

# 2010

வார்கீக வார்காவ  
ANNUAL REPORT  
ஆண்டு அறிகுை



புாடேகீய ஑வர்க்வ ரெகுவ  
பிரதேச அபிவிருத்தி வங்கி  
Regional Development Bank

டேசுடீன் ஑ாடுபித ஑ு லா஑ிதடீன்  
தன்஑ம்பிகுைபுள்ள இலங்கையருக்காக  
Empowering Sri Lankans





## வாலுமீழூர்சே வாகனாவ காரி கோப விதிவழி அசே லாசனய

ஐந்தர் ஓந்தீயன் ஸாஸரச பதுலேன் பமனக்  
தழிவன்னை யுமி ஸுலகைன 'வாலுமீழூர்ச' தைவன்  
'சூ லக்ஷமீ ஸாஸ' ஸாஸர சீவியேனுகே ஈரக்கினை  
ஈரவரணயகி. வாலுமீழூர்ச ஈரவாப ஸர்சிலாகார  
வன ஸாமாநய ஸாஸ ஓநா ஐலுத வுலு, ஸாமாநய  
ஈரவாப புகிவிருடீய ஸர்சிலாகார வு வாலுமீழூர்ச  
தைவன் ஈக்கிணாவரன் ஸாஸ அகிணயின் ஈர்லுத லுலி  
கிசுலே.

ஸாமாநய ஸக் லேலுலேனுகே ஈரக்கினை  
ஈரவரணயகி வலா லொலோ ஸேமின் தைவன்  
வன வாலுமீழூர்சயகி விவரயே அதுலுத விநிநியே  
ஸாமாநய ஸாஸயகி ஈக்கினை தாலுலேன தாரயன்  
3ன், 7ன் அநர ப்ரமாமனயகி ஈக்கினை லுலே.

ஓந்தீயன் ஸாஸர மூலு ஈரயே, மீயன்லாரயே ஸிப  
சூ லக்ஷமீ ஈகாப ஈகாப அகி ஸாஸர பதுலேன் பமனக்  
தழிவன்னை யுமி விசுவாஸ கைலேன தியம  
வாலுமீழூர்ச அழிவன் துகிவி யஸ ஓஸுரு கருவன  
லவன், லநயே தா ஸோஸாஸயே ஸாக்கைய  
லவன் விசுவாஸயகி. ஸாமாநய ஸாஸ லக்ஷ  
ஈரலுதகி, ஈக்கினை வாலுமீழூர்சயகி பமனக் சகினை  
வன லவன், வாலுமீழூர்ச தைவன் சூ லக்ஷமீ ஸாஸ  
ஈக்கிணயயே லேர மலன்லுரு லவன் சகிணயலே  
விசுவாஸயகி.

மூலு ஸயுலே ரல ரல அநலே, ஸாஸர பதுலே  
லுலுலேர வல ஸாஸர அகி வாலுமீழூர்ச  
ஸுலகைனன்னை சீவின வலு யஸ ஓஸுரு ஈலேன  
அகிணயின் ஈர்லுத ஈகாப லேயகி. சீவின ஸயுலே  
ரல ஈலு அநலே ஸாஸர வுலு, துகிணயலன் அகி,  
காபலேமன் ஸுல ஈகாபயலன்னை அசே மீநிஐன்  
யஸ ஓஸுரு ஈலேன வாலுமீழூர்சயகி ஸே ஸுலேயே  
ஸாஸரவன லுலு ஈகாப ஈகாப ஸாஸரவனய  
தா ஸிபுலே பிணய ஸோஸாஸய தா ஈக்கிணய  
ஈக்கினை ஈல மல தை லுலா வுலு அகி.

வலம்புரி சங்கு அதிஷ்டத்தை  
கொண்டமைந்த எமது இலச்சணை.

இந்து சமுத்திரத்தில் ஆழ்கடலில் மட்டும்  
கிடைக்கக்கூடியதாய் உள்ளது என  
எதிர்பார்க்கப்படும் வலம்புரி சங்கு ஸு  
லக்ஷமி இலச்சணை சமுத்திரவாழ் ஓர்  
உயிரினத்தின் பாதுகாப்பு வஸ்த்திரம்ஆக  
கருதப்படுவதுடன் சமுத்திரத்தில் சாதாரண சங்கு  
கிடைக்கப்பெற்றாலும் வலம்புரி சங்கு கிடைப்பது  
மிகவும் அரிதாகும்.

சாதாரண சங்கைவிட அதன் மேற்புறம் வேறுபடும்  
வலம்புரி சங்கு அதனுள்ளே சாதாரண சங்கைவிட  
அதன் ஸவர் பகுதியில் 3தொடக்கம் 7 பிரிவுகள்  
காணக்கூடியதாய் அமையும்.  
இந்து சமுத்திரத்தில் மியன்மார்  
தொடக்கம் இலங்கை வரையள்ள உள்ள  
கடல்பகுதியில்மட்டும் கிடைக்கக்கூடியதாய் அமை  
யும் என நம்பப்படுகிறது.

வலம்புரி சங்கு குறைவில்லாமல் அதிஷ்டத்தை  
கொண்டுவருவதாயும் செல்வம் மற்றும்  
சௌபாக்கியத்தின் இலச்சணை என்பது நம்பிக்கை.  
சாதாரண சங்கு 12 லட்சத்திற்கு 1 வலம்புரி சங்கு  
உருவாவதாய் நம்பப்படுகிறது. வலம்புரி சங்கு  
ஸு லக்ஷமி இலச்சணை ஆகிர்வாதத்தின் முன்னோடி  
என்பது ஐதீகம்.

சமுத்திரத்தின் அடியில் ஆழத்தில் உள்ள  
வலம்புரியானது வாழ்க்கைக்கு சுபீட்சத்தை  
கொண்டுவரும் ஒரு அரிய பொருளாக உள்ளது.  
இதேபோல் ஊக்கம் அர்பணிப்பு தைரியம்  
உள்ள எமது மக்களது வாழ்க்கை சுபீட்சம்  
பெற வலம்புரி சங்கைபோல் நாட்டின் பொருளா-  
தார அபிவிருத்தியை நிமிர்ந்து நிற்க செய்ய  
சௌபாக்கியமான மற்றும் அதிஷ்டத்தை கையில்  
கொண்டு உங்களுக்காக பிரதேச அபிவிருத்தி  
வங்கி உருவாகியுள்ளது.

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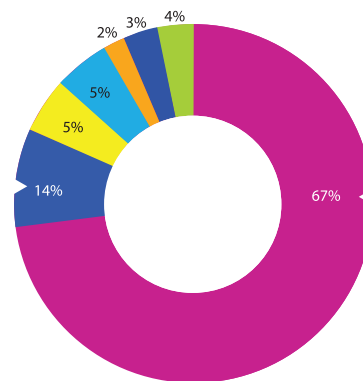
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## உள்ளடக்கம்

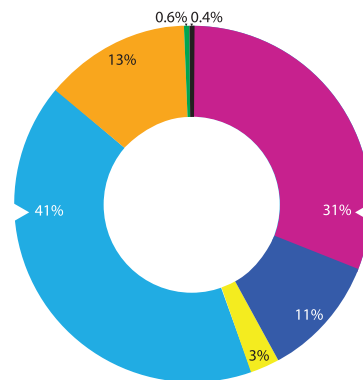
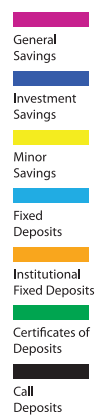
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## FINANCIAL HIGHLIGHTS

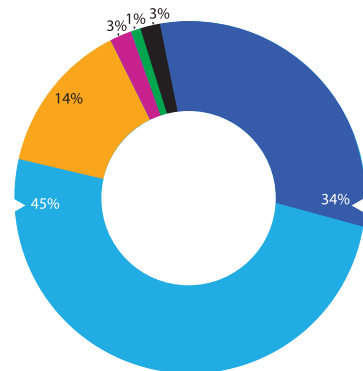
Advance Mix  
2010



Deposit Mix  
2010



Development Lending  
Mix  
2010





# Our Heritage

The beginnings of the Regional Development Bank (RDB) can be traced back to as far as 1985 when district level banks under the category of Rural Regional Development Banks were established. Later in 1997, seventeen such rural regional development banks were merged into six provincial level banks, which functioned as Rajarata, Ruhuna, Wayamba, Uva, Kandurata and Sabaragamuwa Development Banks. In May 2010, these six banks were merged into one national level bank and designated as the Pradheshiya Sanwardana Bank (Regional Development Bank/RDB). The Bank was established as a statutory body under the Pradheshiya Sanwardana Bank Act No.41 of 2008. The 100% Government owned bank was set up with the objective of improving the living standards of the rural masses by providing them accessible and affordable credit facilities that in turn would contribute to strengthen the rural economy. Originally based on the “barefoot banking concept,” the bank strives to provide innovative yet simple financial services to those at the middle and bottom of the income pyramid.

The bank is keen on empowering its’ customers in the micro, small and medium scale industries, women as well as the agriculture, livestock and fisheries industries who would in turn contribute towards the country’s economic development. Bank has also taken steps to inculcate the savings habit amongst the rural people providing higher returns on savings and fixed deposits, and encouraging school children and minors to save.

The results have been most encouraging and today the bank is proud to have established over 3.5 million loyal customer base and over 250 service points and given employment to 2300 plus staff members.


*Empowering Sri Lankans*





Chairperson's Review





*I*t is with much satisfaction that I present the Annual Report for the first 8 months in operation for the Regional Development Bank. The 8 months, starting from May 2010 to December 2010, has been a unique period in the history of rural development banking in the country. 6 Provincial level banks which were originally formed in 1985 by amalgamating 17 District level banks were amalgamated into one national level bank. This merger have consolidated over 25 years of experience in rural development banking at the grass root level in the country with a branch network of over 250 and a staff base of over 2300.

The merger has been very timely in the context of the macroeconomic environment in the country, with all indicators of financial stability settling down at desirable levels for the country to takeoff on an aggressive development drive in the aftermath of ending a 30 year old conflict. The objective of establishing the Regional Development Bank is to facilitate overall regional economic development by promoting agriculture, fisheries, livestock and empowerment of women and SME's. The amalgamation has resulted in consolidating financial stability, make way for investments into stronger infrastructure, marketing, technologically advanced customer service and human resource development.

The eight months since the merger has been one of consolidation of practices of 6 families or 6 different corporate cultures into one family with one vision, which is "to take Sri Lanka towards prosperity by empowering people through regional economic development". With not even 3 quarters since the amalgamation, it is difficult to evaluate financial performance nor compare any growth over previous years. However, we are happy to report that the bank has made Rs. 1 billion profit and has a deposit base of Rs. 37.90 billion and a credit portfolio of Rs. 37.1 billion, and the bank closed at a NPL ratio of 2.9% as of December 31, 2010. Our bank also faced the challenges of decreasing interest rates which showed a decrease in interest income which was however mitigated by the decrease in interest expenses and hence resulted in profit growth.

The focus of the management and the Board of Directors during this transition period have been to consolidate all policies and operational procedures that have been practiced by the 6 provincial banks over the years into one practical way to ease the smooth functioning of the bank at national level. This included restructuring of organization structures, re-defining tasks and functions at various levels in the organization structure, hiring and training new staff, orientation of staff into the new vision, mission and corporate culture, re-branding the bank and all its' products at national level, re-branding and expansion of the existing branch network etc.

Some of the major milestones during this period has been the completion of a system study to analyse the existing IT requirements of the national level bank and indentifying the requirements of a new core banking solution. Another success has been the positive reaction of the bank's staff and the target customers to the bank's new branding and the appropriate selection of its' logo, which is the Valampoorri, a symbol of prosperity and the tagline, "depayin nagitina Sri Lankikayinta". Further, the appearance of the new branches with more modern yet contemporary facilities, have also motivated the staff to look forward to a more comfortable working environment to them and the customers. Other milestones are the completion of the feasibility studies for north and east expansion which will be rolled out in 2011 and the completion of a 5 year corporate plan which will especially focus on the aspect of improving sustainable competitiveness by improving service levels and productivity of the bank through investments into infrastructure, human resource development and business processes.

With most of the background setting completed, and with most of the initial teething problems over, we are now geared to take off into a growth trajectory in 2011 and the bank is well on its' way to becoming the leader in SME banking, empowering its' core target group of customers in rural Sri Lanka. In 2011, one of the most significant changes in Regional Development Bank will be the implementation of an advanced core banking solution connecting over 250 branches of the bank which will result in more efficient customer service and improved productivity of the bank's operations. The other plans include a new program to encourage the development of 20 new SME industries in every town/village that the bank operates, and the expansion in to the northern and eastern provinces to capture a hitherto untapped market for Regional Development Bank. Further to this, new monitoring and evaluation systems will be implemented to measure the performance of the bank in terms of productivity and service levels.

The management team of the bank is ably guided by a Board of Directors consisting of reputed professionals with a vast amount of experience in various fields which is again a great asset and value addition to the bank to charter its' path in the coming year which will be its' first full year of operations. My sincere gratitude is extended to my fellow Directors for their unstained co-operation and support during this difficult transition time for the bank. I must also thank Ms. Sujata Cooray for her valuable guidance during the setting up of the bank as the representative of the Treasury on the Board. The bank also has a highly experienced management team and a dynamic and skilled group of employees that supported the GM/CEO and the management team during this transition period.

On behalf of the Board, I wish to convey my appreciation to the GM/CEO, the management team and the staff for their untiring efforts and dedication during the period under review. The guidance and support extended to us during this period by His Excellency the President as the Minister of Finance, the Governor of the Central Bank and its' officials, the Secretary to the Treasury and the officials of the Treasury and the Ministry of Finance have been extremely helpful and encouraging. I would also like to thank our auditors, Ernst and Young and The Department of the Auditor General for conducting the year end audit. Finally, a special thank you to all our stakeholders and business partners for the trust and confidence placed in our bank and most importantly our customers who have made us grow from strength to strength in the past and whose aspirations we will help achieve through win-win partnerships that we form with them in this new era of the bank and Sri Lanka.



Janaki Kuruppu  
Chairperson



## සභාපතිතුමියගේ පණිවිඩය

ප්‍රාදේශීය සංවර්ධන බැංකුවේ ප්‍රථම මාස අට සඳහා වන වාර්ෂික වාර්තාව මා විසින් ඉදිරිපත් කරනු ලබන්නේ ඉතාමත් තෘප්තිමත් හැඟීමෙනි. 2010 මැයි මාසයේ සිට 2010 දෙසැම්බර් දක්වා වන මාස අටක කාල සීමාව දේශයේ ප්‍රාදේශීය සංවර්ධන බැංකු ඉතිහාසය තුළ ඉතා සුවිශේෂී වූ කාල පරිච්ඡේදයක් සනිටුහන් කරයි. දිස්ත්‍රික් මට්ටමින් පිහිටුවන ලද බැංකු දාහතක් එක් කරමින් 1985 දී ස්ථාපිත කරන ලද පළාත් මට්ටමේ බැංකු හයක් එක් ජාතික මට්ටමේ බැංකුවක් බවට ඒකාබද්ධ කරමින් ප්‍රාදේශීය සංවර්ධන බැංකුව ස්ථාපිත කරනු ලැබිණි. ග්‍රාමීය සංවර්ධන බැංකුකරණයේ බිම් මට්ටමේ වර්ෂ 25කට වැඩි පළපුරුද්ද, 250කට අධික ශාඛා ජාලය සහ 2300කට අධික කාර්ය මණ්ඩලයක් ඒකාබද්ධ වීම මෙහිදී සිදුවිය.

ශ්‍රී ලංකාවේ සාර්ව ආර්ථික පසුබිම සැලකීමට ගත් කළ මේ ඒකාබද්ධ කිරීම ඉතා ම කාලීන පියවරක් වශයෙන් සැලකිය හැකිය. එයට හේතුව වර්ෂ තිහක පමණ කාලයක් පුරා පැවති යුද්ධය නිමාවීමෙන් පසුව වේගවත් ආර්ථික වර්ධන අදියරකට පිවිසීම සඳහා අවශ්‍ය වන්නා වූ මූල්‍ය ස්ථාවරත්වය පිළිබඳ සියලු නිර්ණායකයන් මේ වකවානුව වනවිට යහපත් හා අවශ්‍ය මට්ටමට පැමිණ තිබීමයි. ප්‍රාදේශීය සංවර්ධන බැංකුව ස්ථාපිත කිරීමේ අභිමතාර්ථය වන්නේ කෘෂිකර්මය, ධීවර කර්මාන්තය හා සත්ව පාලනය ප්‍රවර්ධනය කිරීම, කාන්තාවන් සවිබල ගැන්වීම හා කුඩා හා මධ්‍ය පරිමාණ කර්මාන්ත දිරිගැන්වීම මගින් පොදු ප්‍රාදේශීය ආර්ථික සංවර්ධනය සඳහා පහසුකම් සම්පාදනයයි. මෙම ඒකාබද්ධකරණය නිසා බැංකුවේ මූල්‍ය ස්ථාවරත්වය වඩාත් ශක්තිමත් වීම හේතුවෙන් යටිතල පහසුකම් සංවර්ධනය කිරීමටත්, තාක්ෂණික වශයෙන් වඩාත් නවීන පාරිභෝගික සේවාවන් සැපයීමටත් මානව සම්පත් සංවර්ධනයත් සඳහා අවශ්‍ය වන්නා වූ ආයෝජනයන් සිදුකිරීමටත් අවකාශ සැලසිණි.

ඒකාබද්ධකරණයෙන් පසුව ගෙවුණු මාස අටක කාලය පවුල් හයක නොඑසේනම් වෙනස් සමාගම් සංස්කෘතීන් හයක් පැවති භාවිතාවන් ‘ප්‍රාදේශීය ආර්ථික සංවර්ධනය මගින් ජනතාව සවිබලගැන්වීමෙන් ශ්‍රී ලංකාව සෞභාග්‍යය කරා රැගෙනයාම’ යන එකම තේමාව යටතේ එක්සත් වූ එකම පවුලක, සමාගමක ක්‍රියාකාරීත්වයක් බවට පරිවර්තනය කිරීමේ කාලපරිච්ඡේදයක් වශයෙන් සැලකිය හැකිය. ඒකාබද්ධකරණයෙන් පසුව ගත වී ඇති කාලය මාස අටක් පමණක් වන බැවින් මූල්‍ය කාර්ය සාධනය අගයීම හෝ පසුගිය වර්ෂ සමඟ වර්ධනය සැසඳීම කළ නොහැකිය. එසේ වුවත් අප බැංකුවට රුපියල් බිලියන එකක ලාභයක් වාර්තා කිරීමට හැකිවී ඇති බවත් අපේ තැන්පතු පදනම රුපියල් බිලියන 37.90ක් බවත් අප විසින් ලබාදී ඇති ණය රුපියල් බිලියන 37.1ක් බවත් 2010 දෙසැම්බර් 31 වන විට අපේ අක්‍රිය ණය (NPL) අනුපාතය 2.9%ක් බවත් ඉතා සතුටින් දැනුම් දීමට කැමැත්තෙමු. පහත බසින පොලී අනුපාත හේතුවෙන් පොලී ආදායම් අඩුවීමේ අභියෝගයට මුහුණ දීමට අප බැංකුවට සිදුවිය. එහෙත් එමගින් වන පාඩුව පොලී වියදම් අඩුකර පියවාගනිමින් අවසාන වශයෙන් ලාභ වර්ධනය කරගැනීමටත් අපට හැකියාව ලැබිණි.



ගෙවීගිය කාල පරිච්ඡේදයේදී බැංකුවේ කළමනාකාරිත්වයේ හා අධ්‍යක්ෂ මණ්ඩලයේ අවධානය යොමු වූ ප්‍රධාන කරුණ වූයේ වර්ෂ ගණනාවක් පුරා ප්‍රාදේශීය සංවර්ධන බැංකු හයක පැවති විවිධ මෙහෙයුම්, ක්‍රියාමාර්ග හා ප්‍රතිපත්ති ජාතික මට්ටමින් බැංකුවේ ක්‍රියාකාරිත්වය සඳහා උචිත ඒකීය ප්‍රායෝගික ප්‍රතිපත්ති හා ක්‍රියාමාර්ග මාලාවක් බවට පරිවර්තනය කරගැනීමයි. මෙයට බැංකුවේ සංවිධානය ප්‍රතිව්‍යුහගත කිරීම, සංවිධාන ව්‍යුහයේ විවිධ මට්ටම්වල කාර්යයන් හා වගකීම් නැවත නිර්වචනය කිරීම, නව සේවක මණ්ඩල බඳවාගැනීම හා පුහුණු කිරීම, නව දැක්මට අනුව ක්‍රියාකිරීමට කාර්ය මණ්ඩලය දැනුවත් කිරීම හා බලගැන්වීම, බැංකුව සහ එහි සියලු සේවාවන් වෙනුවෙන් නව අලෙවිකරණ උපාය මාර්ග සැකසීම, පවතින ශාඛා නැවත නාමකරණය හා ශාඛා ජාලය ව්‍යාප්ත කිරීම ආදී ක්‍රියාමාර්ග මෙයට ඇතුළත් විය.

