



INTERIM FINANCIAL STATEMENTS
For the 06 months ended 30th June 2011

Rupees in Thousands

Summarised Income Statement						
	For the Six months ended 30th June		Change	For the Quarter Ended 30th June		Change
	2 011	2 010	%	2 011	2 010	%
Interest Income	1,978,726	1,372,292	44	1,038,846	704,552	47
Interest Income on Loans and Advances	1,680,738	997,080	69	884,967	510,803	73
Interest Income on Other Interest Earning Assets	297,988	375,212	(21)	153,879	193,749	(21)
Less: Interest Expenses	953,904	656,237	45	521,105	328,289	59
Interest Expense on Deposits	830,083	602,934	38	454,639	302,292	50
Interest Expense on Other Interest Bearing Liabilities	123,821	53,303	132	66,466	25,997	156
Net Interest Income	1,024,822	716,055	43	517,741	376,263	38
Non - Interest Income	348,728	190,762	83	133,025	98,937	34
Foreign Exchange Income	87,434	54,679	60	45,770	28,958	58
Other Income	261,294	136,083	92	87,255	69,979	25
Less: Non - Interest Expenses	685,391	509,666	34	358,599	266,506	35
Personnel Costs	285,947	207,318	38	149,463	107,040	40
Provision for Staff Retirement Benefits	7,967	5,810	37	4,149	2,992	39
Premises, Equipment and Establishment Expenses	193,227	157,900	22	100,142	81,608	23
Loss on Trading / Investment Securities	-	-	-	-	-	-
Other Operating Expenses	198,250	138,638	43	104,845	74,866	40
Less: Provision for Bad and Doubtful Debts and Loans Written Off	(20,055)	15,837	(227)	(32,058)	7,615	(521)
Provisions - General	(651)	17,111	(104)	(13,818)	9,272	(249)
Provisions - Specific	18,685	27,888	(33)	4,062	17,137	(76)
Recoveries (-)	(32,340)	(33,718)	(4)	(16,504)	(21,850)	(24)
Loans Written Off / (Recovered)	(5,749)	4,556	(226)	(5,798)	3,056	(290)
Less: Provision for Decline in Value of Investments (Net)	-	-	-	-	-	-
Operating Profit on Ordinary Activities Before Taxes	708,214	381,314	86	324,225	201,079	61
Less: Value Added Tax on Financial Services	95,813	100,576	(5)	45,682	53,124	(14)
Operating Profit on Ordinary Activities Before Corporate Tax	612,401	280,738	118	278,543	147,955	88
Share of Subsidiaries/Associate Companies' Profit	-	-	-	-	-	-
Operating Profit Before Corporate Tax	612,401	280,738	118	278,543	147,955	88
Less: Tax on Profits on Ordinary Activities	206,347	129,957	59	68,509	64,682	6
Operating Profit for the Period	406,054	150,781	169	210,034	83,273	152
Basic Earnings Per Share (Rs.)	1.38	0.51	170	0.71	0.28	154

