



**INTERIM FINANCIAL STATEMENTS**  
**For the 03 months ended 31st March 2013**

Income Statement			
	Current Period From 01/01/13 To 31/03/13	Previous Period From 01/01/12 To 31/03/12	Change %
Interest Income	1,967,605	1,435,650	37
Interest Expense	(1,430,092)	(819,997)	74
<b>Net Interest Income</b>	<b>537,513</b>	<b>615,653</b>	<b>(13)</b>
Fees and Commission Income	133,946	149,663	(11)
Fees and Commission Expense	(2,558)	(7,907)	(68)
<b>Net Fee and Commission Income</b>	<b>131,388</b>	<b>141,756</b>	<b>(7)</b>
Net Gain/(Loss) from Trading	21,179	(5,959)	455
Net Gain/(Loss) from Financial Instruments Designated at Fair Value through Profit or Loss	-	-	-
Net Gain/(Loss) from Financial Investments	-	-	-
Other Operating Income (Net)	58,423	77,872	(25)
<b>Total Operating Income</b>	<b>748,503</b>	<b>829,322</b>	<b>(10)</b>
Impairment for Loans and Other Losses			
Individual Impairment	(11,460)	(20,628)	(44)
Collective Impairment	(26,854)	(7,222)	272
Others	-	-	-
<b>Net Operating Income</b>	<b>710,189</b>	<b>801,472</b>	<b>(11)</b>
Personnel Expenses	246,020	212,965	16
Depreciation and Amortisation	40,233	30,475	32
Other Expenses	242,409	196,822	23
<b>Operating Profit / (Loss) before Value Added Tax</b>	<b>181,527</b>	<b>361,210</b>	<b>(50)</b>
Value Added Tax on Financial Services	39,269	54,998	(29)
<b>Operating Profit / (Loss) after Value Added Tax</b>	<b>142,258</b>	<b>306,212</b>	<b>(54)</b>
Share of Profits of Associates and Joint Ventures	-	-	-
<b>Profit/(loss) before tax</b>	<b>142,258</b>	<b>306,212</b>	<b>(54)</b>
Tax Expense	(9,192)	107,550	(109)
<b>Profit / (Loss) for the Period</b>	<b>151,450</b>	<b>198,662</b>	<b>(24)</b>
Earnings Per Share - Basic / Diluted (Rs.)	2.08	2.71	

<b>Statement of Comprehensive Income</b>			
	<b>Current Period From 01/01/13 To 31/03/13</b>	<b>Previous Period From 01/01/12 To 31/03/12</b>	<b>Change %</b>
<b>Profit / (Loss) for the Period</b>	<b>151,450</b>	<b>198,662</b>	<b>(24)</b>
<b>Other Comprehensive Income, Net of Tax</b>			
Changes in Revaluation Surplus	-	-	-
Actuarial Gains / (Losses) on Defined Benefit Plans	-	-	-
Gains and Losses on Re-measuring Available-for-Sale Financial Assets	-	-	-
Gains and Losses on Cash Flow Hedges	-	-	-
Others	-	-	-
<b>Other Comprehensive Income for the Period, Net of Taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Period</b>	<b>151,450</b>	<b>198,662</b>	<b>(24)</b>

