

Rupees in Thousands

Summarised Income Statement

	Current Period	Previous Period
	From 01/01/08 To 31/03/08	From 01/01/07 To 31/03/07
Interest Income	635,994	387,401
Interest Income on Loans and Advances	519,891	335,262
Interest Income on Other Interest Earning Assets	116,103	52,139
Less: Interest Expenses	403,607	233,725
Interest Expense on Deposits	339,309	185,331
Interest Expense on Other Interest Bearing Liabilities	64,298	48,394
Net Interest Income	232,387	153,676
Non - Interest Income	94,512	85,060
Foreign Exchange Income	23,570	26,396
Other Income	70,942	58,664
Less: Non - Interest Expenses	167,797	140,217
Personnel Costs	67,515	49,997
Provision for Staff Retirement Benefits	1,703	1,425
Premises, Equipment and Establishment Expenses	56,523	49,400
Loss on Trading / Investment Securities	-	-
Other Operating Expenses	42,056	39,395
Less: Provision for Bad and Doubtful Debts and Loans Written Off	14,641	4,322
Provisions - General	5,135	5,533
Provisions - Specific	14,004	5,657
Recoveries (-)	(4,175)	(5,916)
Provisions - Others	-	-
Loans Written Off / (Recovered)	(323)	(952)
Less: Provision for Decline in Value of Investments (Net)	-	-
Operating Profit on Ordinary Activities Before Taxes	144,461	94,197
Less: Value Added Tax on Financial Services	32,133	20,367
Operating Profit on Ordinary Activities Before Corporate Tax	112,328	73,830
Share of Subsidiaries/Associate Companies' Profit	-	-
Operating Profit Before Corporate Tax	112,328	73,830
Less: Tax on Profits on Ordinary Activities	45,960	28,450
Operating Profit for the Period	66,368	45,380

Rupees in Thousands

Summarised Balance Sheet		
	Current Period As at 31/03/2008	Previous Period As at 31/12/2007 Audited
On-Balance Sheet Assets		
Cash in Hand	537,355	506,285
Balances with Central Bank of Sri Lanka / Other Central Banks	1,442,472	1,184,144
Due from Banks and Other Financial Institutions	919,028	773,631
Investments - Trading Account	1,424,590	-
Government Securities	1,424,590	-
Other Securities	-	-
Investments - Held-to-Maturity (Net of provisions made for decline in investment value) (Excluding Investments in Associates and Subsidiaries)	1,517,284	1,983,133
Government Securities	1,514,144	1,979,993
Other Securities	3,140	3,140
Investments in Associates and Subsidiaries	-	-
Total Loans and Advances		
Total Performing Loans and Advances	9,534,649	9,737,019
Bills of Exchange	125,721	271,695
Overdrafts	4,701,022	4,425,686
Lease Rentals Receivable	696,244	782,767
Other Loans	4,011,662	4,256,871
Total Non-performing Loans and Advances	1,690,067	1,328,088
Bills of Exchange	24,095	20,683
Overdrafts	635,588	460,454
Lease Rentals Receivable	81,543	55,784
Other Loans	614,068	492,543
Interest Receivables	334,773	298,624
Total Gross Loans and Advances	11,224,716	11,065,107
Less:		
Suspended Interest	609,058	545,111
Specific Loan Loss Provisions	271,862	262,235
General Loan Loss Provisions	37,578	32,439
Net Loans and Advances	10,306,218	10,225,322
Other Assets	283,481	284,238
Intangible Assets	27,112	16,563
Investment Properties	-	-
Property, Plant & Equipments (Net of accumulated depreciation of fixed assets)	574,036	552,384
Total On Balance Sheet Assets	17,031,576	15,525,700
On-Balance Sheet Liabilities		
Total Deposits	11,659,625	12,130,213
Demand Deposits	2,020,211	2,367,073
Savings Accounts	1,340,290	1,344,329
Time Deposits	6,892,465	6,928,597
Margin Deposits	286,053	323,554
Other Deposits	1,120,606	1,166,660
Total Borrowings	2,428,287	809,038
Borrowings from CBSL	30,345	32,103
Borrowings from Banks and Financial Institutions in Sri Lanka	-	43,460
Borrowings from Banks and Financial Institutions Abroad	148,418	74,162
Securities sold under Repurchase Agreements	1,612,724	296,602
Subordinated Term Debts	303,789	303,789
Other Borrowings	333,011	58,922
Deferred Taxation	48,532	41,832
Current Taxation	74,223	58,809
Other Liabilities	1,303,350	1,034,617
Total On Balance Sheet Liabilities	15,514,017	14,074,509
Minority Interest	-	-
Equity Capital and Reserves	1,517,559	1,451,191
Stated Capital	1,106,404	1,106,404
Statutory Reserve Fund	31,265	31,265
Total Other Reserves	379,890	313,522
Total On-Balance Sheet Liabilities and Equity Capital and Reserves	17,031,576	15,525,700
Off-Balance Sheet Items and Contra Accounts	2,277,318	2,296,656
Contingencies	2,277,318	2,296,656
Commitments and Contra Accounts	-	-
Memorandum Information		
Number of Employees	537	546
Number of Branches/ Customer Service Centres	29	29

