

INTERIM FINANCIAL STATEMENTS For the 06 months ended 30th June 2010

2010 2009 56 2010 2009 56 2010 2009 56 2010 2009 56 2010 2009 56 2010 2009 56 2010 2009 56 2010 2009 56 2010 2009 56 2010 2009 56 2010 2009 56 2010 2009 56 2010 2009 56 2010 2009 56 2010 2009 56 2010 20					Ku	pees in 1 no	usanus
2010 2009 % 2010 2010	Summarised	Income S	Statem	ent			
Interest Income			Change		Change		
Interest Income on Loans and Advances 997,080 1,235,732 419, \$10,803 625,029 0. Interest Income on Other Interest Earning Assets 375,212 417,885 410, 193,749 222,123 0. Less: Interest Expenses 660,237 1,005,783 383,289 498,161 38. Interest Expense on Deposits 602,934 869,244 313 302,292 438,569 38. Interest Expense on Other Interest Bearing Liabilities 53,303 136,539 601 25,997 59,592 65. Net Interest Income 716,055 647,834 11 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 376,263 376,660 376,279 38,977 40 28,958 11,893 376,263 376,664 376,083 376,263 376,263 376,664 376,083 376,263 376,664 376,083 376,263 376,664 376,083 376,263 376,664 376,083 376,263 376,664 376,083 376,263 376,664 376,083 376,263 376,664 376,083 376,263 376,664 376,083 376,263		2 010	2 009	%	2 010	2 009	%
Interest Income on Loans and Advances 997,080 1,235,732 419, \$10,803 625,029 0. Interest Income on Other Interest Earning Assets 375,212 417,885 410, 193,749 222,123 0. Less: Interest Expenses 660,237 1,005,783 383,289 498,161 38. Interest Expense on Deposits 602,934 869,244 313 302,292 438,569 38. Interest Expense on Other Interest Bearing Liabilities 53,303 136,539 601 25,997 59,592 65. Net Interest Income 716,055 647,834 11 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 348,991 376,263 376,263 376,660 376,279 38,977 40 28,958 11,893 376,263 376,664 376,083 376,263 376,263 376,664 376,083 376,263 376,664 376,083 376,263 376,664 376,083 376,263 376,664 376,083 376,263 376,664 376,083 376,263 376,664 376,083 376,263 376,664 376,083 376,263 376,664 376,083 376,263		1 272 202	1 (52 (15		504 553	0.45 1.50	
Less: Interest Expenses 375,212 417,885 (10) 193,740 222,123 (1)							(17)
Less: Interest Expense				, ,			(18)
Interest Expense on Deposits 602,934 869,244 (31) 302,292 438,569 (3) 167,939 (61) 25,997 59,592 (5) (61) 25,997 59,592 (5) (61) 25,997 59,592 (5) (61) 25,997 59,592 (5) (61) (61) 25,997 59,592 (5) (61	Interest Income on Other Interest Earning Assets	3/3,212	417,885	(10)	193,749	222,123	(13)
Interest Expense on Deposits 602,934 869,244 (31) 302,292 438,569 (3 Interest Expense on Other Interest Bearing Liabilities 53,303 136,539 (61) 25,997 59,592 (5	Less: Interest Expenses	656,237	1,005,783	(35)	328,289	498,161	(34)
Interest Expense on Other Interest Bearing Liabilities 53,303 136,539 (61) 25,997 59,592 (55) Net Interest Income 716,055 647,834 11 376,263 348,991 376,263 376,000		602,934	869,244	(31)	302,292	438,569	(31)
Non - Interest Income 190,762 492,460 (61) 98,937 298,533 (66) 1,893	Interest Expense on Other Interest Bearing Liabilities	53,303	136,539	(61)	25,997	59,592	(56)
Foreign Exchange Income	Net Interest Income	716,055	647,834	11	376,263	348,991	8
Foreign Exchange Income	Non - Interest Income	190,762	492,460	(61)	98,937	298.533	(67)
Other Income		· ·					143
Personnel Costs	T T						(76)
Personnel Costs	I am Nas I dans d'Estate	500 (((426 000	10	266 506	220 497	21
Provision for Staff Retirement Benefits			,				21
Premises, Equipment and Establishment Expenses 157,900 134,474 17 81,608 69,101 10,000					· ·		24
Loss on Trading / Investment Securities							23
Other Operating Expenses		137,900	134,474		81,008	69,101	18
