



# PEOPLE'S BANK

## FINANCIAL STATEMENTS

PEOPLE'S BANK				
INCOME STATEMENT FOR THE QUARTER ENDED 30th SEPTEMBER				
BANK	2012		2011	
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Gross Income	68,485,596	69,549,972	34.2	78,558,086
Interest Income	59,371,118	45,242,220	31.7	71,064,770
Interest Income on Loans and Advances	5,043,221	35,436,562	44.0	62,515,599
Interest Income on Other Interest Earning Assets	8,527,897	9,805,638	(15.1)	8,549,171
Less: Interest Expenses	35,231,946	23,180,553	52.4	41,641,155
Interest Expenses on Deposits	20,865,684	10,867,716	49.9	23,955,129
Interest Expenses on Other Interest Bearing Liabilities	5,366,252	3,302,837	67.5	11,686,026
Net Interest Income	24,039,172	22,061,667	9.9	29,423,615
Non Interest Income	5,962,524	3,775,142	57.9	6,286,990
Foreign Exchange Income	1,889,743	653,823	184.3	1,809,743
Other Income	4,103,781	3,121,300	31.5	4,427,347
Less: Non-Interest Expenses	17,850,625	13,648,980	36.8	20,299,374
Personnel Costs	8,761,645	6,629,852	32.0	9,874,793
Provision for Staff Retirement Benefits	1,227,815	1,124,497	10.1	1,237,815
Premises Equipment and Establishment Expenses	3,207,242	2,661,125	23.9	3,527,586
Losses on Trade/Investment Securities	4,461,000	2,630,469	74.8	5,046,143
Less: Provision for Bad and Doubtful Debts and Loans With Provisions - General	1,080,950	204,857	427.7	1,185,132
Provisions - General	(18,852)	(100,000)	(100.0)	(1,596,536)
Provisions - Specific	9,919,664	78,072	146.7	9,946,874
Recognized	(1,151,954)	(511,568)	125.2	(1,159,748)
Other Provisions	-	-	-	(520,101)
Less: Provision for Decline in Value of Investments	702,138	65,351	1,188.5	702,138
Operating Profit on Ordinary Activities before Tax	10,367,985	12,529,621	(17.2)	13,523,063
Less: Value Added Tax on Financial Services	-	1,809,378	(100.0)	-
Operating Profit on Ordinary Activities before Corporate Tax	10,367,985	10,711,243	(3.3)	13,523,063
Share of Subsidiaries/Associate Companies' Profit	-	-	-	(48,131)
Operating Profit before Corporate Tax	10,367,985	10,711,243	(3.3)	13,474,932
Less: Tax on Profits on Ordinary Activities	3,624,424	3,748,935	(3.3)	4,763,176
Operating Profit after Corporate Tax	6,743,561	6,962,308	(3.3)	8,711,756
Minority Interest	-	-	-	(851,683)
Operating Profit for the Period	6,743,561	6,962,308	(3.3)	8,060,073

STATEMENT OF CHANGES IN EQUITY AND RESERVES - BANK FOR THE QUARTER ENDED 30th SEPTEMBER 2012												
Equity Capital	Ordinary Shares	Capital Reserve	Permanent Reserve	Reserves	Capital Reserve	Social Risk Reserve	General Reserve	Buildup Reserve	Investment Fund	Income Statement	Total	Total
Balance as at 01.01.2012	49,399	7,152,000	1,892,591	5,830,460	5,663	1,451,405	2,188,500	1,000	1,897,712	2,226,026	26,492,396	26,492,396
Issue of Shares/ Increase of assigned capital (Transch Capital)	-	-	-	-	-	-	-	-	-	-	-	-
Profit on liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	2,956,471	(6,738,581)	6,738,581	6,738,581
Transfer to Social Risk Reserve during the period	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Investment Fund	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid to GDS	-	-	-	-	-	-	-	-	-	-	-	-
Profit transfer to Head office	-	-	-	-	-	-	-	-	-	1164,767	(164,767)	(164,767)
Special Levy to Treasury	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30.09.2012	49,399	7,152,000	1,892,591	5,830,460	5,663	1,451,405	2,188,500	1,000	4,934,173	8,205,349	33,078,149	33,078,149

