

Rupees in Thousands

Summarised Income Statement			
	For the Year Ended 31st December		Change
	2 009	2 008	%
Interest Income	3,159,665	2,864,603	10
Interest Income on Loans and Advances	2,293,372	2,292,142	0
Interest Income on Other Interest Earning Assets	866,293	572,461	51
Less: Interest Expenses	1,878,014	1,798,442	4
Interest Expense on Deposits	1,674,924	1,471,146	14
Interest Expense on Other Interest Bearing Liabilities	203,090	327,296	(38)
Net Interest Income	1,281,651	1,066,161	20
Non - Interest Income	702,401	376,554	87
Foreign Exchange Income	81,966	71,866	14
Other Income	620,435	304,688	104
Less: Non - Interest Expenses	943,446	791,922	19
Personnel Costs	344,960	312,494	10
Provision for Staff Retirement Benefits	7,682	10,666	(28)
Premises, Equipment and Establishment Expenses	272,925	237,396	15
Loss on Trading / Investment Securities	-	-	-
Other Operating Expenses	317,879	231,366	37
Less: Provision for Bad and Doubtful Debts and Loans Written Off	209,122	95,451	119
Provisions - General	(4,396)	31,752	(114)
Provisions - Specific	270,445	110,137	146
Recoveries (-)	(59,997)	(31,976)	88
Provisions - Others	-	-	-
Loans Written Off / (Recovered)	3,070	(14,462)	(121)
Less: Provision for Decline in Value of Investments (Net)	-	-	-
Operating Profit on Ordinary Activities Before Taxes	831,484	555,342	50
Less: Value Added Tax on Financial Services	166,337	133,505	25
Operating Profit on Ordinary Activities Before Corporate Tax	665,147	421,837	58
Share of Subsidiaries/Associate Companies' Profit	-	-	-
Operating Profit Before Corporate Tax	665,147	421,837	58
Less: Tax on Profits on Ordinary Activities	277,330	198,204	40
Operating Profit for the Period	387,817	223,633	73
Basic Earnings Per Share (Rs.)	3.51	2.02	73

Summarised Balance Sheet		
	Current Period As at 31/12/2009	Previous Period As at 31/12/2008
On-Balance Sheet Assets		
Cash in Hand	563,463	420,720
Balances with Central Bank of Sri Lanka / Other Central Banks	1,317,769	1,034,643
Due from Banks and Other Financial Institutions	1,128,130	638,145
Investments - Trading Account	3,717,105	2,830,502
Government Securities	3,717,105	2,830,502
Other Securities	-	-
Investments - Held-to-Maturity (Net of provisions made for decline in investment value) (Excluding Investments in Associates and Subsidiaries)	3,014,482	1,037,873
Government Securities	2,940,596	911,513
Other Securities	73,886	126,360
Investments in Associates and Subsidiaries	-	-
Total Loans and Advances		
Total Performing Loans and Advances	9,872,088	11,218,085
Bills of Exchange	132,359	268,445
Overdrafts	3,470,674	4,221,254
Lease Rentals Receivable	480,964	580,748
Other Loans	5,788,091	6,147,638
Total Non-performing Loans and Advances	2,516,698	2,116,003
Bills of Exchange	39,337	25,592
Overdrafts	844,665	845,244
Lease Rentals Receivable	84,104	93,974
Other Loans	1,021,957	750,701
Interest Receivables	526,635	400,492
Total Gross Loans and Advances	12,388,786	13,334,088
Less:		
Suspended Interest	1,002,630	840,260
Specific Loan Loss Provisions	496,990	340,085
General Loan Loss Provisions	59,795	64,191
Net Loans and Advances	10,829,371	12,089,552
Other Assets	356,817	314,018
Intangible Assets	36,127	31,719
Investment Properties	-	-
Property, Plant & Equipments (Net of accumulated depreciation of fixed assets)	595,564	587,168
Total On Balance Sheet Assets	21,558,828	18,984,340
On-Balance Sheet Liabilities		
Total Deposits	16,328,703	14,448,367
Demand Deposits	3,207,311	2,298,987
Savings Accounts	2,083,448	2,227,956
Time Deposits	8,998,190	7,833,717
Margin Deposits	326,028	243,103
Other Deposits	1,713,726	1,844,604
Total Borrowings	1,376,779	1,510,412
Borrowings from CBSL	12,856	20,475
Borrowings from Banks and Financial Institutions in Sri Lanka	214,460	-
Borrowings from Banks and Financial Institutions Abroad	281,658	54,517
Securities sold under Repurchase Agreements	817,805	1,280,504
Subordinated Term Debts	50,000	110,810
Other Borrowings	-	44,106
Deferred Taxation	10,527	55,607
Current Taxation	245,564	121,564
Other Liabilities	1,617,594	1,256,546
Total On Balance Sheet Liabilities	19,579,167	17,392,496
Minority Interest	-	-
Equity Capital and Reserves	1,979,661	1,591,844
Stated Capital (110,640,407 Ordinary Shares)	1,106,404	1,106,404
Statutory Reserve Fund	61,837	42,446
Total Other Reserves	811,420	442,994
Total On-Balance Sheet Liabilities and Equity Capital and Reserves	21,558,828	18,984,340
Off-Balance Sheet Items and Contra Accounts		
Contingencies	3,151,959	2,772,803
Commitments and Contra Accounts	-	-
Net Asset Value per Share (Rs.)	17.89	14.39
Memorandum Information		
Number of Employees	511	507
Number of Branches	35	32