Less: Provision for Bad and Doubtful Debts and Loans Written Off Provisions - General Provisions - Specific Recoveries (-) Provisions - Others Loans Written Off / (Recovered) Less: Provision for Decline in Value of Investments (Net) Operating Profit on Ordinary Activities Before Corporate Tax Share of Subsidiaries/Associate Companies' Profit Less: Tax on Profits on Ordinary Activities 15,837 162,939 (90) 7,615 81,416 (9 17,111 (6,062) (382) 9,272 (8,720) (20 (87,20) (87,20) (87,20) (87,20) (87,20) (87,20) (87,20) (9) (8,720) (1,20) (8,720) (8,720) (8,720) (8,720) (8,720) (8,720) (20 (8,720) (20 (8,720) (8,720) (8,720) (8,720) (8,720) (8,720) (8,720) (8,720) (8,720) (8,720) (8,720) (9 (8,720) (8,720) (9 (8,720) (1,3,870) (1,3,879) (1,3,879) (1,3,879) (1,3,879) (1,3,879) (1,3,879) (1,3,879) (1,3,879) (1,3,879) (1,3,87) (1,3,879		129 629	122 276		71 966	62.360	- 20
and Loans Written Off Provisions - General 17,111 (6,062) (382) 9,272 (8,720) (20 Provisions - Specific 27,888 179,265 (84) 17,137 93,868 (8 Recoveries (-) (33,718) (13,879) 143 (21,850) (7,417) 19 Provisions - Others - -	Other Operating Expenses	138,038	122,370	13	74,800	02,300	20
Provisions - General 17,111 (6,062) (382) 9,272 (8,720) (2	Less: Provision for Bad and Doubtful Debts	15,837	162,939	(90)	7,615	81,416	(91)
Provisions - Specific 27,888 179,265 (84) 17,137 93,868 (88 Recoveries (-) (13,879) 143 (21,850) (7,417) 199 1	and Loans Written Off						
Recoveries (-) (33,718) (13,879) 143 (21,850) (7,417) 19		,		(382)			(206)
Provisions - Others	_			(84)			(82)
Loans Written Off / (Recovered) 4,556 3,615 26 3,056 3,685 (1) Less: Provision for Decline in Value of Investments (Net)		(33,718)	(13,879)	143	(21,850)	(7,417)	195
Less: Provision for Decline in Value of Investments (Net) - <td></td> <td>-</td> <td>-</td> <td></td> <td>-</td> <td>_</td> <td>-</td>		-	-		-	_	-
Operating Profit on Ordinary Activities Before Taxes 381,314 550,466 (31) 201,079 345,622 (4 Less: Value Added Tax on Financial Services 100,576 67,400 49 53,124 26,313 10 Operating Profit on Ordinary Activities Before Corporate Tax 280,738 483,066 (42) 147,955 319,309 (5 Share of Subsidiaries/Associate Companies' Profit -	Loans Written Off / (Recovered)	4,556	3,615	26	3,056	3,685	(17)
Less: Value Added Tax on Financial Services 100,576 67,400 49 53,124 26,313 10 Operating Profit on Ordinary Activities Before Corporate Tax 280,738 483,066 (42) 147,955 319,309 (5) Share of Subsidiaries/Associate Companies' Profit	Less: Provision for Decline in Value of Investments (Net)	-	-	-	-	-	-
Operating Profit on Ordinary Activities Before Corporate Tax 280,738 483,066 (42) 147,955 319,309 (5 Share of Subsidiaries/Associate Companies' Profit -	Operating Profit on Ordinary Activities Before Taxes	381,314	550,466	(31)	201,079	345,622	(42)
Share of Subsidiaries/Associate Companies' Profit Operating Profit Before Corporate Tax 280,738	Less: Value Added Tax on Financial Services	100,576	67,400	49	53,124	26,313	102
Operating Profit Before Corporate Tax 280,738 483,066 (42) 147,955 319,309 (5) Less: Tax on Profits on Ordinary Activities 129,957 183,917 (29) 64,682 112,619 (4)	Operating Profit on Ordinary Activities Before Corporate Tax	280,738	483,066	(42)	147,955	319,309	(54)
Less:Tax on Profits on Ordinary Activities 129,957 183,917 (29) 64,682 112,619 (4	Share of Subsidiaries/Associate Companies' Profit	-	-	-	-	-	-
	Operating Profit Before Corporate Tax	280,738	483,066	(42)	147,955	319,309	(54)
Operating Profit for the Period 150,781 299,149 (50) 83,273 206,690 (6	Less:Tax on Profits on Ordinary Activities	129,957	183,917	(29)	64,682	112,619	(43)
	Operating Profit for the Period	150,781	299,149	(50)	83,273	206,690	(60)
Basic Earnings Per Share (Rs.) 1.29 2.70 (52) 0.71 1.87 (6	Basic Earnings Per Share (Rs.)	1.29	2.70	(52)	0.71	1.87	(62)

