

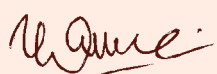
# Balance Sheet

As At 31st December, 2003	Notes	BANK			GROUP		
		2003 (Rs. '000)	2002 (Rs. '000)	Change %	2003 (Rs. '000)	2002 (Rs. '000)	Change %
<b>ASSETS</b>							
Cash and Short Term Funds	8	15,134,889	14,592,828	3.7	15,130,365	14,606,052	3.6
Balances with the Central Bank	9	9,289,588	14,028,604	(33.8)	9,289,588	14,028,604	(33.8)
Treasury Bills	10	15,865,820	7,637,681	107.7	15,865,820	7,640,093	107.7
Bills of Exchange	11	3,762,088	5,316,783	(29.2)	3,762,088	5,316,783	(29.2)
Loans and Advances	12	97,310,439	95,813,565	1.6	97,417,121	95,823,027	1.7
Group Balance Receivable	13	1,684,206	424,252	297.0	-	-	-
Leases	14	25,400	54,306	(53.2)	7,364,777	4,092,210	80.0
Accrued Interest and Other Assets	15	9,015,286	5,483,500	64.4	9,757,378	5,569,169	75.2
Taxation Receivable		315,000	315,000	-	315,000	315,000	-
Investment Securities	16	25,685,331	16,128,154	59.3	25,685,331	16,274,573	57.8
Investments in Subsidiaries & Associate Companies	17	727,450	265,200	174.3	84,186	106,528	(21.0)
Government of Sri Lanka Restructuring Bonds	18	17,379,320	17,379,320	-	17,379,320	17,379,320	-
Property, Plant and Equipment	19	4,529,612	4,487,628	0.9	4,685,319	4,610,570	1.6
<b>TOTAL ASSETS</b>		<b>200,724,429</b>	<b>181,926,821</b>	<b>10.3</b>	<b>206,736,293</b>	<b>185,761,929</b>	<b>11.3</b>
<b>LIABILITIES</b>							
Amounts due to Banks		26,263	254,012	(89.7)	26,263	254,012	(89.7)
Deposits from Customers	20	157,310,460	141,835,503	10.9	157,305,660	141,835,503	10.9
Borrowings from Banks	21	29,027,160	24,003,146	20.9	33,954,165	26,920,219	26.1
Group Balance Payable	22	150,181	140,646	6.8	-	16,181	-
Accrued Interest and Other Liabilities	23	11,422,087	14,998,037	(23.8)	12,138,182	15,637,575	(22.4)
Pension Liabilities	24	4,033,124	3,831,949	5.2	4,035,437	3,833,320	5.3
<b>TOTAL LIABILITIES</b>		<b>201,969,275</b>	<b>185,063,293</b>	<b>9.1</b>	<b>207,459,707</b>	<b>188,496,810</b>	<b>10.1</b>
<b>FUNDS EMPLOYED</b>							
Share Capital	25	49,998	49,998	-	49,998	49,998	-
Capital Pending Allotment	26	1,152,000	1,152,000	-	1,152,000	1,152,000	-
Reserves	27	(2,446,844)	(4,338,470)	43.6	(1,925,506)	(4,013,005)	52.0
		(1,244,846)	(3,136,472)	60.3	(723,508)	(2,811,007)	74.3
Minority Interest	28	-	-		94	76,126	(99.9)
<b>TOTAL FUNDS EMPLOYED</b>		<b>(1,244,846)</b>	<b>(3,136,472)</b>	<b>60.3</b>	<b>(723,414)</b>	<b>(2,734,881)</b>	<b>73.5</b>
<b>TOTAL LIABILITIES &amp; FUNDS EMPLOYED</b>		<b>200,724,429</b>	<b>181,926,821</b>	<b>10.3</b>	<b>206,736,293</b>	<b>185,761,929</b>	<b>11.3</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	29	<b>32,072,398</b>	<b>24,350,333</b>	<b>31.7</b>	<b>32,072,398</b>	<b>24,350,333</b>	<b>31.7</b>

The Accounting Policies on pages 98 to 103 and Notes on pages 104 to 125 form an integral part of these Financial Statements.

The Board of Directors are responsible for the preparation and presentation of these Financial Statements.

These financial statements were approved by the Board of Directors and signed on their behalf,



**Lal Nanayakkara**  
Chairman



**Asoka de Silva**  
General Manager

Date: 30th January 2004