



**PEOPLE'S
BANK**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE

2023

FITCH RATING A (LKA)

INCOME STATEMENT
FOR THE PERIOD ENDED 30TH JUNE

	BANK			GROUP		
	2023 (Rs. '000) (Unaudited)	2022 (Rs. '000) (Audited)	Change %	2023 (Rs. '000) (Unaudited)	2022 (Rs. '000) (Unaudited)	Change %
Gross Income	217,335,326	155,926,887	39.4	232,710,725	172,969,240	34.5
Interest income	202,203,233	137,913,024	46.6	215,292,365	152,145,165	41.5
Interest expenses	(177,160,812)	(86,244,943)	105.4	(183,908,685)	(91,912,838)	100.1
Net Interest Income	25,042,421	51,668,081	(51.5)	31,383,680	60,232,327	(47.9)
Fee and commission income	8,025,039	10,131,630	(20.8)	8,515,413	10,701,397	(20.4)
Fee and commission expenses	(611,183)	(368,802)	65.7	(611,183)	(368,802)	65.7
Net Fee and Commission Income	7,413,856	9,762,828	(24.1)	7,904,230	10,332,595	(23.5)
Net gain / (loss) from trading	6,541,637	7,471,815	(12.4)	6,574,139	7,469,612	(12.0)
Other operating income (net)	565,417	410,418	37.8	2,328,808	2,653,066	(12.2)
Total Operating Income	39,563,331	69,313,142	(42.9)	48,190,857	80,687,600	(40.3)
Impairment Charge	(4,640,059)	(32,828,647)	(85.9)	(3,944,778)	(33,696,650)	(88.3)
Loans & advances to Customers	(6,478,141)	(30,295,735)		(5,726,225)	(31,189,635)	
Other Financial Assets	1,838,082	(2,532,912)		1,838,082	(2,532,912)	
Others	-	-		(56,635)	25,897	
Net Operating Income	34,923,272	36,484,495	(4.3)	44,246,079	46,990,950	(5.8)
Personnel Expenses	(11,815,024)	(11,261,352)	4.9	(14,613,176)	(14,070,139)	3.9
Depreciation and Amortisation	(2,190,294)	(2,405,729)	(9.0)	(2,505,772)	(2,760,634)	(9.2)
Other Expenses	(10,594,793)	(7,169,148)	47.8	(13,054,933)	(9,877,611)	32.2
Operating Profit Before Taxes on Financial Services	10,323,161	15,648,266	(34.0)	14,072,198	20,282,566	(30.6)
Taxes on financial services	(3,722,593)	(4,066,870)	(8.5)	(4,624,765)	(5,051,190)	(8.4)
Profit Before Tax	6,600,568	11,581,396	(43.0)	9,447,433	15,231,376	(38.0)
Income Tax Expenses	(2,151,863)	(3,259,826)	(34.0)	(3,227,159)	(4,494,176)	(28.2)
Profit for the period	4,448,705	8,321,570	(46.5)	6,220,274	10,737,200	(42.1)
Profit Attributable to :						
Equity Holders of the Bank	4,448,705	8,321,570	(46.5)	5,868,092	10,216,210	(42.6)
Non-Controlling Interests	-	-	-	352,182	520,990	(32.4)
	4,448,705	8,321,570	(46.5)	6,220,274	10,737,200	(42.1)
Earnings Per Share on Profit						
Basic Earnings per Ordinary Share [Rs.]	4,449	8,322	(46.5)	5,868	10,216	(42.6)
Diluted Earnings per Ordinary Share [Rs.]	18	34	(46.5)	24	42	(42.6)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH JUNE

	BANK		GROUP	
	2023 (Rs. '000) (Unaudited)	2022 (Rs. '000) (Audited)	2023 (Rs. '000) (Unaudited)	2022 (Rs. '000) (Unaudited)
Profit for the Period	4,448,705	8,321,570	6,220,274	10,737,200
Other comprehensive income that will not be reclassified to the income statement				
Net Gains/(Losses) on equity instruments at fair value through OCI	147,770	(297,260)	180,445	(452,421)
Net Actuarial Gains/(Losses) on Defined Benefit Plans	-	-	(37,549)	(12,296)
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	108,570	(84)	258,898	(221,990)
Deferred Tax Effect on above	-	-	(43,636)	94,485
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	(851,489)	1,752,406
Other Comprehensive Income for the period, Net of Taxes	256,340	(297,344)	(493,331)	1,160,184
Total Comprehensive Income for the period	4,705,045	8,024,226	5,726,943	11,897,384
Attributable to :				
Equity Holders of the Bank	4,705,045	8,024,226	5,873,955	11,012,011
Non-Controlling Interests	-	-	(147,012)	885,373
	4,705,045	8,024,226	5,726,943	11,897,384

