



**PEOPLE'S
BANK**

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER
2022

INCOME STATEMENT

FOR THE PERIOD ENDED 30TH SEPTEMBER

	BANK			GROUP		
	2022 (Rs. '000) (Unaudited)	2021 (Rs. '000) (Unaudited)	Change %	2022 (Rs. '000) (Unaudited)	2021 (Rs. '000) (Unaudited)	Change %
Gross Income	251,672,281	149,251,477	68.6	277,246,092	171,318,529	61.8
Interest income	226,617,509	143,443,296	58.0	248,933,275	162,123,320	53.5
Interest expenses	(160,109,942)	(84,454,718)	89.6	(170,658,970)	(92,545,324)	84.4
Net Interest Income	66,507,567	58,988,578	12.7	78,274,305	69,577,996	12.5
Fee and commission income	13,314,875	5,983,391	122.5	14,053,854	6,966,523	101.7
Fee and commission expenses	(562,200)	(391,315)	43.7	(562,200)	(391,315)	43.7
Net Fee and Commission Income	12,752,675	5,592,076	128.0	13,491,654	6,575,208	105.2
Net gain / (loss) from trading	10,429,390	(1,940,382)	(637.5)	10,428,960	(1,814,980)	(674.6)
Other operating income (net)	1,310,507	1,765,172	(25.8)	3,830,003	4,043,666	(5.3)
Total Operating Income	91,000,139	64,405,444	41.3	106,024,922	78,381,890	35.3
Impairment Charge	(36,842,283)	(12,122,127)	203.9	(37,967,528)	(12,234,532)	210.3
Loans & advances to Customers	(34,061,706)	(11,872,513)		(35,229,816)	(11,634,248)	
Other Financial Assets	(2,780,577)	(249,614)		(2,780,577)	(249,614)	
Others	-	-		42,865	(350,670)	
Net Operating Income	54,157,856	52,283,317	3.6	68,057,394	66,147,358	2.9
Personnel Expenses	(16,682,113)	(17,001,892)	(1.9)	(20,870,832)	(20,802,800)	0.3
Depreciation and Amortisation	(3,614,000)	(3,309,540)	9.2	(4,131,188)	(3,900,032)	5.9
Other Expenses	(11,129,320)	(8,354,464)	33.2	(15,032,856)	(11,423,020)	31.6
Operating Profit Before Value Added Tax (VAT) on Financial Services	22,732,423	23,617,421	(3.7)	28,022,518	30,021,506	(6.7)
Value added Tax (VAT) on financial services	(5,759,254)	(5,032,502)	14.4	(7,066,665)	(6,191,225)	14.1
Operating Profit after Value added Tax (VAT) on Financial Services	16,973,169	18,584,919	(8.7)	20,955,853	23,830,281	(12.1)
Share of Profits/(Loss) of Associates (Net of Tax)	-	-	-	-	10,893	(100)
Profit Before Tax	16,973,169	18,584,919	(8.7)	20,955,853	23,841,174	(12.1)
Income Tax Expenses	(4,295,118)	(3,558,424)	20.7	(5,845,368)	(5,400,219)	8.2
Profit for the Period	12,678,051	15,026,495	(15.6)	15,110,485	18,440,955	(18.1)
Profit Attributable to :						
Equity Holders of the Bank	12,678,051	15,026,495	(15.6)	14,389,756	17,145,362	(16.1)
Non-Controlling Interests	-	-		720,729	1,295,593	(44.4)
	12,678,051	15,026,495	(15.6)	15,110,485	18,440,955	(18.1)
Earnings Per Share on Profit						
Basic Earnings per Ordinary Share [Rs.]	12,678	15,026	(15.6)	14,390	17,145	(16.1)
Diluted Earnings per Ordinary Share [Rs.]	52	62	(15.6)	59	70	(16.1)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH SEPTEMBER

