

Rupees in Thousands

Summarised Income Statement

	For the Year Ended 31st December			For the Quarter Ended 31st December		
	Change			Change		
	2 008	2 007	%	2 008	2 007	%
Interest Income	2,864,603	1,968,545	46	827,937	609,323	36
Interest Income on Loans and Advances	2,292,142	1,719,243	33	654,567	541,407	21
Interest Income on Other Interest Earning Assets	572,461	249,302	130	173,370	67,916	155
Less: Interest Expenses	1,798,442	1,223,534	47	511,242	371,914	37
Interest Expense on Deposits	1,471,146	987,023	49	397,555	321,918	23
Interest Expense on Other Interest Bearing Liabilities	327,296	236,511	38	113,687	49,996	127
Net Interest Income	1,066,161	745,011	43	316,695	237,409	33
Non - Interest Income	376,554	348,597	8	96,117	82,268	17
Foreign Exchange Income	71,866	90,246	(20)	8,623	10,550	(18)
Other Income	304,688	258,351	18	87,494	71,718	22
Less: Non - Interest Expenses	791,922	632,739	25	211,284	172,206	23
Personnel Costs	312,494	246,365	27	79,397	64,161	24
Provision for Staff Retirement Benefits	10,666	8,200	30	(1,885)	3,037	(162)
Premises, Equipment and Establishment Expenses	237,396	194,978	22	52,154	39,855	31
Loss on Trading / Investment Securities	-	-	-	-	-	-
Other Operating Expenses	231,366	183,196	26	81,618	65,153	25
Less: Provision for Bad and Doubtful Debts and Loans Written Off	95,451	60,380	58	34,852	32,436	7
Provisions - General	31,752	27,248	17	6,438	7,316	(12)
Provisions - Specific	110,137	82,128	34	45,731	54,534	(16)
Recoveries (-)	(31,976)	(41,939)	(24)	(17,064)	(25,237)	(32)
Provisions - Others	-	(3,307)	-	-	(3,307)	-
Loans Written Off / (Recovered)	(14,462)	(3,750)	286	(253)	(870)	(71)
Less: Provision for Decline in Value of Investments (Net)	-	-	-	-	-	-
Operating Profit on Ordinary Activities Before Taxes	555,342	400,489	39	166,676	115,035	45
Less: Value Added Tax on Financial Services	133,505	83,702	60	35,645	22,385	59
Operating Profit on Ordinary Activities Before Corporate Tax	421,837	316,787	33	131,031	92,650	41
Share of Subsidiaries/Associate Companies' Profit	-	-	-	-	-	-
Operating Profit Before Corporate Tax	421,837	316,787	33	131,031	92,650	41
Less: Tax on Profits on Ordinary Activities	198,204	100,712	97	66,317	6,999	848
Operating Profit for the Period	223,633	216,075	3	64,714	85,651	(24)
Basic Earnings Per Share (Rs.)	2.02	1.95	3	0.58	0.77	(24)

Rupees in Thousands

Summarised Balance Sheet		
	Current Period	Previous Period
	As at 31/12/2008	As at 31/12/2007
	Audited	Audited
On-Balance Sheet Assets		
Cash in Hand	420,720	506,285
Balances with Central Bank of Sri Lanka / Other Central Banks	1,034,643	1,184,144
Due from Banks and Other Financial Institutions	638,145	773,631
Investments - Trading Account	2,830,502	-
Government Securities	2,830,502	-
Other Securities	-	-
Investments - Held-to-Maturity (Net of provisions made for decline in investment value) (Excluding Investments in Associates and Subsidiaries)	1,037,873	1,983,133
Government Securities	911,513	1,979,993
Other Securities	126,360	3,140
Investments in Associates and Subsidiaries	-	-
Total Loans and Advances		
Total Performing Loans and Advances	11,218,085	9,789,720
Bills of Exchange	268,445	271,695
Overdrafts	4,221,254	4,425,686
Lease Rentals Receivable	580,748	782,767
Other Loans	6,147,638	4,309,572
Total Non-performing Loans and Advances	2,116,003	1,328,088
Bills of Exchange	25,592	20,683
Overdrafts	845,244	460,454
Lease Rentals Receivable	93,974	55,784
Other Loans	750,701	492,543
Interest Receivables	400,492	298,624
Total Gross Loans and Advances	13,334,088	11,117,808
Less:		
Suspended Interest	840,260	545,111
Specific Loan Loss Provisions	340,085	262,235
General Loan Loss Provisions	64,191	32,439
Net Loans and Advances	12,089,552	10,278,023
Other Assets	314,018	231,537
Intangible Assets	31,719	16,563
Investment Properties	-	-
Property, Plant & Equipments (Net of accumulated depreciation of fixed assets)	587,168	552,384
Total On Balance Sheet Assets	18,984,340	15,525,700
On-Balance Sheet Liabilities		
Total Deposits	14,448,367	12,130,213
Demand Deposits	2,298,987	2,367,073
Savings Accounts	2,227,956	1,344,329
Time Deposits	7,833,717	6,928,597
Margin Deposits	243,103	323,554
Other Deposits	1,844,604	1,166,660
Total Borrowings	1,510,412	809,038
Borrowings from CBSL	20,475	32,103
Borrowings from Banks and Financial Institutions in Sri Lanka	-	43,460
Borrowings from Banks and Financial Institutions Abroad	54,517	74,162
Securities sold under Repurchase Agreements	1,280,504	296,602
Subordinated Term Debts	110,810	303,789
Other Borrowings	44,106	58,922
Deferred Taxation	55,607	41,832
Current Taxation	121,564	58,809
Other Liabilities	1,256,546	1,034,617
Total On Balance Sheet Liabilities	17,392,496	14,074,509
Minority Interest	-	-
Equity Capital and Reserves	1,591,844	1,451,191
Stated Capital	1,106,404	1,106,404
Statutory Reserve Fund	42,446	31,265
Total Other Reserves	442,994	313,522
Total On-Balance Sheet Liabilities and Equity Capital and Reserves	18,984,340	15,525,700
Off-Balance Sheet Items and Contra Accounts	2,772,803	2,296,656
Contingencies	2,772,803	2,296,656
Commitments and Contra Accounts	-	-
Memorandum Information		
Number of Employees	507	546
Number of Branches/ Customer Service Centres	32	29

