

Financial Performance of Commercial Public Enterprises - 2004

Sri Lanka Export Credit Insurance Corporation

1 Name & Address of the Enterprise : Sri Lanka Export Credit Insurance Corporation
No. 42, Nawam Mawatha,
Colombo - 02.

2 Mission :

" We are in the business of providing Protection, Support and Information for exporters, banks, other financial institutions and importers. We strive to exceed customer expectations by offering quality personalized services."

3 Major Activities :

Issue of Pre Shipment Credit Guarantees
Issue of Post Shipment Credit Guarantees
Issue of Export Production Credit Guarantees
Issue of Whole Turnover Bank Guarantees covering Cost of Passage Advances
Issue of Export Performance Guarantees covering ATA Carnet System
Issue of Export Payment Insurance Policies (SELLERS RISK)

4 Performance Trend

ABSOLUTE VALUES		2001	2002	2003	2004	2005 B	
1	Total Revenue for the year (Rs.' 000)	81,646	87,234	142,746	209,536	275,253	
2	Gross Profit for the year (Rs.' 000)	22,956	27,581	49,400	84,247	89,812	
3	Net Profit before Interest and Tax for the year (Rs.' 000)	22,311	30,393	38,304	65,888	61,023	
4	Financial Charges for the year (Rs.' 000)	45	92	805	6,036	1,795	
5	Total Cost of Employment for the year (Rs.' 000)	14,689	14,748	24,564	27,546	33,766	
6	Capital Expenditure for the year (Rs.' 000)	19,603	4,371	4,467	3,617	5,990	
7	Non-Current Assets as at end of the year (Rs.' 000)	307,660	407,345	409,837	385,834	445,578	
8	Current Assets as at end of the year (Rs.' 000)	188,863	130,862	165,954	252,840	229,921	
9	Current Liabilities as at end of the year (Rs.' 000)	6,823	17,372	17,116	18,143	21,078	
10	Non-Current Liabilities as at end of the year (Rs.' 000)	1,862	2,689	3,472	4,627	5,559	
11	Equity as at end of the year (Rs.' 000)	487,846	518,146	555,202	615,903	648,863	
12	Contribution to the Consolidated Fund (Rs.' 000)	-	-	-	-	-	
13	Number of Employees as at end of the year (Nos.)	39	40	52	51	60	
14	Investment of Surplus Fund as at end of the year (Rs.' 000)	237,821	338,300	343,725	324,278	385,649	
15	Key Performance Indicators						
i)	Net Profit bef. Tax to Equity	%	5%	6%	7%	10%	9%
ii)	Net Profit bef. Fin. Charges & Tax to Total Assets	%	4%	6%	7%	10%	9%
iii)	Current Ratio	%	2768%	753%	970%	1394%	1091%
iv)	Total Cost of Employment per Employee (Rs.' 000)		377	369	472	540	563

5 Comments on Performance:

Total revenue, gross profit and net profit have been at peak in the year 2004.

Financial charges however has increased during the year mainly due to VAT payment on financial services.

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

Capital expenditure of the Corporation has declined during the year.

Return on equity and total assets have improved substantially with the increase profits.

Currently the Corporation is not contributing to the Consolidated Fund.

Investments of surplus fund of the Corporation has declined and no approval has been obtained in terms of the Finance Act No.38 of 1971.

Although the Cabinet approval was obtained for the conversion of the Corporation into a government owned company action is yet to be taken in this regard.