



**PEOPLE'S  
BANK**

# **FINANCIAL STATEMENTS**

## **FOR THE YEAR ENDED 31ST DECEMBER**

# **2023**

**FITCH RATING A (LKA)**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER**

	BANK			GROUP		
	2023 (Rs. '000) (Audited)	2022 (Rs. '000) (Audited)	Change %	2023 (Rs. '000) (Audited)	2022 (Rs. '000) (Audited)	Change %
<b>Gross Income</b>	<b>422,242,143</b>	<b>357,228,609</b>	<b>18.2</b>	<b>454,512,039</b>	<b>391,204,198</b>	<b>16.2</b>
Interest income	394,794,898	321,935,983	22.6	424,517,915	351,386,736	20.8
Interest expenses	(340,473,452)	(246,177,918)	38.3	(356,735,043)	(260,351,661)	37.0
<b>Net Interest Income</b>	<b>54,321,446</b>	<b>75,758,065</b>	<b>(28.3)</b>	<b>67,782,872</b>	<b>91,035,075</b>	<b>(25.5)</b>
Fee and commission income	13,806,168	16,397,745	(15.8)	14,822,549	17,213,747	(13.9)
Fee and commission expenses	(964,366)	(828,675)	16.4	(964,366)	(828,675)	16.4
<b>Net Fee and Commission Income</b>	<b>12,841,802</b>	<b>15,569,070</b>	<b>(17.5)</b>	<b>13,858,183</b>	<b>16,385,072</b>	<b>(15.4)</b>
Net gain / (loss) from trading	9,430,542	17,026,226	(44.6)	9,543,338	17,019,836	(43.9)
Other operating income (net)	4,210,535	1,868,655	125.3	5,628,237	5,583,879	0.8
<b>Total Operating Income</b>	<b>80,804,325</b>	<b>110,222,016</b>	<b>(26.7)</b>	<b>96,812,630</b>	<b>130,023,862</b>	<b>(25.5)</b>
Impairment Charge	(7,437,572)	(33,346,451)	(77.7)	(6,075,564)	(34,352,837)	(82.3)
Loans & advances to Customers	(5,474,332)	(28,366,700)		(3,858,532)	(29,374,441)	
Other Financial Assets	(1,963,240)	(4,979,751)		(1,963,240)	(4,979,751)	
Others	-	-		(253,792)	1,355	
<b>Net Operating Income</b>	<b>73,366,753</b>	<b>76,875,565</b>	<b>(4.6)</b>	<b>90,737,066</b>	<b>95,671,025</b>	<b>(5.2)</b>
Personnel Expenses	(24,493,737)	(26,602,748)	(7.9)	(30,216,333)	(32,200,568)	(6.2)
Depreciation and Amortisation	(4,453,850)	(4,705,872)	(5.4)	(5,073,292)	(5,366,761)	(5.5)
Other Expenses	(21,755,638)	(16,032,915)	35.7	(26,933,282)	(21,421,022)	25.7
<b>Operating Profit Before Taxes on Financial Services</b>	<b>22,663,528</b>	<b>29,534,030</b>	<b>(23.3)</b>	<b>28,514,159</b>	<b>36,682,674</b>	<b>(22.3)</b>
Taxes on financial services	(7,318,088)	(8,195,633)	(10.7)	(9,243,859)	(9,992,022)	(7.5)
<b>Profit Before Tax</b>	<b>15,345,440</b>	<b>21,338,397</b>	<b>(28.1)</b>	<b>19,270,300</b>	<b>26,690,652</b>	<b>(27.8)</b>
Income Tax Expenses	(5,262,634)	(4,146,339)	26.9	(7,884,639)	(6,165,213)	27.9
<b>Profit for the Year</b>	<b>10,082,806</b>	<b>17,192,058</b>	<b>(41.4)</b>	<b>11,385,661</b>	<b>20,525,439</b>	<b>(44.5)</b>
<b>Profit Attributable to :</b>						
Equity Holders of the Bank	10,082,806	17,192,058	(41.4)	10,513,288	19,571,989	(46.3)
Non-Controlling Interests	-	-		872,373	953,450	(8.5)
	<b>10,082,806</b>	<b>17,192,058</b>	<b>(41.4)</b>	<b>11,385,661</b>	<b>20,525,439</b>	<b>(44.5)</b>
<b>Earnings Per Share on Profit</b>						
Basic Earnings per Ordinary Share [Rs.]	10,083	17,192	(41.4)	10,513	19,572	(46.3)
Diluted Earnings per Ordinary Share [Rs.]	41	70	(41.4)	43	80	(46.3)

