

Peoples Banks Consolidated Financial Support Extended During 2020 And 2021 Crosses One Trillion Rupees



Sujeewa Rajapakse, Chairman of People's Bank.



Ranjith Kodituwakku, CEO/General Manager of People's Bank.

People's Bank, with consolidated total operating income reaching 110.7 billion rupees and total operating expenses amounting to 50.5 billion rupees for the year ended December 31, 2021.

Consolidated pre-tax and post-tax profits amounted to 37.2 billion rupees and

28.1 billion rupees, representing a 51.1 percent and 74.6 percent growth. On a Bank standalone basis, figures were 30.4 billion rupees and 23.7 billion rupees, respectively, up 43.2 percent and 67.3 percent over 2020. Income growth primarily stemmed from net interest income, which accounted for close to 90 percent of total operating income and grew by 30.2 percent, in line with the Bank's credit and investment portfolio growth. The fee income increased by 23.4 percent to reach nine billion rupees, reflecting the Bank's efforts to improve its non-funded income sources. Expense growth is mainly related to direct business growth. Relative to 2019, the Bank's cost to income ratio has shown a marked improvement at 51.1 percent in 2021. Bank-wide impairment charges rose, reflecting macro-economic stresses as seen throughout the industry. The Bank invested in rural development during the year, supported small and medium-sized enterprises (SMEs), and encouraged women's entrepreneurship. At the end of 2021, it extended over 63 billion rupees to SMEs through various loan initiatives, including close to 1.9 billion rupees through its scheme to help revive businesses across agriculture, information technology, logistics, manufacturing, tea, and tourism. In conjunction with the Small Holder Agri-Business Partnership (SAP), introduced a low-interest credit scheme for 5,000 farmers with an initial provision of one billion rupees. The Bank introduced the Sarabhoomi loan scheme to support local fertilizer production while promoting women entrepreneurship, and it extended 533.5 million rupees. The Bank also introduced additional loan schemes to assist self-employment in the agricultural and handicrafts spaces.

To support the country's investment in information technology, the Bank committed six billion rupees, of which 750 million rupees was already drawn down. From a Personal Loan perspective, in its effort to uplift the housing and construction sector, the Bank granted over 10,000 home loan facilities amounting to around 185.8 billion rupees at the end of 2021. In addition, by 2021, it had disbursed over 5.5 billion rupees to retired, disabled officers of the armed forces and over 68.5 billion rupees to government pensioners. To assist artists and related professionals, the Bank disbursed over 550.0 million rupees to help university students and teachers; the Bank designed laptop loan schemes through which a total of 350.5 million rupees was extended throughout the year.

All the above considered, the Bank's consolidated loan book expanded by 12.1 percent to reach 1,990 billion rupees at the end of 2021. The Bank's stage three loans were, however, at 4.3 percent. In addition, the Bank undertook

approximately 453.0 billion rupees treasury bond conversions during the said two-year period. Growth in its consolidated deposits was 12.1 percent to 2,168.7 billion rupees.

Total consolidated taxes and dividends to the Government of Sri Lanka totaled 20.4 billion rupees in 2021, representing a 25.1 percent growth over 16.3 billion rupees in 2020. Its Consolidated Tier I and Total Capital Adequacy was 13.4 percent and 17.9 percent, respectively, at the end of 2021. On a Bank standalone basis, these were 12.6 percent and 17.8 percent, respectively, which are not all-time institutional highs but also amongst the highest in the industry. All other regulatory ratios were maintained well above the minimum requirement.

Sujeewa Rajapakse, Chairman of People's Bank, stated: "We are very pleased with the results of the Bank more so as attained during unseen like before circumstances. As a service provider, the last two years have put our promise and our ability to deliver to the ultimate test. As a national institution, we don't measure our success by a typical top line or bottom line but by our national value-added with our results both from a quantitative and qualitative perspective self-attesting to our resilience in these difficult times and overall performance, most notably, our productivity and efficiency. All the above said, our job is far from over. Not complacent with our successes, we remain focused and fully committed to the Government's economic revival plan. Mindful of the challenges ahead, we look forward with a great degree of optimism. Together, we can!"

He continued: "On behalf of the Board of Directors, I take the opportunity to thank His Excellency the President, the Honorable Prime Minister, and the Honorable Minister of Finance for their leadership in these difficult times. I also extend my gratitude to the Governor of the Central Bank, the Secretary to the President, and the Secretary to the Treasury for their support and guidance on all matters of a related nature. Importantly, thank you to all our customers and employees, both present and former. The Bank's success is undoubtedly yours. Your continued trust and confidence in the Institution have enabled us to serve the country in a manner previously unseen. They have helped us distinguish ourselves in the Banking and Financial Services space!

Ranjith Kodituwakku, Chief Executive Officer/General Manager of People's Bank, stated: "If one thought 2020 was challenging, 2021 was at a different level. Operationally, it continued to test our commitment, our discipline, our resolve,

our strength, and, importantly, our technological capabilities. The pandemic has expedited all things touchless, all things remote, and all things digital. So, we used 2021 to focus on our digital customer on-boarding efforts, introduce new solutions to help our customers, expand our overall digital footprint, enhance our brand value and forge new relationships, all of which ultimately led and will continue to lead to enhanced performance and delivery. Further improving our productivity and cost efficiency is a key aspect of our focus in the future, along with completing several measures already in progress to enhance the safety and stability of the institution.

He continued: “2022 will be a defining year; we look forward to it with resolve, hope, and optimism. I take the opportunity to thank all our customers and other stakeholders, including our service providers, for your trust and confidence in us! We look forward to your continued support!