මෙම කාල සීමාව සම්බන්ධයෙන් තවත් වැදගත් සිදුවීම් වනුයේ ජාතික මට්ටමේ බැංකුවක් වශයෙන් අවශ්‍ය තොරතුරු තාක්ෂණ අවශ්‍යතාවන් පිළිබඳ සම්පූර්ණ අධ්‍යයනයක් සිදුකිරීමත් නව බැංකු ක්‍රියාකාරිත්වය සඳහා අවශ්‍ය අනෙකුත් තත්වයන් හඳුනා ගැනීමත්ය. තවත් ලද සාර්ථකත්වයක් වන්නේ හඳුන්වා දෙන ලද බැංකුවේ නව අලෙවිකරණ උපායමාර්ගයන්ටත් ලාංඡනය වශයෙන් සෞභාග්‍යයේ සංකේතයක් වශයෙන් සැලකෙන වාලම්පුරිය තෝරා ගැනීමටත් තේමා පාඨය වශයෙන් තෝරාගනු ලැබූ අපේ ඉලක්ක පාරිභෝගිකයා අමතන හා කාර්ය මණ්ඩලය සමඟ සබැඳෙන 'දෙපයින් නැගිටින ශ්‍රී ලාංකිකයන්ට' යන්නටත් ඉතා සුභවාදී ප්‍රතිචාර හිමිවීමයි. තවද නව ශාඛාවන් වඩාත් නවීන හා කාලීන පහසුකම් වලින් සමන්විත ව සකස් කිරීම හා එමගින් පාරිභෝගිකයාටත් වඩාත් පහසු වන්නාවූ කාර්ය මණ්ඩලයේ උද්යෝගයට හේතුවන්නා වූත් කාර්යාලීය වටපිටාවක් නිර්මාණය කිරීම, ඒ අතරම උතුර හා නැගෙනහිර පළාත්වල බැංකු ශාඛා ව්‍යාප්තිය පිළිබඳ ශක්‍යතා අධ්‍යයනයක් සිදු කිරීමත් මේ කාලයේදී නිමකරගත හැකිවිය. එමෙන් ම යටිතල පහසුකම්, මානව සම්පත් සංවර්ධනය හා ව්‍යාපාරික ක්‍රියාකාරිත්වයන් සංවර්ධනය වෙනුවෙන් සිදු කෙරෙන ආයෝජන හරහා බැංකුවේ සේවා මට්ටම හා ඵලදායිතාව වර්ධනය කිරීම තුළින් බැංකුවේ තරගකාරිත්වය වර්ධනය කිරීම කෙරෙහි සුවිශේෂී අවධානය සහිත ඉදිරි අවුරුදු පහක් සඳහා වන සමස්ත ආයතනික සැලසුම සම්පූර්ණ කිරීම ද මේ කාලය තුළ දී නිමාකරන ලද තවත් වැදගත් කාර්යයකි.

පසුබිම සැකසීමේ කාර්යයන්ගෙන් වැඩි ප්‍රමාණයක් සම්පූර්ණ කර ඇති හෙයින් ද ආරම්භයේදී මතුවන ගැටලු බොහොමයක් විසඳී ඇති හෙයින් ද 2011 දී වර්ධනයේ ජයග්‍රාහී මාවත වෙත අවතීර්ණ වීමට බැංකුව සූදානම්ව සිටියි. ස්වකීය ප්‍රධාන ඉලක්ක මූලික පාරිභෝගිකයන් වන ග්‍රාමීය ජනතාව සවිබල ගන්වමින් සුළු හා මධ්‍ය පරිමාණ බැංකුකරණයේ නියමුවා බවට පත්වීමේ ගමන් මාර්ගයට බැංකුව අවතීර්ණ වී සිටියි. වඩාත් කාර්යක්ෂම පාරිභෝගික සේවාවකට හා බැංකු මෙහෙයුම් ඵලදායිතාවයේ වර්ධනයට ද ඉවහල් වන පරිදි 250කට අධික ශාඛා ජාලය සම්බන්ධ කරමින් නවීන ඒකීය බැංකු සේවාවක් ස්ථාපිත කිරීම 2011 වර්ෂය තුළ දී ප්‍රාදේශීය සංවර්ධන බැංකුව

තුළ සිදුවන වැදගත් වෙනස්කම් අතරින් ප්‍රධානතම එකක් වනු ඇත. තවත් වැදගත් සැලසුමක් වන්නේ බැංකුව ක්‍රියාත්මක වී සිටින සෑම නගරයකම/ගමකම නව කර්මාන්ත විස්සක් දෙපයින් නැගී සිටිම මගින් රටේ සංවර්ධනයට සෘජුවම සහභාගිවීමේ නව වැඩසටහනයි. ඒ සමඟ ම මේ වන විට ප්‍රාදේශීය සංවර්ධන බැංකුව ප්‍රවේශ වී නොමැති නව වෙළඳපොළක් වන උතුර හා නැගෙනහිර පළාත් කරා ව්‍යාප්ත වීමට ද අපේක්ෂිතය. එසේම එදාදීන්වය හා සේවාකරණ අංශයෙන් බැංකුවේ කාර්ය සාධනය අගයීම හා අධීක්ෂණය පිණිස නව නිරීක්ෂණ සැලසුමක් ද ක්‍රියාත්මක කිරීමට නියමිතය.

විවිධ ක්ෂේත්‍රයන්හි අත්දැකීම් රැසක් ඇති පළපුරුදු වෘත්තීයවේදීන්ගෙන් සමන්විත අධ්‍යක්ෂ මණ්ඩලය වෙතින් බැංකුවේ කළමනාකාරීත්ව කණ්ඩායමට ලැබෙන මගපෙන්වීම ඉතා ප්‍රයෝජනවත්ය. බැංකුව සතු වටිනා වත්කමක් වශයෙන් සැලකිය හැකි ඔවුන් වෙතින් ලැබෙන මගපෙන්වීම බැංකුව පූර්ණ වශයෙන් ස්වකීය කාර්යයන් ආරම්භ කරමින් වර්ධන මාවතට පිවිසෙන 2011 වර්ෂය තුළ දී අපට විශාල ශක්තියක් වනු ඇත. මෙම දූෂිත පරිවර්තන කාල සීමාව තුළ දී ලබාදුන් අනගි සහයෝගය හා කැපවීම වෙනුවෙන් මගේ සහෝදර අධ්‍යක්ෂ මණ්ඩල සාමාජිකයන් වෙත මගේ හෘදයාංගම ස්තූතිය ප්‍රකාශ කිරීමට කැමැත්තෙමි. එසේම අධ්‍යක්ෂ මණ්ඩලය තුළ භාණ්ඩාගාරය නියෝජනය කරමින් බැංකුව ස්ථාපිත කිරීම සම්බන්ධයෙන් අනගි මගපෙන්වීමක් ලබාදුන් සුජාතා කුරේ මහත්මියට ද මාගේ විශේෂ ස්තූතිය පුදකරමි. එසේම පරිවර්තන කාලසීමාව තුළ සාමාන්‍යාධිකාරී/ප්‍රධාන විධායක නිලධාරී වෙත උපරිම සහයෝගයක් ලබාදුන් අපේ පළපුරුදු කළමනාකාරීත්ව කණ්ඩායම හා දක්ෂ සේවක මණ්ඩලය වෙතද අධ්‍යක්ෂ මණ්ඩලය වෙනුවෙන් මගේ සුවිශේෂ ස්තූතිය හා ප්‍රසාදය පළකිරීමට කැමැත්තෙමි.

මෙම කාල පරිච්ඡේදය තුළ දී මුදල් ඇමතිවරයා වශයෙන් අතිගරු ජනාධිපතිතුමා විසින් ද, ශ්‍රී ලංකා මහ බැංකුවේ අධිපතිතුමා විසින් ද භාණ්ඩාගාරයේ ලේකම්තුමා ඇතුළු භාණ්ඩාගාරයේ හා මුදල් අමාත්‍යාංශයේ නිලධාරීන් වෙතින් ද ලැබුණු මග පෙන්වීම අපට ඉතා විශාල ශක්තියක් හා උපකාරයක් විය. එසේම අපේ විගණකවරුන් වශයෙන් කටයුතු කරන අර්නස්ට් ඇන්ඩ් යන්ග් සමාගමටත් වර්ෂ අවසාන විගණන කටයුතු සිදුකළ විගණකාධිපතිවරයාටත් මගේ ස්තූතිය පුදකරමි. අවසන් වශයෙන් අපේ බැංකුව හා සබැඳුණු සියලු ව්‍යාපාරික පාර්ශවයන්ට සහ හවුල්කරුවන්ටත් විශේෂයෙන් ම අප දිනෙන් දින ශක්තිමත්වීම සඳහා අපට අතීතයේ සිට ශක්තිය ලබාදෙන අපේ වටිනා ගණුදෙනුකරුවන් වෙත මගේ සුවිශේෂ ස්තූතිය හා ප්‍රණාමය පුද කරන අතර අපේ බැංකුවට සහ මුළුමහත් ශ්‍රී ලංකාවටම අළුත් යුගයක් උදාකිරීමට අප සමඟ අත්වැල් බැඳගන්නා ලෙස ඔවුන්ට මම ආරාධනය කරමි.



ජානකී කුරුප්පු  
සභාපතිනිය



## தலைவரின் வாழ்த்துச் செய்தி

பிரதேச அபிவிருத்தி வங்கி இனது முதல் எட்டு மாதங்களுக்கான செயற்பாடுகளுக்குரிய ஆண்டு அறிக்கையினை சமர்ப்பிப்பதில் நான் மிகுந்த திருப்தி அடைகின்றேன். 2010 மே மாதம் தொடக்கம் 2010 டிசம்பர் வரையிலான எட்டு மாதங்கள் இந்நாட்டின் கிராமிய அபிவிருத்தி வங்கித் துறை வரலாற்றில் மிகவும் ஒப்பற்றதொன்றாகும். அதாவது 1985 ஆம் ஆண்டிலிருந்து தொழிற்பட்டு வந்திருந்த மாவட்ட மட்டத்திலான 177 வங்கிகளும், 13 ஆண்டுகளுக்கு மேலாக செயற்பாட்டிலிருந்து வந்த மாகாண மட்டத்திலான ஆறு வங்கிகளும் ஒன்றிணைக்கப்பட்டு ஒரு தேசிய வங்கியாக ஒழுங்கமைக்கப்பட்டது. இந்த ஒன்றிணைப்பானது 250 க்கும் அதிகமான கிளைகளையும், 2000 திற்கும் அதிகமான பணியாளரையும் மட்டுமன்றி நாட்டின் கிராமிய அபிவிருத்தி வங்கித் துறையின் அடிமட்டத்தவர் சார்ந்த 25 க்கும் அதிகமான ஆண்டுகால அனுபவங்களையும் கூட ஒன்றுதிரட்டும் வாய்ப்புகளை தந்துள்ளது.

மேற்படி ஒன்றிணைப்பானது, 30 ஆண்டுகால மோதல் நிலைமைகள் முடிவுற்றதைப் பின்தொடர்ந்து நாட்டின் நிதி நிலைமைகள் முடிவுற்றதைப் பின்தொடர்ந்து நாட்டின் நிதி நிலைப்பாடுகள் ஒரு அனுகூலமான மட்டத்தினை எய்தியுள்ளதால் ஏற்பட்ட ஸ்திரநிலையை குறித்துக்காட்டுவதானதும் துரித அபிவிருத்திப் பாதையில் நாட்டினை முன்னெடுத்துச் செல்லக்கூடிய பேரினப் பொருளாதார சூழல் ஒன்றிலும் ஏற்பட்டிருப்பதானது காலத்திற்கேற்ற செயற்பாடாகும். வங்கியின் ஒன்றிணைப்பானது நிதிசார் உறுதிநிலையை ஒன்று திரட்டவும், வலுமிக்க உட்கட்டமைப்பு தொழில்நுட்பரீதியில் முன்னேற்றம் கண்டுள்ள வாடிக்கையாளர் சேவை, மனிதவள அபிவிருத்தி, சந்தைப்படுத்தல் (சட்ட விதிகளுடன் சரிபார்க்கவும்) என்பனவற்றை வலுப்படுத்தும் வகையிலான முறையீடுகளுக்கு இட்டுச் செல்லவும் என்றே முன்னெடுக்கப்பட்டது.

இணைப்பைத் தொடர்ந்து வந்த எட்டு மாதங்களும் ஆறு வெவ்வேறுபட்ட கூட்டிணைக் கலாச்சாரங்களையும் ஒரு தொலைநோக்குடனான ஒரு குழுமத்தில் ஒன்று திரட்டும் முயற்சிக்காக செலவிடப்பட்டதாகும். அத்தொலை நோக்கானது, இலங்கையை செல்வநிலையை நோக்கி முன்னகர்த்தக் கூடிய பிராந்திய அபிவிருத்தியை ஏற்படுத்தும் விதத்தில் மக்களை வலுவூட்டும் நோக்கம் கொண்டதாகும். ஒன்றிணைப்பிலிருந்து 3 காலாண்டுகளாவது முடிவுறாத நிலையில் நிதிசார் செயற்பாடுகளை மதிப்பீடு செய்வதோ அன்றி இதற்கு முன்னைய ஆண்டுகளுடன் ஒப்பிட்டு வளர்ச்சியை நோக்குதலோ திருப்தி தரமாட்டாது. எவ்வாறாயினும், வங்கி ரூபா 1.5 பில்லியன் இலாபம் (வரிக்கு முந்திய) ஈட்டும் நிலையை அடைந்துள்ளதுடன் அதன் பண வைப்புக்கள் ரூபா 37.90 பில்லியன்களாகவும் கொடு கடன் வலு ரூபா 37.1 பில்லியன்களாகவும் 2010 டிசம்பர் 31ஆம் திகதியில் NPL விகிதம் 2.9% ஆகவும் பேணியிருப்பது மகிழ்ச்சிக்குரிய விடயமாகும். எமது வங்கி வட்டி வீதத்தின் குறைப்பினால் சவால்களை எதிர்கொண்டது. அதனால் ஏற்பட்ட வட்டி வருவாயின் வீழ்ச்சியானது வட்டி தொடர்பான செலவினங்களின் குறைவினால் ஈடுசெய்யப்பட முடிந்ததுடன் அதனால் இலாபத்தில் அதிகரிப்பும் ஏற்படலாயிற்று. வங்கியின் கொடுகடன் பட்டியலில் 30% விவசாயக் கடன்களும், 18% கால்நடை, மீன்பிடி, கைத்தொழில் கடன்களாகவும் இருக்கும் நிலை எமது வங்கியானது திட்டவட்டமான குறியிலக்குகளையே மையப்படுத்தி செயற்படுகின்றது என்பதை நிரூபிக்கும் விடயமாகின்றது. இதுவே அது தன் பணியிலக்கினை வெற்றிகரமாக முன்னெடுக்கிறது என்பதை பெருமையுடன் அறிவிப்பதாகும்.

முதல் 8 மாதங்களின் செயற்பாட்டுக் காலப்படுதியில் வங்கியின் பணிப்பாளர் சபையினதும் முகாமைத்துவத்தினதும் கவனிப்புக்குரிய விடயமாக இருந்தது. கடந்த வருடங்களில் 6 மாகாண மட்டத்து வங்கிகள் பின்பற்றி வந்த கொள்கைகள் மற்றும் செயற்பாடுகள் தொடர்பான நடைமுறைகள் யாவற்றையும் ஒரே ஒரு செயன்முறைச் சாத்தியமுள்ளதாகவும் மிகவும் பொருத்தமானதாகவும் ஒன்றுதிரட்டுவதாகவே இருந்தது. இது வங்கியைத் தேசிய மட்டத்தில் சுமுகமாக செயற்பட வைப்பதற்கு வழிவகுக்கும். இப்பணியானது, நிறுவனத்தின் கட்டமைப்புக்களை மீள் அமைத்தல், நிறுவனக் கட்டமைப்பின் பல்வேறு மட்டச் செயற்பாடுகள், பணிகள் என்பவற்றை மீள் வடிவமைத்தல், புதிதாகப் பணியாளர்களை ஆட்சேர்த்தலும், பயிற்றுவித்தலும், புதிய தொலைநோக்கிற்கு அமைவாக பணியாளரைத் திசைமுகப் படுத்தல், பணியிலுக்கு மற்றும் கூட்டினை அமைப்புக்களின் கலாச்சாரம், வங்கியின் வணிக அடையாளத்தையும் அதன் உற்பத்திகள் அனைத்தையும் மீள் குறித்தமைத்தல், நடப்பிலுள்ள கிளை வலையமைப்பின் வணிகச் சின்னத்தை மீள் அமைத்தலும் விரிவாக்கலும் என்பவற்றை உள்ளடக்குவதாகும்.

இக் காலப் பகுதியினுள் வெல்லப்பட்டிருந்த பாரிய சில மைல் கற்களாவன தேசிய வங்கியொன்றின் நடப்பிலுள்ள தகவல் தொழிநுட்பத் தேவைகளை பகுப்பாய்வு செய்வதற்கென ஒரு system study யினை பூரணப்படுத்தியமையும், புதிய வங்கியில் அடிப்படைத் தேவைகளை கோரிக்கைப்படுத்தியமையுமாகும். மேலும் ஒரு வெற்றியாக வங்கியின் புதிய வணிகச் சின்னத்திற்கு கிடைத்துள்ள சாதகமான பிரதிபலிப்பும் அதற்குப் பொருத்தமான ஒரு இலட்சினை தேர்ந்தெடுக்கப்பட்டதுமாகும். வலம்புரி செல்வச் செழுமையை எடுத்துக்காட்டுவதாகும். தெயின் நகிட்டின ஸ்ரீ லாங்கிகயின்ட எனும் சொல்லுக்கு வங்கியின் பணிப்பாளருக்கும் இலக்குக் குறிக்கப்பட்ட வாடிக்கையாளருக்கும் கருத்திசைவை ஏற்படுத்தி செயற்படத் தூண்டுவதாகும்.

மேலும், அதிநவீனமானவையும் சமகால வசதிகள் அமையப்பெற்றனவுமான புதிய கிளைகளின் தோற்றம் பணிப்பாளருக்கு மட்டுமன்றி வாடிக்கையாளருக்கும் மேலும் செளகரியம் நிறைந்த தொழில்சார் புறச்சூழலை எதிர்பார்க்கும்படி செய்தது. மற்றுமொரு திருப்பு முனையாக வடக்குக் கிழக்குப் பகுதிகளுக்கு விரிவாக்கம் செய்வதற்கான சாத்திய வள ஆய்வு முடிவு செய்யப்பட்டமையைக் கொள்ளலாம். இந் நடவடிக்கைகள் 2011ஆம் ஆண்டில் நடைமுறைப்படுத்தப்படவுள்ளன. அத்துடன், சேவைத் தரங்களையும் உட்கட்டமைப்பு, மனிதவள அபிவிருத்தி, வர்த்தகச் செயன்முறைகள் என்பவற்றில் முதலீடு செய்வதன் மூலம் உட்பத்தித் திறனையும் மேம்படுத்துவதன் மூலம் நிரந்தரமான போட்டி நிலையை முன்னேற்றும் வகையிலான 5 ஆண்டு கூட்டுத்திட்டத்தின் பூர்த்தியும் ஒரு மைல்கல்லாகும். பெருமளவுக்கு பின்புல ஏற்பாடுகள் முடிவுற்ற நிலையும், கூறுகளாய் இருந்தவற்றினை ஒன்றாக இணைத்துவிடும் பணிகள் ஓய்ந்துவிட்ட நிலையும் எம்மை 2011இல் தடங்கல்கள்கடந்து முன்னேறும் நிலைக்கு இடமளித்துள்ளன. வங்கியின் முகாமைத்துவ அணியானது பிரபல தொழில்சார் நிபுணர்களை கொண்ட பணிப்பாளர் சபையினால் வழிநடாத்தப்படுகின்றது. பல்வேறு துறைசார்ந்த அனுபவங்களையும் பெற்றிருப்பவர்களான இவர்களே ஒரு சொத்தாக விளங்குகின்றனர். ஒரு முழுமையான செயற்பாட்டு வருடமாக இருக்கப்போகும் எதிர்வரும் ஆண்டிற்கு இதுவே தக்க வழியமைத்துக் கொடுக்கும்.

எதிர்வரும் ஆண்டில் மிகவும் குறிப்பிடத்தக்க ஒரு மாற்றமாக விளங்கப்போவது யாதெனில் வங்கியியல் தொடர்பான முன்கூட்டிய அடிப்படைத் தீர்வுத் திட்டத்தின் அமுலாக்கமாகும்.



வங்கியின் 260 கிளைகளையும் இணைத்து இது செயற்படுத்தப்படும். இதனால் மிகவும் பயன்நிறைந்த வாடிக்கையாளர் சேவையும் வங்கிச் செயற்பாடுகளில் உற்பத்தித் திறன் அதிகரிப்பும் விளைவாகப் பெறப்பட முடியும். இது பணியாளராலும், வாடிக்கையாளராலும் பெருமளவுக்கு உணரப்பட்ட தேவை என்பதால் இதனை துரித அமுலாக்கத்திற்கு உட்படுத்துதல் அனைவருக்கும் நன்மை தருவதாகும். ஏனைய திட்டங்களானவை, வங்கியின் தொழிற்பாடுள்ள ஒவ்வொரு நகரத்திலும் கிராமத்திலும் 20 புதிய கைத்தொழில்களை அபிவிருத்தி செய்வதற்கு ஊக்குவிப்பு வழங்கும் புதிய நிகழ்ச்சித் திட்டங்களை உள்ளடக்குவதாகும். அத்துடன் இதுவரை பயன்படுத்தப்படாதிருந்த வடக்குக் கிழக்கு மாகாணங்களின் சந்தைகள் வரை பிரதேச அபிவிருத்தி வங்கியை விரிவுபடுத்துதலுமாகும். இவற்றிற்கு மேலாக வங்கியின் உற்பத்தித் திறன் மற்றும் திருப்தி நிலை பற்றிய நடமுறை விதிகளை அளவிடுவதற்கான புதிய கண்காணிப்பு மற்றும் மதிப்பீட்டு முறைமைகள் அமுலாக்கப்படும்.

