

	Shares (Rs. '000)	Allotment (Rs. '000)	Reserve (Rs. '000)	Reserve (Rs. '000)	Reserve (Rs. '000)	Reserve (Rs. '000)	Reserve (Rs. '000)	Reserve (Rs. '000)	Fund (Rs. '000)	Statement (Rs. '000)	(Rs. '000)
Balance as at 01.01.2011	49,998	7,152,000	49,998	5,630,460	5,663	1,253,807	938,500	1,000		11,435,445	26,516,871
Issue of Shares/ Increase of assigned capital (Tranch4 Capital)	-	-	-	-	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-	-	-	-	-
Rights Issue	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of property	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	-	13,529,028	13,529,028
Transfer to Special Risk Reserve during the period	-	-	-	-	-	197,598	-	-	-	(197,598)	-
Transfer to General Reserve	-	-	-	-	-	-	1,250,000	-	-	(1,250,000)	-
Transfer to Reserve Fund	-	-	1,842,593	-	-	-	-	-	-	(1,842,593)	-
Transfer to Investment Fund	-	-	-	-	-	-	-	2,230,900	-	(2,230,900)	-
Disposal & change of holding in subsidiaries	-	-	-	-	-	-	-	-	-	(34,631)	(34,631)
Goodwill Adjustment	-	-	-	-	-	-	-	-	-	2,969	2,969
Share Issue Expenses	-	-	-	-	-	-	-	-	-	(211,190)	(211,190)
Deemed Disposal Profit	-	-	-	-	-	-	-	-	-	2,824,990	2,824,990
Dividend Paid to GOSL	-	-	-	-	-	-	-	-	-	-	-
Profit transfer to Head office	-	-	-	-	-	-	-	-	-	-	-
Special Levy to Treasury	-	-	-	-	-	-	-	-	-	(4,500,000)	(4,500,000)
Balance as at 31.12.2009	49,998	7,152,000	1,892,591	5,630,460	5,663	1,451,405	2,188,500	1,000	2,230,900	17,525,520	38,128,037

SELECTED PERFORMANCE INDICATORS

	BANK		GROUP	
	As at 31.12.2011 (Audited)	As at 31.12.2010 (Audited)	As at 31.12.2011 (Audited)	As at 31.12.2010 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. Mn	20,460	14,861	36,617	20,596
Total Capital Base, Rs. Mn	31,502	24,071	49,714	30,781
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	9.6	7.9	11.6	8.5
Total capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	14.8	12.8	15.7	12.8
Assets Quality (Quality of Loan Portfolio)				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	3.3	5.0	2.9	4.6
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	0.59	1.2	0.4	0.7
Profitability				
Interest Margin, %	5.0	5.1	5.5	5.6
Return on Assets (Before Tax), %	2.5	1.7	3.1	2.1
Return on Equity (After Tax), %	42.9	26.9	43.1	27.1
Regulatory Liquidity				
Statutory Liquid Assets, Rs. Mn				
Domestic Banking Unit Rs. Mn	118,497	115,437		
Off- Shore Banking Unit US\$ ('000)	65,958	13,180		
Statutory Liquid Assets, Ratio % (Minimum Requirement, 20%)				
Domestic Banking Unit	21.5	23.4		
Off- Shore Banking Unit	24.0	22.3		

FINANCIAL REPORTING BY SEGMENTS

	BANK		LEASING		TRAVEL		CONSOLIDATED	
	2011 RS. 000	2010 RS. 000	2011 RS. 000	2010 RS. 000	2011 RS. 000	2010 RS. 000	2011 RS. 000	2010 RS. 000
Income								
Interest	61,188,701	56,110,411	-	-	-	-	61,188,701	56,110,411
Exchange	973,624	1,120,022	-	-	-	-	973,624	1,120,022
Leasing	41,664	175,066	12,884,143	8,272,971	-	-	12,925,807	8,448,037
Share Trading/Dividend	33,848	29,747	-	-	-	-	33,848	29,747
Commissions and Fees	3,822,017	3,170,590	-	-	24,036	19,782	3,846,053	3,190,372
Other	1,252,950	1,652,229	792,754	661,768	501	872	2,046,205	2,314,869
Total revenue from external customers	67,312,804	62,258,055	13,676,897	8,934,739	24,537	20,654	81,014,238	71,213,458
Inter-segment revenue	1,513,235	580,311	73,231	159,068	2,060	2,411	1,588,276	721,790
Total revenue	68,826,039	62,838,376	13,750,128	9,093,807	26,597	23,065	82,602,764	71,935,248
Segment result	15,310,666	8,771,077	6,559,064	2,897,302	9,381	5,534	21,045,861	11,385,528
Income from associates	-	-	-	-	-	-	33,663	(15,228)
Income Tax expenses	(5,153,628)	(3,564,654)	(1,913,411)	(1,215,076)	(985)	(3,986)	(7,068,024)	(4,787,737)
Minority Interest	-	-	-	-	-	-	(406,043)	(3,118)
Net profit for the year	10,157,038	5,206,423	4,645,653	1,682,226	8,396	1,548	13,605,456	6,579,445
Segment Assets	662,804,054	547,460,329	94,594,435	56,905,699	36,569	29,734	748,201,180	595,567,644
Investment in associates	273,100	155,500	-	-	-	-	377,196	248,830
Total Assets	663,077,154	547,615,829	94,594,435	56,905,699	36,569	29,734	748,578,376	595,816,475
Segment Liabilities	636,581,808	526,777,521	76,911,869	49,591,134	7,997	9,530	705,892,906	569,216,379
Total Liabilities	663,077,154	547,615,829	94,594,434	56,905,704	36,569	29,734	748,578,376	595,816,475

