

Financial Performance of Commercial Public Enterprises - 2004

National Savings Bank

1 Name & Address of the Enterprise: **National Savings Bank**

Savings House,
No. 225, Galle road,
Colombo 03.

2 Mission:

An organization dedicated to promote, mobilize and manage savings and to serve customers with diverse financial requirements effectively and with genuine care. We help our people to grow whilst remaining committed to our community, investors and regulators.

3 Major Activities:

*Promotion and mobilization of savings & Time deposits. * Investment in Rupee Loans, Treasury Bills & Treasury Bonds, *Housing finance, *Participating in Syndication Loans. *Acceptance of Foreign currency remittances.* Loans on deposits. * Investment in Equities. * Open and operate NRFC Accounts.

4 Performance Trend

ABSOLUTE VALUES		2001	2002	2003	2004	2005 B
1	Total Revenue for the year	(Rs.' 000) 16,718,107	18,348,138	19,995,375	19,396,188	20,740,210
2	Gross Profit for the year	(Rs.' 000) 2,073,805	3,675,580	6,725,686	7,740,283	6,771,520
3	Net Profit before Interest and Tax for the year	(Rs.' 000) 810,451	2,419,012	4,186,920	4,146,532	3,190,237
4	Financial Charges for the year	(Rs.' 000) -	-	-	-	-
5	Total Cost of Employment for the year	(Rs.' 000) 1,100,756	1,631,448	2,056,753	2,234,024	2,237,972
6	Capital Expenditure for the year	(Rs.' 000) 171,731	173,409	301,602	220,660	1,778,680
7	Non-Current Assets as at end of the year	(Rs.' 000) 122,667,817	142,379,432	170,639,004	190,843,924	216,423,663
8	Current Assets as at end of the year	(Rs.' 000) 8,037,147	6,919,239	7,114,557	7,917,562	7,583,578
9	Current Liabilities as at end of the year	(Rs.' 000) 309,355	1,512,221	409,554	483,692	436,372
10	Non-Current Liabilities as at end of the year	(Rs.' 000) 125,205,313	140,935,861	167,457,867	186,739,206	209,602,048
11	Equity as at end of the year	(Rs.' 000) 5,190,296	6,850,589	9,886,140	11,538,588	13,968,821
12	Contribution to the Consolidated Fund	(Rs.' 000) 275,000	300,000	1,812,000	1,060,000	1,500,000
13	Number of Employees as at end of the year	(Nos.) 2,717	2,670	2,683	2,655	3,418
14	Investment of Surplus Fund as at end of the year	(Rs.' 000) 128,390,464	141,646,835	169,298,327	189,440,851	21,326,028
15	Key Performance Indicators					
i)	Net Profit bef. Tax to Equity	(%) 16%	35%	42%	36%	23%
ii)	Net Profit bef. Tax to Total Assets	(%) 1%	2%	2%	2%	1%
iii)	Non Performing Loans Ratio	(%) N/A	8%	6%	5%	N/A
iv)	Capital Adequacy Ratio	(%) N/A	N/A	31%	25%	N/A
v)	Total Cost of Employment per Employee	(Rs.' 000) 405	611	767	841	655

5 Comments on Performance:

Net profit has declined marginally with the decline in the revenue generation despite substantial increase in the gross profits during the year.

Total cost of employment has been on the increase despite reduction in the number of employees.

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

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

During the year the Bank has contributed a sum of Rs.1,000mn by way of levy and Rs.60mn by way of dividends to the Consolidated Fund.

Non performing loans of the Bank has been at very low level.

The Bank's capital adequacy ratio although has declined from 31% to 25.05% during the year it has been able to meet the minimum requirement of 10% set out by the Central Bank.

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.