Cash Flow Statement

CASH FLOWS FROM OPERATING ACTIVITIES	From 01/01/08 To 31/03/08	From 01/01/07 To 31/03/07
Interest Received	633,272	398,631
Fees & Commission Received	70,942	58,663
Interest Payments	(375,052)	(204,627)
Exchange Income	23,571	26,396
Cash Payments to Employees & Suppliers	(110,095)	(88,702)
Payments on Other Operating Activities	(74,189)	(59,763)
Operating Profit before changes in Operating Assets	168,449	130,598
(Increase)/Decrease in Operating Assets		
Bills of Exchange	151,771	112,304
Loans and Advances	(263,943)	(486,071)
Other Assets	(199,989)	(101,469)
Lease Rentals Receivable	31,196	(102,901)
Money at Call and Short Notice	89,107	169,862
Treasury Bills / Bonds / Repos	(958,740)	(261,556)
	(982,149)	(539,233)
Increase/(Decrease) in Operating Liabilities		
Deposits	(470,589)	327,552
Other Liabilities	240,177	164,378
Borrowings	1,544,994	308,793
Net Cash from Operating Activities before Income Tax	332,433	261,490
Taxation Paid	(23,846)	(10,573)
Net Cash from Operating Activities	308,587	250,917
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in Commercial Papers	(225,000)	(175,000)
Purchase of Property, Plant & Equipment	(35,334)	(34,403)
Acquisition of Intangible Assets	(12,651)	-
Proceeds from Sale of Property, Plant & Equipment	137	28
Net Cash Flows Used in Investing Activities	(272,848)	(209,375)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Debentures	-	-
Net Cash used in Financing Activities	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	35,739	41,542
Cash and Cash Equivalents at the beginning of the period	1,394,444	1,009,490
Cash and Cash Equivalents at the end of the period	1,430,183	1,051,032
Reconciliation of Cash & Cash Equivalents		
Cash & Short Term Funds	667,466	423,206
Balances with Central Bank of Sri Lanka	911,135	727,271
Due to Foreign Banks	(148,418)	(99,445)
	1,430,183	1,051,032

Selected Performance Indicators

	Current Period As at 31/03/08	Previous Period As at 31/12/07 Audited
Regulatory Capital Adequacy	Bank	
Core Capital (Tier 1 Capital), Rs. Mn	1,426	1,426
Total Capital Base, Rs. Mn	1,531	1,541
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	14.20%	14.71%
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	15.26%	15.91%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (without Interest in Suspense)	10.12%	7.39%
Net Non - Performing Advances Ratio, % (net of interest in suspense and provision)	7.22%	4.61%
Profitability (Annualized)		
Interest Margin, %	5.66%	5.23%
Return on Assets (After Tax). %	1.62%	1.52%
Return on Equity, %	17.80%	16.19%
Regulatory Liquidity		
Statutory Liquid Assets,-DBU Rs.Mn.	2,964	2,822
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	1.3	1.4
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	21.15%	22.58%
Off-Shore Banking Unit	38.86%	39.17%
Earnings per Share (Annualized)	2.40	1.95
Net Asset Value per Share	13.72	13.12

CERTIFICATION:

I certify that the above Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.

Dinusha Yogagopalakrishnan
(Sgd) Assistant General Manager - Finance & Planning

We, the undersigned, being the Chairman and Chief Executive Officer of PABC Bank certify jointly that:-

- (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Monetary Board ; and
- (b) the information contained in these statements true and correct to the best of our knowledge and belief.

Kimarli Fernando
(Sgd) Chief Executive Officer / Director

A G Weerasinghe
(Sgd) Chairman

Date : 17/04/2008