	BANK		GROUP	
	2022 (Rs. '000) (Unaudited)	2021 (Rs. '000) (Unaudited)	2022 (Rs. '000) (Unaudited)	2021 (Rs. '000) (Unaudited)
Profit for the Period	12,678,051	15,026,495	15,110,485	18,440,955
Other comprehensive income that will not be reclassified to the income statement				
Net Gains/(Losses) on equity instruments at fair value through OCI	(9,525)	18,298	(131,642)	29,333
Net Actuarial Gains and Losses on Defined Benefit Plans	-	-	(12,296)	107,453
Deferred Tax Effect on above (including change in income tax rate)	-	245,293	108,654	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	23,853	380	(281,422)	(17,765)
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	1,563,274	165,927
Other Comprehensive Income for the Period, Net of Taxes	14,328	263,971	1,246,568	500,280
Total Comprehensive Income for the Period	12,692,379	15,290,466	16,357,053	18,941,235
Attributable to :				
Equity Holders of the Bank	12,692,379	15,290,466	14,764,218	17,615,849
Non-Controlling Interests	-	-	1,592,835	1,325,386
	12,692,379	15,290,466	16,357,053	18,941,235

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	30.09.2022 (Rs. '000) (Unaudited)	31.12.2021 (Rs. '000) (Audited)	Change %	30.09.2022 (Rs. '000) (Unaudited)	31.12.2021 (Rs. '000) (Audited)	Change %
Assets						
Cash and Cash Equivalents	71,456,147	57,538,351	24.2	72,508,295	58,836,831	23.2
Balances with Central Bank of Sri Lanka	80,170,465	56,717,820	41.3	80,170,465	56,717,820	41.3
Placements with Banks	-	-	-	3,111,051	3,325,726	(6.5)
Derivative Financial Instruments	14,748,233	441,877	3237.6	14,748,233	441,877	3237.6
Financial Assets - At Fair Value through Profit or Loss	6,044,781	1,558,850	287.8	6,379,687	2,553,546	149.8
Financial Assets - At Amortised Cost						
Loans and advances to Banks	7,469,460	10,131,952	(26.3)	7,469,460	13,398,055	(44.2)
Loans and advances to Other Customers	1,810,960,996	1,835,697,108	(1.3)	1,952,055,801	1,990,689,061	(1.9)
Debt instruments measured at amortised cost	913,940,752	587,320,182	55.6	932,071,939	600,079,625	55.3
Financial Assets - At Fair Value through other Comprehensive income [OCI]						
Equity instruments at fair value through OCI	1,611,849	1,621,375	(0.6)	1,846,721	1,889,144	(2.2)
Debt instruments at fair value through OCI	10,425,862	9,399,272	10.9	11,882,350	10,596,723	12.1
Investments in Subsidiaries	4,280,522	3,572,824	19.8	-	-	-
Property, Plant, Equipment and Right of use assets	44,908,996	46,761,157	(4.0)	54,592,166	56,432,293	(3.3)
Intangible Assets and Goodwill	1,869,800	2,077,544	(10.0)	2,005,926	2,252,557	(10.9)
Other Assets	60,642,508	34,802,224	74.2	61,364,389	35,396,730	73.4
Total Assets	3,028,530,371	2,647,640,536	14.4	3,200,206,483	2,832,609,988	13.0
Liabilities						
Due to Banks	122,765,077	107,745,916	13.9	135,239,942	122,397,825	10.5
Derivative Financial Instruments	3,257,664	1,761,220	85.0	3,257,664	1,761,220	85.0
Due to Other Customers	2,286,340,967	2,071,532,612	10.4	2,375,685,192	2,168,674,742	9.5
Other Borrowings	292,897,446	241,419,125	21.3	292,897,446	241,419,125	21.3
Current Tax Liabilities	7,480,692	6,452,823	15.9	8,123,639	8,512,150	(4.6)
Net Deferred Tax Liabilities	3,517,183	2,687,330	30.9	4,430,976	3,194,714	38.7
Other Liabilities	119,384,660	31,102,734	283.8	129,309,009	43,451,531	197.6
Subordinated Term Debts	49,721,688	48,861,680	1.8	65,513,724	65,560,465	(0.1)
Total Liabilities	2,885,365,377	2,511,563,440	14.9	3,014,457,592	2,654,971,772	13.5
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	35,916,615	35,902,287	-	38,540,773	38,160,081	1.0
Retained Earnings	85,835,853	78,762,283	9.0	111,664,490	104,755,265	6.6
Total Shareholders' Equity	143,164,994	136,077,096	5.2	171,617,789	164,327,872	4.4
Non-Controlling Interests	-	-		14,131,102	13,310,344	6.2
Total Equity	143,164,994	136,077,096	5.2	185,748,891	177,638,216	4.6
Total Equity and Liabilities	3,028,530,371	2,647,640,536	14.4	3,200,206,483	2,832,609,988	13.0
Contingent Liabilities and Commitments	441,064,710	428,771,195	2.9	449,019,710	443,842,195	1.2
Number of Employees	7,474	7,836		10,615	11,237	
Number of Branches	744	739		857	845	

