



INTERIM FINANCIAL STATEMENTS
For the 09 months ended 30th September 2010

Rupees in Thousands

Summarised Income Statement

	For the Nine months ended 30th September		Change	For the Quarter Ended 30th September		Change
	2 010	2 009	%	2 010	2 009	%
Interest Income	2,147,907	2,441,529	(12)	775,615	787,912	(2)
Interest Income on Loans and Advances	1,594,506	1,811,204	(12)	597,426	575,472	4
Interest Income on Other Interest Earning Assets	553,401	630,325	(12)	178,189	212,440	(16)
Less: Interest Expenses	1,017,944	1,454,995	(30)	361,707	449,212	(19)
Interest Expense on Deposits	914,587	1,285,918	(29)	311,653	416,674	(25)
Interest Expense on Other Interest Bearing Liabilities	103,357	169,077	(39)	50,054	32,538	54
Net Interest Income	1,129,963	986,534	15	413,908	338,700	22
Non - Interest Income	390,400	595,809	(34)	199,638	103,349	93
Foreign Exchange Income	85,412	55,116	55	30,733	16,139	90
Other Income	304,988	540,693	(44)	168,905	87,210	94
Less: Non - Interest Expenses	790,347	653,709	21	280,681	226,820	24
Personnel Costs	322,512	256,833	26	115,194	91,363	26
Provision for Staff Retirement Benefits	9,002	7,052	28	3,192	2,483	29
Premises, Equipment and Establishment Expenses	239,900	207,695	16	82,000	73,221	12
Loss on Trading / Investment Securities	-	-	-	-	-	-
Other Operating Expenses	218,933	182,129	20	80,295	59,753	34
Less: Provision for Bad and Doubtful Debts and Loans Written Off	25,350	218,582	(88)	9,513	55,643	(83)
Provisions - General	27,434	(6,951)	(495)	10,323	(889)	(1,261)
Provisions - Specific	48,771	253,480	(81)	20,883	74,215	(72)
Recoveries (-)	(67,253)	(31,040)	117	(33,535)	(17,161)	95
Provisions - Others	10,333	-	100	10,333	-	100
Loans Written Off / (Recovered)	6,065	3,093	96	1,509	(522)	(389)
Less: Provision for Decline in Value of Investments (Net)	-	-	-	-	-	-
Operating Profit on Ordinary Activities Before Taxes	704,666	710,052	(1)	323,352	159,586	103
Less: Value Added Tax on Financial Services	178,780	106,363	68	78,204	38,963	101
Operating Profit on Ordinary Activities Before Corporate Tax	525,886	603,689	(13)	245,148	120,623	103
Share of Subsidiaries/Associate Companies' Profit	-	-	-	-	-	-
Operating Profit Before Corporate Tax	525,886	603,689	(13)	245,148	120,623	103
Less: Tax on Profits on Ordinary Activities	245,934	235,575	4	115,977	51,658	125
Operating Profit for the Period	279,952	368,114	(24)	129,171	68,965	87
Basic Earnings Per Share (Rs.)	2.22	3.33	(33)	1.02	0.62	64

