

Summarised Income Statement

	For the Year ended 31st December		For the Quarter ended 31st December	
	2 007	2 006	2 007	2 006
	Interest Income	1,968,545	1,289,078	609,323
Interest Income on Loans and Advances	1,719,243	1,097,705	541,407	312,920
Interest Income on Other Interest Earning Assets	249,302	191,373	67,916	57,933
Less: Interest Expenses	1,223,534	753,996	371,914	220,596
Interest Expense on Deposits	987,023	587,086	321,918	164,817
Interest Expense on Other Interest Bearing Liabilities	236,511	166,910	49,996	55,779
Net Interest Income	745,011	535,082	237,409	150,257
Non - Interest Income	348,597	291,763	82,268	93,612
Foreign Exchange Income	90,246	90,878	10,550	34,362
Other Income	258,351	200,885	71,718	59,250
Less: Non - Interest Expenses	632,739	519,512	172,206	134,023
Personnel Costs	217,162	170,167	56,246	41,961
Provision for Staff Retirement Benefits	8,200	5,212	3,037	1,588
Premises, Equipment and Establishment Exps	208,038	188,921	45,377	41,170
Loss on Trading / Investment Securities	-	-	-	-
Other Operating Expenses	199,339	155,212	67,546	49,304
Less: Provision for Bad and Doubtful Debts and Loans Written Off	60,380	(12,434)	32,436	(13,943)
Provisions - General	27,248	5,191	7,316	5,191
Provisions - Specific	82,128	83,651	54,534	34,560
Recoveries (-)	(41,939)	(79,814)	(25,237)	(42,660)
Provisions - Others	(3,307)	2,128	(3,307)	2,128
Loans Written Off / (Recovered)	(3,750)	(23,590)	(870)	(13,162)
Less: Provision for Decline in Value of Investments (Net)	-	-	-	-
Operating Profit on Ordinary Activities Before Taxes	400,489	319,767	115,035	123,789
Less: Value Added Tax on Financial Services	83,702	69,600	22,385	22,848
Operating Profit on Ordinary Activities Before Corporate Tax	316,787	250,167	92,650	100,941
Share of Subsidiaries/Associate Companies' Profit	-	-	-	-
Operating Profit Before Corporate Tax	316,787	250,167	92,650	100,941
Less: Tax on Profits on Ordinary Activities	100,712	86,430	6,999	37,485
Operating Profit for the Period	216,075	163,737	85,651	63,456