வங்கி மாற்றங்களை உள்வாங்கி செயற்பட்ட சிரமங்கள் நிறைந்த காலங்களில் சளையாத ஆதரவையும் ஒத்துழைப்பையும் நல்கிய எனது சக பணிப்பாளர்களுக்கு எனது மனமார்ந்த நன்றிகளை தெரிவித்துக் கொள்கின்றேன். வங்கி உருவாக்கப்பட்ட காலத்தில் திறைசேரியின் ஒரு பிரதிநிதியாக பணிப்பாளர் சபையில் பங்கேற்று பயனுள்ள வழிகாட்டல்களை வழங்கியவரான ஸ்ரீமதி சுஜாதா கூரே அவர்களுக்கும் எனது நன்றிகள். அவர் அரசதுறையில் மற்றுமொரு பொறுப்பை ஏற்க வேண்டி நேர்ந்து அதன் காரணமாக 2010 நவம்பர் மாதம் சபையிலிருந்து விலகிச் சென்றார். RDB வங்கியானது மிகு அனுபவங்களைக் கொண்டமுகாமைத்துவ அணியினையும், ஆற்றலும் திறன்களும் மிக்க ஊழியர் குழாத்தினையும் கொண்டுள்ளது. இவர்களே வங்கி மாற்றங்களை சந்தித்திருந்த காலப்பகுதியில் பிரதம நிறைவேற்று அதிகாரி/ பொது முகாமையாளர் ரட்ணசிறி ஸ்ரீவர்த்தன மற்றும் முகாமைத்துவ அணியினருக்கு உறுதுணையாக தொழிற்பட்டவர்கள் ஆவர். பணிப்பாளர் சபையின் சார்பில் பிரதம அதிகாரி/ பொது முகாமையாளர், முகாமைத்துவ அணி, பணியாளர் தொகுதி ஆகியோர் மேற்படி காலப்பகுதியில் ஆற்றிய சளையாத முயற்சிகளுக்கும் அர்ப்பணிப்பு மிக்க சேவைகளுக்கும் பராட்டுகளை தெரிவிக்கின்றேன்.

மேற்படி காலப் பகுதியினுள் நிதியமைச்சர் என்ற வகையில் மேன்மை தங்கிய ஜனாதிபதி, மத்திய வங்கி ஆளுநர், அதன் அலுவலகர்கள், திறைசேரியின் செயலாளர், அதன் அலுவலகர்கள், நிதியமைச்சர் ஆகியன பெருமளவுக்கு ஆக்கமும் ஊக்கமும் வழங்கியிருந்தன. எமது கணக்காய்வாளர்களுக்கும் நான் நன்றி கூற விரும்புகின்றேன். Ernst and Young கணக்காய்வு நிறுவனம், கணக்காய்வாளர் திணைக்களம் ஆகியன ஆண்டிறுதி கணக்காய்வினை நடாத்தியிருந்தன. இறுதியாக, எமது அனைத்து ஈடுபாட்டாளர்களும், வர்த்தகப் பங்காளிகளுக்கும் அவர்கள் எமது வங்கி மீது வைத்திருக்கும் நம்பிக்கை விசுவாசத்திற்காகவும் மேலும், எம்மை மென்மேலும் வலுமிக்கவர்களாக வளர்ச்சியடைவதற்கு உதவியதுடன் வங்கி புதிய சகாப்தம் ஒன்றிற்குள் புகுவதற்கு தொடர்ந்தும் தமது ஆதரவினை வழங்கவிருப்பவர்களுமாகிய வாடிக்கையாளர்களுக்கும் சிறப்பான நன்றியறிதலை தெரிவித்துக் கொள்கின்றேன்.



ஜனாகி குறுப்பு

தலைவர்



General Manager/CEO's Review & Analysis.

*I*t gives me great pleasure to present my review and analysis for the first Annual Report of the Regional Development Bank for the year 2010. The Bank was established on 1<sup>st</sup> May 2010 under the Pradeshiya Sanwardhana Bank Act No.41 of 2008 by amalgamating the six Pradeshiya Sanwardhana Banks i.e. Rajarata, Kandurata, Wayamba, Sabaragamuwa, Uva and Ruhuna.

The idea of amalgamating the six Regional Development Bank was originated and articulated by Dr. P. B. Jayasundara the Secretary to the Treasury and Secretary to the Ministry of Finance and Planning in order to mitigate the future numerous risks that the Regional Development Banks may have to face when operating as individual banks at provincial level. Further it was also needed to meet the minimum capital requirement imposed by the Central Bank of Sri Lanka and to have one state owned development bank to support the Government regional development programmes to upgrade the socio - economic living condition of the rural and semi urban poor.

The year 2010 closed with a happy note by reaching the before-tax-profit of Rs. 997 million in spite of the reduction of interest rates for loans and advances. The year under review had many ups and downs and was not a significant period due to amalgamation process when we had to devote a lot of time on formulating new rules and regulations for operational activities as six banks were operating in different directions. In addition, as a development bank which caters to the most vulnerable sector in the country and implementing Government sponsored subsidized loan schemes at low interest rates without much income from any other sources, had to depend solely on interest income. Even with these constraints we were able to achieve a satisfactory overall progress well over the year 2009 when the six banks were operating individually.

## FINANCIAL RESULTS

The Bank recorded an operational profit of Rs. 1,590 million while receiving a total income of Rs. 6.4 billion. Although the total income was less than in 2009, the final profit was higher. The operational expenses were higher than 2009 mainly due to the increase of staff salaries by 2.5%. With the establishment of our head office in Colombo, administration and establishment expenses also increased considerably.

The operational expenses which include personnel, premises and other establishment expenses were Rs. 2.5 billion including the provisions made for bad and doubtful loans, of which a sum of Rs. 1.75 billion was personnel cost which accounts for 70% of the total operational costs. The Bank paid a sum of Rs. 594 million as value added tax for the year under review.

The total assets of the Bank has increased from Rs. 39 billion to Rs. 47 billion during the year which is a 20% increase over and above the previous year. The Bank was able to maintain the financial ratios such as liquidity, capital adequacy, NPL and others at a satisfactory level during the year.

### DEPOSIT MOBILIZATION

The Bank increased the total deposit portfolio by a sum of Rs. 7 billion from Rs. 31. billion to Rs. 38 billion - a 20% increase over the previous year. To achieve this target the Bank implemented several deposit mobilization programs and attracted many new customers thereby increasing the customer base. However, the Bank was unable to achieve the budgeted targets on deposits but the growth was much higher than the industry average. The Bank could not introduce any new deposit instruments or products as the amalgamation process which started in May continued till end of the year. The Bank has planned several deposit programs and will introduce new attractive savings products during the year 2011.

### CREDIT PORTFOLIO

The total credit portfolio of the Bank at the end of the year was Rs. 37 billion - an increase of Rs.10 billion over the previous year. Approximately 25% of this amount has been granted for agriculture and development sector. The balance has been disbursed for small scale housing, trading and other income generating activities and micro financing. As a development bank focusing on the rural development sector, our loans have been given mainly to the low income sector in order to enable them to improve their quality of life. More than 40% of our pawning loans also have been taken for agriculture and other development and income generating activities.

There is a huge demand for credit from the rural sector but we have to manage it with our own funds since there are no other low cost credit lines available. Hence we have to manage our credit portfolio by maintaining the required liquidity levels.

### LIQUIDITY AND CAPITAL ADEQUACY

The Bank has been maintaining the capital adequacy and the liquidity ratios in a satisfactory manner during the year. The cash, short term deposits and government securities recorded a marginal growth whereas the loan portfolio grew by a substantial amount during the year.

### INTERNAL AUDIT AND CONTROLS

In order to maintain proper checks and balances of internal operations systems, the internal audit activities have been strengthened by establishing an internal audit unit in the head office. Before the amalgamation each and every bank had the internal audit units in their respective regional offices. These are continuing in addition to the head office unit. Regular audits are conducted as planned. Surprise and spot audits are also conducted when necessary. The audit programs are monitored by the Audit Committee appointed by the Board of Directors.

### COMPUTERIZATION PROGRAMME

Before the amalgamation took place, the six banks used different types of software for their banking operations. Four banks i.e. Rajarata, Kandurata, Wayamba, and Sabaragamuwa introduced "MicrobankerWin" for their operations. Hence the Bank is now in the process of introducing a new core banking solution for operations which will be implemented in 2011.

## BRANCH EXPANSION PROGRAMME

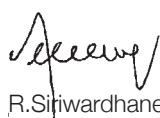
The Bank has 253 banking outlets including fully fledged branches, savings and pawning centers, provincial and district offices. We did not have any branches in the Northern and Eastern provinces, excluding Ampara District. We are in the process of expanding our activities to these areas and the Central Bank of Sri Lanka has granted permission to open branches in these areas and 10 branches are planned to be opened during 2011. Our operations in the Western Province are limited with only four branches operating at present. We are planning to open a few more in 2011.

## THE STAFF

The Bank's total staff strength during the year was around 2350 including permanent and contract basis employees, and trainees. The lack of Tamil speaking staff has affected our plans to expand our activities to the North and East. Therefore, expanding activities had to be curtailed until the recruitment of suitable staff for these areas. We consider our staff as the most valuable asset of the Bank. They contribute towards achieving our goals. We accept that it is absolutely necessary to upgrade and improve their knowledge and skills in banking activities continuously to provide an excellent service to our customers. We continue to provide comprehensive training to enable them to handle more responsibilities and to prepare them to face new challenges in the highly competitive banking industry. In addition to the in - house training provided by our senior staff, our staff follows training at the Central Bank Training Centre and at the Banking and Finance Institute in Sri Lanka (IBSL).

## CONCLUSION

The satisfactory progress and the overall growth shown by the Bank during the year have heightened our expectations for a bright future. However, the performance of the different regions will depend mainly on the resources available in each region, dedication of the staff, climatic conditions, Government policies etc. Our operations in the Western Province will be expanded in 2011 along with the North and East branch openings which will contribute to our future growth where we will be able to achieve better progress. The Board of Directors and the top management will strive to strengthen the Bank as a strong financial organization in order to continue to serve and upgrade the economic level of the rural poor. The Bank will continue to rely on the rural masses who have been with us for the past 25 years. The Bank will maintain a strong relationship with its clientele and anticipate becoming the partner in their day to day life. Our ultimate goal will be to become the Bank for the rural farming community, small and medium scale entrepreneurs, traders and the self employed. In conclusion, I wish to state that the management and the staff of the Bank worked as a team to achieve satisfactory results during the year. I exceedingly appreciate their dedicated and committed service. I also take this opportunity to express my sincere gratitude to the Chairperson and the Board of Directors for their guidance and support extended to me in performing my duties as the General Manager/CEO of the Bank.



R. Siritwardhane  
General Manager/CEO





## සාමාන්‍යාධිකාරී/ප්‍රධාන විධායකගේ විමර්ශනය සහ විශ්ලේෂණය

ප්‍රාදේශීය සංවර්ධන බැංකුව පිහිටුවා ගතවූ පළමු වසර අවසානයේ එහි ප්‍රගතිය පිළිබඳ වාර්ෂික වාර්තාවට මාගේ විමර්ශනය සහ විශ්ලේෂණය ඉදිරිපත් කිරීමට ලැබීම ඉතාම සතුටකි. 1998 වසරේ පිහිටුවන ලද රජරට, වයඹ, කඳුරට, සබරගමුව, උභව සහ රුහුණ යන බැංකු ඒකාබද්ධ කොට 2008 වසරේ අංක 41 දරන ප්‍රාදේශීය සංවර්ධන බැංකු පනත මගින් මෙම බැංකුව 2010 මැයි මස 01 වන දින සිට ආරම්භ කරන ලදී.

මෙම ප්‍රාදේශීය සංවර්ධන බැංකුව පිහිටුවීමේ මූලික සංකල්පය ඉදිරිපත් කරමින් සහ එහි සියළු කටයුතුවලට උපදෙස් දෙමින් එහි නිර්මාතෘවරයා වන්නේ මුදල් හා ක්‍රම සම්පාදන අමාත්‍යාංශයේ ලේකම් හා මහා භාණ්ඩාගාරයේ ලේකම්වරයාද වන ආචාර්ය පී.බී.ජයසුන්දර මහතායි. ප්‍රාදේශීය වශයෙන් කුඩා බැංකු ක්‍රියාත්මක වීම තුලින් ඒවායේ මූල්‍ය ශක්තිය අඩුවීම, ඒ ඒ ප්‍රදේශවල ඇති භූගෝලීය හා ආර්ථික සම්පත්වල විෂමතාවය අනුව ඉදිරියේදී මෙම බැංකුවලට මුහුණ දීමට සිදුවන සියළු අවධානම් නැති කර ජාතික මට්ටමේ රජයට අයත් සංවර්ධන බැංකුවක් පිහිටුවීමේ අවශ්‍යතාවය සැලකිල්ලට ගෙන පෙර තිබූ ප්‍රාදේශීය බැංකු 06 ඒකාබද්ධ කොට මෙම බැංකුව පිහිටුවන ලදී. එසේම බලපත්‍රලාභී විශේෂ බැංකුවක් සඳහා තිබිය යුතු ශ්‍රී ලංකා මහ බැංකුවෙන් පනවන ලද අවම ප්‍රාග්ධන අවශ්‍යතාවය සම්පූර්ණ කිරීම සඳහාත්, රජය මගින් ක්‍රියාත්මක කරනු ලබන විවිධ සංවර්ධන යෝජනා ක්‍රම මගින් ග්‍රාමීය ජනතාවගේ ආර්ථික හා සමාජ තත්ත්වය නංවාලීම සඳහාත්, අවශ්‍ය මූල්‍ය දායකත්වය සැපයීම සඳහාත් යන අරමුණු ඉටු කර ගැනීම සඳහා මෙම බැංකුව පිහිටුවීමේ තවත් අරමුණක් විය.

මූල්‍ය වෙළඳපොළේ පැවති ණය හා තැන්පත් සඳහා ගෙවනු ලබන හා අයකරනු ලබන පොලී අනුපාතයන් සැලකිය යුතු අන්දමකින් පහළ ගියත් බැංකුව 2010 වසර තුළ බදු පෙර ලාභය ලෙස රු. මිලියන 997 ක් ලබා ගනිමින් සතුටුදායක තත්ත්වයක් ලබා කර ගෙන ඇත. 2010 වසර තුළ අප බැංකුවට විවිධ ප්‍රශ්න සහ ගැටළු රාශියකට මුහුණ දීමට සිදුවිය. එසේම බැංකු 06 ක් ඒකාබද්ධ කර එක් බැංකුවක් ලෙස ක්‍රියාත්මක කිරීම සඳහා අවශ්‍ය මූලික කටයුතු සකස් කිරීම සඳහා වැඩිපුර කාලයක් කැප කිරීමට සිදුවූ නිසා තැන්පත් රැස් කිරීම සඳහා අලුතෙන් කිසිදු කටයුත්තක් ආරම්භ කිරීමට තරම් කාලයක් නොවිය. එසේම අප බැංකුවේ සේවා සපයනු ලබන්නේ ලංකාවේ මුළු ජනගහනයෙන් 70% ක් පමණ වූ ග්‍රාමීය ජනතාවට වන අතර එම අංශයට මූල්‍ය සේවා සැපයීම ඉතාම අවධානම් කටයුත්තකි.

එසේම රාජ්‍ය බැංකුවක් ලෙස රජය මගින් ක්‍රියාත්මක කරනු ලබන සහන පොලී ණය යෝජනා ක්‍රම ක්‍රියාත්මක කිරීමටද අපට සිදු වන නිසා අපගේ ආදායම් ප්‍රමාණයන් අඩු වුවත් 2009 වසරේ ප්‍රාදේශීය සංවර්ධන බැංකු 06 ලබා ගත් ප්‍රගතියට වඩා සතුටුදායක ප්‍රගතියක් 2010 වසරේ අප බැංකුවට ලබා ගැනීමට හැකිවී ඇත.

## මූල්‍ය ප්‍රතිඵල

මෙම වසර ඇතුළත බැංකුව රුපියල් බිලියන 6.4 ක ආදායමක් ලබා ඇති අතර ඒ අනුව රුපියල් මිලියන 1590 ක මෙහෙයුම් ලාභයක් අත්කර ගැනීමට හැකි වී ඇත. 2009 වසරේ ලබා ඇති මුළු ආදායමට වඩා 2010 වසරේ ලබාගත් මුළු ආදායම අඩුවුවත් ලාභය 2009 වසරට වඩා වැඩි වී ඇත. ආදායම අඩුවීමට හේතු වී ඇත්තේ ණය සඳහා අයකරන ලද පොළිය විශාල ලෙස අඩුකිරීම නිසාය. 2009 වසරට වඩා අපගේ මෙහෙයුම් වියදම වැඩි වී ඇති අතර එයට ප්‍රධාන වශයෙන් හේතු වී ඇත්තේ සේවක වැටුප් 2.5 % ක වැඩිවීමත් අපගේ ප්‍රධාන කාර්යාලය කොළඹ පිහිටුවීමත් සඳහා දරනු ලැබූ මූලික වියදම් නිසාත්ය.

බැංකුවේ ප්‍රධාන මෙහෙයුම් වියදම් වන සේවක වියදම්, ආයතන හා පරිපාලන වියදම් හා වෙනත් මෙහෙයුම් වියදම් සඳහා බැංකුව රුපියල් බිලියන 2.5 වැයකර ඇති අතර අක්‍රමික ණය සඳහා කරන ලද වෙන්කිරීම්ද එයට ඇතුළත්ය. මෙම ප්‍රමාණයේ රුපියල් බිලියන 1.75 ක් වැයවී ඇත්තේ සේවක වියදම් සඳහා වන අතර එය බැංකුවේ සම්පූර්ණ වියදමෙන් 70% ප්‍රමාණයක් වේ. මෙම වසර තුළ බැංකුව රුපියල් මිලියන 594 ක් එකතු කළ අගය මත බදු වශයෙන් රජයට ගෙවා ඇත.

මෙම වසර තුළදී බැංකුව මුළු වත්කම් ප්‍රමාණය රුපියල් බිලියන 39 සිට රුපියල් බිලියන 47 දක්වා එනම් 20% කින් පෙර වර්ෂයට එනම් 2009 වසරට වඩා වර්ධනය කරගෙන ඇති අතර බැංකුව විසින් පවත්වා ගතයුතු ද්‍රවශීලතා අනුපාතය, ප්‍රාග්ධන ප්‍රමාණතා අනුපාතය, අක්‍රමික ණය අනුපාතය ආදී ප්‍රධාන අවශ්‍යතාවයන් සතුටුදායක මට්ටමින් 2010 වසර තුළ පවත්වා ගැනීමට සමත්වී ඇත.

## තැන්පතු ප්‍රවර්ධනය

මෙම වසර තුළ බැංකුව තම මුළු තැන්පතු ප්‍රමාණය රුපියල් බිලියන 31 සිට රුපියල් බිලියන 38 දක්වා එනම් රුපියල් බිලියන 07කින් වර්ධනය කරගැනීමට සමත් වී ඇති අතර එය ප්‍රතිශතයක් ලෙස පෙර වර්ෂයට වඩා 20% ක වර්ධනයකි. මෙම වසර තුළ බැංකුව විසින් තැන්පත් ඒකරාශී කිරීමෙන් වැඩසටහන් රාශියක් දියත්කර ඇති අතර ඒ අනුව තැන්පතු සහ ගනුදෙනුකරුවන්ගේ ප්‍රමාණය සැලකිය යුතු මට්ටමකින් වර්ධනය කරගෙන ඇත. එසේ වුවත් මෙම වසර සඳහා අපේක්ෂිත ඉලක්ක තැන්පතු ප්‍රමාණය ලඟාකර ගැනීමට බැංකුවට හැකියාව නොලැබුනත් සමස්ත බැංකු කේෂත්‍රයේ තැන්පතු වර්ධනය සාමාන්‍ය අනුපාතයට වඩා ඉහළ මට්ටමකින් අප බැංකුව තැන්පතු වර්ධනය කරගෙන ඇත. බැංකුව ඒකාබද්ධ කිරීමේ කටයුතු වසර අවසානය තෙක් කිරීමට සිදු වූ නිසා නව ගනුදෙනු තැන්පතු උපකරණ අලුතින් හඳුන්වා දීමට නොහැකි වූවත් 2011 වසර සඳහා බැංකුව ආකර්ෂණීය තැන්පතු ක්‍රම දියත්කිරීමට සැලසුම් කර ඇත.

### ණය කලඹ

2010 වසර අවසානයේ බැංකුව විසින් ලබා දෙන ලද මුළු ණය වලින් පිටහිටි ශේෂය රුපියල් බිලියන 37 ක් වූ අතර එය වසර ආරම්භයේ තිබූ ශේෂය වන රුපියල් බිලියන 27, රුපියල් බිලියන 10 කින් වැඩිවීමකි. මෙසේ වසර තුළ මුදා හරින ලද ණය වලින් 25 % කට ආසන්න ප්‍රමාණයක් කෘෂිකාර්මික හා සංවර්ධන ණය වශයෙන් ලබාදී ඇති අතර අනෙක් ණය නිවාස, සුළු පරිමාණයේ වෙළඳ ව්‍යාපාර, කුඩා හා මධ්‍ය පරිමාණ ප්‍රමාණයේ ව්‍යවසායකත්ව ණය, සුළු පරිමාණ ආදායම් උපදවන කටයුතු සඳහා වන ණය වශයෙන් ලබා දී ඇත. ග්‍රාමීය ආර්ථිකය ඉලක්ක කරගෙන ගෙන සංවර්ධන බැංකුවක් ලෙස අප කටයුතු කර ඇති අතර, අපගේ ණය කළඹින් 40 % ක් පමණ වන රන් භාණ්ඩ උකස් ණය වලින් 30 % කට වඩා වැඩි ප්‍රමාණයක් ලබා දී ඇත්තේද කෘෂිකාර්මික හා වෙනත් සුළු පරිමාණ කර්මාන්ත හා වෙළඳ කටයුතු සඳහාය.

