

Rupees in Thousands

For the Period Ended ( 30/06/2009)	Statement of Changes In Equity and Reserves - Bank							
	Equity Capital	Reserves						
Item	Ordinary Voting Shares	Reserve Fund	Share Premium	Revaluation Reserve	General Reserves	Other Reserves	Income Statement	Total
Balance as at 01/01/2008 ( Opening Balance)	150,000	19,942			188,989	66,116	21,716	<b>446,763</b>
Issue of Shares / Increase of assigned capital								-
Bonus Issue								-
Rights Issue								-
Surplus on revaluation of property								-
Net Profit for the period							48,742	<b>48,742</b>
Transfer to reserves during the period								-
Dividend paid 2008							(18,750)	<b>(18,750)</b>
Profits Transferred to Head Office								-
Others								-
<b>Balance as at 30/06/2009 ( Closing Balance)</b>	<b>150,000</b>	<b>19,942</b>			<b>188,989</b>	<b>66,116</b>	<b>51,708</b>	<b>476,755</b>



# SABARAGAMUWA DEVELOPMENT BANK

<b>Summarised Balance Sheet</b>		
<b>Rupees Thousands</b>		
Item	(Current Period) as at 30.06.2009	(Previous Period) as at 31.12.2008
<b>On Balance Sheet Assets</b>		
Cash In Hand	36,320	22,566
Balance with Central Bank of Sri Lanka/ Other Central Banks	-	-
Due form Banks and Other Financial Institutions	35,974	36,560
Investments - Trading Account	-	-
Government Securities	-	-
Other Securities	-	-
Investments - Held - to Maturity ( Net of Provisions made for decline in value of Investments)	1,581,675	1,147,003
Government Securities	971,817	1,002,044
Other Securities	623,711	158,811
Less :- Provision for decline in value of Investment	(13,852)	(13,852)
Investments in Associates and Subsidiaries	-	-
<b>Total Loans &amp; Advances</b>		
Total Performing Loans & Advances	5,138,290	5,176,230
Bills of Exchange	-	-
Overdrafts	-	-
Lease Rentals Receivable	-	-
Other Loans	5,138,290	5,176,230
Total Non Performing Loans & Advances	399,303	284,908
Bills of Exchange	-	-
Overdrafts	-	-
Lease Rentals Receivable	-	-
Other Loans	399,303	284,908
Interest Receivables	-	-
Total gross Loans and aAdvances	5,537,593	5,461,138
Less :- Interest In Suspense	(2,717)	(3,110)
Specific Loan Loss Provisions	(188,799)	(165,770)
General Loan Loss Provisions	(19,320)	(17,894)
Net Loans and Advances	5,326,757	5,274,364
Other Assetes	591,046	513,480
Intangible Assets	-	-
Investment Properties	-	-
Fixed Assets ( Net of accumulated depreciation)	38,126	33,815
Total on Balance Sheet Assets	<b>7,609,899</b>	<b>7,027,787</b>
<b>On Balance Sheet Liabilities</b>		
Total Deposits	6,243,488	5,652,073
Demand Deposits	-	-
Savings Deposits	2,540,183	2,484,375
Time Deposits	3,703,305	3,167,698
Margin Deposits	-	-
Other Deposits	-	-
Total Borrowings	309,356	445,944
Borrowings from CBSL	100,811	127,351
Borrowings from Banks and Financial Institutions in Sri Lanka	122,801	232,848
Borrowings from Banks and Financial Institutions Abroad	-	-
Securities sold under repurchase agreements	-	-
Subordinated Term Debt	-	-
Other Borrowings	85,744	85,744
Deferred Taxation	-	-
Current Taxation	63,812	71,108
Other Liabilities	516,489	411,901
Total on Balance Sheet Liabilities	<b>7,133,145</b>	<b>6,581,025</b>
Minority Interests	-	-
Equity Capital and Reserves	476,754	446,762
Share Capital / Assigned Capital	150,000	150,000
Statutory Reserve Fund	19,942	19,942
Total Other Reserves	306,812	276,820
Total On - Balance Sheet Liabilities and Equity Capital and Reserves	<b>7,609,899</b>	<b>7,027,787</b>
<b>Off - Balance Sheet Items and Contra Accounts</b>		
Contingencies	250	315
Commitments and Contra Accounts	-	-
<b>Memorandum Information</b>		
Number of Employees	393	393
Number of Branches	48	47



