



PEOPLE'S BANK

INCOME STATEMENT FOR THE QUARTER ENDED

	Bank			Group		
	Rs.'000 30-06-2013	Rs.'000 30-06-2012	Change %	Rs.'000 30-06-2013	Rs.'000 30-06-2012	Change %
Gross Income	57,227,380	40,276,441	42.1	67,224,962	49,304,136	36.3
Interest income	53,404,171	37,241,008	43.4	62,731,431	45,091,510	39.1
Interest expenses	(38,077,699)	(21,445,134)	77.6	(43,265,533)	(25,736,702)	68.1
Net Interest Income	15,326,472	15,795,874	(3.0)	19,465,898	19,354,808	0.6
Fee and commission income	1,630,502	1,723,956	(5.4)	1,743,161	2,141,205	(18.6)
Fee and commission expenses	(74,370)	(56,758)	31.0	(74,370)	(56,758)	31.0
Net Fee and Commission Income	1,556,132	1,667,199	(6.7)	1,668,791	2,084,447	(19.9)
Net gain/(loss) from trading	1,094,901	483,364	126.5	1,120,666	486,187	130.5
Net gain/(loss) from financial investment	-	-	-	-	-	-
Other operating income (net)	1,097,805	828,113	32.6	1,629,704	1,585,235	2.8
Total Operating Income	19,075,311	18,774,549	1.6	23,885,060	23,510,677	1.6
Impairment for loans and other losses	(4,313,533)	(1,105,492)	290.2	(4,493,948)	(1,365,747)	229.0
Individual impairment	(3,105,744)	(795,954)	-	(3,112,553)	(825,187)	-
Collective impairment	(1,207,789)	(309,538)	-	(1,381,395)	(540,560)	-
Net Operating Income	14,761,777	17,669,058	(16.5)	19,391,112	22,144,929	(12.4)
Personnel Expenses	(6,404,765)	(6,784,727)	(5.6)	(7,003,350)	(7,299,503)	(4.1)
Depreciation and amortisation	(409,722)	(673,012)	(99.1)	(496,214)	(734,032)	(32.4)
Other expenses	(3,666,825)	(3,168,020)	15.7	(4,853,227)	(4,332,147)	12.0
Operating Profit/(Loss) before Value Added Tax (VAT)	4,280,465	7,043,299	(99.2)	7,038,321	9,779,247	(28.0)
Value Added Tax (VAT) on financial services	(735,622)	(1,309,781)	(43.8)	(880,729)	(1,552,930)	(43.3)
Operating Profit/(Loss) after Value Added Tax (VAT)	3,544,843	5,733,518	(38.2)	6,157,591	8,226,317	(25.1)
Share of profits of associates	-	-	-	(38,760)	(13,247)	192.6
Profit/(Loss) before Tax	3,544,843	5,733,518	(38.2)	6,118,831	8,213,069	(25.5)
Tax expenses	(1,048,818)	(2,073,616)	(49.4)	(1,786,893)	(2,837,074)	(37.0)
Profit/(Loss) for the year	2,496,025	3,659,902	(31.8)	4,331,938	5,375,996	(19.4)
Profit Attributable to:						
Equity Holders of the Bank	2,496,025	3,659,902	(31.8)	3,861,678	4,943,988	(21.9)
Non-controlling interests	-	-	-	470,260	432,007	8.9
	2,496,025	3,659,902	(31.8)	4,331,938	5,375,996	(19.4)
Earnings per Share on Profit						
Basic earnings per ordinary share	2.496	3.660	(31.8)	3.862	4.944	(21.9)
Diluted earnings per ordinary share	17	25	(31.8)	27	34	(21.9)