Statement of Financial Position			
	Current Period As at 31/03/2013	Previous Period As at 31/12/2012 Audited	Change %
<b>Assets</b>			
Cash and Cash Equivalents	1,639,678	1,203,052	36
Balances with Central Banks	3,648,091	3,516,871	4
Placements with Banks	2,858,740	500,135	472
Derivative Financial Instruments	6,242	52	11,904
Other Financial Assets Held-for-Trading	10,945	12,381	(12)
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-
Loans and Receivables to Banks	1,653,466	-	100
Loans and Receivables to Other Customers	44,077,883	43,213,363	2
Financial Investments - Available for Sale	6,158	6,158	-
Financial Investments - Held to Maturity	2,385,479	4,896,054	(51)
Property, Plant and Equipment	1,207,227	1,224,239	(1)
Investment Properties	-	-	-
Intangible Assets	71,427	73,582	(3)
Deferred Tax Assets	-	-	-
Other Assets	1,094,895	1,428,405	(23)
<b>Total Assets</b>	<b>58,660,231</b>	<b>56,074,292</b>	<b>5</b>
<b>Liabilities</b>			
Due to Banks	150,332	895,326	(83)
Derivative Financial Instruments	-	632	(100)
Other Financial Liabilities Held-for-Trading	-	-	-
Financial Liabilities Designated at Fair Value through Profit or Loss	-	-	-
Due to Other Customers	50,769,770	47,911,087	6
Other Borrowings	914,250	226,320	304
Current Tax Liabilities	112,058	151,315	(26)
Deferred Tax Liabilities	111,422	177,130	(37)
Other Provisions and Accruals	79,752	82,758	(4)
Other Liabilities	1,676,477	1,611,304	4
Subordinated Term Debts	757,168	785,827	(4)
<b>Total Liabilities</b>	<b>54,571,229</b>	<b>51,841,699</b>	<b>5</b>
<b>Equity</b>			
Stated Capital	1,548,966	1,548,966	-
Statutory Reserve Fund	163,518	163,518	-
Retained Earnings	1,988,368	2,171,841	(8)
Other Reserves	388,150	348,268	11
<b>Total Equity</b>	<b>4,089,002</b>	<b>4,232,593</b>	<b>(3)</b>
<b>Total Equity and Liabilities</b>	<b>58,660,231</b>	<b>56,074,292</b>	<b>5</b>
Commitments and Contingencies	<b>21,168,905</b>	<b>13,743,919</b>	<b>54</b>
<b>Net Asset Value per Share (Rs.)</b>	<b>13.86</b>	<b>14.35</b>	<b>(3)</b>
<b>Memorandum Information</b>			
Number of Employees	1,171	1,153	
Number of Branches	73	73	

In Rupees Thousands

## Statement of Changes In Equity

	Stated Capital*			Reserves				Total
	Ordinary Voting Shares	Ordinary Non-Voting Shares	Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	Investment Fund	Retained Earnings	
<b>Balance as at 01/01/2012</b>	1,548,966	-	-	120,515	-	161,747	1,849,458	3,680,686
Profit/(Loss) for the Year	-	-	-	-	-	-	198,662	198,662
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	-	<b>198,662</b>	<b>198,662</b>
<b>Transactions with equity holders, Recognised Directly in Equity</b>								
Share Issue /Increase of Assigned Capital	-	-	-	-	-	-	-	-
Share Options Exercised	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-
Rights Issue	-	-	-	-	-	-	-	-
Transfer to Reserve during the period	-	-	-	-	-	-	-	-
Dividends to Equity Holders	-	-	-	-	-	-	(295,041)	(295,041)
Gain/(loss) on Revaluation of Property, Plant and Equipment	-	-	-	-	-	-	-	-
Transfer to Investment Fund	-	-	-	-	-	46,231	(46,231)	-
<b>Total Transactions with Equity Holders</b>	-	-	-	-	-	<b>46,231</b>	<b>(341,272)</b>	<b>(295,041)</b>
<b>Balance as at 31/03/2012</b>	<b>1,548,966</b>	-	-	<b>120,515</b>	-	<b>207,978</b>	<b>1,706,848</b>	<b>3,584,307</b>
<b>Balance as at 01/01/2013</b>	1,548,966	-	-	163,518	-	348,269	2,171,840	4,232,593
Profit for the Year	-	-	-	-	-	-	151,450	151,450
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	-	<b>151,450</b>	<b>151,450</b>
<b>Transactions with equity holders, Recognised Directly in Equity</b>								
Share Issue /Increase of Assigned Capital	-	-	-	-	-	-	-	-
Share Options Exercised	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-
Rights Issue	-	-	-	-	-	-	-	-
Transfer to Reserve during the period	-	-	-	-	-	-	-	-
Dividend to Equity Holders	-	-	-	-	-	-	(295,041)	(295,041)
Gain/(loss) on Revaluation of Property, Plant and Equipment	-	-	-	-	-	-	-	-
Transfer to Investment Fund	-	-	-	-	-	39,881	(39,881)	-
<b>Total Transactions with Equity Holders</b>	-	-	-	-	-	<b>39,881</b>	<b>(334,922)</b>	<b>(295,041)</b>
<b>Balance as at 31/03/2013</b>	<b>1,548,966</b>	-	-	<b>163,518</b>	-	<b>388,150</b>	<b>1,988,368</b>	<b>4,089,002</b>

