



INTERIM FINANCIAL STATEMENTS
For the 09 Months ended 30th September 2013

Income Statement

	For the Nine months ended 30th September		Change	For the Quarter ended 30th September		Change
	2 013	2 012	%	2 013	2 012	%
Interest Income	6,350,743	4,748,016	34	2,118,719	1,821,858	16
Interest Expense	(4,444,339)	(3,029,915)	47	(1,474,564)	(1,178,292)	25
Net Interest Income	1,906,404	1,718,101	11	644,155	643,566	0
Fees and Commission Income	415,830	410,752	1	136,272	126,728	8
Fees and Commission Expense (Net)	(6,276)	(10,612)	(41)	(1,012)	1,176	(186)
Net Fee and Commission Income	409,554	400,140	2	135,260	127,904	6
Net Gain/(Loss) from Trading	110,730	70,284	58	42,031	47,220	(11)
Net Gain/(Loss) from Financial Instruments Designated at Fair Value through Profit or Loss	-	-	-	-	-	-
Net Gain/(Loss) from Financial Investments	211	135	56	211	135	56
Other Operating Income (Net)	236,967	268,892	(12)	77,157	92,987	(17)
Total Operating Income	2,663,866	2,457,552	8	898,814	911,812	(1)
Impairment for Loans and Other (Losses) / Reversals						
Individual Impairment	(93,693)	52,500	278	(40,957)	(43,431)	(6)
Collective Impairment	(588,511)	(32,111)	1,733	(203,686)	(22,339)	812
Others	-	-	-	-	-	-
Net Operating Income	1,981,662	2,477,941	(20)	654,171	846,042	(23)
Operating Expenses						
Personnel Expenses	722,979	667,683	8	254,089	229,723	11
Depreciation and Amortisation	124,912	101,091	24	43,882	36,676	20
Other Expenses	776,426	703,457	10	282,832	233,159	21
Operating Profit / (Loss) before Value Added Tax	357,345	1,005,710	(64)	73,368	346,484	(79)
Value Added Tax on Financial Services	97,285	158,738	(39)	28,910	54,506	(47)
Operating Profit / (Loss) after Value Added Tax	260,060	846,972	(69)	44,458	291,978	(85)
Share of Profits of Associates and Joint Ventures	-	-	-	-	-	-
Profit/(Loss) before Tax	260,060	846,972	(69)	44,458	291,978	(85)
Tax Expense	69,172	286,002	(76)	15,537	93,642	(83)
Profit / (Loss) for the Period	190,888	560,970	(66)	28,921	198,336	(85)
Earnings Per Share - Basic / Diluted (Annualized) (Rs.)	0.87	2.54		0.39	2.67	

Statement of Comprehensive Income

	For the Nine months ended 30th September		Change %	For the Quarter ended 30th September		Change %
	2 013	2 012		2 013	2 012	
	Profit / (Loss) for the Period	190,888	560,970	(66)	28,921	198,336
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	190,888	560,970	(66)	28,921	198,336	(85)