STATEMENT OF FINANCIAL POSITION AS AT

	Bank			Group		
	2013.06.30 Rs.'000 Unaudited	2012.12.31 Rs.'000 Audited	Change %	2013.06.30 Rs.'000 Unaudited	2012.12.31 Rs.'000 Audited	2011 Rs.'000
Assets						
Cash and Cash Equivalents	20,642,564	24,401,979	(15.4)	20,896,651	26,102,723	(19.9)
Balances with Central Bank of Sri Lanka	52,628,211	43,412,048	21.2	52,628,211	43,412,048	21.2
Placements with banks	19,074,653	13,341,252	43.0	20,328,436	13,341,252	52.4
Other Financial assets held-for-trading	35,303,194	18,772,710	88.1	35,600,340	19,002,137	87.3
Loans and receivables to Banks	36,770,036	35,350,098	4.0	36,770,036	35,350,098	4.0
Loans and receivables to other customers	602,208,531	611,414,267	(1.5)	688,667,779	690,197,310	(0.2)
Financial investments - Available-for-sale	466,400	27,977,489	(98.3)	1,690,171	27,982,838	(94.0)
Financial investments - Held-to-maturity	119,102,453	78,522,570	51.7	119,754,799	80,151,886	49.4
Investments in subsidiaries	1,313,608	1,253,434	4.8	-	-	-
Investments in associates	273,100	273,100	-	271,229	309,989	(12.5)
Goodwill and intangible assets	24,140	44,352	(45.6)	388,113	405,767	(4.4)
Property, plant and equipment	8,231,231	8,234,565	(0.04)	10,927,439	10,923,098	0.04
Investment properties	398,508	398,508	-	398,508	398,508	-
Prepaid Leases	313,053	291,866	7.3	313,053	291,866	7.3
Deferred tax assets	186,884	501,587	(62.7)	187,295	501,997	(62.7)
Other assets	8,803,257	8,916,778	(1.3)	9,734,767	12,488,562	(22.1)
Total Assets	905,739,823	873,106,603	3.7	998,556,827	960,860,079	3.9
Liabilities						
Due to banks	91,615,048	94,124,713	(2.7)	91,615,048	133,987,864	(31.6)
Due to other customers	732,406,686	683,950,837	7.1	754,435,577	708,896,611	6.4
Other Borrowings	23,931,491	41,024,958	(41.7)	76,239,675	40,740,098	87.1
Current tax liabilities	615,454	1,860,689	(66.9)	925,583	1,933,576	(52.1)
Deferred tax liabilities	-	-	-	1,209,777	864,461	39.9
Other liabilities	12,114,993	12,940,620	(6.4)	11,615,542	18,688,304	(37.8)
Subordinated term debts	15,000,000	10,000,000	50.0	15,000,000	10,000,000	50.0
Total Liabilities	875,683,671	843,901,816	3.8	951,041,203	915,110,913	3.9
Equity						
Stated capital/Assigned capital	7,201,998	7,201,998	-	7,201,998	7,201,998	-
Statutory reserve Fund	2,437,291	2,437,291	-	2,437,291	2,437,291	-
Other reserves	15,585,914	15,585,914	-	16,394,908	16,394,908	-
Retained earnings	4,830,948	3,979,585	21.4	16,721,186	15,135,134	10.5
Total shareholders' equity	30,056,151	29,204,787	2.9	42,755,383	41,169,331	3.9
Non-controlling interests	-	-	-	4,760,242	4,579,836	3.9
Total equity	30,056,151	29,204,787	2.9	47,515,625	45,749,167	3.9
Total equity and liabilities	905,739,823	873,106,603	3.7	998,556,827	960,860,079	3.9
Contingent Liabilities and Commitments	222,886,848	207,021,384	7.7	224,741,848	208,570,108	7.8
Number of Employees	7,621	7,823	-	9,083	8,905	-
Number of Branches	347	347	-	425	380	-

**STATEMENT OF COMPREHENSIVE INCOME
FOR 6 MONTHS ENDED 30-06-2013**

	Bank		Group	
	Rs.'000 2013	Rs.'000 2012	Rs.'000 2013	Rs.'000 2012
Profit/(Loss) for the year	2,496,025	3,659,902	4,331,938	5,375,936
Other Comprehensive Income net of Tax				
Actuarial gains and losses on defined benefit plans	-	-	-	-
Gains and losses on re-measuring available-for-sale financial assets	(34,816)	(25,441)	(119,076)	(122,062)
Less:				
Tax expense/(Income) relating to components of other comprehensive income	-	-	-	-
Other Comprehensive Income for the Year, net of Taxes	(34,816)	(25,441)	(119,076)	(122,062)
Total Comprehensive Income for the Year	2,461,209	3,634,461	4,212,862	5,253,934
Attributable to :				
Equity Holders of the Bank	2,461,209	3,634,461	3,763,774	4,846,082
Non-controlling interests	-	-	449,088	407,852