\* Number of Ordinary Shares as at 31st March 2013, Voting -295,041,086

In Rupees Thousands

<b>Statement of Cash Flows</b>		
	<b>Current Period From 01/01/13 To 31/03/13</b>	<b>Previous From 01/01/12 To 31/03/12</b>
<b>Cash Flows from Operating Activities</b>		
Profit before Tax	142,258	306,211
<i>Adjustment for:</i>		
Non Cash Items Included in Profit before Tax	86,545	64,128
Change in Operating Assets	(2,358,764)	(3,660,181)
Change in Operating Liabilities	2,857,316	829,874
Net Gains from Investing Activities	-	-
Interest Expense on Subordinated Debt	29,865	3,257
Gratuity Paid	(941)	(650)
Income Tax Paid	(95,773)	(75,725)
<b>Net Cash Generated from / (Used in) Operating Activities</b>	<b>660,506</b>	<b>(2,533,086)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(21,042)	(77,438)
Proceeds from the Sale of Property, Plant and Equipment	7	-
Purchase of Financial Investments	-	-
Proceeds from the Sale and Maturity of Financial Investments	2,510,575	1,362,535
Net Purchase of Intangible Assets	(1,249)	(2,660)
Net Cash Flow from Acquisition of Investment in Subsidiaries and Associates	-	-
Net Cash Flow from Disposal of Subsidiaries	-	-
Proceeds from Disposal of Associates and Joint Ventures	-	-
Dividends Received from Investment in Subsidiaries and Associates	-	-
Others	-	-
<b>Net Cash (Used in) / from Investing Activities</b>	<b>2,488,291</b>	<b>1,282,437</b>
<b>Cash Flows from Financing Activities</b>		
Net Proceeds from the Issue of Ordinary Share Capital	-	-
Net Proceeds from the Issue of Other Equity Instruments	-	-
Net Proceeds from the Issue of Subordinated Debt	-	750,000
Repayment of Subordinated Debt	-	-
Interest Paid on Subordinated Debt	(58,524)	(394)
Dividend Paid to Equity Holders	(295,041)	-
<b>Net Cash from / (Used in) Financing Activities</b>	<b>(353,565)</b>	<b>749,606</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>2,795,232</b>	<b>(501,043)</b>
Cash and Cash Equivalents at the beginning of the Period	1,703,187	2,430,150
Exchange Difference in Respect of Cash & Cash Equivalents	-	-
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>4,498,419</b>	<b>1,929,107</b>

In Rupees Thousands

Measurement of Financial Instruments - Bank							
As at 31.03.2013	Held for Trading	Designated at Fair Value	Held to Maturity At Amortised Cost	Loans & Receivables- At Amortised Cost	Available for Sale	Derivative Financial Instruments	Total
<b>Financial Assets</b>							
Cash and Cash Equivalents	-	-	-	1,639,678	-	-	1,639,678
Balances with Central Banks	-	-	-	3,648,091	-	-	3,648,091
Placements with Banks	-	-	-	2,858,740	-	-	2,858,740
Derivative Financial Instruments	-	-	-	-	-	6,242	6,242
Other Financial Assets at Fair Value through Profit or Loss	10,945	-	-	-	-	-	10,945
Loans and Receivables to Banks	-	-	-	1,653,466	-	-	1,653,466
Loans and Receivables to Other Customers	-	-	-	44,077,883	-	-	44,077,883
Financial Investments	-	-	2,385,479	-	6,158	-	2,391,637
<b>Total Financial Assets</b>	<b>10,945</b>	<b>-</b>	<b>2,385,479</b>	<b>53,877,858</b>	<b>6,158</b>	<b>6,242</b>	<b>56,286,682</b>
<b>Financial Liabilities</b>							
Due to Banks	-	-	-	150,332	-	-	150,332
Derivative Financial Instruments	-	-	-	-	-	-	-
Other Financial Liabilities at Fair Value through Profit or Loss	-	-	-	-	-	-	-
Due to Other Customers	-	-	-	50,769,770	-	-	50,769,770
Other Borrowings	-	-	-	914,250	-	-	914,250
Debt Securities Issued	-	-	-	757,168	-	-	757,168
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,591,520</b>	<b>-</b>	<b>-</b>	<b>52,591,520</b>

