

Financial Performance of Commercial Public Enterprises - 2004

State Mortgage & Investment Bank

1 Name & Address of the Enterprise: **State Mortgage & Investment Bank**
269, Galle Road,
Colombo 03.

2 Mission:

The Bank is inspired by the desire to maintain and strengthen its position as the premier housing finance institution within a financially viable framework.

3 Major Activities:

Granting loans against collateral of property mortgages.

Loans against security of the balance in EPF Accounts

Granting of loans at special concessionary rates secured by property mortgages/ EPF Balances where funds are provided by employers of the borrowers.

4 Performance Trend

ABSOLUTE VALUES		2001	2002	2003	2004	2005 B
1	Total Revenue for the year (Rs'000)	1,412,843	1,385,710	1,321,779	1,253,430	1,501,790
2	Gross Profit for the year (Rs'000)	514,908	529,514	668,374	683,708	849,390
3	Net Profit before Interest and Tax for the year (Rs'000)	320,467	313,872	427,838	382,450	531,910
4	Financial Charges for the year (Rs'000)	-	-	-	-	-
5	Total Cost of Employment for the year (Rs'000)	142,955	141,059	176,532	200,614	204,450
6	Capital Expenditure for the year (Rs'000)	11,468	2,596	18,023	3,867	261,000
7	Non-Current Assets as at end of the year (Rs'000)	7,516,083	7,793,067	7,968,154	8,153,482	9,701,110
8	Current Assets as at end of the year (Rs'000)	1,126,685	1,950,307	1,414,069	1,205,178	1,159,950
9	Current Liabilities as at end of the year (Rs'000)	841,670	689,176	556,285	644,297	569,200
10	Non-Current Liabilities as at end of the year (Rs'000)	5,474,358	6,539,789	6,059,422	5,779,510	7,220,500
11	Equity as at end of the year (Rs'000)	2,326,738	2,514,415	2,766,516	2,934,853	3,071,360
12	Contribution to the Consolidated Fund (Rs'000)	50,000	50,000	100,000	50,000	126,000
13	Number of Employees as at end of the year (Nos)	327	324	319	310	341
14	Investment of Surplus Fund as at end of the year (Rs.' 000)	-	-	-	-	-
15	Key Performance Indicators					
i)	Net Profit bef. Tax to Equity (%)	14%	12%	15%	13%	17%
ii)	Net Profit bef. Tax to Total Assets (%)	4%	3%	5%	4%	5%
iii)	Non Performing Loans Ratio (%)	22%	23%	25%	24%	N/A
iv)	Capital Adequacy Ratio (%)	57%	62%	65%	77%	N/A
v)	Total Cost of Employment per Employee (Rs.' 000)	437	435	553	647	600

5 Comments on Performance:

Although there has been a decline in the total revenue the gross profits have increased during the year. However the net profit have declined.

Total cost of employment has increased by 14% during the year despite number of employees has declined.

Capital expenditure has declined significantly during the year.

The asset base of the bank has decreased during the year while there was an increase in the equity

The Bank has contributed Rs.50mn to the Consolidated Fund as a levy which has been only half of the previous year contribution.

Return on equity and total assets have during the year.

Non performing loans of the Bank although has declined during the year it has been at a higher rate.

The Bank maintains very high capital adequacy and reflect an increasing trend.

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.