



**INTERIM FINANCIAL STATEMENTS**  
**for the 03 months ended 31<sup>st</sup> March 2009**

Rupees in Thousands

<b>Summarised Income Statement</b>			
	<b>Current Period</b>	<b>Previous Period</b>	<b>Change</b>
	<b>From 01/01/09 To 31/03/09</b>	<b>From 01/01/08 To 31/03/08</b>	<b>%</b>
<b>Interest Income</b>	<b>806,465</b>	<b>635,994</b>	<b>27</b>
Interest Income on Loans and Advances	610,703	519,891	17
Interest Income on Other Interest Earning Assets	195,762	116,103	69
<b>Less: Interest Expenses</b>	<b>507,622</b>	<b>403,607</b>	<b>26</b>
Interest Expense on Deposits	430,675	339,309	27
Interest Expense on Other Interest Bearing Liabilities	76,947	64,298	20
<b>Net Interest Income</b>	<b>298,843</b>	<b>232,387</b>	<b>29</b>
<b>Non - Interest Income</b>	<b>193,927</b>	<b>94,512</b>	<b>105</b>
Foreign Exchange Income	27,084	23,570	15
Other Income	166,843	70,942	135
<b>Less: Non - Interest Expenses</b>	<b>206,403</b>	<b>167,797</b>	<b>23</b>
Personnel Costs	78,870	67,515	17
Provision for Staff Retirement Benefits	2,144	1,703	26
Premises, Equipment and Establishment Expenses	65,373	56,523	16
Loss on Trading / Investment Securities	-	-	-
Other Operating Expenses	60,016	42,056	43
<b>Less: Provision for Bad and Doubtful Debts and Loans Written Off</b>	<b>81,523</b>	<b>14,641</b>	<b>457</b>
Provisions - General	2,658	5,135	(48)
Provisions - Specific	85,397	14,004	510
Recoveries (-)	(6,462)	(4,175)	55
Provisions - Others	-	-	-
Loans Written Off / (Recovered)	(70)	(323)	(78)
<b>Less: Provision for Decline in Value of Investments (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Profit on Ordinary Activities Before Taxes</b>	<b>204,844</b>	<b>144,461</b>	<b>42</b>
Less: Value Added Tax on Financial Services	41,087	32,133	28
<b>Operating Profit on Ordinary Activities Before Corporate Tax</b>	<b>163,757</b>	<b>112,328</b>	<b>46</b>
Share of Subsidiaries/Associate Companies' Profit	-	-	-
<b>Operating Profit Before Corporate Tax</b>	<b>163,757</b>	<b>112,328</b>	<b>46</b>
Less: Tax on Profits on Ordinary Activities	71,298	45,960	55
<b>Operating Profit for the Period</b>	<b>92,459</b>	<b>66,368</b>	<b>39</b>
<b>Basic Earnings Per Share (Rs.)</b>	<b>0.84</b>	<b>0.60</b>	<b>39</b>