Current Period Avail 30,062,000 Avail 30,062			Rupe	es in Thousands		
Curron Period As al 30006/2010 As al 30006/20	Summarised Balance	e Sheet	e Sheet			
Ac at \$1000-2010 Ac at \$1000			Duorriova Donied	Duorriova Donio d		
On-Balance Sheet Assets						
On-Balance Sheef Assets		As at 30/06/2010		As at 30/06/2009		
Cash in Hand 567,768 561,463 473,746 Eshance woull Central Banks of Sri Lanks' Other Central Banks 1,563,329 1,121,730 1,212,740 1,2	On Balance Short Accepts		Audited			
Indures with Central Bunk of Sri Lamla / Other Central Bunks 1,565,339 1,317,760 1,264,448 1,266 from Bunks and Other Financial Bunks of Sri Lamla / Other Central Bunks 1,17,662 3,717,105 4,124,400 1,17,662 3,717,105 4,124,400 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,177,844 1,179,354 1,179,354 1,179,354 1,179,354 1,179,354 1,179,355 1,177,800 1,177,8	On-Balance Sneet Assets					
Indures with Central Bunk of Sri Lamla / Other Central Bunks 1,565,339 1,317,760 1,264,448 1,266 from Bunks and Other Financial Bunks of Sri Lamla / Other Central Bunks 1,17,662 3,717,105 4,124,400 1,17,662 3,717,105 4,124,400 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,176,600 1,177,844 1,179,354 1,179,354 1,179,354 1,179,354 1,179,354 1,179,355 1,177,800 1,177,8	Cash in Hand	567 768	563 463	473 746		
Das from Banks and Other Financial Institutions		· ·		· ·		
Investments - Trading Account						
Government Securities				· ·		
Investments - Held-to-Maturity (Net of provisions made for decline in investment value) (Rechaffing previsements in Associates and Subsidiaries)	Government Securities	117,862		4,124,400		
value) (Excluding Investments in Associates and Subsidiaries) 6.605,480 2.940,596 1.077,824 Other Socurities 51,598 73,886 101,530 Investments in Associates and Subsidiaries - - - Total Loans and Advances 112,329,451 9,872,888 10,652,821 Bills of Exchange 181,606 122,329 125,500 Overland 3,809,558 3,710,674 3,866,602 Other Loans 8,122,110 5,786,091 4,616,603 Other Loans 8,122,110 5,786,091 4,617,614 Other Loans 2,848,922 2,2516,698 2,564,188 Other Loans 9,593,44 1,012,937 7,819 Lease Rentils Receivable 64,665 8,101 7,838 Lease Rentils Receivable 64,565 8,101 12,193,701 Lease Rentils Receivable 16,193,11 1,002,203 1,002,203 Lease Rentils Receivable 1,002,203 1,002,203 1,002,203 Lease Rentils Receivable 1,002,203 1,002,203 1,002,203 <td>Other Securities</td> <td>-</td> <td>-</td> <td>-</td>	Other Securities	-	-	-		
Government Securities 51,598 1,077,826 101,530 Investments in Associates and Subsidiaries 51,598 15,598 17,886 101,530 Investments in Associates and Subsidiaries 12,324,511 9,872,088 10,662,821 10,620,821 10,6		6,457,078	3,014,482	1,179,354		
Dober Securities S1,508 73,886 101,530	value) (Excluding Investments in Associates and Subsidiaries)					
Incestments in Associates and Subsidiaries 1.1.239,451 9.872,088 10,662,821 1811,166 123,259 125,500 Overdrafts 1811,166 123,259 125,500 Overdrafts 1815,617 481,5617 481,066 482,000 481,000						
Total Loras and Advances 12,329,481 9,872,088 10,662,821 1811,166 132,359 125,550 125,000 1811,166 132,359 125,550 125,000 1811,166 132,359 125,550 1811,166 132,359 125,550 1811,166 132,359 125,550 1811,166 132,359 125,550 1811,166 132,359 125,550 1811,167 181,187 1811,		51,598	73,886	101,530		
Total Performing Loans and Advances 12,329,451 9372,088 10,622,350 125,560 Overdarfas 181,166 132,359 125,560 Overdarfas 3,589,558 3,470,674 3,885,022 125,601 Other Loans 435,617 480,904 496,905 Contact 435,617 480,904 496,905 496,909		-	-	-		
Bills of Exchange		12 220 451	0.073.000	10 ((2 921		
Overdarfast	**					
Lease Remails Receivable	<u> </u>	· ·	· ·	· ·		
Other Loans						
Total Non-performing Lons and Advances 2,488,922 2,516,098 2,564,188 Bills of Exchanges 52,140 39,337 78,194 Overdafts 1,686,688 39,082 844,665 900,999 Lease Rentals Receivable 64,665 84,104 78,388 Other Loans 161,505 526,635 147,693 Interest Receivables 1,617,202 1,02,630 20,065 Sepcific Loan Loss and Advances 1,037,202 1,00,630 20,065 Sepcific Loan Loss Provisions 469,306 496,909 505,941 General Loan Loss Provisions 7,011 99,795 58,513 General Loan Loss Provisions 7,011 99,795 58,513 Other Assets 332,049,441 1,225,77 58,517 Investment Properties 42,875 56,127 7,7,44 Investment Properties 23,009,464 21,558,828 20,121,673 Total On Balance Sheet Liabilities 17,883,199 1,63,28,703 14,766,627 Total On Balance Sheet Liabilities 2,783,373 3,207,311<		· ·	· ·			
