

Summarised Income Statement

	For the Nine months ended 30th September			For the Quarter Ended 30th September		
	For the Nine months ended 30th September	2 007	%	For the Nine months ended 30th September	2 007	
Interest Income	2,036,666	1,359,222	50	2,036,666	1,359,222	50
Interest Income on Loans and Advances	1,637,575	1,177,836	39	1,637,575	1,177,836	39
Interest Income on Other Interest Earning Assets	399,091	181,386	120	399,091	181,386	120
Less: Interest Expenses	1,287,200	851,620	51	1,287,200	851,620	51
Interest Expense on Deposits	1,073,591	665,105	61	1,073,591	665,105	61
Interest Expense on Other Interest Bearing Liabilities	213,609	186,515	15	213,609	186,515	15
Net Interest Income	749,466	507,602	48	749,466	507,602	48
Non - Interest Income	280,437	266,329	5	280,437	266,329	5
Foreign Exchange Income	63,243	79,696	(21)	63,243	79,696	(21)
Other Income	217,194	186,633	16	217,194	186,633	16
Less: Non - Interest Expenses	580,638	460,533	26	580,638	460,533	26
Personnel Costs	233,097	182,204	28	233,097	182,204	28
Provision for Staff Retirement Benefits	12,551	5,163	143	12,551	5,163	143
Premises, Equipment and Establishment Expenses	185,242	155,123	19	185,242	155,123	19
Loss on Trading / Investment Securities	-	-	-	-	-	-
Other Operating Expenses	149,748	118,043	27	149,748	118,043	27
Less: Provision for Bad and Doubtful Debts and Loans Written Off	60,599	27,944	117	60,599	27,944	117
Provisions - General	25,314	19,932	27	25,314	19,932	27
Provisions - Specific	64,406	27,594	133	64,406	27,594	133
Recoveries (-)	(14,912)	(16,702)	(11)	(14,912)	(16,702)	(11)
Provisions - Others	-	-	-	-	-	-
Loans Written Off / (Recovered)	(14,209)	(2,880)	393	(14,209)	(2,880)	393
Less: Provision for Decline in Value of Investments (Net)	-	-	-	-	-	-
Operating Profit on Ordinary Activities Before Taxes	388,666	285,454	36	388,666	285,454	36
Less: Value Added Tax on Financial Services	97,860	61,317	60	97,860	61,317	60
Operating Profit on Ordinary Activities Before Corporate Tax	290,806	224,137	30	290,806	224,137	30
Share of Subsidiaries/Associate Companies' Profit	-	-	-	-	-	-
Operating Profit Before Corporate Tax	290,806	224,137	30	290,806	224,137	30
Less: Tax on Profits on Ordinary Activities	131,887	93,713	41	131,887	93,713	41
Operating Profit for the Period	158,919	130,424	22	158,919	130,424	22

Rupees in Thousands

Summarised Balance Sheet		
	Current Period As at 30/09/2008	Previous Period As at 31/12/2007 Audited
On-Balance Sheet Assets		
Cash in Hand	361,591	506,285
Balances with Central Bank of Sri Lanka / Other Central Banks	1,129,434	1,184,144
Due from Banks and Other Financial Institutions	686,216	773,631
Investments - Trading Account	2,131,935	-
Government Securities	2,131,935	-
Other Securities	-	-
Investments - Held-to-Maturity (Net of provisions made for decline in investment value)	1,098,456	1,983,133
(Excluding Investments in Associates and Subsidiaries)		
Government Securities	1,095,316	1,979,993
Other Securities	3,140	3,140
Investments in Associates and Subsidiaries	-	-
Total Loans and Advances		
Total Performing Loans and Advances	10,078,123	9,737,019
Bills of Exchange	354,857	271,695
Overdrafts	3,968,641	4,425,686
Lease Rentals Receivable	602,272	782,767
Other Loans	5,152,353	4,256,871
Total Non-performing Loans and Advances	2,140,171	1,328,088
Bills of Exchange	22,852	20,683
Overdrafts	842,416	460,454
Lease Rentals Receivable	108,847	55,784
Other Loans	778,112	492,543
Interest Receivables	387,944	298,624
Total Gross Loans and Advances	12,218,294	11,065,107
Less:		
Suspended Interest	767,409	545,111
Specific Loan Loss Provisions	311,525	262,235
General Loan Loss Provisions	57,755	32,439
Net Loans and Advances	11,081,605	10,225,322
Other Assets	479,946	284,238
Intangible Assets	30,733	16,563
Investment Properties	-	-
Property, Plant & Equipments (Net of accumulated depreciation of fixed assets)	569,572	552,384
Total On Balance Sheet Assets	17,569,488	15,525,700
On-Balance Sheet Liabilities		
Total Deposits	12,801,058	12,130,213
Demand Deposits	1,976,884	2,367,073
Savings Accounts	1,640,426	1,344,329
Time Deposits	7,624,420	6,928,597
Margin Deposits	207,482	323,554
Other Deposits	1,351,846	1,166,660
Total Borrowings	1,874,615	809,038
Borrowings from CBSL	24,625	32,103
Borrowings from Banks and Financial Institutions in Sri Lanka	100,000	43,460
Borrowings from Banks and Financial Institutions Abroad	140,041	74,162
Securities sold under Repurchase Agreements	1,242,363	296,602
Subordinated Term Debts	303,789	303,789
Other Borrowings	63,797	58,922
Deferred Taxation	50,032	41,832
Current Taxation	83,612	58,809
Other Liabilities	1,233,041	1,034,617
Total On Balance Sheet Liabilities	16,042,358	14,074,509
Minority Interest	-	-
Equity Capital and Reserves	1,527,130	1,451,191
Stated Capital	1,106,404	1,106,404
Statutory Reserve Fund	31,265	31,265
Total Other Reserves	389,461	313,522
Total On-Balance Sheet Liabilities and Equity Capital and Reserves	17,569,488	15,525,700
Off-Balance Sheet Items and Contra Accounts	2,615,382	2,296,656
Contingencies	2,615,382	2,296,656
Commitments and Contra Accounts	-	-
Memorandum Information		
Number of Employees	526	546
Number of Branches/Customer Service Centres	31	29

