



FITCH RATING AA+ (LKA)

RAM RATING AAA

PEOPLE'S BANK

INTERIM FINANCIAL STATEMENTS

INCOME STATEMENT

FOR THE HALF YEAR ENDED 30 TH JUNE 2012

	BANK			GROUP		
	2012 (Rs. '000) (Unaudited)	2011 (Rs. '000) (Unaudited)	Change %	2012 (Rs. '000) (Unaudited)	2011 (Rs. '000) (Unaudited)	Change %
Gross Income	41,397,907	31,393,776	31.9	49,732,318	36,997,959	34.4
Interest Income	37,291,922	28,960,728	28.8	44,990,327	34,455,889	30.6
Interest Income on Loans and Advances	32,113,019	22,898,919	40.2	39,687,398	28,328,289	40.1
Interest Income on Other Interest Earning Assets	5,178,903	6,061,809	(14.6)	5,302,929	6,127,600	(13.5)
Less: Interest Expenses	21,358,963	15,137,345	41.1	25,431,093	17,581,010	44.7
Interest Expenses on Deposits	18,122,686	13,087,906	38.5	18,114,890	15,539,410	16.6
Interest Expenses on Other Interest Bearing Liabilities	3,236,277	2,049,439	57.9	7,316,203	2,041,600	258.4
Net Interest Income	15,932,959	13,823,383	15.3	19,559,234	16,874,879	15.9
Non Interest Income	3,883,514	2,287,554	69.8	4,480,789	2,382,422	88.1
Foreign Exchange Income	1,463,986	419,420	249.1	1,463,986	419,420	249.1
Other Income	2,419,528	1,868,134	29.5	3,016,803	1,963,002	53.7
Less: Non - Interest Expenses	10,664,518	8,591,806	24.1	12,203,538	9,379,240	30.1
Personnel Costs	5,998,457	4,446,777	34.9	6,554,654	4,956,111	32.3
Provision for Staff Retirement Benefits	786,269	749,650	4.9	786,269	749,650	4.9
Premises, Equipment and Establishment Expenses	2,145,762	1,693,469	26.7	2,300,070	1,774,726	29.6
Other Operating Expenses	1,734,030	1,701,910	1.9	2,562,545	1,898,753	35.0
Less: Provision for Bad and Doubtful Debts and Loans Written Off	883,020	108,512	713.8	839,727	(169,638)	(595.0)
Provisions - General	820,777	21,344	3,745.5	820,777	(272,673)	(401.0)
Provisions - Specific	284,714	232,662	22.4	280,152	262,683	6.7
Recoveries (-)	(222,471)	(145,494)	52.9	(261,202)	(159,648)	63.6
Loans Written Off	-	-	-	-	-	-
Other Provisions	-	-	-	-	-	-
Less: Provision for Decline in Value of Investments	1,035,847	(34,557)	(3,097.5)	1,035,847	(34,557)	(3,097.5)
Operating Profit on Ordinary Activities before Tax	7,233,088	7,445,176	(2.8)	9,960,911	10,082,256	(1.2)
Less: Value Added Tax on Financial Services	1,309,781	1,122,185	16.7	1,464,416	1,259,155	16.3
Operating Profit on Ordinary Activities before Corporate Tax	5,923,307	6,322,991	(6.3)	8,496,494	8,823,100	(3.7)
Share of Subsidiaries/Associate Companies' Profit	-	-	-	(52,511)	(26,073)	101.4
Operating Profit Before Corporate Tax	5,923,307	6,322,991	(6.3)	8,443,983	8,797,027	(4.0)
Less: Tax on Profits on Ordinary Activities	2,073,616	2,213,353	(6.3)	2,848,340	2,876,394	(1.0)
Operating Profit after Corporate Tax	3,849,691	4,109,638	(6.3)	5,595,643	5,920,633	(5.5)
Minority Interest	-	-	-	(585,456)	(10,372)	5,544.6
Operating Profit for the Period	3,849,691	4,109,638	(6.3)	5,010,187	5,910,261	(15.2)