Summarised Balance Sheet			
	Current Period As at 31/03/2009	Previous Period As at 31/12/2008 Audited	Previous Period As at 31/03/2008
<b>On-Balance Sheet Assets</b>			
Cash in Hand	479,460	420,720	537,355
Balances with Central Bank of Sri Lanka / Other Central Banks	1,187,750	1,034,643	1,442,472
Due from Banks and Other Financial Institutions	334,923	638,145	919,028
<b>Investments - Trading Account</b>	<b>4,294,238</b>	<b>2,830,502</b>	<b>1,424,590</b>
Government Securities	4,294,238	2,830,502	1,424,590
Other Securities	-	-	-
<b>Investments - Held-to-Maturity (Net of provisions made for decline in investment value) (Excluding Investments in Associates and Subsidiaries)</b>	<b>1,080,355</b>	<b>1,037,873</b>	<b>1,517,284</b>
Government Securities	960,141	911,513	1,514,144
Other Securities	120,214	126,360	3,140
Investments in Associates and Subsidiaries	-	-	-
<b>Total Loans and Advances</b>			
<b>Total Performing Loans and Advances</b>	<b>10,740,639</b>	<b>11,218,085</b>	<b>9,534,649</b>
Bills of Exchange	213,611	268,445	125,721
Overdrafts	3,817,230	4,221,254	4,701,022
Lease Rentals Receivable	474,644	580,748	696,244
Other Loans	6,235,154	6,147,638	4,011,662
<b>Total Non-performing Loans and Advances</b>	<b>2,511,646</b>	<b>2,116,003</b>	<b>1,690,067</b>
Bills of Exchange	75,419	25,592	24,095
Overdrafts	936,831	845,244	635,588
Lease Rentals Receivable	90,349	93,974	81,543
Other Loans	980,475	750,701	614,068
Interest Receivables	428,572	400,492	334,773
<b>Total Gross Loans and Advances</b>	<b>13,252,285</b>	<b>13,334,088</b>	<b>11,224,716</b>
<b>Less:</b>			
Suspended Interest	938,882	840,260	609,058
Specific Loan Loss Provisions	419,490	340,085	271,862
General Loan Loss Provisions	66,871	64,191	37,578
<b>Net Loans and Advances</b>	<b>11,827,042</b>	<b>12,089,552</b>	<b>10,306,218</b>
Other Assets	300,067	314,018	283,481
Intangible Assets	38,206	31,719	27,112
Investment Properties	-	-	-
Property, Plant & Equipments (Net of accumulated depreciation of fixed assets)	599,014	587,168	574,036
<b>Total On Balance Sheet Assets</b>	<b>20,141,055</b>	<b>18,984,340</b>	<b>17,031,576</b>
<b>On-Balance Sheet Liabilities</b>			
<b>Total Deposits</b>	<b>13,359,486</b>	<b>14,448,367</b>	<b>11,659,625</b>
Demand Deposits	1,676,348	2,298,987	2,020,211
Savings Accounts	1,728,944	2,227,956	1,340,290
Time Deposits	7,749,450	7,833,717	6,892,465
Margin Deposits	203,824	243,103	286,053
Other Deposits	2,000,920	1,844,604	1,120,606
<b>Total Borrowings</b>	<b>3,686,632</b>	<b>1,510,412</b>	<b>2,428,287</b>
Borrowings from CBSL	18,718	20,475	30,345
Borrowings from Banks and Financial Institutions in Sri Lanka	277,325	-	-
Borrowings from Banks and Financial Institutions Abroad	117,639	54,517	148,418
Securities sold under Repurchase Agreements	3,162,140	1,280,504	1,612,724
Subordinated Term Debts	110,810	110,810	303,789
Other Borrowings	-	44,106	333,011
Deferred Taxation	55,607	55,607	48,532
Current Taxation	159,224	121,564	74,223
Other Liabilities	1,195,803	1,256,546	1,303,350
<b>Total On Balance Sheet Liabilities</b>	<b>18,456,752</b>	<b>17,392,496</b>	<b>15,514,017</b>
<b>Minority Interest</b>	-	-	-
<b>Equity Capital and Reserves</b>	<b>1,684,303</b>	<b>1,591,844</b>	<b>1,517,559</b>
Stated Capital	1,106,404	1,106,404	1,106,404
Statutory Reserve Fund	42,446	42,446	31,265
Total Other Reserves	535,453	442,994	379,890
<b>Total On-Balance Sheet Liabilities and Equity Capital and Reserves</b>	<b>20,141,055</b>	<b>18,984,340</b>	<b>17,031,576</b>
<b>Off-Balance Sheet Items and Contra Accounts</b>	<b>2,230,982</b>	<b>2,772,803</b>	<b>2,277,318</b>
Contingencies	2,230,982	2,772,803	2,277,318
Commitments and Contra Accounts	-	-	-
<b>Net Asset Value per Share (Rs.)</b>	<b>15.22</b>	<b>14.39</b>	<b>13.72</b>
<b>Memorandum Information</b>			
Number of Employees	487	507	537
Number of Branches	33	32	29

Rupees in Thousands

## Statement of Changes In Equity and Reserves - BANK

For the Period Ended (31/03/2009)	Stated Capital					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
<b>Balance as at 01/01/2008</b>	1,106,404	-	-	-	-	31,265	25,593	-	-	287,929	1,451,191
Issue of Share/Increase of Assigned Capital	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	-	-
Rights Issue	-	-	-	-	-	-	-	-	-	-	-
Surplus on Revaluation of Property, Plant & Equip	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	-	-	66,368	66,368
Transfer to Reserves during the period	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31/03/2008</b>	1,106,404	-	-	-	-	31,265	25,593	-	-	354,297	1,517,559
<b>Balance as at 01/01/2009</b>	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	-	-	-	-	-	-	-	-	-	92,459	92,459
Transfer to Reserves during the period	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31/03/2009</b>	1,106,404	-	-	-	-	42,446	17,858	-	-	517,595	1,684,303