ග්‍රාමීය ආර්ථිකය තුළින් ණය සඳහා විශාල ඉල්ලීමක් තිබුනද දැනට රටේ අඩු පොලී ණය යෝජනා ක්‍රම ක්‍රියාත්මක වීමේ අඩුවක් දක්නට ලැබෙන නිසා ඉහත ඉල්ලුම සපුරා දීමට නම් අපගේ තැන්පතු ප්‍රමාණය අප විසින්ම වර්ධනය කරගත යුතු අතර ද්‍රවශීලතා අනුපාතය ආරක්ෂා කර ගනිමින් අපගේම තැන්පතුවලින් ණය ලබා දීම බැංකුව සිදු කර ඇත.

### අභ්‍යන්තර විගණන කටයුතු සහ අභ්‍යන්තර පාලන ක්‍රම

බැංකුවේ අභ්‍යන්තර මෙහෙයුම් ක්‍රියාදාමයට අදාළ චක්‍රලේඛ උපදෙස් පරිදි ඒවා සුමටව කරගෙන යෑම සඳහාත් ඒවායේ නිවැරදි භාවය අඛණ්ඩව පරීක්ෂා කිරීම සඳහාත් අභ්‍යන්තර විගණන ක්‍රියාවලිය ශක්තිමත් කිරීම සඳහාත් ප්‍රධාන කාර්යාලයේ අභ්‍යන්තර විගණන ඒකකයක් පිහිටුවා ඇත. මීට අමතරව ඒකාබද්ධ කිරීමට පෙර ඒ ඒ බැංකුවල තිබූ අභ්‍යන්තර විගණන ඒ අයුරින්ම පවත්වාගෙන යෑමටත් අඛණ්ඩ අභ්‍යන්තර විගණන සහ පසු විපරම් ක්‍රියාවලිය ශක්තිමත් කිරීමටත් කටයුතු කර ඇත.

ඒ අනුව සැලසුම් කරන ලද ශාඛා විගණන සහ හදිසි මෙහෙයුම් අවශ්‍යතාවය පරිදි සිදු කරන අතර එම විගණන වාර්තා අධ්‍යක්ෂ මණ්ඩලය විසින් පත් කර ඇති විගණන කමිටු රැස්වීම් වෙත ඉදිරිපත් කරනු ලැබේ. එම විගණන වාර්තා එම කමිටුව මගින් නිරීක්ෂණය හා අධ්‍යයනය කරන අතර ඒ අනුව අදාළ වැරදි නිවැරදි කිරීමටද බරපතල විෂමාවාර සිදුවී තිබේ නම් ඒවාට අවශ්‍ය විනය ක්‍රියා මාර්ග ගැනීමටත් එවැනි දේ ඉදිරියේදී සිදු නොවීමට අවශ්‍ය පියවර මෙමගින් ගෙන ඇත.

### ද්‍රවශීලතා අනුපාතය සහ ප්‍රාග්ධන ප්‍රමාණතා අනුපාතය

විශාල ඉල්ලුමක් ග්‍රාමීය ණය සඳහා තිබුනද අපගේ ණය වර්ධනය රුපියල් බිලියන 10 ක් වන අතර තැන්පතු වර්ධනය අපේක්ෂිත මට්ටමින් සිදු නොවූ නිසා අපගේ ද්‍රවශීලතා

අනුපාතය සහ ප්‍රාග්ධන ප්‍රමාණ අනුපාතය සතුටුදායක මට්ටමක පවත්වා ගැනීම සඳහා අපගේ ආයෝජන සඳහා මුදල් ප්‍රමාණවත් පරිදි කළමනාකරනය කර ගත යුතුය. ඒ අනුව බැංකුව 2010 වසර තුළ ද්‍රවශීලතා අනුපාතය සහ ප්‍රාග්ධන ප්‍රමාණාත්මක අනුපාතය සතුටුදායක මට්ටමක පවත්වාගෙන යාමට සමත්ව ඇත.

### පරිසරය ක්‍රියාවලිය

බැංකුව ඒකාබද්ධ කිරීමට පෙර බැංකු 06 ක් වශයෙන් ක්‍රියාත්මක වූ අවධියේ රජරට, වයඹ, කඳුරට, හා සබරගමුව, යන බැංකු තම මෙහෙයුම් කටයුතු සඳහා මයික්‍රොබැක්ටරියා මෘදුකාංගය යොදාගෙන තිබූ අතර උභය සහ රුහුණ සංවර්ධන බැංකු විසින් තමන්ගේ සේවකයන් විසින් සකස් කරන ලද පිළිනොගත්, සහතික නොකරන ලද මෘදුකාංගය භාවිතා කරන ලදී. කෙසේ වෙතත් බැංකුව ඒකාබද්ධ කිරීමෙන් පසු සියලු බැංකු කටයුතු සඳහා යොදාගත හැකි පොදු මෘදුකාංගයක අවශ්‍යතාවය මත දැනට ඒ සඳහා මූලික අධ්‍යයනයන් කර සුදුසු සැපයුම් කරුවන්ගෙන් මිල ගණන් කැඳවීමට මූලික පියවරයන් අවසන් කර ඇත. ඒ අනුව 2011 වසර තුළ මෙම මෘදුකාංගය හඳුන්වා දීමට අපේක්ෂා කරමු.

### ශාඛා පුළුල් කිරීමේ කටයුතු

දැනට බැංකුව සතුව පළාත් කාර්යාල, දිස්ත්‍රික් කාර්යාල, ශාඛා, උකස් හා ඉතුරුම් මධ්‍යස්ථාන හා සේවා මධ්‍යස්ථාන 253 ක් ඇති අතර අම්පාර දිස්ත්‍රික්කය හැර උතුරු නැගෙනහිර ප්‍රදේශවල අපගේ ශාඛා ජාලය වර්ධනය කර නැත. උතුරු නැගෙනහිර ප්‍රදේශයේ අපගේ කටයුතු ව්‍යාප්ත කිරීම සඳහා ශ්‍රී ලංකා මහ බැංකුවෙන් අනුමැතිය ලබා දී ඇති අතර ඒ අනුව 2011 වසර ඇතුළත මෙම ප්‍රදේශවල ශාඛා 10 ක් ආරම්භ කිරීමට සැලසුම් කර ඇත. මීට අමතරව බස්නාහිර පළාත සහ විශේෂයෙන් කොළඹ දිස්ත්‍රික්කය තුළ අපගේ ශාඛා ඇත්තේ සීමිත ප්‍රමාණයක් වන අතර 2011 වසරේදී කොළඹ දිස්ත්‍රික්කයේද ශාඛා කිහිපයක් ආරම්භ කිරීමට අවශ්‍ය කටයුතු සම්පාදනය කර ඇත.

### සේවක මණ්ඩලය

2010 වසර අවසානයේ අප බැංකුවේ සමස්ත සේවක මණ්ඩලය 2350 ක් පමණ වූ අතර එය ස්ථිර කාර්යාල මණ්ඩලය, කොන්ත්‍රාත් පදනම මත බඳවා ගත් අය සහ පුහුණුවන්නන් ලෙස බඳවා ගත් අයගෙන් සමන්විත වේ. ද්‍රවිඩ භාෂාව කථාකරන සේවක මණ්ඩලය අප බැංකුව සතුව නැතිවීමේ අඩුපාඩුව නිසා උතුරු නැගෙනහිර ශාඛා ආරම්භ කිරීමට ඒ අනුව බාධාවක් වී ඇත. කෙසේ වෙතත් ඉදිරියේදී ඒ සඳහා ද්‍රවිඩ භාෂාව කථා කළහැකි සේවකයන් උතුරු නැගෙනහිරට බඳවා ගැනීමට අපේක්ෂා කෙරේ.



අපගේ සේවක මණ්ඩලය බැංකුවේ වටිනාම සම්පතක් ලෙස අප සලකන අතර බැංකුවේ අරමුණු හා අපේක්ෂා ඉටුකර ගැනීම සඳහා ඔවුන් උපරිම ලෙස දායකත්වය ලබා දේ. එම නිසා ගණුදෙනුකරුවන්ට උපරිම සහ විශිෂ්ට සේවාවක් ලබාදීම සඳහා බැංකු සේවකයන්ගේ දැනුම, කුසලතාවය හා අවබෝධය වැඩි කළයුතු බව අප නිරන්තරයෙන් පිළිගන්නා අතර ඒ සඳහා නිරන්තර හා අඛණ්ඩ පුහුණුවීම් ඔවුන්ට ලබා දීමට කටයුතු කර ඇත. ඉතාමත් තරඟකාරී ව්‍යාපාරයක් වන බැංකු කේෂත්‍රය තුළ ගණුදෙනුකරුවන්ට උපරිම සේවයක් ලබා දීම තුළින් පමණක් අපගේ කටයුතු වර්ධනය කර ගත හැකි අතර ඒ සඳහා සේවකයන් පුහුණු කිරීම හා ඔවුන්ගේ දැනුම වර්ධනය කිරීමට පියවර ගෙන ඇත.

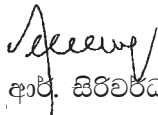
මේ සඳහා බැංකුවේ ජ්‍යෙෂ්ඨ නිලධාරීන් විසින්, බැංකුකරුවන්ගේ ආයතනය මගින්, ශ්‍රී ලංකා මහ බැංකුවේ පුහුණු විද්‍යාලය මගින් සහ වෙනත් බාහිර ආයතන මගින් අවශ්‍ය පුහුණුව දේශීයව සහ විදේශීයව ලබා දීමට ඉදිරියටත් කටයුතු කිරීම සඳහා පියවර ගෙන ඇත.

### නිමාව

මෙම වසරෙහි බැංකුව විසින් සමස්තයක් ලෙස ලබා ගෙන ඇති සතුටුදායක ප්‍රගතිය අප බැංකුවට පැහැදිලි තිරසාර සහ සතුටුදායක අනාගතයක් ඇති බවට පසක් කර ඇත. කෙසේ වෙතත් බැංකුවේ සමස්ථ ප්‍රගතියට දායකත්වය ලබාදෙන ශාඛා පිහිටුවා ඇති පළාත්වලින් ඒ ඒ පළාතේ ඇති සම්පත්, ආර්ථික ක්‍රියාකාරකම්, භූගෝලීය පිහිටීම, දේශගුණික බලපෑම්, රජයේ ප්‍රතිපත්ති සහ සේවක මණ්ඩලයේ කැපවීම මත අපගේ ප්‍රගතිය රඳා පවතිනු ඇත. කොළඹ දිස්ත්‍රික්කයේ සහ උතුරු නැගෙනහිර ප්‍රදේශවලටත් අපගේ කටයුතු ව්‍යාප්ත කිරීම තුළින් බැංකුවේ ප්‍රගතියට සැලකිය යුතු දායකත්වයක් ඉදිරි වසරවලදී ලබා දිය හැකි බව අපගේ විශ්වාසයයි.

ග්‍රාමීය ජනතාවගේ ආර්ථික මට්ටම නඟා සිටුවීම සඳහා අප බැංකුව ශක්තිමත් මූල්‍ය ආයතනයක් බවට පත් කිරීමට අධ්‍යක්ෂ මණ්ඩලය සහ ඉහළ කළමනාකාරිත්වය නිරන්තරයෙන් කටයුතු කරනු ලබන අතර වසර 25ක සංවර්ධන බැංකු ඉතිහාසයේ අප සමග සම්බන්ධවී කටයුතු කළ ග්‍රාමීය ජනතාව කෙරෙහි අප උපරිම විශ්වාසය තබා ඇති අතර ඒ අනුව ඔවුන්ගේ ඵලදායී ජීවිතයේ කොටස්කරුවකු බවට පත්වීමට අවශ්‍ය කටයුතු ඉදිරියේදී සිදු කර ඇත. අපගේ අවසාන ඉලක්කය වනුයේ 70% ක් පමණ වන අප රටේ ග්‍රාමීය ගොවි ජනතාව, ස්වයං රැකියා ලාභීන්, සුළු පරිමාණයේ කර්මාන්තකරුවන්, වෙළෙඳුන් සහ අනෙකුත් අඩු ආදායම් ලාභීන්ගේ මූල්‍ය අවශ්‍යතාවයන් සපුරාලමින් ග්‍රාමීය ආර්ථිකයේ ඉතුරුම් නැමියාව සහ ඉතුරුම් පලපුරුද්ද ඇතිකරමින් ඔවුන්ගේ එකම බැංකුව බවට පත්වීමයි.

විශේෂයෙන් මෙම වසරේ අප ලබා ගත් සතුටුදායක ප්‍රගතිය ලබාගැනීමට කළමනාකාරිත්වය සහ සියළු කාර්යයන් මණ්ඩලය එකම කණ්ඩායමක් ලෙස කටයුතු කිරීම ප්‍රධාන සාධකය වූ බව සතුවින් සඳහන් කරමි. එසේම ඔවුන්ගේ සේවය සහ දායකත්වය මම ඉතාමත් අගේ කොට සලකමි. අවසාන වශයෙන් බැංකුවේ කටයුතු සාර්ථක කර ගැනීමටත් ඉහළ ප්‍රගතියක් ලබා ගැනීමටත් කටයුතු කිරීමේදී සාමාන්‍යාධිකාරීවරයා ලෙස මට උපරිම සහයෝගය, මඟපෙන්වීම හා උපදෙස් ලබාදුන් සභාපතිතුමිය ඇතුළු අධ්‍යක්ෂ මණ්ඩලයටත් ස්තූති කිරීමට මෙය අවස්ථාවක් කර ගනිමි.



ආදි. සිරිවර්ධන

සාමාන්‍යාධිකාරී/ප්‍රධාන විධායක

## பொதுமுகாமையாளர்/ பிரதம நிறைவேற்று அதிகாரியின் மீளாய்வும் பகுப்பாய்வும்

பிரதேச அபிவிருத்தி வங்கியின் 2010 ஆம் ஆண்டிற்கான முதலாவது ஆண்டு அறிக்கையின் மீளாய்வையும், பகுப்பாய்வையும் நான் பெருமகிழ்ச்சியுடன் முன்வைக்கின்றேன். இவ்வங்கியானது 2010 மே மாதம் 01 ஆம் நாள் பிராதேசிய சங்வர்த்தன வங்கிச் சட்டம் இல 41 இன் பிரகாரம் 6 பிரதேச அபிவிருத்தி வங்கிகளான ரஜரட்ட, கந்துரட்ட, வயம்பா, சப்பிரகமுவ, ஊவா, றுஹுனு ஆகியனவற்றை ஒன்றிணைத்து உருவாக்கப்பட்டிருந்தது. மேற்படி 6 பிரதேச அபிவிருத்தி வங்கிகளையும் ஒன்றிணைக்கும் ஆலோசனையானது திறைசேரி செயலாளர் கலாநிதி. பீ. பி. ஜெயசுந்தரவினாலும் நிதித்திட்டமிடல் அமைச்சினாலும் முன்வைக்கப்பட்டு தெளிவுபட விளக்கி உரைக்கப்பட்டிருந்தது. எதிர்காலத்தில் பிரதேச அபிவிருத்தி வங்கிகள் எதிர்கொள்ளக்கூடிய ஏராளமான இடர் நேர்வுகளை குறைத்துக் கொள்வதற்கும், மத்திய வங்கியினால் விதித்துரைக்கப்பட்ட மூலதனம் தொடர்பான அடிப்படைகளை நிறைவுசெய்யும் பொருட்டும், அரசாங்கத்தின் பிரதேச அபிவிருத்தித் திட்டங்களை முன்னெடுக்க உதவும் வகையில் ஒரேயொரு பிரதேச அபிவிருத்தி வங்கியைக் கொண்டிருப்பதன் நோக்கிலும், கிராமிய மற்றும் நகர்புறத்து அரை வறிய பிரிவினரின் சமூக பொருளாதார நிலைமைகள் தரமுயர்த்தவுமென்ற ஆலோசனையின் பிரகாரமே வங்கி உருவாக்கப்பட்டிருந்தது.

2010 ஆம் ஆண்டானது ஒரு மகிழ்ச்சிக் குறிப்புடன் நிறைவு எய்தியிருந்தது. அதாவது, கடன்கள், முற்பணங்கள் மீதான வட்டிகள் குறைக்கப்பட்ட நிலையிலும் வரிக்கு முந்திய இலாபமாக ரூபா 997 மில்லியனை வங்கி சம்பாதிக்க முடிந்தது. மீளாய்வுக்கு உட்படுத்தப்பட்டுள்ள இந்த ஆண்டு பல ஏற்ற இறக்கங்களைக் கொண்டிருந்ததுடன் ஒன்றிணைப்புச் செயன்முறைகள் காரணமாக ஒரு குறிப்பிடத்தக்க ஆண்டாகவும் இருக்கவில்லை. இது தொடர்பான புதிய விதிகள் பிரமாணங்கள் செயற்பட வேண்டியிருந்தன. 6 பிரதேச வங்கிகளும் 6 வெவ்வேறு திசைகளில் செயற்பட்டு வந்தமையால் அவற்றின் இயக்கம் தொடர்பான செயற்பாடுகள் புதிய விதிகள் பிரமாணங்களை தேவைப்படுத்தின. மேற்கூறப்பட்ட விடயத்திற்கும் மேலாக, மிகவும் பாதிப்புகளுக்கு உள்ளாக கூடிய நாட்டின் பிரிவினர்களுக்கு சேவையாற்றுவதுடன் மிகக்குறைந்த வட்டி வீதத்தில் அரசினால் முன்வைக்கப்பட்ட மானிய முறைக்கடன் திட்டங்களை அமுல் செய்யும் அதே வேளை வட்டி வருவாய் தவிர்ந்த வேறு எந்த வகை வருவாயும் அற்ற நிலையில் ஒரு பிரதேச அபிவிருத்தி வங்கியாக இது சேவை புரிகின்றது. இவ்வாறான மட்டுப்பாடுகள் இருந்த நிலையிலும் கூட 6 வங்கிகளும் தனித்தனியாக இயங்கிய 2009ஆம் ஆண்டினை விடவும் ஒட்டுமொத்தமாக திருப்திகரமான முன்னேற்றத்தினை நாம் எய்தியுள்ளோம்.

### நிதிசார் பெறுபேறுகள்

வங்கியானது மொத்த வருவாயாக ரூபா 6.4 பில்லியன்களை பெற்ற அதே வேளை இயங்கு லாபமாக ரூபா 1590 மில்லியன்களையும் பதிவுசெய்திருந்தது. மொத்த வருவாய் 2009ஆம் ஆண்டிலும் பார்க்க குறைவானதாக இருந்த நிலையிலும் இறுதி லாபம் முன்னைய ஆண்டிலும் பார்க்க உயர்வானதாக இருந்தது. பணியாளர் சம்பளங்கள் 2.5% த்தினால் அதிகரிக்கப்பட்ட காரணத்தினால் இயக்குவதற்கான செலவுகள் கடந்த ஆண்டிலும் பார்க்க உயர்வானதாகவே இருந்தது. கொழும்பில் தலைமை செயலகம் தொடங்கப்பட்டதிலிருந்து நிர்வாகச் செலவுகளும், நிறுவனச் செலவுகளும் கூட கணிசமான அளவிற்கு அதிகரித்தன. அலுவலக வளாகங்கள், ஆளணி, மற்றும் நிறுவன ரீதியான செலவினங்கள் உள்ளிட்ட இயங்குநிலைச் செலவினங்கள் மற்றும் அறவிடமுடியாக் கடன்களுக்கான ஏற்பாடுகள் என்பன ரூபா 2.5 பில்லியன்களாகும். இத் தொகையில் 70% மான ரூபா 1.75 பில்லியன் ஆளணியினருக்கான செலவினமாகும்.

மேற்படி ஆண்டில் வங்கிப் பெறுமதி சேர்வரியாக ரூபா 594 மில்லியன்களைச் செலுத்தியுள்ளது. வங்கியின் சொத்துக்களின் பெறுமதி 23% தினால் அதிகரித்ததுடன் ரூபா 39 பில்லியன் பெறுமதியிலிருந்து ரூபா 48 பில்லியனாக உயர்ந்தது. இவ்வாண்டில் வங்கி தனது நிதிசார் வீதங்களை அதாவது திரவத் தன்மை, மூலதனப் போது நிலை, NPL தொடர்பான வீதங்களை மிகவும் சிறந்த மட்டங்களில் வைத்துப் பேணி வந்துள்ளது.

