

Financial Performance of Commercial Public Enterprises - 2003

1 Name & Address of the Enterprise:

PEOPLE'S BANK

No.75, Sir Chittampalam A. Gardiner Mawatha,
Colombo 02.

2 Mission:

Our mission is to exceed our customer expectation by providing a comprehensive, and competitive productivity range through a friendly staff.

3 Major Activities:

Leasing, deposit mobilization, lending and financial activities

4 Brief comments on performance

There has been a substantial improvement in performance of the Bank.

The Gross profits and Net profits have increased despite a decline in the Income.

Gross margin has increased over the four years, with improved gross profit ratios from 24.5% to 56%.

A net loss situation has turned out to be a net profit situation in 2001 which has further improved to a net profit of Rs.0.8Bn in 2002 and Rs 1.55Bn. in 2003.

Substantial increase in the asset base with corresponding increase in liabilities.

Bank equity continues to be negative despite substantial improvement.

The Bank's deposit base had grown by 11% to Rs.157Bn from Rs.142Bn in the last year.

The Bank's restructuring initiatives had continued during the year which has produced results.

The Bank has paid Rs 572mn as dividends on the restructuring bond and Rs.100mn as levy to the Consolidated Fund.

The Bank has now been identified as a Strategic Enterprise and brought under SEMA to improve the efficiency and effectiveness and financial viability of the enterprise.

5 Performance Trend

ABSOLUTE VALUES			2000	2001	2002	2003	2004 B
1	Total Non-Current Assets (WDV) as at end of yr.	(Rs.' Mn)	34,897	28,319	38,056	48,322	59,173
2	Total Current Assets as at end of year	(Rs.' Mn)	132,057	139,278	143,556	152,403	173,547
3	Total Equity as at end of year	(Rs.' Mn)	(6,309)	(6,001)	(3,136)	(1,245)	(771)
4	Total Non-Current Liabilities as at end of year	(Rs.' Mn)	3,316	3,555	3,832	4,033	4,000
5	Total Current Liabilities as at end of year	(Rs.' Mn)	169,947	170,042	180,916	197,936	229,491
6	Total Revenue for the year	(Rs.' Mn)	18,450	25,198	23,976	23,105	18,374
7	Gross Profit for the year	(Rs.' Mn)	7,940	9,941	10,331	13,003	12,510
8	Net Profit bef. Tax for the year	(Rs.' Mn)	(1,840)	308	788	1,555	2,057
9	Financial Charges for the year	(Rs.' Mn)	10,510	15,258	13,645	10,102	8,530
10	Total Capital Expenditure for the year	(Rs.' Mn)	420	294	415	563	1,595
11	Total Cost of Employment for the year	(Rs.' Mn)	4,823	4,738	4,899	6,268	6,188
12	Total Number of Employees as at end of year	(Nos.)	11,577	11,401	10,834	10,145	10,060
RATIOS							
a)	Net Profit bef. Tax to total Equity	(%)	29.16%	-5.14%	-25.12%	-124.94%	-266.80%
b)	Net Profit before tax & Fin. Charges to Tot. Assets	(%)	5.19%	9.29%	7.95%	5.81%	4.55%
c)	Total Cost of Employment per employee	(Rs.' 000)	416.64	415.62	452.21	617.81	615.11

CHECK the validity of the financial statements

1 Calculation of Equity

Total Non-Current Assets (WDV) as at end of yr.	(Rs.' 000)	#REF!	#REF!	34,897	28,319	38,056
Total Current Assets as at end of year	(Rs.' 000)	#REF!	#REF!	132,057	139,278	143,556
Total Assets	(Rs.' 000)	#REF!	#REF!	166,954	167,597	181,612
Total Non-Current Liabilities as at end of year	(Rs.' 000)	#REF!	#REF!	3,316	3,555	3,832
Total Current Liabilities as at end of year	(Rs.' 000)	#REF!	#REF!	169,947	170,042	180,916
Total Liabilities	(Rs.' 000)	#REF!	#REF!	173,263	173,597	184,748
Equity (Total Assets - Total Liabilities)	(Rs.' 000)	#REF!	#REF!	(6,309)	(6,001)	(3,136)
Equity as per line 7.3 of page 1	(Rs.' 000)	#REF!	#REF!	(6,309)	(6,001)	(3,136)
DIFERENCE	(Rs.' 000)	#REF!	#REF!	(0)	0	(0)

2 Current Assets to Current Liabilities

(Times)	#REF!	#REF!	0.78	0.82	0.79
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3 Total Revenue per Employee

(Rs.' 000)	#REF!	#REF!	2	2	2
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4 Total Assets per Employee

(Rs.' 000)	#REF!	#REF!	14	15	17
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5 Total Cost of Employment per Employee

(Rs.' 000)	#REF!	#REF!	0	0	0
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	68,798	
	9,625	
166,954	232,720	
166,954	(771)	
167,597	4,000	
167,597	229,491	
181,612	21,040	
181,612		
200,724	229,791	
200,724		1595828750
232,720	23,080	
232,720	89,284	
	41,772	
	479	
	1,202	
	155,817	
	14,567	
	24,000	
	800	
	15,946	
	40,746	

18,361
229,491
232,720