



**INTERIM FINANCIAL STATEMENTS
FOR THE 03 MONTHS ENDED 31ST MARCH 2019**

COMPANY REGISTRATION NO : PQ 48

In Rupee Thousands

Income Statement

	For the Three Months ended 31 st March		Change
	2 019	2 018	%
Interest Income	4,839,253	4,316,975	12
Interest Expense	(3,285,782)	(2,980,846)	10
Net Interest Income	1,553,471	1,336,129	16
Fees and Commission Income	348,531	397,752	(12)
Fees and Commission Expense	(9,581)	(29,635)	(68)
Net Fee and Commission Income	338,950	368,117	(8)
Net Gain from Trading	163,325	199,580	(18)
Other Operating Income	35,286	81,225	(57)
Total Operating Income	2,091,032	1,985,051	5
Impairment for Loans and Other (Losses) / Reversals			
Individual Impairment	(240,078)	(136,409)	76
Collective Impairment	(121,307)	(183,829)	(34)
Net Operating Income	1,729,647	1,664,813	4
Operating Expenses			
Personnel Expenses	431,870	435,312	(1)
Depreciation and Amortisation	47,145	49,821	(5)
Other Expenses	582,646	521,824	12
Operating Profit before Taxes & Levies on Financial Services	667,986	657,856	2
Taxes and Levies on Financial Services	240,991	159,878	51
Profit before Tax	426,995	497,978	(14)
Tax Expense	154,804	185,164	(16)
Profit for the Period	272,191	312,814	(13)
Earnings Per Share - Basic /Diluted (Annualised) (Rs)	2.49	2.87	

In Rupee Thousands

Statement of Comprehensive Income

	For the Three Months ended		Change
	31 st March		
	2 019	2 018	%
Profit for the Period	272,191	312,814	(13)
Other Comprehensive Income for the Period	-	-	-
Total Comprehensive Income for the Period	272,191	312,814	(13)

In Rupee Thousands

Statement of Financial Position			
	As at 31/03/2019	As at 31/12/2018 (Audited)	Change %
Assets			
Cash and Cash Equivalents	1,806,630	2,214,106	(18)
Balances with Central Bank of Sri Lanka	5,321,819	6,481,994	(18)
Derivative Financial Instruments	260	210	24
Financial Assets at Fair Value through Profit or Loss	1,715,506	11,629	14,652
Financial Assets at Amortised Cost			
-Loans and Advances	104,331,537	108,168,861	(4)
-Debt and Other Instruments	32,385,043	34,074,558	(5)
Financial Assets - Fair Value through Other Comprehensive Income	6,158	6,158	-
Property, Plant and Equipment	1,914,195	1,934,574	(1)
Intangible Assets	295,810	305,083	(3)
Deferred Tax Assets	31,907	4,931	547
Other Assets	4,216,026	824,179	412
Total Assets	152,024,891	154,026,283	(1)
Liabilities			
Due to Banks	5,912,946	1,744,207	239
Derivative Financial Instruments	1,237	114	983
Financial Liabilities at Amortised Cost			
-Due to Depositors	114,416,189	118,627,349	(4)
-Due to Debt Securities holders	10,687,248	13,295,604	(20)
Debentures Issued	5,811,795	5,809,186	0
Current Tax Liabilities	921,874	785,735	17
Other Provisions and Accruals	263,497	208,398	26
Other Liabilities	2,491,270	2,309,046	8
Total Liabilities	140,506,056	142,779,639	(2)
Equity			
Stated Capital	3,614,253	3,614,253	-
Statutory Reserve Fund	451,189	451,189	-
Retained Earnings	6,831,285	6,557,389	4
Revaluation Reserve	622,108	623,813	(0)
Total Equity	11,518,835	11,246,644	2
Total Equity and Liabilities	152,024,891	154,026,283	(1)
Commitments and Contingencies	48,963,287	44,169,941	11
Net Asset Value per Share (Rs.)	26.03	25.41	2
Memorandum Information			
Number of Employees	1,544	1,497	
Number of Branches	85	85	