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER**

	BANK		GROUP	
	2023 (Rs. '000) (Audited)	2022 (Rs. '000) (Audited)	2023 (Rs. '000) (Audited)	2022 (Rs. '000) (Audited)
<b>Profit for the Year</b>	<b>10,082,806</b>	<b>17,192,058</b>	<b>11,385,661</b>	<b>20,525,439</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	232,367	52,869	278,570	(121,202)
Net Actuarial Gains/(Losses) on Defined Benefit Plans	1,447,423	(3,304,393)	1,441,157	(3,177,074)
Deferred Tax Effect on Defined Benefit Plans	(434,227)	991,318	(433,438)	953,496
Gains on Revaluation of Land and Buildings	4,817,014	3,507,183	5,472,322	4,379,820
Deferred tax effect on revaluation of Land and Buildings	(1,445,104)	(1,052,155)	(1,641,696)	(1,313,946)
Deferred Tax Effect on change in income tax rate on the opening balance	-	(2,056,688)	-	(2,056,688)
<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	82,477	(12,354)	425,862	(299,989)
Deferred Tax Effect on above	-	-	(129,211)	137,822
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	(695,964)	1,458,432
<b>Other Comprehensive Income for the year, Net of Taxes</b>	<b>4,699,950</b>	<b>(1,874,220)</b>	<b>4,717,602</b>	<b>(39,329)</b>
<b>Total Comprehensive Income for the year</b>	<b>14,782,756</b>	<b>15,317,838</b>	<b>16,103,263</b>	<b>20,486,110</b>
<b>Attributable to :</b>				
Equity Holders of the Bank	14,782,756	15,317,838	15,476,470	18,561,941
Non-Controlling Interests	-	-	626,793	1,924,169
	<b>14,782,756</b>	<b>15,317,838</b>	<b>16,103,263</b>	<b>20,486,110</b>

