021 (Rs. '000) (Unaudited)	2022 (Rs. '000) (Unaudited)	2021 (Rs. '000) (Unaudited)
Cash flows from operating activities				
Profit before tax	11,581,396	13,229,816	15,231,376	17,685,716
Adjustment for				
Non-cash items included in profits before tax	33,999,744	10,402,433	35,252,884	10,647,700
Changes in operating assets	(19,924,034)	(155,125,070)	(14,541,792)	(157,364,955)
Changes in operating liabilities	341,061,194	216,800,511	339,044,739	216,242,486
Dividend income from subsidiaries and others	(51,357)	(21,239)	(132,280)	(26,428)
Interest expense on subordinated debt	2,714,674	2,463,325	3,504,040	3,274,071
Contribution paid to defined benefit plans/Gratuity	391,300	1,644,500	517,158	1,644,500
Changes in tax liabilities	(4,328,355)	(3,029,472)	(6,726,223)	(3,979,204)
Net Cash Generated from Operating Activities	365,444,562	86,364,804	372,149,901	88,123,886
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(457,263)	(922,776)	(900,449)	(1,271,475)
Proceeds from the sale of property, plant and equipment	4,872	1,034	59,926	1,181
Purchase of financial investments	(325,510,722)	(79,028,887)	(330,907,483)	(78,595,540)
Net purchase of intangible assets	(246,917)	(127,120)	(253,073)	(128,262)
Dividends received from investment in subsidiaries and Others	51,357	21,239	132,280	26,428
Net Cash (used in) from Investing Activities	(326,158,673)	(80,056,510)	(331,868,799)	(79,967,668)
Cash Flows from Financing Activities				
Proceed received from subordinated debt	-	3,500,000	-	3,500,000
Interest paid on subordinated debt	(1,142,502)	(818,750)	(2,598,868)	(2,019,627)
Repayment of Lease Liabilities	(1,320,716)	(1,247,942)	(1,515,851)	(1,469,007)
Dividend paid to non-controlling interest	-	-	(75,000)	(150,000)
Dividend/Levy paid to holders of other equity instruments	(109,845)	(609,845)	(109,845)	(609,845)
Net Cash from Financial Activities	(2,573,063)	823,463	(4,299,564)	(748,479)
Net Increase/(Decrease) in Cash & Cash Equivalents	36,712,826	7,131,757	35,981,538	7,407,739
Cash and cash equivalents at the beginning of the period	57,538,351	71,461,242	58,836,831	72,899,208
Cash and cash equivalents at the end of the period	94,251,177	78,592,999	94,818,369	80,306,947

ANALYSIS OF LOANS & ADVANCES TO OTHER CUSTOMERS

	BANK		GROUP	
	30.06.2022 (Rs.'000) (Unaudited)	31.12.2021 (Rs. '000) (Audited)	30.06.2022 (Rs.'000) (Unaudited)	31.12.2021 (Rs. '000) (Audited)
Loans and advances to Other Customers				
Gross Loans and advances	1,947,364,275	1,936,974,136	2,114,015,886	2,103,642,165
Less :				
Allowance for Expected Credit Losses	(135,138,014)	(101,277,028)	(147,707,990)	(112,953,104)
Stage 1	(6,266,305)	(8,056,985)	(7,637,492)	(9,316,194)
Stage 2	(26,056,676)	(9,990,853)	(27,410,405)	(11,462,797)
Stage 3	(102,815,033)	(83,229,190)	(112,660,093)	(92,174,113)
Net Loans and advances	1,812,226,261	1,835,697,108	1,966,307,896	1,990,689,061
Product-wise Gross loans & advances				
By product – Domestic currency				
Overdrafts	118,803,085	389,894,984	118,384,427	389,438,498
Term loans	926,811,812	887,081,607	996,236,260	954,796,780
Lease rentals receivable	-	-	75,105,984	79,230,187
Credit cards	4,897,857	4,303,245	4,897,857	4,303,245
Pawning	196,710,035	194,769,226	196,710,035	194,769,226
Trade Finance	62,030,417	52,944,758	62,030,417	52,944,758
Others	26,546,252	27,598,625	35,586,730	42,333,454
Sub Total	1,335,799,458	1,556,592,445	1,488,951,710	1,717,816,148
By product – Foreign currency				
Overdrafts	2,092,828	2,981,810	2,092,828	2,981,810
Term loans	189,106,157	131,606,427	202,605,516	137,050,753
Trade Finance	420,365,832	245,793,454	420,365,832	245,793,454
Sub Total	611,564,817	380,381,691	625,064,176	385,826,017
Grand Total	1,947,364,275	1,936,974,136	2,114,015,886	2,103,642,165
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 2022	8,056,985	9,990,853	83,229,190	101,277,028
Net Charge/(Reversal) for the period	(1,790,680)	16,065,823	16,020,592	30,295,735
Amounts written off	-	-	(194,819)	(194,819)
Exchange rate variance on foreign currency Impairment	-	-	3,760,070	3,760,070
Closing balance as at 30th June 2022	6,266,305	26,056,676	102,815,033	135,138,014
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 year	1,637,097	6,457,732	5,187,711	13,282,540
Amounts written off	-	-	(187,681)	(187,681)
Exchange rate variance on foreign currency Impairment	-	-	295,569	295,569
Closing balance as at 31st December 2021	8,056,985	9,990,853	83,229,190	101,277,028
GROUP	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2022	9,316,194	11,462,797	92,174,113	112,953,104
Net Charge/(Reversal) for the period	(1,678,702)	15,947,608	16,920,729	31,189,635
Amounts written off	-	-	(194,819)	(194,819)
Exchange rate variance on foreign currency Impairment	-	-	3,760,070	3,760,070
Closing balance as at 30th June 2022	7,637,492	27,410,405	112,660,093	147,707,990
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 year	2,006,360	6,212,795	4,644,817	12,863,972
Amounts written off	-	-	(187,681)	(187,681)
Exchange rate variance on foreign currency Impairment	-	-	295,569	295,569
Closing balance as at 31st December 2021	9,316,194	11,462,797	92,174,113	112,953,104