STATEMENT OF CHANGES IN EQUITY AND RESERVES - GROUP FOR THE QUARTER ENDED 30th SEPTEMBER 2012												
Equity Capital	Ordinary Shares	Capital Reserve	Permanent Reserve	Reserves	Capital Reserve	Social Risk Reserve	General Reserve	Buildup Reserve	Investment Fund	Income Statement	Total	Total
Balance as at 01.01.2012	49,399	7,152,000	1,892,591	5,830,460	5,663	1,451,405	2,188,500	1,000	2,233,900	17,526,520	38,128,037	38,128,037
Issue of Shares/ Increase of assigned capital (Transch Capital)	-	-	-	-	-	-	-	-	-	-	-	-
Profit on liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	-	8,060,093	8,060,093	8,060,093
Transfer to Social Risk Reserve during the period	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Investment Fund	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid to GDS	-	-	-	-	-	-	-	-	-	-	-	-
Profit transfer to Head office	-	-	-	-	-	-	-	-	-	1164,767	(164,767)	(164,767)
Special Levy to Treasury	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30.09.2012	49,399	7,152,000	1,892,591	5,830,460	5,663	1,451,405	2,188,500	1,000	6,231,331	26,488,787	46,811,759	46,811,759

SELECTED PERFORMANCE INDICATORS				
	BANK		GROUP	
	As at 30.09.2012	31.12.2011	As at 30.09.2012	31.12.2011
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital) (Rs. Mn)	20,425	20,460	37,333	36,617
Total Capital Base, (Rs. Mn)	31,951	31,552	51,305	49,714
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	8.9	9.6	11.6	11.6
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	14.0	14.8	15.9	15.7
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio, % (net of Interest in Suspense)	3.3	3.4	3.0	2.9
Net Non-Performing Advances Ratio, % (net of interest in suspense and provisions)	0.8	0.5	0.7	0.4
Profitability				
Interest Margin, %	4.4	5.0	4.9	5.5
Return on Assets (Before Tax) %	1.9	2.5	2.2	3.1
Return on Equity (After Tax) %	31.2	42.9	28.3	45.1
Regulatory Liquidity				
Statutory Liquid Assets, (Rs. Mn)	134,356	118,497		
Off-Shore Banking (See Note 10)	127,591	69,558		
Statutory Liquid Assets, Ratio % (Minimum Requirement, 20%)	21.1	21.5		
Domestic Banking Unit	21.1	24.0		
Off-Shore Banking Unit				

