

Financial Performance of Commercial Public Enterprises - 2004

Sabaragamuwa Development Bank

1 Name & Address of the Enterprise: **Sabaragamuwa Development Bank**
No.28 Bandaranayake, Mawatha,
Ratnapura

2 Mission:
To help develop local communities through innovative and sustainable financial solutions.

3 Major Activities:
To promote thrift and offer credit facilities to middle low income groups of the region, development of agriculture, industries, trade, commerce, housing and other development activities and the mobilization of savings.

4 Performance Trend

ABSOLUTE VALUES		2001	2002	2003	2004	2005 B
1	Total Revenue for the year	(Rs.' 000) 245,244	316,525	350,846	398,227	235,956
2	Gross Profit for the year	(Rs.' 000) 19,597	36,233	62,153	80,357	56,287
3	Net Profit before Interest and Tax for the year	(Rs.' 000) 19,597	36,233	47,736	53,901	27,453
4	Financial Charges for the year	(Rs.' 000) -	-	-	-	-
5	Total Cost of Employment for the year	(Rs.' 000) 83,632	87,811	107,611	117,123	59,600
6	Capital Expenditure for the year	(Rs.' 000) 10,335	13,401	5,994	9,931	1,008
7	Non-Current Assets as at end of the year	(Rs.' 000) 18,919	23,267	20,342	21,133	192,744
8	Current Assets as at end of the year	(Rs.' 000) 1,539,481	1,979,745	2,438,268	3,192,424	3,371,399
9	Current Liabilities as at end of the year	(Rs.' 000) 1,292,730	1,733,308	2,166,902	2,897,124	3,091,072
10	Non-Current Liabilities as at end of the year	(Rs.' 000) 85,744	85,743	85,743	85,744	214,928
11	Equity as at end of the year	(Rs.' 000) 179,926	183,961	205,965	230,689	258,144
12	Contribution to the Consolidated Fund	(Rs.' 000) -	-	-	-	10,000
13	Number of Employees as at end of the year	(Nos.) 328	327	328	327	327
14	Investment of Surplus Fund as at end of the year	(Rs.' 000) 313,567	481,836	488,779	648,643	599,112
15	Key Performance Indicators					
i)	Net Profit bef. Tax to Equity	(%) 11%	20%	23%	23%	11%
ii)	Net Profit bef. Tax to Total Assets	(%) 1%	2%	2%	2%	1%
iii)	Non Performing Loans Ratio	(%) 16%	12%	9%	7%	7%
iv)	Capital Adequacy Ratio	(%) 27%	27%	24%	17%	16%
v)	Total Cost of Employment per Employee	(Rs.' 000) 255	269	328	358	182

5 Comments on Performance:

Revenue generation, gross profit and net profit reflect a steady increase. However rate of increase is deteriorating.

Total cost of employment has increased during the year despite number of employees remained the same .

Capital expenditure has increased substantially during the year.

Asset base of the Bank has improved substantially with a corresponding increase in the liabilities while equity has increased marginally.

Non performing loans of the bank reflect declining trend.

Although the Bank maintains the minimum requirement of the capital adequacy set out by the Central Bank it reflect a declining trend.

No contributions has been made to the Consolidated Fund during the year, however the Bank is expected to contribute Rs.10mn in the year 2005.