Bills of Exchange				, , , , , , , , , , , , , , , , , , ,		
Overdrifs 796,782 844,665 900,999 Claser Rentals Receivable 64,665 84,101 78,388 Other Loans 959,384 1,021,957 1,032,914 Inicreast Receivables 959,384 1,021,957 1,032,914 Inicreast Receivables 1,037,002 14,818,373 12,388,786 13,227,009 Estem 1,037,002 1,002,630 920,965 Specific Loan Loss Provisions 469,306 496,990 505,941 68,287,711 1,741,952 Cher Assets 1,037,002 1,002,630 920,965 Specific Loan Loss Provisions 76,911 59,795 58,151 1,002,371 1,741,952 Cher Assets 1,234,954 10,823,971 1,741,952 Cher Assets 302,048 356,817 422,577 101,602,3671 1,741,952 Cher Assets 1,243,954 1,023,971 1,741,952 Cher Assets 1,243,954						
Lease Rentals Receivable 64,665		· ·	· ·			
Other Loans 959.384 1,021.957 1,032.914 1,032.915 1,032.915 1,032.915 1,032.915 1,032.916 1,032.915 1,03		· ·				
Interest Receivables		· ·	· ·	· ·		
Total Cross Loans and Advances 14,818,373 12,388,786 13,227,009 Less: Suspended Interest 1,037,202 1,002,630 920,965 60,941 1,049,090 505,090 505,000		· ·				
Less: Suspended Interest 1,037,202 1,002,630 920,965 Specific Loun Loss Provisions 469,306 469,390 505,941 660 670,911 597,975 \$81,815 670,911 597,975 \$81,815 76,911 597,975 581,815 76,911 597,975 581,815 76,911 597,975 581,815 76,911 597,975 581,815 76,911 597,975 581,815 76,911		·	· ·	· ·		
Specific Loan Loss Provisions	Less:	, ,		, ,		
General Loan Loss Provisions 76,911 59,795 58,151 Net Loans and Advances 13,234,954 10,829,371 11,741,952 Other Assets 30,20,48 35,6,817 422,577 Investment Properties 42,875 36,127 37,704 Investment Properties 23,909,464 21,558,828 20,121,673 On-Balance Sheet Liabilities 21,783,199 16,328,703 14,766,627 Demand Deposits 2,793,537 3,207,311 1,588,182 Savings Accounts 2,083,030 2,083,448 1,607,762 Time Deposits 2,98,670 326,028 188,630 Margin Deposits 2,98,670 326,028 188,630 Other Deposits 2,98,670 326,028 188,630 Other Deposits 2,98,670 326,028 188,630 Deposi	Suspended Interest	1,037,202	1,002,630	920,965		
Net Loans and Advances 13,234,054 10,829,371 11,741,952 10 10 10 10 10 10 10 1	Specific Loan Loss Provisions	469,306	496,990	505,941		
Other Assers	General Loan Loss Provisions	76,911	59,795	58,151		
Intangible Assets 36,127 37,704 Interestment Properties 588,722 595,564 587,454 587,454 588,7454 588,	Net Loans and Advances	13,234,954	10,829,371	11,741,952		
Investmen Properties	Other Assets	302,048	356,817	422,577		
Property, Plant & Equipments (Net of accumulated depreciation of fixed assets) 588,722 595,564 587,454 Total On Balance Sheet Assets 23,909,464 21,558,828 20,121,673 On-Balance Sheet Liabilities	Intangible Assets	42,875	36,127	37,704		
Total On Balance Sheet Liabilities	Investment Properties	-	-	-		
On-Balance Sheet Liabilities 17,883,199 16,328,703 14,766,627 Demand Deposits 2,793,537 3,207,311 1,588,182 Savings Accounts 2,083,030 2,083,448 1,607,622 Time Deposits 10,476,238 8,998,190 9,096,326 Margin Deposits 298,670 326,028 188,630 Other Deposits 2,231,724 1,713,726 2,312,727 Total Borrowings from CBSL 9,036 12,856 17,719 Borrowings from Banks and Financial Institutions in Sri Lanka 403,708 214,460 379,800 Borrowings from Banks and Financial Institutions Abroad 309,501 281,658 136,766 Scaurities sold under Repurchase Agreements 902,609 817,805 973,091 Subordinated Term Debts 50,000 50,000 110,081 Other Borrowings - - - - Deferred Taxation 13,162 10,527 55,607 Current Taxation 13,162 10,527 55,607 Current Taxation 21,336,461 19,579,167 </td <td>Property, Plant & Equipments (Net of accumulated depreciation of fixed assets)</td> <td>588,722</td> <td>595,564</td> <td>587,454</td>	Property, Plant & Equipments (Net of accumulated depreciation of fixed assets)	588,722	595,564	587,454		
On-Balance Sheet Liabilities 17,883,199 16,328,703 14,766,627 Demand Deposits 2,793,537 3,207,311 1,588,182 Savings Accounts 2,083,030 2,083,448 1,607,622 Time Deposits 10,476,238 8,998,190 9,096,326 Margin Deposits 298,670 326,028 188,630 Other Deposits 2,231,724 1,713,726 2,312,727 Total Borrowings from CBSL 9,036 12,856 17,719 Borrowings from Banks and Financial Institutions in Sri Lanka 403,708 214,460 379,800 Borrowings from Banks and Financial Institutions Abroad 309,501 281,658 136,766 Scaurities sold under Repurchase Agreements 902,609 817,805 973,091 Subordinated Term Debts 50,000 50,000 110,081 Other Borrowings - - - - Deferred Taxation 13,162 10,527 55,607 Current Taxation 13,162 10,527 55,607 Current Taxation 21,336,461 19,579,167 </td <td></td> <td></td> <td></td> <td></td>						