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	30.06.2023 (Rs. '000) (Unaudited)	31.12.2022 (Rs. '000) (Audited)	Change %	30.06.2023 (Rs. '000) (Unaudited)	31.12.2022 (Rs. '000) (Audited)	Change %
Assets						
Cash and Cash Equivalents	84,796,620	66,842,171	26.9	87,642,197	68,077,027	28.7
Balances with Central Bank of Sri Lanka	70,734,668	67,602,313	4.6	70,734,668	67,602,313	4.6
Placements with Banks	26,611,750	-	-	31,626,045	3,028,550	944.3
Derivative Financial Instruments	11,566,135	14,882,584	(22.3)	11,566,135	14,882,584	(22.3)
Financial Assets - At Fair Value through Profit or Loss	2,020,660	5,556,754	(63.6)	2,396,390	5,915,926	(59.5)
Financial Assets - At Amortised Cost						
Loans and advances to Banks	5,014,245	7,689,150	(34.8)	5,565,089	7,689,150	(27.6)
Loans and advances to Other Customers	1,672,204,231	1,783,106,693	(6.2)	1,787,978,767	1,915,771,684	(6.7)
Debt instruments measured at amortised cost	904,048,777	913,099,927	(1.0)	918,671,251	928,885,518	(1.1)
Financial Assets - At Fair Value through other Comprehensive income [OCI]						
Equity instruments at fair value through OCI	1,809,425	1,661,656	8.9	2,025,017	1,844,574	9.8
Debt instruments at fair value through OCI	9,305,696	10,378,370	(10.3)	10,433,313	11,428,832	(8.7)
Investments in Subsidiaries	4,280,522	4,280,522	-	-	-	-
Property, Plant, Equipment and Right of use assets	49,514,134	49,330,080	0.4	60,130,500	59,780,131	0.6
Intangible Assets and Goodwill	1,477,153	1,719,177	(14.1)	1,611,268	1,859,475	(13.3)
Other Assets	57,762,325	45,879,055	25.9	57,126,949	46,368,814	23.2
Total Assets	2,901,146,341	2,972,028,452	(2.4)	3,047,507,589	3,133,134,578	(2.7)
Liabilities						
Due to Banks	82,344,552	111,452,491	(26.1)	91,960,597	122,696,978	(25.1)
Derivative Financial Instruments	634,537	1,888,478	(66.4)	634,537	1,888,478	(66.4)
Due to Other Customers	2,496,166,483	2,371,518,898	5.3	2,565,424,718	2,450,079,037	4.7
Other Borrowings	97,648,154	191,527,573	(49.0)	97,613,154	191,527,573	(49.0)
Current Tax Liabilities	2,441,869	6,372,157	(61.7)	3,631,051	8,297,080	(56.2)
Net Deferred Tax Liabilities	1,746,088	606,207	188.0	2,751,900	570,529	382.3
Other Liabilities	31,935,529	106,765,050	(70.1)	41,290,308	115,961,714	(64.4)
Subordinated Term Debts	38,248,261	36,603,467	4.5	49,235,924	52,781,563	(6.7)
Total Liabilities	2,751,165,473	2,826,734,321	(2.7)	2,852,542,189	2,943,802,952	(3.1)
Equity						
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	12,201,998	12,201,998	-
Statutory Reserve Fund	10,070,131	10,070,131	-	10,070,131	10,070,131	-
Other Reserves	38,654,170	38,397,830	0.7	41,478,082	41,452,506	0.1
Retained Earnings	89,054,569	84,624,172	5.2	117,024,626	111,194,555	5.2
Total Shareholders' Equity	149,980,868	145,294,131	3.2	180,774,837	174,919,190	3.3
Non-Controlling Interests	-	-	-	14,190,563	14,412,436	(1.5)
Total Equity	149,980,868	145,294,131	3.2	194,965,400	189,331,626	3.0
Total Equity and Liabilities	2,901,146,341	2,972,028,452	(2.4)	3,047,507,589	3,133,134,578	(2.7)
Contingent Liabilities and Commitments	252,848,940	370,648,773	(31.8)	259,596,940	375,288,336	(30.8)
Number of Employees	7,326	7,377		10,275	10,454	
Number of Branches	747	745		857	858	

