



**PEOPLE'S
BANK**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE

2024

FITCH RATING A (LKA)

INCOME STATEMENT

FOR THE PERIOD ENDED 30TH JUNE

	BANK			GROUP		
	2024 (Rs. '000) (Unaudited)	2023 (Rs. '000) (Unaudited)	Change %	2024 (Rs. '000) (Unaudited)	2023 (Rs. '000) (Unaudited)	Change %
Gross Income	166,100,695	217,335,326	(23.6)	181,925,938	232,710,725	(21.8)
Interest income	157,360,448	202,203,233	(22.2)	171,941,540	215,292,365	(20.1)
Interest expenses	(129,753,217)	(177,160,812)	(26.8)	(136,963,202)	(183,908,685)	(25.5)
Net Interest Income	27,607,231	25,042,421	10.2	34,978,338	31,383,680	11.5
Fee and commission income	7,172,515	8,025,039	(10.6)	7,734,384	8,515,413	(9.2)
Fee and commission expenses	(333,801)	(611,183)	(45.4)	(333,801)	(611,183)	(45.4)
Net Fee and Commission Income	6,838,714	7,413,856	(7.8)	7,400,583	7,904,230	(6.4)
Net gain / (loss) from trading	(293,107)	6,541,637	(104.5)	(212,495)	6,574,139	(103.2)
Other operating income (net)	1,860,839	565,417	229.1	2,462,509	2,328,808	5.7
Total Operating Income	36,013,677	39,563,331	(9.0)	44,628,935	48,190,857	(7.4)
Impairment Charge	(1,660,873)	(4,640,059)	(64.2)	(616,233)	(3,944,778)	(84.4)
Loans & advances to Customers	(2,365,369)	(6,478,141)		(1,138,103)	(5,726,225)	
Other Financial Assets	704,496	1,838,082		704,496	1,838,082	
Others	-	-		(182,626)	(56,635)	
Net Operating Income	34,352,804	34,923,272	(1.6)	44,012,702	44,246,079	(0.5)
Personnel Expenses	(15,643,261)	(11,815,024)	32.4	(18,478,018)	(14,613,176)	26.4
Depreciation and Amortisation	(2,318,806)	(2,190,294)	5.9	(2,626,492)	(2,505,772)	4.8
Other Expenses	(10,759,571)	(10,594,793)	1.6	(13,476,588)	(13,054,933)	3.2
Operating Profit Before Taxes on Financial Services	5,631,166	10,323,161	(45.5)	9,431,604	14,072,198	(33.0)
Taxes on financial services	(3,015,940)	(3,722,593)	(19.0)	(4,146,064)	(4,624,765)	(10.4)
Profit Before Tax	2,615,226	6,600,568	(60.4)	5,285,540	9,447,433	(44.1)
Income Tax Expenses	(1,082,400)	(2,151,863)	(49.7)	(2,059,749)	(3,227,159)	(36.2)
Profit for the period	1,532,826	4,448,705	(65.5)	3,225,791	6,220,274	(48.1)
Profit Attributable to :						
Equity Holders of the Bank	1,532,826	4,448,705	(65.5)	2,498,836	5,868,092	(57.4)
Non-Controlling Interests	-	-		726,955	352,182	106.4
	1,532,826	4,448,705	(65.5)	3,225,791	6,220,274	(48.1)
Earnings Per Share on Profit						
Basic Earnings per Ordinary Share [Rs.]	1,533	4,449	(65.5)	2,499	5,868	(57.4)
Diluted Earnings per Ordinary Share [Rs.]	6	18	(65.5)	10	24	(57.4)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH JUNE

	BANK		GROUP	
	2024 (Rs. '000) (Unaudited)	2023 (Rs. '000) (Unaudited)	2024 (Rs. '000) (Unaudited)	2023 (Rs. '000) (Unaudited)
Profit for the period	1,532,826	4,448,705	3,225,791	6,220,274
Other comprehensive income that will not be reclassified to the income statement				
Net Gains/(Losses) on equity instruments at fair value through OCI	75,002	147,770	90,254	180,445
Net Actuarial Gains/(Losses) on Defined Benefit Plans	-	-	(60,369)	(37,549)
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	(58,104)	108,570	2,502	258,898
Deferred Tax Effect on OCI items	-	-	(3,658)	(43,636)
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	(723,326)	(851,489)
Other Comprehensive Income for the period, Net of Taxes	16,898	256,340	(694,597)	(493,331)
Total Comprehensive Income for the period	1,549,724	4,705,045	2,531,194	5,726,943
Attributable to :				
Equity Holders of the Bank	1,549,724	4,705,045	2,248,655	5,873,955
Non-Controlling Interests	-	-	282,539	(147,012)
	1,549,724	4,705,045	2,531,194	5,726,943

