



**PEOPLE'S  
BANK**

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# **FINANCIAL STATEMENTS**

## **FOR THE PERIOD ENDED 31ST MARCH**

# **2024**

**FITCH RATING A (LKA)**

## INCOME STATEMENT

### FOR THE PERIOD ENDED 31ST MARCH

	BANK			GROUP		
	2024 (Rs. '000) (Unaudited)	2023 (Rs. '000) (Unaudited)	Change %	2024 (Rs. '000) (Unaudited)	2023 (Rs. '000) (Unaudited)	Change %
<b>Gross Income</b>	<b>83,904,269</b>	<b>108,191,080</b>	<b>(22.4)</b>	<b>92,673,468</b>	<b>116,752,278</b>	<b>(20.6)</b>
Interest income	Note 1 80,318,063	100,127,863	(19.8)	88,177,423	107,592,538	(18.0)
Interest expenses	(68,303,679)	(88,128,786)	(22.5)	(72,081,636)	(92,302,341)	(21.9)
<b>Net Interest Income</b>	<b>12,014,384</b>	<b>11,999,077</b>	<b>0.1</b>	<b>16,095,787</b>	<b>15,290,197</b>	<b>5.3</b>
Fee and commission income	3,767,638	4,657,685	(19.1)	3,944,753	4,930,111	(20.0)
Fee and commission expenses	(178,566)	(445,259)	(59.9)	(178,566)	(445,259)	(59.9)
<b>Net Fee and Commission Income</b>	<b>3,589,072</b>	<b>4,212,426</b>	<b>(14.8)</b>	<b>3,766,187</b>	<b>4,484,852</b>	<b>(16.0)</b>
Net gain / (loss) from trading	(463,842)	3,172,244	(114.6)	(436,321)	3,180,369	(113.7)
Other operating income (net)	282,410	233,288	21.1	987,613	1,049,260	(5.9)
<b>Total Operating Income</b>	<b>15,422,024</b>	<b>19,617,035</b>	<b>(21.4)</b>	<b>20,413,266</b>	<b>24,004,678</b>	<b>(15.0)</b>
Impairment Charge	1,397,277	(751,732)	(285.9)	2,335,607	382,800	510.1
Loans & advances to Customers	497,864	(625,081)		1,657,877	551,387	
Other Financial Assets	899,413	(126,651)		899,413	(126,651)	
Others	-	-		(221,683)	(41,936)	
<b>Net Operating Income</b>	<b>16,819,301</b>	<b>18,865,303</b>	<b>(10.8)</b>	<b>22,748,873</b>	<b>24,387,478</b>	<b>(6.7)</b>
Personnel Expenses	(7,405,120)	(5,710,646)	29.7	(8,850,916)	(7,037,916)	25.8
Depreciation and Amortisation	(1,153,067)	(1,088,503)	5.9	(1,308,377)	(1,249,406)	4.7
Other Expenses	(6,291,111)	(5,048,783)	24.6	(7,474,749)	(6,132,060)	21.9
<b>Operating Profit Before Taxes on Financial Services</b>	<b>1,970,003</b>	<b>7,017,371</b>	<b>(71.9)</b>	<b>5,114,831</b>	<b>9,968,096</b>	<b>(48.7)</b>
Taxes on financial services	(1,452,386)	(2,150,816)	(32.5)	(2,166,892)	(2,776,557)	(22.0)
<b>Profit Before Tax</b>	<b>517,617</b>	<b>4,866,555</b>	<b>(89.4)</b>	<b>2,947,939</b>	<b>7,191,539</b>	<b>(59.0)</b>
Income Tax Expenses	(1,148)	(1,457,136)	(99.9)	(489,487)	(2,359,852)	(79.3)
<b>Profit for the period</b>	<b>516,469</b>	<b>3,409,419</b>	<b>(84.9)</b>	<b>2,458,452</b>	<b>4,831,687</b>	<b>(49.1)</b>
<b>Profit Attributable to :</b>						
Equity Holders of the Bank	516,469	3,409,419	(84.9)	1,968,931	4,607,139	(57.3)
Non-Controlling Interests	-	-		489,521	224,548	118.0
	<b>516,469</b>	<b>3,409,419</b>	<b>(84.9)</b>	<b>2,458,452</b>	<b>4,831,687</b>	<b>(49.1)</b>
<b>Earnings Per Share on Profit</b>						
Basic Earnings per Ordinary Share [Rs.]	516	3,409	(84.9)	1,969	4,607	(57.3)
Diluted Earnings per Ordinary Share [Rs.]	2	14	(84.9)	8	19	(57.3)

