



INTERIM FINANCIAL STATEMENTS
For the 06 months ended 30th June 2009

Rupees in Thousands

Summarised Income Statement						
	For the Six months ended 30th June		Change	For the Quarter Ended 30th June		Change
	2 009	2 008	%	2 009	2 008	%
Interest Income	1,653,617	1,311,777	26	847,152	675,783	25
Interest Income on Loans and Advances	1,235,732	1,054,342	17	625,029	534,451	17
Interest Income on Other Interest Earning Assets	417,885	257,435	62	222,123	141,332	57
Less: Interest Expenses	1,005,783	836,741	20	498,161	433,134	15
Interest Expense on Deposits	869,244	703,289	24	438,569	363,980	20
Interest Expense on Other Interest Bearing Liabilities	136,539	133,452	2	59,592	69,154	(14)
Net Interest Income	647,834	475,036	36	348,991	242,649	44
Non - Interest Income	492,460	188,682	161	298,533	94,170	217
Foreign Exchange Income	38,977	45,484	(14)	11,893	21,914	(46)
Other Income	453,483	143,198	217	286,640	72,256	297
Less: Non - Interest Expenses	426,889	367,813	16	220,486	200,016	10
Personnel Costs	165,470	150,261	10	86,600	82,746	5
Provision for Staff Retirement Benefits	4,569	6,427	(29)	2,425	4,724	(49)
Premises, Equipment and Establishment Expenses	134,474	120,100	12	69,101	63,577	9
Loss on Trading / Investment Securities	-	-	-	-	-	-
Other Operating Expenses	122,376	91,025	34	62,360	48,969	27
Less: Provision for Bad and Doubtful Debts and Loans Written Off	162,939	28,709	468	81,416	14,068	479
Provisions - General	(6,062)	13,213	(146)	(8,720)	8,078	(208)
Provisions - Specific	179,265	36,638	389	93,868	22,634	315
Recoveries (-)	(13,879)	(7,063)	97	(7,417)	(2,888)	157
Provisions - Others	-	-	-	-	-	-
Loans Written Off / (Recovered)	3,615	(14,079)	(126)	3,685	(13,756)	(127)
Less: Provision for Decline in Value of Investments (Net)	-	-	-	-	-	-
Operating Profit on Ordinary Activities Before Taxes	550,466	267,196	106	345,622	122,735	182
Less: Value Added Tax on Financial Services	67,400	64,402	5	26,313	32,269	(18)
Operating Profit on Ordinary Activities Before Corporate Tax	483,066	202,794	138	319,309	90,466	253
Share of Subsidiaries/Associate Companies' Profit	-	-	-	-	-	-
Operating Profit Before Corporate Tax	483,066	202,794	138	319,309	90,466	253
Less: Tax on Profits on Ordinary Activities	183,917	90,089	104	112,619	44,129	155
Operating Profit for the Period	299,149	112,705	165	206,690	46,337	346
Basic Earnings Per Share (Rs.)	2.70	1.02	165	1.87	0.42	346