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	30.06.2024 (Rs.'000) (Unaudited)	31.12.2023 (Rs. '000) (Audited)	Change %	30.06.2024 (Rs.'000) (Unaudited)	31.12.2023 (Rs. '000) (Audited)	Change %
Assets						
Cash and Cash Equivalents	82,395,105	61,889,582	33.1	84,077,354	63,307,106	32.8
Balances with Central Bank of Sri Lanka	30,571,168	31,003,219	(1.4)	30,571,168	31,003,219	(1.4)
Placements with Banks	66,291,032	66,227,025	0.1	73,747,115	76,872,574	(4.1)
Derivative Financial Instruments	7,717,014	11,259,451	(31.5)	7,717,014	11,259,451	(31.5)
Financial Assets - At Fair Value through Profit or Loss	190,095,505	144,184,748	31.8	192,805,719	145,622,457	32.4
Financial Assets - At Amortised Cost						
Loans and advances to Banks	44,251,775	54,022,123	(18.1)	52,889,230	54,422,338	(2.8)
Loans and advances to Other Customers	1,747,231,919	1,709,457,735	2.2	1,866,826,464	1,823,770,212	2.4
Debt instruments measured at amortised cost	899,882,481	831,747,923	8.2	924,449,239	866,704,970	6.7
Financial Assets - At Fair Value through other Comprehensive income [OCI]						
Equity instruments at fair value through OCI	2,119,668	1,894,023	11.9	2,364,039	2,123,143	11.3
Debt instruments at fair value through OCI	7,902,226	8,286,626	(4.6)	9,330,799	9,686,213	(3.7)
Investments in Subsidiaries	5,191,712	4,280,522	21.3	-	-	
Property, Plant, Equipment and Right of use assets	55,781,079	56,174,042	(0.7)	66,944,771	67,280,968	(0.5)
Intangible Assets and Goodwill	1,689,691	1,763,287	(4.2)	1,871,030	1,930,788	(3.1)
Other Assets	53,947,821	56,004,712	(3.7)	50,491,907	54,216,717	(6.9)
Total Assets	3,195,068,196	3,038,195,018	5.2	3,364,085,849	3,208,200,156	4.9
Liabilities						
Due to Banks	62,873,368	77,224,139	(18.6)	70,511,073	85,646,267	(17.7)
Derivative Financial Instruments	97,183	36,049	169.6	97,183	36,049	169.6
Due to Other Customers	2,793,891,782	2,653,105,546	5.3	2,885,594,185	2,745,161,610	5.1
Other Borrowings	90,962,674	64,278,443	41.5	88,916,141	64,223,443	38.4
Current Tax Liabilities	53,345	1,184,853	(95.5)	952,834	2,382,870	(60.0)
Net Deferred Tax Liabilities	5,164,387	5,029,929	2.7	6,960,190	6,081,598	14.4
Other Liabilities	31,487,600	30,280,189	4.0	43,783,487	41,877,447	4.6
Subordinated Term Debts	48,929,554	46,997,291	4.1	60,189,548	57,806,483	4.1
Total Liabilities	3,033,459,893	2,878,136,439	5.4	3,157,004,641	3,003,215,767	5.1
Equity						
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	42,101,482	42,084,584	-	45,189,067	45,407,554	(0.5)
Retained Earnings	96,730,552	95,197,726	1.6	124,743,280	122,276,138	2.0
Total Shareholders' Equity	161,608,303	160,058,579	1.0	192,708,616	190,459,961	1.2
Non-Controlling Interests	-	-		14,372,592	14,524,428	(1.0)
Total Equity	161,608,303	160,058,579	1.0	207,081,208	204,984,389	1.0
Total Equity and Liabilities	3,195,068,196	3,038,195,018	5.2	3,364,085,849	3,208,200,156	4.9
Contingent Liabilities and Commitments	220,633,302	221,405,708	(0.3)	235,301,302	228,813,708	2.8
Number of Employees	7,730	7,656		10,736	10,528	
Number of Branches	747	747		857	857	