ANALYSIS OF DEPOSITS

	BANK		GROUP	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
By product – Domestic currency				
Demand deposits (current accounts)	81,142,626	80,566,734	79,332,061	79,424,380
Savings deposits	711,770,095	739,759,440	715,872,929	746,159,304
Fixed deposits	1,199,907,905	1,031,570,632	1,292,676,737	1,121,774,448
Others	4,647,028	3,879,765	5,943,829	5,560,569
Sub total	1,997,467,654	1,855,776,571	2,093,825,556	1,952,918,701
By product – Foreign currency				
Demand deposits (current accounts)	4,102,574	1,450,837	4,102,574	1,450,837
Savings deposits	50,773,521	25,761,128	50,773,521	25,761,128
Fixed deposits	280,460,162	188,502,877	280,460,162	188,502,877
Others	14,596	41,199	14,596	41,199
Sub total	335,350,853	215,756,041	335,350,853	215,756,041
Grand Total	2,332,818,507	2,071,532,612	2,429,176,409	2,168,674,742

ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

	BANK		GROUP	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
By product				
Acceptances	139,241,170	94,817,795	139,241,170	94,817,795
Documentary Credit	45,894,898	73,281,666	45,894,898	73,281,666
Guarantees	84,935,528	74,070,212	85,460,528	74,823,212
Forward Exchange Contracts	115,049,650	108,101,010	115,049,650	108,101,010
Non disbursed overdrafts & loans	70,035,670	79,068,727	75,494,670	93,386,727
Gross Contingent Liabilities and Commitments	455,156,916	429,339,410	461,140,916	444,410,410
Less :				
Allowance for Expected Credit Loss	(1,085,194)	(568,215)	(1,085,194)	(568,215)
Net Contingent Liabilities and Commitments	454,071,722	428,771,195	460,055,722	443,842,195

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

BANK AS AT 30TH JUNE 2022

	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	-	-	94,251,177	94,251,177
Balances with Central Banks	-	-	58,300,644	58,300,644
Placements with Banks	-	-	-	-
Derivative Financial Instruments	14,582,771	-	-	14,582,771
Financial Assets - At Fair Value through Profit or Loss	3,825,465	-	-	3,825,465
Loans and Advances to banks	-	-	7,689,150	7,689,150
Loans and Advances to other customers	-	-	1,812,226,261	1,812,226,261
Debt instruments measured at amortised cost	-	-	911,257,441	911,257,441
Equity instruments at fair value through OCI	-	1,324,115	-	1,324,115
Debt instruments at fair value through OCI	-	9,136,257	-	9,136,257
Total financial assets	18,408,236	10,460,372	2,883,724,673	2,912,593,281
LIABILITIES				
Due to banks	-	-	158,628,267	158,628,267
Derivative Financial Instruments	12,642,799	-	-	12,642,799
Due to other customers	-	-	2,332,818,507	2,332,818,507
Other Borrowings	-	-	273,617,032	273,617,032
Subordinated term debts	-	-	50,433,852	50,433,852
Total financial liabilities	12,642,799	-	2,815,497,658	2,828,140,457