<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>FOR THE PERIOD ENDED 31ST MARCH</b>				
	<b>BANK</b>		<b>GROUP</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>(Rs. '000)</b>	<b>(Rs. '000)</b>	<b>(Rs. '000)</b>	<b>(Rs. '000)</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period</b>	<b>516,469</b>	<b>3,409,419</b>	<b>2,458,452</b>	<b>4,831,687</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	46,906	158,335	52,277	203,959
Net Actuarial Gains/(Losses) on Defined Benefit Plans	-	-	(59,557)	(41,260)
Deferred Tax Effect on Defined Benefit Plans	-	-	17,867	12,378
<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	(56,713)	117,190	(18,113)	216,464
Deferred Tax Effect on OCI items	-	-	(12,203)	(43,469)
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	(508,367)	(597,298)
<b>Other Comprehensive Income for the period, Net of Taxes</b>	<b>(9,807)</b>	<b>275,525</b>	<b>(528,096)</b>	<b>(249,226)</b>
<b>Total Comprehensive Income for the period</b>	<b>506,662</b>	<b>3,684,944</b>	<b>1,930,356</b>	<b>4,582,461</b>
<b>Attributable to :</b>				
Equity Holders of the Bank	506,662	3,684,944	1,756,422	4,708,320
Non-Controlling Interests	-	-	173,934	(125,859)
	<b>506,662</b>	<b>3,684,944</b>	<b>1,930,356</b>	<b>4,582,461</b>

