

Financial Performance of Commercial Public Enterprises - 2004

Kandurata Development Bank

1 Name & Address of the Enterprise: **Kandurata Development Bank**
 Head Office, P.O.Box 149,
 Katugastota Road,
 kandy

2 Mission:

To be dynamic partner, who is effective and efficient, in the economic development of Sri Lanka, by providing a wide range of improved financial and support services coupled to the needs of our Investors, Entrepreneurs, Depositors, and others who deal with us, by encouraging them and building up trust with them through the valued contribution of our delighted team of Employees who are rich in knowledge and skills.

3 Major Activities:

Providing financial assistance for the development of Agriculture, Industry, Trade, Commerce and Other Development activities in Central Province and collection of other Savings and Fixed Deposits..
 Social Mobilization & training Beneficiaries with a view of alleviating poverty.

4 Performance Trend

ABSOLUTE VALUES		2001	2002	2003	2004	2005 B
1	Total Revenue for the year	(Rs.' 000) 169,068	207,246	221,837	274,374	356,714
2	Gross Profit for the year	(Rs.' 000) 69,804	118,288	143,904	182,894	218,134
3	Net Profit before Interest and Tax for the year	(Rs.' 000) 23,883	36,293	30,468	44,248	60,608
4	Financial Charges for the year	(Rs.' 000) -	-	-	-	-
5	Total Cost of Employment for the year	(Rs.' 000) 55,790	54,960	71,714	79,632	88,810
6	Capital Expenditure for the year	(Rs.' 000) 5,400	9,485	3,202	5,892	52,881
7	Non-Current Assets as at end of the year	(Rs.' 000) 592,722	775,004	948,912	1,326,992	2,245,158
8	Current Assets as at end of the year	(Rs.' 000) 443,083	567,945	579,546	728,510	708,997
9	Current Liabilities as at end of the year	(Rs.' 000) 318,518	633,005	652,667	575,743	609,003
10	Non-Current Liabilities as at end of the year	(Rs.' 000) 541,333	520,787	679,274	1,276,454	2,114,578
11	Equity as at end of the year	(Rs.' 000) 175,954	189,157	196,517	203,305	230,574
12	Contribution to the Consolidated Fund	(Rs.' 000) -	-	-	-	10,000
13	Number of Employees as at end of the year	(Nos.) 248	249	243	243	307
14	Investment of Surplus Fund as at end of the year	(Rs.' 000) 193,221	323,439	224,333	279,070	502,286
15	Key Performance Indicators					
i)	Net Profit bef. Tax to Equity	(%) 14%	19%	16%	22%	26%
ii)	Net Profit bef. Tax to Total Assets	(%) 2%	3%	2%	2%	2%
iii)	Non Performing Loans Ratio	(%) 16%	13%	10%	8%	N/A
iv)	Capital Adequacy Ratio	(%) 38%	31%	23%	17%	N/A
v)	Total Cost of Employment per Employee	(Rs.' 000) 225	221	295	328	289

5 Comments on Performance:

There has been a marked improvement in the revenue generation, gross profit and net profit during the year.

Total cost of employment has increased during the year despite the number employed remaining static.

Capital expenditure too has increased during the year.

Asset base and equity have improved and non current liabilities has increased significantly.

Return on equity although has improved during the year return on assets remained the same.

Non performing loans of the Bank however reflects declining trend.

Capital adequacy of the Bank although is above the Central Bank requirement it reflect a declining trend.

The Bank has not been contributing to the Consolidated Fund however it is expecting to contribute Rs.10mn in the year 2005.