



INTERIM FINANCIAL STATEMENTS
For the 06 Months ended 30th June 2013

Income Statement						
	For the Six months ended 30th June		Change	For the Quarter ended 30th June		Change
	2 013	2 012	%	2 013	2 012	%
Interest Income	4,232,024	2,926,158	45	2,264,419	1,490,508	52
Interest Expense	(2,969,775)	(1,851,623)	60	(1,539,683)	(1,031,626)	49
Net Interest Income	1,262,249	1,074,535	17	724,736	458,882	58
Fees and Commission Income	279,558	284,024	(2)	145,612	134,361	8
Fees and Commission Expense	(5,264)	(11,788)	(55)	(2,706)	(3,881)	(30)
Net Fee and Commission Income	274,294	272,236	1	142,906	130,480	10
Net Gain/(Loss) from Trading	68,699	23,064	198	47,520	29,023	64
Net Gain/(Loss) from Financial Instruments Designated at Fair Value through Profit or Loss	-	-	-	-	-	-
Net Gain/(Loss) from Financial Investments	-	-	-	-	-	-
Other Operating Income (Net)	159,810	175,905	(9)	101,387	98,033	3
Total Operating Income	1,765,052	1,545,740	14	1,016,549	716,418	42
Impairment for Loans and Other (Losses) / Reversals						
Individual Impairment	(52,736)	95,931	155	(41,276)	116,559	135
Collective Impairment	(384,825)	(9,772)	3,838	(357,971)	(2,550)	13,938
Others	-	-	-	-	-	-
Net Operating Income	1,327,491	1,631,899	(19)	617,302	830,427	(26)
Operating Expenses						
Personnel Expenses	468,890	437,960	7	222,870	224,995	(1)
Depreciation and Amortisation	81,030	64,415	26	40,797	33,940	20
Other Expenses	493,594	470,298	5	251,185	273,476	(8)
Operating Profit / (Loss) before Value Added Tax	283,977	659,226	(57)	102,450	298,016	(66)
Value Added Tax on Financial Services	68,375	104,232	(34)	29,106	49,234	(41)
Operating Profit / (Loss) after Value Added Tax	215,602	554,994	(61)	73,344	248,782	(71)
Share of Profits of Associates and Joint Ventures	-	-	-	-	-	-
Profit/(Loss) before Tax	215,602	554,994	(61)	73,344	248,782	(71)
Tax Expense	53,635	192,360	(72)	62,827	84,810	(26)
Profit / (Loss) for the Period	161,967	362,634	(55)	10,517	163,972	(94)
Earnings Per Share - Basic / Diluted (Annualized) (Rs.)	1.11	2.48		0.14	2.23	

Statement of Comprehensive Income

	For the Six months ended 30th June		Change	For the Quarter ended 30th June		Change
	2 013	2 012	%	2 013	2 012	%
Profit / (Loss) for the Period	161,967	362,634	(55)	10,517	163,972	(94)
Other Comprehensive Income, Net of Tax						
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	-	-	-	-	-	-
Other Comprehensive Income for the Period, Net of Taxes	-	-	-	-	-	-
Total Comprehensive Income for the Period	161,967	362,634	(55)	10,517	163,972	(94)