Summarised Balance Sheet			
	Current Period As at 30/09/2010	Previous Period As at 31/12/2009 Audited	Previous Period As at 30/09/2009
On-Balance Sheet Assets			
Cash in Hand	591,709	563,463	448,413
Balances with Central Bank of Sri Lanka / Other Central Banks	1,535,605	1,317,769	1,198,657
Due from Banks and Other Financial Institutions	2,399,184	1,128,130	1,118,801
Investments - Trading Account	3,425,483	3,717,105	4,455,918
Government Securities	3,425,483	3,717,105	4,455,918
Other Securities	-	-	-
Investments - Held-to-Maturity (Net of provisions made for decline in investment value) (Excluding Investments in Associates and Subsidiaries)	2,294,693	3,014,482	986,525
Government Securities	2,253,356	2,940,596	902,605
Other Securities	41,337	73,886	83,920
Investments in Associates and Subsidiaries	-	-	-
Total Loans and Advances			
Total Performing Loans and Advances	15,864,278	9,872,088	9,542,636
Bills of Exchange	133,712	132,359	149,653
Overdrafts	4,763,514	3,470,674	3,290,361
Lease Rentals Receivable	504,175	480,964	473,410
Other Loans	10,462,877	5,788,091	5,629,212
Total Non-performing Loans and Advances	2,376,326	2,516,698	2,547,031
Bills of Exchange	47,901	39,337	74,347
Overdrafts	764,351	844,665	874,223
Lease Rentals Receivable	55,164	84,104	105,900
Other Loans	883,051	1,021,957	988,671
Interest Receivables	625,859	526,635	503,890
Total Gross Loans and Advances	18,240,604	12,388,786	12,089,667
Less:			
Suspended Interest	1,046,107	1,002,630	979,734
Specific Loan Loss Provisions	449,764	496,990	561,030
General Loan Loss Provisions	87,213	59,795	57,263
Net Loans and Advances	16,657,520	10,829,371	10,491,640
Other Assets	275,708	356,817	369,448
Intangible Assets	43,243	36,127	36,812
Investment Properties	-	-	-
Property, Plant & Equipments (Net of accumulated depreciation of fixed assets)	579,234	595,564	590,425
Total On Balance Sheet Assets	27,802,379	21,558,828	19,696,639
On-Balance Sheet Liabilities			
Total Deposits	18,916,944	16,328,703	14,873,134
Demand Deposits	3,284,897	3,207,311	2,245,315
Savings Accounts	2,275,593	2,083,448	1,778,516
Time Deposits	10,579,465	8,998,190	8,877,035
Margin Deposits	474,718	326,028	242,114
Other Deposits	2,302,271	1,713,726	1,730,154
Total Borrowings	4,009,370	1,376,779	1,203,150
Borrowings from CBSL	8,322	12,856	15,961
Borrowings from Banks and Financial Institutions in Sri Lanka	306,371	214,460	103,320
Borrowings from Banks and Financial Institutions Abroad	302,116	281,658	159,783
Securities sold under Repurchase Agreements	3,342,561	817,805	813,276
Subordinated Term Debts	50,000	50,000	110,810
Other Borrowings	-	-	-
Deferred Taxation	36,708	10,527	55,607
Current Taxation	269,755	245,564	201,040
Other Liabilities	1,867,428	1,617,594	1,403,793
Total On Balance Sheet Liabilities	25,100,205	19,579,167	17,736,724
Minority Interest	-	-	-
Equity Capital and Reserves	2,702,174	1,979,661	1,959,915
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 Other Reserves	1,091,371	811,420	811,065
Total On-Balance Sheet Liabilities and Equity Capital and Reserves	27,802,379	21,558,828	19,696,639
Off-Balance Sheet Items and Contra Accounts	3,502,053	3,151,959	2,918,310
Contingencies	3,502,053	3,151,959	2,918,310
Commitments and Contra Accounts	-	-	-
Net Asset Value per Share (Rs.)	18.32	17.89	17.71
Memorandum Information			
Number of Employees	625	511	507
Number of Branches	38	35	35

Statement of Changes In Equity and Reserves - BANK

For the Period Ended (30/09/2010)	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 01/01/2009	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	-	-	-	-	-	-	-	-	-	368,114	368,114
Transfer to Reserves during the period	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	(43)	-	-	-	(43)
Balance as at 30/09/2009	1,106,404	-	-	-	-	42,446	17,815	-	-	793,250	1,959,915
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	-	-	-	-	-	-	-	-	-	279,952	279,952
Transfer to Reserves during the period	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30/09/2010	1,548,966	-	-	-	-	61,837	5,646	-	-	1,085,725	2,702,174

