

Merchant Bank of Sri Lanka PLC
Balance Sheet

As at	Company				Group			
	31 March 2008	31 March 2007	31 December 2007	Change	31 March 2008	31 March 2007	31 December 2007	Change
	LKR ' 000	LKR ' 000	LKR ' 000	%	LKR ' 000	LKR ' 000	LKR ' 000	%
ASSETS								
Cash in hand and cash at bank	6,126	14,894	307	-58.9	38,143	36,961	18,807	3.2
Government treasury bills	41,735	-	41,735	0.0	372,130	371,542	362,499	0.2
Dealing securities	66,232	74,925	65,268	-11.6	66,232	74,925	65,268	-11.6
Investment securities	5,024	5,024	5,024	0.0	5,034	5,034	5,034	0.0
Loans & advances								
Bills receivable	313,135	316,173	327,326	-1.0	313,363	316,173	327,555	-0.9
Loans & advances	250,056	211,208	249,570	18.4	597,619	525,931	566,293	13.6
Lease / Hire purchase receivable	3,162,577	2,846,403	3,154,198	11.1	4,759,383	4,742,237	4,814,920	0.4
Investment in real estate	-	-	-	0.0	41,279	47,122	41,699	-12.4
Other assets	118,544	86,142	105,697	37.6	167,749	125,631	150,178	33.5
Investments in Associates	76,829	35,372	74,625	117.2	76,829	35,372	74,625	117.2
Investments in Subsidiary	20,918	20,918	20,918	0.0	-	-	-	0.0
Investment properties	339,911	106,785	340,164	218.3	339,911	106,785	340,164	218.3
Property, Plant and Equipment	24,509	25,376	24,517	-3.4	34,672	46,002	37,360	-24.6
Intangible assets	1,120	-	1,011	0.0	5,395	-	4,623	0.0
Total Assets	4,426,716	3,743,220	4,410,360	18.3	6,817,739	6,433,715	6,809,025	6.0
LIABILITIES								
Customer deposits	-	-	-	0.0	1,802,012	2,162,498	1,813,329	-16.7
Interest bearing borrowings								
Non-Current	376,211	416,819	340,350	-9.7	376,211	416,819	340,350	-9.7
Current	882,758	389,900	737,127	126.4	1,058,825	542,850	898,619	95.0
Current tax liability	63,472	6,971	54,472	810.5	63,472	6,971	54,472	810.5
Debentures	1,164,160	1,063,640	1,327,510	9.5	1,164,160	1,063,640	1,327,510	9.5
Deferred tax liability	56,230	64,146	56,230	-12.3	56,230	64,146	56,230	-12.3
Retirement benefit obligation	45,513	46,533	45,085	-2.2	57,755	58,086	56,971	-0.6
Other liabilities	237,803	283,004	284,870	-16.0	354,636	393,520	404,618	-9.9
Total Liabilities	2,826,147	2,271,013	2,845,644	24.4	4,933,301	4,708,530	4,952,099	4.8
Equity								
Stated capital	1,067,000	1,067,000	1,067,000	0.0	1,067,000	1,067,000	1,067,000	0.0
Reserve fund	31,361	14,668	31,361	113.8	31,361	14,668	31,361	113.8
Statutory reserve fund	-	-	-	0.0	34,066	28,866	34,066	18.0
Retained earnings	502,208	390,539	466,355	28.6	602,464	480,242	570,865	25.5
Total equity	1,600,569	1,472,207	1,564,716	8.7	1,734,891	1,590,776	1,703,292	9.1
Minority Interest	-	-	-		149,547	134,409	153,634	11.3
Total equity and minority interest	1,600,569	1,472,207	1,564,716	8.7	1,884,438	1,725,185	1,856,926	9.2
Total liabilities, equity and minority interest	4,426,716	3,743,220	4,410,360	18.3	6,817,739	6,433,715	6,809,025	6.0

I Certify that the Financial Statements of the Company give a true and fair view of the state of affairs as at 31 March 2008 and of its profits for the period then ending.

Priyantha Herath
Asst. Director - Finance & Treasury Management

Approved and signed for and on behalf of the Board

Janaka Ratnayake
Chairman

May 13, 2008
Colombo, Sri Lanka

Ms. W A Nalani
Director