Statement of Financial Position			
	Current Period As at 30/06/2013	Previous Period As at 31/12/2012 Audited	Change %
Assets			
Cash and Cash Equivalents	1,330,714	1,203,052	11
Balances with Central Banks	3,957,695	3,516,871	13
Placements with Banks	1,584,637	500,135	217
Derivative Financial Instruments	2,843	52	5,367
Other Financial Assets Held-for-Trading	5,979,120	12,381	48,193
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-
Loans and Receivables to Banks	1,181,713	-	100
Loans and Receivables to Other Customers	43,697,089	43,213,363	1
Financial Investments - Available for Sale	6,158	6,158	-
Financial Investments - Held to Maturity	3,329,865	4,896,054	(32)
Property, Plant and Equipment	1,225,203	1,224,239	0
Investment Properties	-	-	-
Intangible Assets	68,531	73,582	(7)
Deferred Tax Assets	-	-	-
Other Assets	936,160	1,428,405	(34)
Total Assets	63,299,728	56,074,292	13
Liabilities			
Due to Banks	1,933,206	895,326	116
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	54,131,755	47,911,087	13
Other Borrowings	910,406	226,320	302
Current Tax Liabilities	49,111	151,315	(68)
Deferred Tax Liabilities	167,044	177,130	(6)
Other Provisions and Accruals	80,063	82,758	(3)
Other Liabilities	1,148,577	1,611,304	(29)
Subordinated Term Debts	780,047	785,827	(1)
Total Liabilities	59,200,209	51,841,699	14
Equity			
Stated Capital	1,548,966	1,548,966	-
Statutory Reserve Fund	163,518	163,518	-
Retained Earnings	1,967,427	2,171,841	(9)
Other Reserves	419,608	348,268	20
Total Equity	4,099,519	4,232,593	(3)
Total Equity and Liabilities	63,299,728	56,074,292	13
Commitments and Contingencies	19,698,684	13,743,919	43
Net Asset Value per Share (Rs.)	13.89	14.35	(3)
Memorandum Information			
Number of Employees	1,157	1,153	
Number of Branches	75	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	
Balance as at 01/01/2012	1,548,966	-	-	120,515	-	161,747	1,849,458	3,680,686
Profit/(Loss) for the Period	-	-	-	-	-	-	362,634	362,634
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	-	-	-	-	362,634	362,634
Transactions with equity holders, Recognised Directly in Equity								
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	-	-	-	-	-	90,187	(90,187)	-
Total Transactions with Equity Holders	-	-	-	-	-	90,187	(385,228)	(295,041)
Balance as at 30/06/2012	1,548,966	-	-	120,515	-	251,934	1,826,364	3,748,279
Balance as at 01/01/2013	1,548,966	-	-	163,518	-	348,269	2,171,840	4,232,593
Profit for the Period	-	-	-	-	-	-	161,967	161,967
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	-	-	-	-	161,967	161,967
Transactions with equity holders, Recognised Directly in Equity								
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	-	-	-	-	-	71,339	(71,339)	-
Total Transactions with Equity Holders	-	-	-	-	-	71,339	(366,380)	(295,041)
Balance as at 30/06/2013	1,548,966	-	-	163,518	-	419,608	1,967,427	4,099,519

* Number of Ordinary Shares as at 30th June 2013, Voting -295,041,086

In Rupees Thousands

Statement of Cash Flows		
	Current Period From 01/01/13 To 30/06/13	Previous From 01/01/12 To 30/06/12
Cash Flows from Operating Activities		
Profit before Tax	215,602	554,994
<i>Adjustment for:</i>		
Non Cash Items Included in Profit before Tax	510,116	(9,711)
Change in Operating Assets	(7,996,988)	(6,656,606)
Change in Operating Liabilities	7,464,916	4,645,803
Interest Expense on Subordinated Debt	55,794	29,497
Gratuity Paid	(2,564)	(2,645)
Income Tax Paid	(165,925)	(172,222)
Net Cash Generated from / (Used in) Operating Activities	80,951	(1,610,890)
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(76,862)	(182,614)
Proceeds from the Sale of Property, Plant and Equipment	17	310
Purchase of Financial Investments	-	(4,018)
Proceeds from the Sale and Maturity of Financial Investments	1,566,188	1,872,663
Net Purchase of Intangible Assets	(1,515)	(4,298)
Net Cash Generated from Investing Activities	1,487,828	1,682,043
Cash Flows from Financing Activities		
Net Proceeds from the Issue of Subordinated Debt	-	750,000
Interest Paid on Subordinated Debt	(61,574)	(3,796)
Dividend Paid to Equity Holders	(295,041)	(295,041)
Net Cash Generated from / (Used in) Financing Activities	(356,615)	451,163
Net Increase / (Decrease) in Cash & Cash Equivalents	1,212,164	522,316
Cash and Cash Equivalents at the beginning of the Period	1,703,187	2,430,150
Cash and Cash Equivalents at the End of the Period	2,915,351	2,952,466

In Rupees Thousands

Measurement of Financial Instruments - Bank

As at 30.06.2013	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
Financial Assets							
Cash and Cash Equivalents	-	-	-	1,330,714	-	-	1,330,714
Balances with Central Banks	-	-	-	3,957,695	-	-	3,957,695
Placements with Banks	-	-	-	1,584,637	-	-	1,584,637
Derivative Financial Instruments	-	-	-	-	-	2,843	2,843
Other Financial Assets at Fair Value through Profit or Loss	5,979,120	-	-	-	-	-	5,979,120
Loans and Receivables to Banks	-	-	-	1,181,713	-	-	1,181,713
Loans and Receivables to Other Customers	-	-	-	43,697,089	-	-	43,697,089
Financial Investments	-	-	3,329,865	-	6,158	-	3,336,023
Total Financial Assets	5,979,120	-	3,329,865	51,751,848	6,158	2,843	61,069,834
Financial Liabilities							
Due to Banks	-	-	-	1,933,206	-	-	1,933,206
Derivative Financial Instruments	-	-	-	-	-	-	-
Other Financial Liabilities at Fair Value through Profit or Loss	-	-	-	-	-	-	-
Due to Other Customers	-	-	-	54,131,755	-	-	54,131,755
Other Borrowings	-	-	-	910,406	-	-	910,406
Debt Securities Issued	-	-	-	780,047	-	-	780,047
Total Financial Liabilities	-	-	-	57,755,414	-	-	57,755,414