Statement of Financial Position

	As at 30/09/2013	As at 31/12/2012	Change %
Assets			
Cash and Cash Equivalents	2,542,495	1,203,052	111
Balances with Central Banks	2,717,599	3,516,871	(23)
Placements with Banks	105,620	500,135	(79)
Derivative Financial Instruments	5,201	52	9,902
Other Financial Assets Held-for-Trading	8,150,746	12,381	65,733
Loans and Receivables to Banks	2,073,515	1,181,571	75
Loans and Receivables to Other Customers	43,846,376	42,031,792	4
Financial Investments - Available for Sale	6,158	6,158	-
Financial Investments - Held to Maturity	3,082,563	4,896,054	(37)
Property, Plant and Equipment	1,212,292	1,224,239	(1)
Investment Properties	-	-	-
Intangible Assets	67,270	73,582	(9)
Deferred Tax Assets	-	-	-
Other Assets	1,948,426	1,428,405	36
Total Assets	65,758,261	56,074,292	17
Liabilities			
Due to Banks	3,849,534	895,326	330
Derivative Financial Instruments	-	632	(100)
Other Financial Liabilities Held-for-Trading	-	-	-
Due to Other Customers	52,281,179	47,911,087	9
Other Borrowings	2,564,456	226,320	1,033
Current Tax Liabilities	-	151,315	(100)
Deferred Tax Liabilities	183,881	177,130	4
Other Provisions and Accruals	67,879	82,758	(18)
Other Liabilities	1,920,763	1,611,304	19
Subordinated Term Debts	762,129	785,827	(3)
Total Liabilities	61,629,821	51,841,699	19
Equity			
Stated Capital	1,548,966	1,548,966	-
Statutory Reserve Fund	163,518	163,518	-
Retained Earnings	1,964,180	2,171,841	(10)
Other Reserves	451,776	348,268	30
Total Equity	4,128,440	4,232,593	(2)
Total Equity and Liabilities	65,758,261	56,074,292	17
Commitments and Contingencies	22,049,169	13,743,919	60
Net Asset Value Per Share (Rs.)	13.99	14.35	(2)
Memorandum Information			
Number of Employees	1,127	1,153	
Number of Branches	76	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	-	-	-	-	-	-	560,970	560,970
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	-	-	-	-	560,970	560,970
Transactions with Equity Holders, Recognised Directly in Equity								
Dividends to Equity Holders	-	-	-	-	-	-	(295,041)	(295,041)
Gain/(loss) on Revaluation of Property, Plant and Equipment	-	-	-	-	-	-	-	-
Transfer to Investment Fund	-	-	-	-	-	139,065	(139,065)	-
Total Transactions with Equity Holders	-	-	-	-	-	139,065	(434,106)	(295,041)
Balance as at 30/09/2012	1,548,966	-	-	120,515	-	300,812	1,976,322	3,946,615
Balance as at 01/01/2013	1,548,966	-	-	163,518	-	348,269	2,171,840	4,232,593
Profit for the Period	-	-	-	-	-	-	190,888	190,888
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	-	-	-	-	190,888	190,888
Transactions with Equity Holders, Recognised Directly in Equity								
Dividend to Equity Holders	-	-	-	-	-	-	(295,041)	(295,041)
Gain/(loss) on Revaluation of Property, Plant and Equipment	-	-	-	-	-	-	-	-
Transfer to Investment Fund	-	-	-	-	-	103,507	(103,507)	-
Total Transactions with Equity Holders	-	-	-	-	-	103,507	(398,548)	(295,041)
Balance as at 30/09/2013	1,548,966	-	-	163,518	-	451,776	1,964,180	4,128,440

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

In Rupees Thousands

Statement of Cash Flows

	From 01/01/13 To 30/09/13	From 01/01/12 To 30/09/12
Cash Flows from Operating Activities		
Profit before Tax	260,061	846,972
<i>Adjustment for:</i>		
Non Cash Items Included in Profit before Tax	744,326	98,355
Change in Operating Assets	(11,117,599)	(5,384,156)
Change in Operating Liabilities	8,619,311	3,505,368
Interest Expense on Subordinated Debt	81,904	56,321
Gratuity Paid	(6,220)	(2,891)
Income Tax Paid	(261,333)	(243,970)
Net Cash Used in Operating Activities	(1,679,550)	(1,124,001)
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(104,617)	(237,397)
Proceeds from the Sale of Property, Plant and Equipment	39	2,486
Purchase of Financial Investments	-	(4,018)
Proceeds from the Sale and Maturity of Financial Investments	1,813,490	1,566,014
Net Purchase of Intangible Assets	(3,992)	(8,856)
Net Cash Generated from Investing Activities	1,704,920	1,318,229
Cash Flows from Financing Activities		
Net Proceeds from the Issue of Subordinated Debt	-	750,000
Net Proceeds from Other Borrowings	1,320,200	-
Interest Paid on Subordinated Debt	(105,602)	(48,019)
Dividend Paid to Equity Holders	(295,041)	(295,041)
Net Cash Generated from Financing Activities	919,557	406,940
Net Increase / (Decrease) in Cash & Cash Equivalents	944,927	601,168
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	2,648,114	3,031,318

