

Income Statement

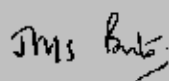
For the year ended 31st December		2006	2005
	Notes	Rs '000	Restated Rs '000
Income	1	1,206,904	674,428
Interest income	2	1,022,094	556,808
Less: Interest expense	3	597,879	322,407
Net interest income		424,215	234,401
Fee and commission income		94,162	58,082
Other income	4	90,648	59,538
Operating income		609,025	352,021
Less: Operating expenses	5		
Personnel costs		123,751	69,513
Provision for staff retirement benefits		2,648	1,192
Premises, equipment and establishment expenses		90,302	69,141
Fee expenses		8,594	5,315
Provision for bad and doubtful debts	6	61,296	9,103
Other overhead expenses		69,055	54,715
Value added tax on financial services		56,433	24,511
Operating expenses		412,079	233,490
Profit before taxation		196,946	118,531
Less: Income tax expense	7	80,105	53,484
Profit for the period - attributable to equity holders of the Bank		116,841	65,047
Basic and diluted earnings per share, Rs	8	1.30	1.25

The accounting policies from pages 19 to 22 and the notes from pages 27 to 40 form an integral part of these financial statements.

Balance Sheet

As at 31 December		2006	2005
	Notes	Rs '000	Restated Rs '000
Assets			
Cash and short term funds	9	1,655,177	820,879
Balances with Central Bank of Sri Lanka	10	768,018	693,789
Treasury bills and other securities eligible for rediscounting with Central Bank	11	396,049	223,309
Treasury bills purchased under re - sale agreements		205,000	175,082
Bills of exchange	12	459,493	70,073
Loans and advances	13	7,319,102	4,796,405
Interest receivable	14	74,038	36,186
Investment securities	15	1,030	1,030
Property and equipment	16	139,540	83,532
Intangible assets	17	119,166	0
Deferred tax asset	18	137,016	160,020
Other assets	19	49,801	26,310
Total assets		11,323,430	7,086,615
Liabilities			
Deposits from customers	20	7,812,330	5,064,407
Borrowing	21	1,351,702	236,979
Group balances payable	22	9,820	18,804
Tax payable		34,996	35,896
Retirement benefit obligation	23	6,183	3,749
Other liabilities	24	626,891	662,113
Total liabilities		9,841,922	6,021,948
Equity			
Share capital	25	1,184,071	884,071
Reserve fund		9,802	3,960
Retained earnings		287,635	176,636
Total equity - attributable to equity holders of the Bank		1,481,508	1,064,667
Total liabilities and equity		11,323,430	7,086,615
Commitments and contingencies	26	5,437,546	4,561,088

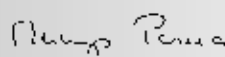
The accounting policies from pages 19 to 22 and the notes from pages 27 to 40 form an integral part of these financial statements. For and on behalf of the Board of Directors,



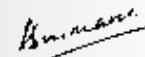
J M S Brito
Chairman



L G Perera
Managing Director



Y N Perera
Director



Dilukshi Sirimane
Company Secretary

Colombo
28th March 2007