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

BANK

	Stated capital/Assigned capital		Reserves				Total	
	Ordinary Shares (Rs.'000)	Assigned capital (Rs.'000)	Statutory Reserve Fund (Rs.'000)	Revaluation Reserve (Rs.'000)	Other Reserves (Rs.'000)	Financial assets at FVOCI Reserve (Rs.'000)	Retained Earnings (Rs.'000)	(Rs.'000)
Balance as at 1st January 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 year								
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
Total Comprehensive Income/(Expense)	-	-	-	3,371,910	-	314,844	11,096,002	14,782,756
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)
Total Transactions with Equity Holders	-	-	504,140	-	-	-	(522,448)	(18,308)
Balance as at 31st December 2023	49,998	12,152,000	10,574,271	27,367,238	14,141,373	575,973	95,197,726	160,058,579
Balance as at 1st January 2024	49,998	12,152,000	10,574,271	27,367,238	14,141,373	575,973	95,197,726	160,058,579
Total Comprehensive Income for the period								
Profit for the period	-	-	-	-	-	-	1,532,826	1,532,826
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	-	16,898	-	16,898
Total Comprehensive Income/(Expense)	-	-	-	-	-	16,898	1,532,826	1,549,724
Transactions with Equity Holders, Recognised Directly in Equity								
Special levy to Treasury/ Dividend	-	-	-	-	-	-	-	-
Total Transactions with Equity Holders	-	-	-	-	-	-	-	-
Balance as at 30th June 2024	49,998	12,152,000	10,574,271	27,367,238	14,141,373	592,871	96,730,552	161,608,303

STATEMENT OF CHANGES IN EQUITY

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	-	-	-	-	-	-	2,498,836	2,498,836	726,955	3,225,791
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	(275,952)	57,465	(31,694)	(250,181)	(444,416)	(694,597)
Total Comprehensive Income/(Expense)	-	-	-	-	(275,952)	57,465	2,467,142	2,248,655	282,539	2,531,194
Transactions with Equity Holders, Recognised Directly in Equity										
Special levy to Treasury/ Dividend	-	-	-	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-	-	(434,375)	(434,375)
Total Transactions with Equity Holders	-	-	-	-	-	-	-	-	(434,375)	(434,375)
Balance as at 30th June 2024	49,998	12,152,000	10,574,271	30,110,540	14,558,610	519,917	124,743,280	192,708,616	14,372,592	207,081,208

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30TH JUNE

	BANK		GROUP	
	2024 (Rs. '000) (Unaudited)	2023 (Rs. '000) (Unaudited)	2024 (Rs. '000) (Unaudited)	2023 (Rs. '000) (Unaudited)
Cash flows from operating activities				
Profit before tax	2,615,226	6,600,568	5,285,540	9,447,433
Adjustment for				
Non-cash items included in profits before tax	9,035,345	10,766,693	8,348,183	10,423,134
Changes in operating assets	(73,859,524)	72,153,528	(81,806,501)	88,384,426
Changes in operating liabilities	154,628,613	(72,937,891)	151,270,498	(84,685,671)
Dividend income from subsidiaries and others	(1,181,522)	(58,906)	(54,425)	(60,170)
Interest expense on subordinated debt	2,835,613	2,144,006	3,286,646	2,783,115
Contribution paid to defined benefit plans/Gratuity	560,700	691,200	735,217	793,403
Changes in tax liabilities	(2,079,450)	(4,942,270)	(2,614,851)	(5,755,453)
Net Cash Generated from (used in) Operating Activities	92,555,001	14,416,928	84,450,307	21,330,216
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(1,549,847)	(2,063,394)	(1,898,507)	(2,535,583)
Proceeds from the sale of property, plant and equipment	(1,998)	1,743	57,810	82,017
Purchase of financial investments	(69,205,284)	7,365,765	(58,814,995)	8,528,882
Net purchase of intangible assets	(302,400)	(68,930)	(332,030)	(72,351)
Dividends received from investment in subsidiaries and Others	1,181,522	58,906	54,425	60,170
Net Cash from (used in) Investing Activities	(69,878,007)	5,294,090	(60,933,297)	6,063,135
Cash Flows from Financing Activities				
Repayment of subordinated debt	(903,349)	(499,212)	(903,350)	(6,328,754)
Repayment of Lease Liabilities	(1,268,122)	(1,239,049)	(1,409,037)	(1,406,258)
Dividend paid to non-controlling interest	-	-	(434,375)	(74,861)
Dividend/Levy paid to holders of other equity instruments	-	(18,308)	-	(18,308)
Net Cash from (used in) Financial Activities	(2,171,471)	(1,756,569)	(2,746,762)	(7,828,181)
Net Increase/(Decrease) in Cash & Cash Equivalents	20,505,523	17,954,449	20,770,248	19,565,170
Cash and cash equivalents at the beginning of the period	61,889,582	66,842,171	63,307,106	68,077,027
Cash and cash equivalents at the end of the period	82,395,105	84,796,620	84,077,354	87,642,197