#### பண வைப்புக்களின் அசைவு

வங்கி தனது மொத்தப் பண வைப்பை 7 பில்லியன் ரூபாக்களால் அதாவது, கடந்த ஆண்டின் ரூபா 31 பில்லியனிலிருந்து ரூபா 38 பில்லியனுக்கு அதிகரிக்க முடிந்திருக்கின்றது. இது கடந்த ஆண்டிலும் பார்க்க 20% அதிகரிப்பதாகும். இந்த இலக்கினை அடைவதற்கு வங்கி பல பணவைப்பு ஊக்குவிப்புத் திட்டங்களை அமுல் செய்து பல புதிய வாடிக்கையாளர்களை அணிதிரட்டியது. எவ்வாறாயினும், வங்கி அதன் உத்தேச பணவைப்பு இலக்கினை வென்றுவிடவில்லை. ஆனால் வங்கி கண்டுள்ள வளர்ச்சியானது இத்துறைசார்ந்த சராசரி வளர்ச்சியை விஞ்சி நிற்கின்றது. மே மாதத்தில் வங்கிகளின் ஒன்றிணைப்பு நடவடிக்கைகள் ஆரம்பித்து ஆண்டு முழுவதற்கும் தொடர்ந்த காரணத்தால் பண வைப்புகளுக்கான புதிய திட்டங்கள் எதனையும் அறிவித்திருக்கவில்லை. ஆயினும், 2011 ஆம் ஆண்டில் பல புதிய பண வைப்புத் திட்டங்களையும் கவர்ச்சிகரமான புதிய சேமிப்புத் திட்டங்களையும் அறிமுகம் செய்வதற்கு திட்டமிட்டுள்ளது.

#### முதலீட்டுக் கடன் பட்டியல்கள்

ஆண்டின் இறுதியில் வாக்கில் முதலீட்டுக் கடன்களின் மொத்தத் தொகை ரூபா 38 பில்லியனாக இருந்தது. இது இவ்வாண்டில் ரூபா 10 பில்லியனாக அதிகரிப்பாகும். இத்தொகையின் சுமார் 25% விவசாயம் மற்றும் அபிவிருத்தி நோக்கங்களுக்கென வழங்கப்பட்டது. மீதமான தொகை சிறு வீடமைப்புத் திட்டங்கள், வர்த்தகம் மற்றும் வருவாய் பிறப்பிக்கும் செயற்திட்டங்கள், நுண்ணிதியிடல் திட்டங்களுக்கென வழங்கப்பட்டது. ஒரு அபிவிருத்தி வங்கி என்ற வகையில், கிராமிய அபிவிருத்தியில் கவனத்தைக் குவித்திருக்கும் நிலையில், குறைந்த வருமானம் பெறும் மக்களுக்கே கடன்களை வழங்கி அவர்களின் வாழ்நிலைகளை மேம்படுத்த உதவியது. நாம் வழங்கும் அடகுக் கடன்களில் 40% திற்கும் மேலான தொகை விவசாயம் மற்றும் அபிவிருத்தி, வருவாய் பிறப்பிக்கும் நோக்கங்களுக்காகவே வழங்கப்பட்டன. கிராமிய மக்கள் பிரிவினரிடமிருந்து பெருமளவு கோரிக்கைகள் கடனுக்காக முன்வைக்கப்படுகின்றன. வேறு குறைந்தளவு சலுகைகளுடனான கடன்வசதிகள் அற்றநிலையில் நாம் எமது சொந்த நிதிவசதிகளையே இதற்கெனப் பயன்படுத்துகின்றோம். இதனால், எமது முதலீட்டுக் கடன் பட்டியலை முகாமைத்துவம் செய்வதற்கு அவசியமான அளவுக்கு திரவத்தன்மையை பேணிவருகின்றோம்.

#### திரவத்தன்மையும் மூலதனப் போதுநிலையும்

குறித்த ஆண்டுப் பகுதியில் வங்கி, மூலதன போது நிலையையும் திரவத்தன்மை வீதத்தையும் திருப்திகரமான ஒரு வகையில் பேணிவந்துள்ளது. காசு, குறுகிய கால பண வைப்புக்கள், அரசாங்கப் பிணைகள் என்பவற்றின் விடயத்தில் எல்லை வளர்ச்சி ஏற்பட்டிருந்தது. அதே வேளை முதலீட்டுக் கடன்கள் கணிசமான ஒரு அளவினால் வளர்ச்சி கண்டிருந்தது.

**உள்ளகக் கணக்காய்வும் கட்டுப்பாடுகளும்**

நிறுவனத்தின் உள்ளகச் செயற்பாட்டு முறைமைகளின் மீது கட்டுப்பாடுகளைப் பேணும் வகையில் தலைமை அலுவலகத்தில் உள்ளகக் கணக்காய்வுப் பிரிவு ஒன்றினை உருவாக்குவதன் மூலம் உள்ளகக் கணக்காய்வுச் செயற்பாடுகள் வலுப்படுத்தப்பட்டன. ஒன்றிணைப்புக்கு முன்னர் பிரதேச வங்கி ஒவ்வொன்றும் தத்தமக்கான உள்ளகக் கணக்காய்வு அலகுகளைக் கொண்டிருந்தன. இன்று தலைமை அலுவலகத்தின் பிரிவும் முன்னைய தனித்தனிப் பிரிவுகளும் இயங்குகின்றன. கணக்காய்வுத் திட்டமொன்றின் பிரகாரம் சீரான கணக்காய்வுகள் நடாத்தப்படுகின்றன. அவசியமேற்படும் போது திடீர் கணக்காய்வுகளும் மேற்கொள்ளப்படுகின்றன. பணிப்பாளர் சபையினால் நியமிக்கப்படும் கணக்காய்வுக் குழுவினால் கணக்காய்வு நிகழ்ச்சித் திட்டங்கள் கண்காணிக்கப்படும். கணக்காய்வு அறிக்கைகள் கலந்துரையாடலுக்கு உட்படுத்தப்படுவதுடன் பணியாளர் தரப்பில் நடைபெற்றிருக்கக்கூடிய தவறுகள், பிழைகள் சீர்செய்யப்படுவதற்கென நிவாரண நடவடிக்கைகள் மேற்கொள்ளப்படும்.

**கணணி மயமாக்கல் திட்டம்**

ஒருங்கிணைப்பு மேற்கொள்ளப்பட்டதற்கு முன்னர் ஒவ்வொரு வங்கியும் (6 வங்கிகள்) தத்தமது வங்கியியல் நடவடிக்கைகளை வெவ்வேறு வகை மென்பொருட்களைப் பயன்படுத்தி மேற்கொண்டன. ரஜர்ட்டு, கந்துர்ட்டு, வயம்ப, சப்பிரகமுவ ஆகிய 4 வங்கிகளும் Micrbankerwin மென்பொருட்களைப் பயன்படுத்தின. ஊவா மற்றும் றுஹூன ஆகிய 2 வங்கிகளும் தத்தமது பணியாளரால் விருத்தி செய்யப்பட்டு பரீட்சிக்கப்பட்டு ஏற்றுக்கொள்ளப்பட்டதுமான மென்பொருட்களைப் பயன்படுத்தின. இதனால் எமது ஆளை முறைமையானது ஏனைய வங்கிகளின் முறைமைகளுக்கு நிகரான தரத்தில் இல்லை. எனவே வங்கியானது, வங்கி சார் தேவைகளுக்கு முழுமையான தீர்வுகளை வழங்கவல்ல ஒரு அடிப்படையை அறிமுகம் செய்யும் முயற்சிகளில் ஈடுபட்டுள்ளது. இம்முறை 2011 ஆம் ஆண்டில் அமுலாகவுள்ளது.

**கிளைகள் விரிவாக்கல் திட்டம்**

முழு அதிகாரமுடைய கிளைகள், சேமிப்பு மற்றும் அடகு நிலையங்கள், மாகாண, மாவட்ட அலுவலகங்கள் என்பன உட்பட வங்கி 253 நிலையங்களைக் கொண்டுள்ளது. அம்பாறை மாவட்டத் தவிர்ந்த வடக்குக் கிழக்கு மாகாணங்களில் எமக்கு கிளைகள் இருக்கவில்லை. இதனால் இப்பகுதிகளின் கிளைகளை ஆரம்பிப்பதற்கான ஆயத்தங்களில் நாம் ஈடுபட்டிருக்கின்றோம். 10 கிளைகளைத் திறப்பதற்கான அனுமதியை மத்திய வங்கி எமக்கு வழங்கியுள்ளது. இதன் பிரகாரம் 10 கிளைகள் 2011ஆம் ஆண்டில் திறக்கப்படவுள்ளன. மேல் மாகாணத்தில் எமக்கு 4 கிளைகளேயுள்ளன. இதனால் எமது சேவைகள் அங்கு மட்டுப்படுத்தப்பட்ட அளவிலேயே நடைபெறுகின்றன. எனவே மேலும் சில கிளைகளை நாம் அங்கு திறக்க உத்தேசித்துள்ளோம்.

**பணியாளர் குழாம்**

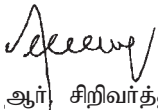
நிரந்தர, ஒப்பந்த அடிப்படை, பயிற்சியாளர்கள் உட்பட வங்கியின் மொத்த ஆளணியினர் 2350 பேர்களாவர். போதுமான எண்ணிக்கையான தமிழ் பேசும் அலுவலர்கள் இன்மை வடக்கு, கிழக்கு விரிவாக்கத்திற்கு பெரும் தடையாகவுள்ளது. எனவே பொருத்தமான ஆளணியினர் ஆட்சேர்க்கப்படும் வரை இப்பிரதேசங்களில் விரிவாக்கல் திட்டங்களை மட்டுப்படுத்தி வைக்கவேண்டி ஏற்பட்டுள்ளது. எமது இறுதி இலக்குகளை வென்றெடுப்பதில்

பங்களிக்கக்கூடியவர்கள் பணியாளரே என்பதால் நாம் அவர்களை பெறுமதி மிக்க சொத்துக்களாகவே கருதுகின்றோம். இதனால் அவர்களின் அறிவுநிலையையும் திறன்களையும் தொடர்ச்சியான முறையில் முன்னேற்றுவதற்கும், தரமுயர்த்துவதற்கும், வாடிக்கையாளர்களுக்கு மேம்பட்ட சேவையை வழங்க வேண்டியதன் அவசியம் காரணமாக, வேண்டிய முயற்சிகள் எடுத்தல் முற்றிலும் அவசியமானதாகும். ஆகவே பொறுப்புக்களை ஏற்கவும், வங்கித் துறையில் நிலவும் உயர்ந்தளவு போட்டி நிலைமைகள் காரணமாக எழக்கூடிய சவால்களை எதிர்கொள்ளவும் நாம் முழுமை வாய்ந்த பயிற்சியை தொடர்ச்சியாக வழங்குகின்றோம். இது தொடர்பில் நாம் வங்கி மட்டத்திலேயே சிரேஷ்ட அதிகாரிகளால் வழங்கப்படும் பயிற்சிகளுக்கு மேலாக மத்திய வங்கியின் பணியாளர் பயிற்சி நிலையம் மற்றும் வங்கியியல், நிதியியல் கல்லூரி மூலமாகவும் பயிற்சிகளை வழங்குகின்றோம்.

#### முடிவுரை

மேற்படி ஆண்டில் திருப்திகரமான முன்னேற்றத்தையும், ஒட்டுமொத்த வளர்ச்சியையும் வங்கியினால் ஏற்படுத்த முடிந்தமை பிரகாசமான எதிர்காலம் ஒன்று பற்றிய எதிர்பார்ப்புக்களை எம்முள் வளர்த்துள்ளது. ஆயினும் வங்கியின் அனைத்துப் பிரதேசங்களினதும் செயற்பாடுகளானவை பிரதானமாக அந்தந்தப் பிரதேசத்தில் பெறக்கூடியதாகவுள்ள வளங்கள், பணியாளரின் அர்ப்பணிப்பு, காலநிலைகள், அரசுகொள்கைகள் என்பவற்றிலேயே தங்கியுள்ளன. மேல்மாகாணத்தில் எமது செயற்பாடுகளில் விரிவாக்கம் மற்றும் வடக்கிலும் கிழக்கிலும் கிளைகளின் திறப்பு என்பன 2011 ஆம் ஆண்டில் நடைபெறவுள்ளன. இவற்றினால் எதிர்கால விளைவுகள் சிறப்பாக அமைவதுடன் 2010ஆம் ஆண்டினைவிடவும் அதிக சிறப்பான முன்னேற்றத்தினை அடையவும் முடியும். புனிப்பாளர் சபையும் முகாமைத்துவமும் கிராமப்புற வறிய மக்களுக்கு பொருளாதார மேம்பாடு கிட்டவேண்டும் என்பதற்காக வங்கியை ஒரு சிறந்த நிதி நிறுவனமாக வலுவுறச் செய்யும் பிரயத்தனத்தில் ஈடுபட்டுள்ளனர். கடந்த 25 ஆண்டுகளாக வங்கியுடன் கைகோர்த்து நின்ற கிராமிய மக்களையே வங்கி தொடர்ந்தும் நம்பிச் செயற்படும்.

வங்கி தனது வாடிக்கையாளருடன் வலுவான உறவுகளை பேணிக் கொள்வதுடன் அவர்களின் அன்றாட வாழ்க்கையில் பங்களிக்கவரும் எதிர்பார்க்கின்றது. எமது இறுதியிலக்காக இருப்பது கிராமப் பகுதிகள், விவசாய சமூகத்தினர், சிறிய மற்றும் நடுத்தர தொழில் முயற்சியாளர்கள், வர்த்தகர்கள், சுயதொழிலில் ஈடுபடுபவர்கள் ஆகிய பிரிவினருக்கான வங்கியாக நாம் விளங்க வேண்டும் என்பதுதான். இறுதியாகக் மீளாய்வும் பகுப்பாய்வும் என்று நான் எழுதும் இப்பகுதியில், கடந்த ஆண்டில் சிறந்த திருப்தி தரும் பெறுபேறுகளை வென்றெடுக்க வல்ல அணியாக முகாமைத்துவமும் பணியாளர் குழாமும் விளங்கின என்பதை தெரிவிக்க விளைகின்றேன். அவர்களின் உறுதிப்பாட்டுடனான அர்ப்பணிப்பு மிக்க சேவையை நான் பெரிதும் பாராட்டுகின்றேன். இச்சந்தர்ப்பத்தில் தலைவர் அவர்களுக்கும், பணிப்பாளர் சபையினருக்கும் அவர்கள் வழங்கி வரும் வழிகாட்டல்கள், ஆதரவு, ஒத்துழைப்பு என்பவற்றிற்கென, பொது முகாமையாளர், பிரதம நிறைவேற்று அதிகாரி என்ற வகையில் எனது மனமார்ந்த நன்றிகளைத் தெரிவித்துக்கொள்ளுகிறேன்.

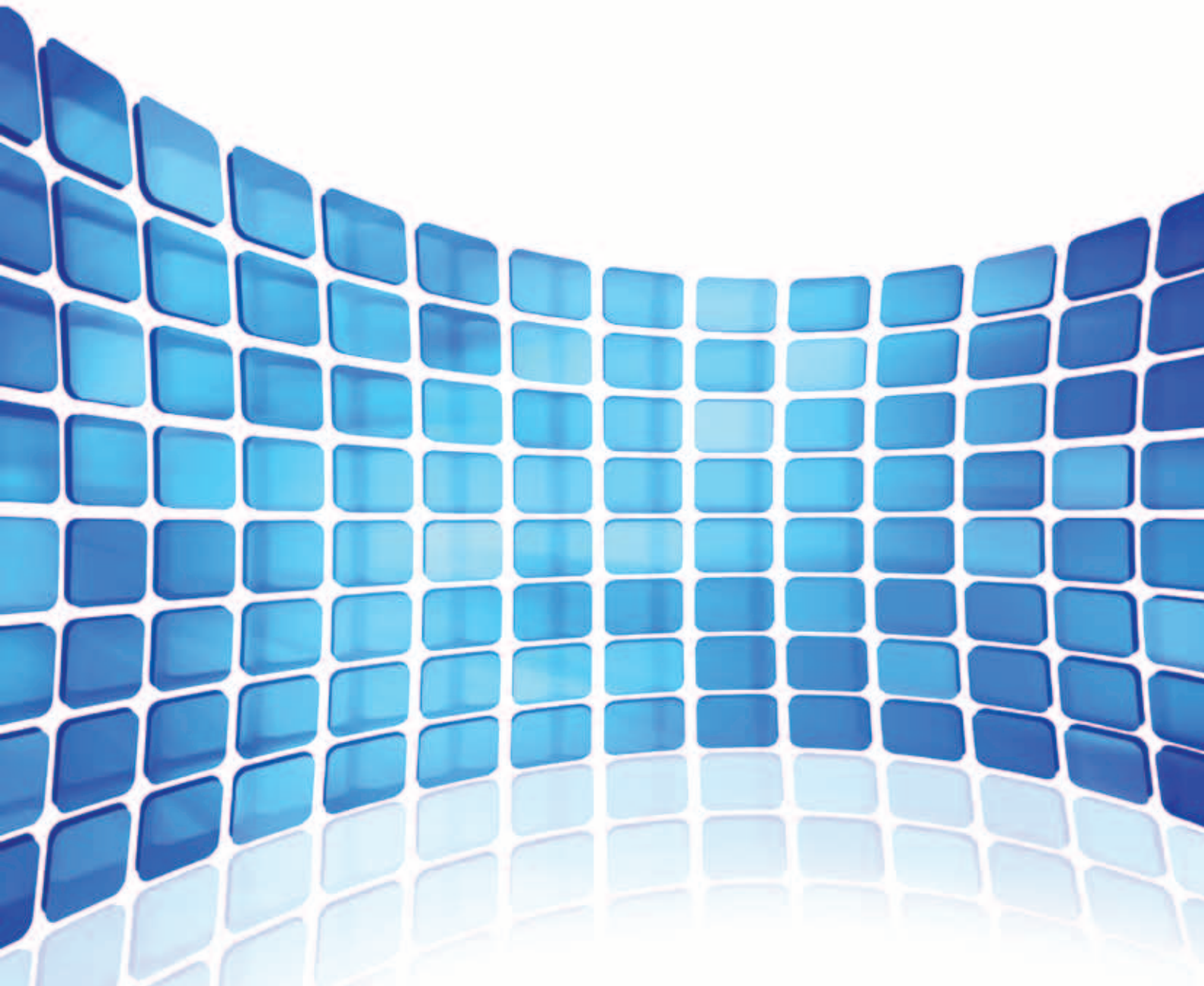


ஆர். சிறிவர்த்தன

பொது முகாமையாளர்/ பிரதம நிறைவேற்று அதிகாரி



# 2010 at a Glance



## Bank ceremonially opened

The Regional Development Bank (RDB) started operations in July 2010 at the head office located in the commercial capital, Colombo to facilitate the conduct of the Bank's operations in an efficient manner. It was also more convenient to coordinate the activities of a wide network of over 250 service centres through a centralised operation. The 12th floor of the Access building at Union Place was selected to house the head office.



The Bank was ceremonially opened by Dr P B Jayasundera, Secretary, to the Ministry of Finance & Planning in the presence of a distinguished gathering.



## Orientation towards the New Vision

Realising that the human resources are the most valuable asset, the Bank took up the challenge of moulding a work force towards a common goal in keeping with the Bank's new vision. The staff who had diverse objectives and directions when they were serving in six different banks earlier, were directed to concentrate towards one common objective.



An extensive orientation programme was planned and conducted among the staff in August to create awareness of the forward march of the Bank. With the accent on explaining the new Vision, Mission and Values of the Bank, the staff was given a thorough training during the orientation programme. The need for everyone to be a partner in the Bank's effort to help the government in its endeavour towards building a prosperous nation was stressed. The responsibilities towards the Bank's stakeholders were also highlighted.



It was emphasized that commitment and dedication were essential ingredients in serving the customers, while a team effort was most essential for the Bank to progress towards achieving its goals.

The entire staff and the management team from the Chairperson downwards participated in six programmes held at different venues in the six regions - Rajarata, Ruhuna, Wayamba, Uva, Kandurata and Sabaragamuwa. It was a novel experience for the staff who got a clear understanding of the objectives of the Bank in a bid to create a prosperous Sri Lanka through regional development.

### Corporate Plan finalised

Further to this, during the last few months of the year, a five-year Corporate Plan was unveiled to direct the Bank's future activities. The five year plan initiated under the guidance of the Chairperson, is woven round the theme "Strengthening the people through regional development to build a prosperous Sri Lanka".

Time frames have been set to achieve the targets set out in the plan and the cooperation of the staff at all levels has been sought. They have been given responsibilities and deadlines to meet the targets with the objective of fulfilling RDB's future goals.

### Financial Relief to Soya Bean Farmers

RDB continues to help the government in its plans to develop the agriculture sector. With this objective the bank was able to come to the rescue of soy bean farmers who were forced to destroy their bumper harvest due to the inability to sell at a profit. Upon the request of His Excellency the President RDB offered credit facilities to the Paddy Marketing Board to purchase this harvest. Farmers in Kekirawa, Horowpathana, Gonapathirawa, Thirappane and other major cities in Anuradhapura were helped by the disbursed facilities amounting to Rs.150 Million through the Paddy Marketing Board to stock their produce.

### Relief measures to paddy cultivators

The country's main suppliers of its national food, paddy cultivators too faced a similar debacle when over production of paddy moved market prices lower. Such situations create severe burdens on farmers but again RDB disbursed facilities amounting to Rs.250 Million to affected farmers through the Paddy Marketing Board helping those farmers not only to overcome the debacle but to earn handsome profits.

## Annual Sports Meet

The combined annual sports meet of the six regional banks has been a practice at RDB over the years. This year as well the tradition was continued when the sports meet was held in September at Ratnapura with the distinguished patronage of Hon. Minister of Public Administration Mr. John Seneviratne. This was a memorable day for all participants and no doubt strengthened friendships and formed new bonds among the workforce.