In Rupees Thousands

Measurement of Financial Instruments - Bank

As at 30.09.2013	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	-	-	-	2,542,495	-	-	2,542,495
Balances with Central Banks	-	-	-	2,717,599	-	-	2,717,599
Placements with Banks	-	-	-	105,620	-	-	105,620
Derivative Financial Instruments	-	-	-	-	-	5,201	5,201
Other Financial Assets Held-for-Trading	8,150,746	-	-	-	-	-	8,150,746
Loans and Receivables to Banks	-	-	-	2,073,515	-	-	2,073,515
Loans and Receivables to Other Customers	-	-	-	43,846,376	-	-	43,846,376
Financial Investments	-	-	3,082,563	-	6,158	-	3,088,721
Total Financial Assets	8,150,746	-	3,082,563	51,285,605	6,158	5,201	62,530,273
Financial Liabilities							
Due to Banks	-	-	-	3,849,534	-	-	3,849,534
Derivative Financial Instruments	-	-	-	-	-	-	-
Due to Other Customers	-	-	-	52,281,179	-	-	52,281,179
Other Borrowings	-	-	-	2,564,456	-	-	2,564,456
Debt Securities Issued	-	-	-	762,129	-	-	762,129
Total Financial Liabilities	-	-	-	59,457,298	-	-	59,457,298

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 Held-for-Trading	12,381	-	-	-	-	-	12,381
Loans and Receivables to Banks	-	-	-	1,181,571	-	-	1,181,571
Loans and Receivables to Other Customers	-	-	-	42,031,792	-	-	42,031,792
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
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

Notes to the Financial Statements

Loans and Receivables to Other Customers

In Rupees Thousands

	As at 30/09/2013	As at 31/12/2012
Gross Loans and Receivables	46,362,980	43,907,933
Less: Individual Impairment	(1,559,454)	(1,418,358)
Collective Impairment	(957,150)	(457,783)
Net loans and receivables including those designated at fair value through profit or loss	43,846,376	42,031,792
Less: Loans and receivables designated at fair value through profit or loss	-	-
Net Loans and Receivables	43,846,376	42,031,792

Loans and Receivables to Other Customers - By Product

In Rupees Thousands

	As at 30/09/2013	As at 31/12/2012
By Product-Domestic Currency		
Overdrafts	13,797,664	13,307,895
Term Loans	13,317,021	9,155,792
Lease Rentals Receivable	5,051,105	4,591,944
Credit Cards	161,249	94,683
Pawning & Ran Loans	5,039,417	7,412,046
Staff Loans	337,609	325,278
Trade Finance	1,274,763	852,090
Margin Trading	1,775,791	2,131,805
Securities Purchased Under Resale Agreements	801,595	-
Others	2,839,330	3,831,111
Sub Total	44,395,544	41,702,644
By Product-Foreign Currency		
Overdrafts	270,050	1,336,735
Term Loans	727,785	400,670
Trade Finance	969,601	467,884
Securities Purchased Under Resale Agreements		
Others		
Sub Total	1,967,436	2,205,289
Total	46,362,980	43,907,933

Movements in Individual and Collective Impairment during the period for Loans and Receivables to Other Customers

In Rupees Thousands

	As at 30/09/2013	As at 31/12/2012
Individual Impairment		
Opening Balance	1,418,358	1,335,352
Charge/(Write Back) to Income Statement	93,693	(6,937)
Write off/Recoveries during the Period	-	-
Interest Accrued on Impaired Loans and Advances	(100,955)	(77,672)
Other Movements	148,358	167,615
Closing Balance	1,559,454	1,418,358
Collective Impairment		
Opening Balance	457,783	549,502
Charge/(Write Back) to Profit or Loss	588,511	54,819
Write off/Recoveries during the Period	(89,144)	(146,538)
Interest Accrued on Impaired Loans and Advances	-	-
Other Movements	-	-
Closing Balance	957,150	457,783
Total Impairment	2,516,604	1,876,141