NOTES TO THE INCOME STATEMENT

FOR THE PERIOD ENDED 30TH JUNE	BANK		GROUP	
	2024 (Rs.'000)	2023 (Rs.'000)	2024 (Rs.'000)	2023 (Rs.'000)
1. Interest Income				
Total Interest Income for the period	175,338,893	202,203,233	189,919,985	215,292,365
Less: Interest income the bank refrained from recognizing	Note (17,978,445)	-	(17,978,445)	-
Interest Income for the period	157,360,448	202,203,233	171,941,540	215,292,365
2. Profit for the Period				
Profit for the period	11,011,881	4,448,705	12,704,846	6,220,274
Less : Net impact to profit due to Interest income the bank refrained from recognizing	Note (9,479,055)	-	(9,479,055)	-
Profit for the period	1,532,826	4,448,705	3,225,791	6,220,274

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. **The Bank reasonably expects the due processes relating to the said debt restructuring, including those from a Ministry of Finance standpoint such as obtaining the requisite Cabinet of Minister's approval, to conclude during the quarter ended September 30, 2024**

ANALYSIS OF LOANS & ADVANCES TO OTHER CUSTOMERS

	BANK		GROUP	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Loans and advances to Other Customers				
Gross Loans and advances	1,886,207,807	1,846,389,509	2,015,643,103	1,971,770,003
Less :				
Allowance for Expected Credit Losses	(138,975,888)	(136,931,774)	(148,816,639)	(147,999,791)
Stage 1	(9,669,810)	(9,635,625)	(10,328,868)	(10,488,768)
Stage 2	(7,744,825)	(9,115,910)	(8,169,334)	(9,972,098)
Stage 3	(121,561,253)	(118,180,239)	(130,318,437)	(127,538,925)
Net Loans and advances	1,747,231,919	1,709,457,735	1,866,826,464	1,823,770,212
Product-wise Gross loans & advances				
By product – Domestic currency				
Overdrafts	132,066,075	98,608,288	131,540,919	98,253,691
Term loans	1,060,328,315	1,090,883,828	1,099,814,127	1,135,140,995
Lease rentals receivable	-	-	68,713,568	61,444,294
Credit cards	7,785,430	6,576,688	7,785,430	6,576,688
Pawning	292,123,344	260,984,713	292,123,344	260,984,713
Trade Finance	65,791,577	43,613,954	65,791,577	43,613,954
Others	24,595,619	25,331,975	33,659,936	33,415,589
Sub Total	1,582,690,360	1,525,999,446	1,699,428,901	1,639,429,924
By product – Foreign currency				
Overdrafts	4,403,026	4,598,195	4,403,026	4,598,195
Term loans	277,944,755	294,933,688	290,641,510	306,883,704
Trade Finance	21,169,666	20,858,180	21,169,666	20,858,180
Sub Total	303,517,447	320,390,063	316,214,202	332,340,079
Grand Total	1,886,207,807	1,846,389,509	2,015,643,103	1,971,770,003
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 2024	9,635,625	9,115,910	118,180,239	136,931,774
Net Charge/(Reversal) for the period	34,185	(1,371,085)	3,702,269	2,365,369
Amounts written off	-	-	-	-
Exchange rate variance on foreign currency Impairment	-	-	(321,255)	(321,255)
Closing balance as at 30th June 2024	<u>9,669,810</u>	<u>7,744,825</u>	<u>121,561,253</u>	<u>138,975,888</u>
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 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	<u>9,635,625</u>	<u>9,115,910</u>	<u>118,180,239</u>	<u>136,931,774</u>
GROUP	Stage 1	Stage 2	Stage 3	Total
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	(159,900)	(1,802,764)	3,100,767	1,138,103
Amounts written off	-	-	-	-
Exchange rate variance on foreign currency Impairment	-	-	(321,255)	(321,255)
Closing balance as at 30th June 2024	<u>10,328,868</u>	<u>8,169,334</u>	<u>130,318,437</u>	<u>148,816,639</u>
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 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	<u>10,488,768</u>	<u>9,972,098</u>	<u>127,538,925</u>	<u>147,999,791</u>