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

BANK

	Stated capital/Assigned capital		Reserves				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)		Retained Earnings (Rs.'000)
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 year								
Profit for the year	-	-	-	-	-	-	17,192,058	17,192,058
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	2,455,028	-	40,515	(4,369,763)	(1,874,220)
Total Comprehensive Income/(Expense)	-	-	-	2,455,028	-	40,515	12,822,295	15,317,838
Transactions with equity holders, recognised directly in equity								
Transfer to Reserve during the Year	-	-	859,603	-	-	-	(859,603)	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(661,090)	(661,090)
Total Transactions with Equity Holders	-	-	859,603	-	-	-	(1,520,693)	(661,090)
Balance as at 31st December 2022	49,998	12,152,000	10,070,131	23,995,328	14,141,373	261,129	84,624,172	145,294,131
Balance as at 1st January 2023	49,998	12,152,000	10,070,131	23,995,328	14,141,373	261,129	84,624,172	145,294,131
Total Comprehensive Income for the period								
Profit for the period	-	-	-	-	-	-	4,448,705	4,448,705
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	-	256,340	-	256,340
Total Comprehensive Income/(Expense)	-	-	-	-	-	256,340	4,448,705	4,705,045
Transactions with Equity Holders, Recognised Directly in Equity								
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(18,308)	(18,308)
Total Transactions with Equity Holders	-	-	-	-	-	-	(18,308)	(18,308)
Balance as at 30th June 2023	49,998	12,152,000	10,070,131	23,995,328	14,141,373	517,469	89,054,569	149,980,868

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

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)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
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 year										
Profit for the year	-	-	-	-	-	-	19,571,989	19,571,989	953,450	20,525,439
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	2,929,733	565,090	(202,398)	(4,302,473)	(1,010,048)	970,719	(39,329)
Total Comprehensive Income/(Expense)	-	-	-	2,929,733	565,090	(202,398)	15,269,516	18,561,941	1,924,169	20,486,110
Transactions with Equity Holders, Recognised Directly in Equity										
Transfer to Reserve during the year	-	-	859,603	-	-	-	(859,603)	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(661,090)	(661,090)	-	(661,090)
Dividends Paid	-	-	-	-	-	-	-	-	(198,804)	(198,804)
Total Transactions with Equity Holders	-	-	859,603	-	-	-	(1,520,693)	(661,090)	(198,804)	(859,894)
Balance as at 31st December 2022	49,998	12,152,000	10,070,131	26,394,593	15,105,588	(47,675)	111,194,555	174,919,190	14,412,436	189,331,626
Balance as at 1st January 2023	49,998	12,152,000	10,070,131	26,394,593	15,105,588	(47,675)	111,194,555	174,919,190	14,412,436	189,331,626
Total Comprehensive Income for the period										
Profit for the period	-	-	-	-	-	-	5,868,092	5,868,092	352,182	6,220,274
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	(326,840)	352,416	(19,713)	5,863	(499,194)	(493,331)
Total Comprehensive Income/(Expense)	-	-	-	-	(326,840)	352,416	5,848,379	5,873,955	(147,012)	5,726,943
Transactions with Equity Holders, Recognised Directly in Equity										
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(18,308)	(18,308)	-	(18,308)
Dividends Paid	-	-	-	-	-	-	-	-	(74,861)	(74,861)
Total Transactions with Equity Holders	-	-	-	-	-	-	(18,308)	(18,308)	(74,861)	(93,169)
Balance as at 30th June 2023	49,998	12,152,000	10,070,131	26,394,593	14,778,748	304,741	117,024,626	180,774,837	14,190,563	194,965,400

