

## **People's Bank posts 16.6 billion rupees Q1 PBT; Assets reach 4.2 trillion rupees**



Professor Narada Fernando, Chairman, People's Bank and Clive Fonseka, CEO/General Manager, People's Bank.

People's Bank reported a strong and resilient performance for the quarter ended March 31, 2026, despite global economic uncertainty and geopolitical challenges. The Bank recorded a standalone Profit Before Tax (PBT) of 16.6 billion rupees, supported by strong fundamentals, prudent balance sheet management, and disciplined risk controls. Operating performance was supported by continued growth across its core income streams.

Total operating income increased by 13.2 percent to 46.1 billion rupees from 40.7 billion rupees in the corresponding period of the previous year, while net interest income grew by 17.5 percent to 40.1 billion rupees from 34.1 billion rupees. This growth was supported by improved margin expansion, with the Net Interest Margin (NIM) rising to 4.3 percent, driven by effective repricing strategies and disciplined

asset-liability management. The balance sheet continued to demonstrate steady expansion and financial stability. Total assets reached 3.8 trillion rupees, customer deposits increased to 3.3 trillion rupees, and net loans and advances grew to 1.8 trillion rupees.

During the quarter, the Bank strengthened its capital position through the successful completion of Sri Lanka's largest Basel III-compliant Tier 2 debenture issuance, raising 25 billion rupees and reflecting strong investor confidence in its long-term stability and financial strength. This enhanced capital base contributed to a further improvement in the Total Capital Adequacy Ratio, which increased to 17.9 percent from 16.5 percent at the end of 2025. The Bank also maintained a strong liquidity position, with a Rupee Liquidity Coverage Ratio of 260 percent, underscoring its financial resilience and ability to support future growth. Asset quality indicators also improved during the quarter.

The impaired loans (Stage 3) ratio improved to 7.2 percent from 7.7 percent, while the Stage 3 provision coverage ratio strengthened to 50 percent from 48.4 percent. These improvements reflect enhanced recovery efforts, prudent credit risk management, and a continued focus on maintaining a healthy loan portfolio. At Group level, People's Bank sustained strong growth momentum supported by healthy core banking expansion and improved margin performance. The Group reported a Profit Before Tax of 20 billion rupees representing a 13.5 percent increase driven by improved operating performance and disciplined cost and risk management.

The Group's balance sheet expanded steadily, with total assets reaching 4.2 trillion rupees and net loans advancing to 2.1 trillion rupees. Net interest income increased to 47.4 billion rupees from 38.6 billion rupees, recording 22.9 percent growth, supported by effective balance-sheet repricing and sustained lending activity. The Group's Net Interest Margin improved to 4.6 percent, reflecting efficient asset-liability management and improved yields on interest-earning assets.

Professor Narada Fernando, Chairman said the Bank's performance reflects resilience and stability amid a challenging global environment. He highlighted that strong fundamentals, prudent governance, and disciplined risk management have enabled the Bank to strengthen key financial indicators while supporting national priorities, including financial inclusion, MSME development, and economic recovery.

Clive Fonseka, CEO/GM described the quarter's results as evidence of the Bank's

operational resilience and financial strength. He noted that strong core income generation, improving margins, better asset quality indicators, and continued balance sheet expansion have reinforced the Bank's position. He added that the successful 25 billion rupees Basel III-compliant Tier 2 debenture issuance, together with strong capital and liquidity buffers, reflects growing investor confidence. Continued investments in digital banking, customer experience, operational efficiency, and inclusive financial solutions will strengthen competitiveness and support sustainable growth in the periods ahead.