## STATEMENT OF FINANCIAL POSITION

**AS AT**

	<b>BANK</b>			<b>GROUP</b>		
	<b>31.03.2024</b>	<b>31.12.2023</b>	<b>Change</b>	<b>31.03.2024</b>	<b>31.12.2023</b>	<b>Change</b>
	<b>(Rs.'000)</b>	<b>(Rs. '000)</b>	<b>%</b>	<b>(Rs.'000)</b>	<b>(Rs. '000)</b>	<b>%</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>		<b>(Unaudited)</b>	<b>(Audited)</b>	
<b>Assets</b>						
Cash and Cash Equivalents	85,799,518	61,889,582	38.6	87,643,571	63,307,106	38.4
Balances with Central Bank of Sri Lanka	24,461,871	31,003,219	(21.1)	24,461,871	31,003,219	(21.1)
Placements with Banks	73,722,564	66,227,025	11.3	86,894,436	76,872,574	13.0
Derivative Financial Instruments	8,649,791	11,259,451	(23.2)	8,649,791	11,259,451	(23.2)
Financial Assets - At Fair Value through Profit or Loss	139,884,504	144,184,748	(3.0)	141,348,100	145,622,457	(2.9)
Financial Assets - At Amortised Cost						
Loans and advances to Banks	22,501,469	54,022,123	(58.3)	28,710,568	54,422,338	(47.2)
Loans and advances to Other Customers	1,729,345,164	1,709,457,735	1.2	1,845,425,928	1,823,770,212	1.2
Debt instruments measured at amortised cost	872,440,115	831,747,923	4.9	896,266,617	866,704,970	3.4
Financial Assets - At Fair Value through other Comprehensive income [OCI]						
Equity instruments at fair value through OCI	1,940,930	1,894,023	2.5	2,175,422	2,123,143	2.5
Debt instruments at fair value through OCI	8,077,219	8,286,626	(2.5)	9,563,201	9,686,213	(1.3)
Investments in Subsidiaries	5,191,712	4,280,522	21.3	-	-	-
Property, Plant, Equipment and Right of use assets	55,922,037	56,174,042	(0.4)	67,100,002	67,280,968	(0.3)
Intangible Assets and Goodwill	1,870,929	1,763,287	6.1	2,057,342	1,930,788	6.6
Other Assets	62,590,953	56,004,712	11.8	64,204,500	54,216,717	18.4
<b>Total Assets</b>	<b>3,092,398,776</b>	<b>3,038,195,018</b>	<b>1.8</b>	<b>3,264,501,349</b>	<b>3,208,200,156</b>	<b>1.8</b>
<b>Liabilities</b>						
Due to Banks	71,531,657	77,224,139	(7.4)	78,075,136	85,646,267	(8.8)
Derivative Financial Instruments	31,618	36,049	(12.3)	31,618	36,049	(12.3)
Due to Other Customers	2,714,912,465	2,653,105,546	2.3	2,808,283,820	2,745,161,610	2.3
Other Borrowings	62,860,659	64,278,443	(2.2)	62,860,659	64,223,443	(2.1)
Current Tax Liabilities	116,770	1,184,853	(90.1)	744,288	2,382,870	(68.8)
Net Deferred Tax Liabilities	5,029,929	5,029,929	-	6,768,732	6,081,598	11.3
Other Liabilities	28,968,884	30,280,189	(4.3)	41,462,160	41,877,447	(1.0)
Subordinated Term Debts	48,381,553	46,997,291	2.9	59,413,801	57,806,483	2.8
<b>Total Liabilities</b>	<b>2,931,833,535</b>	<b>2,878,136,439</b>	<b>1.9</b>	<b>3,057,640,214</b>	<b>3,003,215,767</b>	<b>1.8</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	10,574,271	-	10,574,271	10,574,271	-
Other Reserves	42,074,777	42,084,584	-	45,226,313	45,407,554	(0.4)
Retained Earnings	95,714,195	95,197,726	0.5	124,213,800	122,276,138	1.6
<b>Total Shareholders' Equity</b>	<b>160,565,241</b>	<b>160,058,579</b>	<b>0.3</b>	<b>192,216,382</b>	<b>190,459,961</b>	<b>0.9</b>
Non-Controlling Interests	-	-	-	14,644,753	14,524,428	0.8
<b>Total Equity</b>	<b>160,565,241</b>	<b>160,058,579</b>	<b>0.3</b>	<b>206,861,135</b>	<b>204,984,389</b>	<b>0.9</b>
<b>Total Equity and Liabilities</b>	<b>3,092,398,776</b>	<b>3,038,195,018</b>	<b>1.8</b>	<b>3,264,501,349</b>	<b>3,208,200,156</b>	<b>1.8</b>
<b>Contingent Liabilities and Commitments</b>	<b>231,123,143</b>	<b>221,405,708</b>	<b>4.4</b>	<b>245,363,459</b>	<b>228,813,708</b>	<b>7.2</b>
Number of Employees	7,572	7,656		10,484	10,528	
Number of Branches	747	747		857	857	

# STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31ST MARCH

## 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 2023	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>	<b>49,998</b>	<b>12,152,000</b>	<b>10,574,271</b>	<b>27,367,238</b>	<b>14,141,373</b>	<b>575,973</b>	<b>95,197,726</b>	<b>160,058,579</b>
<b>Balance as at 1st January 2024</b>	<b>49,998</b>	<b>12,152,000</b>	<b>10,574,271</b>	<b>27,367,238</b>	<b>14,141,373</b>	<b>575,973</b>	<b>95,197,726</b>	<b>160,058,579</b>
<b>Total Comprehensive Income for the period</b>								
Profit for the period	-	-	-	-	-	-	516,469	516,469
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	-	-	(9,807)	-	(9,807)
<b>Total Comprehensive Income/(Expense)</b>	-	-	-	-	-	(9,807)	516,469	506,662
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>								
Special levy to Treasury/ Dividend	-	-	-	-	-	-	-	-
<b>Total Transactions with Equity Holders</b>	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2024</b>	<b>49,998</b>	<b>12,152,000</b>	<b>10,574,271</b>	<b>27,367,238</b>	<b>14,141,373</b>	<b>566,166</b>	<b>95,714,195</b>	<b>160,565,241</b>

# STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31ST MARCH

## 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)			
Balance as at 1st January 2023	49,998	12,152,000	10,070,131	26,394,593	15,105,588	(47,675)	111,277,165	175,001,800	14,329,826	189,331,626
Total Comprehensive Income for the year										
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	1,008,133	4,963,181	(245,580)	4,717,601
Total Comprehensive Income/(Expense)	-	-	-	3,715,947	(271,026)	510,127	11,521,421	15,476,469	626,793	16,103,262
Transactions with Equity Holders, Recognised Directly in Equity										
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)
Total Transactions with Equity Holders	-	-	504,140	-	-	-	(522,448)	(18,308)	(432,191)	(450,499)
Balance as at 31st December 2023	49,998	12,152,000	10,574,271	30,110,540	14,834,562	462,452	122,276,138	190,459,961	14,524,428	204,984,389
Balance as at 1st January 2024	49,998	12,152,000	10,574,271	30,110,540	14,834,562	462,452	122,276,138	190,459,961	14,524,428	204,984,389
Total Comprehensive Income for the period										
Profit for the period	-	-	-	-	-	-	1,968,931	1,968,931	489,521	2,458,452
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	-	(195,260)	14,019	(31,269)	(212,510)	(315,587)	(528,097)
Total Comprehensive Income/(Expense)	-	-	-	-	(195,260)	14,019	1,937,662	1,756,421	173,934	1,930,355
Transactions with Equity Holders, Recognised Directly in Equity										
Special levy to Treasury/ Dividend	-	-	-	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-	-	(53,609)	(53,609)
Total Transactions with Equity Holders	-	-	-	-	-	-	-	-	(53,609)	(53,609)
Balance as at 31st March 2024	49,998	12,152,000	10,574,271	30,110,540	14,639,302	476,471	124,213,800	192,216,382	14,644,753	206,861,135