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

BANK

	Stated capital/Assigned capital		Reserves				Retained Earnings (Rs.'000)	Total (Rs.'000)
	Ordinary Shares (Rs.'000)	Assigned capital (Rs.'000)	Statutory Reserve Fund (Rs.'000)	Revaluation Reserve (Rs.'000)	Other Reserves (Rs.'000)	Financial assets at FVOCI Reserve (Rs.'000)		
Balance as at 1st January 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	-	-	-	-	-	-	12,678,051	12,678,051
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	-	14,328	-	14,328
Total Comprehensive Income/(Expense)	-	-	-	-	-	14,328	12,678,051	12,692,379
Transactions with Equity Holders, Recognised Directly in Equity								
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(164,768)	(164,768)
Total Transactions with Equity Holders	-	-	-	-	-	-	(164,768)	(164,768)
Balance as at 30th September 2022	49,998	12,152,000	9,210,528	21,540,300	14,141,373	234,942	85,835,853	143,164,994

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	-	-	-	-	-	-	(7,309,533)	(7,309,533)	(623,273)	(7,932,806)
Balance as at 1st January 2022	49,998	12,152,000	9,210,528	23,464,860	14,540,498	154,723	97,445,732	157,018,339	12,687,071	169,705,410
Total Comprehensive Income for the period										
Profit for the period	-	-	-	-	-	-	14,389,756	14,389,756	720,729	15,110,485
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	608,409	(227,717)	(6,230)	374,462	872,106	1,246,568
Total Comprehensive Income/(Expense)	-	-	-	-	608,409	(227,717)	14,383,526	14,764,218	1,592,835	16,357,053
Transactions with Equity Holders, Recognised Directly in Equity										
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(164,768)	(164,768)	-	(164,768)
Dividends Paid	-	-	-	-	-	-	-	-	(148,804)	(148,804)
Total Transactions with Equity Holders	-	-	-	-	-	-	(164,768)	(164,768)	(148,804)	(313,572)
Balance as at 30th September 2022	49,998	12,152,000	9,210,528	23,464,860	15,148,907	(72,994)	111,664,490	171,617,789	14,131,102	185,748,891