**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30-06-2013**

Bank	Stated capital/Assigned capital		Reserves					Total
	Ordinary shares	Assigned capital	Reserve fund	Revaluation reserve	Other reserves	Investment Fund	Retained earnings	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Balance at 01.01.2011	49,998	7,152,000	49,998	5,630,460	2,198,971	-	4,327,895	19,409,322
Profit for the year	-	-	-	-	-	-	10,446,373	10,446,373
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	(96,671)	(96,671)
Impairment Chgs in respect of off balance sheet items	-	-	-	-	-	-	-	-
Net Defined Benefit obligation	-	-	-	-	-	-	(2,170,391)	(2,170,391)
Transfer to Reserve during the period	-	-	1,842,593	-	1,447,598	1,897,702	(5,187,893)	-
Dividend Paid to GOSL	-	-	-	-	-	-	-	-
Special Levy to Treasury	-	-	-	-	-	-	(4,500,000)	(4,500,000)
Balance at 01.01.2012	49,998	7,152,000	1,892,591	5,630,460	3,646,569	-	1,897,702	23,088,633
Profit for the year	-	-	-	-	-	-	10,893,992	10,893,992
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	(18,489)	(18,489)
Net Defined Benefit obligation	-	-	-	-	-	-	(57,966)	(57,966)
Transfer to Reserve during the period	-	-	544,700	(166,964)	1,432,304	3,145,843	(4,955,883)	-
Dividend Paid to GOSL	-	-	-	-	-	-	(201,382)	(201,382)
Special Levy to Treasury	-	-	-	-	-	-	(4,500,000)	(4,500,000)
Balance As at 01.01.2013	49,998	7,152,000	2,437,291	5,463,496	5,078,873	-	5,043,545	29,204,787
Profit for the year	-	-	-	-	-	-	2,496,025	2,496,025
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	(34,816)	(34,816)
Net Defined Benefit obligation	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	-	-	-	-	-	-	-
Dividend Paid to GOSL	-	-	-	-	-	-	(109,845)	(109,845)
Special Levy to Treasury	-	-	-	-	-	-	(1,500,000)	(1,500,000)
Balance as at 30.06.2013	49,998	7,152,000	2,437,291	5,463,496	5,078,873	-	5,043,545	4,830,948
								30,056,151

**CASH FLOW STATEMENT
FOR 6 Months ENDED 30-06-2013**

	Bank	Group
	2013 Rs.'000	2013 Rs.'000
	Unaudited	Unaudited
Cash flows from operating activities		
Profit before tax	3,544,843	6,118,831
Adjustment for		
Non-cash items included in profits before tax	4,720,876	5,047,677
Changes in operating assets	(68,560)	(7,824,838)
Changes in operating liabilities	32,646,720	36,557,911
Net gains from investing activities	-	-
Share of profits in associates and joint ventures	-	-
Dividend income from subsidiaries and associates	(88,165)	(88,165)
Interest expense on subordinated debt	668,750	668,750
Others		
Contribution paid to defined benefit plans	380,370	380,370
Tax paid	(2,294,053)	(2,794,886)
Net Cash Generated from Operating Activities	39,510,781	38,065,650
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(407,363)	(553,742)
Proceeds from the sale of property, plant and equipment	2,379	2,379
Purchase of financial investments	(40,579,883)	(39,602,913)
Proceeds from the sale and maturity of financial investments	-	-
Net purchase of intangible assets	-	(10,239)
Net cash flow from acquisition of investment in subsidiaries and associates	-	-
Net cash flow from disposal of subsidiaries	(60,174)	-
Proceeds from disposal of associates and joint ventures	-	38,760
Dividends received from investment in subsidiaries and associates	88,165	88,165
Others		
Net Cash (used in) from Investing Activities	(40,956,876)	(40,037,590)
Cash Flows from Financing Activities		
Net proceeds from the issue of ordinary share capital	-	-
Net proceeds from the issue of other equity instruments	-	-
Net proceeds from the issue of subordinated debt	-	-
Repayment of subordinated debt	-	-
Interest paid on subordinated debt	(668,750)	(668,750)
Dividend paid to non-controlling interest	-	(289,855)
Dividend paid to shareholders of the parent company	-	-
Dividend paid to holders of other equity instruments	(1,644,570)	(2,275,527)
Share issue expenses		
Disposal of changes of holdings		
Net Cash from Financial Activities	(2,313,320)	(3,234,132)
Net Increase/(Decrease) in Cash & Cash Equivalents	(3,759,415)	(5,206,072)
Cash and cash equivalents at the beginning of the year	24,401,979	26,102,723
Exchange difference in respect of cash & cash equivalent	-	-
Cash and cash equivalents at the end of the period	20,642,564	20,896,651