## STATEMENT OF FINANCIAL POSITION

### AS AT

	BANK			GROUP		
	31.12.2023 (Rs. '000) (Audited)	31.12.2022 (Rs. '000) (Audited)	Change %	31.12.2023 (Rs. '000) (Audited)	31.12.2022 (Rs. '000) (Audited)	Change %
<b>Assets</b>						
Cash and Cash Equivalents	61,889,582	66,842,171	(7.4)	63,307,106	68,077,027	(7.0)
Balances with Central Bank of Sri Lanka	31,003,219	67,602,313	(54.1)	31,003,219	67,602,313	(54.1)
Placements with Banks	66,227,025	-	-	76,872,574	3,028,550	2438.3
Derivative Financial Instruments	11,259,451	14,882,584	(24.3)	11,259,451	14,882,584	(24.3)
Financial Assets - At Fair Value through Profit or Loss	144,184,748	5,556,754	2494.8	145,622,457	5,915,926	2361.5
Financial Assets - At Amortised Cost						
Loans and advances to Banks	54,022,123	7,689,150	602.6	54,422,338	7,689,150	607.8
Loans and advances to Other Customers	1,709,457,735	1,783,106,693	(4.1)	1,823,770,212	1,915,771,684	(4.8)
Debt instruments measured at amortised cost	831,747,923	913,099,927	(8.9)	866,704,970	928,885,518	(6.7)
Financial Assets - At Fair Value through other Comprehensive income [OCI]						
Equity instruments at fair value through OCI	1,894,023	1,661,656	14.0	2,123,143	1,844,574	15.1
Debt instruments at fair value through OCI	8,286,626	10,378,370	(20.2)	9,686,213	11,428,832	(15.2)
Investments in Subsidiaries	4,280,522	4,280,522	-	-	-	-
Property, Plant, Equipment and Right of use assets	56,174,042	49,330,080	13.9	67,280,968	59,780,131	12.5
Intangible Assets and Goodwill	1,763,287	1,719,177	2.6	1,930,788	1,859,475	3.8
Other Assets	56,004,712	45,879,055	22.1	54,216,717	46,368,814	16.9
<b>Total Assets</b>	<b>3,038,195,018</b>	<b>2,972,028,452</b>	<b>2.2</b>	<b>3,208,200,156</b>	<b>3,133,134,578</b>	<b>2.4</b>
<b>Liabilities</b>						
Due to Banks	77,224,139	111,452,491	(30.7)	85,646,267	122,696,978	(30.2)
Derivative Financial Instruments	36,049	1,888,478	(98.1)	36,049	1,888,478	(98.1)
Due to Other Customers	2,653,105,546	2,371,518,898	11.9	2,745,161,610	2,450,079,037	12.0
Other Borrowings	64,278,443	191,527,573	(66.4)	64,223,443	191,527,573	(66.5)
Current Tax Liabilities	1,184,853	6,372,157	(81.4)	2,382,870	8,297,080	(71.3)
Net Deferred Tax Liabilities	5,029,929	606,207	729.7	6,081,598	570,529	966.0
Other Liabilities	30,280,189	106,765,050	(71.6)	41,877,447	115,961,714	(63.9)
Subordinated Term Debts	46,997,291	36,603,467	28.4	57,806,483	52,781,563	9.5
<b>Total Liabilities</b>	<b>2,878,136,439</b>	<b>2,826,734,321</b>	<b>1.8</b>	<b>3,003,215,767</b>	<b>2,943,802,952</b>	<b>2.0</b>
<b>Equity</b>						
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	12,201,998	12,201,998	-
Statutory Reserve Fund	10,574,271	10,070,131	5.0	10,574,271	10,070,131	5.0
Other Reserves	42,084,584	38,397,830	9.6	45,407,554	41,452,506	9.5
Retained Earnings	95,197,726	84,624,172	12.5	122,276,138	111,194,555	10.0
<b>Total Shareholders' Equity</b>	<b>160,058,579</b>	<b>145,294,131</b>	<b>10.2</b>	<b>190,459,961</b>	<b>174,919,190</b>	<b>8.9</b>
Non-Controlling Interests	-	-		<b>14,524,428</b>	14,412,436	0.8
<b>Total Equity</b>	<b>160,058,579</b>	<b>145,294,131</b>	<b>10.2</b>	<b>204,984,389</b>	<b>189,331,626</b>	<b>8.3</b>
<b>Total Equity and Liabilities</b>	<b>3,038,195,018</b>	<b>2,972,028,452</b>	<b>2.2</b>	<b>3,208,200,156</b>	<b>3,133,134,578</b>	<b>2.4</b>
<b>Contingent Liabilities and Commitments</b>	<b>221,405,708</b>	<b>370,648,773</b>	<b>(40.3)</b>	<b>228,813,708</b>	<b>375,288,336</b>	<b>(39.0)</b>
Number of Employees	7,656	7,377		10,528	10,454	
Number of Branches	747	745		857	858	

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST DECEMBER**

**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 2022</b>	49,998	12,152,000	9,210,528	21,540,300	14,141,373	220,614	73,322,570	130,637,383
<b>Total Comprehensive Income for the year</b>								
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)
<b>Total Comprehensive Income/(Expense)</b>	-	-	-	2,455,028	-	40,515	12,822,295	15,317,838
<b>Transactions with equity holders, recognised directly in equity</b>								
Transfer to Reserve during the Year	-	-	859,603	-	-	-	(859,603)	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(661,090)	(661,090)
<b>Total Transactions with Equity Holders</b>	-	-	859,603	-	-	-	(1,520,693)	(661,090)
<b>Balance as at 31st December 2022</b>	49,998	12,152,000	10,070,131	23,995,328	14,141,373	261,129	84,624,172	145,294,131
<b>Balance as at 1st January 2023</b>	49,998	12,152,000	10,070,131	23,995,328	14,141,373	261,129	84,624,172	145,294,131
<b>Total Comprehensive Income for the year</b>								
Profit for the year	-	-	-	-	-	-	10,082,806	10,082,806
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	3,371,910	-	314,844	1,013,196	4,699,950
<b>Total Comprehensive Income/(Expense)</b>	-	-	-	3,371,910	-	314,844	11,096,002	14,782,756
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>								
Transfer to Reserve during the year	-	-	504,140	-	-	-	(504,140)	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(18,308)	(18,308)
<b>Total Transactions with Equity Holders</b>	-	-	504,140	-	-	-	(522,448)	(18,308)
<b>Balance as at 31st December 2023</b>	49,998	12,152,000	10,574,271	27,367,238	14,141,373	575,973	95,197,726	160,058,579