\* Number of Ordinary Shares as at 31st March 2009, Voting -110,640,407

## Rupees in Thousands

**Cash Flow Statement**

	From 01/01/09 To 31/03/09	From 01/01/08 To 31/03/08
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest Received	797,585	633,272
Fees & Commission Received	88,358	70,942
Interest Payments	(532,927)	(375,052)
Exchange Income	27,084	23,571
Cash Payments to Employees & Suppliers	(127,997)	(110,095)
Payments on Other Operating Activities	(101,102)	(74,189)
<b>Operating Profit before changes in Operating Assets</b>	151,001	168,449
<b>(Increase)/Decrease in Operating Assets</b>		
Bills of Exchange	48,267	151,771
Loans and Advances	65,258	(263,943)
Other Assets	31,413	(199,989)
Lease Rentals Receivable	108,013	31,196
Money at Call and Short Notice	(144,533)	89,107
Treasury Bills / Bonds / Repos	(1,087,218)	(958,740)
	(827,799)	(982,149)
<b>Increase/(Decrease) in Operating Liabilities</b>		
Deposits	(1,088,881)	(470,589)
Other Liabilities	(35,438)	240,177
Borrowings	2,113,097	1,544,994
<b>Net Cash from Operating Activities before Income Tax</b>	160,979	332,433
Taxation Paid	(33,637)	(23,846)
<b>Net Cash from Operating Activities</b>	127,342	308,587
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments in Commercial Papers	50,000	(225,000)
Investments in Securities	(291,518)	-
Purchase of Property, Plant & Equipment	(28,565)	(35,334)
Acquisition of Intangible Assets	(8,157)	(12,651)
Proceeds from Sale of Property, Plant & Equipment	-	137
<b>Net Cash Flows Used in Investing Activities</b>	(278,240)	(272,848)
Net Increase/(Decrease) in Cash and Cash Equivalents	(150,898)	35,739
Cash and Cash Equivalents at the beginning of the period	1,494,005	1,394,444
<b>Cash and Cash Equivalents at the end of the period</b>	<b>1,343,107</b>	<b>1,430,183</b>
<b>Reconciliation of Cash &amp; Cash Equivalents</b>		
Cash & Short Term Funds	578,746	667,466
Balances with Central Bank of Sri Lanka	882,000	911,135
Due to Foreign Banks	(117,639)	(148,418)
	<b>1,343,107</b>	<b>1,430,183</b>

## Selected Performance Indicators

	Current Period As at 31/03/09	Previous Period As at 31/12/08 Audited
<b>Regulatory Capital Adequacy</b>	<b>Bank</b>	
Core Capital (Tier 1 Capital), Rs. Mn	1,574	1,574
Total Capital Base, Rs. Mn	1,665	1,665
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	12.83%	13.26%
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	13.58%	14.02%
<b>Assets Quality (Quality of Loan Portfolio)</b>		
Gross Non - Performing Advances Ratio, % (Without Interest in Suspense)	12.74%	10.17%
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	8.80%	6.94%
<b>Profitability (Annualized)</b>		
Interest Margin, %	6.22%	6.13%
Return on Assets (After Tax). %	1.93%	1.29%
Return on Equity, %	22.42%	14.80%
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets,-DBU Rs.Mn.	3,310	3,485
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	0.6	1.1
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	22.03%	22.86%
Off-Shore Banking Unit	25.97%	29.83%

### CERTIFICATION:

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

D. M. D. M. Dissanayake  
(Sgd) Head of Finance

We, the undersigned, being the Chairman and Chief Executive Officer/ Director of Pan Asia 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 : 20/04/2009

## 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) **Market Price of Shares**

MARKET VALUE	31/03/2009 (Rs.)		31/03/2008 (Rs.)	
	Voting	Non Voting	Voting	Non Voting
Market Value per Share as at 31/03/2009	9.50	--	11.25	--
Highest Price Per Share for the Quarter	11.75	--	12.00	--
Lowest Price Per Share for the Quarter	9.00	--	9.50	--