Summarised Balance Sheet

	Current Period As at 30/06/2011	Previous Period As at 31/12/2010 Audited	Previous Period As at 30/06/2010
On-Balance Sheet Assets			
Cash in Hand	916,113	861,129	567,768
Balances with Central Bank of Sri Lanka / Other Central Banks	2,690,600	1,661,924	1,565,359
Due from Banks and Other Financial Institutions	1,016,274	1,713,204	1,032,798
Investments - Trading Account	1,174,325	3,307,933	117,862
Government Securities	1,161,176	3,306,388	117,862
Other Securities	13,149	1,545	-
Investments - Held-to-Maturity (Net of provisions made for decline in investment value) (Excluding Investments in Associates and Subsidiaries)	6,115,631	1,867,173	6,457,078
Government Securities	5,577,691	1,835,438	6,405,480
Other Securities	537,940	31,735	51,598
Investments in Associates and Subsidiaries	-	-	-
Total Loans and Advances			
Total Performing Loans and Advances	26,621,697	20,080,250	12,329,451
Bills of Exchange	216,470	134,647	181,166
Overdrafts	9,009,825	6,068,438	3,589,558
Lease Rentals Receivable	1,643,208	1,015,891	435,617
Other Loans	15,752,194	12,861,274	8,123,110
Total Non-performing Loans and Advances	2,552,902	2,195,586	2,488,922
Bills of Exchange	42,128	52,596	52,140
Overdrafts	886,176	640,450	796,782
Lease Rentals Receivable	40,111	45,684	64,665
Other Loans	868,891	802,968	959,384
Interest Receivables	715,596	653,888	615,951
Total Gross Loans and Advances	29,174,599	22,275,836	14,818,373
Less:			
Suspended Interest	1,283,853	1,054,449	1,037,202
Specific Loan Loss Provisions	424,998	439,937	469,306
General Loan Loss Provisions	116,524	117,196	76,911
Net Loans and Advances	27,349,224	20,664,254	13,234,954
Other Assets	572,495	464,864	302,048
Intangible Assets	52,306	48,667	42,875
Investment Properties	-	-	-
Property, Plant & Equipments (Net of accumulated depreciation of fixed assets)	621,789	591,819	588,722
Total On Balance Sheet Assets	40,508,757	31,180,967	23,909,464
On-Balance Sheet Liabilities			
Total Deposits	30,792,158	21,472,795	17,883,199
Demand Deposits	5,092,920	3,268,339	2,793,537
Savings Accounts	4,634,077	2,610,729	2,083,030
Time Deposits	20,355,629	14,976,388	12,707,962
Margin Deposits	660,878	617,339	298,670
Other Deposits	48,654	-	-
Total Borrowings	3,790,669	4,499,847	1,674,854
Borrowings from CBSL	3,250	5,650	9,036
Borrowings from Banks and Financial Institutions in Sri Lanka	-	300,000	403,708
Borrowings from Banks and Financial Institutions Abroad	319,619	70,031	309,501
Securities sold under Repurchase Agreements	3,417,800	4,074,166	902,609
Subordinated Term Debts	50,000	50,000	50,000
Other Borrowings	-	-	-
Deferred Taxation	78,459	83,486	13,162
Current Taxation	318,971	262,373	265,922
Other Liabilities	2,338,429	2,078,449	1,499,324
Total On Balance Sheet Liabilities	37,318,686	28,396,950	21,336,461
Minority Interest	-	-	-
Equity Capital and Reserves	3,190,071	2,784,017	2,573,003
Stated Capital (295,041,086 Ordinary Shares)	1,548,966	1,548,966	1,548,966
Statutory Reserve Fund	79,927	79,927	61,837
Total Other Reserves	1,561,178	1,155,124	962,200
Total On-Balance Sheet Liabilities and Equity Capital and Reserves	40,508,757	31,180,967	23,909,464
Off-Balance Sheet Items and Contra Accounts	6,476,059	4,497,190	2,642,476
Contingencies	6,476,059	4,497,190	2,642,476
Commitments and Contra Accounts	-	-	-
Net Asset Value per Share (Rs.)	10.81	9.44	8.72
Memorandum Information			
Number of Employees	857	670	573
Number of Branches	51	41	37

Rupees in Thousands

Statement of Changes In Equity and Reserves - BANK

For the Period Ended (30/06/2011)	Stated Capital					Reserves					Total
	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	
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
Balance as at 01/01/2011	1,548,966	-	-	-	-	79,927	1,812	-	-	1,153,311	2,784,016
Issue of Share/Increase of Assigned Capital	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	-	-
Rights Issue	-	-	-	-	-	-	-	-	-	-	-
Surplus on Revaluation of Property, Plant & Equip	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	-	-	406,054	406,054
Transfer to Reserves during the period	-	-	-	-	-	-	-	-	80,432	(80,432)	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30/06/2011	1,548,966	-	-	-	-	79,927	1,812	-	80,432	1,478,933	3,190,070

Rupees in Thousands

Cash Flow Statement

	From 01/01/11 To 30/06/11	From 01/01/10 To 30/06/10
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	1,953,917	1,445,512
Fees & Commission Received	234,470	149,943
Interest Payments	(772,799)	(709,350)
Exchange Income	87,434	54,679
Cash Payments to Employees & Suppliers	(446,663)	(327,997)
Payments on Other Operating Activities	(294,063)	(239,215)
Operating Profit before changes in Operating Assets	762,295	373,572
(Increase)/Decrease in Operating Assets		
Bills of Exchange	(133,949)	54,425
Loans and Advances	(5,893,508)	(2,444,585)
Other Assets	(258,129)	(80,314)
Lease Rentals Receivable	(738,572)	64,787
Treasury Bills / Bonds / Repos	(655,645)	46,283
	(6,917,508)	(1,985,832)
Increase/(Decrease) in Operating Liabilities		
Deposits	9,319,364	1,554,495
Other Liabilities	78,875	(65,156)
Borrowings	(958,766)	270,232
Net Cash from / (used in) Operating Activities before Income Tax	1,521,965	(226,261)
Taxation Paid	(154,777)	(106,963)
Net Cash from / (used in) Operating Activities	1,367,188	(333,224)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in Securities	(508,746)	27,788
Purchase of Property, Plant & Equipment	(68,134)	(32,434)
Acquisition of Intangible Assets	(8,084)	(10,509)
Proceeds from Sale of Property, Plant & Equipment	2,130	5
Net Cash Flows Used in Investing Activities	(582,834)	(15,150)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Right Issue	-	442,562
Dividends Paid	-	-
Net Cash from Financing Activities	-	442,562
Net Increase/(Decrease) in Cash and Cash Equivalents	784,355	94,188
Cash and Cash Equivalents at the beginning of the period	2,100,362	1,208,392
Cash and Cash Equivalents at the end of the period	2,884,717	1,302,580
Reconciliation of Cash & Cash Equivalents		
Cash & Short Term Funds	1,282,134	601,396
Balances with Central Bank of Sri Lanka	1,922,202	1,010,685
Due to Foreign Banks	(319,619)	(309,501)
	2,884,717	1,302,580