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30TH JUNE

	BANK		GROUP	
	2023 (Rs. '000) (Unaudited)	2022 (Rs. '000) (Unaudited)	2023 (Rs. '000) (Unaudited)	2022 (Rs. '000) (Unaudited)
Cash flows from operating activities				
Profit before tax	6,600,568	11,581,396	9,447,433	15,231,376
Adjustment for				
Non-cash items included in profits before tax	10,766,693	33,999,744	10,423,134	35,252,884
Changes in operating assets	72,153,528	(19,924,034)	88,384,426	(14,541,792)
Changes in operating liabilities	(72,937,891)	341,061,194	(84,685,671)	339,044,738
Dividend income from subsidiaries and others	(58,906)	(51,357)	(60,170)	(132,280)
Interest expense on subordinated debt	2,144,006	2,714,674	2,783,115	3,504,040
Contribution paid to defined benefit plans/Gratuity	691,200	391,300	793,403	517,158
Changes in tax liabilities	(4,942,271)	(4,328,355)	(5,755,454)	(6,726,223)
Net Cash Generated from (used in) Operating Activities	14,416,928	365,444,562	21,330,216	372,149,901
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(2,063,394)	(457,263)	(2,535,583)	(900,449)
Proceeds from the sale of property, plant and equipment	1,743	4,872	82,017	59,926
Purchase of financial investments	7,365,765	(325,510,722)	8,528,882	(330,907,483)
Net purchase of intangible assets	(68,930)	(246,917)	(72,351)	(253,073)
Dividends received from investment in subsidiaries and Others	58,906	51,357	60,170	132,280
Net Cash from (used in) Investing Activities	5,294,090	(326,158,673)	6,063,135	(331,868,799)
Cash Flows from Financing Activities				
Repayments on subordinated debt	(499,212)	(1,142,502)	(6,328,754)	(2,598,868)
Repayment of Lease Liabilities	(1,239,049)	(1,320,716)	(1,406,258)	(1,515,851)
Dividend paid to non-controlling interest	-	-	(74,861)	(75,000)
Dividend/Levy paid to holders of other equity instruments	(18,308)	(109,845)	(18,308)	(109,845)
Net Cash from (used in) Financial Activities	(1,756,569)	(2,573,063)	(7,828,181)	(4,299,564)
Net Increase/(Decrease) in Cash & Cash Equivalents	17,954,449	36,712,826	19,565,170	35,981,538
Cash and cash equivalents at the beginning of the year	66,842,171	57,538,351	68,077,027	58,836,831
Cash and cash equivalents at the end of the period	84,796,620	94,251,177	87,642,197	94,818,369

ANALYSIS OF LOANS & ADVANCES TO OTHER CUSTOMERS

	BANK		GROUP	
	30.06.2023 (Rs.'000) (Unaudited)	31.12.2022 (Rs. '000) (Audited)	30.06.2023 (Rs.'000) (Unaudited)	31.12.2022 (Rs. '000) (Audited)
Loans and advances to Other Customers				
Gross Loans and advances	1,809,439,748	1,915,788,623	1,937,146,185	2,061,137,431
Less :				
Allowance for Expected Credit Losses	(137,235,517)	(132,681,930)	(149,167,418)	(145,365,747)
Stage 1	(9,092,317)	(6,241,576)	(10,171,464)	(7,647,149)
Stage 2	(15,062,116)	(19,206,289)	(16,254,486)	(20,570,351)
Stage 3	(113,081,084)	(107,234,065)	(122,741,468)	(117,148,247)
Net Loans and advances	1,672,204,231	1,783,106,693	1,787,978,767	1,915,771,684
Product-wise Gross loans & advances				
By product – Domestic currency				
Overdrafts	92,425,332	109,571,710	91,961,018	109,212,702
Term loans	867,237,221	904,385,301	919,073,658	967,310,812
Lease rentals receivable	-	-	56,004,249	64,175,371
Credit cards	6,069,658	5,539,640	6,069,658	5,539,640
Pawning	209,294,057	184,777,612	209,294,057	184,777,612
Trade Finance	282,083,627	29,387,154	282,083,627	29,387,154
Others	24,276,552	99,277,648	32,482,021	107,483,544
Sub Total	1,481,386,447	1,332,939,065	1,596,968,288	1,467,886,835
By product – Foreign currency				
Overdrafts	1,112,647	1,709,240	1,112,647	1,709,240
Term loans	150,605,488	187,912,732	162,730,084	198,313,770
Trade Finance	176,335,166	393,227,586	176,335,166	393,227,586
Sub Total	328,053,301	582,849,558	340,177,897	593,250,596
Grand Total	1,809,439,748	1,915,788,623	1,937,146,185	2,061,137,431
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 2023	6,241,576	19,206,289	107,234,065	132,681,930
Net Charge/(Reversal) for the period	2,850,741	(4,144,173)	7,771,573	6,478,141
Amounts written off	-	-	(293,535)	(293,535)
Exchange rate variance on foreign currency Impairment	-	-	(1,631,019)	(1,631,019)
Closing balance as at 30th June 2023	9,092,317	15,062,116	113,081,084	137,235,517
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 year	(1,815,409)	9,215,436	20,966,673	28,366,700
Amounts written off	-	-	(271,801)	(271,801)
Exchange rate variance on foreign currency Impairment	-	-	3,310,003	3,310,003
Closing balance as at 31st December 2022	6,241,576	19,206,289	107,234,065	132,681,930
GROUP	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2023	7,647,149	20,570,351	117,148,247	145,365,747
Net Charge/(Reversal) for the period	2,524,315	(4,315,865)	7,517,775	5,726,225
Amounts written off	-	-	(293,535)	(293,535)
Exchange rate variance on foreign currency Impairment	-	-	(1,631,019)	(1,631,019)
Closing balance as at 30th June 2023	10,171,464	16,254,486	122,741,468	149,167,418
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 year	(1,669,045)	9,107,554	21,935,932	29,374,441
Amounts written off	-	-	(271,801)	(271,801)
Exchange rate variance on foreign currency Impairment	-	-	3,310,003	3,310,003
Closing balance as at 31st December 2022	7,647,149	20,570,351	117,148,247	145,365,747