## Gift of love “Senehase Thilinaya”

To coincide with the World Children’s Day, in October 2010 RDB launched a special gift voucher campaign to all families of new born babies to set a sound footing to their lives. An attractive interest rate was also offered for the accounts opened with these gift vouchers branded as “Senehase Thilinaya” to enable them to benefit from an attractive lump sum when they reach the age of 18 years.

## RDB’s Contribution to make Sri Lanka “The Miracle of Asia”

In November 2010 RDB launched a new deposit certificate branded ‘Arscharyaye Pathuma’ which invited Sri Lankan’s from all walks of life to become partners towards making Sri Lanka the ‘Wonder of Asia’.



The uniqueness of this novel savings account is that the investors pledge themselves to become a partner in the massive development programs taking place in the country towards the said objective. The product was launched to coincide with the second inauguration ceremony of His Excellency the President Mahinda Rajapaksa. The bank pays attractive interest rates to these investors as an appreciation towards their contributions to nation building.

### ‘Yasa Isuru’ Savings Draw

A rewards scheme for depositors of ‘Yasa Isuru’ Savings Certificates was conducted in the Sabaragamuwa region and at the grand draw a lucky winner from Milleniya Branch, Kalutara collected a Micro car worth Rs 1.4 million. The winner, Mr. P A Punyaratne had been a customer of the Milleniya branch from its’ inception 25 years ago. Over the years,



the winner had collected Yasa Isuru certificates to the tune of Rs 15,000. Certificates valued at Rs 100 was bought by many customers who found it a reasonable amount to put away as savings. Two hundred more customers of the Sabaragamuwa region won consolation prizes worth Rs 10,000 each.



## Widening the network

With a view to make the Bank more accessible for customers, a planned programme of establishing branches and expanding the network is underway.



Having identified the requirements in different areas, the Bank took steps to select suitable locations for the branches.



New branches in Peradeniya, Kirindiwela and Kirimatiyane Extension offices were opened. Meanwhile Rattota and Santha Ana Pura branches were re-located to more convenient locations for our customers.



The first branch to be opened after the establishment of RDB was at Kirindiwela. Since the existing branches looked different from each other due to the fact they were operating separately, the need of a franchised model for the new look of RDB was a necessity.

The Raththota branch was exclusively designed as a model branch to meet this requirement. The front appearance was given a face lift so that any one could identify their friendly bank with ease. The internal environment was created for the convenience of the banks internal as well as external customers. The 253rd branch of the RDB network was ceremonially opened at Peradeniya in November 2010.

The regional office and the city branch office in Anuradhapura were shifted to two different premises on 15 November 2010, providing better facilities to staff and customers.

## Mobilising deposits



RDB staff voluntarily participated in special promotional campaigns to mobilise deposits in the six different regions in October to December 2010. A highlight of the programme was the total commitment and co-operation extended by the trade unions to make it a success.

The objective of the two-month programme was to mobilise deposits and get more customers in the process achieving the targets set for the financial year 2010-11. The effort was highly successful and the Bank plans to utilise the savings collected during these campaigns to assist local entrepreneurs in their efforts to contribute towards the country's development efforts.

## PRODUCTS AND SERVICES

### Investment/ Savings Accounts



#### Daily Collection System 'Dorin Dora'

The Regional development bank's flagship product/service is the daily collection system branded as "dorin dora". This system operates through a dedicated set of agents who on daily basis visit the business premises and the residences in the command areas of our branches. It provides great relief and convenience to the target group and saves their opportunity cost, as otherwise they would have to sacrifice their valuable time visiting the branch again and again for their banking transactions. The dorin dora product / service is not only limited to collecting deposits, but has helped the target clientele to obtain loans for development purposes, service this loan account and pay the instalments promptly at their convenience. This unique product /service helped many small scale entrepreneurs and individuals to build up healthy balances over a period of time without much effort and hassle. Thus it has been able to fulfil the vision of the bank of "empowering Sri Lankans".



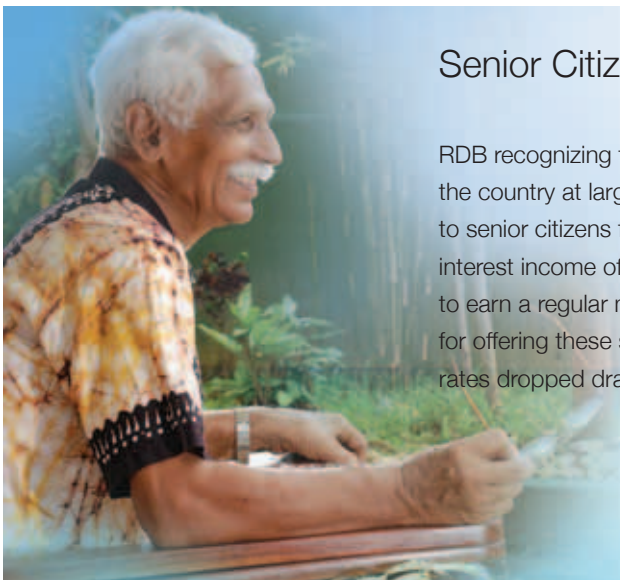
#### Adult Savings Accounts

Competitive interest rates are offered for adult savings accounts at Regional Development Bank. Any person above the age of 18 could open an adult savings account with the bank with an initial deposit of Rs 500. The bank through its large network of branches especially in the rural areas of the country has made it possible for the common villager as well to have access to an array of banking facilities by becoming an adult savings account holder. The expansion of the reach through our branches in rural areas helps a significant number of rural folk towards banking and reduces the large portion of non banking community in the country.



## Children's Savings Account

Children are the future of the country. Hence Regional Development Banks children's savings accounts are designed with the objective of building the deposit balances as they grow. A special interest rate was offered to children's savings accounts to meet this objective. In October 2010, bank introduced a gift voucher system to encourage parents to open savings accounts for their beloved kids. This resulted in getting more children to bank with RDB.



## Senior Citizens Account

RDB recognizing the contribution made by the senior citizens to the society and the country at large during their life over long periods, offers special interest rates to senior citizens fixed deposit accounts. This made an immense impact on the interest income of the senior citizens who had invested their retirement benefits to earn a regular monthly income. Most of our senior citizens praised the bank for offering these special interest rates during an era where the deposit interest rates dropped drastically.





## ‘Dayada’ Savings Account

‘Dayada’ is an unique savings account offered by RDB for those who wish to invest money either in a lump sum or in small regular sums at their convenience over long period of time until they get married. At the time of their marriage the dayada account holder gets the capital, interest and a special bonus interest. A very special interest rate is offered to these accounts to make the investment more fruitful.



## Vishrama

RDB Vishrama account is designed with the objective of providing a hassle free regular income after retirement. The uniqueness of this account is that the investor has a wide range of options to make the investments over a period of time. They could select to make investment daily or Monthly whilst seasonal income earners too have access to this investment scheme. This has been a tremendous boost for a peaceful retirement life to our core customers segments of farmers, fishermen, and small industrialists etc., who have never been able to get in to any pension scheme.



## Fixed Deposits.

RDB Fixed deposits have been very popular among its target group due to competitive rates and the confidence that our customers have placed in us for the last 25 years. The fixed deposits are available at RDB for the periods of 1, 2, 3 and 6 months as well as for 1, 2, 3, 4 and 5 years. Since the inception RDB was able to provide very attractive interest rates out of all the banks. Special interest rates are offered for fixed deposits with tenures of 1 year and more.



## Arshcharyaye Pathuma Deposit Certificates

In the month of October, RDB introduced unique deposit certificates for periods ranging from 1 to 5 years, with face values of Rs.500. Rs.1000 and Rs.5000 at very competitive interest rates in the financial market. As in the past the bank paved way even for the small investor to invest money at a higher rate with a shared vision of making Sri Lanka the 'wonder of Asia'. The uniqueness of this product was the pledge that customer shares with the bank to become a partner to nations development programmes by making the investment even in a small way to achieve the ulterior objective of making Sri Lanka "The wonder of Asia". A noble commitment, indeed.



## Loans

Our loans are specially designed to fulfil the vision of empowering Sri Lankans. An array of small scale loans are on offer to priority sectors such as agriculture, fisheries, small scale industries etc., which are usually not available in many financial institutions or not much encouraged by many.



### S.M.E Sector Specialized Loans

A country with a clear vision and a commitment to move forward developing village economies, need to make available micro financing to the priority sectors. Regional Development Bank has always been assisting small and medium scale enterprises. Such as small scale industrialists, entrepreneurs, self employment sectors etc., these facilities are available on soft securities and at concessional interest rates, convenient repayment periods, and most of all with grace periods until the project realizes regular incomes. The facility requests are mostly evaluated on the viability of the project and the ability of the applicant to repay.



### Start up Loans for Self Employment

A number of startup loans are available at RDB under different brand names for different sectors 'SEPI' (Self Employment Promotion Innovative loan scheme) loans are offered to entrepreneurs who have undergone professional training in a specific field and wish to start up a business project in that line. These loans are provided at attractive interest rates and on soft securities.



### “Saubhagya’

These loans are offered solely for self employment projects with attractive interest rates and on soft securities.



### Agriculture

RDB is one of the very few institutions in the country that provides loans to farmers for paddy and soya bean cultivation and to stock their produce until the market prices become favorable in a short time span of 270 days. RDB took the leadership in 2010 to assist soya bean farmers to stock soya beans when the prices drastically dropped due to heavy production. These loans too are offered at concessional interest rates and soft securities.



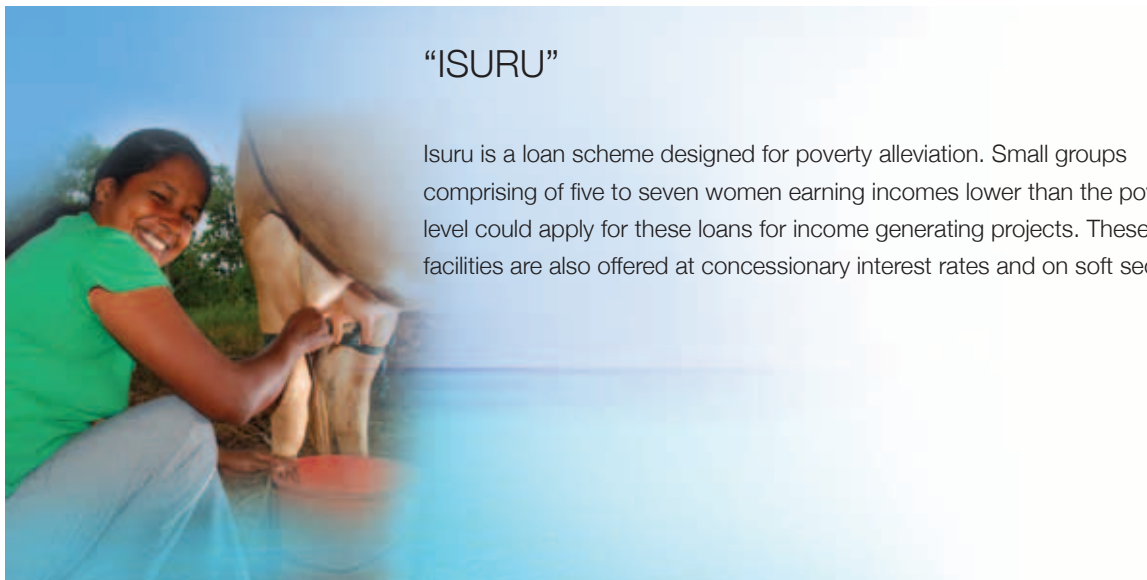
## Fisheries Industry Loans

Loans to the fisheries sector are available at concessional interest rates and soft securities to purchase fishing equipment and for community development. Further loan facilities are also offered to purchase multi-day fisheries boats and other small boats. RDB also offers special loans for inland fish farming and ornamental fish breeding.



## Housing Loans

RDB offers special housing loan schemes for the lower income sectors at attractive interest rates. These loans are granted with repayment periods up to 15 years. Housing loans are offered for purposes such as outright purchase of a house, to buy a land to build a house, renovations and to add new units to an existing house.



## “ISURU”

Isuru is a loan scheme designed for poverty alleviation. Small groups comprising of five to seven women earning incomes lower than the poverty level could apply for these loans for income generating projects. These facilities are also offered at concessionary interest rates and on soft securities.



## Transport Sector Loans

RDB is also one of the very few banks that provide loans to meet transport requirements of rural sector by providing loans to purchase vehicles. These loan facilities are available at low interest rates and soft securities.



## Techno Based industries

Having identified the future demand for fuel and the increasing costs of fuel, RDB offers loans for solar power generation, and small scale power generation projects at convenient terms and lower interest rates.



## Commercial and Business purpose Loans

RDB's commercial and business Loans are offered for retail trading and stock purchasing purposes. The uniqueness of these facilities is that most of these facilities are processed through the banks collection agents who make visits from door to door. The target clientele also has the luxury of servicing these facilities through these agents saving their valuable time to come to the bank regularly.





## BOARD OF DIRECTORS



CHAIRPERSON

Janaki Kuruppu is the first Chairperson of the Regional Development Bank appointed in May, 2010. Currently, she also holds the positions of Advisor on Food Security, at the Office of the President of Sri Lanka, Chairperson of Mother Sri Lanka Trust, Advisor to the Sri Lanka Federation of Industrial Associations and a Director at the Colombo Dockyard PLC. Most recently she was appointed as a member of the 8 member international steering committee on Rural Development and Agriculture Finance project “AgriFin” of the World Bank and the Bill Gates Foundation. Previously to this, she was a Director of Commercial Bank PLC, Sathosa, Cargills Ceylon PLC and Managing Director of The Nielsen Company.

With over 20 years of experience in both the private and public sectors both in the USA and Sri Lanka, Ms Kuruppu has had an illustrious career in a variety of industries. Before joining the public sector in January 2008, she set up her own research and consultancy firm which she later merged with the global leader in Market Research, The Nielsen Company by inviting them to set up in Sri Lanka.

She has also worked as a business and marketing consultant to many local and international companies as well as a Social and Economic Development consultant to donor agencies. In addition to this, her private sector experience also includes Strategic Planning & Business Development for the Cargills Group, where she was on the boards of three of its' subsidiaries for almost 4 years.

After completing almost 17 years in the Private sector, she then undertook an Advisory role in the Public Sector in order to make a direct contribution to nation building. In addition to her role in development banking, she is currently spearheading some special projects which include strategic interventions into Food Security and Cost of Living Management, private sector links and partnerships, patriotism and positive image building on Sri Lanka.

She holds a M.A. in Applied Statistics from the University of Missouri, USA and a B.Sc in Mathematics jointly from the University of Colombo and University of Missouri and currently reading for a PhD at the University of Colombo. Among her other accolades are the All American Scholar Award and the US Achievement Academy Award for outstanding performance in the USA and The Most Outstanding Sri Lankan Award 2010 in recognition of the community service done by the Mother Sri Lanka movement.



P.V. PATHIRANA

DIRECTOR

Mr. P. V. Pathirana was appointed as a director of the Board of Regional Development Bank in October 2010. He holds a B. Sc. (Business Administration) Degree and is a Fellow Member of the Institute of Bankers of Sri Lanka (FIBSL). He also holds a Diploma in Bank Management from the Institute of Bankers of Sri Lanka. Mr. Pathirana is an experienced banker who has risen from the level of a Branch Manager to GM / CEO post covering a wide area of banking practices at Peoples Bank. He has specialized in Micro Financing and Development Banking. His 39 years experience at Peoples Bank elevated him to the post of GM / CEO of Peoples Bank Sri Lanka. Mr. Pathirana also served as a Director of People's Merchant Bank, Credit Information Bureau, Institute of Bankers of Sri Lanka, Agricultural and Agrarian Insurance Board, People's Travels and People's Leasing Finance (PLC) Company. Currently, Mr. Pathirana is the Senior Advisor to Ministry of Finance on SME Finance.

Mr. Dhammika Perera joined the Board of Regional Development Bank in May 2010, at its inception. At present Mr. Dammika Perera serves as Senior Deputy General Manager of National Savings Bank. He joined the NSB in 1986 and since then he has held many key positions of the Bank such as Deputy Chief Internal Auditor, Chief Internal Auditor, Assistant General Manager (Internal Audit) and Deputy General Manager (Audit & Vigilance). At present he oversees the Audit, Investigations, IT, Credit, Administration, and Security of the Bank. Mr. Dhammika Perera is a Certified Information Systems Auditor and was the President of Information Systems Audit and Control Association, Sri Lanka Chapter. He is also a member of the Institute of Internal Auditors, USA; and serves as the Board of Governor of the Sri Lanka Chapter of Institute of Internal Auditors. He holds a B.Com Special Degree and Diploma in Bank Management and is a finalist of the Institute of Chartered Accountants, Sri Lanka. He delivers presentations at various Seminars organized by the ISACA Sri Lanka Chapter and Institute of Chartered Accountants on internal audit and information systems audit related subjects and fraud investigations.



S.D.N. PERERA

DIRECTOR



SUJATHA COORAY

DIRECTOR

Mrs. Cooray was appointed as an Ex- officio member of the Board of Directors of Regional Development Bank in May 2010. She held the position as a director at RDB until her appointment as the secretary to the Ministry of Ports & Highways in November 2010.

Mrs. Cooray is a senior public servant with over 31 years experience at the Ministry of Finance and Planning. She was the Director General of the Department of External Resources and was the Deputy Secretary to the Treasury at Ministry of Finance & Planning. Mrs. Cooray possesses a BA (Hons) degree & Business Philosophy Degree from the University of Colombo. She has also obtained a Masters Degree in Economic Development from the Institute of Social Studies from Hague (Netherlands). She has had overseas training in the fields of Macro Economic & Structural Policies, Leadership & Change in the private sector, International Loans Negotiation, Monitoring & Evaluation of Projects & Programs. Mrs. Cooray has served as a Director at Sri Lanka Electricity Company Pvt Ltd, Sri Lanka Tourist Board and Board of Investment, National Development Bank, Securities & Exchange Commission, Insurance Board of Sri Lanka and Thomas De La Rue Lanka Currency and Security Print (Pvt) Ltd.



CHANDANI WERAPITIYA

DIRECTOR

Mrs. Chandani Werapitiya was appointed to the directorate of Regional Development Bank in May 2010. Presently, Mrs. Werapitiya is the Deputy General Manager (Corporate & International Banking Division) of People's Bank and she is in charge of the Corporate and International Banking Division including the Offshore Banking Unit. She joined People's Bank in June 1987 as a Management Trainee and counts nearly 23 years of experience in the fields of Customer Services, SME/Project Lending, Branch Operations, Corporate Banking and Credit Management. She holds a B.Sc. in Business Administration (Hons) with a Second Class Upper and M.Sc. (Management) from the University of Sri Jayawardenepura and has professional banking qualification-AIB from Institute of Bankers Sri Lanka. Mrs. Werapitiya is also a Director of Sri Lanka Handicrafts Board.

Ms. Nalani has been a Non Executive Nominee Director of Regional Development Bank since May 2010. Ms. Nalani is the Senior Deputy General Manager (Corporate & Offshore Banking) of the Bank of Ceylon and counts over 35 years of diversified banking experience. She has been the head of Corporate and Offshore Banking operations unit for nearly 05 years, contributing significantly for expansion of corporate banking activities.

She was the head of the Recovery Unit of Bank of Ceylon for 3 years, before taking over the current position. She is also a Non Executive nominee Director of Merchant Bank of Sri Lanka PLC and also serves as an Alternate Director to the Boards of Credit Information Bureau, Institute of Bankers of Sri Lanka, BOC Property Development & Management (Pvt) Ltd. and BOC Travels (Private) Limited. She also represents the Bank of Ceylon at the Board of Srilankan Airlines. She was the co-winner of the "Zonta Award for Excellence" in banking category in the year 2009. She is the Senior Vice President of the Association of Professional Bankers of Sri Lanka. Ms. Nalani holds a Bachelor of Arts Degree in Economics and Bachelor of Philosophy in Economics, from University of Colombo. She is also a Fellow Member of the Institute of Bankers of Sri Lanka.



W.A. NALANI

DIRECTOR



**MADURI MUNASINGHE**  
Secretary to the Board / Legal Officer

Miss. Maduri Munasinghe joined RDB on 25th October 2010, as the Secretary to the Board / Legal Officer. She is an Attorney-at-Law with over 7 years of experience. She served as a Legal Officer at Suntel Limited and L. B. Finance PLC and has gained experience in the areas of Commercial Law, Company Secretarial, Corporate Law, Labour Law, Credit and Recoveries. She is currently reading for a Masters of Arts Degree in International Relations at the University of Colombo.

## CORPORATE MANAGEMENT TEAM

**R. SIRIWARDENA** General Manager / CEO



Mr. Siriwardena joined the Rajarata Development Bank as its first General Manager / CEO in 1998. After the amalgamation of the six provincial banks, he was appointed as the General Manager/CEO of the Regional Development Bank with effect from 1st May 2010. He commenced his banking carrier with Bank of Ceylon in 1976 and subsequently joined Hatton National bank and served for a period of 12 years. In 1990 he joined the Sri Lanka Export Development Board and there after the National Development Trust Fund and Pubic Bank Malaysia. He counts over 34 years of service in the banking industry in various capacities specialized in development banking. He is a B.Sc (Business Management) graduate from Sri Jayawardenepura University and holds a post graduate diploma in regional development from the University of Colombo. He is also an associate member of the institute of Bankers of Sri Lanka.