In Rupee Thousands

Statement of Changes In Equity						
	Stated Capital*		Reserves			Total
	Ordinary Voting Shares	Ordinary Non-Voting Shares	Statutory Reserve Fund	Revaluation Reserve	Retained Earnings	
Balance as at 01/01/2018	3,614,253	-	374,106	630,634	6,050,893	10,669,886
Profit for the Period	-	-	-	-	312,814	312,814
Other Comprehensive Income for the Period	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	-	-	312,814	312,814
Transactions with Equity Holders, Recognised Directly in Equity, Contribution by and Distribution to Equity Holders	-	-	-	-	-	-
Other Transaction						
Realisation of Revaluation Reserve	-	-	-	(1,706)	1,706	-
Total Other Transactions	-	-	-	(1,706)	1,706	-
Balance as at 31/03/2018	3,614,253	-	374,106	628,928	6,365,413	10,982,700
Balance as at 01/01/2019	3,614,253	-	451,189	623,813	6,557,389	11,246,644
Profit for the Period	-	-	-	-	272,191	272,191
Other Comprehensive Income for the Period	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	-	-	272,191	272,191
Transactions with Equity Holders, Recognised Directly in Equity, Contribution by and Distribution to Equity Holders	-	-	-	-	-	-
Other Transaction						
Realisation of Revaluation Reserve	-	-	-	(1,705)	1,705	-
Total Other Transactions	-	-	-	(1,705)	1,705	-
Balance as at 31/03/2019	3,614,253	-	451,189	622,108	6,831,285	11,518,835

* Number of Ordinary Shares (Voting) as at 31st March 2019 - 442,561,629

In Rupee Thousands

Statement of Cash Flows		
	Current Period From 01/01/19 To 31/03/19	Previous Period From 01/01/18 To 31/03/18
Cash Flows from Operating Activities		
Profit before Tax	426,995	497,978
<i>Adjustment for:</i>		
Non Cash Items Included in Profit before Tax	421,794	380,470
Change in Operating Assets	1,229,853	(4,721,522)
Change in Operating Liabilities	(2,561,494)	7,643,482
Interest Expense on Debentures and Other Term Debts	366,431	292,613
Gratuity Paid	(1,915)	5,009
Income Tax Paid	(45,642)	(61,914)
Net Cash Generated From / (Used in) Operating Activities	(163,978)	4,036,116
Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(17,984)	(31,330)
Proceeds from the Sale of Property, Plant and Equipment	222	2,479
Net Investment in Held to maturity investment	-	(4,015,488)
Acquisition of Intangible Assets	-	(6,340)
Net Cash Generated From / (Used in) Investing Activities	(17,762)	(4,050,679)
Cash Flows from Financing Activities		
Interest Paid on Debentures and Other Term Debts	(225,736)	(229,605)
Net Cash Generated From / (Used in) Financing Activities	(225,736)	(229,605)
Net Increase/(Decrease) in Cash & Cash Equivalents	(407,476)	(244,168)
Cash and Cash Equivalents at the beginning of the Period	2,214,106	1,902,409
Cash and Cash Equivalents at the end of the Period	1,806,630	1,658,241

In Rupee Thousands

Measurement of Financial Instruments					
As at 31/03/2019	Financial Assets at Fair Value through Profit or Loss	Financial Assets and Liabilities at Amortised Cost	Financial Assets at FVOCI	Derivative Financial Instruments at Fair Value	Total
Financial Assets					
Cash and Cash Equivalents	-	1,806,630	-	-	1,806,630
Balances with Central Bank of Sri Lanka	-	5,321,819	-	-	5,321,819
Derivative Financial Instruments	-	-	-	260	260
Financial Assets at Fair Value through Profit or Loss	1,715,506	-	-	-	1,715,506
Financial Assets at Amortised Cost-Loans and Advances	-	104,331,537	-	-	104,331,537
Financial Assets at Amortised Cost-Debt and Other Instruments	-	32,385,043	-	-	32,385,043
Financial Assets at Fair Value through Other Comprehensive Income	-	-	6,158	-	6,158
Total Financial Assets	1,715,506	143,845,029	6,158	260	145,566,953
Financial Liabilities					
Due to Banks	-	5,912,946	-	-	5,912,946
Derivative Financial Instruments	-	-	-	1,237	1,237
Due to Depositors	-	114,416,189	-	-	114,416,189
Due to Debt Securities Holders	-	10,687,248	-	-	10,687,248
Debenture Issued	-	5,811,795	-	-	5,811,795
Total Financial Liabilities	-	136,828,178	-	1,237	136,829,415