Group

	Stated capital/Assigned capital		Reserves					Total	Non controlling interest	Total equity
	Ordinary shares	Assigned capital	Reserve fund	Revaluation reserve	Other reserves	Investment Fund	Retained earnings			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.01.2011	49,998	7,152,000	49,998	5,630,460	2,198,971	-	10,972,971	26,054,398	83,225	26,137,623
Profit for the year	-	-	-	-	-	-	12,117,411	12,117,411	406,127	12,523,538
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	(93,985)	(93,985)	895	(93,090)
Net Defined Benefit obligation	-	-	-	-	-	-	(2,169,579)	(2,169,579)	271	(2,169,308)
Transfer to Reserve during the period	-	-	1,842,593	-	1,447,598	2,230,900	(5,521,091)	-	-	-
Changes Remeasure AFS Investments	-	-	-	-	-	-	(3,580)	(3,580)	-	(3,580)
Deemed Disposal Profit	-	-	-	-	-	-	3,150,026	3,150,026	-	3,150,026
Share Issue Expenses	-	-	-	-	-	-	(211,190)	(211,190)	-	(211,190)
Goodwill Adjustment	-	-	-	-	-	-	(2,969)	(2,969)	-	(2,969)
Disposal of Change of holdings	-	-	-	-	-	-	(29,362)	(29,362)	-	(29,362)
Acquired during the year	-	-	-	-	-	-	-	-	3,932,085	3,932,085
Special Levy to Treasury	-	-	-	-	-	-	(4,500,000)	(4,500,000)	-	(4,500,000)
Balance as at 01.01.2012	49,998	7,152,000	1,892,591	5,630,460	3,646,569	-	2,230,900	13,708,652	34,311,170	38,733,773
Profit for the year	-	-	-	-	-	-	11,230,199	11,230,199	666,494	11,896,693
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	(57,802)	(57,802)	54	(57,748)
Net Defined Benefit obligation	-	-	-	-	-	-	(33,616)	(33,616)	(4,994)	(38,610)
Transfer to Reserve during the period	-	-	544,700	(166,964)	1,432,304	3,621,639	(5,431,679)	-	-	-
Movement in deemed disposal profit	-	-	-	-	-	-	435,191	435,191	(504,322)	(69,131)
Share Issue Expenses	-	-	-	-	-	-	(14,429)	(14,429)	-	(14,429)
Dividend Paid to GOSL	-	-	-	-	-	-	(201,382)	(201,382)	-	(201,382)
Special Levy to Treasury	-	-	-	-	-	-	(4,500,000)	(4,500,000)	-	(4,500,000)
Balance as at 01.01.2013	49,998	7,152,000	2,437,291	5,463,496	5,078,873	-	5,852,539	15,135,134	41,169,331	45,749,166
Profit for the year	-	-	-	-	-	-	3,861,678	3,861,678	470,260	4,331,938
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	(97,903)	(97,903)	(21,173)	(119,076)
Net Defined Benefit obligation	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve during the period	-	-	-	-	-	-	-	-	-	-
Dividend Paid to GOSL	-	-	-	-	-	-	(109,845)	(109,845)	-	(109,845)
Special Levy to Treasury	-	-	-	-	-	-	(1,500,000)	(1,500,000)	-	(1,500,000)
Movement in deemed disposal profit	-	-	-	-	-	-	(567,877)	(567,877)	(268,681)	(836,558)
Share Issue Expenses	-	-	-	-	-	-	-	-	-	-
Balance at 30.06.2013	49,998	7,152,000	2,437,291	5,463,496	5,078,873	-	5,852,539	16,721,186	42,755,383	47,610,242