**H.M.K.B.HELLARAWE** D.G.M

Mr. Hellarawe joined RDB in May 2010 as the Deputy General Manager Human Resources, Administration and operations. Prior to this appointment he was the General Manager of Kandurata Development Bank. Mr. Hellarawae counts 38 years of Professional Banking experience covering all banking practices in various executive grades. He holds a B.com Degree from the University of Peradeniya Sri Lanka.



**W.A. SIRISENA** D.G.M



Mr. W.A. Sirisena is a Professional Banker who counts more than 38 years of experience covering all areas in the banking field, in various Executive Grades. He is the former Senior Assistant General Manger of the Bank of Ceylon and former President of the BOC Staff Officers Association during 1993 & 1994 period. He graduated in 1967 from the University of Ceylon Peradeniya. After retirement from the Bank of Ceylon on 14th December 2003, he became the General Manager of Wayamba Development Bank and presently performing duties as the Deputy General Manager Finance, Planning & Internal Audit at RDB.





**A. B. ARIYARATHNA D.G.M**

Mr. Ariyaratne served as the General Manager of Sabaragamuwa Development Bank (SDB) since January 1999. Prior to joining SDB, he was at Bank of Ceylon for 37 years in various capacities. His last post was serving as the Senior Area Manager of Kalutara District. After retiring from BOC he worked at the private sector as the General Manager of the Elco Group of Companies primarily handling printing and packaging. In the year 2007 Sabaragamuwa Development Bank was ranked 2nd in Mix Market Report. As a result of this ranking United Nations Capital Development Fund selected the SDB to undertake feasibility studies in Cambodia and the Maldives. He led two teams to these countries to examine the present position and future potential of micro financing. He also led a team from SDB on a study tour to Bangladesh at the invitation of the Grameen Bank of Bangladesh. Mr. Ariyaratne was also a member of the team of General Managers on a visit to Philippines and Indonesia on a study tour based on micro financing at the invitation of the Apex Bodies of MFI in those countries. He took the initiative in the year 2000, after negotiations with GTZ-FAO to introduce the Micro-Banker (MBwin) system to the Sabaragamuwa Development Bank. Mr. Ariyaratne joined the Regional Development Bank in the year 2010. He is currently the Deputy General Manager Credit Recovery and IT. He is an Associate of the Institute of Bankers of Sri Lanka.

**SARATH CHANDRA FERNANDO A.G.M**

Mr. Sarath Chandra Fernando joined RDB on 1st September 2010, as the Regional General Manager Business Development and Marketing. He counts over 32 years of experience in banking of which 20 years are in marketing and business development at two leading commercial banks. He is a fellow member of three leading professional Institutions, the Institute of Bankers Sri Lanka (IBSL), Sri Lanka Institute of Marketing (SLIM) and Australian Sales and Marketing Institute, Australia. He was conferred the Certified Professional Marketer status by the Asia Pacific Marketing Federation (APMF) and Practicing Marketer status from SLIM. He holds an MBA from University of Sri Jayawardenepura, and has diploma in bank management from IBSL and a diploma in marketing from SLIM. In 2007, he took over the presidency of Sri Lanka Institute of Marketing on honorary basis, and from a loss situation in the previous year, transformed the institution to record the highest ever profits in its history during his tenure as the president. He was instrumental in taking marketing in to villages and also making SLIM as a premier professional body in the region. In 2006, he was appointed as the honorary secretary general of the Asia Pacific Marketing Federation, Sarath Chandra Fernando was the first Sri Lankan to be appointed to this prestigious position. He was in the working committee of the World Marketing Association and currently holds the post of governor for SLIM at Asian Marketing Federation (AMF). He delivers presentations at World Marketing Conferences.



**W.S.HEWAWASAM A.G.M**

Mr.W.S.Hewawasam joined RDB in August 2010, as the Assistant General Manager Human Resources, Administration and Operations. Prior to this appointment, he was the AGM HR and Administration at Sabaragamuwa Development Bank. Mr. Hewawasam counts over 24 years of experience in Banking sector at Management Level. He holds a Bachelor of Arts Degree specialized in Economics from the University of Sri Jayawardenepura and also holds an intermediate diploma from the institute of bankers of Sri Lanka.





**I.J. WIJESEKERA A.G.M**

Mr.I.J. Wijesekera joined RDB in May 2010, as the Assistant General Manager Credit & Recovery. Prior to this appointment he was the AGM Business Promotion and Operations at Sabaragamuwa Development Bank. Mr. Wijesekera counts over 25 years of experience in various Banking practices. He holds a B.com Degree from the University of Sri Jayawardenepura. Mr. Wijesekera also holds an Intermediate Diploma in banking from Institute of Bankers Sri Lanka.

**S.A.A.U.R.K. SINHALAGODA A.G.M**

Mr. S.A.A.U.R.K. Sinhalagoda was promoted as Assistant General Manager Finance & Planning in August 2010. Prior to this appointment he was the AGM Finance & Marketing at Wayamba Development Bank. Mr. Sinhalagoda counts over 24 years of experience in various Banking practices. He graduated in 1982 with a B.Com (special) from the University of Kelaniya, and also holds an intermediate diploma from the Institute of Bankers of Sri Lanka.



**MANOJIKA HERATH**  
Chief Internal Auditor



Ms. Manojika Herath has more than 12 years Auditing experience holding positions in the financial sector of which 5 years in the Banking sector in the capacity of Chief Internal Auditor, 6 years in the capacity of Audit Manager of Chartered Accountancy firms and one year in the Garment Sector as the Chief Accountant. She is an Associate member of the Institute of Chartered Accountants of Sri Lanka, and Fellow member of the Association of the Accounting Technicians of Sri Lanka. Further she holds a Diploma in Banking and Finance from the Institute of Bankers of Sri Lanka and a Business Administration Degree, specialized in Finance from the University of Sri Jayawardenepura. She is currently reading for a MBA at the University of Wayamba.



## REGIONAL GENERAL MANAGERS



### CENTRAL PROVINCE

MR. W.G. JAYANTHA PREMADASA

REGIONAL GENERAL MANAGER  
B.Com (Special) University of  
Sri Jayawardenepura.  
Higher National Diploma in Commerce  
A.M.P.M.A. (UK)



### NORTH CENTRAL PROVINCE

MR. D.M. SENARATHNA BANDARA

REGIONAL GENERAL MANAGER,  
B.Com (Special)  
University of Sri Jayawardenepura.



### NORTH WESTERN REGION

MR. U.B. SEMASINGHE

REGIONAL GENERAL MANAGER,  
B.Com (Special)  
University of Colombo  
Intermediate Examination Institute of Bankers  
of Sri Lanka



### SABARAGAMUWA PROVINCE

MR. C.L. PIHILLANDA

REGIONAL GENERAL MANAGER,  
B.Com University of Kelaniya.  
Post Graduate Diploma in Management  
University of Peradeniya.  
Intermediate Examination Institute of Bankers  
of Sri Lanka



### SOUTHERN PROVINCE

MR. K.P. DAHANAYAKA

REGIONAL GENERAL MANAGER  
B.Com University of Ruhuna.  
Intermediate Banking Diploma Examination  
Institute of Bankers of Sri Lanka  
Post Graduate Diploma in Management  
Rajarata University



### UVA PROVINCE

MR. DICKMAN SILVA

REGIONAL GENERAL MANAGER,  
B.Sc Business Administration  
University of Jayawardenepura.  
AIB Sri Lanka.



### WESTERN PROVINCE

MR. A.H.M.M.B. JAYASINGHE

REGIONAL GENERAL MANAGER,  
Bachelor of Business Administration, University  
of Sri Jayawardenepura.  
Post Graduate Diploma in Management  
University of wayamba  
Post Graduate Diploma in Regional  
Development NIBM and RVB Netherland  
Post Graduate Executive Diploma in Bank  
Management. Institute of Bankers of Sri Lanka



## RISK MANAGEMENT

Managing risks is one of the fundamental functions in a bank which helps the management to proceed towards its ultimate goals without any catastrophic dilemmas. The identification of early signals of probable predicaments and taking appropriate measures to mitigate the numerous risks of banking business ensures the stability and the strength of a bank. RDB being one of the foremost development banks that nurture the sons of soil by augmenting the financial needs of the poor, face the following risks in operations that have been well managed with recurrent monitoring and prudent decision making.

- Credit Risk
- Liquidity Risk
- Interest Risk
- Operational Risk
- Portfolio Risk
- Compliance Risk.

The board of directors having considered the existence and the growth of the bank to face any volatile factors in the internal and external environments, appointed following committees to assess, manage and to take appropriate actions to mitigate integrated risks to the bank on a regular basis.

1. Assets and Liability Committee.
2. Audit Committee.

### CREDIT RISK.

The banks credit portfolio is mainly focused on development activities such as micro finance, small scale trading businesses, Small and Medium Enterprises and the agriculture sector. In borne risk is almost available in all these sectors. Hence the credit risks have to be managed with close monitoring, proper guidance and strict credit discipline. The credit risk begins from the time the applications are evaluated. Therefore the bank has introduced following measures to mitigate the risks involved in credit.

- Identification of potential customers and their needs.
- Identifying proper projects and services for lending.
- Maintaining good relationships with customers.
- Obtaining suitable collateral to secure the loans.
- Evaluating the credit worthiness of the borrowers and Feasibility of the projects.
- Mechanisms for continuous monitoring and recovery measures etc.

In addition to the above factors, comprehensive and appropriate local and foreign training is provided to the staff involved in credit approving and recovering processes. Further strict credit discipline culture is created and maintained amongst staff as well as the borrowers. Regular monitoring systems too have been introduced and implemented at all applicable levels.

**LIQUIDITY RISK.**

Since the inception of RDB, it has been maintaining the specified levels of liquidity ratios on a continuous basis throughout the year. The indicators that contribute to the liquidity ratios have been consistently monitored by the assets and liability committee. The excess funds of the bank were cautiously invested in government securities to maintain liquidity ratios imposed by the Central bank of Sri Lanka. The entire volumes of funding requirements were facilitated by the deposits mobilized by the bank, and lending is controlled and monitored in a diligent manner ensuring the maintenance of required liquidity ratios.

**INTEREST RISK.**

The asset and liability committee managed to steer the bank comfortably in a volatile market situation. The interest rates for deposits and advances varied on many occasions. The interest rates for deposits and lending were always decided by the bank appraising the rates paid by competitive financial institutions in the country. Conceptually banks are exposed to interest rate risks and therefore they have to mitigate it by keeping a sufficient net interest margin and focusing on mobilizing low cost deposits.

**OPERATIONAL RISK.**

Operational risks exist in all operational areas of the bank. These risks draw highest attention and vigilance of the management. Operational risks are primarily associated with systems and procedural errors, system failures, processing errors, human errors, non compliance of rules and regulations, Policies and procedures, violation of law and regulations, frauds and theft, burglaries, misappropriation of funds and other unexpected calamities.

The bank has taken every attentive measure to maintain the aforesaid number of operational risks through regular monitoring systems, analysis, reviews and continuous training to manage them.

**PORTFOLIO AND COMPLIANCE RISKS.**

Financial institutions are often exposed to higher risks in portfolio management due to distinctive number of large loans granted to customers. However RDB is less exposed to this risk due to the granting of many small loans. Further many of the advances released are backed by gold. The bank also on a regular basis monitor the sectors our advances are granted to maintain a healthy credit portfolio. Apart from the wise measures applied to the advances, bank focuses more attention to canvass low cost funds in achieving favorable deposit mix to mitigate any risks to the deposit portfolio. Meeting the requirements of financial authorities is another prime function of the management of the bank. The management on regular basis takes utmost care to ensure to maintain compliance with specifications set by the authorities.

## CORPORATE GOVERNANCE

The manner in which the Corporate Governance is practiced by the Bank is outlined below.

The management and administration of the affairs and business of the bank is vested with the board of directors and accordingly the board is expected to provide leadership and exercise for the control of the bank. The board is responsible for management, performance and accountability and also for maintaining adequate accounts and records for safeguarding the assets of the bank.

### KEY FUNCTIONS OF THE BOARD.

- Setting out the bank's aims and objectives.
- Setting out the strategic directions and policy framework.
- Identifying the principal business risk of the bank and ensuring that the risk is efficiently and favourably managed.
- Guiding the CEO in preparation of corporate plan of the bank to meet the bank's objectives.
- Approval of Annual budgets.
- Reviewing the annual budgets with the corporate plan monthly/quarterly and making revisions or changes necessary.
- Approval of capital and operational budgets and reviewing them periodically.
- Ensuring the bank's performance and its role in compliance with all relevant statutory and ethical standards.
- Periodic and timely reporting to the Central Bank of Sri Lanka.
- Ensuring that an effective system of internal controls is in place.

### BOARD MEETINGS

Board meetings are held on monthly basis with special meetings also being held as and when necessary. The board meetings and agendas are arranged by Chairman and General Manager with the concurrence of the board members and comprehensive information on financial performance and board papers are provided to the board members for their review and discussion. All decisions taken by the board are recorded by the secretary to the board and ratification of the board is obtained at the next scheduled meeting. The board is taking only policy decisions and the authority has been vested to the General Manager to take management decisions.

### AUDIT COMMITTEE

The Audit Committee appointed by the board comprises three directors and meet once in three months and the reports submitted by the Internal Auditors are discussed in details. In addition to that the branch wise progress, audit plans and the internal controls and systems are also discussed and appropriate actions are taken.



#### Members of the Audit committee

1. Mr. P.V. Pathirana (Chairman)
2. Representative of the Treasury
3. Mr. Dammike Perera.
4. Miss.Maduri Munasinghe (Secretary to the Board)

#### RISK MANAGEMENT COMMITTEE

In accordance with the mandatory code of corporate governance issued by the Central Bank of Sri Lanka, Risk Management Committee of the bank is appointed by the Board of Directors.

#### Members of the Risk Management Committee

- Ms. W.A.Nalini (Chairperson of the committee)
- Ms. Janaki Kuruppu
- Mr. Dhammika Perera
- Mr. P.V. Pathirana
- General Manager/CEO

Meetings are held on a quarterly basis to assess all types of Risk Management Issues of the bank.

#### HUMAN RESOURCES & REMUNERATION COMMITTEE

The committee is represented by three members from the Board of Directors of the bank. However, General Manager attends these meetings only by invitation. The principal function of the committee continues to be the determination of remuneration policies (salaries, allowances, and other financial payments) relating to directors, Chief Executive Officer and key management personnel of the bank. Hence the committee meets on quarterly basis during the year.

#### Members of the committee

- Ms. Janaki Kuruppu
- Representative of the Treasury
- Mr. P.V. Pathirana

The other specific functions listed under the Central Bank regulations consist of,

- Setting goals and targets for the directors, CEO and the key management personnel
- Evaluating performances of the CEO and key management personnel against set targets and goals periodically and determined the basis for revising remuneration benefits and other payments of performance based incentives.

#### **ASSETS AND LIABILITY COMMITTEE.**

The Assets and Liability Committee appointed by the board comprise of three Deputy general managers and the General Manager/CEO. They meet once a month regularly and also meet as and when situation arises. At these meetings the rates for lending and deposits are decided by taking the prevailing financial market rates by keeping sufficient margin for the bank. Further rates for investments are also considered especially on Government securities. It's also discussed on fixed assets such as buildings and other properties purchased by the bank. Lending and deposit rates are always considered on competitive rates in the financial market with special attention to cost benefit ratios.

Members of the Assets and Liability Committee.

1. General manager/CEO
2. Deputy General Manager/Finance & Planning
3. Deputy General Manager/ Credit & Recoveries
4. Deputy General Manager/ HRD/Operations.
5. Asst. General Manager/ Business Development & Marketing.
6. Asst. General Manager/Finance & Planning

#### **PROCUREMENT COMMITTEE.**

A committee comprising of three Deputy General Managers have been appointed to recommend all goods and services required by the bank for day to day operations including fixed assets for approval. All the goods and services are subject to the recommendation of the technical evaluation committee comprised by three Asst. General Managers. All Government procurement procedures are followed and the excess of limits for DGM's and GM/CEO are submitted to the board appointed tender committee for approval.

**Procurement Committee Members.**

1. Deputy General Manager (HRD/Admin/Operations.)
2. Deputy General Manager (Finance and Planning)
3. Deputy General Manager (Credit & Recoveries)

**Technical Evaluation Committee Members.**

1. Asst. General Manager (Administration/Operations)
2. Asst. General Manager (Finance & Planning)
3. Asst. General Manager (Credit & Recoveries)
4. Chief Manager (IT if necessary)









## DIRECTORS REPORT

### DIRECTORS INTEREST IN CONTRACTS WITH REGIONAL DEVELOPMENT BANK

The Directors have no direct or indirect interest or any other contracts or proposed contracts with the bank.

### SHARE CAPITAL AND SHARE HOLDINGS.

The total share holders fund as at 31/12/2011 is Rs.3.7 billion which is very much higher than the minimum capital requirement of Rs. 1.5 billion imposed by the Central Bank of Sri Lanka. The stated capital contributed by the share holders at end of the year is Rs. 1.09 billion and their percentage of share holding is as follows.

1. Government Treasury	Rs. 877,446,710	79.81%
2. Bank of Ceylon	Rs. 74,184,480	6.75%
3. People's Bank	Rs. 74,184,480	6.75%
4. National Savings Bank	Rs. 73,584,480	6.69%
5. Total	Rs.1099,400,150	100%.

### PROFIT AND APPROPRIATIONS

Profit before Tax	Rs.809,668,280
Income tax on Profit	Rs.529,654,734
Profit after Tax	Rs.280,013,546
Retain profit B/F	Rs.239,775,538
Profit available for appropriation	Rs.519,789,084
Transferred to Reserves	Rs.508,560,413
Dividends declared (transferred to reserves)	Rs. 54,970,007
Retain profit	Rs.11,228,671
Earnings per share	Rs. 2.55

### RESERVES.

The composition of reserves are as follows.

1. Statutory Reserve Fund.	Rs.453,324,883
2. General Reserve Fund.	Rs.1,727,893,720
3. Special Reserve Fund.	Rs.283,767,576

The board of directors of the bank has recommended a 5% dividend to be paid to the share holders for the year 2010 as the bank has to build up the reserves to meet the capital requirement of Rs. 4.0 billion at the end of 2014.

### CAPITAL EXPENDITURE.

The total expenditure on acquisition of fixed assets during the year amounted to Rs.135 million. This was mainly due to establishment of head office and few new branches and purchasing of computer equipment.

## EMPLOYMENT

The total staff strength of the bank as at 31st December 2010 was 1946 permanent and 275 trainees and contract employees. The bank has arranged a considerable number of training programs to upgrade their knowledge and skills in order to provide a competitive and quality service to the customers. Further the bank has made arrangements to recruit more staff needed with the proposed branch expansion program.

By order of the Board,  
Secretary to the Board.

## AUDIT COMMITTEE REPORT

The Board Audit Committee proceedings were based on the rules and regulations issued by the Central Bank of Sri Lanka.

The Board Audit Committee is empowered to review and monitor the financial reporting process of the Bank. The Board is to provide additional assurance on the reliability of the Financial Statements through a process of independent & objective review.

The Committee consists of three Directors from the Board. Deputy Secretary to the Treasury, Deputy General Manager of the National Savings Bank as ex-officio members of the Board and Chaired by non-executive director of the Board. The Deputy General Manager – Finance planning & Audit and General Manager /CEO attend the Committee by invitation. The Chief Internal Auditor normally attends for the meetings. Board Secretary functions as Secretary to the Committee. Periodically the external auditors attend the committee meetings on invitation.

The main functions of the committee are, to review and monitor internal controls and to ensure compliance of the Bank and assist the Board of Directors by :

- Reviewing the form and content and monitoring the integrity of the Bank's financial statements and financial reporting system.
- Monitoring and reviewing the arrangements for ensuring the objectivity and effectiveness of the external and internal audit function.
- Reviewing the adequacy and effectiveness of the Bank's internal controls and risk management systems and make recommendations.
- Reviewing the internal audit reports, external audit management letters and subsequent follow up audits, thereon.
- Reviewing and making recommendations on the Bank's ethical standards/procedures for ensuring compliance with regulatory and financial reporting requirements and relationships with the relevant regulatory authorities.

The Board Audit Committee met once for the eight months period after the establishment of Regional Development Bank. It paid special attention to the following matters to achieve the aforesaid objectives

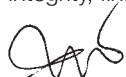
- Established the Internal Audit Function employing a qualified Chief Internal Auditor and assign competent staff to the internal Audit Division.
- Review and implement internal controls and recommended modifications where necessary.
- Review and approve internal audit plan and the internal audit charter for year 2011.
- Review and approve the Internal Audit Manual.
- Review Internal Audit guide line and Audit programs.
- Established the formal complaints handling mechanism.

The Committee also reviewed the internal audit reports during the year 2010 on Assets & Liability Verification Reports of all branches in Central province and North Western province.

The Internal Audit functions were directed at identifying business risks i.e., credit risks, operational risks, market risks, liquidity risks, etc. faced by the Bank by preventing and mitigating the effects of such risks and communicating and encouraging best practices and positive quality assurance throughout the Branch Network. Under the guidance of the Audit Committee, approved Internal Audit work plan was carried out by the Internal Audit Division of the Bank during the year under review. Further the Internal Audit division conducted system audits to eliminate inefficient procedures, improve the internal controls, check and minimize possible instances of frauds and errors.

The Committee noted the strong commitment of the Internal Audit Department to make continued progress in improving efficiency and effectiveness of its functions. The Committee has invited external auditors to discuss management matters and also to discuss pre audit planning of 2010 Audit. The Committee has submitted its comments on these deficiencies and remedial measures were taken by the Management accordingly.

