

BALANCE SHEET

As at 31st December		BANK			GROUP		
Note	2008 Rs '000	2007 Rs '000	Change %	2008 Rs '000	2007 Rs '000	Change %	
ASSETS							
Cash and Short-Term Funds	11	18,380,371	28,708,951	(36.0)	18,444,041	28,791,004	(35.9)
Balance with the Central Bank	12	18,905,799	23,606,123	(19.9)	18,905,799	23,606,123	(19.9)
Government Treasury Bills and Treasury Bonds	13	61,548,268	45,168,999	36.3	61,548,268	45,168,999	36.3
Bills of Exchange	14.1	5,813,414	14,021,708	(58.5)	5,813,414	14,021,708	(58.5)
Loans and Advances	14.2	239,827,514	220,065,871	9.0	237,539,966	218,316,304	8.8
Leases	14.3	2,985,118	4,205,525	(29.0)	24,364,669	21,505,158	13.3
Other Assets	15	20,787,474	15,683,909	32.5	21,212,657	16,102,818	31.7
Deferred Tax	25.1	-	7,104	(100.0)	-	247,761	(100.0)
Dealing Securities	16	187,714	302,370	(37.9)	187,714	302,370	(37.9)
Investment Securities	17	12,051,312	12,100,096	(0.4)	12,101,322	12,150,106	(0.4)
Investments in Subsidiaries and Associate Companies	18	1,375,450	975,450	41.0	257,767	245,846	4.8
Government of Sri Lanka Restructuring Bonds	19	7,323,000	7,323,000	-	7,323,000	7,323,000	-
Property, Plant & Equipment	20	7,602,901	7,561,370	0.5	8,192,847	7,864,934	4.2
Prepaid Leases	21	467,300	506,357	(7.7)	467,300	506,357	(7.7)
Intangible Assets	22	292,138	346,707	(15.7)	314,984	365,844	(13.9)
TOTAL ASSETS		397,547,773	380,583,540	4.5	416,673,748	396,518,333	5.1
LIABILITIES							
Amounts due to Banks		348,559	300,071	16.2	349,072	300,075	16.3
Deposits from Customers	23	324,489,316	300,956,209	7.8	323,034,348	300,583,501	7.5
Borrowings from Banks and Others	24	33,365,540	49,062,771	(32.0)	47,845,763	60,336,047	(20.7)
Group Balance Payable		-	458	(100.0)	-	-	-
Taxation Payable		1,794,329	1,885,350	(4.8)	1,889,051	1,989,141	(5.0)
Deferred Liabilities	25	128,296	198,000	(35.2)	319,469	216,288	47.7
Other Liabilities	26	18,710,794	15,245,753	22.7	20,629,758	17,190,637	20.0
Retirement Benefit	27	331,217	40,363	720.6	331,217	40,363	720.6
Debentures	28	2,500,000	-	100.0	2,815,000	110,000	2,459.1
TOTAL LIABILITIES		381,668,051	367,688,976	3.8	397,213,678	380,766,052	4.3
FUNDS EMPLOYED							
Share Capital	29	49,998	49,998	-	49,998	49,998	-
Capital Pending Allotment	30	7,152,000	5,652,000	26.5	7,152,000	5,652,000	26.5
Reserves	31	8,677,724	7,192,566	20.6	12,257,881	10,050,112	22.0
		15,879,722	12,894,564	23.2	19,459,879	15,752,110	23.5
Minority Interest	32	-	-		191	170	12.4
TOTAL FUNDS EMPLOYED		15,879,722	12,894,564	23.2	19,460,070	15,752,280	23.5
TOTAL LIABILITIES & FUNDS EMPLOYED		397,547,773	380,583,540	4.5	416,673,748	396,518,333	5.1
COMMITMENTS AND CONTINGENCIES	33	138,988,771	74,221,674	87.3	138,988,771	74,221,674	87.3

The Accounting Policies on pages 79 to 88 and Notes on pages 89 to 113 form an integral part of these Financial Statements.

The Board of Directors is 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.

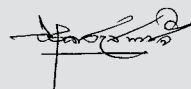


Y.A. Soza
Head of Finance



P.V. Pathirana
Chief Executive Officer/General Manager

24th March 2009
Colombo



W. Karunajeewa
Chairman