Selected Performance Indicators		
	Current Period As at 30/06/11	Previous Period As at 31/12/10 Audited
Regulatory Capital Adequacy	Bank	
Core Capital (Tier 1 Capital), Rs. Mn	2,782	2,782
Total Capital Base, Rs. Mn	2,900	2,906
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	12.23%	14.60%
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	12.74%	15.25%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (Without Interest in Suspense)	4.52%	5.36%
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	2.59%	2.74%
Profitability (Annualized)		
Interest Margin, %	5.69%	6.39%
Return on Assets (After Tax), %	2.25%	1.42%
Return on Equity, %	27.13%	14.72%
Regulatory Liquidity		
Statutory Liquid Assets,-DBU Rs.Mn.	6,416	5,013
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	1.34	1.75
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	21.38%	23.09%
Off-Shore Banking Unit	44.68%	79.15%

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 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)

T.C.A. Peiris
Director / Chief Executive Officer

Date : 27/07/2011

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) No material events have been taken place since 30th June 2011 that require disclosures or/ and adjustments in the Financial Statements.
- (04) There has not been significant changes in the nature of Contingent Liabilities which were disclosed in the Annual Report for the year ended 2010.
- (05) There are no changes to the accounting policies and methods of computation since the publication of the Annual Report for the year ended 2010.
- (06) The Bank has subdivided the ordinary shares of 147,520,543 in the proportion of one share for every one share held without increasing the value of stated capital of the bank, and as a result the number of shares increased to 295,041,086 with effect from 08th June 2011.
The comparative ratios have been changed accordingly in order to reflect the above change.
- (07) **Market Price of Shares**

MARKET VALUE	30/06/2011 (Rs.)		30/06/2010 (Rs.)	
	Voting	Non Voting	Voting	Non Voting
Market Value per Share	26.00	--	32.00	--
Highest Price Per Share for the Quarter	61.90	--	36.50	--
Lowest Price Per Share for the Quarter	25.50	--	17.00	--

SHAREHOLDERS INFORMATION

MAJOR SHAREHOLDERS AS AT 30.06.2011

No	Name	No.of Shares	%
1	Mr. K D D Perera	88,482,820	29.99
2	Seylan Bank PLC / Thirugnanasambandar Senthilverl - 28,330,568 Dr. T Senthilverl - 1,173,540	29,504,108	9.99
3	HSBC Int'l NOM LTD-UBS AG SINGAPORE Branch (ex.SBC)	27,683,446	9.38
4	Mr. D C C Joseph	17,010,202	5.76
5	Mr. K D H Perera	15,537,332	5.26
6	Mr. P J Tay	14,611,996	4.95
7	Mr. K D A Perera	12,929,600	4.38
8	Seylan Bank PLC / Mr. W D N H Perera	7,420,900	2.51
9	Sri Lanka Savings Bank Limited	6,865,666	2.32
10	Samurdhi Authority of Sri Lanka	5,114,376	1.73
11	Royal Ceramics Lanka PLC	3,813,200	1.29
12	Favourite Garments Ltd	2,400,000	0.81
13	Deshabandu D M I Dissanayake	1,743,600	0.59
14	Associated Electrical Corporation Ltd	1,720,400	0.58
15	Attanagalla Samurdhi Maha Sangamaya	1,600,000	0.54
16	Hanguranketha Samurdhi Maha Sangamaya	1,600,000	0.54
17	Sri Lanka Insurance Corporation Ltd - Life Fund	1,394,666	0.47
18	Sampath Bank PLC - Account No.3	1,380,532	0.46
19	Bank of Ceylon No. 1 Account	1,300,000	0.44
20	Esna Holdings (Pvt) Ltd	1,284,700	0.43
		243,397,544	82.50
	Others	51,643,542	17.50
	Total	295,041,086	100.00

As per the Rule No. 8.7(h) of the Colombo Stock Exchange, percentage of Public holding as at 30.06 2011 is 67.35%

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES AS AT 31ST DECEMBER 2010

No	Name of Director	No.of Shares
1	Mr. A G Weerasinghe	5,066
2	Mr. W D N H Perera	2,100,000
3	Mr. J A S S Adhihetty	54,133
4	Mr. A A Page	59,933
5	Mr. R E U De Silva	40,000
6	Mr. M D S Goonatilleke	211
7	Mr. H K Seneviratne	-
8	Mr. T G Thoradeniya	18
9	Mr. T C A Peiris (Chief Executive Officer)	2,000