<b>CASH FLOW STATEMENT</b>				
<b>FOR THE PERIOD ENDED 31ST MARCH</b>				
	<b>BANK</b>		<b>GROUP</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>(Rs. '000)</b>	<b>(Rs. '000)</b>	<b>(Rs. '000)</b>	<b>(Rs. '000)</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>				
Profit before tax	517,617	4,866,555	2,947,939	7,191,539
Adjustment for				
Non-cash items included in profits before tax	2,443,489	1,811,885	1,677,871	885,136
Changes in operating assets	9,744,533	65,523,733	(1,984,666)	72,177,549
Changes in operating liabilities	53,534,134	(60,084,128)	53,246,496	(65,597,519)
Dividend income from subsidiaries and others	(7,623)	(4,911)	(8,315)	(5,593)
Interest expense on subordinated debt	1,384,263	1,010,908	1,607,468	1,398,107
Contribution paid to defined benefit plans/Gratuity	280,350	345,600	454,867	447,802
Tax paid	(1,069,231)	(2,419,416)	(1,435,271)	(2,782,811)
<b>Net Cash Generated from (used in) Operating Activities</b>	<b>66,827,532</b>	<b>11,050,226</b>	<b>56,506,389</b>	<b>13,714,210</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of property, plant and equipment	(720,346)	(881,501)	(943,282)	(1,224,926)
Proceeds from the sale of property, plant and equipment	(4,831)	120	21,262	10,759
Purchase of financial investments	(41,275,891)	5,259,528	(30,145,346)	5,105,519
Net purchase of intangible assets	(288,358)	(3,852)	(310,683)	(5,536)
Dividends received from investment in subsidiaries and Others	7,623	4,911	8,315	5,593
<b>Net Cash from (used in) Investing Activities</b>	<b>(42,281,803)</b>	<b>4,379,206</b>	<b>(31,369,734)</b>	<b>3,891,409</b>
<b>Cash Flows from Financing Activities</b>				
Interest paid on subordinated debt	-	(499,212)	-	(499,552)
Repayment of Lease Liabilities	(635,793)	(630,568)	(746,582)	(825,684)
Dividend paid to non-controlling interest	-	-	(53,609)	(74,765)
Dividend/Levy paid to holders of other equity instruments	-	(18,308)	-	(18,308)
<b>Net Cash from Financial Activities</b>	<b>(635,793)</b>	<b>(1,148,088)</b>	<b>(800,191)</b>	<b>(1,418,309)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>23,909,936</b>	<b>14,281,344</b>	<b>24,336,465</b>	<b>16,187,310</b>
Cash and cash equivalents at the beginning of the year	61,889,582	66,842,171	63,307,106	68,077,027
Cash and cash equivalents at the end of the period	<b>85,799,518</b>	<b>81,123,515</b>	<b>87,643,571</b>	<b>84,264,337</b>

## NOTES TO THE INCOME STATEMENT

FOR THE PERIOD ENDED 31ST MARCH	BANK		GROUP	
	2024 (Rs.'000)	2023 (Rs.'000)	2024 (Rs.'000)	2023 (Rs.'000)
<b>1 . Interest Income</b>				
Total Interest Income for the period	88,273,727	100,127,863	96,133,087	107,592,538
<b>Less:</b> Interest income the bank refrained from recognizing	<i>Note</i> (7,955,664)	-	(7,955,664)	-
Interest Income for the period	80,318,063	100,127,863	88,177,423	107,592,538
<b>2 . Profit for the Period</b>				
Profit for the period	4,618,587	3,409,419	6,560,570	4,831,687
<b>Less :</b> Net impact to profit due to Interest income the bank refrained from recognizing	<i>Note</i> (4,102,118)	-	(4,102,118)	-
Profit for the period	516,469	3,409,419	2,458,452	4,831,687

**Note :** In accordance with a direction, the Bank refrained from recognizing interest income on certain exposure(s) until such time such sums are received. The said exposure(s) were originally backed by an irrevocable sovereign guarantee which was taken over by the Ministry of Finance to their books of accounts pursuant to a cabinet decision effective from December 31, 2022 onwards. The said exposure(s) are currently in the process of being restructured and the Ministry of Finance have re-assured in writing by their letter dated May 14, 2024 that the Government of Sri Lanka has the willingness, the ability, and the commitment to settle the past due interest on the said exposure(s) as soon as the said debt restructuring is finalized. Once the said restructuring is finalized, and during such period, the Bank will recognize the said interest income it refrained from recognizing during the quarter ended March 31, 2024.



