

Financial Performance of Commercial Public Enterprises - 2004

Rajarata Development Bank

1 Name & Address of the Enterprise: **Rajarata Development Bank**
No. 338/18, Mosque Road,
Bank Site, Anuradhapura.

2 Mission:

"To improve the Socio Economic Living Standard of the people of Rajarata by providing excellent Banking Services through Professional Banking Staff".

3 Major Activities:

To provide for the overall economic development of the region within which it operates, with special emphasis on promoting and developing the agriculture, industry, trades, commerce and fisheries activities and projects of Samurdhi beneficiaries of North Central Province and development projects undertaken by the Provincial Councils, Pradeshiya Sabhas and other Local authorities in the region.

4 Performance Trend

ABSOLUTE VALUES			2001	2002	2003	2004	2005 B
1	Total Revenue for the year	(Rs.' 000)	120,909	148,283	181,709	205,004	139,293
2	Gross Profit for the year	(Rs.' 000)	81,810	101,848	127,185	142,441	79,756
3	Net Profit before Interest and Tax for the year	(Rs.' 000)	(12,690)	14,019	32,946	38,016	25,759
4	Financial Charges for the year	(Rs.' 000)	-	-	-	-	-
5	Total Cost of Employment for the year	(Rs.' 000)	39,787	46,770	59,892	62,473	32,667
6	Capital Expenditure for the year	(Rs.' 000)	1,206	-	3,153	3,417	2,433
7	Non-Current Assets as at end of the year	(Rs.' 000)	157,164	112,539	126,802	137,768	152,374
8	Current Assets as at end of the year	(Rs.' 000)	514,830	733,098	1,000,362	1,349,248	1,590,156
9	Current Liabilities as at end of the year	(Rs.' 000)	525,611	687,832	925,767	1,264,251	1,520,337
10	Non-Current Liabilities as at end of the year	(Rs.' 000)	21,882	25,447	40,346	45,289	48,521
11	Equity as at end of the year	(Rs.' 000)	124,501	132,358	161,051	177,476	173,672
12	Contribution to the Consolidated Fund	(Rs.' 000)	-	-	-	-	2,000
13	Number of Employees as at end of the year	(Nos.)	148	148	145	144	143
14	Investment of Surplus Fund as at end of the year	(Rs.' 000)	145,222	162,414	163,987	182,313	199,114
15	Key Performance Indicators						
i)	Net Profit bef. Tax to Equity	(%)	-10%	11%	20%	21%	15%
ii)	Net Profit bef. Tax to Total Assets	(%)	-2%	2%	3%	3%	1%
iii)	Non Performing Loans Ratio	(%)	25%	14%	10%	7%	N/A
iv)	Capital Adequacy Ratio	(%)	30%	30%	21%	15%	N/A
v)	Total Cost of Employment per Employee	(Rs.' 000)	269	316	413	434	228

5 Comments on Performance:

Revenue generation, gross profit and the net profit of the bank reflect an increasing trend.

The bank has been successful in turning the loss situation to profit situation in 2002 and the profits have now been increasing.

Total cost of employment has increased marginally during the year.

Total asset base and equity have improved with a corresponding increase in the liabilities.

Return on equity although has increased marginally during the year return on assets remained to same.

Non performing loans of the Bank reflect a declining trend.

Although the Bank maintains its capital adequacy above the Central Bank's requirement it has declined substantially during the year.

Bank has not been contributing to the Consolidated Fund however it is expected to contribute Rs.2mn in the year 2005.