



Pan Asia Bank Records Steady Performance of Profit After Tax soars by 50 percent



Jayantha S B Rangamuwa, Chairman of Pan Asia Bank.



Naleen Edirisinghe, Director/CEO of Pan Asia Bank.

Pan Asia Banking Corporation reflected a positive performance amidst a multitude of adversities emerging from challenging macro-economic conditions as the Bank reported its financial performance for 1Q2023, which showed judicious portfolio management and prudency exercised in dealing with possible fallout on its asset quality from a sharp increase in interest rates. For the quarter ended March 31, 2023, the Bank reported a Pre-Tax Profit of 540 million rupees, which reflects a 72 percent increase compared to 1Q2022. Pan Asia Bank is geared for a stronger future after delivering this superlative performance and is confident of strengthening its financial position over the coming months.

The Sri Lankan economy has experienced positive signs of gradual economic recovery and stability in macroeconomic factors compared to the preceding months, with the appreciation of LKR against USD. Impairment charges for 1Q2023 came down 37 percent compared to the comparative period. The interest income for 1Q, 2023, rose by 88 percent due to increased market lending rates and the re-pricing effect of facilities in response to market conditions. The significant volume growth in Pawning and Short-Term Loans also increased loan-related interest income. The interest expense 1Q2023 rose significantly by 197 percent, mainly due

to a steep increase in deposit rates and the re-pricing effect of deposits in response to the market conditions.

Income Tax Expense has risen by 120 percent due to an increase in the statutory income tax rate to 30 percent from 24 percent, and operating profits also increased. Due to the overall excellence, the Bank's Post-Tax Profit increased by 50 percent to 324 million rupees in 1Q2023 from 216 million rupees in 1Q2022. The Bank reported a Net Interest Margin of 3.87 percent during 1Q2023. Meanwhile, the Bank said a Return on Equity (ROE) of 6.33 percent and a Pre-Tax Return on Assets (ROA) of 1.03 percent. The Bank's Earnings Per Share (EPS) for 1Q2023 increased to 0.73 percent from 0.49 rupees, mainly due to increased trading gains from government securities, reduced exchange losses, and impairment charges. The Bank's Net Asset Value Per Share as of March 31, 2023 stood at 47.32 rupees after an appreciation of 2 percent. The Bank's Total Assets stood at 216 billion rupees as of March 31, 2023 after posting a four percent growth during 1Q2023. The Bank maintains all its Capital and Liquidity Ratios well above the minimum regulatory standards. The Bank's Tier 1 and Total Capital Ratio as of March 31, 2023 stood at 14.45 percent and 16.38 percent, respectively. The Bank's Leverage Ratio stood at 7.87 percent as of March 31, 2023.

Naleen Edirisinghe, Director/ CEO of Pan Asia Bank, said, "Our resounding performance in the 1Q2023 demonstrates that we are well on track to meeting our ambitious targets for the year. A growth of PAT over 50 percent in 1Q 2023 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 on its spirit of innovation and 'can do' spirit as one team to deliver this encouraging performance, which sets the stage for the rest of the year."

Pan Asia Bank was recognized by Business Today's Top 40 business organizations ranking for 2021- 2022 based on criteria such as portfolio, profits and risks taken, resilience, passion, and how well challenges are met.