Cash Flow Statement

CASH FLOWS FROM OPERATING ACTIVITIES	2008	2007
Interest Received	2,713,179	1,954,129
Fees & Commission Received	284,651	249,695
Interest Payments	(1,684,691)	(1,082,157)
Exchange Income	71,865	90,246
Receipts from Other Operating Activities	9,015	8,656
Cash Payments to Employees & Suppliers	(496,208)	(396,612)
Payments on Other Operating Activities	(369,853)	(266,897)
Operating Profit before changes in Operating Assets	527,958	557,060
(Increase)/Decrease in Operating Assets		
Bills of Exchange	22,142	110,103
Loans and Advances	(2,023,315)	(2,278,298)
Other Assets	25,182	(81,298)
Lease Rentals Receivable	160,276	(136,695)
Money at Call and Short Notice	359,145	21,232
Treasury Bills / Bonds / Repos	(2,003,512)	(29,581)
	(2,932,124)	(1,837,477)
Increase/(Decrease) in Operating Liabilities		
Deposits	2,318,154	3,167,320
Other Liabilities	113,159	129,916
Borrowings	913,999	(731,944)
Net Cash from Operating Activities before Income Tax	413,188	727,815
Taxation Paid	(121,674)	(78,910)
Net Cash from Operating Activities	291,514	648,905
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in Commercial Papers	120,000	(170,000)
Investments in Securities	78,293	(2,000)
Purchase of Property, Plant & Equipment	(93,031)	(87,522)
Acquisition of Intangible Assets	(21,407)	(5,316)
Proceeds from Sale of Property, Plant & Equipment	151	887
Net Cash Flows Used in Investing Activities	84,006	(263,951)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Proposed Debentures	60,810	-
Redemption of Debentures	(253,789)	-
Dividends Paid	(82,980)	-
Net Cash used in Financing Activities	(275,959)	-
Net Increase/(Decrease) in Cash and Cash Equivalents	99,561	384,954
Cash and Cash Equivalents at the beginning of the period	1,394,444	1,009,490
Cash and Cash Equivalents at the end of the period	1,494,005	1,394,444
Reconciliation of Cash & Cash Equivalents		
Cash & Short Term Funds	843,933	612,330
Balances with Central Bank of Sri Lanka	704,589	856,276
Due to Foreign Banks	(54,517)	(74,162)
	1,494,005	1,394,444

Selected Performance Indicators

	Current Period As at 31/12/08 Audited	Previous Period As at 31/12/07 Audited
Regulatory Capital Adequacy	Bank	
	Basel II	Basel I
Core Capital (Tier 1 Capital), Rs. Mn	1,574	1,426
Total Capital Base, Rs. Mn	1,665	1,541
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	13.26%	14.92%
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	14.02%	16.13%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (without Interest in Suspense)	10.17%	7.35%
Net Non - Performing Advances Ratio, % (net of interest in suspense and provision)	6.94%	4.58%
Profitability (Annualized)		
Interest Margin, %	6.13%	5.23%
Return on Assets (After Tax). %	1.29%	1.52%
Return on Equity, %	14.80%	16.19%
Regulatory Liquidity		
Statutory Liquid Assets,-DBU Rs.Mn.	3,485	2,822
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	1.1	1.4
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	22.86%	22.58%
Off-Shore Banking Unit	29.83%	39.17%
Earnings per Share (Rs.)	2.02	1.95
Net Asset Value per Share (Rs.)	14.39	13.12

CERTIFICATION:

I certify that the above Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.

D. M. D. M. Dissanayake
(Sgd) Head of Finance

We, the undersigned, being the Chairman and Chief Executive Officer/ Director of Pan Asia Bank certify jointly that:-

- (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Monetary Board ; and
- (b) the information contained in these statements true and correct to the best of our knowledge and belief.

Kimarli Fernando
(Sgd) Chief Executive Officer / Director

A. G. Weerasinghe
(Sgd) Chairman

Date : 25/02/2009