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST DECEMBER**

**GROUP**

	Stated capital/ Assigned capital		Reserves					Total (Rs.'000)	Non controlling interest (Rs.'000)	Total equity (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)			
<b>Balance as at 1st January 2022</b>	<b>49,998</b>	<b>12,152,000</b>	<b>9,210,528</b>	<b>23,464,860</b>	<b>14,540,498</b>	<b>154,723</b>	<b>97,445,732</b>	<b>157,018,339</b>	<b>12,687,071</b>	<b>169,705,410</b>
<b>Total Comprehensive Income for the year</b>										
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)
<b>Total Comprehensive Income/(Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,929,733</b>	<b>565,090</b>	<b>(202,398)</b>	<b>15,269,516</b>	<b>18,561,941</b>	<b>1,924,169</b>	<b>20,486,110</b>
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>										
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)
<b>Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>859,603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,520,693)</b>	<b>(661,090)</b>	<b>(198,804)</b>	<b>(859,894)</b>
<b>Balance as at 31st December 2022</b>	<b>49,998</b>	<b>12,152,000</b>	<b>10,070,131</b>	<b>26,394,593</b>	<b>15,105,588</b>	<b>(47,675)</b>	<b>111,194,555</b>	<b>174,919,190</b>	<b>14,412,436</b>	<b>189,331,626</b>
Adjustment for Surcharge Tax Levied under Surcharge Tax Act No. 14 of 2022	-	-	-	-	-	-	82,610	82,610	(82,610)	-
<b>Balance as at 1st January 2023</b>	<b>49,998</b>	<b>12,152,000</b>	<b>10,070,131</b>	<b>26,394,593</b>	<b>15,105,588</b>	<b>(47,675)</b>	<b>111,277,165</b>	<b>175,001,800</b>	<b>14,329,826</b>	<b>189,331,626</b>
<b>Total Comprehensive Income for the year</b>										
Profit for the year	-	-	-	-	-	-	10,513,288	10,513,288	872,373	11,385,661
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	3,715,947	(271,026)	510,127	1,008,134	4,963,182	(245,580)	4,717,602
<b>Total Comprehensive Income/(Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,715,947</b>	<b>(271,026)</b>	<b>510,127</b>	<b>11,521,422</b>	<b>15,476,470</b>	<b>626,793</b>	<b>16,103,263</b>
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>										
Transfer to Reserve during the year	-	-	504,140	-	-	-	(504,140)	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(18,308)	(18,308)	-	(18,308)
Dividends Paid	-	-	-	-	-	-	-	-	(432,191)	(432,191)
<b>Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>504,140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(522,448)</b>	<b>(18,308)</b>	<b>(432,191)</b>	<b>(450,499)</b>
<b>Balance as at 31st December 2023</b>	<b>49,998</b>	<b>12,152,000</b>	<b>10,574,271</b>	<b>30,110,540</b>	<b>14,834,562</b>	<b>462,452</b>	<b>122,276,138</b>	<b>190,459,961</b>	<b>14,524,428</b>	<b>204,984,389</b>