Total Deposits	Total On Balance Sheet Assets	23,909,464	21,558,828	20,121,673		
Total Deposits	On Polonge Shoot Lightlities					
Demand Deposits	On-Datance Sheet Liabilities					
Demand Deposits	Total Denosits	17 883 199	16 328 703	14 766 627		
Savings Accounts	-			, ,		
Time Deposits						
Margin Deposits 298,670 326,028 188,630 Other Deposits 2,231,724 1,713,726 2,312,727 Total Borrowings 1,674,854 1,376,779 1,618,186 Borrowings from BSL 9,036 12,856 17,719 Borrowings from Banks and Financial Institutions in Sri Lanka 403,708 214,460 379,800 Borrowings from Banks and Financial Institutions Abroad 309,501 281,658 136,766 Securities sold under Repurchase Agreements 902,609 817,805 973,091 Subordinated Term Debts 50,000 50,000 110,810 Other Borrowings Deferred Taxation 13,162 10,527 55,607 Current Taxation 265,922 245,564 246,240 Other Liabilities 1,499,324 1,617,594 1,544,020 Total On Balance Sheet Liabilities 21,336,461 19,579,167 18,230,680 Minority Interest Equity Capital and Reserves 2,573,003 1,979,661 1,890,993 Stated Capital (147,520,543 Ordinary Shares) 1,548,966 1,106,404 1,106,404 Statutory Reserve Fund 61,837 61,837 61,837 61,837 61,837 61,837 61,237 61,242,470 Total On-Balance Sheet Liabilities and Equity Capital and Reserves 23,999,464 21,558,828 20,121,673 Off-Balance Sheet Liabilities and Equity Capital and Reserves 2,642,476 3,151,959 2,398,721 Contingencies 2,642,476 3,151,959 2,398,721 Contingencies 2,642,476 3,151,959 2,398,721 Contingencies 2,642,476 3,151,959 2,398,721 Contingencies 2,642,476 3,151,959 2,398,721 Commitments and Contra Accounts 17,44 17,89 17,09 Memorandum Information Number of Employees 573 511 491				9,069,326		
Total Borrowings 1,674,854 1,376,779 1,618,186 Borrowings from Banks and Financial Institutions in Sri Lanka 9,036 12,856 17,719 Borrowings from Banks and Financial Institutions Abroad 309,501 281,658 136,766 Securities sold under Repurchase Agreements 902,609 817,805 973,091 Subordinated Term Debts 90,000 50,000 110,810 Other Borrowings - - - Deferred Taxation 13,162 10,527 55,607 Current Taxation 265,922 245,564 246,240 Other Liabilities 1,499,324 1,617,594 1,544,020 Total On Balance Sheet Liabilities 21,336,461 19,579,167 18,230,680 Minority Interest - - - - Equity Capital and Reserves 2,573,003 1,979,661 1,890,993 Stated Capital (147,520,543 Ordinary Shares) 1,548,966 1,106,404 1,106,404 Statutory Reserve Fund 61,837 61,837 42,446 Total One Balance Sheet Liabilities and Equity Capital and Res	Margin Deposits	298,670		188,630		
Total Borrowings 1,674,854 1,376,779 1,618,186 Borrowings from Banks and Financial Institutions in Sri Lanka 9,036 12,856 17,719 Borrowings from Banks and Financial Institutions Abroad 309,501 281,658 136,766 Securities sold under Repurchase Agreements 902,609 817,805 973,091 Subordinated Term Debts 90,000 50,000 110,810 Other Borrowings - - - Deferred Taxation 13,162 10,527 55,607 Current Taxation 265,922 245,564 246,240 Other Liabilities 1,499,324 1,617,594 1,544,020 Total On Balance Sheet Liabilities 21,336,461 19,579,167 18,230,680 Minority Interest - - - - Equity Capital and Reserves 2,573,003 1,979,661 1,890,993 Stated Capital (147,520,543 Ordinary Shares) 1,548,966 1,106,404 1,106,404 Statutory Reserve Fund 61,837 61,837 42,446 Total One Balance Sheet Liabilities and Equity Capital and Res	Other Deposits	2,231,724	1,713,726	2,312,727		
Borrowings from Banks and Financial Institutions in Sri Lanka 403,708 214,460 379,800 309,501 281,658 136,766 Securities sold under Repurchase Agreements 902,609 817,805 973,091 Subordinated Term Debts 50,000 50,000 110,810 Other Borrowings	Total Borrowings			1,618,186		
Borrowings from Banks and Financial Institutions Abroad Securities sold under Repurchase Agreements 902,609 817,805 973,091 Subordinated Term Debts 902,609 50,000 50,000 110,810 Other Borrowings	Borrowings from CBSL	9,036	12,856	17,719		
Securities sold under Repurchase Agreements	Borrowings from Banks and Financial Institutions in Sri Lanka	403,708	214,460	379,800		
Subordinated Term Debts Other Borrowings		309,501	281,658	136,766		
Other Borrowings -	1 6	902,609	817,805	973,091		
Deferred Taxation	Subordinated Term Debts	50,000	50,000	110,810		
