

Financial Performance of Commercial Public Enterprises - 2003

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:

1. Granting of loans against collateral of property mortgages.
2. Loans against the security of the balances in EPF Accounts.
3. Granting of Loans at special concessionary rates secured by property mortgages/EPF balances where funds are provided by employers of the borrowers.

4 Brief comments on performance

Both Gross Profits and Net Profits have increased despite the decline in the Income.

The asset base of the bank has declined during the year with a marginal increase in the equity.

While the return on equity had shown a marginal increase the return on total assets had been on the decline.

Cost of employment has substantially increased during the year despite decline in the number of employees.

The Bank had contributed Rs.100Mn to the Consolidated Fund by way of a special levy.

The Bank has now been identified as a Strategic Enterprise and brought under SEMA to improve the efficiency and effectiveness and financial viability of the enterprise.

5 Performance Trend

ABSOLUTE VALUES		2000	2001	2002	2003	2004 B	
1	Total Non-Current Assets (WDV) as at end of yr.	(Rs.' Mn) 7,179,457	7,516,083	7,793,067	7,968,154	8,751,500	
2	Total Current Assets as at end of year	(Rs.' Mn) 908,364	1,126,685	1,950,307	1,414,069	1,460,400	
3	Total Equity as at end of year	(Rs.' Mn) 2,235,733	2,326,738	2,514,415	2,766,516	2,880,400	
4	Total Non-Current Liabilities as at end of year	(Rs.' Mn) 5,095,686	5,474,358	6,539,784	6,059,422	6,802,000	
5	Total Current Liabilities as at end of year	(Rs.' Mn) 756,402	841,670	689,176	556,285	529,500	
6	Total Revenue for the year	(Rs.' Mn) 1,169,490	1,412,843	1,385,710	1,321,779	1,401,440	
7	Gross Profit for the year	(Rs.' Mn) 535,367	514,908	529,514	668,374	741,140	
8	Net Profit bef. Tax for the year	(Rs.' Mn) 337,888	320,467	313,872	427,838	382,360	
9	Financial Charges for the year	(Rs.' Mn) 559,154	795,877	803,459	595,868	660,300	
10	Total Capital Expenditure for the year	(Rs.' Mn) 2,483	11,468	2,596	18,023	234,957	
11	Total Cost of Employment for the year	(Rs.' Mn) 128,228	142,955	141,059	176,532	204,150	
12	Total Number of Employees as at end of year	(Nos.) 328	327	324	319	380	
RATIOS							
a)	Net Profit bef. Tax to total Equity	(%)	15.11%	13.77%	12.48%	15.46%	13.27%
b)	Net Profit before tax & Fin. Charges to Tot. Assets	(%)	11.09%	12.92%	11.47%	10.91%	10.21%
c)	Total Cost of Employment per employee	(Rs.' 000)	390.94	437.17	435.37	553.39	537.24

CHECK the validity of the financial statements

1 Calculation of Equity

Total Non-Current Assets (WDV) as at end of yr.

Total Current Assets as at end of year

Total Assets

Total Non-Current Liabilities as at end of year

Total Current Liabilities as at end of year

Total Liabilities

Equity (Total Assets - Total Liabilities)

Equity as per line 7.3 of page 1

DIFERENCE

(Rs.' 000)	7,179,457	7,516,083	7,793,067	7,968,154	8,751,500
(Rs.' 000)	908,364	1,126,685	1,950,307	1,414,069	1,460,400
(Rs.' 000)	8,087,821	8,642,768	9,743,374	9,382,223	10,211,900
(Rs.' 000)	5,095,686	5,474,358	6,539,784	6,059,422	6,802,000
(Rs.' 000)	756,402	841,670	689,176	556,285	529,500
(Rs.' 000)	5,852,088	6,316,028	7,228,960	6,615,707	7,331,500
(Rs.' 000)	2,235,733	2,326,740	2,514,414	2,766,516	2,880,400
(Rs.' 000)	2,235,733	2,326,738	2,514,415	2,766,516	2,880,400
(Rs.' 000)	-	2	(1)	-	-

2 Current Assets to Current Liabilities

3 Total Revenue per Employee

4 Total Assets per Employee

5 Total Cost of Employment per Employee

(Times)	1.20	1.34	2.83	2.54	2.76
(Rs.' 000)	3,566	4,321	4,277	4,144	3,688
(Rs.' 000)	24,658	26,430	30,072	29,411	26,873
(Rs.' 000)	391	437	435	553	537

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