CASH FLOW STATEMENT				
FOR THE PERIOD ENDED 30TH SEPTEMBER				
	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	16,973,169	18,584,919	20,955,853	23,841,174
Adjustment for				
Non-cash items included in profits before tax	29,848,847	17,132,687	32,273,991	18,989,951
Changes in operating assets	(64,375,402)	(177,552,993)	(48,243,838)	(179,755,114)
Changes in operating liabilities	370,590,994	327,935,661	359,795,902	318,827,379
Dividend income from subsidiaries and others	(791,818)	(999,221)	(88,917)	(45,571)
Interest expense on subordinated debt	4,094,508	3,777,053	5,265,403	5,122,181
Contribution paid to defined benefit plans/Gratuity	586,950	2,466,750	712,808	2,466,750
Changes in tax liabilities	(7,877,109)	(5,446,746)	(12,821,769)	(7,249,364)
Net Cash Generated from (used in) Operating Activities	349,050,139	185,898,110	357,849,433	182,197,385
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(1,275,681)	(1,174,264)	(1,761,240)	(1,595,990)
Proceeds from the sale of property, plant and equipment	5,866	2,951	59,626	66,233
Purchase of financial investments	(329,031,953)	(192,759,248)	(334,403,697)	(196,373,018)
Net purchase of intangible assets	(278,414)	(129,289)	(283,190)	(135,032)
Dividends received from investment in subsidiaries and Others	791,818	999,221	88,917	45,571
Net Cash from (used in) Investing Activities	(329,788,364)	(193,060,629)	(336,299,584)	(197,992,236)
Cash Flows from Financing Activities				
Net proceed received/(paid) for subordinated debt	-	5,000,000	-	15,000,000
Interest paid on subordinated debt	(3,234,500)	(2,772,000)	(5,312,144)	(4,016,248)
Repayment of Lease Liabilities	(1,944,711)	(1,925,708)	(2,252,669)	(2,257,997)
Dividend paid to non-controlling interest	-	-	(148,804)	(150,000)
Dividend/Levy paid to holders of other equity instruments	(164,768)	(664,768)	(164,768)	(664,768)
Net Cash from (used in) Financial Activities	(5,343,979)	(362,476)	(7,878,385)	7,910,987
Net Increase/(Decrease) in Cash & Cash Equivalents	13,917,796	(7,524,995)	13,671,464	(7,883,864)
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	71,456,147	63,936,247	72,508,295	65,015,344

ANALYSIS OF LOANS & ADVANCES TO OTHER CUSTOMERS

	BANK		GROUP	
	30.09.2022 (Rs.'000) (Unaudited)	31.12.2021 (Rs. '000) (Audited)	30.09.2022 (Rs.'000) (Unaudited)	31.12.2021 (Rs. '000) (Audited)
Loans and advances to Other Customers				
Gross Loans and advances	1,949,518,199	1,936,974,136	2,103,457,190	2,103,642,165
Less :				
Allowance for Expected Credit Losses	(138,557,203)	(101,277,028)	(151,401,389)	(112,953,104)
Stage 1	(7,108,097)	(8,056,985)	(8,605,523)	(9,316,194)
Stage 2	(23,834,865)	(9,990,853)	(25,571,217)	(11,462,797)
Stage 3	(107,614,241)	(83,229,190)	(117,224,649)	(92,174,113)
Net Loans and advances	1,810,960,996	1,835,697,108	1,952,055,801	1,990,689,061
Product-wise Gross loans & advances				
By product – Domestic currency				
Overdrafts	115,356,181	389,894,984	113,749,402	389,438,498
Term loans	907,029,405	887,081,607	973,292,000	954,796,780
Lease rentals receivable	-	-	69,378,326	79,230,187
Credit cards	4,946,345	4,303,245	4,946,345	4,303,245
Pawning	185,723,601	194,769,226	185,723,601	194,769,226
Trade Finance	64,584,213	52,944,758	64,584,213	52,944,758
Others	120,196,950	27,598,625	129,564,855	42,333,454
Sub Total	1,397,836,695	1,556,592,445	1,541,238,742	1,717,816,148
By product – Foreign currency				
Overdrafts	1,925,311	2,981,810	1,925,311	2,981,810
Term loans	188,529,680	131,606,427	199,066,624	137,050,753
Trade Finance	361,226,513	245,793,454	361,226,513	245,793,454
Sub Total	551,681,504	380,381,691	562,218,448	385,826,017
Grand Total	1,949,518,199	1,936,974,136	2,103,457,190	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	(948,888)	13,844,012	21,166,582	34,061,706
Amounts written off	-	-	(208,462)	(208,462)
Exchange rate variance on foreign currency Impairment	-	-	3,426,931	3,426,931
Closing balance as at 30th September 2022	7,108,097	23,834,865	107,614,241	138,557,203
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	(710,671)	14,108,420	21,832,067	35,229,816
Amounts written off	-	-	(208,462)	(208,462)
Exchange rate variance on foreign currency Impairment	-	-	3,426,931	3,426,931
Closing balance as at 30th September 2022	8,605,523	25,571,217	117,224,649	151,401,389
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	
	30.09.2022	31.12.2021	30.09.2022	31.12.2021
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
By product – Domestic currency				
Demand deposits (current accounts)	88,034,218	80,566,734	82,780,143	79,424,380
Savings deposits	643,793,615	739,759,440	649,218,517	746,159,304
Fixed deposits	1,234,405,135	1,031,570,632	1,322,767,260	1,121,774,448
Others	3,027,837	3,879,765	3,839,110	5,560,569
Sub total	1,969,260,805	1,855,776,571	2,058,605,030	1,952,918,701
By product – Foreign currency				
Demand deposits (current accounts)	5,008,187	1,450,837	5,008,187	1,450,837
Savings deposits	44,602,300	25,761,128	44,602,300	25,761,128
Fixed deposits	267,378,007	188,502,877	267,378,007	188,502,877
Others	91,668	41,199	91,668	41,199
Sub total	317,080,162	215,756,041	317,080,162	215,756,041
Grand Total	2,286,340,967	2,071,532,612	2,375,685,192	2,168,674,742

ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

	BANK		GROUP	
	30.09.2022	31.12.2021	30.09.2022	31.12.2021
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
By product				
Acceptances	100,428,195	94,817,795	100,428,195	94,817,795
Documentary Credit	23,177,403	73,281,666	23,177,403	73,281,666
Guarantees	79,877,861	74,070,212	80,277,861	74,823,212
Forward Exchange Contracts	177,057,048	108,101,010	177,057,048	108,101,010
Non disbursed overdrafts & loans	61,717,753	79,068,727	69,272,753	93,386,727
Gross Contingent Liabilities and Commitments	442,258,260	429,339,410	450,213,260	444,410,410
Less :				
Allowance for Expected Credit Loss	(1,193,550)	(568,215)	(1,193,550)	(568,215)
Net Contingent Liabilities and Commitments	441,064,710	428,771,195	449,019,710	443,842,195

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

BANK AS AT 30TH SEPTEMBER 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	-	-	71,456,147	71,456,147
Balances with Central Banks	-	-	80,170,465	80,170,465
Placements with Banks	-	-	-	-
Derivative Financial Instruments	14,748,233	-	-	14,748,233
Financial Assets - At Fair Value through Profit or Loss	6,044,781	-	-	6,044,781
Loans and Advances to banks	-	-	7,469,460	7,469,460
Loans and Advances to other customers	-	-	1,810,960,996	1,810,960,996
Debt instruments measured at amortised cost	-	-	913,940,752	913,940,752
Equity instruments at fair value through OCI	-	1,611,849	-	1,611,849
Debt instruments at fair value through OCI	-	10,425,862	-	10,425,862
Total financial assets	20,793,014	12,037,711	2,883,997,820	2,916,828,545
LIABILITIES				
Due to banks	-	-	122,765,077	122,765,077
Derivative Financial Instruments	3,257,664	-	-	3,257,664
Due to other customers	-	-	2,286,340,967	2,286,340,967
Other Borrowings	-	-	292,897,446	292,897,446
Subordinated term debts	-	-	49,721,688	49,721,688
Total financial liabilities	3,257,664	-	2,751,725,178	2,754,982,842

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 SEPTEMBER 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	-	-	72,508,295	72,508,295
Balances with Central Banks	-	-	80,170,465	80,170,465
Placements with Banks	-	-	3,111,051	3,111,051
Derivative Financial Instruments	14,748,233	-	-	14,748,233
Financial Assets - At Fair Value through Profit or Loss	6,379,687	-	-	6,379,687
Loans and Advances to banks	-	-	7,469,460	7,469,460
Loans and Advances to other customers	-	-	1,952,055,801	1,952,055,801
Debt instruments measured at amortised cost	-	-	932,071,939	932,071,939
Equity instruments at fair value through OCI	-	1,846,721	-	1,846,721
Debt instruments at fair value through OCI	-	11,882,350	-	11,882,350
Total financial assets	21,127,920	13,729,071	3,047,387,011	3,082,244,002
LIABILITIES				
Due to banks	-	-	135,239,942	135,239,942
Derivative Financial Instruments	3,257,664	-	-	3,257,664
Due to other customers	-	-	2,375,685,192	2,375,685,192
Other Borrowings	-	-	292,897,446	292,897,446
Subordinated term debts	-	-	65,513,724	65,513,724
Total financial liabilities	3,257,664	-	2,869,336,304	2,872,593,968