## ANALYSIS OF LOANS & ADVANCES TO OTHER CUSTOMERS

	BANK		GROUP	
	31.03.2024 (Rs.'000) (Unaudited)	31.12.2023 (Rs.'000) (Audited)	31.03.2024 (Rs.'000) (Unaudited)	31.12.2023 (Rs.'000) (Audited)
<b>Loans and advances to Other Customers</b>				
Gross Loans and advances	1,865,378,578	1,846,389,509	1,991,367,346	1,971,770,003
<b>Less :</b>				
Allowance for Expected Credit Losses	(136,033,414)	(136,931,774)	(145,941,418)	(147,999,791)
Stage 1	(9,899,816)	(9,635,625)	(10,559,845)	(10,488,768)
Stage 2	(7,208,939)	(9,115,910)	(7,667,103)	(9,972,098)
Stage 3	(118,924,659)	(118,180,239)	(127,714,470)	(127,538,925)
<b>Net Loans and advances</b>	<b>1,729,345,164</b>	<b>1,709,457,735</b>	<b>1,845,425,928</b>	<b>1,823,770,212</b>
<b>Product-wise Gross loans &amp; advances</b>				
<b>By product – Domestic currency</b>				
Overdrafts	127,196,969	98,608,288	126,589,468	98,253,691
Term loans	1,069,806,801	1,090,883,828	1,111,188,269	1,135,140,995
Lease rentals receivable	-	-	64,971,309	61,444,294
Credit cards	7,046,336	6,576,688	7,046,336	6,576,688
Pawning	277,647,636	260,984,713	277,647,636	260,984,713
Trade Finance	58,288,102	43,613,954	58,288,102	43,613,954
Others	24,601,883	25,331,975	32,260,412	33,415,589
<b>Sub Total</b>	<b>1,564,587,727</b>	<b>1,525,999,446</b>	<b>1,677,991,532</b>	<b>1,639,429,924</b>
<b>By product – Foreign currency</b>				
Overdrafts	4,318,030	4,598,195	4,318,030	4,598,195
Term loans	276,071,066	294,933,688	288,656,029	306,883,704
Trade Finance	20,401,755	20,858,180	20,401,755	20,858,180
<b>Sub Total</b>	<b>300,790,851</b>	<b>320,390,063</b>	<b>313,375,814</b>	<b>332,340,079</b>
<b>Grand Total</b>	<b>1,865,378,578</b>	<b>1,846,389,509</b>	<b>1,991,367,346</b>	<b>1,971,770,003</b>
<b>Movement in Allowance for Expected Credit loss during the period</b>				
<b>BANK</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Opening balance as at 1 st January 2024	9,635,625	9,115,910	118,180,239	136,931,774
Net Charge/(Reversal) for the period	264,191	(1,906,971)	1,144,916	(497,864)
Amounts written off	-	-	-	-
Exchange rate variance on foreign currency Impairment	-	-	(400,496)	(400,496)
Closing balance as at 31st March 2024	9,899,816	7,208,939	118,924,659	136,033,414
<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>GROUP</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Opening balance as at 1 st January 2024	10,488,768	9,972,098	127,538,925	147,999,791
Net Charge/(Reversal) for the period	71,077	(2,304,995)	576,041	(1,657,877)
Amounts written off	-	-	-	-
Exchange rate variance on foreign currency Impairment	-	-	(400,496)	(400,496)
Closing balance as at 31st March 2024	10,559,845	7,667,103	127,714,470	145,941,418
<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

## ANALYSIS OF DEPOSITS

	BANK		GROUP	
	31.03.2024	31.12.2023	31.03.2024	31.12.2023
	(Rs.'000) (Unaudited)	(Rs.'000) (Audited)	(Rs.'000) (Unaudited)	(Rs.'000) (Audited)
<b>By product – Domestic currency</b>				
Demand deposits (current accounts)	92,196,979	103,762,926	90,518,812	102,574,898
Savings deposits	733,426,061	674,014,126	737,254,359	677,686,797
Fixed deposits	1,589,781,967	1,573,051,023	1,679,529,017	1,661,163,634
Others	1,844,714	2,544,288	3,318,888	4,003,098
<b>Sub total</b>	<b>2,417,249,721</b>	<b>2,353,372,363</b>	<b>2,510,621,076</b>	<b>2,445,428,427</b>
<b>By product – Foreign currency</b>				
Demand deposits (current accounts)	1,104,286	3,103,803	1,104,286	3,103,803
Savings deposits	35,362,377	36,054,450	35,362,377	36,054,450
Fixed deposits	261,164,773	260,541,147	261,164,773	260,541,147
Others	31,308	33,783	31,308	33,783
<b>Sub total</b>	<b>297,662,744</b>	<b>299,733,183</b>	<b>297,662,744</b>	<b>299,733,183</b>
<b>Grand Total</b>	<b>2,714,912,465</b>	<b>2,653,105,546</b>	<b>2,808,283,820</b>	<b>2,745,161,610</b>

## ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

	BANK		GROUP	
	31.03.2024	31.12.2023	31.03.2024	31.12.2023
	(Rs.'000) (Unaudited)	(Rs.'000) (Audited)	(Rs.'000) (Unaudited)	(Rs.'000) (Audited)
<b>By product</b>				
Acceptances	4,195,160	2,867,067	4,195,160	2,867,067
Documentary Credit	25,348,350	24,304,456	25,348,350	24,304,456
Guarantees	53,965,522	53,221,051	54,318,776	53,750,051
Forward Exchange Contracts	46,173,982	46,039,737	46,173,982	46,039,737
Non disbursed overdrafts & loans	101,753,811	95,479,645	115,640,873	102,358,645
Gross Contingent Liabilities and Commitments	<b>231,436,825</b>	<b>221,911,956</b>	<b>245,677,141</b>	<b>229,319,956</b>
<b>Less :</b>				
Allowance for Expected Credit Loss	(313,682)	(506,248)	(313,682)	(506,248)
Net Contingent Liabilities and Commitments	<b>231,123,143</b>	<b>221,405,708</b>	<b>245,363,459</b>	<b>228,813,708</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

### BANK AS AT 31ST MARCH 2024

	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	-	-	85,799,518	85,799,518
Balances with Central Banks	-	-	24,461,871	24,461,871
Placements with Banks	-	-	73,722,564	73,722,564
Derivative Financial Instruments	8,649,791	-	-	8,649,791
Financial Assets - At Fair Value through Profit or Loss	139,884,504	-	-	139,884,504
Loans and Advances to banks	-	-	22,501,469	22,501,469
Loans and Advances to other customers	-	-	1,729,345,164	1,729,345,164
Debt instruments measured at amortised cost	-	-	872,440,115	872,440,115
Equity instruments at fair value through OCI	-	1,940,930	-	1,940,930
Debt instruments at fair value through OCI	-	8,077,219	-	8,077,219
<b>Total financial assets</b>	<b>148,534,295</b>	<b>10,018,149</b>	<b>2,808,270,701</b>	<b>2,966,823,145</b>
<b>LIABILITIES</b>				
Due to banks	-	-	71,531,657	71,531,657
Derivative Financial Instruments	31,618	-	-	31,618
Due to other customers	-	-	2,714,912,465	2,714,912,465
Other Borrowings	-	-	62,860,659	62,860,659
Subordinated term debts	-	-	48,381,553	48,381,553
<b>Total financial liabilities</b>	<b>31,618</b>	<b>-</b>	<b>2,897,686,334</b>	<b>2,897,717,952</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

### GROUP AS AT 31ST MARCH 2024

	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	-	-	87,643,571	87,643,571
Balances with Central Banks	-	-	24,461,871	24,461,871
Placements with Banks	-	-	86,894,436	86,894,436
Derivative Financial Instruments	8,649,791	-	-	8,649,791
Financial Assets - At Fair Value through Profit or Loss	141,348,100	-	-	141,348,100
Loans and Advances to banks	-	-	28,710,568	28,710,568
Loans and Advances to other customers	-	-	1,845,425,928	1,845,425,928
Debt instruments measured at amortised cost	-	-	896,266,617	896,266,617
Equity instruments at fair value through OCI	-	2,175,422	-	2,175,422
Debt instruments at fair value through OCI	-	9,563,201	-	9,563,201
<b>Total financial assets</b>	<b>149,997,891</b>	<b>11,738,623</b>	<b>2,969,402,991</b>	<b>3,131,139,505</b>
<b>LIABILITIES</b>				
Due to banks	-	-	78,075,136	78,075,136
Derivative Financial Instruments	31,618	-	-	31,618
Due to other customers	-	-	2,808,283,820	2,808,283,820
Other Borrowings	-	-	62,860,659	62,860,659
Subordinated term debts	-	-	59,413,801	59,413,801
<b>Total financial liabilities</b>	<b>31,618</b>	<b>-</b>	<b>3,008,633,416</b>	<b>3,008,665,034</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>

