

Financial Performance of Commercial Public Enterprises - 2004

Bank of Ceylon

1 Name & Address of the Enterprise: **Bank of Ceylon**
4. Bank of Ceylon Mawatha
Colombo 01.

2 Mission:

Customers

Foster most rewarding relationship with trust and reliability for our customers, exceeding their expectations.

Staff

We offer the staff, recognition and rewards to be the best team of achievers in service excellence.

Society

Extending banking service to larger society as a beneficial beacon in the country.

3 Major Activities:

Commercial banking activities, including Corporate banking, International, Off shore & Foreign currency banking, Treasury, Investment Banking, Retail banking and Development banking etc.

4 Performance Trend

ABSOLUTE VALUES		2001	2002	2003	2004	2005 B
1	Total Revenue for the year	(Rs.' Mn) 28,410	24,578	22,805	23,957	27,827
2	Gross Profit for the year	(Rs.' Mn) 9,383	11,186	13,653	14,937	17,003
3	Net Profit before Interest and Tax for the year	(Rs.' Mn) 891	1,238	1,800	2,559	2,865
4	Financial Charges for the year	(Rs.' Mn) -	-	-	-	-
5	Total Cost of Employment for the year	(Rs.' Mn) 4,650	4,822	6,051	6,538	7,389
6	Capital Expenditure for the year	(Rs.' Mn) 377	747	540	901	942
7	Non-Current Assets as at end of the year	(Rs.' Mn) 50,741	52,208	54,948	45,406	41,406
8	Current Assets as at end of the year	(Rs.' Mn) 186,932	175,667	185,440	220,993	256,897
9	Current Liabilities as at end of the year	(Rs.' Mn) 212,420	203,901	213,576	238,176	271,897
10	Non-Current Liabilities as at end of the year	(Rs.' Mn) 14,008	12,135	12,998	12,875	12,629
11	Equity as at end of the year	(Rs.' Mn) 11,245	11,838	13,814	15,348	13,776
12	Contribution to the Consolidated Fund	(Rs.' Mn) 673	673	673	1,000	1,150
13	Number of Employees as at end of the year	(Nos) 9,245	9,268	8,927	8,718	8,559
14	Investment of Surplus Fund as at end of the year	(Rs.' Mn) -	-	-	-	-
15	Key Performance Indicators					
i)	Net Profit bef. Tax to Equity	(%) 8%	10%	13%	17%	21%
ii)	Net Profit bef. Tax to Total Assets	(%) 0%	1%	1%	1%	1%
iii)	Non Performing Loans Ratio	(%) 18%	15%	14%	10%	N/A
iv)	Capital Adequacy Ratio	(%) 13%	12%	13%	12%	N/A
v)	Total Cost of Employment per Employee	(Rs.' 000) 503	520	678	750	863

5 Comments on Performance:

Net profit of the Bank has increased substantially with the increase in the total revenue and gross margin.

Total cost of employment has increased during the year despite decline in the number of employees.

Capital expenditure of the Bank has increased substantially during the year.

There has been an increase in the asset base and equity with a corresponding increase in the liabilities.

During the year 2004 Bank has contributed Rs.327mn as Levy and Rs.673mn as dividends to the Consolidated Fund.

While the return on equity has improved substantially the return on assets continues to remain the same.

Non performing loans of the Bank reflects a declining trend.

The Bank although maintains a healthy capital adequacy ratio of 12% it has declined during the year.

The Bank has established a milestone in Sri Lankan banking history by becoming the first commercial bank to have customer deposits in excess of Rs.200Bn.

The Bank was brought under the purview of Strategic Enterprise Management Agency to improve the efficiency and effectiveness and financial viability of the enterprise with effect from August 2004.