BALANCE SHEET

AS AT

	BANK			GROUP		
	30.06.2012 (Rs. '000) (Unaudited)	31.12.2011 (Rs. '000) (Audited)	Change %	30.06.2012 (Rs. '000) (Unaudited)	31.12.2011 (Rs. '000) (Audited)	Change %
On Balance Sheet Assets						
Cash in Hand	10,498,664	10,371,434	1.2	10,895,358	11,474,476	(5.0)
Balance with Central Bank of Sri Lanka	38,550,491	35,717,033	7.9	38,550,491	35,717,033	7.9
Due from Banks and Other Financial Institutions	37,325,616	24,652,931	51.4	39,557,347	28,501,733	38.8
Investments - Trading Account	15,314,955	23,891,041	(35.9)	15,438,241	23,984,208	(35.6)
Government Securities	14,707,842	23,021,869	(36.1)	14,707,842	23,021,869	(36.1)
Other Securities	607,113	869,172	(30.2)	730,399	962,339	(24.1)
Investments - Held to Maturity (Net of provisions made for decline in investment value)	93,991,893	77,565,671	21.2	95,229,671	78,045,143	22.0
(Excluding Investments in Associates and Subsidiaries)	94,058,655	77,421,244	21.5	95,196,423	77,750,706	22.4
Government Securities	1,605,689	1,309,758	22.6	1,705,699	1,459,768	16.8
Other Securities	1,672,451	1,665,331	43.5	1,672,451	1,665,331	43.5
Less: Provision for decline in Value of Investment	1,593,050	1,693,050	(5.9)	322,153	377,196	(14.6)
Investments in Associates and Subsidiaries	1,593,050	1,693,050	(5.9)	322,153	377,196	(14.6)
Loans and Advances						
Performing Loans and Advances	543,534,350	462,282,977	17.6	645,924,194	560,667,341	15.2
Bills of Exchange	37,096,934	14,969,959	147.8	37,096,934	14,969,959	147.8
Overdrafts	42,176,561	62,028,470	(32.0)	41,799,862	60,890,325	(31.4)
Lease Rentals Receivable	97,698	175,049	(44.2)	100,966,176	99,745,111	1.2
Other Loans	464,163,157	385,109,499	20.5	466,061,222	385,061,946	21.0
Non Performing Loans and Advances	17,911,504	16,061,589	11.5	18,859,654	16,842,695	12.0
Bills of Exchange	1,725,804	1,635,313	5.5	1,725,804	1,635,313	5.5
Overdrafts	1,740,643	1,499,758	16.1	1,740,643	1,499,758	16.1
Lease Rentals Receivable	4,111	4,166	(1.3)	930,672	785,272	18.5
Other Loans	14,440,946	12,922,352	11.8	14,462,535	12,922,352	11.9
Add:						
Interest Receivables on NP Advances	33,923,841	33,133,569	2.4	33,971,012	33,191,538	2.3
Total Gross Loans and Advances	595,369,695	511,478,135	16.4	698,754,860	610,701,574	14.4
Less:						
Interest in Suspense	36,243,486	33,570,578	8.0	58,954,004	56,327,745	4.7
Specific Loan Loss Provisions	11,199,982	10,758,432	4.1	12,099,535	11,712,443	3.3
General Loan Loss Provisions	3,157,663	2,336,886	35.1	3,157,663	2,353,774	34.2
Net Loans and Advances	544,768,564	464,812,239	17.2	624,543,658	540,307,612	15.6
Other Assets	21,163,484	15,437,855	37.1	24,462,927	18,660,054	31.1
Intangible Assets	70,578	100,807	(30.0)	431,501	450,412	(4.2)
Investment Properties	325,225	325,225	-	325,225	325,225	-
Property, Plant & Equipment (Net of Accumulated Depreciation)	8,567,045	8,509,867	0.7	11,398,200	10,735,283	6.2
Total on Balance Sheet Assets	772,169,565	663,077,154	16.5	861,154,772	748,578,375	15.0
On Balance Sheet Liabilities						
Total Deposits	589,495,568	539,861,539	9.2	597,821,297	548,033,399	9.1
Demand Deposits	39,797,692	42,521,383	(6.4)	38,894,894	42,522,013	(8.5)
Savings Deposits	231,764,864	232,339,102	(0.2)	232,506,351	233,277,130	(0.3)
Time Deposits	310,002,394	252,009,020	23.0	318,488,384	259,239,002	22.9
Margin Deposits	7,633,404	12,578,793	(39.3)	7,633,404	12,578,793	(39.3)
Other Deposits	297,214	413,241	(28.1)	298,264	416,461	(28.4)
Total Borrowings	124,147,002	72,820,593	70.5	177,192,096	124,630,252	42.2
Borrowings from CBSL	2,911,774	3,064,715	(5.0)	2,911,774	3,089,834	(5.8)
Borrowings from Banks and Financial Institutions in Sri Lanka	85,134,783	43,375,535	96.3	136,705,323	93,187,245	46.7
Securities sold under Repurchase Agreements	22,634,369	16,307,544	38.8	22,141,093	16,207,544	36.6
Subordinated Term Debts	10,000,000	10,000,000	-	11,967,830	12,072,830	(0.9)
Other Borrowings	3,466,076	72,799	4,661.2	3,466,076	72,799	4,661.2
Deferred Liabilities	359,682	314,682	14.3	1,256,908	760,044	65.4
Current Taxation	2,518,959	2,806,539	(10.2)	2,848,334	3,427,708	(16.9)
Other Liabilities	27,413,162	20,778,455	31.9	36,079,949	29,041,503	24.2
Total on Balance Sheet Liabilities	743,934,373	636,581,808	16.9	815,198,585	705,892,906	15.5
Minority Interest	-	-	-	4,943,645	4,557,433	8.5
Equity Capital and Reserves	28,235,192	26,495,346	6.6	41,012,543	38,128,037	7.6
Share Capital/Assigned Capital	7,201,998	7,201,998	-	7,201,998	7,201,998	-
Statutory Reserve Fund	1,892,591	1,892,591	-	1,892,591	1,892,591	-
Total Other Reserves	19,140,603	17,400,757	10.0	31,917,954	29,033,448	9.9
Total On Balance Sheet Liabilities, Equity Capital and Reserves	772,169,565	663,077,154	16.5	861,154,772	748,578,375	15.0
Off-Balance Sheet Items and Contra Accounts	202,224,085	191,025,357	5.9	202,224,085	191,025,357	5.9
Contingencies	179,775,957	171,012,444	5.1	179,775,957	171,012,444	5.1
Commitment and Contra Accounts	22,448,128	20,012,913	12.2	22,448,128	20,012,913	12.2
Memorandum Information						
Number of Employees	7,973	8,249	-	9,530	9,723	-
Number of Branches	342	341	-	401	399	-