Cash Flow Statement

CASH FLOWS FROM OPERATING ACTIVITIES	From 01/01/08 To 30/09/08	From 01/01/07 To 30/09/07
Interest Received	1,940,173	1,276,216
Fees & Commission Received	217,194	186,633
Interest Payments	(1,187,789)	(753,933)
Exchange Income	63,244	79,696
Cash Payments to Employees & Suppliers	(381,236)	(290,615)
Payments on Other Operating Activities	(247,609)	(193,111)
Operating Profit before changes in Operating Assets	403,977	304,886
(Increase)/Decrease in Operating Assets		
Bills of Exchange	(62,336)	64,031
Loans and Advances	(947,317)	(1,525,593)
Other Assets	(212,399)	(53,207)
Lease Rentals Receivable	121,500	(148,205)
Money at Call and Short Notice	277,223	18,768
Treasury Bills / Bonds / Repos	(1,247,258)	(196,300)
	(1,666,610)	(1,535,620)
Increase/(Decrease) in Operating Liabilities		
Deposits	670,844	1,430,358
Other Liabilities	99,014	192,293
Borrowings	999,698	162,290
Net Cash from Operating Activities before Income Tax	102,946	249,321
Taxation Paid	(98,885)	(60,377)
Net Cash from Operating Activities	4,061	188,944
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in Commercial Papers	(180,000)	(50,000)
Investments in Trust Certificates	(112,900)	-
Purchase of Investment Securities	-	(2,000)
Purchase of Property, Plant & Equipment	(59,741)	(83,184)
Acquisition of Intangible Assets	(21,407)	(4,923)
Proceeds from Sale of Property, Plant & Equipment	137	882
Net Cash Flows Used in Investing Activities	(373,911)	(139,225)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends Paid	(82,980)	-
Net Cash used in Financing Activities	(82,980)	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(452,830)	49,719
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	941,614	1,059,209
Reconciliation of Cash & Cash Equivalents		
Cash & Short Term Funds	393,273	481,391
Balances with Central Bank of Sri Lanka	688,382	675,614
Due to Foreign Banks	(140,041)	(97,796)
	941,614	1,059,209

Selected Performance Indicators		
	Current Period As at 30/09/08	Previous Period As at 31/12/07 Audited
Regulatory Capital Adequacy	Bank	
Core Capital (Tier 1 Capital), Rs. Mn	1,343	1,426
Total Capital Base, Rs. Mn	1,438	1,541
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	11.78%	14.71%
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	12.61%	15.91%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (without Interest in Suspense)	11.94%	7.39%
Net Non - Performing Advances Ratio, % (net of interest in suspense and provision)	8.72%	4.61%
Profitability (Annualized)		
Interest Margin, %	5.92%	5.23%
Return on Assets (After Tax), %	1.25%	1.52%
Return on Equity, %	14.21%	16.19%
Regulatory Liquidity		
Statutory Liquid Assets,-DBU Rs.Mn.	2,889	2,822
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	1.1	1.4
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	20.57%	22.58%
Off-Shore Banking Unit	32.33%	39.17%
Earnings per Share (Annualized)	1.92	1.95
Net Asset Value per Share	13.80	13.12

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) Senior Manager - Finance

We, the undersigned, being the Chairman and Chief Executive Officer/ Director 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 : 16/10/2008