

Merchant Bank of Sri Lanka PLC
Income Statement

For the period ended 31 March	Company			Group		
	2008 LKR ' 000	2007 LKR ' 000	Change %	2008 LKR ' 000	2007 LKR ' 000	Change %
INCOME	241,067	182,647	32.0	374,859	316,136	18.6
Interest income	229,448	164,011	39.9	356,772	288,778	23.5
Less: Interest expense	125,693	68,032	-84.8	210,656	140,146	-50.3
Net interest income	103,755	95,979	8.1	146,116	148,632	-1.7
Fee and commission income	5,143	3,749	37.2	7,514	6,124	22.7
Dividend income	277	749	-63.0	277	5,249	-94.7
Other income	6,199	14,138	-56.2	10,296	15,985	-35.6
	115,374	114,615	0.7	164,203	175,990	-6.7
Less:						
OPERATING EXPENSES						
Personnel costs	27,002	22,646	-19.2	41,625	37,765	-10.2
Premises, equipment and establishment expenses	7,269	5,441	-33.6	13,057	10,403	-25.5
Fee and commission expenses	427	703	39.3	2,101	2,601	19.2
Provision for staff retirement benefits	900	900	0.0	1,371	1,341	-2.2
Provision for loan losses	15,715	2,433	-545.9	39,048	16,511	-136.5
Provision for fall in value of investments	(896)	3,906	122.9	(896)	3,906	122.9
Value Added Tax on financial services	7,422	7,164	-3.6	7,768	9,474	18.0
Other overhead expenses	14,886	13,011	-14.4	25,446	23,449	-8.5
	72,725	56,204	-29.4	129,520	105,450	-22.8
PROFIT FROM OPERATIONS	42,649	58,411	-27.0	34,683	70,540	-50.8
Share of Associate Company profit before taxation	2,204	5,960	-63.0	2,204	5,960	-63.0
PROFIT BEFORE TAXATION	44,853	64,371	-30.3	36,887	76,500	-51.8
Less: Income tax expenses	9,000	8,410	-7.0	9,375	8,785	-6.7
PROFIT AFTER TAXATION	35,853	55,961	-35.9	27,512	67,715	-59.4
Attributable to:						
Equity Holders of the parent	35,853	55,961	-35.9	31,599	61,956	-49.0
Minority interest	-	-		(4,087)	5,759	-171.0
PROFIT FOR THE PERIOD	35,853	55,961	-35.9	27,512	67,715	-59.4
BASIC EARNINGS PER SHARE (LKR.)	0.40	0.62	-35.9	0.31	0.75	-59.4