NOTES:

- The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
- The Institute of Chartered Accountants of Sri Lanka (ICASL) and Central Bank of Sri Lanka (CBSL) together with all Sri Lankan Banks are in the process of implementing the Sri Lanka Accounting Standards which comprise of Accounting Standards prefixed with both Sri Lanka Financial Reporting Standards (SLFRS) and Lanka Accounting Standards (LKAS) which have become applicable for financial periods beginning on or after 01.01.2012.

In this regard the ICASL has issued a ruling on 02.03.2012 on the preparation of interim financial statements as per LKAS 34. Accordingly, licensed banks may use one of the three options therein in publication of interim financial statements during the first annual period commencing on or after 01.01.2012.

As per the above ruling and the CBSL guidelines issued on 05.04.2012 the Bank has selected option two. Accordingly the Bank has presented the interim financial statements in accordance with Sri Lanka Accounting Standards existed immediately prior to 01.01.2012(SLAS).

The Bank is in the process of quantifying the impact to net assets as well as to the statements of comprehensive income for the period based on SLFRS and LKAS, which will be disclosed in future reporting.

(Sgd.)
Yohan Soza
Head of Finance

(Sgd.)
N.Vasantha Kumar
Chief Executive Officer/General Manager

(Sgd.)
W. Karunajeewa
Chairman

15.08.2012
Colombo.



PEOPLE'S BANK
THE PULSE OF THE PEOPLE

STATEMENT OF CHANGES IN EQUITY AND RESERVES - BANK

FOR THE HALF YEAR ENDED 30 TH JUNE 2012

	Equity Capital		Reserves								Total
	Ordinary Shares (Rs.'000)	Capital Pending Allotment (Rs.'000)	Permanent Reserve (Rs.'000)	Revaluation Reserve (Rs.'000)	Capital Reserve (Rs.'000)	Special Risk Reserve (Rs.'000)	General Reserve (Rs.'000)	Building Reserve (Rs.'000)	Investment Fund (Rs.'000)	Income Statement (Rs.'000)	
Balance as at 01.01.2012	49,998	7,152,000	1,892,591	5,630,460	5,663	1,451,406	2,188,500	1,000	1,897,702	6,226,026	26,495,346
Issue of Shares/ Increase of assigned capital	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	-	-
Rights Issue	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of property	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	-	3,849,691	3,849,691
Transfer to Special Risk Reserve during the period											