Current Taxation 265,922 245,564 246,240 Other Liabilities 1,499,324 1,617,594 1,544,020 Total On Balance Sheet Liabilities 21,336,461 19,579,167 18,230,680 Minority Interest - - - - Equity Capital and Reserves 2,573,003 1,979,661 1,890,993 Stated Capital (147,520,543 Ordinary Shares) 1,548,966 1,106,404 1,106,404 Statutory Reserve Fund 61,837 61,837 61,837 42,446 Total Other Reserves 962,200 811,420 742,143 Total On-Balance Sheet Liabilities and Equity Capital and Reserves 23,909,464 21,558,828 20,121,673 Off-Balance Sheet Items and Contra Accounts 2,642,476 3,151,959 2,398,721 Contingencies 2,642,476 3,151,959 2,398,721 Commitments and Contra Accounts 17,44 17,89 17,09 Memorandum Information Number of Employees 573 511 491	Other Borrowings	-	-	-		
Current Taxation 265,922 245,564 246,240 Other Liabilities 1,499,324 1,617,594 1,544,020 Total On Balance Sheet Liabilities 21,336,461 19,579,167 18,230,680 Minority Interest - - - - Equity Capital and Reserves 2,573,003 1,979,661 1,890,993 Stated Capital (147,520,543 Ordinary Shares) 1,548,966 1,106,404 1,106,404 Statutory Reserve Fund 61,837 61,837 61,837 42,446 Total Other Reserves 962,200 811,420 742,143 Total On-Balance Sheet Liabilities and Equity Capital and Reserves 23,909,464 21,558,828 20,121,673 Off-Balance Sheet Items and Contra Accounts 2,642,476 3,151,959 2,398,721 Contingencies 2,642,476 3,151,959 2,398,721 Commitments and Contra Accounts 17.44 17.89 17.09 Memorandum Information Number of Employees 573 511 491						
Other Liabilities 1,499,324 1,617,594 1,544,020 Total On Balance Sheet Liabilities 21,336,461 19,579,167 18,230,680 Minority Interest - - - Equity Capital and Reserves 2,573,003 1,979,661 1,890,993 Statud Capital (147,520,543 Ordinary Shares) 1,548,966 1,106,404 1,106,404 Statutory Reserve Fund 61,837 61,837 42,446 Total Other Reserves 962,200 811,420 742,143 Total On-Balance Sheet Liabilities and Equity Capital and Reserves 23,909,464 21,558,828 20,121,673 Off-Balance Sheet Items and Contra Accounts 2,642,476 3,151,959 2,398,721 Contingencies 2,642,476 3,151,959 2,398,721 Commitments and Contra Accounts - - - Net Asset Value per Share (Rs.) 17.44 17.89 17.09 Memorandum Information Number of Employees 573 511 491			· ·	· ·		
Total On Balance Sheet Liabilities 21,336,461 19,579,167 18,230,680		· ·	· ·			
Minority Interest	Other Liabilities	1,499,324	1,617,594	1,544,020		
Equity Capital and Reserves 2,573,003 1,979,661 1,890,993 1,548,966 1,106,404	Total On Balance Sheet Liabilities	21,336,461	19,579,167	18,230,680		
Stated Capital (147,520,543 Ordinary Shares) 1,548,966 1,106,404 1,106,404 Statutory Reserve Fund 61,837 61,837 42,446 962,200 811,420 742,143	Minority Interest	-	-	-		
Stated Capital (147,520,543 Ordinary Shares) 1,548,966 1,106,404 1,106,404 Statutory Reserve Fund 61,837 61,837 42,446 962,200 811,420 742,143						
Statutory Reserve Fund Total Other Reserves 61,837 962,200 811,420 742,143 42,446 742,143 Total On-Balance Sheet Liabilities and Equity Capital and Reserves 23,909,464 21,558,828 20,121,673 20,121,673 Off-Balance Sheet Items and Contra Accounts Contingencies Commitments and Contra Accounts 2,642,476 3,151,959 2,398,721 2,398,721 3,151,959 2,398,721 3,151,959 2,398,721 3,151,959 2,398,721 3,151,959 2,398,721 3,151,959 3,151						
Total Other Reserves 962,200 811,420 742,143						
Total On-Balance Sheet Liabilities and Equity Capital and Reserves 23,909,464 21,558,828 20,121,673		·	·			
Off-Balance Sheet Items and Contra Accounts 2,642,476 3,151,959 2,398,721 Contingencies 2,642,476 3,151,959 2,398,721 Commitments and Contra Accounts - - - Net Asset Value per Share (Rs.) 17.44 17.89 17.09 Memorandum Information Number of Employees 573 511 491	Total Other Reserves	962,200	811,420	742,143		
Contingencies	Total On-Balance Sheet Liabilities and Equity Capital and Reserves	23,909,464	21,558,828	20,121,673		
Contingencies	OMP I GILLY			. ==		
Commitments and Contra Accounts						
Net Asset Value per Share (Rs.) 17.44 17.89 17.09 Memorandum Information Number of Employees 573 511 491		2,642,476	3,151,959	2,398,721		
Memorandum Information Number of Employees 573 511 491	Commitments and Contra Accounts	-	-	-		
Memorandum Information573511491	Not Asset Volue per Chare (Da.)	45.44	48.00	45.00		
Number of Employees 573 511 491	rict Asset value per Share (RS.)	17.44	17.89	17.09		
Number of Employees 573 511 491	Memorandum Information					
		573	511	491		
	Number of Branches	37	35	33		