In Rupee Thousands

Measurement of Financial Instruments					
As at 31/12/2018	Financial Assets at Fair Value through Profit or Loss	Financial Assets and Liabilities at Amortised Cost	Financial Assets at FVOCI	Derivative Financial Instruments at Fair Value	Total
Financial Assets					
Cash and Cash Equivalents	-	2,214,106	-	-	2,214,106
Balances with Central Bank of Sri Lanka	-	6,481,994	-	-	6,481,994
Derivative Financial Instruments	-	-	-	210	210
Financial Assets at Fair Value through Profit or Loss	11,629	-	-	-	11,629
Financial Assets at Amortised Cost-Loans and Advances	-	108,168,861	-	-	108,168,861
Financial Assets at Amortised Cost-Debt and Other Instruments	-	34,074,558	-	-	34,074,558
Financial Assets at Fair Value through Other Comprehensive Income	-	-	6,158	-	6,158
Total Financial Assets	11,629	150,939,519	6,158	210	150,957,516
Financial Liabilities					
Due to Banks	-	1,744,207	-	-	1,744,207
Derivative Financial Instruments	-	-	-	114	114
Due to Depositors	-	118,627,349	-	-	118,627,349
Due to Debt Securities Holders	-	13,295,604	-	-	13,295,604
Debenture Issued	-	5,809,186	-	-	5,809,186
Total Financial Liabilities	-	139,476,346	-	114	139,476,460

Notes to the Financial Statements

Loans and Advances	In Rupee Thousands	
	As at 31/03/2019	As at 31/12/2018
Gross Loans and Advances	109,982,797	113,494,424
Less: Individual Impairment	(2,572,894)	(2,366,201)
Collective Impairment	(3,078,366)	(2,959,362)
Net Loans and Advances including those designated at fair value through profit or loss	104,331,537	108,168,861
Less: Loans and Advances designated at fair value through profit or loss	-	-
Net Loans and Receivables	104,331,537	108,168,861

Loans and Advances - By Product	In Rupee Thousands	
	As at 31/03/2019	As at 31/12/2018
By Product-Domestic Currency		
Term Loans	62,513,646	63,797,517
Overdraft	16,225,905	16,217,001
Trade Finance	1,921,818	2,681,440
Lease Rentals Receivable	8,933,593	9,804,133
Others	11,146,287	10,845,602
Sub Total	100,741,249	103,345,693
By Product-Foreign Currency		
Term Loans	6,487,507	7,073,071
Overdraft	1,355,189	1,719,817
Trade Finance	1,396,349	1,355,536
Lease Rentals Receivable	-	-
Others	2,503	307
Sub Total	9,241,548	10,148,731
Total	109,982,797	113,494,424

Stage Wise Impairment on Loans and Advances	In Rupee Thousands					
	As at 31/03/2019			As at 31/12/2018		
	Individual	Collective	Total	Individual	Collective	Total
Gross Loans and Advances	3,464,874	106,517,923	109,982,797	3,447,617	110,046,807	113,494,424
Less: Accumulated Impairment under Stage 1	-	(1,184,040)	(1,184,040)	-	(1,184,379)	(1,184,379)
Accumulated Impairment under Stage 2	(39,617)	(526,001)	(565,618)	-	(599,125)	(599,125)
Accumulated Impairment under Stage 3	(2,533,277)	(1,368,325)	(3,901,602)	(2,366,201)	(1,175,858)	(3,542,059)
Net Loans and Advances	891,980	103,439,557	104,331,537	1,081,416	107,087,445	108,168,861

Movement of Impairment during the period - Loans and Advances	In Rupee Thousands			In Rupee Thousands		
	As at 31/03/2019			As at 31/12/2018		
	Individual	Collective	Total	Individual	Collective	Total
Under Stage 1						
Opening balance	-	1,184,379	1,184,379	721	926,795	927,516
Charge/ (Write back) to income statement	-	(339)	(339)	(721)	257,584	256,863
Write - off during the period	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Closing balance	-	1,184,040	1,184,040	-	1,184,379	1,184,379
Under Stage 2						
Opening balance	-	599,125	599,125	-	563,972	563,972
Charge/ (Write back) to income statement	39,617	(73,124)	(33,507)	-	35,153	35,153
Write - off during the period	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Closing balance	39,617	526,001	565,618	-	599,125	599,125
Under Stage 3						
Opening balance	2,366,201	1,175,858	3,542,059	1,068,180	942,990	2,011,170
Charge/ (Write back) to income statement	200,461	190,402	390,863	1,298,021	409,075	1,707,096
Write - off during the period	(33,385)	2,065	(31,320)	-	(176,207)	(176,207)
Other movements	-	-	-	-	-	-
Closing balance	2,533,277	1,368,325	3,901,602	2,366,201	1,175,858	3,542,059
Total Impairment - Closing Balance	2,572,894	3,078,366	5,651,260	2,366,201	2,959,362	5,325,563