PEOPLES BANK				
BALANCE SHEET				
BANK	As at 30.09.2012		As at 31.12.2011	
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
On Balance Sheet Assets				
Cash-in-Hand	10,832,324	10,371,454	4.5	11,137,863
Balances with Central Bank of Sri Lanka/ Other Central Banks	41,306,657	35,717,033	15.6	41,306,657
Due from Banks and Other Financial Institutions	18,688,585	24,652,931	(24.3)	21,125,833
Investments - Trading Accounts	23,413,020	23,891,041	(2.0)	23,594,395
Government Securities	22,731,774	25,521,869	(11.3)	22,731,774
Other Securities	681,246	669,172	(2.6)	662,339
Investments - Held-to-Maturity (Net of provisions made for decline in investment value)	93,577,140	77,865,671	20.6	92,204,406
Government Securities	93,577,140	77,865,671	20.6	92,204,406
Other Securities	1,819,688	1,309,758	38.9	1,919,879
Less: Provisions for decline in Value of Investment	(4,472,236)	(1,568,331)	28.3	(4,472,236)
Investments in Associates and Subsidiaries	1,930,050	1,830,500	65.9	3,242,121
Loans and Advances	55,592,581	462,262,977	20.2	60,276,897
Performing Loans and Advances	54,732,418	462,262,977	20.2	59,600,325
Overdrafts	1,779,433	1,499,758	18.6	1,779,433
Loans Secured by Real Estate	1,444,743	1,499,758	18.6	1,444,743
Other Loans	34,227,142	33,133,659	3.3	34,280,540
Net Non-Performing Loans and Advances	18,912,235	16,061,589	17.7	19,975,228
Overdrafts	1,779,433	1,499,758	18.6	1,779,433
Loans Secured by Real Estate	1,444,743	1,499,758	18.6	1,444,743
Other Loans	16,488,059	13,062,073	25.6	16,723,042
Interest Receivables on NP Advances	3,422,142	3,133,659	9.3	3,422,142
Total Gross Loans and Advances	608,733,358	511,478,135	19.0	711,514,665
Less:				
Loans in Suspense	35,765,083	33,629,578	6.5	36,719,229
Specific Loan Loss Provisions	11,540,703	10,758,432	7.3	12,587,540
General Loan Loss Provisions	2,980,527	2,308,886	28.7	2,980,527
Net Loans and Advances	558,476,445	464,872,203	20.2	637,247,169
Other Assets	21,523,919	15,437,855	39.4	24,052,312
Intangible Assets	81,128	100,807	(23.0)	422,457
Prepayment Liases	305,325	305,325	-	305,325
Provision for Plant & Equipment/Net of Accumulated Depreciation	5,919,960	8,509,887	0.1	11,191,182
Total on Balance Sheet Assets	778,296,835	663,677,154	17.4	865,911,626
On Balance Sheet Liabilities				
Total Deposits	610,519,875	539,861,539	13.1	618,973,939
Current Deposits	39,059,853	42,561,389	(8.3)	42,522,813
Savings Deposits	235,346,711	232,208,102	1.3	236,038,669
General Deposits	333,113,311	265,092,048	25.7	340,412,457
Margin Deposits	2,746,212	12,978,793	(78.2)	12,978,793
Other Deposits	291,738	473,241	(59.4)	292,768
Total Borrowings	108,072,897	72,820,590	48.4	109,844,738
Borrowings from CBSL	3,127,372	3,064,715	2.0	3,127,372
Borrowings from Banks and Financial Institutions in Sri Lanka	235,346,711	232,208,102	67.6	236,038,669
Securities sold under Repurchase Agreements	21,981,815	16,307,644	34.8	21,294,300
Subordinated Term Deposits	10,000,000	10,000,000	-	10,000,000
Other Borrowings	764,944	77,944	104.4	77,944
Deferred Liabilities	395,568	314,682	25.7	1,297,238
Current Liabilities	5,223,885	2,868,539	(49.6)	2,738,827
Other Liabilities	26,114,600	20,778,455	25.2	34,071,261
Total on Balance Sheet Liabilities	747,286,495	636,581,808	17.4	816,913,004
Minority Interest	-	-	-	5,008,881
Equity Capital and Reserves	31,070,340	26,488,787	17.3	44,011,735
Share Capital/Reserve Capital	7,201,598	7,201,598	-	7,201,598
Statutory Reserve Fund	1,892,591	1,892,591	-	1,892,591
Other Reserves	21,976,151	17,494,598	26.3	34,917,546
Total on Balance Sheet Liabilities, Equity Capital and Reserves	778,296,835	663,677,154	17.4	865,911,626
Off-Balance Sheet Items and Contra Accounts				
Number of Off-Balance Sheet Items	173,232,189	191,025,367	(9.3)	173,232,189
Commitment and Contra Accounts	152,087,860	171,024,444	(11.1)	152,087,860
Commitment and Contra Accounts	21,144,329	20,000,923	5.7	21,144,329
Memorandum Information				
Number of Off-Balance Sheet Items	7,466	9,345	0.448	9,791
Number of Branches	344	341	404	359

NOTES:  
1. The above statements have been prepared in accordance with the format and definitions prescribed by the Central Bank of Sri Lanka.  
2. The information contained in these statements has been extracted from the audited financial statements of the Bank and has been prepared in accordance with Sri Lanka Accounting Standards.

(Sgt) Yohan Goon Head of Finance  
(Sgt) N. Vasanth Kumar Chief Executive Officer/General Manager  
(Sgt) W. Kiranathasan Chairman

10.08.2012  
Colombo.