

Financial Performance of Commercial Public Enterprises - 2004

Ruhuna Development Bank

1 Name & Address of the Enterprise: **Ruhuna Development Bank**
382A, Anagarika Dharmapala Mawatha,
Pamburana, Matara.

2 Mission:

"to elevate the employment production and income levels of the sons and daughters of Ruhuna by developing their entrepreneurship through the efficient services of a courteous, ethical and professional staff possessing rich experience in innovative banking".

3 Major Activities:

The principal activities of the Bank were providing credit facilities for the development of agriculture, industry, trade & commerce and other development activities with the region and mobilizing savings and time deposits.

4 Performance Trend

ABSOLUTE VALUES		2001	2002	2003	2004	2005 B*
1	Total Revenue for the year	(Rs.' 000) 339,388	384,422	406,204	436,703	245,306
2	Gross Profit for the year	(Rs.' 000) 214,241	254,699	299,163	316,513	169,338
3	Net Profit before Interest and Tax for the year	(Rs.' 000) 48,294	104,493	106,892	43,888	38,644
4	Financial Charges for the year	(Rs.' 000) -	-	-	-	-
5	Total Cost of Employment for the year	(Rs.' 000) 77,431	89,812	109,263	123,866	71,598
6	Capital Expenditure for the year	(Rs.' 000) 11,877	8,244	10,312	26,099	-
7	Non-Current Assets as at end of the year	(Rs.' 000) 123,214	128,534	133,510	144,195	180,000
8	Current Assets as at end of the year	(Rs.' 000) 1,908,653	2,231,430	2,553,878	3,118,137	4,037,810
9	Current Liabilities as at end of the year	(Rs.' 000) 1,570,798	1,829,373	2,110,316	2,592,497	3,500,103
10	Non-Current Liabilities as at end of the year	(Rs.' 000) 144,798	163,176	148,501	230,696	208,680
11	Equity as at end of the year	(Rs.' 000) 316,271	367,415	428,571	439,139	509,027
12	Contribution to the Consolidated Fund	(Rs.' 000) -	-	-	6,000	10,000
13	Number of Employees as at end of the year	(Nos.) 347	344	342	338	N/A
14	Investment of Surplus Fund as at end of the year	(Rs.' 000) 562,123	782,874	764,180	610,748	573,800
15	Key Performance Indicators					
i)	Net Profit bef. Tax to Equity	(%) 15%	28%	25%	10%	8%
ii)	Net Profit bef. Tax to Total Assets	(%) 2%	4%	4%	1%	1%
iii)	Non Performing Loans Ratio	(%) 21%	18%	12%	8%	N/A
iv)	Capital Adequacy Ratio	(%) 29%	31%	24%	20%	N/A
v)	Total Cost of Employment per Employee	(Rs.' 000) 223	261	319	366	N/A

* Budgeted figures as at 30th June 2005

5 Comments on Performance:

Revenue generation and gross profit although have increased during the year net profit has declined very sharply.

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

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

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

Return on equity has declined substantially while return on assets declined marginally during the year.

Non performing loans of the Bank reflect a declining trend.

Although the capital adequacy of the Bank is above the Central Bank's requirement it reflect a declining trend.

Bank has contributed to Rs.6mn to the Consolidated Fund during the year 2004 and is planning to increase to Rs.10mn in the year 2005.