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 30.09.2022 (Unaudited)	As at 31.12.2021 (Audited)	As at 30.09.2022 (Unaudited)	As at 31.12.2021 (Audited)
Regulatory Capital Adequacy				
Common Equity Tier 1 Capital [Rs. 000]	107,719,088	104,747,717	141,395,060	138,667,285
Core (Tier 1) Capital [Rs. 000]	112,719,088	109,747,717	146,395,060	143,667,285
Total Capital Base [Rs. 000]	157,210,313	155,798,954	192,822,752	191,833,922
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital (%) (Min. requirement - 8.0%)	10.72	11.99	11.96	12.95
Tier 1 Capital Ratio (%) (Min. requirement - 9.5%)	11.22	12.56	12.38	13.41
Total Capital Ratio (%) (Min. requirement - 13.5%)	15.64	17.83	16.31	17.91
Asset Quality (Quality of Loan Portfolio)				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	4.80	3.21	4.99	3.63
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	3.01	1.62	2.79	1.63
Impaired Loans (Stage 3) Ratio (%)	10.41	4.01	10.57	4.69
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	34.52	50.17	34.35	46.88
Profitability				
Interest Margin, %	3.12	3.38	3.46	3.70
Return on Assets (Before Tax) , %	0.80	1.25	0.93	1.42
Return on Equity (After Tax) , %	12.11	19.93	11.09	17.73
Leverage Ratio (Min. requirement - 3%)				
	3.64	3.96	4.47	4.85
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking unit Rs.000	450,646,227	502,575,831		
Off-Shore Banking Unit USD.000	70,622	239,417		
Statutory Liquid Assets Ratio (%) (Min. requirement - 20%)				
Domestic Banking unit (%) *	18.36	23.52		
* Subsequently enhanced to 20.23% as of October 31, 2022				
Off-Shore Banking Unit (%)	20.34	25.94		
Total Stock of High Quality Liquid Assets [Rs.000]				
	438,803,942	367,540,924		
Liquidity Coverage Ratio (%) (Min. requirement - 90%)				
Liquidity Coverage Ratio - Rupee	230.18	155.83		
Liquidity Coverage Ratio - All Currency	98.22	105.71		
Net Stable Funding Ratio				
(Min. requirement - 90%)	106.03	115.37		

EXPLANATORY NOTES

1. These Financial Statements for the period ended September 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. Impairment of Financial Assets

Loans & Advances

The Bank and the Group's ECL at September 30, 2022 have been estimated using reasonable and supportable information that were available without any undue cost or effort about past events, current conditions, and future economic conditions as at the said date. During the said period, the Bank recognized a substantial impairment provision in the view of deteriorated macro-economic circumstances which includes amongst other, the devaluation of the rupee, rising interest rates, high inflationary pressure, and the sovereign rating downgrade. All these considered, the Bank reassessed its Probabilities of Default (PD) and the Economic Factor Adjustment - and the various scenario weights therein used - for the collective impairment assessment purposes. Whilst the Bank continues to monitor such developments closely, when new supportable information becomes 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 period, by considering the recent downgrade on the sovereign ratings by rating agencies.

4. 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 the surcharge tax liability by way of two installments (LKR.2.7 billion each) on April 20, 2022, and July 20, 2022

5. The Inland Revenue (Amendment) Bill issued on 11th October 2022 has not been substantively enacted the Parliament. Therefore, the Bank has not considered the impact of changes proposed for the reporting period.
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- (Ika)' was placed on 'Rating Watch Negative'
8. Other than those given above, or already considered in these Financial Statements, no circumstances have arisen since September 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 September 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

29.11.2022
Colombo.