

Merchant Bank of Sri Lanka PLC  
**Balance Sheet**

As at	Company				Group			
	30 June 2008	30 June 2007	31 December 2007	Change	30 June 2008	30 June 2007	31 December 2007	Change
	LKR ' 000	LKR ' 000	LKR ' 000	%	LKR ' 000	LKR ' 000	LKR ' 000	%
<b>ASSETS</b>								
Cash in hand and cash at bank	15,860	582	307	2625.1	42,174	10,410	18,807	305.1
Government treasury bills	126,159	-	41,735	0.0	426,159	285,881	362,499	49.1
Dealing securities	88,539	73,392	65,268	20.6	104,139	73,392	65,268	41.9
Investment securities	5,024	5,024	5,024	0.0	5,034	5,034	5,034	0.0
Loans & advances								
Bills receivable	313,935	287,338	327,326	9.3	314,164	287,567	327,555	9.2
Loans & advances	507,626	279,245	249,570	81.8	949,477	547,780	566,293	73.3
Lease / Hire purchase receivable	3,146,760	3,013,934	3,154,198	4.4	4,710,800	4,892,731	4,814,920	-3.7
Investment in real estate	-	-	-	0.0	35,199	47,248	41,699	-25.5
Other assets	179,178	84,756	105,697	111.4	225,632	123,467	150,178	82.7
Investments in Associates	82,139	33,978	74,625	141.7	82,139	33,978	74,625	141.7
Investments in Subsidiary	20,918	20,918	20,918	0.0	-	-	-	0.0
Investment properties	339,961	106,782	340,164	218.4	339,961	106,782	340,164	218.4
Property, Plant and Equipment	30,876	25,854	24,517	19.4	41,316	45,144	37,360	-8.5
Intangible assets	1,028	496	1,011	107.3	4,640	496	4,623	835.5
<b>Total Assets</b>	<b>4,858,003</b>	<b>3,932,299</b>	<b>4,410,360</b>	<b>23.5</b>	<b>7,280,834</b>	<b>6,459,910</b>	<b>6,809,025</b>	<b>12.7</b>
<b>LIABILITIES</b>								
Customer deposits	-	-	-		1,832,598	1,940,277	1,813,329	5.5
Interest bearing borrowings								
Non-Current	386,330	425,366	340,350	9.2	386,330	425,366	340,350	9.2
Current	1,331,305	676,444	737,127	-96.8	1,583,877	954,720	898,619	-65.9
Current tax liability	60,472	10,152	54,472	-495.7	60,472	10,152	54,472	-495.7
Debentures	1,164,160	1,042,220	1,327,510	-11.7	1,164,160	1,042,220	1,327,510	-11.7
Deferred tax liability	56,230	64,146	56,230	12.3	56,230	64,146	56,230	12.3
Retirement benefit obligation	46,413	47,433	45,085	2.2	58,831	59,225	56,971	0.7
Other liabilities	264,214	257,243	284,870	-2.7	296,725	285,675	404,618	-3.9
<b>Total Liabilities</b>	<b>3,309,124</b>	<b>2,523,004</b>	<b>2,845,644</b>	<b>-31.2</b>	<b>5,439,223</b>	<b>4,781,781</b>	<b>4,952,099</b>	<b>-13.7</b>
<b>Equity</b>								
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	450,518	327,627	466,355	37.5	555,294	425,416	570,865	30.5
<b>Total equity</b>	<b>1,548,879</b>	<b>1,409,295</b>	<b>1,564,716</b>	<b>9.9</b>	<b>1,687,721</b>	<b>1,535,950</b>	<b>1,703,292</b>	<b>9.9</b>
<b>Minority Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>153,890</b>	<b>142,179</b>	<b>153,634</b>	<b>8.2</b>
<b>Total equity and minority interest</b>	<b>1,548,879</b>	<b>1,409,295</b>	<b>1,564,716</b>	<b>9.9</b>	<b>1,841,611</b>	<b>1,678,129</b>	<b>1,856,926</b>	<b>9.7</b>
<b>Total liabilities, equity and minority interest</b>	<b>4,858,003</b>	<b>3,932,299</b>	<b>4,410,360</b>	<b>23.5</b>	<b>7,280,834</b>	<b>6,459,910</b>	<b>6,809,025</b>	<b>12.7</b>
	-	-	0		0.00	-	0	

I Certify that the Financial Statements of the Company give a true and fair view of the state of affairs as at 30 June 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  
August 07, 2008  
Colombo, Sri Lanka

Ms. W A Nalani  
Director