Due to Other Customers - By Product

In Rupees Thousands

	As at 30/09/2013	As at 31/12/2012
By Product-Domestic Currency		
Demand Deposits	3,533,426	3,100,641
Savings Deposits	4,935,489	3,984,631
Fixed Deposits	34,910,316	33,289,718
Certificates of Deposits	4,711,826	3,990,847
Margin Deposits	668,229	326,798
Sub Total	48,759,286	44,692,635
By Product- Foreign Currency		
Demand Deposits	455,120	458,453
Savings Deposits	503,528	548,379
Fixed Deposits	2,524,305	2,136,259
Margin Deposits	38,940	75,361
Sub Total	3,521,893	3,218,452
Total	52,281,179	47,911,087

Selected Performance Indicators

	Bank	
	As at 30/09/2013	As at 31/12/2012
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs. Mn	3,931	4,232
Total Capital Base, Rs. Mn	4,605	4,999
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	9.69%	13.34%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	11.35%	15.76%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (Net of Interest in Suspense)	9.31%	4.17%
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	7.89%	3.03%
Profitability (Annualized)		
Interest Margin, %	4.18%	4.66%
Return on Assets (After Tax), %	0.42%	1.67%
Return on Equity, %	6.17%	22.79%
Regulatory Liquidity		
Statutory Liquid Assets,-DBU Rs.Mn.	12,408	9,953
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	4.15	4.06
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	22.40%	20.97%
Off-Shore Banking Unit	21.39%	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

Date : 12.11.2013

(Sgd)

T.C.A. Peiris

Director/ Chief Executive Officer

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. The Bank has been appointed as a Primary Dealer in Government Securities w.e.f.16th September 2013 in terms of the Registered Stock and Securities Ordinance and the Local Treasury Bills Ordinance.

6 Changes in Directorships

- 6.1 Mr. G. C. A. De Silva was resigned from the Directorship of the Bank with effect from 1st July 2013.
- 6.2 Mr. J. D. N. Kekulawala was appointed as a Non Executive Independent Director with effect from 28th August 2013.

7. **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)	13.66	10.71
Fixed Rate - Interest at Maturity - 2012/2017	14.50	11.92

iii) Ratios

	2013
Debt Equity (Times)	5.42
Interest Cover (Times)	4.18

8 **Market Price of Ordinary Shares**

MARKET VALUE	30/09/2013 (Rs.)		30/09/2012 (Rs.)	
	Voting	Non Voting	Voting	Non Voting
Market Value Per Share	16.30	--	20.90	--
Highest Price Per Share for the Quarter	19.40	--	21.20	--
Lowest Price Per Share for the Quarter	15.90	--	20.60	--

SHAREHOLDERS' INFORMATION

MAJOR SHAREHOLDERS AS AT 30TH SEPTEMBER 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	26,963,926	9.14
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 - 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	1,442,301	0.49
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	1,052,000	0.36
19	Employees Trust Fund Board	924,266	0.31
20	Mr. H. Beruwalage	874,432	0.29
		243,531,515	82.55
	Others	51,509,571	17.45
	Total	295,041,086	100.00

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

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES AS AT 30TH SEPTEMBER 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. H. K. Seneviratne	-
4	Mr. A. A. Page	200,000
5	Mr. J. A. S. S. Adhietty	108,266
6	Mr. M. D. S. Goonatileke	422
7	Mr. T. G. Thoradeniya	36
8	Mr. G. A. R. D. Prasanna	-
9	Mr. T. Igarashi	-
10	Mr. T. Murakami	-
11	Mr. J. D. N. Kekulawala	-
12	Mr. T. C. A. Peiris (Chief Executive Officer)	10,500