

Financial Performance of Commercial Public Enterprises - 2004

Housing Development Finance Corporation Bank of Sri Lanka

1 Name & Address of the Enterprise:

Housing Development Finance Corporation Bank of Sri Lanka

Sir. Chittampalam A. Gardinar Mawatha,
P.O.Box 2085
Colombo 02

2 Mission:

To provide a package of attractive financial services for housing purposes through a competent and motivated team of employees using the state of the art technology to maintain financial stability and growth of the organization whilst contributing to the national goal of providing decent housing to all.

3 Major Activities:

Granting Housing loan Facilities.

4 Performance Trend

ABSOLUTE VALUES			2001	2002	2003	2004	2005 B
1	Total Revenue for the year	(Rs.' 000)	448,583	630,793	829,583	947,035	1,165,403
2	Gross Profit for the year	(Rs.' 000)	258,110	305,272	429,324	502,905	603,212
3	Net Profit before Interest and Tax for the year	(Rs.' 000)	164,472	174,018	254,082	235,225	279,840
4	Financial Charges for the year	(Rs.' 000)	-	-	-	-	-
5	Total Cost of Employment for the year	(Rs.' 000)	55,865	59,979	86,635	115,060	138,578
6	Capital Expenditure for the year	(Rs.' 000)	10,548	17,054	3,675	15,581	266,050
7	Non-Current Assets as at end of the year	(Rs.' 000)	3,627,135	4,802,384	5,912,160	7,159,423	9,698,130
8	Current Assets as at end of the year	(Rs.' 000)	80,829	193,583	174,615	216,198	352,293
9	Current Liabilities as at end of the year	(Rs.' 000)	676,908	641,366	1,545,545	2,692,674	4,044,439
10	Non-Current Liabilities as at end of the year	(Rs.' 000)	2,296,785	3,539,752	3,656,193	3,669,997	3,525,686
11	Equity as at end of the year	(Rs.' 000)	734,271	814,849	885,037	1,012,950	2,480,298
12	Contribution to the Consolidated Fund	(Rs.' 000)	-	-	-	-	-
13	Number of Employees as at end of the year	(Nos.)	274	277	278	276	296
14	Investment of Surplus Fund as at end of the year	(Rs.' 000)	-	68,900	8,500	-	-
15	Key Performance Indicators						
i)	Net Profit bef. Tax to Equity	(%)	22%	21%	29%	23%	11%
ii)	Net Profit bef. Fin. Charges & Tax to Total Assets	(%)	4%	3%	4%	3%	3%
iii)	Non Performing Loans Ratio	(%)	N/A	24%	20%	18%	N/A
iv)	Capital Adequacy Ratio	(%)	N/A	36%	36%	31%	N/A
v)	Total Cost of Employment per Employee	(Rs.' 000)	204	217	312	417	468

5 Comments on Performance:

Although the total revenue and gross profits have increased, net profit of the Bank has declined during the year mainly due to the high operational expenses.

Total cost of employment has increased by 33% despite a marginal drop in the number of employees.

The capital expenditure during the year too has increased substantially.

There has been a substantial build up in the asset base and equity with a corresponding increase in the liabilities.

Both return on equity and return on total assets have declined substantially during the year.

Non performing loans of the Bank has declined marginally during the year.

Although the Bank maintains a high capital adequacy it has declined during the year.

Although EPS has reduced by 7% due to reduction of net profit, market price of the share has gone up in the anticipation of growth.

Treasury has no direct ownership in HDFC, (National Housing Development Authority owns 78% of the Bank shares) as such no contribution has been made to the Consolidated Fund. However Rs.20 mn has been declared as dividend to its shareholders.