ANALYSIS OF DEPOSITS

	BANK		GROUP	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
By product – Domestic currency				
Demand deposits (current accounts)	95,232,933	103,762,926	93,997,514	102,574,898
Savings deposits	784,752,556	674,014,126	788,656,551	677,686,797
Fixed deposits	1,600,221,240	1,573,051,023	1,687,686,526	1,661,163,634
Others	2,757,487	2,544,288	4,326,028	4,003,098
Sub total	2,482,964,216	2,353,372,363	2,574,666,619	2,445,428,427
By product – Foreign currency				
Demand deposits (current accounts)	1,806,514	3,103,803	1,806,514	3,103,803
Savings deposits	35,158,504	36,054,450	35,158,504	36,054,450
Fixed deposits	273,930,651	260,541,147	273,930,651	260,541,147
Others	31,897	33,783	31,897	33,783
Sub total	310,927,566	299,733,183	310,927,566	299,733,183
Grand Total	2,793,891,782	2,653,105,546	2,885,594,185	2,745,161,610

ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

	BANK		GROUP	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
By product				
Acceptances	5,217,166	2,867,067	5,217,166	2,867,067
Documentary Credit	26,526,673	24,304,456	26,526,673	24,304,456
Guarantees	52,914,688	53,221,051	53,442,688	53,750,051
Forward Exchange Contracts	28,810,451	46,039,737	28,810,451	46,039,737
Non disbursed overdrafts & loans	107,503,986	95,479,645	121,643,986	102,358,645
Gross Contingent Liabilities and Commitments	220,972,964	221,911,956	235,640,964	229,319,956
Less :				
Allowance for Expected Credit Loss	(339,662)	(506,248)	(339,662)	(506,248)
Net Contingent Liabilities and Commitments	220,633,302	221,405,708	235,301,302	228,813,708

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

BANK AS AT 30TH JUNE 2024

	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	-	-	82,395,105	82,395,105
Balances with Central Banks	-	-	30,571,168	30,571,168
Placements with Banks	-	-	66,291,032	66,291,032
Derivative Financial Instruments	7,717,014	-	-	7,717,014
Financial Assets - At Fair Value through Profit or Loss	190,095,505	-	-	190,095,505
Loans and Advances to banks	-	-	44,251,775	44,251,775
Loans and Advances to other customers	-	-	1,747,231,919	1,747,231,919
Debt instruments measured at amortised cost	-	-	899,882,481	899,882,481
Equity instruments at fair value through OCI	-	2,119,668	-	2,119,668
Debt instruments at fair value through OCI	-	7,902,226	-	7,902,226
Total financial assets	197,812,519	10,021,894	2,870,623,480	3,078,457,893
LIABILITIES				
Due to banks	-	-	62,873,368	62,873,368
Derivative Financial Instruments	97,183	-	-	97,183
Due to other customers	-	-	2,793,891,782	2,793,891,782
Other Borrowings	-	-	90,962,674	90,962,674
Subordinated term debts	-	-	48,929,554	48,929,554
Total financial liabilities	97,183	-	2,996,657,378	2,996,754,561

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)
ASSETS				
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
Total financial assets	155,444,199	10,180,649	2,754,347,607	2,919,972,455
LIABILITIES				
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
Total financial liabilities	36,049	-	2,841,605,419	2,841,641,468