* Number of Ordinary Shares as at 30th September 2010, Voting -147,520,543

Rupees in Thousands

Cash Flow Statement

	From 01/01/10 To 30/09/10	From 01/01/09 To 30/09/09
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	2,189,203	2,450,462
Fees & Commission Received	274,409	382,442
Interest Payments	(1,048,221)	(1,406,558)
Exchange Income	85,413	55,116
Cash Payments to Employees & Suppliers	(505,910)	(413,526)
Payments on Other Operating Activities	(397,713)	(288,493)
Operating Profit before changes in Operating Assets	597,181	779,443
(Increase)/Decrease in Operating Assets		
Bills of Exchange	8,348	117,013
Loans and Advances	(5,824,568)	1,206,756
Other Assets	(109,443)	(207,873)
Lease Rentals Receivable	5,729	96,118
Treasury Bills / Bonds / Repos	(231,837)	(2,055,958)
	(5,554,590)	(64,501)
Increase/(Decrease) in Operating Liabilities		
Deposits	2,588,240	424,768
Other Liabilities	280,111	98,809
Borrowings	2,612,134	(412,529)
Net Cash (Used)/ from Operating Activities before Income Tax	(74,105)	46,547
Taxation Paid	(195,562)	(156,098)
Net Cash Used in Operating Activities	(269,667)	(109,551)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments / Realisation in Commercial Papers	-	50,000
Investments in Securities	48,112	(307,160)
Purchase of Property, Plant & Equipment	(43,920)	(58,802)
Acquisition of Intangible Assets	(12,375)	(10,306)
Proceeds from Sale of Property, Plant & Equipment	5	-
Net Cash Used in Investing Activities	(8,178)	(326,268)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Right Issue	442,562	-
Proceeds from Proposed Debentures	-	-
Redemption of Debentures	-	-
Dividends Paid	-	-
Net Cash from Financing Activities	442,562	-
Net Increase/(Decrease) in Cash and Cash Equivalents	164,717	(435,819)
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	1,373,109	1,117,343
Reconciliation of Cash & Cash Equivalents		
Cash & Short Term Funds	753,601	525,017
Balances with Central Bank of Sri Lanka	921,623	752,109
Due to Foreign Banks	(302,115)	(159,783)
	1,373,109	1,117,343

Selected Performance Indicators

	Current Period As at 30/09/10	Previous Period As at 31/12/09 Audited
Regulatory Capital Adequacy	Bank	
Core Capital (Tier 1 Capital), Rs. Mn	2,537	1,974
Total Capital Base, Rs. Mn	2,633	2,050
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	15.26%	15.94%
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	15.84%	16.56%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (Without Interest in Suspense)	7.69%	13.17%
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	4.58%	8.33%
Profitability (Annualized)		
Interest Margin, %	6.34%	6.42%
Return on Assets (After Tax), %	1.57%	1.94%
Return on Equity, %	15.88%	20.86%
Regulatory Liquidity		
Statutory Liquid Assets,-DBU Rs.Mn.	6,443	7,040
Statutory Liquid Assets,-Off Shore Banking Unit USD.Mn.	0.9	0.4
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	33.60%	41.69%
Off-Shore Banking Unit	47.37%	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	30/09/2010 (Rs.)		30/09/2009 (Rs.)	
	Voting	Non Voting	Voting	Non Voting
Market Value per Share	61.00	--	17.25	--
Highest Price Per Share for the Quarter	76.50	--	18.00	--
Lowest Price Per Share for the Quarter	30.00	--	13.00	--

SHAREHOLDERS INFORMATION

MAJOR SHAREHOLDERS AS AT 30.09.2010

No	Name	No.of Shares	%
1	Mr. K D D Perera	44,241,410	29.99
2	Seylan Bank PLC/Thirugnanasambandar Senthilverl	14,244,584	9.65
3	HSBC Int'l NOM LTD – UBS AG SINGAPORE Branch (ex. SBC)	13,846,723	9.39
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	3,432,833	2.33
9	Samurdhi Authority of Sri Lanka	2,557,188	1.73
10	Michelangelo Footwear (Private) Limited	2,340,000	1.59
11	Seylan Bank PLC/ Mr. W D N H Perera	2,100,000	1.42
12	Mr. A M A R A Zalzalal	1,906,666	1.29
13	Almar Trading Co (Pte) Ltd	1,378,333	0.93
14	Favourite Garments Ltd	1,375,000	0.93
15	Mr. Y S H I K Silva	1,082,266	0.73
16	Deshabandu D M I Dissanayake	931,266	0.63
17	Hanguranketha Samurdhi Maha Sangamaya	800,000	0.54
18	Attanagalla Samurdhi Maha Sangamaya	800,000	0.54
19	Pan Asia Banking Corporation PLC/Mr. A F Munal & Mrs. N Munas	750,066	0.51
20	Sri Lanka Insurance Corporation Ltd - Life Fund	697,333	0.47
		122,463,433	82.99
	Others	25,057,110	17.01
	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 30.09 2010 is 68%

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)	-