Rupees in Thousands

Cash Flow Statement

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	3,093,522	2,713,179
Fees & Commission Received	259,400	284,651
Interest Payments	(1,783,098)	(1,684,691)
Exchange Income	81,966	71,865
Receipts from Other Operating Activities	358,037	9,015
Cash Payments to Employees & Suppliers	(546,914)	(496,208)
Payments on Other Operating Activities	(426,481)	(369,853)
Operating Profit before changes in Operating Assets	1,036,432	527,958
(Increase)/Decrease in Operating Assets		
Bills of Exchange	52,585	22,142
Loans and Advances	847,414	(2,023,315)
Other Assets	(234,262)	25,182
Lease Rentals Receivable	117,332	160,276
Treasury Bills / Bonds / Repos	(3,415,097)	(2,003,512)
	(1,595,596)	(3,291,269)
Increase/(Decrease) in Operating Liabilities		
Deposits	1,880,336	2,318,154
Other Liabilities	266,133	113,159
Borrowings	(299,965)	913,999
Net Cash from Operating Activities before Income Tax	250,908	54,043
Taxation Paid	(198,410)	(121,674)
Net Cash from Operating Activities	52,498	(67,631)
CASH FLOWS FROM INVESTING ACTIVITIES		
Realisation of Money at Call and Short Notice	-	59,157
Investments / Realisation in Commercial Papers	50,000	120,000
Investments in Securities	(295,001)	78,293
Purchase of Property, Plant & Equipment	(83,298)	(93,030)
Acquisition of Intangible Assets	(11,455)	(21,407)
Proceeds from Sale of Property, Plant & Equipment	3,296	151
Net Cash Flows Used in Investing Activities	(336,458)	143,164
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from/ (Redemption of) Proposed Debentures	(60,810)	60,810
Redemption of Debentures	-	(253,789)
Dividends Paid	-	(82,980)
Net Cash used in Financing Activities	(60,810)	(275,959)
Net Increase/(Decrease) in Cash and Cash Equivalents	(344,770)	(200,426)
Cash and Cash Equivalents at the beginning of the period	1,553,162	1,753,588
Cash and Cash Equivalents at the end of the period	1,208,392	1,553,162
Reconciliation of Cash & Cash Equivalents		
Cash & Short Term Funds	682,845	903,090
Balances with Central Bank of Sri Lanka	807,205	704,589
Due to Foreign Banks	(281,658)	(54,517)
	1,208,392	1,553,162

Selected Performance Indicators

	Current Period As at 31/12/09	Previous Period As at 31/12/08
Regulatory Capital Adequacy	Bank	
Core Capital (Tier 1 Capital), Rs. Mn	1,974	1,574
Total Capital Base, Rs. Mn	2,050	1,665
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	15.94%	13.26%
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	16.56%	14.02%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (Without Interest in Suspense)	13.17%	10.16%
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	8.33%	6.94%
Profitability		
Interest Margin, %	6.42%	6.13%
Return on Assets (After Tax). %	1.94%	1.29%
Return on Equity, %	20.86%	14.80%
Regulatory Liquidity		
Statutory Liquid Assets,-DBU Rs.Mn.	7,040	3,485
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	0.4	1.1
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	41.69%	22.86%
Off-Shore Banking Unit	26.43%	29.83%

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 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)
A. G. Weerasinghe
Chairman

Date : 08/03/2010