Total On - Balance Sheet Liabilities, Equity Capital and Reserves	663,077,154	547,615,829	21.1	748,578,375	595,816,475	25.6
Off-Balance Sheet Items and Contra Accounts	191,025,357	131,750,729	45.0	191,025,357	131,750,729	45.0
Contingencies	171,012,444	105,312,721	62.4	171,012,444	105,312,721	62.4
Commitment and Contra Accounts	20,012,913	26,438,008	(24.3)	20,012,913	26,438,008	(24.3)
Memorandum Information						
Number of Employees	8,249	8,399		9,723	9,435	
Number of Branches	341	329		399	357	

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER

	BANK		GROUP	
	2011 (Rs. '000) (Audited)	2010 (Rs. '000) (Audited)	2011 (Rs. '000) (Audited)	2010 (Rs. '000) (Audited)
Cash Flows from Operating Activities				
Interest & Commission Receipts	63,755,825	60,458,238	78,216,142	69,243,904
Interest Payments	(29,902,186)	(29,591,807)	(35,483,032)	(32,613,031)
Recoveries of loans previously written off	113,004	116,699	113,004	116,699
Cash payments to employees & Suppliers	(17,530,561)	(15,550,236)	(20,179,390)	(16,856,278)
Operating profit before changes in operating assets and liabilities	16,436,082	15,432,894	22,666,724	19,891,294
(Increase) / Decrease in operating Assets	(8,977,692)	(4,022,307)	(8,977,692)	(4,022,307)
Deposits held for regulatory or monetary control purposes	(108,447,935)	(74,589,573)	(140,741,602)	(92,827,377)
Treasury bills and bonds	853,903	89,641	524,441	89,641
Increase / (Decrease) in operating Liabilities	77,552,237	65,805,762	84,151,535	67,500,046
Deposit from Customers	169,047	176,933	154,022	154,022
Negotiable Certificate of Deposits	(22,414,358)	2,893,350	(42,222,622)	(9,368,703)
Net cash from Operating Activities before Income Tax	(3,256,479)	(3,702,663)	(5,575,037)	(4,688,192)
Income Taxes Paid	(1,478,839)	(917,480)	(1,479,872)	(917,480)
Retirement Benefit paid during the year	(27,149,676)	(1,726,793)	(49,277,531)	(14,974,375)
Net Cash from Operating Activities	(3,742,994)	(5,333,603)	(7,532,442)	(6,583,047)
Cash Flows from Investing Activities				
Net increase/decrease in Investment in Subsidiaries & Associates	(17,600)	100,000	(94,703)	(141,542)
Dividend Received	867,097	318,131	62,867	318,131
Proceed from Sales of Property, Plant & Equipment	41,491	108,736	149,876	316,979
Purchase of Property, Plant & Equipment	(1,613,406)	(1,108,847)	(2,669,680)	(2,044,109)
Proceeds from Matured Investments	(7,650,213)	(1,746,439)	(7,735,315)	(1,867,170)
Net Cash used in Investing Activities	(8,372,631)	(2,328,419)	(10,286,955)	(3,417,711)
Cash Flows from Financing Activities				
Capital Received from Government	-	-	-	-
Debentures	5,000,000	-	5,691,110	925,000
GOSL Bond Interest Paid	-	(18,307)	-	(18,307)
Special Levy Paid to Treasury	(4,500,000)	(2,150,000)	(4,500,000)	(2,150,000)
Minority Interest Paid	-	-	6,858,524	73,890
Net increase / (decrease) in Borrowings	26,071,828	283,131	45,024,737	15,056,912
Net Cash from / (used in) Financing Activities	26,571,828	(1,885,176)	53,074,371	13,887,495
Net increase / (decrease) in cash and cash equivalents	(8,950,479)	(5,940,388)	(6,490,115)	(4,504,591)
Cash and Cash Equivalents at the beginning of the year	43,902,045	49,842,433	46,393,525	50,898,116
Cash and Cash Equivalents at the end of the year	34,951,566	43,902,045	39,903,410	46,393,525
Cash and Short Term Funds	35,024,365	46,356,928	39,976,209	48,848,408
Amounts due to Banks	(72,799)	(2,454,883)	(72,799)	(2,454,883)
Cash and Cash Equivalents reflected on Balance Sheet at the end of the year	34,951,566	43,902,045	39,903,410	46,393,525

NOTES:

- The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
- The information contained in these statements have been extracted from the audited financial statements of the Bank and have been prepared in accordance with Sri Lanka Accounting Standards.

(Sgd.) Yohan Soza Head of Finance
(Sgd.) N.Vasantha Kumar Chief Executive Officer/General Manager
(Sgd.) W. Karunajeewa Chairman

21.03.2012
Colombo.