## Measurement of Financial Instruments - Bank

As at 31.12.2012	Held for Trading	Designated at Fair Value	Held to Maturity At Amortised Cost	Loans & Receivables- At Amortised Cost	Available for Sale	Derivative Financial Instruments	Total
<b>Financial Assets</b>							
Cash and Cash Equivalents	-	-	-	1,203,052	-	-	1,203,052
Balances with Central Banks	-	-	-	3,516,871	-	-	3,516,871
Placements with Banks	-	-	-	500,135	-	-	500,135
Derivative Financial Instruments	-	-	-	-	-	52	52
Other Financial Assets at Fair Value through Profit or Loss	12,381	-	-	-	-	-	12,381
Loans and Receivables to Banks	-	-	-	-	-	-	-
Loans and Receivables to Other Customers	-	-	-	43,213,363	-	-	43,213,363
Financial Investments	-	-	4,896,054	-	6,158	-	4,902,212
<b>Total Financial Assets</b>	<b>12,381</b>	<b>-</b>	<b>4,896,054</b>	<b>48,433,421</b>	<b>6,158</b>	<b>52</b>	<b>53,348,066</b>
<b>Financial Liabilities</b>							
Due to Banks	-	-	-	895,326	-	-	895,326
Derivative Financial Instruments	-	-	-	-	-	632	632
Other Financial Liabilities at Fair Value through Profit or Loss	-	-	-	-	-	-	-
Due to Other Customers	-	-	-	47,911,087	-	-	47,911,087
Other Borrowings	-	-	-	226,320	-	-	226,320
Debt Securities Issued	-	-	-	785,827	-	-	785,827
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,818,560</b>	<b>-</b>	<b>632</b>	<b>49,819,192</b>



Selected Performance Indicators		
	Bank	
	Current Period As at 31/03/2013	Previous Period As at 31/12/2012 Audited
<b>Regulatory Capital Adequacy</b>		
Core Capital (Tier 1 Capital), Rs. Mn	3,931	4,232
Total Capital Base, Rs. Mn	4,659	4,999
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	11.23%	13.34%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	13.30%	15.76%
<b>Assets Quality (Quality of Loan Portfolio)</b>		
Gross Non - Performing Advances Ratio, % (Net of Interest in Suspense)	6.83%	4.17%
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	5.63%	3.03%
<b>Profitability (Annualized)</b>		
Interest Margin, %	3.80%	4.66%
Return on Assets (After Tax). %	1.07%	1.67%
Return on Equity, %	15.29%	22.79%
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets,-DBU Rs.Mn.	11,483	9,953
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	3.51	4.06
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	22.73%	20.97%
Off-Shore Banking Unit	20.56%	22.21%

**CERTIFICATION:**

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

(Sgd)  
G.G. Mangala  
Chief Financial Officer

We, the undersigned, being the Deputy Chairman and Director/ Chief Executive Officer of Pan Asia Banking Corporation PLC 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 ;
- (b) the information contained in these statements have been extracted from the unaudited financial of the bank unless indicated as audited.

(Sgd)  
R.E.U. De Silva  
Deputy Chairman

(Sgd)  
T.C.A. Peiris  
Director/ Chief Executive Officer

Date : 14.05.2013

## EXPLANATORY NOTES

1. These Interim Financial Statements have been prepared in accordance with LKAS 34 - Interim Financial Reporting and present information required by Listing Rules of Colombo Stock Exchange. These Financial Statements are drawn up from the unaudited Financial Statements of the Bank unless otherwise indicated.
2. There are no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through debentures during the period.
3. There are no material events that took place after the Statement of Financial Position date which require adjustment to or disclosures in the Financial Statements.
4. **Listed Debenture Information**

### i) Market Value

The Debentures have not been traded during the period.

