Pan Asia Bank posts Steady Performance in Nine-Month Period in 2023



Aravinda Perera, Chairman, Pan Asia Bank.



Naleen Edirisinghe, Director/CEO, Pan Asia Bank.

Pan Asia Bank reflected a steady performance amidst a multitude of adversities emerging from challenging macro-economic conditions as the Bank reported its financial performance for the nine-month period of 2023, which showed careful portfolio management and prudency exercised in dealing with possible fallout on its asset quality under high-interest rate regime.

For the duration of nine months ended September 30, 2023, the Bank reported a Pre-Tax Profit of 2,117 million rupee, which is a 238 percent increase compared to the corresponding period last year, mainly due to increased trading gains from government securities, reduced exchange losses, and reduced credit costs.

The interest income for the nine months in 2023 rose by 55 percent due to increased interest rates that prevailed during the period under review compared to the corresponding period of the previous year and the re-pricing effect of facilities in response to the market conditions. Further, the growth in interest income was supported by the increased interest income from Rupee-denominated securities of

the Government of Sri Lanka due to increased investments and the high interest rates offered on such new investments compared to the previous period.

The interest expense for the nine months of 2023 has also increased significantly by 93 percent due to the steep increase in interest rates of deposits and borrowings responding to the market conditions, growth deposits, and other interest-bearing liabilities. Consequently, the Net Interest Income is 7,464 million rupees, which remained at the same level as the prior year's corresponding period.

The Bank's net fee and commission income declined by 20 percent, mainly due to the reduction in fee income generated from loans and advances due to weak demand for credit, which resulted from the high-interest rate regime and the less supportive macroeconomic environment that prevailed during the period under review.

The Bank's Post-Tax Profit has increased by 187 percent to 1,242 million rupees in the Nine months under review, from 433 million rupees during the corresponding period in the prior year due to overall excellence.

The Bank reported a Net Interest Margin (NIM) of 4.58 percent for the period under review. Meanwhile, the Bank said a Return on Equity (ROE) of 7.82 percent and a Pre-Tax Return on Assets (ROA) of 1.30 percent for the period under review. The Total Assets of the Bank stood at 223.5 billion as of September 30, 2023, after posting a growth of 15.5 billion rupees or seven percent for the Nine months in 2023, supported mainly by the expansion in investments in LKR government securities classified under FVPL.

Naleen Edirisinghe, Director and CEO of Pan Asia Bank, said, "Our resounding performance in the Nine months ending September 30, 2023, demonstrates that we are well on track to meeting our ambitious targets for the year. A growth of PAT of over 187 percent and 214 percent and 3Q, respectively, affirms the efficacy of our strategy, which will be accelerated for generating greater earnings from core banking while infusing operational efficiencies. Despite difficult market conditions, Pan Asia Bank leveraged its spirit of innovation and can-do spirit as one team to deliver this encouraging performance, setting the stage for the rest of the year."

Pan Asia Bank was ranked among the Business Today's Top 40, 2022-2023.