Summarised Balance Sheet

	Current Period As at 31/12/2007	Previous Period As at 31/12/2006
On-Balance Sheet Assets		
Cash in Hand	506,285	355,500
Balances with Central Bank of Sri Lanka / Other Central Banks	1,184,144	972,810
Due from Banks and Other Financial Institutions	773,631	714,675
Investments - Trading Account	-	91,411
Government Securities	-	91,411
Other Securities	-	-
Investments - Held-to-Maturity (Net of provisions made for decline in investment value) (Excluding Investments in Associates and Subsidiaries)	1,983,133	1,799,435
Government Securities	1,979,993	1,798,295
Other Securities	3,140	1,140
Investments in Associates and Subsidiaries	-	-
Total Loans and Advances	9,737,019	7,443,909
Total Performing Loans and Advances	9,737,019	7,443,909
Bills of Exchange	271,695	303,614
Overdrafts	4,425,686	3,094,186
Lease Rentals Receivable	782,767	682,658
Other Loans	4,256,871	3,363,451
Total Non-performing Loans and Advances	1,328,088	1,198,930
Bills of Exchange	20,683	28,902
Overdrafts	460,454	376,059
Lease Rentals Receivable	55,784	26,959
Other Loans	492,543	483,808
Interest Receivables	298,624	283,202
Total Gross Loans and Advances	11,065,107	8,642,839
Less:		
Suspended Interest	545,111	496,774
Specific Loan Loss Provisions	262,235	225,816
General Loan Loss Provisions	32,439	5,191
Net Loans and Advances	10,225,322	7,915,058
Other Assets	284,238	247,065
Intangible Assets	16,563	18,830
Investment Properties	-	-
Property, Plant & Equipments (Net of accumulated depreciation of fixed assets)	552,384	511,097
Total On Balance Sheet Assets	15,525,700	12,625,880
On-Balance Sheet Liabilities		
Total Deposits	12,130,213	8,962,893
Demand Deposits	2,367,073	1,481,724
Savings Accounts	1,344,329	1,245,861
Time Deposits	6,928,597	4,930,369
Margin Deposits	323,554	301,888
Other Deposits	1,166,660	1,003,051
Total Borrowings	809,038	1,585,709
Borrowings from CBSL	32,103	43,474
Borrowings from Banks and Financial Institutions in Sri Lanka	43,460	-
Borrowings from Banks and Financial Institutions Abroad	74,162	118,889
Securities sold under Repurchase Agreements	296,602	1,119,557
Subordinated Term Debts	303,789	303,789
Other Borrowings	58,922	-
Deferred Taxation	41,832	34,080
Current Taxation	58,809	44,758
Other Liabilities	1,034,617	763,324
Total On Balance Sheet Liabilities	14,074,509	11,390,764
Minority Interest	-	-
Equity Capital and Reserves	1,451,191	1,235,116
Stated Capital	1,106,404	1,106,404
Statutory Reserve Fund	31,265	20,461
Total Other Reserves	313,522	108,251
Total On-Balance Sheet Liabilities and Equity Capital and Reserves	15,525,700	12,625,880
Off-Balance Sheet Items and Contra Accounts	2,296,656	1,733,704
Contingencies	2,296,656	1,733,704
Commitments and Contra Accounts	-	-
Memorandum Information		
Number of Employees	546	433
Number of Branches/Customer Service Centres	29	21

Cash Flow Statement

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	1,954,129	1,264,906
Fees & Commission Received	249,695	193,371
Interest Payments	(1,082,157)	(689,110)
Exchange Income	90,246	90,878
Receipts from Other Operating Activities	8,656	7,513
Cash Payments to Employees & Suppliers	(377,308)	(323,257)
Payments on Other Operating Activities	(286,202)	(227,548)
Operating Profit before changes in Operating Assets	557,059	316,753
(Increase)/Decrease in Operating Assets		
Bills of Exchange	110,103	6,937
Loans and Advances	(2,278,298)	(864,818)
Other Assets	(81,298)	28,329
Lease Rentals Receivable	(136,695)	(318,340)
Money at Call and Short Notice	21,232	(180,456)
Treasury Bills / Bonds / Repos	(29,581)	(84,607)
	(1,837,478)	(1,096,202)
Increase/(Decrease) in Operating Liabilities		
Deposits	3,167,321	862,176
Other Liabilities	129,916	(90,694)
Borrowings	(731,944)	84,535
Net Cash from Operating Activities before Income Tax	727,815	(240,185)
Taxation Paid	(78,910)	(52,090)
Net Cash from Operating Activities	648,905	(292,275)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in Commercial Papers	(170,000)	-
Purchase of Investment Securities	(2,000)	-
Purchase of Property, Plant & Equipment	(87,522)	(363,176)
Acquisition of Intangible Assets	(5,316)	(2,395)
Proceeds from Sale of Property, Plant & Equipment	887	18
Net Cash Flows Used in Investing Activities	(263,951)	(365,553)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Debentures	-	50,000
Right Issue of Shares	-	550,685
Net Cash used in Financing Activities	-	600,685
Net Increase/(Decrease) in Cash and Cash Equivalents	384,954	(57,143)
Cash and Cash Equivalents at the beginning of the period	1,009,490	1,066,633
Cash and Cash Equivalents at the end of the period	1,394,444	1,009,490
Reconciliation of Cash & Cash Equivalents		
Cash & Short Term Funds	612,330	424,319
Balances with Central Bank of Sri Lanka	856,276	704,060
Due to Foreign Banks	(74,162)	(118,889)
	1,394,444	1,009,490