### ii) Interest Rates

	Interest Rate %	Interest Rate of Comparable Govt.Security %
Fixed Rate - Interest Semi Annually - 2012/2017	11.25	11.92
Fixed Rate - Interest Annually - 2012/2017	11.50	11.92
Floating Rate - Interest Semi Annually - 2012/2017 (2.95% Above the average of 06 months Gross Treasury Bill Rate)	14.18	11.31
Fixed Rate - Interest at Maturity - 2012/2017	14.50	11.92

### Ratios

	2013
Debt Equity (Times)	5.40
Interest Cover (Times)	5.76

## 5 Market Price of Ordinary Shares

MARKET VALUE	31/03/2013 (Rs.)		31/03/2012 (Rs.)	
	Voting	Non Voting	Voting	Non Voting
Market Value Per Share	19.00	--	23.50	--
Highest Price Per Share for the Quarter	20.00	--	26.70	--
Lowest Price Per Share for the Quarter	17.30	--	18.00	--

## SHAREHOLDERS' INFORMATION

### MAJOR SHAREHOLDERS AS AT 31ST MARCH 2013

No	Name	No.of Shares	%
1	Mr. K. D. D. Perera	88,482,820	29.99
2	Seylan Bank PLC/ T Senthilverl	29,504,108	10.00
3	HSBC Int'l NOM LTD – UBS AG SINGAPORE Branch (ex. SBC)	27,683,446	9.38
4	Mr. D. C. C. Joseph	17,010,202	5.77
5	Mr. K. D. H. Perera	15,537,332	5.27
6	Mr. P. J. Tay	14,611,996	4.95
7	Mr. K. D. A. Perera	12,800,000	4.34
8	Samurdhi Authority of Sri Lanka	11,114,376	3.77
9	Seylan Bank PLC/ Mr. W. D. N. H. Perera -7,818,645	8,518,645	2.88
	Mr. W. D. N. H. Perera - 700,000		
10	Sri Lanka Savings Bank Ltd	6,865,666	2.33
11	Royal Ceramics Lanka PLC	6,177,271	2.09
12	HSBC Int'l NOM LTD – SSBT– DEUSTCHE BANK AG SINGAPORE A/C 01	3,000,000	1.02
13	Favourite Garments (Pvt) Ltd	2,300,000	0.78
14	Deshabandu D. M. I. Dissanayake	1,544,900	0.52
15	Sri Lanka Insurance Corporation Ltd - Life Fund	1,394,666	0.47
16	Sampath Bank PLC-Account No.3	1,380,532	0.47
17	Mr. M F Hashim	1,332,911	0.45
18	Esna Holdings (Pvt) Ltd	1,284,700	0.44
19	HSBC Int'l NOM LTD – KAS DEPOSITORY TRUST COMPANY	1,238,582	0.42
20	N R Consultants (Pvt) Ltd	1,176,020	0.40
		<b>252,958,173</b>	<b>85.74</b>
	<b>Others</b>	<b>42,082,913</b>	<b>14.26</b>
	<b>Total</b>	<b>295,041,086</b>	<b>100.00</b>

Public holding percentage as at 31st March 2013 is 56.99%

### DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES AS AT 31ST MARCH 2013

No	Name of Director	No.of Shares
1	Mr. W. D. N. H. Perera	8,518,645
2	Mr. R. E. U. De Silva	80,000
3	Mr. A. A. Page	200,000
4	Mr. J. A. S. S. Adhihetty	108,266
5	Mr. M. D. S. Goonatilleke	422
6	Mr. H. K. Seneviratne	-
7	Mr. T. G. Thoradeniya	36
8	Mr. G. C. A. De Silva	-
9	Mr. G. A. R. D. Prasanna	-
10	Mr. T. Igarashi	-
11	Mr. T. C. A. Peiris (Chief Executive Officer)	10,500