

INCOME STATEMENT

<i>For the year ended 31st December</i>		BANK			GROUP		
Note	2008 Rs '000	2007 Rs '000	Change %	2008 Rs '000	2007 Rs '000	Change %	
INCOME	58,948,110	47,984,048	22.8	64,344,746	52,132,233	23.4	
Interest Income	1 53,453,556	43,074,181	24.1	58,635,370	46,685,022	25.6	
Interest Expenses	2 (34,491,766)	(26,541,983)	30.0	(37,240,092)	(28,322,191)	31.5	
NET INTEREST INCOME	18,961,790	16,532,198	14.7	21,395,278	18,362,831	16.5	
Foreign Exchange Gain	818,399	648,988	26.1	818,399	648,988	26.1	
Fees and Commission Income	3,591,387	2,866,414	25.3	3,608,782	2,881,410	25.2	
Capital Gain on Treasury Bills and Bonds	110,988	86,774	27.9	110,988	86,774	27.9	
Other Income	3 973,780	1,307,691	(25.5)	1,171,207	1,830,039	(36.0)	
OPERATING INCOME	24,456,344	21,442,065	14.1	27,104,654	23,810,042	13.8	
OPERATING EXPENSES	4						
Personnel Costs	9,068,398	8,269,992	9.7	9,417,503	8,475,987	11.1	
Provision for Staff Retirement Benefits	5 1,514,794	1,783,947	(15.1)	1,514,794	1,783,947	(15.1)	
Premises, Equipment and Establishment Expenses	2,964,156	2,462,360	20.4	3,044,659	2,606,658	16.8	
Fee and Commission Expenses	148,175	187,402	(20.9)	12,951	7,442	74.0	
Other Overhead Expenses	3,463,670	3,031,843	14.2	4,234,510	3,553,809	19.2	
	(17,159,193)	(15,735,544)	9.0	(18,224,417)	(16,427,843)	10.9	
Profit before Loan Loss Provision and Provision for Fall in Value of Dealing Securities/Others	7,297,151	5,706,521	27.9	8,880,237	7,382,199	20.3	
Provision for Loan Losses	6 (1,620,025)	(821,861)	97.1	(1,723,988)	(1,257,040)	37.1	
Provision for Fall in Value of Dealing Securities/Others	7 (13,405)	18,014	174.4	(13,405)	18,014	174.4	
Provision for Tsunami Losses	8 -	99,687	(100.0)	-	99,687	(100.0)	
OPERATING PROFIT	5,663,721	5,002,361	13.2	7,142,844	6,242,860	14.4	
Share of Associate Companies' Profit before Taxation	-	-	-	17,981	17,198	4.6	
PROFIT BEFORE TAXATION	5,663,721	5,002,361	13.2	7,160,825	6,260,058	14.4	
Provision for Taxation	9 (2,958,873)	(2,628,478)	12.6	3,733,322	(2,754,262)	35.5	
PROFIT AFTER TAXATION	2,704,848	2,373,883	13.9	3,427,503	3,505,797	(2.2)	
Less: Minority Interest	-	-	-	(44)	(50)	(11.9)	
PROFIT FOR THE YEAR	2,704,848	2,373,883	13.9	3,427,459	3,505,746	(2.2)	
Earnings Per Share (Rs)							
Basic (Rs)	10.1 2,705	2,374	13.9	3,427	3,506	(2.2)	
Diluted (Rs)	10.2 19	21	(9.8)	24	31	(22.6)	

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