Measurement of Financial Instruments

Bank - 2013

	HFT	Designated at FVTPL	HTM	Amortised Cost	AFS	Others	TOTAL
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS							
Cash and cash equivalents		20,642,564					20,642,564
Balances with Central Banks		52,628,211					52,628,211
Placements with Banks			19,074,653				19,074,653
Financial assets at fair value through profit or loss	35,303,194						35,303,194
Loans and receivables to banks			36,770,036				36,770,036
Loans and receivables to other customers			602,208,531				602,208,531
Financial investments			119,102,453		466,400		119,568,853
Total financial assets	35,303,194	73,270,775	119,102,453	658,053,221	466,400	-	886,196,042
Other assets						19,543,781	19,543,781
Total assets							905,739,823
LIABILITIES							
Due to banks				91,615,048			91,615,048
Financial liabilities designated at fair value through profit or loss							-
Due to other customers				732,406,686			732,406,686
Other Borrowings				23,931,491			23,931,491
Current tax liabilities						615,454	615,454
Subordinated term debts				15,000,000			15,000,000
Total financial liabilities				862,953,225		615,454	863,568,679
Other Liabilities						12,114,993	12,114,993
Total Liabilities							875,683,671

Bank - 2012

	HFT	Designated at FVTPL	HTM	Amortised Cost	AFS	Others	TOTAL
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS							
Cash and cash equivalents		24,401,979					24,401,979
Balances with Central Banks		43,412,048					43,412,048
Placements with Banks			13,341,252				13,341,252

Measurement of Financial Instruments

Group - 2013

	HFT	Designated at FVTPL	HTM	Cost	AFS	Others	TOTAL
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS							
Cash and cash equivalents		20,896,651					20,896,651
Balances with Central Banks		52,628,211					52,628,211
Placements with Banks				20,328,436			20,328,436
Financial assets at fair value through profit or loss	35,600,340						35,600,340
Loans and receivables to banks				36,770,036			36,770,036
Loans and receivables to other customers				688,667,779			688,667,779
Financial investments			119,754,799		1,690,171		121,444,970
Total financial assets	35,600,340	73,524,862	119,754,799	745,766,252	1,690,171	-	976,336,424
Other assets						22,220,404	22,220,404
Total assets							998,556,827
LIABILITIES							
Due to banks				91,615,048			91,615,048
Financial liabilities designated at fair value through profit or loss							-
Due to other customers				754,435,577			754,435,577
Other Borrowings				76,239,675			76,239,675
Current tax liabilities						925,583	925,583
Subordinated term debts				15,000,000			15,000,000
Total financial liabilities				937,290,300		925,583	938,215,883
Other Liabilities						12,825,319	12,825,319
Total Liabilities							951,041,203

Group - 2012

	HFT	Designated at FVTPL	HTM	Cost	AFS	Others	TOTAL
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS							
Cash and cash equivalents		26,102,723					26,102,723
Balances with Central Banks		43,412,048					43,412,048

Financial assets at fair value through profit or loss	18,772,710					18,772,710
Loans and receivables to banks			35,350,098			35,350,098
Loans and receivables to other customers			611,414,267			611,414,267
Financial investments			78,522,570	27,977,489		106,500,059
Total financial assets	18,772,710	67,814,027	78,522,570	660,105,617	27,977,489	-
Other assets					19,914,190	19,914,190
Total assets						<u>873,106,603</u>
LIABILITIES						
Due to banks			94,124,713			94,124,713
Financial liabilities designated at fair value through profit or loss						-
Due to other customers			683,950,837			683,950,837
Other Borrowings			41,024,958			41,024,958
Current tax liabilities				1,860,689		1,860,689
Subordinated term debts			10,000,000			10,000,000
Total financial liabilities	-	-	829,100,508	-	1,860,689	830,961,196
Other Liabilities					12,940,620	12,940,620
Total Liabilities						<u>843,901,816</u>

Placements with Banks						13,341,252
Financial assets at fair value through profit or loss	19,002,137					19,002,137
Loans and receivables to banks			35,350,098			35,350,098
Loans and receivables to other customers			690,197,310			690,197,310
Financial investments			80,151,886	27,982,838		108,134,724
Total financial assets	0	0	19002136.57	69514770.91	80151885.86	73888659.9
Other assets						27982837.84
Total assets						25,319,788
LIABILITIES						
Due to banks						133,987,864
Financial liabilities designated at fair value through profit or loss						-
Due to other customers			708,896,611			708,896,611
Other Borrowings			40,740,098			40,740,098
Current tax liabilities						1,933,576
Subordinated term debts			10,000,000			10,000,000
Total financial liabilities	-	-	-	-	-	893,624,572
Other Liabilities						1,933,576
Total Liabilities						19,552,765
<u>915,110,913</u>						