



INTERIM FINANCIAL STATEMENTS
For the 03 months ended 31st March 2010

Rupees in Thousands

Summarised Income Statement

	Current Period	Previous Period	Change
	From 01/01/10 To 31/03/10	From 01/01/09 To 31/03/09	%
Interest Income	667,740	806,465	(17)
Interest Income on Loans and Advances	486,277	610,703	(20)
Interest Income on Other Interest Earning Assets	181,463	195,762	(7)
Less: Interest Expenses	327,948	507,622	(35)
Interest Expense on Deposits	300,642	430,675	(30)
Interest Expense on Other Interest Bearing Liabilities	27,306	76,947	(65)
Net Interest Income	339,792	298,843	14
Non - Interest Income	91,825	193,927	(53)
Foreign Exchange Income	25,721	27,084	(5)
Other Income	66,104	166,843	(60)
Less: Non - Interest Expenses	243,160	206,403	17.8
Personnel Costs	100,278	78,870	27
Provision for Staff Retirement Benefits	2,818	2,144	31
Premises, Equipment and Establishment Expenses	76,292	65,373	17
Loss on Trading / Investment Securities	-	-	-
Other Operating Expenses	63,772	60,016	6
Less: Provision for Bad and Doubtful Debts and Loans Written Off	8,222	81,523	(90)
Provisions - General	7,839	2,658	195
Provisions - Specific	10,751	85,397	(87)
Recoveries (-)	(11,868)	(6,462)	84
Provisions - Others	-	-	-
Loans Written Off / (Recovered)	1,500	(70)	(2,243)
Less: Provision for Decline in Value of Investments (Net)	-	-	-
Operating Profit on Ordinary Activities Before Taxes	180,235	204,844	(12)
Less: Value Added Tax on Financial Services	47,452	41,087	15
Operating Profit on Ordinary Activities Before Corporate Tax	132,783	163,757	(19)
Share of Subsidiaries/Associate Companies' Profit	-	-	-
Operating Profit Before Corporate Tax	132,783	163,757	(19)
Less: Tax on Profits on Ordinary Activities	65,275	71,298	(8)
Operating Profit for the Period	67,508	92,459	(27)
Basic Earnings Per Share (Rs.)	0.61	0.84	(27)

Summarised Balance Sheet

	Current Period As at 31/03/2010	Previous Period As at 31/12/2009 Audited
On-Balance Sheet Assets		
Cash in Hand	748,471	563,463
Balances with Central Bank of Sri Lanka / Other Central Banks	1,285,719	1,317,769
Due from Banks and Other Financial Institutions	1,380,874	1,128,130
Investments - Trading Account	2,821,251	3,717,105
Government Securities	2,821,251	3,717,105
Other Securities	-	-
Investments - Held-to-Maturity (Net of provisions made for decline in investment value)	2,758,632	3,014,482
(Excluding Investments in Associates and Subsidiaries)		
Government Securities	2,695,596	2,940,596
Other Securities	63,036	73,886
Investments in Associates and Subsidiaries	-	-
Total Loans and Advances		
Total Performing Loans and Advances	11,326,528	9,872,088
Bills of Exchange	158,954	132,359
Overdrafts	3,710,188	3,470,674
Lease Rentals Receivable	446,000	480,964
Other Loans	7,011,386	5,788,091
Total Non-performing Loans and Advances	2,634,750	2,516,698
Bills of Exchange	38,635	39,337
Overdrafts	928,443	844,665
Lease Rentals Receivable	76,696	84,104
Other Loans	1,006,567	1,021,957
Interest Receivables	584,409	526,635
Total Gross Loans and Advances	13,961,278	12,388,786
Less:		
Suspended Interest	1,082,925	1,002,630
Specific Loan Loss Provisions	482,688	496,990
General Loan Loss Provisions	67,644	59,795
Net Loans and Advances	12,328,021	10,829,371
Other Assets	224,460	356,817
Intangible Assets	34,424	36,127
Investment Properties	-	-
Property, Plant & Equipments (Net of accumulated depreciation of fixed assets)	594,424	595,564
Total On Balance Sheet Assets	22,176,276	21,558,828
On-Balance Sheet Liabilities		
Total Deposits	16,581,732	16,328,703
Demand Deposits	2,880,459	3,207,311
Savings Accounts	2,081,358	2,083,448
Time Deposits	9,393,157	8,998,190
Margin Deposits	346,218	326,028
Other Deposits	1,880,540	1,713,726
Total Borrowings	1,627,607	1,376,779
Borrowings from CBSL	12,142	12,856
Borrowings from Banks and Financial Institutions in Sri Lanka	331,054	214,460
Borrowings from Banks and Financial Institutions Abroad	187,036	281,658
Securities sold under Repurchase Agreements	1,047,375	817,805
Subordinated Term Debts	50,000	50,000
Other Borrowings	-	-
Deferred Taxation	6,627	10,527
Current Taxation	268,000	245,564
Other Liabilities	1,645,142	1,617,594
Total On Balance Sheet Liabilities	20,129,108	19,579,167
Minority Interest	-	-
Equity Capital and Reserves	2,047,168	1,979,661
Stated Capital	1,106,404	1,106,404
Statutory Reserve Fund	61,837	61,837
Total Other Reserves	878,927	811,420
Total On-Balance Sheet Liabilities and Equity Capital and Reserves	22,176,276	21,558,828
Off-Balance Sheet Items and Contra Accounts	2,799,211	3,151,959
Contingencies	2,799,211	3,151,959
Commitments and Contra Accounts	-	-
Net Asset Value per Share (Rs.)	18.50	17.89
Memorandum Information		
Number of Employees	553	511
Number of Branches	37	35