## SELECTED PERFORMANCE INDICATORS (Based on Regulatory Reporting)

	BANK		GROUP	
	As at 31.03.2024 (Unaudited)	As at 31.12.2023 (Audited)	As at 31.03.2024 (Unaudited)	As at 31.12.2023 (Audited)
<b>Regulatory Capital Adequacy</b>				
Common Equity Tier 1 Capital [Rs. 000]	121,423,964	122,360,337	156,606,636	156,650,481
Core (Tier 1) Capital [Rs. 000]	126,423,964	127,360,337	161,606,636	161,650,481
Total Capital Base [Rs. 000]	177,586,371	178,793,109	214,386,389	214,717,978
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital (%) (Min. requirement - 8.0%)	11.01	11.88	12.55	13.30
Tier 1 Capital Ratio (%) (Min. requirement - 9.5%)	11.47	12.37	12.95	13.72
Total Capital Ratio (%) (Min. requirement - 13.5%)	16.11	17.37	17.18	18.23
<b>Asset Quality ( Quality of Loan Portfolio)</b>				
Impaired Loans ( Stage 3 ) Ratio (%)	8.18	8.83	8.14	8.76
Impairment ( Stage 3) to Stage 3 Loans Ratio (%)	42.60	40.96	42.94	41.47
<b>Profitability</b>				
Interest Margin, %	1.57	1.81	1.99	2.14
Return on Assets (Before Tax ), %	0.07	0.51	0.36	0.61
Return on Equity (After Tax) , %	1.29	6.60	4.78	5.77
<b>Leverage Ratio (Min. requirement - 3%)</b>	4.05	4.20	4.94	5.05
<b>Regulatory Liquidity</b>				
<b>Statutory Liquid Assets</b>				
Total Bank Rs.000	1,109,516,074	1,055,878,294		
Domestic Banking Unit Rs.000	1,080,559,165	1,030,521,078		
Off-Shore Banking Unit USD.000	94,906	77,677		
<b>Statutory Liquid Assets Ratio (%) (Min. requirement - 20%)</b>				
Total Bank (%)	39.19	37.40		
Domestic Banking unit (%)	39.00	37.41		
Off-Shore Banking Unit (%)	49.70	38.40		
<b>Total Stock of High Quality Liquid Assets [Rs.000]</b>	1,017,012,500	971,952,945		
<b>Liquidity Coverage Ratio (%) (Min. requirement - 100%)</b>				
Liquidity Coverage Ratio - Rupee	257.00	256.71		
Liquidity Coverage Ratio - All Currency	217.09	207.91		
<b>Net Stable Funding Ratio</b>	170.00	164.25		
(Min. requirement - 100%)				

## EXPLANATORY NOTES

1. These Financial Statements for the Period ended March 31, 2024, 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, 2023.
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 March 31, 2024 - 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 the evaluation, and provisions have been made in accordance therewith on March 31, 2024.

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 March 31, 2024 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. All known expenses have been charged to these financial statements.
7. Other than those above given, or as already considered in these Financial Statements, no known circumstances have arisen since March 31, 2024 - 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 March 31, 2024 and the profit for the period 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 Unaudited financial statements of the bank and the group unless indicated as Audited.

(Sgd.)  
Sujeewa Rajapakse  
**Chairman**

(Sgd.)  
Dushmantha Thotawatte  
**Director**

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

21<sup>st</sup> May 2024  
Colombo.