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

BANK AS AT 31ST DECEMBER 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	-	-	57,538,351	57,538,351
Balances with Central Banks	-	-	56,717,820	56,717,820
Placements with Banks	-	-	-	-
Derivative Financial Instruments	441,877	-	-	441,877
Financial Assets - At Fair Value through Profit or Loss	1,558,850	-	-	1,558,850
Loans and advances to banks	-	-	10,131,952	10,131,952
Loans and advances to other customers	-	-	1,835,697,108	1,835,697,108
Debt instruments measured at amortised cost	-	-	587,320,182	587,320,182
Equity instruments at fair value through OCI	-	1,621,375	-	1,621,375
Debt instruments at fair value through OCI	-	9,399,272	-	9,399,272
Total financial assets	2,000,727	11,020,647	2,547,405,413	2,560,426,787
LIABILITIES				
Due to banks	-	-	107,745,916	107,745,916
Derivative Financial Instruments	1,761,220	-	-	1,761,220
Due to other customers	-	-	2,071,532,612	2,071,532,612
Other Borrowings	-	-	241,419,125	241,419,125
Subordinated term debts	-	-	48,861,680	48,861,680
Total financial liabilities	1,761,220	-	2,469,559,333	2,471,320,553

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

GROUP AS AT 30TH JUNE 2022

	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	-	-	94,818,369	94,818,369
Balances with Central Banks	-	-	58,300,644	58,300,644
Placements with Banks	-	-	1,780,651	1,780,651
Derivative Financial Instruments	14,582,771	-	-	14,582,771
Financial Assets - At Fair Value through Profit or Loss	3,989,572	-	-	3,989,572
Loans and Advances to banks	-	-	7,689,150	7,689,150
Loans and Advances to other customers	-	-	1,966,307,896	1,966,307,896
Debt instruments measured at amortised cost	-	-	929,413,645	929,413,645
Equity instruments at fair value through OCI	-	1,507,453	-	1,507,453
Debt instruments at fair value through OCI	-	10,213,556	-	10,213,556
Total financial assets	18,572,343	11,721,009	3,058,310,355	3,088,603,707
LIABILITIES				
Due to banks	-	-	172,589,245	172,589,245
Derivative Financial Instruments	12,642,799	-	-	12,642,799
Due to other customers	-	-	2,429,176,409	2,429,176,409
Other Borrowings	-	-	273,617,032	273,617,032
Subordinated term debts	-	-	66,465,638	66,465,638
Total financial liabilities	12,642,799	-	2,941,848,324	2,954,491,123

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

GROUP AS AT 31ST DECEMBER 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	-	-	58,836,831	58,836,831
Balances with Central Banks	-	-	56,717,820	56,717,820
Placements with Banks	-	-	3,325,726	3,325,726
Derivative Financial Instruments	441,877	-	-	441,877
Financial Assets - At Fair Value through Profit or Loss	2,553,546	-	-	2,553,546
Loans and advances to banks	-	-	13,398,055	13,398,055
Loans and advances to other customers	-	-	1,990,689,061	1,990,689,061
Debt instruments measured at amortised cost	-	-	600,079,625	600,079,625
Equity instruments at fair value through OCI	-	1,889,144	-	1,889,144
Debt instruments at fair value through OCI	-	10,596,723	-	10,596,723
Total financial assets	2,995,423	12,485,867	2,723,047,118	2,738,528,408
LIABILITIES				
Due to banks	-	-	122,397,825	122,397,825
Derivative Financial Instruments	1,761,220	-	-	1,761,220
Due to other customers	-	-	2,168,674,742	2,168,674,742
Other Borrowings	-	-	241,419,125	241,419,125
Subordinated term debts	-	-	65,560,465	65,560,465
Total financial liabilities	1,761,220	-	2,598,052,157	2,599,813,377

SELECTED PERFORMANCE INDICATORS (Based on Regulatory Reporting)