Statement of Changes In Equity and Reserves - BANK

For the Period Ended (31/03/2010)	Stated Capital					Reserves					Total
	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	
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	-	-	-	-	-	-	-	-	-	92,459	92,459
Transfer to Reserves during the period	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31/03/2009	1,106,404	-	-	-	-	42,446	17,858	-	-	517,595	1,684,303
Balance as at 01/01/2010	1,106,404	-	-	-	-	61,837	5,646	-	-	805,773	1,979,660
Issue of Share/Increase of Assigned Capital	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	-	-
Rights Issue	-	-	-	-	-	-	-	-	-	-	-
Surplus on Revaluation of Property, Plant & Equip	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	-	-	67,508	67,508
Transfer to Reserves during the period	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31/03/2010	1,106,404	-	-	-	-	61,837	5,646	-	-	873,281	2,047,168

* Number of Ordinary Shares as at 31st March 2010, Voting -110,640,407

Rupees in Thousands

Cash Flow Statement

	From 01/01/10 To 31/03/10	From 01/01/09 To 31/03/09
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	761,238	797,585
Fees & Commission Received	77,924	88,358
Interest Payments	(374,663)	(532,927)
Exchange Income	25,721	27,084
Cash Payments to Employees & Suppliers	(158,291)	(127,997)
Payments on Other Operating Activities	(111,223)	(101,102)
Operating Profit before changes in Operating Assets	220,706	151,001
(Increase)/Decrease in Operating Assets		
Bills of Exchange	6,279	48,267
Loans and Advances	(1,532,068)	65,258
Other Assets	153,963	31,413
Lease Rentals Receivable	42,373	108,013
Treasury Bills / Bonds / Repos	785,405	(1,087,218)
	(323,342)	(683,266)
Increase/(Decrease) in Operating Liabilities		
Deposits	253,030	(1,088,881)
Other Liabilities	74,262	(35,438)
Borrowings	345,450	2,113,097
Net Cash from Operating Activities before Income Tax	349,400	305,512
Taxation Paid	(46,739)	(33,637)
Net Cash from Operating Activities	302,661	271,875
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments/Realisation in Commercial Papers	-	50,000
Investments in Securities	13,975	(291,518)
Purchase of Property, Plant & Equipment	(18,160)	(28,565)
Acquisition of Intangible Assets	(101)	(8,157)
Proceeds from Sale of Property, Plant & Equipment	5	-
Net Cash Flows Used in Investing Activities	(4,281)	(278,240)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Proposed Debentures	-	-
Redemption of Debentures	-	-
Dividends Paid	-	-
Net Cash used in Financing Activities	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	298,380	(6,365)
Cash and Cash Equivalents at the beginning of the period	1,208,392	1,553,162
Cash and Cash Equivalents at the end of the period	1,506,772	1,546,797
Reconciliation of Cash & Cash Equivalents		
Cash & Short Term Funds	793,681	782,436
Balances with Central Bank of Sri Lanka	900,127	882,000
Due to Foreign Banks	(187,036)	(117,639)
	1,506,772	1,546,797