ANALYSIS OF DEPOSITS

	BANK		GROUP	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
By product – Domestic currency				
Demand deposits (current accounts)	72,395,742	75,893,141	68,086,127	71,972,668
Savings deposits	643,188,550	616,167,038	647,253,177	620,359,093
Fixed deposits	1,535,200,555	1,377,375,135	1,605,772,024	1,455,465,983
Others	2,711,703	3,250,918	1,643,457	3,448,627
Sub total	2,253,496,550	2,072,686,232	2,322,754,785	2,151,246,371
By product – Foreign currency				
Demand deposits (current accounts)	1,486,030	3,325,780	1,486,030	3,325,780
Savings deposits	32,997,984	43,208,616	32,997,984	43,208,616
Fixed deposits	208,145,599	251,852,274	208,145,599	251,852,274
Others	40,320	445,996	40,320	445,996
Sub total	242,669,933	298,832,666	242,669,933	298,832,666
Grand Total	2,496,166,483	2,371,518,898	2,565,424,718	2,450,079,037

ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

	BANK		GROUP	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
By product				
Acceptances	3,050,894	74,070,645	3,050,894	74,070,645
Documentary Credit	25,030,817	22,841,324	25,030,817	22,841,324
Guarantees	58,288,565	68,387,765	58,749,565	68,791,109
Forward Exchange Contracts	80,075,507	137,037,060	80,075,507	137,037,060
Non disbursed overdrafts & loans	86,815,975	68,828,585	93,102,975	73,064,804
Gross Contingent Liabilities and Commitments	253,261,758	371,165,379	260,009,758	375,804,942
Less :				
Allowance for Expected Credit Loss	(412,818)	(516,606)	(412,818)	(516,606)
Net Contingent Liabilities and Commitments	252,848,940	370,648,773	259,596,940	375,288,336

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

BANK AS AT 30TH JUNE 2023

	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	-	-	84,796,620	84,796,620
Balances with Central Banks	-	-	70,734,668	70,734,668
Placements with Banks	-	-	26,611,750	26,611,750
Derivative Financial Instruments	11,566,135	-	-	11,566,135
Financial Assets - At Fair Value through Profit or Loss	2,020,660	-	-	2,020,660
Loans and Advances to Bank	-	-	5,014,245	5,014,245
Loans and Advances to other customers	-	-	1,672,204,231	1,672,204,231
Debt instruments measured at amortised cost	-	-	904,048,777	904,048,777
Equity instruments at fair value through OCI	-	1,809,425	-	1,809,425
Debt instruments at fair value through OCI	-	9,305,696	-	9,305,696
Total financial assets	13,586,795	11,115,121	2,763,410,291	2,788,112,207
LIABILITIES				
Due to banks	-	-	82,344,552	82,344,552
Derivative Financial Instruments	634,537	-	-	634,537
Due to other customers	-	-	2,496,166,483	2,496,166,483
Other Borrowings	-	-	97,648,154	97,648,154
Subordinated term debts	-	-	38,248,261	38,248,261
Total financial liabilities	634,537	-	2,714,407,450	2,715,041,987