Statement of Changes In Equity and Reserves - BANK

For the Period Ended (30/06/2010)		Stated Capital			Reserves			Reserves			
	Ordinary Voting Shares	Ordinary Non- Voting Shares	Cumulative Redeemable Preference Shares	Assigned Capital	Share Premium	Reserve Fund	Revaluation Reserve	General Reserve	Other Reserve	Income Statement	Total
Balance as at 01/01/2009	1,106,404	-	-	-	-	42,446	17,858	-	-	425,136	1,591,844
Issue of Share/Increase of Assigned Capital	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	-	-
Rights Issue	-	-	-	-	-	-	-	-	-	-	-
Surplus on Revaluation of Property, Plant & Equip	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	-	-	299,149	299,149
Transfer to Reserves during the period	-	-	-	-	-	-		-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30/06/2009	1,106,404	-	-	-	-	42,446	17,858	-	-	724,285	1,890,993
Balance as at 01/01/2010	1,106,404	-	-	-	-	61,837	5,646	-	-	805,773	1,979,660
Issue of Share/Increase of Assigned Capital	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	-	-
Rights Issue	442,562	-	-	-	-	-	-	-	-	-	442,562
Surplus on Revaluation of Property, Plant & Equip	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	-	-	150,781	150,781
Transfer to Reserves during the period	-	-	-	-	-	-		-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30/06/2010	1,548,966	-	-	-	-	61,837	5,646	-	-	956,554	2,573,003

^{*} Number of Ordinary Shares as at 30th June 2009, Voting -147,520,543

	_				
Cash Flow Statement					
	From 01/01/10 To 30/06/10	From 01/01/09 To 30/06/09			
CASH FLOWS FROM OPERATING ACTIVITIES	10 30/00/10	10 30/00/07			
Interest Received	1,445,512	1,613,819			
Fees & Commission Received	149,943	319,900			
Interest Payments	(709,350)	(1,010,016)			
Exchange Income	54,679	38,977			
Cash Payments to Employees & Suppliers	(327,997)	(266,908)			
Payments on Other Operating Activities	(239,215)	(189,777)			
Operating Profit before changes in Operating Assets	373,572	505,995			
(Increase)/Decrease in Operating Assets					
Bills of Exchange	54,425	103,287			
Loans and Advances	(2,444,585)	32,090			
Other Assets	(80,314)	(194,207)			
Lease Rentals Receivable	64,787	97,630			
Treasury Bills / Bonds / Repos	46,283	(963,501)			
	(1,985,832)	(418,706)			
Increase/(Decrease) in Operating Liabilities					
Deposits Promise Services	1,554,495	318,261			
Other Liabilities	(65,156)	291,706			
Borrowings	270,232	25,524			
Net Cash from Operating Activities before Income Tax	(226,261)	216,785			
Taxation Paid	(106,963)	(59,240)			
Net Cash from Operating Activities	(333,224)	157,545			
CASH FLOWS FROM INVESTING ACTIVITIES		,			
CASH FLOWS FROM INVESTING ACTIVITIES					
Investments / Realisation in Commercial Papers	-	50,000			
Investments in Securities	27,788	(440,295)			
Purchase of Property, Plant & Equipment	(32,434)	(34,462)			
Acquisition of Intangible Assets	(10,509)	(9,414)			
Proceeds from Sale of Property, Plant & Equipment	5	-			
Net Cash Flows Used in Investing Activities	(15,150)	(434,171)			
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from Right Issue	442,562	_			
Proceeds from Proposed Debentures	-	-			
Redemption of Debentures	-	-			
Dividends Paid	-	-			
Net Cash used in Financing Activities	442,562	-			
Net Increase/(Decrease) in Cash and Cash Equivalents	94,188	(276,626)			
Cash and Cash Equivalents at the beginning of the period	1,208,392	1,553,162			
Cash and Cash Equivalents at the end of the period	1,302,580	1,276,536			
Reconciliation of Cash & Cash Equivalents					
Cash & Short Term Funds	601,396	567,824			
Balances with Central Bank of Sri Lanka	1,010,685	845,478			
Due to Foreign Banks	(309,501)	(136,766)			
2 to 1 oroign Buildo	1,302,580	1,276,536			
	_,= 02,= 30	_,_ : 0,==0			