In Rupees Thousands

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
Financial Assets							
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
Total Financial Assets	12,381	-	4,896,054	48,433,421	6,158	52	53,348,066
Financial Liabilities							
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
Total Financial Liabilities	-	-	-	49,818,560	-	632	49,819,192

Selected Performance Indicators		
	Bank	
	Current Period As at 30/06/2013	Previous Period As at 31/12/2012 Audited
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs. Mn	3,931	4,232
Total Capital Base, Rs. Mn	4,630	4,999
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	10.80%	13.34%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	12.72%	15.76%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (Net of Interest in Suspense)	7.82%	4.17%
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	6.54%	3.03%
Profitability (Annualized)		
Interest Margin, %	4.29%	4.66%
Return on Assets (After Tax). %	0.55%	1.67%
Return on Equity, %	7.89%	22.79%
Regulatory Liquidity		
Statutory Liquid Assets,-DBU Rs.Mn.	13,203	9,953
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	4.23	4.06
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	23.81%	20.97%
Off-Shore Banking Unit	23.18%	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 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)

W. D. N. H. Perera

Chairman

(Sgd)

T.C.A. Peiris

Director/ Chief Executive Officer

Date : 14.08.2013

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. There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2012. Previous period figures and phrases have been re-arranged wherever necessary to conform to the current presentation.
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. All known expenses have been provided for in these Financial Statements.
4. 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.

5 Changes in Directorships

- 5.1 Mr. Toyohiko Murakami was appointed as a Director with effect from 24th April 2013.
- 5.2 Mr. Akio Shinamoto was appointed as an alternate Director to Mr. Toyohiko Murakami with effect from 29th May 2013.
- 5.3 Mr. A. A. Page stepped down from the position of Senior Director since he is no longer an Independent Director, but continues to serve as a Non Executive Director. Mr. H. K. Seneviratne was appointed as the Senior Director with effect from 26th June 2013.

6. **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

iii) Ratios

	2013
Debt Equity (Times)	5.26
Interest Cover (Times)	4.86

7 Market Price of Ordinary Shares

MARKET VALUE	30/06/2013 (Rs.)		30/06/2012 (Rs.)	
	Voting	Non Voting	Voting	Non Voting
Market Value Per Share	19.30	--	17.30	--
Highest Price Per Share for the Quarter	23.30	--	23.30	--
Lowest Price Per Share for the Quarter	18.50	--	16.00	--

SHAREHOLDERS' INFORMATION

MAJOR SHAREHOLDERS AS AT 30TH JUNE 2013

No	Name	No.of Shares	%
1	Mr. K. D. D. Perera	88,482,820	29.99
2	Bansei Securities Co, Ltd	29,504,109	10.00
3	Seylan Bank PLC/ T Senthilverl	26,961,776	9.14
4	Mr. D. C. C. Joseph	17,010,202	5.76
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 - 6,807,070	7,507,070	2.54
	Mr. W. D. N. H. Perera - 700,000		
10	Sri Lanka Savings Bank Ltd	6,865,666	2.33
11	Favourite Garments (Pvt) Ltd	2,000,000	0.68
12	Deshabandu D. M. I. Dissanayake	1,538,600	0.52
13	Mr. M F Hashim	1,432,302	0.48
14	Sri Lanka Insurance Corporation Ltd - Life Fund	1,394,666	0.47
15	Sampath Bank PLC-Account No.3	1,380,532	0.47
16	Mr. R. E. U. De Silva	1,288,639	0.44
17	HSBC Int'l Nom Ltd – KAS Depository Trust Company	1,238,582	0.42
18	Navara Capital Ltd	1,050,000	0.36
19	Employees Trust Fund Board	924,266	0.31
20	Mr. H. Beruwalage	874,432	0.30
		243,517,366	82.54
	Others	51,523,720	17.46
	Total	295,041,086	100.00

Public holding percentage as at 30th June 2013 is 56.92%

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES AS AT 30TH JUNE 2013

No	Name of Director	No.of Shares
1	Mr. W. D. N. H. Perera	7,507,070
2	Mr. R. E. U. De Silva	1,288,639
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. Murakami	-
12	Mr. T. C. A. Peiris (Chief Executive Officer)	10,500