	BANK		GROUP	
	As at 30.06.2022 (Unaudited)	As at 31.12.2021 (Audited)	As at 30.06.2022 (Unaudited)	As at 31.12.2021 (Audited)
Regulatory Capital Adequacy				
Common Equity Tier 1 Capital [Rs. 000]	107,683,930	104,747,717	141,605,138	138,667,285
Core (Tier 1) Capital [Rs. 000]	112,683,930	109,747,717	146,605,138	143,667,285
Total Capital Base [Rs. 000]	158,268,906	155,798,954	194,154,966	191,833,922
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital (%) (Min. requirement - 8.0%)	10.72	11.99	11.85	12.95
Tier 1 Capital Ratio (%) (Min. requirement - 9.5%)	11.22	12.56	12.27	13.41
Total Capital Ratio (%) (Min. requirement - 13.5%)	15.76	17.83	16.25	17.91
Asset Quality (Quality of Loan Portfolio)				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	4.37	3.21	4.54	3.63
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	2.68	1.62	2.46	1.63
Impaired Loans (Stage 3) Ratio (%)	10.41	4.01	10.61	4.69
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	33.31	50.17	33.03	46.88
Profitability				
Interest Margin, %	3.65	3.38	4.00	3.70
Return on Assets (Before Tax) , %	0.82	1.25	1.01	1.42
Return on Equity (After Tax) , %	12.12	19.93	11.93	17.73
Leverage Ratio (Min. requirement - 3%)	3.60	3.96	4.43	4.85
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking unit Rs.000	514,632,409	502,575,831		
Off-Shore Banking Unit USD.000	94,619	239,417		
Statutory Liquid Assets Ratio (%) (Min. requirement - 20%)				
Domestic Banking unit (%)	20.60	23.52		
Off-Shore Banking Unit (%)	26.46	25.94		
Total Stock of High Quality Liquid Assets [Rs.000]	469,859,732	367,540,923		
Liquidity Coverage Ratio (%) (Min. requirement - 90%)				
Liquidity Coverage Ratio - Rupee	219.83	155.83		
Liquidity Coverage Ratio - All Currency	97.29	105.71		
Net Stable Funding Ratio (Min. requirement - 90%)	111.19	115.37		

EXPLANATORY NOTES

1. These Financial Statements for the period ended June 30, 2022, 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. 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, 2021.
3. During the period, there have been no material changes in the composition of its assets, liabilities including contingent liabilities.

4. Impairment of Financial Assets

Loans & Advances

The Bank and the Group's ECL at June 30, 2022 have been estimated using reasonable and supportable information that were available without undue cost or effort about past events and economic conditions. During 1H 2022, the Bank recognized a substantial impairment provision in the view of the stressed macro-economic market circumstances and elevated levels of risk across key customer segments due to, amongst other, consequences arising from the devaluation of the rupee, depleted foreign reserves, sharp rises in interest rates, high inflationary pressure and the sovereign rating downgrade. All considered, the Bank carried out a detailed assessment of its individually significant customers at June 30, 2022 and reassessed, amongst other, the Probabilities of Default (PD) and the Economic Factor Adjustment as used in the collective impairment assessment. Whilst the Bank continues to monitor such developments closely, based on new supportable information as and when available, the Bank and the Group shall reassess its ECL based on such additional supportable information in such future reporting periods.

Other Financial Assets

Impairment provision against foreign currency denominated government debt instruments have been substantially increased during the first half of 2022, by considering the recent downgrade on the sovereign ratings by Rating Agencies.

5. Surcharge Tax

As per the Surcharge Tax Act No. 14 of 2022, the Bank is liable for a surcharge tax of LKR 5.4 billion pertaining to the year of assessment 2020/2021. In accordance with the said Act, the said tax shall be deemed as an expense in the financial year beginning on January 1, 2020. Since the Act supersedes the requirements of the Sri Lanka Accounting Standards, this surcharge tax expense has been accounted as permitted under the Statement of Alternative Treatment (SoAT) on Accounting for Surcharge Tax as issued by the Institute of Chartered Accountant of Sri Lanka. Accordingly, the Bank has recognised the total liability to surcharge tax as an adjustment to the opening retained earnings as of January 1, 2022.

Further the Bank has paid first installment of the surcharge tax liability (LKR.2.7Bn) on April 20, 2022. The final installment of surcharge tax has been recognised as a liability under current tax liabilities in these financial statements and the same was paid on July 20, 2022

6. All known expenses have been charged to these financial statements.
7. On April 12, 2022 - the Bank's National Long Term Rating of 'AA- (lka)' was placed on 'Rating Watch Negative'. This was maintained/ re-affirmed on July 11, 2022.
8. Other than those above given, or already considered in these Financial Statements, no circumstances have arisen since June 30, 2022 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 June 30, 2022 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

19.08.2022
Colombo.