Selected Performance Indicators

Current Period As at 30/06/10

As at 31/12/09

		Audited		
Regulatory Capital Adequacy	Bar	Bank		
Core Capital (Tier 1 Capital), Rs. Mn	2,537	1,974		
Total Capital Base, Rs. Mn	2,625	2,050		
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	19.24%	15.94%		
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	19.91%	16.56%		
Assets Quality (Quality of Loan Portfolio)				
Gross Non - Performing Advances Ratio, % (Without Interest in Suspense)	10.51%	13.17%		
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	6.56%	8.33%		
Profitability (Annualized)				
Interest Margin, %	6.36%	6.42%		
Return on Assets (After Tax). %	1.34%	1.94%		
Return on Equity, %	13.76%	20.86%		
Regulatory Liquidity				
Statutory Liquid Assets,-DBU Rs.Mn.	7,519	7,040		
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	0.4	0.4		
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)				
Domestic Banking Unit	37.53%	41.69%		
Off-Shore Banking Unit	36.05%	26.43%		

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 Director/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 are true and correct to the best of our knowledge and belief.

(Sgd)
A. G. Weerasinghe
Chairman

(Sgd) Claude Peiris Director/Chief Executive Officer

EXPLANATORY NOTES

- (01) The above Financial Statements are drawn up from the unaudited accounts of the Bank,unless indicated as audited.

 These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards.
- (02) Revaluation Reserve amount in respect of Fixed Assets revalued except Land, Building and Motor Vehicles.
- (03) There has not been significant changes in the nature of Contingent Liabilities which were disclosed in the Annual Report for the year ended 2009.
- (04) There are no changes to the accounting policies and methods of computation since the publication of the Annual Report for the year ended 2009.

(05) Market Price of Shares

MARKET VALUE	30/06/20	010 (Rs.)	30/06/2009 (Rs.)		
WIARRET VALUE	Voting	Non Voting	Voting	Non Voting	
Market Value per Share	32.00		13.75		
Highest Price Per Share for the Quarter	36.50		15.50		
Lowest Price Per Share for the Quarter	17.00		9.25		

SHAREHOLDERS INFORMATION

MAJOR SHAREHOLDERS AS AT 30.06.2010

No	Name	No.of Shares	%
1	Mr. K D D Perera	44,241,410	29.99
2	HSBC Int'l NOM LTD – UBS AG SINGAPORE Branch (ex. SBC)	13,846,723	9.39
3	Dr. T Senthilverl	9,309,153	6.31
4	Mr. D C C Joseph	8,505,101	5.77
5	Mr. K D H Perera	7,768,666	5.27
6	Mr. P J Tay	7,305,998	4.95
7	Mr. K D A Perera	6,400,000	4.34
8	Sri Lanka Savings Bank Limited	3,709,333	2.51
9	Samurdhi Authority of Sri Lanka	2,557,188	1.73
10	Michelangelo Footwear (Private) Limited	2,340,000	1.59
11	First Capital Markets Ltd / Mr. W D N H Perera	2,146,000	1.45
12	Almar Trading Co (Pte) Ltd	1,987,033	1.35
13	Mr. A M A R A Zalzalah	1,906,666	1.29
14	Seylan Bank PLC/Thirugnanasambandar Senthilverl	1,845,136	1.25
15	Favourite Garments Ltd	1,500,000	1.02
16	Mr. Y S H I K Silva	1,082,266	0.73
17	Lizzola Holdings Limited	1,064,833	0.72
18	Deshabandu D M I Dissanayake	930,266	0.63
19	Jayes Trading Company (Pvt) Ltd	853,333	0.58
20	Waldock Mackenzie Ltd/Mr. A F Munal & Mrs N Munas	839,066	0.57
		120,138,171	81.44
	Others	27,382,372	18.56
	Total	147,520,543	100.00

As per the Rule No. 8.7(h) of the Colombo Stock Exchange, percentage of Public holding as at 30.06 2010 is 68.45%

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES AS AT 31ST DECEMBER 2009

No	Name of Director	No.of Shares
1	Mr. A G Weerasinghe	17,300
2	Mr. W D N H Perera	1,601,875
3	Mr. J A S S Adhihetty	35,000
4	Mr. A A Page	40,000
5	Mr. R E U De Silva	-
6	Mr. M D S Goonatilleke	-
7	Ms. Kimarli Fernando	175,000
8	Mr. T C Peiris (Acting Chief Executive Officer)	-