<b>CASH FLOW STATEMENT</b>				
<b>FOR THE YEAR ENDED 31ST DECEMBER</b>				
	BANK		GROUP	
	2023 (Rs. '000) (Audited)	2022 (Rs. '000) (Audited)	2023 (Rs. '000) (Audited)	2022 (Rs. '000) (Audited)
<b>Cash flows from operating activities</b>				
Profit before tax	15,345,440	21,338,397	19,270,300	26,690,652
Adjustment for				
Non-cash items included in profits before tax	15,633,544	26,915,055	16,105,045	29,497,029
Changes in operating assets	(154,797,956)	(5,472,100)	(142,957,207)	19,946,214
Changes in operating liabilities	42,791,955	324,168,512	55,060,162	300,726,280
Dividend income from subsidiaries and others	(2,344,049)	(908,626)	(208,744)	(207,360)
Interest expense on subordinated debt	4,520,329	5,503,630	5,602,097	7,060,585
Contribution paid to defined benefit plans/Gratuity	1,642,475	2,742,148	1,816,992	2,868,006
Tax paid	(7,905,547)	(13,865,366)	(10,492,125)	(19,216,590)
<b>Net Cash Generated from (used in) Operating Activities</b>	<b>(85,113,809)</b>	<b>360,421,650</b>	<b>(55,803,480)</b>	<b>367,364,816</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of property, plant and equipment	(3,451,107)	(1,974,640)	(4,054,877)	(2,621,622)
Proceeds from the sale of property, plant and equipment	329,216	174,560	421,071	237,350
Purchase of financial investments	78,187,817	(329,002,099)	59,016,361	(332,028,247)
Net purchase of intangible assets	(681,025)	(293,921)	(725,467)	(305,693)
Dividends received from investment in subsidiaries and Others	2,344,049	908,626	208,744	207,360
<b>Net Cash from (used in) Investing Activities</b>	<b>76,728,950</b>	<b>(330,187,474)</b>	<b>54,865,832</b>	<b>(334,510,852)</b>
<b>Cash Flows from Financing Activities</b>				
Proceed received for subordinated debt	10,000,000	-	10,000,000	-
Repayment of Subordinated debt	-	(12,500,000)	(5,295,400)	(12,500,000)
Interest paid on subordinated debt	(4,126,505)	(5,261,843)	(5,281,777)	(7,339,486)
Repayment of Lease Liabilities	(2,422,917)	(2,507,423)	(2,804,597)	(2,914,389)
Dividend paid to non-controlling interest	-	-	(432,191)	(198,804)
Dividend/Levy paid to holders of other equity instruments	(18,308)	(661,090)	(18,308)	(661,090)
<b>Net Cash from (used in) Financial Activities</b>	<b>3,432,270</b>	<b>(20,930,356)</b>	<b>(3,832,272)</b>	<b>(23,613,769)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(4,952,589)</b>	<b>9,303,820</b>	<b>(4,769,921)</b>	<b>9,240,196</b>
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 year	<b>61,889,582</b>	<b>66,842,171</b>	<b>63,307,106</b>	<b>68,077,027</b>