# SABARAGAMUWA DEVELOPMENT BANK

<b>Summarised Profit &amp; Loss Account</b>		<b>Rupees Thousands</b>		
Item	(Current Period )		(Previous Period)	
	from 01.01.2009 to 30.06.2009		from 01.01.2008 to 31.12.2008	
Interest Income	701,971		1,306,715	
Interest Income on Loans and Advances	579,923		1,069,086	
Interest Income on Other Interest Earning Assets	122,048		237,628	
Less :- Interest Expenses	371,003		637,252	
Interest Expenses on Deposits	350,304		602,607	
Interest Expenses on Other Interest Bearing Liabilities	20,699		34,645	
<b>Net Interest Income</b>	<b>330,968</b>		<b>669,463</b>	
Non Interest Income	15,432		29,422	
Forigen Exchange Income	-		-	
Other Income	15,432		29,422	
Less Non Interest Expenses	202,610		388,834	
Personnel Cost	119,398		247,202	
Provision for Staff Retirement Benefits	3,139		12,798	
Premises, Equipment and establishment Expenses	22,522		41,465	
Loss on Trading / Investment Securities	-		-	
Amortization of Intangible Assets	-		-	
Other Operating Expenses	30,112		51,982	
Less :- Provision for Bad & Doubtful Debts and Loans Written off	27,439		35,387	
Provision General	1,426		6,263	
Provision Specific	26,013		29,124	
Recoveries (-)				
Loans Written off				
Less:- Provision for Decline in Value of Investments (Net)				
<b>Operating Profit on Ordinary Activities Before Taxes</b>	<b>143,790</b>		<b>310,051</b>	
Less :- Value Added Tax on Financial Services	44,721		101,264	
<b>Operating Profit on Ordinary Activities Before Corporate Tax</b>	<b>99,069</b>		<b>208,787</b>	
Share of Subsidiarias / Associate Companies' Proffit	-		-	
<b>Operating Profit Before Corporate Tax</b>	<b>99,069</b>		<b>208,787</b>	
Less :- Tax on Profits on Ordinary Activities	50,326		112,518	
<b>Operating Profit for the period</b>	<b>48,742</b>		<b>96,269</b>	

<b>Selected Performance Indicators</b>				
Item	(Current Period )		(Previous Period)	
	as at 30.06.2009		as at 31.12.2008	
Regulatory Capital Adequacy				
Cor Capital ( Tier 1 Capital ) Rs. Mn	362		381	
Total Capital Base Rs. Mn	423		441	
Core Capital Adequacy Ratio, as % of Risk Weighted Assets ( Minium Reruirement , 5%)	11.7%		13.7%	
Total Capital Adequacy Ratio, as % of Risk Weighted Assets ( Minium Reruirement , 10%)	13.7%		15.9%	
Assets Quality ( Quality of Loan Portfolio)				
Gross Non Performing Advances Ratio, % (net of Interest in Suspense)	7.2%		5.2%	
Net Non Performing Advances Ratio, % (net of Interest in Suspense and Provisions)	3.41%		1.80%	
Profitability				
Interest Margin, %	4.5%		9.9%	
Return on Assets (before Tax ) %	0.7%		1.4%	
Return on Equity %	9.9%		24.1%	
Regulatory Liquidity				
Statutory Liquidity Assets, Rs. Mn.	1563		1254	
Statutory Lisquid Assets, Ratio, % ( Minimum Requirement, 20% )	26.1%		22.3%	
Demostic Banking Unit	48		48	
Off Shore Banking Unit				

#### CERTIFICATION:

We, the undersigned, being the Chief Executive officer and the Assistant General Manager - Finance / Compliance Officer of Sabaragamuwa Development Bank certify jointly that :-

- The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka
- The Information contained in these statements have been extracted from the unaudited financial statements of the bank.

A. B. Ariyaratna,  
.....  
(Sgd)Chief Executive Officer  
28th July 2009

W.G.Javantha Premadasa.  
.....  
(Sgd)Assistant General Manager  
Finance /Compliance Officer,  
28th July 2009