Movement of Impairment during the period - Other Financial Instruments	In Rupee Thousands					
	Cash & Cash Equivalents	Placements with Banks	Debt & Other Instrument	Documentary Credit	Financial Guarantees	Total
Opening balance as at 01/01/2018	953	645	50,068	8,250	14,642	74,558
Charge/ (Write back) to income statement	(591)	(645)	33,764	(6,359)	(8,134)	18,035
Write - off during the period	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Closing balance at 31/12/2018	362	-	83,832	1,891	6,508	92,593
Opening balance as at 01/01/2019	362	-	83,832	1,891	6,508	92,593
Charge/ (Write back) to income statement	(258)	-	2,666	233	1,728	4,369
Write - off during the period	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Closing balance at 31/03/2019	104	-	86,498	2,124	8,236	96,962

Due to Other Customers - By Product	In Rupee Thousands	
	As at 31/03/2019	As at 31/12/2018
By Product-Domestic Currency		
Demand Deposits	4,022,341	3,764,903
Savings Deposits	13,043,862	12,737,487
Fixed Deposits	82,587,379	85,717,385
Certificates of Deposits	4,129,992	4,359,723
Margin Deposits	367,321	510,959
Sub Total	104,150,895	107,090,457
By Product- Foreign Currency		
Demand Deposits	676,073	1,106,572
Savings Deposits	1,123,711	1,667,228
Fixed Deposits	8,460,325	8,757,664
Margin Deposits	5,185	5,428
Sub Total	10,265,294	11,536,892
Total	114,416,189	118,627,349

Selected Performance Indicators

	Bank	
	Current Period As at 31/03/2019	Previous Period As at 31/12/2018 (Audited)
Regulatory Capital (LKR '000)		
Common Equity Tier I (CET I) Capital before Adjustments	11,341,900	11,341,900
Common Equity Tier I (CET I) Capital after Adjustments	11,046,091	11,036,817
Total Tier 1 Capital	11,046,091	11,036,817
Total Capital	12,591,916	12,767,157
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement -7.0%)	11.73%	11.51%
Tier 1 Capital Ratio (Minimum Requirement -8.50%)	11.73%	11.51%
Total Capital Ratio (Minimum Requirement -12.0%)	13.37%	13.32%
Leverage Ratio		
Leverage Ratio (%) (Minimum Requirement - 3%)	5.91%	N/A
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (Net of Interest in Suspense)	5.85%	5.44%
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	3.13%	3.08%
Profitability (Annualised)		
Interest Margin, %	4.12%	4.37%
Return on Assets (After Tax), %	0.72%	1.03%
Return on Assets (Before Tax), %	1.13%	1.28%
Return on Equity, %	9.70%	13.73%
Regulatory Liquidity		
Statutory Liquid Assets,-DBU (LKR'000)	45,924,010	41,565,575
Statutory Liquid Assets,-Off Shore Banking Unit (USD'000)	19,475	14,393
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)		
Domestic Banking Unit (%)	32.58%	29.17%
Off-Shore Banking Unit (%)	20.99%	20.09%
Total Stock of High-Quality Liquid Assets (LKR '000)		
Rupee	16,249,295	19,173,971
All Currency	16,311,953	19,235,760
Liquidity Coverage Ratio (%) - (Minimum Requirement -100%)		
Rupee (%)	172.54%	166.08%
All Currency (%)	164.33%	136.52%
Net Stable Funding Ratio (%) - (Minimum Requirement - 90%)	127.06%	N/A

CERTIFICATION:

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

(Sgd)

Suranga Fernando

Chief Financial Officer (Acting)

We, the undersigned, being the 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 financials of the bank unless indicated as audited.