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

BANK AS AT 31ST DECEMBER 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	-	-	66,842,171	66,842,171
Balances with Central Banks	-	-	67,602,313	67,602,313
Placements with Banks	-	-	-	-
Derivative Financial Instruments	14,882,584	-	-	14,882,584
Financial Assets - At Fair Value through Profit or Loss	5,556,754	-	-	5,556,754
Loans and Advances to banks	-	-	7,689,150	7,689,150
Loans and Advances to other customers	-	-	1,783,106,693	1,783,106,693
Debt instruments measured at amortised cost	-	-	913,099,927	913,099,927
Equity instruments at fair value through OCI	-	1,661,656	-	1,661,656
Debt instruments at fair value through OCI	-	10,378,370	-	10,378,370
Total financial assets	20,439,338	12,040,026	2,838,340,254	2,870,819,618
LIABILITIES				
Due to banks	-	-	111,452,491	111,452,491
Derivative Financial Instruments	1,888,478	-	-	1,888,478
Due to other customers	-	-	2,371,518,898	2,371,518,898
Other Borrowings	-	-	191,527,573	191,527,573
Subordinated term debts	-	-	36,603,467	36,603,467
Total financial liabilities	1,888,478	-	2,711,102,429	2,712,990,907

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

GROUP AS AT 30TH JUNE 2023

	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	-	-	87,642,197	87,642,197
Balances with Central Banks	-	-	70,734,668	70,734,668
Placements with Banks	-	-	31,626,045	31,626,045
Derivative Financial Instruments	11,566,135	-	-	11,566,135
Financial Assets - At Fair Value through Profit or Loss	2,396,390	-	-	2,396,390
Loans and Advances to Bank	-	-	5,565,089	5,565,089
Loans and Advances to other customers	-	-	1,787,978,767	1,787,978,767
Debt instruments measured at amortised cost	-	-	918,671,251	918,671,251
Equity instruments at fair value through OCI	-	2,025,017	-	2,025,017
Debt instruments at fair value through OCI	-	10,433,313	-	10,433,313
Total financial assets	13,962,525	12,458,330	2,902,218,017	2,928,638,872
LIABILITIES				
Due to banks	-	-	91,960,597	91,960,597
Derivative Financial Instruments	634,537	-	-	634,537
Due to other customers	-	-	2,565,424,718	2,565,424,718
Other Borrowings	-	-	97,613,154	97,613,154
Subordinated term debts	-	-	49,235,924	49,235,924
Total financial liabilities	634,537	-	2,804,234,393	2,804,868,930

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

GROUP AS AT 31ST DECEMBER 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	-	-	68,077,027	68,077,027
Balances with Central Banks	-	-	67,602,313	67,602,313
Placements with Banks	-	-	3,028,550	3,028,550
Derivative Financial Instruments	14,882,584	-	-	14,882,584
Financial Assets - At Fair Value through Profit or Loss	5,915,926	-	-	5,915,926
Loans and Advances to banks	-	-	7,689,150	7,689,150
Loans and Advances to other customers	-	-	1,915,771,684	1,915,771,684
Debt instruments measured at amortised cost	-	-	928,885,518	928,885,518
Equity instruments at fair value through OCI	-	1,844,574	-	1,844,574
Debt instruments at fair value through OCI	-	11,428,832	-	11,428,832
Total financial assets	20,798,510	13,273,406	2,991,054,242	3,025,126,158
LIABILITIES				
Due to banks	-	-	122,696,978	122,696,978
Derivative Financial Instruments	1,888,478	-	-	1,888,478
Due to other customers	-	-	2,450,079,037	2,450,079,037
Other Borrowings	-	-	191,527,573	191,527,573
Subordinated term debts	-	-	52,781,563	52,781,563
Total financial liabilities	1,888,478	-	2,817,085,151	2,818,973,629