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

GROUP AS AT 30TH JUNE 2024

	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	-	-	84,077,354	84,077,354
Balances with Central Banks	-	-	30,571,168	30,571,168
Placements with Banks	-	-	73,747,115	73,747,115
Derivative Financial Instruments	7,717,014	-	-	7,717,014
Financial Assets - At Fair Value through Profit or Loss	192,805,719	-	-	192,805,719
Loans and Advances to banks	-	-	52,889,230	52,889,230
Loans and Advances to other customers	-	-	1,866,826,464	1,866,826,464
Debt instruments measured at amortised cost	-	-	924,449,239	924,449,239
Equity instruments at fair value through OCI	-	2,364,039	-	2,364,039
Debt instruments at fair value through OCI	-	9,330,799	-	9,330,799
Total financial assets	200,522,733	11,694,838	3,032,560,570	3,244,778,141
LIABILITIES				
Due to banks	-	-	70,511,073	70,511,073
Derivative Financial Instruments	97,183	-	-	97,183
Due to other customers	-	-	2,885,594,185	2,885,594,185
Other Borrowings	-	-	88,916,141	88,916,141
Subordinated term debts	-	-	60,189,548	60,189,548
Total financial liabilities	97,183	-	3,105,210,947	3,105,308,130

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)
ASSETS				
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
Total financial assets	156,881,908	11,809,356	2,916,080,419	3,084,771,683
LIABILITIES				
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
Total financial liabilities	36,049	-	2,952,837,803	2,952,873,852

SELECTED PERFORMANCE INDICATORS (Based on Regulatory Reporting)

	BANK		GROUP	
	As at 30.06.2024 (Unaudited)	As at 31.12.2023 (Audited)	As at 30.06.2024 (Unaudited)	As at 31.12.2023 (Audited)
Regulatory Capital Adequacy				
Common Equity Tier 1 Capital [Rs. 000]	121,653,728	122,360,337	156,839,202	156,650,481
Core (Tier 1) Capital [Rs. 000]	126,653,726	127,360,337	161,839,202	161,650,481
Total Capital Base [Rs. 000]	174,968,289	178,793,109	211,920,482	214,717,978
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital (%) (Min. requirement - 8.0%)	11.09	11.88	12.43	13.30
Tier 1 Capital Ratio (%) (Min. requirement - 9.5%)	11.54	12.37	12.83	13.72
Total Capital Ratio (%) (Min. requirement - 13.5%)	15.94	17.37	16.80	18.23
Asset Quality (Quality of Loan Portfolio)				
Impaired Loans (Stage 3) Ratio (%)	8.51	8.83	8.38	8.76
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	41.98	40.96	42.50	41.47
Profitability				
Interest Margin, %	1.77	1.81	2.13	2.14
Return on Assets (Before Tax) , %	0.17	0.51	0.32	0.61
Return on Equity (After Tax) , %	1.91	6.60	3.13	5.77
Leverage Ratio (Min. requirement - 3%)	3.89	4.20	4.72	5.05
Regulatory Liquidity				
Statutory Liquid Assets				
Total Bank Rs.000	N/A	1,055,878,294		
Domestic Banking Unit Rs.000	N/A	1,030,521,078		
Off-Shore Banking Unit USD.000	N/A	77,677		
Statutory Liquid Assets Ratio (%) (Min. requirement - 20%)				
Total Bank (%)	N/A	37.40		
Domestic Banking unit (%)	N/A	37.41		
Off-Shore Banking Unit (%)	N/A	38.40		
Total Stock of High Quality Liquid Assets [Rs.000]	1,050,024,176	971,952,945		
Liquidity Coverage Ratio (%) (Min. requirement - 100%)				
Liquidity Coverage Ratio - Rupee	263.26	256.71		
Liquidity Coverage Ratio - All Currency	212.25	207.91		
Net Stable Funding Ratio (Min. requirement - 100%)	169.91	164.25		

EXPLANATORY NOTES

1. These Financial Statements for the Period ended June 30, 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 standpoint. 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, 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 June 30, 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 June 30, 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 June 30, 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 June 30, 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

28th August 2024
Colombo.