Statement of Changes In Equity and Reserves - BANK

For the Period Ended (31/12/2007)	Stated Capital					Reserves					Total
	Ordinary Voting Shares	Ordinary Non-Voting Shares	Cumulative Redeemable Preference Shares	Assigned Capital	Share Premium	Reserve Fund	Revalu. Reserve	General Reserve	Other Reserve	Income Statement	
Balance as at 31/12/2005	555,719	-	-	-	-	12,271	55,084	-	-	(83,100)	539,974
Issue of Share/Increase of assigned capital	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	-	-
Rights Issue	550,685	-	-	-	-	-	-	-	-	-	550,685
Realisation of revaluation of Property, Plant & Equip	-	-	-	-	-	-	(3,716)	-	-	3,716	-
Net profit for the period	-	-	-	-	-	-	-	-	-	163,737	163,737
Transfer to reserves during the period	-	-	-	-	-	8,190	-	-	-	(8,190)	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Effect on transitional liability on adoption of Revised SLAS 14 relating to Revaluation Reserv	-	-	-	-	-	-	(19,280)	-	-	-	(19,280)
Balance as at 31/12/2006	1,106,404	-	-	-	-	20,461	32,088	-	-	76,163	1,235,116
Issue of Share/Increase of assigned capital	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	-	-
Rights Issue	-	-	-	-	-	-	-	-	-	-	-
Realisation of revaluation of Property, Plant & Equip	-	-	-	-	-	-	(6,495)	-	-	6,495	-
Net profit for the period	-	-	-	-	-	-	-	-	-	216,075	216,075
Transfer to reserves during the period	-	-	-	-	-	10,804	-	-	-	(10,804)	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31/12/2007	1,106,404	-	-	-	-	31,265	25,593	-	-	287,929	1,451,191

* Number of Ordinary Shares as at 31st December 2007, Voting -110,640,407

Selected Performance Indicators

	Current Period As at 31/12/07	Previous Period As at 31/12/06
Regulatory Capital Adequacy	Bank	
Core Capital (Tier 1 Capital), Rs. Mn	1,426	1,203
Total Capital Base, Rs. Mn	1,541	1,352
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	14.92%	16.35%
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	16.13%	18.37%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (without Interest in Suspense)	7.39%	8.47%
Net Non - Performing Advances Ratio, % (net of interest in suspense and provision)	4.61%	5.68%
Profitability		
Interest Margin, %	5.23%	4.72%
Return on Assets (After Tax). %	1.52%	1.44%
Return on Equity, %	16.19%	23.41%
Regulatory Liquidity		
Statutory Liquid Assets - DBU Rs.Mn.	2,822	2,010
Statutory Liquid Assets - Off Shore Banking Unit USD.Mn.	1.4	0.9
Statutory Liquid Assets Ratio, % , (Minimum Requirement, 20%)		
Domestic Banking Unit	22.58%	21.76%
Off-Shore Banking Unit	39.17%	25.29%
Earnings per Share	1.95	2.63
Net Asset Value per Share	13.12	11.16

CERTIFICATION:

We, the undersigned, being the Acting Chairman, Chief Executive Officer and SDGM/ Compliance Officer of PABC 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.

Claude Peiris
(Sgd)SDGM

R. Nadarajah
(Sgd) MD/GM/Chief Executive Officer

A G Weerasinghe
(Sgd) Acting Chairman

Date : 03/03/2008

EXPLANATORY NOTES

- (01) The above Balance Sheet and the Profit & Loss Account are drawn up from the audited accounts of the Bank.

These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards.

- (02) Revaluation Reserve amount in respect of Fixed Assets revalued except Motor Vehicles.

- (03) **Market Price of Shares**

MARKET VALUE	31/12/2007 (Rs.)		31/12/2006 (Rs.)	
	Voting	Non Voting	Voting	Non Voting
Market Value per Share as at 31/12/2007	10.25	--	10.50	--
Highest Price Per Share for the Quarter	11.00	--	16.50	--
Lowest Price Per Share for the Quarter	10.00	--	10.00	--