

Merchant Bank of Sri Lanka PLC
Balance Sheet

As at	Company				Group				
	30	30	31	Change	30	30	31 December	Change	
	September	September	December		September	September	2007		
	2008	2007	2007	%	2008	2007	2007	%	
	LKR ' 000	LKR ' 000	LKR ' 000		LKR ' 000	LKR ' 000	LKR ' 000		
ASSETS									
Cash in hand and cash at bank	14	22,934	3,889	307	489.7	36,318	23,039	18,807	57.6
Government treasury bills	15	126,159	19,136	41,735	559.3	507,981	421,971	362,499	20.4
Dealing securities	16	77,179	66,185	65,268	16.6	84,459	66,185	65,268	27.6
Investment securities	17	5,024	5,024	5,024	0.0	5,034	5,034	5,034	0.0
Loans & advances	18								
Bills receivable		316,921	314,605	327,326	0.7	317,149	314,833	327,555	0.7
Loans & advances		477,515	226,726	249,570	110.6	1,028,843	527,591	566,293	95.0
Lease / Hire purchase receivable		3,099,614	3,037,553	3,154,198	2.0	4,627,020	4,797,415	4,814,920	-3.6
Investment in real estate	18	-	-	-	0.0	32,858	43,719	41,699	-24.8
Other assets	19	147,993	92,490	105,697	60.0	196,070	133,815	150,178	46.5
Investments in Associates	20	84,003	33,224	74,625	152.8	84,003	33,224	74,625	152.8
Investments in Subsidiary	21	20,918	20,918	20,918	0.0	-	-	-	0.0
Investment properties	22	339,707	106,782	340,164	218.1	339,707	106,782	340,164	218.1
Property, Plant and Equipment	23	30,868	25,742	24,517	19.9	43,325	43,885	37,360	-1.3
Intangible assets	24	1,243	339	1,011	266.7	3,830	339	4,623	1,029.8
Total Assets		4,750,078	3,952,613	4,410,360	20.2	7,306,597	6,517,832	6,809,025	12.1
LIABILITIES									
Customer deposits	25	-	-	-		1,918,819	1,967,424	1,813,329	2.5
Interest bearing borrowings	26	396,794	132,655	340,350	-199.1	396,794	132,655	340,350	-199.1
Non-Curre									
Current		1,093,308	879,795	737,127	-24.3	1,274,638	1,057,106	898,619	-20.6
Current tax liability	27	60,195	10,152	54,472	-492.9	60,195	10,152	54,472	-492.9
Debentures	28	1,164,160	1,042,510	1,327,510	-11.7	1,164,160	1,042,510	1,327,510	-11.7
Deferred tax liability	29	56,230	64,146	56,230	12.3	56,230	64,146	56,230	12.3
Retirement benefit obligation	30	46,296	47,326	45,085	2.2	59,185	59,514	56,971	0.6
Other liabilities	31	349,291	316,786	284,870	-10.3	484,638	439,998	404,618	-10.1
Total Liabilities		3,166,274	2,493,370	2,845,644	-27.0	5,414,659	4,773,505	4,952,099	-13.4
Equity									
Stated capital	32	1,067,000	1,067,000	1,067,000	0.0	1,067,000	1,067,000	1,067,000	0.0
Reserve fund	33	31,361	14,668	31,361	113.8	31,361	14,668	31,361	113.8
Statutory reserve fund	34	-	-	-	0.0	34,066	28,866	34,066	18.0
Retained earnings	35	485,443	377,575	466,355	28.6	598,074	483,651	570,865	23.7
Total equity		1,583,804	1,459,243	1,564,716	8.5	1,730,501	1,594,185	1,703,292	8.6
Minority interest	36	-	-	-		161,437	150,142	153,634	7.5
Total equity and minority interest		1,583,804	1,459,243	1,564,716	8.5	1,891,938	1,744,327	1,856,926	8.5
Total liabilities, equity and minority interest		4,750,078	3,952,613	4,410,360	20.2	7,306,597	6,517,832	6,809,025	12.1

I Certify that the Financial Statements of the Company give a true and fair view of the state of affairs as at 30 September 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

Mr. Janaka Ratnayake
Chairman

Ms. W A Nalani
Director

29 October 2008
Colombo, Sri Lanka