(Sgd)

Dimuth Prasanna

Chairman

10th May 2019

(Sgd)

Nimal Tillekeratne

Director/ Chief Executive Officer

EXPLANATORY NOTES

- 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. There are no significant changes in accounting policies, methods of computation and risk management policies since the publication of Audited Financial Statements for the year 2018. Previous period figures and phrases have been re-arranged wherever necessary to conform to the current presentation.
- The Bank prepared financial statements for the quarter ended 31st March 2019 in accordance with the requirements of SLFRS 9 - Financial Instruments which has been adopted by the bank as at 31st December 2018 (as the bank used the relief provided by CA Sri Lanka for interim periods) hence, current period information is not comparable with comparative information for the quarter ended 31st March 2018 which was prepared in accordance with LKAS 39.
- There are no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through shares and debentures during the period.
- All known expenses have been provided for in these Financial Statements.
- Post Balance Sheet Events**
There are no material events that took place after the Statement of Financial Position date which require adjustments to or disclosures in the Financial Statements.
- Changes in Directorships**
6.1 Mr. H.N.J. Chandrasekera, non executive director resigned from the Board on 12th February 2019.

7. Listed Debenture Information

i) Interest Rates and Market Prices

	Interest Rate (%)	Interest Rate of Comparable Govt.Security (%)	Last Traded Price (Rs.)	Yield as at Last Traded	Yield To Maturity as at Last Traded
Unsecured Subordinated Redeemable Debentures 2014/2019					
Fixed Rate - Interest Semi Annually - 2014/2019	9.5233	10.91	Not Traded	Not Traded	Not Traded
Fixed Rate - Interest Annually - 2014/2019	9.75	10.91	Not Traded	Not Traded	Not Traded
Unsecured Senior Redeemable Debentures 2015/2019					
Fixed Rate - Interest Semi Annually - 2015/2019	10.00	10.77	94.00	20.37	10.47
Floating Rate - Interest Semi Annually - 2015/2019 (3.0% Above the average of 06 months Net Treasury Bill Rate)	12.80	10.72	Not Traded	Not Traded	Not Traded

ii) Ratios

Debt to Equity (Times)	1.37
Interest Cover (Times)	2.17

8. Market Price of Ordinary Shares

Market Price Per Share	31/03/2019 (Rs.)		31/03/2018 (Rs.)	
	Voting	Non Voting	Voting	Non Voting
Last Traded Price	12.90	--	16.40	--
Highest Price for the Quarter	15.00	--	17.60	--
Lowest Price for the Quarter	12.30	--	14.50	--

Shareholders' Information

Major Shareholders as at 31st March 2019

No	Name	No. of Shares	%
1	K. D. D. Perera	132,724,230	29.99
2	Bansei Securities Co., Ltd.	66,384,246	15.00
3	Seylan Bank PLC/Ambeon Holdings PLC(Collateral)	43,930,641	9.92
4	W.K. H Wegapitiya	27,303,169	6.17
5	D C C Joseph	25,199,658	5.70
6	K D H Perera	23,305,998	5.27
7	P. J. Tay	21,917,994	4.95
8	K. D. A. Perera	19,200,000	4.34
9	Sri Lanka Samurdhi Authority	11,114,376	2.51
10	Sri Lanka Savings Bank Limited	10,298,499	2.33
11	R E U De Silva	6,799,582	1.54
12	A R Molligoda	3,737,319	0.84
13	Bank of Ceylon A/c Ceybank Unit Trust	2,748,651	0.62
14	H Beruwalage	2,046,648	0.46
15	Capital Development & Investment Company PLC A/c No.2	1,893,471	0.43
16	Favourite Garments (Pvt) Ltd	1,850,000	0.42
17	M F Hashim	1,826,402	0.41
18	R A De Silva	1,600,000	0.36
19	D T Beruwalage	1,161,448	0.26
20	S N P Palihena	1,000,000	0.23
		406,042,332	91.75
	Others	36,519,297	8.25
	Total	442,561,629	100.00

Public holding as at 31st March 2019 is 54.92% in the hands of 4,199 shareholders.

Directors' and Chief Executive Officer's Holding in Shares as at 31st March 2019

No	Name of Director	No. of Shares
1	G. A. R. D. Prasanna	34,801
2	S. B. Rangamuwa	-
3	M. A. Abeynaike	-
4	T. Igarashi	-
5	T. Murakami	-
6	J. D. N. Kekulawala	-
7	M. Y.A Perera	-
8	N. R. Tillekeratne	-