Selected Performance Indicators

	Current Period As at 31/03/10	Previous Period As at 31/12/09 Audited
Regulatory Capital Adequacy	Bank	
Core Capital (Tier 1 Capital), Rs. Mn	1,974	1,974
Total Capital Base, Rs. Mn	2,056	2,050
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	15.00%	15.94%
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	15.62%	16.56%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (Without Interest in Suspense)	11.96%	13.17%
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	7.72%	8.33%
Profitability (Annualized)		
Interest Margin, %	6.29%	6.42%
Return on Assets (After Tax). %	1.25%	1.94%
Return on Equity, %	13.34%	20.86%
Regulatory Liquidity		
Statutory Liquid Assets,-DBU Rs.Mn.	6,462	7,040
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	0.7	0.4
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	35.23%	41.69%
Off-Shore Banking Unit	46.92%	26.43%

CERTIFICATION:

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

(Sgd)

Mangala Gamage
Chief Financial Officer

We, the undersigned, being the Chairman, Deputy Chairman and Acting Chief Executive Officer 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.

(Sgd)
Claude Peiris
Acting Chief Executive Officer

(Sgd)
W.D.N.H. Perera
Deputy Chairman

(Sgd)
A. G. Weerasinghe
Chairman

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) No material events have been taken place since 31st March 2010 that require disclosures or/ and adjustments in the Financial Statements, except for following event:
Rights Issue-The bank issued 36,880,136 number of shares at Rs 12/- per share. The Issue was opened on 08th April 2010 and Closed on 27th April 2010 which was over subscribed.
- (04) There has not been significant changes in the nature of Contingent Liabilities which were disclosed in the Annual Report for the year ended 2009.
- (05) There are no changes to the accounting policies and methods of computation since the publication of the Annual Report for the year ended 2009.
- (06) **Market Price of Shares**

MARKET VALUE	31/03/2010 (Rs.)		31/03/2009 (Rs.)	
	Voting	Non Voting	Voting	Non Voting
Market Value per Share	18.75	--	9.50	--
Highest Price Per Share for the Quarter	24.25	--	11.75	--
Lowest Price Per Share for the Quarter	18.75	--	9.00	--

SHAREHOLDERS INFORMATION

MAJOR SHAREHOLDERS AS AT 31.03.2010

No	Name	No.of Shares	%
1	Mr. K D D Perera	33,181,058	29.99
2	Mr. J D C Coonghe	8,161,576	7.38
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	Michelangelo Footwear Limited	3,640,000	3.29
7	HSBC Int'l NOM LTD – UBS AG SINGAPORE Branch (ex. SBC)	3,441,800	3.11
8	Sri Lanka Savings Bank Limited	2,782,000	2.51
9	Samurdhi Authority of Sri Lanka	2,557,188	2.31
10	First Capital Markets Ltd / Mr. W D N H Perera	1,601,875	1.45
11	Mr. A M A R A Zalzalah	1,430,000	1.29
12	Almar Trading Co (Pvt) Ltd	1,303,900	1.18
13	Dr. T.Senthilvel	1,267,000	1.15
14	Lizzola Holdings Limited	1,057,900	0.96
15	Favourite Garments Ltd	1,050,000	0.95
16	Jayes Trading Company (Pvt) Ltd.	850,000	0.77
17	Mr.Y.S.H.I.K.Silva	811,700	0.73
18	Haguranketha Samurdhi Maha Sangamaya	800,000	0.72
19	Attanagalle Samurdhi Maha Sangamaya	800,000	0.72
20	Mr. B C Tay	800,000	0.72
		81,641,996	73.79
	Others	28,998,411	26.21
	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 31.03 2010 is 68.3%

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES AS AT 31ST DECEMBER 2009

No	Name of Director	No.of Shares
1	Mr. A G Weerasinghe	17,300
2	Mr. W D N H Perera	1,601,875
3	Mr. J A S S Adhihetty	35,000
4	Mr. A A Page	40,000
5	Mr. R E U De Silva	-
6	Mr. M D S Goonatilleke	-
7	Ms. Kimarli Fernando	175,000
8	Mr. T C Peiris (Acting Chief Executive Officer)	-