## ANALYSIS OF LOANS & ADVANCES TO OTHER CUSTOMERS

	BANK		GROUP	
	31.12.2023 (Rs.'000) (Audited)	31.12.2022 (Rs.'000) (Audited)	31.12.2023 (Rs.'000) (Audited)	31.12.2022 (Rs.'000) (Audited)
<b>Loans and advances to Other Customers</b>				
Gross Loans and advances	1,846,389,509	1,915,788,623	1,971,770,003	2,061,137,431
<b>Less :</b>				
Allowance for Expected Credit Losses	(136,931,774)	(132,681,930)	(147,999,791)	(145,365,747)
Stage 1	(9,635,625)	(6,241,576)	(10,488,768)	(7,647,149)
Stage 2	(9,115,910)	(19,206,289)	(9,972,098)	(20,570,351)
Stage 3	(118,180,239)	(107,234,065)	(127,538,925)	(117,148,247)
<b>Net Loans and advances</b>	<b>1,709,457,735</b>	<b>1,783,106,693</b>	<b>1,823,770,212</b>	<b>1,915,771,684</b>
<b>Product-wise Gross loans &amp; advances</b>				
<b>By product – Domestic currency</b>				
Overdrafts	98,608,288	109,571,710	98,253,691	109,212,702
Term loans	1,090,883,828	904,385,301	1,135,140,995	967,310,812
Lease rentals receivable	-	-	61,444,294	64,175,371
Credit cards	6,576,688	5,539,640	6,576,688	5,539,640
Pawning	260,984,713	184,777,612	260,984,713	184,777,612
Trade Finance	43,613,954	29,387,154	43,613,954	29,387,154
Others	25,331,975	99,277,648	33,415,589	107,483,544
<b>Sub Total</b>	<b>1,525,999,446</b>	<b>1,332,939,065</b>	<b>1,639,429,924</b>	<b>1,467,886,835</b>
<b>By product – Foreign currency</b>				
Overdrafts	4,598,195	1,709,240	4,598,195	1,709,240
Term loans	294,933,688	187,912,732	306,883,704	198,313,770
Trade Finance	20,858,180	393,227,586	20,858,180	393,227,586
<b>Sub Total</b>	<b>320,390,063</b>	<b>582,849,558</b>	<b>332,340,079</b>	<b>593,250,596</b>
<b>Grand Total</b>	<b>1,846,389,509</b>	<b>1,915,788,623</b>	<b>1,971,770,003</b>	<b>2,061,137,431</b>
<b>Movement in Allowance for Expected Credit loss during the year</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 2023	6,241,576	19,206,289	107,234,065	132,681,930
Net Charge/(Reversal) for the year	3,394,049	(10,090,379)	12,170,662	5,474,332
Amounts written off	-	-	(376,293)	(376,293)
Exchange rate variance on foreign currency Impairment	-	-	(848,195)	(848,195)
Closing balance as at 31st December 2023	9,635,625	9,115,910	118,180,239	136,931,774
<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 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
<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 2023	7,647,149	20,570,351	117,148,247	145,365,747
Net Charge/(Reversal) for the year	2,841,619	(10,598,253)	11,615,166	3,858,532
Amounts written off	-	-	(376,293)	(376,293)
Exchange rate variance on foreign currency Impairment	-	-	(848,195)	(848,195)
Closing balance as at 31st December 2023	10,488,768	9,972,098	127,538,925	147,999,791
<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 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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Audited)	(Audited)	(Audited)	(Audited)
<b>By product – Domestic currency</b>				
Demand deposits (current accounts)	103,762,926	75,893,141	102,574,898	71,972,668
Savings deposits	674,014,126	616,167,038	677,686,797	620,359,093
Fixed deposits	1,573,051,023	1,377,375,135	1,661,163,634	1,455,465,983
Others	2,544,288	3,250,918	4,003,098	3,448,627
<b>Sub total</b>	<b>2,353,372,363</b>	<b>2,072,686,232</b>	<b>2,445,428,427</b>	<b>2,151,246,371</b>
<b>By product – Foreign currency</b>				
Demand deposits (current accounts)	3,103,803	3,325,780	3,103,803	3,325,780
Savings deposits	36,054,450	43,208,616	36,054,450	43,208,616
Fixed deposits	260,541,147	251,852,274	260,541,147	251,852,274
Others	33,783	445,996	33,783	445,996
<b>Sub total</b>	<b>299,733,183</b>	<b>298,832,666</b>	<b>299,733,183</b>	<b>298,832,666</b>
<b>Grand Total</b>	<b>2,653,105,546</b>	<b>2,371,518,898</b>	<b>2,745,161,610</b>	<b>2,450,079,037</b>

## ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

	BANK		GROUP	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
	(Audited)	(Audited)	(Audited)	(Audited)
<b>By product</b>				
Acceptances	2,867,067	74,070,645	2,867,067	74,070,645
Documentary Credit	24,304,456	22,841,324	24,304,456	22,841,324
Guarantees	53,221,051	68,387,765	53,750,051	68,791,109
Forward Exchange Contracts	46,039,737	137,037,060	46,039,737	137,037,060
Non disbursed overdrafts & loans	95,479,645	68,828,585	102,358,645	73,064,804
Gross Contingent Liabilities and Commitments	<b>221,911,956</b>	<b>371,165,379</b>	<b>229,319,956</b>	<b>375,804,942</b>
<b>Less :</b>				
Allowance for Expected Credit Loss	(506,248)	(516,606)	(506,248)	(516,606)
Net Contingent Liabilities and Commitments	<b>221,405,708</b>	<b>370,648,773</b>	<b>228,813,708</b>	<b>375,288,336</b>

**ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS****BANK AS AT 31ST DECEMBER 2023**

	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	-	-	61,889,582	61,889,582
Balances with Central Banks	-	-	31,003,219	31,003,219
Placements with Banks	-	-	66,227,025	66,227,025
Derivative Financial Instruments	11,259,451	-	-	11,259,451
Financial Assets - At Fair Value through Profit or Loss	144,184,748	-	-	144,184,748
Loans and Advances to banks	-	-	54,022,123	54,022,123
Loans and Advances to other customers	-	-	1,709,457,735	1,709,457,735
Debt instruments measured at amortised cost	-	-	831,747,923	831,747,923
Equity instruments at fair value through OCI	-	1,894,023	-	1,894,023
Debt instruments at fair value through OCI	-	8,286,626	-	8,286,626
<b>Total financial assets</b>	<b>155,444,199</b>	<b>10,180,649</b>	<b>2,754,347,607</b>	<b>2,919,972,455</b>
<b>LIABILITIES</b>				
Due to banks	-	-	77,224,139	77,224,139
Derivative Financial Instruments	36,049	-	-	36,049
Due to other customers	-	-	2,653,105,546	2,653,105,546
Other Borrowings	-	-	64,278,443	64,278,443
Subordinated term debts	-	-	46,997,291	46,997,291
<b>Total financial liabilities</b>	<b>36,049</b>	<b>-</b>	<b>2,841,605,419</b>	<b>2,841,641,468</b>

**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)
<b>ASSETS</b>				
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
<b>Total financial assets</b>	<b>20,439,338</b>	<b>12,040,026</b>	<b>2,838,340,254</b>	<b>2,870,819,618</b>
<b>LIABILITIES</b>				
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
<b>Total financial liabilities</b>	<b>1,888,478</b>	<b>-</b>	<b>2,711,102,429</b>	<b>2,712,990,907</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

### GROUP AS AT 31ST DECEMBER 2023

	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	-	-	63,307,106	63,307,106
Balances with Central Banks	-	-	31,003,219	31,003,219
Placements with Banks	-	-	76,872,574	76,872,574
Derivative Financial Instruments	11,259,451	-	-	11,259,451
Financial Assets - At Fair Value through Profit or Loss	145,622,457	-	-	145,622,457
Loans and Advances to banks	-	-	54,422,338	54,422,338
Loans and Advances to other customers	-	-	1,823,770,212	1,823,770,212
Debt instruments measured at amortised cost	-	-	866,704,970	866,704,970
Equity instruments at fair value through OCI	-	2,123,143	-	2,123,143
Debt instruments at fair value through OCI	-	9,686,213	-	9,686,213
<b>Total financial assets</b>	<b>156,881,908</b>	<b>11,809,356</b>	<b>2,916,080,419</b>	<b>3,084,771,683</b>
<b>LIABILITIES</b>				
Due to banks	-	-	85,646,267	85,646,267
Derivative Financial Instruments	36,049	-	-	36,049
Due to other customers	-	-	2,745,161,610	2,745,161,610
Other Borrowings	-	-	64,223,443	64,223,443
Subordinated term debts	-	-	57,806,483	57,806,483
<b>Total financial liabilities</b>	<b>36,049</b>	<b>-</b>	<b>2,952,837,803</b>	<b>2,952,873,852</b>

## 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)
<b>ASSETS</b>				
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
<b>Total financial assets</b>	<b>20,798,510</b>	<b>13,273,406</b>	<b>2,991,054,242</b>	<b>3,025,126,158</b>
<b>LIABILITIES</b>				
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
<b>Total financial liabilities</b>	<b>1,888,478</b>	<b>-</b>	<b>2,817,085,151</b>	<b>2,818,973,629</b>