SELECTED PERFORMANCE INDICATORS (Based on Regulatory Reporting)

	BANK		GROUP	
	As at 30.06.2023 (Unaudited)	As at 31.12.2022 (Audited)	As at 30.06.2023 (Unaudited)	As at 31.12.2022 (Audited)
Regulatory Capital Adequacy				
Common Equity Tier 1 Capital [Rs. 000]	110,918,953	111,298,172	145,228,213	148,454,894
Core (Tier 1) Capital [Rs. 000]	115,918,953	116,298,172	150,228,213	153,454,894
Total Capital Base [Rs. 000]	157,328,681	159,532,587	193,360,987	198,618,984
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital (%) (Min. requirement - 8.0%)	11.20	11.37	12.65	12.83
Tier 1 Capital Ratio (%) (Min. requirement - 9.5%)	11.71	11.89	13.08	13.27
Total Capital Ratio (%) (Min. requirement - 13.5%)	15.89	16.30	16.84	17.17
Asset Quality (Quality of Loan Portfolio)				
Impaired Loans (Stage 3) Ratio (%)	10.99	12.78	10.92	12.64
Impairment (Stage 3) to Stage 3 Loans Ratio (%)*	35.31	29.88	35.82	30.45
<small>*to save any doubt , excluding exposures backed by irrevocable government assurances, this ratio amounts to 47.77</small>				
Profitability				
Interest Margin, %	1.71	2.70	2.03	3.05
Return on Assets (Before Tax) , %	0.45	0.76	0.61	0.89
Return on Equity (After Tax) , %	6.03	12.22	6.47	11.19
Leverage Ratio (Min. requirement - 3%)				
	3.90	3.83	4.81	4.79
Regulatory Liquidity				
Statutory Liquid Assets				
Total Bank (Rs.000)	697,815,278	553,801,445		
Domestic Banking unit (Rs.000)	679,915,395	540,470,752		
Off-Shore Banking Unit (USD.000)	60,966	70,182		
Statutory Liquid Assets Ratio (%) (Min. requirement - 20%)				
Total Bank (%)	26.83	21.27		
Domestic Banking unit (%)	26.56	21.37		
Off-Shore Banking Unit (%)	16.25	20.05		
Total Stock of High Quality Liquid Assets [Rs.000]	662,338,058	502,751,126		
Liquidity Coverage Ratio (%) (Min. requirement - 2023 - 100%, 2022 - 90%)				
Liquidity Coverage Ratio - Rupee	196.06	213.06		
Liquidity Coverage Ratio - All Currency	139.14	119.47		
Net Stable Funding Ratio (Min. requirement - 2023 - 100%, 2022 - 90%)	138.19	117.05		

EXPLANATORY NOTES

1. These Financial Statements for the Period ended June 30, 2023, 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, 2022.
3. The Bank and the Group closely monitors all developments from a macro-economic. For purposes of assessing Expected Credit Losses (ECL), these estimates reasonably takes into consideration many factors including, amongst other, behavioral patterns of DPDs and macro variables such as inflation, exchange rates, interest rates, and GDP growth forecasts.

At June 30, 2023 - the Bank and the Group reassessed the Probabilities of Default (PD) and Economic Factor Adjustment (EFA) used in its assessment of Expected Credit Losses (ECL) under collective impairment. All Individually Significant Loan (ISL) customers were evaluated for any objective evidence(s) using reasonable and supportable information available as at the date of evaluation, and provisions have been made in accordance therewith at June 30, 2023.

The Bank and the Group's ECL at June 30, 2023, have been estimated using reasonable and supportable information that is/ was available about past events, current conditions, and future economic conditions. Should such circumstances change in future, based on new information, the Bank and the Group shall reassess its ECLs based on such additional information on such future reporting periods.
4. Relating to Other Financial Assets, in making impairment provisions on its foreign currency denominated exposures to government securities, the Bank used an estimate of the most likely loss rate at June 30, 2023.
5. Mr. Udeni Samararatne was appointed as a Director of the Bank with effect from March 7, 2023.
6. All known expenses have been charged to these financial statements.
7. Other than those given above, or already considered in these Financial Statements, no circumstances have arisen since June 30, 2023 - 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, 2023 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
29th August 2023
Colombo.

(Sgd.)
Clive Fonseka
Chief Executive Officer/General Manager