Summarised Balance Sheet			
	Current Period As at 30/06/2009	Previous Period As at 31/12/2008 Audited	Previous Period As at 30/06/2008
On-Balance Sheet Assets			
Cash in Hand	473,746	420,720	387,493
Balances with Central Bank of Sri Lanka / Other Central Banks	1,264,448	1,034,643	1,590,989
Due from Banks and Other Financial Institutions	290,038	638,145	769,881
Investments - Trading Account	4,124,400	2,830,502	1,963,536
Government Securities	4,124,400	2,830,502	1,963,536
Other Securities	-	-	-
Investments - Held-to-Maturity (Net of provisions made for decline in investment value) (Excluding Investments in Associates and Subsidiaries)	1,179,354	1,037,873	1,314,935
Government Securities	1,077,824	911,513	1,311,795
Other Securities	101,530	126,360	3,140
Investments in Associates and Subsidiaries	-	-	-
Total Loans and Advances			
Total Performing Loans and Advances	10,662,821	11,218,085	9,501,451
Bills of Exchange	125,560	268,445	250,357
Overdrafts	3,868,622	4,221,254	3,910,013
Lease Rentals Receivable	498,095	580,748	642,110
Other Loans	6,170,544	6,147,638	4,698,971
Total Non-performing Loans and Advances	2,564,188	2,116,003	1,906,778
Bills of Exchange	78,194	25,592	22,806
Overdrafts	900,999	845,244	761,488
Lease Rentals Receivable	78,388	93,974	91,670
Other Loans	1,032,914	750,701	664,898
Interest Receivables	473,693	400,492	365,916
Total Gross Loans and Advances	13,227,009	13,334,088	11,408,229
Less:			
Suspended Interest	920,965	840,260	690,958
Specific Loan Loss Provisions	505,941	340,085	291,606
General Loan Loss Provisions	58,151	64,191	45,655
Net Loans and Advances	11,741,952	12,089,552	10,380,010
Other Assets	422,577	314,018	371,744
Intangible Assets	37,704	31,719	33,372
Investment Properties	-	-	-
Property, Plant & Equipments (Net of accumulated depreciation of fixed assets)	587,454	587,168	566,533
Total On Balance Sheet Assets	20,121,673	18,984,340	17,378,493
On-Balance Sheet Liabilities			
Total Deposits	14,766,627	14,448,367	12,388,406
Demand Deposits	1,588,182	2,298,987	2,346,974
Savings Accounts	1,607,762	2,227,956	1,337,299
Time Deposits	9,069,326	7,833,717	7,354,194
Margin Deposits	188,630	243,103	215,312
Other Deposits	2,312,727	1,844,604	1,134,627
Total Borrowings	1,618,186	1,510,412	2,143,950
Borrowings from CBSL	17,719	20,475	26,448
Borrowings from Banks and Financial Institutions in Sri Lanka	379,800	-	53,885
Borrowings from Banks and Financial Institutions Abroad	136,766	54,517	102,580
Securities sold under Repurchase Agreements	973,091	1,280,504	1,494,485
Subordinated Term Debts	110,810	110,810	303,789
Other Borrowings	-	44,106	162,763
Deferred Taxation	55,607	55,607	51,632
Current Taxation	246,240	121,564	86,353
Other Liabilities	1,544,020	1,256,546	1,227,236
Total On Balance Sheet Liabilities	18,230,680	17,392,496	15,897,577
Minority Interest	-	-	-
Equity Capital and Reserves	1,890,993	1,591,844	1,480,916
Stated Capital (110,640,407 Ordinary Shares)	1,106,404	1,106,404	1,106,404
Statutory Reserve Fund	42,446	42,446	31,265
Total Other Reserves	742,143	442,994	343,247
Total On-Balance Sheet Liabilities and Equity Capital and Reserves	20,121,673	18,984,340	17,378,493
Off-Balance Sheet Items and Contra Accounts	2,398,721	2,772,803	1,755,792
Contingencies	2,398,721	2,772,803	1,755,792
Commitments and Contra Accounts	-	-	-
Net Asset Value per Share (Rs.)	17.09	14.39	13.38
Memorandum Information			
Number of Employees	491	507	537
Number of Branches	33	32	29

Statement of Changes In Equity and Reserves - BANK											
For the Period Ended (30/06/2009)	Stated Capital					Reserves					
	Ordinary Voting Shares	Ordinary Non-Voting Shares	Cumulative Redeemable Preference Shares	Assigned Capital	Share Premium	Reserve Fund	Revaluation Reserve	General Reserve	Other Reserve	Income Statement	Total
Balance as at 01/01/2008	1,106,404	-	-	-	-	31,265	25,593	-	-	287,929	1,451,191
Issue of Share/Increase of Assigned Capital	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	-	-
Rights Issue	-	-	-	-	-	-	-	-	-	-	-
Surplus on Revaluation of Property, Plant & Equip	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	-	-	112,705	112,705
Transfer to Reserves during the period	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	(82,980)	(82,980)
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30/06/2008	1,106,404	-	-	-	-	31,265	25,593	-	-	317,654	1,480,916
Balance as at 01/01/2009	1,106,404	-	-	-	-	42,446	17,858	-	-	425,136	1,591,844
Issue of Share/Increase of Assigned Capital	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	-	-
Rights Issue	-	-	-	-	-	-	-	-	-	-	-
Surplus on Revaluation of Property, Plant & Equip	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	-	-	299,149	299,149
Transfer to Reserves during the period	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30/06/2009	1,106,404	-	-	-	-	42,446	17,858	-	-	724,285	1,890,993

* Number of Ordinary Shares as at 30th June 2009, Voting -110,640,407

Rupees in Thousands

Cash Flow Statement

	From 01/01/09 To 30/06/09	From 01/01/08 To 30/06/08
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	1,613,819	1,273,654
Fees & Commission Received	319,900	143,198
Interest Payments	(1,010,016)	(775,860)
Exchange Income	38,977	45,484
Cash Payments to Employees & Suppliers	(266,908)	(244,393)
Payments on Other Operating Activities	(189,777)	(155,427)
Operating Profit before changes in Operating Assets	505,995	286,656
(Increase)/Decrease in Operating Assets		
Bills of Exchange	103,287	12,247
Loans and Advances	32,090	(299,896)
Other Assets	(194,207)	(218,544)
Lease Rentals Receivable	97,630	101,871
Money at Call and Short Notice	42,157	327,538
Treasury Bills / Bonds / Repos	(963,501)	(1,295,337)
	(376,549)	(1,085,465)
Increase/(Decrease) in Operating Liabilities		
Deposits	318,261	258,193
Other Liabilities	291,706	131,738
Borrowings	25,524	1,306,494
Net Cash from Operating Activities before Income Tax	258,942	610,960
Taxation Paid	(59,240)	(52,745)
Net Cash from Operating Activities	199,702	558,215
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in Commercial Papers	50,000	(205,000)
Investments in Securities	(440,295)	(52,600)
Purchase of Property, Plant & Equipment	(34,462)	(42,082)
Acquisition of Intangible Assets	(9,414)	(21,407)
Proceeds from Sale of Property, Plant & Equipment	-	137
Net Cash Flows Used in Investing Activities	(434,171)	(320,952)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends Paid	-	(82,980)
Net Cash used in Financing Activities	-	(82,980)
Net Increase/(Decrease) in Cash and Cash Equivalents	(234,469)	154,283
Cash and Cash Equivalents at the beginning of the period	1,494,005	1,394,444
Cash and Cash Equivalents at the end of the period	1,259,536	1,548,727
Reconciliation of Cash & Cash Equivalents		
Cash & Short Term Funds	550,824	557,348
Balances with Central Bank of Sri Lanka	845,478	1,093,959
Due to Foreign Banks	(136,766)	(102,580)
	1,259,536	1,548,727