## SELECTED PERFORMANCE INDICATORS (Based on Regulatory Reporting)

	BANK		GROUP	
	As at 31.12.2023 (Audited)	As at 31.12.2022 (Audited)	As at 31.12.2023 (Audited)	As at 31.12.2022 (Audited)
<b>Regulatory Capital Adequacy</b>				
Common Equity Tier 1 Capital [Rs. 000]	122,360,337	111,298,172	156,650,481	148,454,894
Core (Tier 1) Capital [Rs. 000]	127,360,337	116,298,172	161,650,481	153,454,894
Total Capital Base [Rs. 000]	178,793,109	159,532,587	214,717,978	198,618,984
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital (%) (Min. requirement - 8.0%)	11.88	11.37	13.30	12.83
Tier 1 Capital Ratio (%) (Min. requirement - 9.5%)	12.37	11.89	13.72	13.27
Total Capital Ratio (%) (Min. requirement - 13.5%)	17.37	16.30	18.23	17.17
<b>Asset Quality ( Quality of Loan Portfolio)</b>				
Impaired Loans ( Stage 3 ) Ratio (%)	8.83	12.78	8.76	12.64
Impairment ( Stage 3) to Stage 3 Loans Ratio (%)	40.96	29.88	41.47	30.45
<b>Profitability</b>				
Interest Margin, %	1.81	2.70	2.14	3.05
Return on Assets (Before Tax) , %	0.51	0.76	0.61	0.89
Return on Equity (After Tax) , %	6.60	12.22	5.77	11.19
<b>Leverage Ratio (Min. requirement - 3%)</b>	4.20	3.83	5.05	4.79
<b>Regulatory Liquidity</b>				
<b>Statutory Liquid Assets</b>				
Total Bank Rs.000	1,055,878,294	553,801,445		
Domestic Banking Unit Rs.000	1,030,521,078	540,470,752		
Off-Shore Banking Unit USD.000	77,677	70,182		
<b>Statutory Liquid Assets Ratio (%) (Min. requirement - 20%)</b>				
Total Bank (%)	37.40	21.27		
Domestic Banking unit (%)	37.41	21.37		
Off-Shore Banking Unit (%)	38.40	20.05		
<b>Total Stock of High Quality Liquid Assets [Rs.000]</b>	971,952,945	502,751,126		
<b>Liquidity Coverage Ratio (%) (Min. requirement - 100%)</b>				
Liquidity Coverage Ratio - Rupee	256.71	213.06		
Liquidity Coverage Ratio - All Currency	207.91	119.47		
<b>Net Stable Funding Ratio</b>	164.25	117.05		
(Min. requirement - 100%)				

## EXPLANATORY NOTES

1. These Financial Statements for the Period ended December 31, 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 December 31, 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 December 31, 2023.

4. Further to the debt restructuring exercise currently being undertaken by the Government of Sri Lanka, certain loans granted by People's Bank to a State-Owned Enterprise on the strength of an irrevocable Government guarantee were transferred to the Government's balance sheet under the Ministry of Finance (MOF) pursuant to a cabinet decision effective from December 31, 2022 onwards. The Bank is currently in discussion with the MOF to agree on the proposed debt service terms relating to such loans and the MOF has agreed to an interim debt service rate of SLFR + margin until such time the proposed debt service terms are finalized.

However, as the discussions between the Bank and the MOF are still ongoing as of the date of reporting, the impact of the said restructuring is yet to be finalized and the bank will account for the proposed debt service terms once the terms are agreed.

Based on the best available information as of the date of release of these financial statements the management is of the view that the potential restructure based on the proposed terms is unlikely to have a material adverse impact on the Bank's Income Statement or net assets in line with SLFRS 9 Financial Instruments

5. Relating to Other Financial Assets, The Bank used an estimate of the most likely loss rate at December 31, 2023 in making impairment provisions on its foreign currency denominated exposures to government securities. Further, the Bank has no investments in Sri Lanka Development Bonds [SLDBs].
6. Mr. Udeni Samararatne was appointed as a Director of the Bank with effect from March 7, 2023.
7. All known expenses have been charged to these 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 December 31, 2023 and the profit for the year then ended.

(Sgd.)  
Azzam A. Ahamat  
Head of Finance

We the undersigned being the Chairman, Director 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 audited financial statements of the Bank and the Group.

(Sgd.)  
Sujeewa Rajapakse  
Chairman

(Sgd.)  
Dushmantha Thotawatte  
Director

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

25<sup>th</sup> March 2024  
Colombo.