Selected Performance Indicators

	Current Period As at 30/06/09	Previous Period As at 31/12/08 Audited
Regulatory Capital Adequacy	Bank	
Core Capital (Tier 1 Capital), Rs. Mn	1,574	1,574
Total Capital Base, Rs. Mn	1,654	1,665
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	14.13%	13.26%
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	14.85%	14.02%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (Without Interest in Suspense)	13.31%	10.17%
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	8.74%	6.94%
Profitability (Annualized)		
Interest Margin, %	6.63%	6.13%
Return on Assets (After Tax). %	3.06%	1.29%
Return on Equity, %	34.21%	14.80%
Regulatory Liquidity		
Statutory Liquid Assets,-DBU Rs.Mn.	5,130	3,485
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	0.5	1.1
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	31.77%	22.86%
Off-Shore Banking Unit	24.34%	29.83%

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 Central Bank of Sri Lanka ; 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 : 24/07/2009

EXPLANATORY NOTES

- (01) The above Financial Statements are drawn up from the unaudited accounts of the Bank, unless indicated as audited. 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 Land, Building and Motor Vehicles.
- (03) **Market Price of Shares**

MARKET VALUE	30/06/2009 (Rs.)		30/06/2008 (Rs.)	
	Voting	Non Voting	Voting	Non Voting
Market Value per Share as at 30/06/2009	13.75	--	12.75	--
Highest Price Per Share for the Quarter	15.50	--	13.75	--
Lowest Price Per Share for the Quarter	9.25	--	11.25	--

SHAREHOLDERS INFORMATION

MAJOR SHAREHOLDERS AS AT 30.06.2009

No	Name	No.of Shares	%
1	Mr. K D D Perera	33,181,058	29.99
2	Mr. J D C Coonghe	8,285,376	7.49
3	Mr. K D H Perera	5,826,500	5.27
4	Mr. P J. Tay	5,479,499	4.95
5	Mr. K D A Perera	4,800,000	4.34
6	Seylan Bank PLC / Thirugnanasambandar Senthilverl	3,646,100	3.30
7	Michelangelo Footwear Limited	3,640,000	3.29
8	HSBC Int'l NOM LTD ó UBS AG SINGAPORE Branch (ex. SBC)	3,441,800	3.11
9	Sri Lanka Savings Bank Limited	2,782,000	2.51
10	Prime Lands (Pvt) Ltd	2,627,200	2.37
11	Samurdhi Authority of Sri Lanka	2,557,188	2.31
12	Jayes Trading Co (Pvt) Ltd	2,147,500	1.94
13	First Capital Markets Ltd / Mr. W D N H Perera	1,601,875	1.45
14	Lizzola Holdings Limited	1,500,000	1.36
15	Mr. A M A R A Zalzalal	1,430,000	1.29
16	Bank of Ceylon A/C Ceybank Unit Trust	1,304,600	1.18
17	Mr.C.T. Maliduwapathirana	1,202,700	1.09
18	Favourite Garments Ltd	1,000,000	0.90
19	Mr. M. Sritharan	900,000	0.81
20	Alfred Edirisinghe Pvt Limited	850,000	0.77
		88,203,396	79.72
	Balance held by 1855 shareholders	22,437,011	20.28
	Total	110,640,407	100.00

As per the Rule No. 8.7(h) of the Colombo Stock Exchange, percentage of Public holding as at 30.06 2009 is 67.97%

DIRECTOR'S HOLDING IN SHARES AS AT 31ST DECEMBER 2008

No	Name of Director	No.of Shares
1	Mr. A G Weerasinghe	5,000
2	Mr. W D N H Perera	1,601,875
3	Ms. Kimarli Fernando	306,700
4	Ms. H V Amarasekera	-
5	Mr. J A S S Adhihetty	35,000
6	Mr. L Wickremarachi	20,000
7	Mr. J D C Coonghe	8,285,376
8	Mr. A A Page	40,000
9	Mr. R E U De Silva	-
10	Mr. M D S Goonatilleke	-