Therefore the Audit Committee is of the view that adequate controls and compliance of the Bank's are in place and maintains highest standards of integrity, financial reporting and risk management.



P. V. Pathirana  
Chairman,  
Board Audit Committee

# AUDITOR GENERAL'S REPORT

For the Eight Months ended 31 December 2010



මගේ අංකය  
எனது இல  
My No.

EF/L/RDB/FA/2010

## பிதனகாபிபதி டேபார்தமேன்துபி கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம் AUDITOR GENERAL'S DEPARTMENT

ඔබේ අංකය  
உமது இல  
Your No.



දිනය  
திகதி  
Date

04 April 2011

### Report of the Auditor General

The audit of accompanying financial statements of Regional Development Bank ("Bank") which comprise the balance sheet as at 31 December 2010, and the income statement, of changes in equity and cash flow statement for the 08 months period then ended, and a summary of significant accounting policies and other explanatory notes (Nos. 1 to 34) to the financial statements was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 33 of the Pradeshiya Sanwardhana Bank Act, No. 41 of 2008. In carrying out this audit, I was assisted by a firm of Chartered Accountants in public practice.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### Scope of Audit and Basis of Opinion

My responsibility is to express an opinion on these financial statements based on my audit. The audit was carried out in accordance with Sri Lanka Auditing Standards which require that the audit shall be planned and performed to obtain reasonable assurance as to whether the financial statements are free from material misstatements. The audit includes examining on a test basis, evidence supporting the

amounts and disclosures in the financial statements. The audit also includes assessing the accounting policies used and significant estimates made by the management as well as evaluating the overall presentation of financial statements. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit. I therefore believe that my audit provides a reasonable basis for my opinion.

### Opinion

So far as appears from my examination, I am of opinion that the Regional Development Bank had maintained proper accounting records for the 08 months period ended 31 December 2010 and the financial statements give a true and fair view of the state of affairs of the Regional Development Bank as at 31 December 2010 and its profit and cash flows for the 08 months period then ended in accordance with Sri Lanka Accounting Standards.

### Report on Other Legal and Regulatory Requirements

These financial statements present the information required by the Banking Act, No. 30 of 1988 and subsequent amendments thereto.

### Report to Parliament

My report to parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

H.A.S. Samaraweera

Acting Auditor General

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දුරකථනය  
தொலைபேசி  
Telephone. } 2691151

கதந்திர சதுக்கம், கொழும்பு 07, இலங்கை

ෆැක්ස් අංකය  
பக்ஸ் இல  
Fax No. } 2697451

INDEPENDENCE SQUARE, COLOMBO 07, SRI LANKA

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ச- மொபில்  
E-mail. } oaggov@sltnet.lk



## INCOME STATEMENT

For the Eight Months ended 31 December 2010

	Note	31.12.2010 Rs.
Income	3	4,604,044,584
Interest Income	4	4,377,054,382
Interest Expense	5	(1,702,663,132)
<b>NET INTEREST INCOME</b>		<b>2,674,391,250</b>
Other Income	6	226,990,202
		<b>2,901,381,452</b>
<b>LESS : NON INTEREST EXPENSES</b>		
<b>Operating Expenses</b>	7	
Personnel Costs		(1,111,704,531)
Provision for Staff Retirement Benefits		(77,533,453)
Premises, Equipment and Establishment Expenses		(288,022,817)
Fee and Commission Expenses		(32,480,525)
Provision for Loan Losses		(29,020,713)
Other Overhead Expenses		(141,746,558)
<b>PROFITS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,220,872,855</b>
Less: Value Added Tax on Financial Services		(411,204,575)
		<b>809,668,280</b>
Less: Tax on Profit on Ordinary Activities	8	(529,654,734)
<b>PROFITS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>280,013,546</b>
Retained Profit Brought Forward From Previous Year	2.1.1.	239,775,538
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>519,789,084</b>
<b>APPROPRIATIONS</b>		
Transfers to Reserves		(68,698,233)
Transfer to Reserve Fund		(13,085,378)
Dividends	9	(18,305,991)
<b>RETAINED PROFITS CARRIED FORWARD</b>		<b>419,699,482</b>
Earnings Per Share	10	2.55
Dividend Per Share - North Western	9	1.11

The Accounting Policies and Notes on pages 74 through 96 form an integral part of the Financial Statements.

## BALANCE SHEET

As at 31 December 2010

	Note	31.12.2010 Rs.
<b>ASSETS</b>		
Cash and Short Term Funds	11	609,664,935
Treasury Bonds and Other Securities Eligible for Rediscounting with Central Bank	12	2,503,330,853
Other Investments	13	4,211,498,765
Loans and Advances	14	37,020,622,757
Bills Purchases		123,346,329
Interest Receivables	15	1,419,590,721
Property, Plant and Equipments	17	404,981,710
Other Assets	18	233,802,876
Deferred Tax Assets	22	92,624,371
<b>TOTAL ASSETS</b>		<b>46,619,463,317</b>
<b>LIABILITIES</b>		
Deposits from Customers	19	37,949,924,535
Borrowings	20	2,457,194,333
Other Liabilities	21	2,544,921,886
Deferred Government Grants	23	10,113,553
		<b>42,962,154,307</b>
<b>SHAREHOLDERS' FUNDS</b>		
Stated Capital	25	1,099,400,151
Statutory Reserve Fund	26	316,410,261
Reserves	27	1,821,799,116
Retained Profit		419,699,482
		<b>3,657,309,010</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>		<b>46,619,463,317</b>
Commitment and Contingencies	30	35,275,791

The Chief Financial Officer certifies that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No, 7 of 2007.



Chief Financial Officer

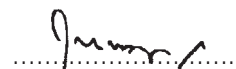
The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board by;



General Manager



Director



Director

The Accounting Policies and Notes on pages 74 through 96 form an integral part of the Financial Statements.

## STATEMENT OF CHANGES IN EQUITY

For the Eight Months ended 31 December 2010

	Stated Capital  Rs.	Statutory Reserve Fund Rs.	Other Reserves Fund Rs.	Special Reserves Fund Rs.	General Reserve Fund Rs.	Retained Earnings  Rs.	Total  Rs.
Balance as at 01 May 2010	846,291,530	303,324,883	487,786,041	232,055,494	1,038,777,550	239,775,538	3,148,011,036
Net Profit/(Loss) for the Period	-	-	-	-	-	280,013,546	280,013,546
Dividends	-	-	-	-	-	(18,305,991)	(18,305,991)
Transferred to Stated Capital	253,108,621	-	-	-	-	-	253,108,621
Medical Insurance Scheme	-	-	9,553,149	-	-	-	9,553,149
Transferred to Welfare fund	-	-	(5,466,262)	-	-	-	(5,466,262)
Transferred to Medical fund	-	-	(8,634,051)	-	-	-	(8,634,051)
Transferred to General Reserve Fund	-	-	(482,267,838)	-	482,267,838	-	-
Transferred to Donatios (OL)	-	-	(971,039)	-	-	-	(971,039)
Transferred from the Profit for the Period	-	13,085,378	-	13,739,647	54,958,587	(81,783,611)	-
Balance as at 31st December 2010	1,099,400,151	316,410,261	-	245,795,141	1,576,003,975	419,699,482	3,657,309,009

The Accounting Policies and Notes on pages 74 through 96 form an integral part of the Financial Statements.

## CASH FLOW STATEMENTS

For the Eight Months ended 31 December 2010

	Note	31.12.2010 Rs.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest Received		4,308,483,111
Interest Payments		(1,569,990,982)
Fees and Commission Received	6	226,950,202
Cash Payments to Employees		(1,095,158,924)
Payments on Other Operating Activities		(1,208,616,142)
Gratuity	21.1	(6,833,026)
Medical Fund		(9,166,006)
Cash Effect on Adjustments made to the Loan Loss Provision		79,282,667
Fees and Commission Expenses		(32,480,525)
<b>Operating Profit Before Changes in Operating Assets</b>		<b>692,470,375</b>
<b>Increase in Operating Assets</b>		
Funds Advanced to Customers	14	(6,645,418,060)
Other Assets		186,700,651
		(6,458,717,409)
<b>Increase in Operating Liabilities</b>		
Deposits from Customers	19	5,781,618,652
Other Liabilities		237,632,875
		<b>6,019,251,528</b>
<b>Net Cash From Operating Activities Before Income Tax</b>		<b>253,004,493</b>
Income Tax Paid		(581,989,182)
<b>Net Cash Flows From Operating Activities</b>		<b>(328,984,689)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment		(134,930,473)
Proceeds from Sale of Property, Plant and Equipment		298,379
(Increase)/Decrease in Treasury Bonds and Other Investment	12,13	2,622,127,330
<b>Net Cash From Investing Activities</b>		<b>2,487,495,236</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net Decrease in Other Borrowings		(351,992,415)
Dividends Paid	9	(18,305,991)
<b>Net Cash From Financing Activities</b>		<b>(370,298,406)</b>
Net Decrease in Cash and Cash Equivalents		1,788,212,141
Cash and Cash Equivalents at the Beginning of the Period		786,452,794
<b>Cash and Cash Equivalents at the end of the Period</b>	<b>32.1</b>	<b>2,574,664,935</b>
		<b>At the End of the Period Rs.</b>
<b>Reconciliation of Cash &amp; Cash Equivalents</b>		
Cash and Short Term Funds	11	609,664,935
Reverses Repurchase Agreement	12	1,965,000,000
		<b>2,574,664,935</b>

The Accounting Policies and notes on pages 74 through 96 form an integral part of the Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### 1. CORPORATE INFORMATION

#### 1.1 General

The operations of Wayamba, Sabaragamuwa, Kandurata, Uva, Rajarata, Ruhuna Development Banks were merged under the Pradeshiya Sanwardhana Bank Act, No. 41 of 2008 to form Regional Development Bank on May 1, 2010. Subsequently, the Bank has expanded its business activities to the North Eastern Province too. At the inception the assets and liabilities were transferred from the Six Regional Development Banks. The registered office of the Bank is located at 12th Floor, Access Tower, 278, Union place, Colombo 02.

On May 1, 2010 following balances were transferred from Wayamba, Sabaragamuwa, Kandurata, Uva, Rajarata and Ruhuna Development Banks to Regional Development Bank.

	Rs.
Total Assets	40,836,935,933
Total Liabilities	37,688,924,895
Net Assets (Note 2.1.1.1)	3,148,011,038
<b>2.1.1.1 Net Assets</b>	
Stated Capital	846,291,530
Statutory Reserve Fund	303,324,885
Reserves	1,758,619,085
Retained Profit	239,775,538
Net Assets	3,148,011,038

#### 1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Bank were providing thrift and credit facilities for the development of agriculture, industry, trade, commerce Pawning Brokering and other development activities, within the region and mobilizing savings and time deposits.

#### 1.3 Date of Authorization for Issue

The financial statements of Regional Development Bank for the eight months ended December 31, 2010 were authorized for issue in accordance with a resolution of the Board of Directors on 30 March, 2011.

#### 2.1.2 Statement of Compliance

The Financial Statements have been prepared in accordance with generally accepted accounting principles and the Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka. These principles and standards used in the preparation of these financial statements have been applied consistently with the preceding year and appropriately improved in compliance with the Revised Accounting Standards.

These Financial Statements are presented to disclose in a manner that income, expenditure, assets and liabilities ensure compliance with the requirements of Sri Lanka Accounting Standard No. 23 - "Revenue Recognition and Disclosures in the Financial Statements of Banks".

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 General Policies

##### 2.1.1 Basis of Preparation

The Financial Statements of the Bank have been prepared in Sri Lankan Rupees on a historical cost basis. No adjustments have been made for inflationary factors.

As far as possible the prescribed formats specified by the Monetary Board in terms of Section 38(3) of Banking Act No.30 of 1988 as amended by Section 76(H) of the Banking (Amendment) Act No. 33 of 1995 for the publication of annual audited financial statement of Licensed Specialized Bank has been adopted in preparing these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### 2.1.3 Comparative Information

The accounting policies have been consistently applied by the Bank and, except for the changes in accounting policies discussed more fully in 2.2; are consistent with those used in the previous year.

### 2.1.4 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

### 2.1.5 Significant Accounting Judgments

#### Judgments

In the process of applying the Bank's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the Financial Statements.

#### Estimates and Assumptions

#### Defined Benefit Plans :

The cost of defined benefit plans- gratuity is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

#### Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

### 2.1.6 Taxation

#### a) Current Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the relevant tax legislations.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

#### b) Deferred Taxation

Deferred income tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized except where the deferred income tax asset relating to the



## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

### 2.1.7 Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

## 2.2 Valuation of Assets and their measurement bases

### 2.2.1 Inventories

Inventories are valued at the lower of cost or net realisable value, after making due allowances for obsolete and slow moving items. Net realisable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted using the following cost formula;

Consumable Stock – at purchase cost on weighted average basis

### 2.2.2 Loans and Advances to Customers

Loans and Advances to customers are stated in the Balance Sheet net of provision for possible loan losses and net of interest in suspense, which is not accrued to revenue.

Provisions for possible non-performing loans and advances are made on the basis of a continuous review of all advances to the customers, in accordance with the directives issued by the Central Bank of Sri Lanka applicable to the Banking Sector. These provisions relate to identified non-performing loans and advances.

Such guidelines require the classification of all loans (Principal and Interest) in arrears over 3 months to be classified as non-performing. All interest accrued from the date the advance is classified as non-performing should be suspended and credited to an interest-in-suspense account. The bank has suspended interest on its entire non-performing Advances. Advances that are in arrears for 6 months or more but less than 12 months shall be classified as substandard accounts and a specific provision of 20% of the amount outstanding net of realizable security value is made. Advances that are in arrears for more than 12 months but less than 18 months shall be classified as doubtful accounts and a specific provision of 50% of the amount outstanding net of realizable security value is made. Advances that are in arrears for more than 18 months shall be classified as loss accounts and a specific provision of 100% of the amount outstanding net of realizable security value is made. In addition, when calculating the Loan Loss provision for Substandard and Doubtful property mortgaged advances, 75% of the Force Sale Value (FSV) of the property is considered as the covered portion, while 60% (1-2 Years in the loss category), 50% (2-3 Years in the loss category) and 40% (Over 3 Years in the

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

loss category) of the FSV of the property is considered as the covered portion of the property mortgaged advances in the loss category as per the Memo.( dated 18th December 2005 issued by the bank.)

As per Central Bank circular issued on December 05, 2006, The Bank has to make a general provision of 1% on total performing loans and advances and overdue loans and advances net of interest in suspense that has been debited to the respective accounts, except for loans given by pledging cash margin accounts, pawning advances and loans granted against government securities until the provision is accumulated to 0.9% of the said performing loans by the 31 December 2010. This provision to be adjusted to 0.5% up to the date of December 31, 2011.

### 2.2.3 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

### 2.2.4 Property, Plant and Equipment

#### a) Cost

Property, Plant and Equipment are recorded at cost less accumulated depreciation and less any impairment in value. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met.

#### b) Depreciation

The provision for depreciation is calculated by using a straight-line method on the cost of all property, plant and equipment other than freehold land, in order to write off such amounts over the estimated useful lives. The principal annual rates used are;

Building	5%	Per annum
Computer Software	33.33%	Per annum
Computer Equipment	20%	Per annum
Office Equipment	20%	Per annum
Motor Vehicles	20%	Per annum
Furniture	15%	Per annum
Iron Safes	10%	Per annum

#### c) De-recognition

An item of Property, Plant and Equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

### 2.2.5 Leases

#### Finance Leases – where the Bank is the Lessee

Finance leases, which transfer to the Bank substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged reflected in the income statement.

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Bank will obtain ownership by the end of the lease term. The depreciation policy for depreciable leased assets is consistent with that for depreciable asset that are owned as described in 2.2.4.

### 2.2.6 Investments

Cost of investment includes purchase cost and acquisition charges such as brokerages, fees, duties and bank regulatory fees. The company distinguishes and presents current and non current investment in the balance sheet.

#### a) Current Investments

Current investments are stated at market value or the lower of cost and marker value.

When Current investments are stated at lower of cost and market value, carrying amount is determined on an aggregate portfolio basis in total.

Unrealized gains and losses on current investments carried at market value i.e. reduction to market value and reversals of such reductions required to reflect current investments at the lower of cost and market value, are credited or charged to the Income Statement.

#### b) Long Term Investments

Long term investments are stated at cost. Carrying amounts are reduced to recognize a decline other than temporary, determined for each investment individually. These reductions for other than temporary declines in carrying amounts are charged to income statement.

### 2.2.7 Other Assets

All other assets are valued net of specific provision, where necessary, so as to reduce the carrying value of such assets to their estimated realizable value.

## 2.3 Liabilities and Provision

### 2.3.1 Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

### 2.3.2 Commitment and Contingencies

All discernible risks are accounted for in determining amount of other liabilities.

### 2.3.3 Retirement Benefit Obligations

#### (a) Defined Benefit Plan - Gratuity

The Company measures the present value of the promised retirement benefits of gratuity which is a defined benefit plan with the advice of an actuary every year using accrued benefit valuation method / projected benefits valuation method. Actuarial gains and losses are recognised as income or expenses over the expected average remaining working lives of the participants of the plan.

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### (b) Defined Contribution Plan – Employees Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective Statutes and Regulations. The Bank contributes 15 % and 3 % of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

#### 2.3.4 Grants & Subsidies

Grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is set up as deferred income. Where the Company receives non-monetary grants, the asset and that grant are recorded at nominal amounts and is released to the income statement over the expected useful life of the relevant asset by equal annual installments

#### 2.3.5 Pawning Emergency Fund

1% on pawning interest income is transferred to a suspense account to meet the future liabilities on pawning.

### 2.4 Statement of Income

#### 2.4.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

#### (a) Interest Income from Customer Advances

Interest Income from Customer Advances is recognized on an accrual basis. Interest ceases to be taken into revenue when the recovery of interest and/or principal is in arrears for over three (3) months. Thereafter, interest on advances is accounted for on a cash basis. Interest on non-performing loans and advances is credited to the "Interest in Suspense" account, which is netted in the Balance Sheet against the relevant balance.

#### (b) Interest Income from Other Sources

Interest Income on Government of Sri Lanka Treasury Bills and Central Bank Securities is recognized on an accrual basis. Discounts on purchase are amortized to income on a straight-line basis over periods to maturity.

#### (c) Fees and Commission Income

Fees and commission income comprise mainly of fees receivable from customers for guarantees and other services provided by the Bank. Such income is recognized as revenue as the services are provided.

#### (d) Dividend Income

Dividend income is recognised in the period in which dividend is declared.

#### (e) Recovery of Non-performing Loans and Advances

Interest recovered from non-performing loans and advances is recognized as income on a cash basis.

#### (f) Grants -Capital received are amortised over the useful lifetime of the corresponding assets.

## NOTES TO THE FINANCIAL STATEMENTS

*For the Eight Months ended 31 December 2010*

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### (g) Accounting for Lease Income

The Bank follows the finance lease method of accounting for lease income as recommended by Sri Lanka Accounting Standard No. 19.

The excess of aggregate lease rentals receivables over the cost of the leased assets constitutes the total unearned lease income at the commencement of a lease. The unearned lease income is taken into income over the term of the lease commencing with the month in which the lease is executed in proportion to the declining receivable balance.

Gross earnings under finance leases in respect of lease rentals due, cease to be taken to revenue when they are in arrears for over three months. Thereafter, such income is recognised on cash basis.

### 2.4.2 Terminal Benefits

The amount provided for as retirement gratuities are charged to the Income Statement.

### 2.4.3 Expenditure Recognition

- (a) Expenses are recognised in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency have been charged to income in arriving at the profit for the year.
- (b) For the purpose of presentation of the Income Statement the Directors are of the opinion that nature of expenses method presents fairly the elements of the Bank's performance, and hence such presentation method is adopted.

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

<b>3. INCOME</b>	<b>31.12.2010</b>
	<b>Rs.</b>
Gross Income	4,604,044,584
	4,604,044,584
Interest Income (Note 4)	4,377,054,382
Other Income (Note 6)	226,990,202
	4,604,044,584
<b>4. INTEREST INCOME</b>	<b>31.12.2010</b>
	<b>Rs.</b>
Loans and Advances	3,928,595,691
Treasury Bills/Bonds and Placements with other Banks	448,458,691
	4,377,054,382
<b>5. INTEREST EXPENSE</b>	<b>31.12.2010</b>
	<b>Rs.</b>
Customer Deposits	1,590,751,935
Borrowings and Refinance	98,444,737
Interest on Leases	47,074
Overdraft Interest	859,046
Interest on Reverse Repurchase Agreements	12,207,318
Interest on Other short term loans	353,022
	1,702,663,132
<b>6. OTHER INCOME</b>	<b>31.12.2010</b>
	<b>Rs.</b>
Fee and Commission Income	179,784,400
Recoveries from Provision for NPL	47,133,815
Dividends	31,987
Amortization of Revenue Grant	40,000
	226,990,202
<b>7. OPERATING EXPENSES</b>	<b>31.12.2010</b>
	<b>Rs.</b>
Operating expenses include the following ;	
Personnel Costs	
Salaries	623,253,678
E.P.F	75,829,738
E.T.F	15,133,017
	714,216,433



## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

<b>Premises, Equipment and Establishment Expenses</b>	
Depreciation	61,177,991
Transport Charges	1,931,215
Bank Relocation Expenses	4,889,317
	<u>67,998,523</u>
<b>Fee and Commission Expenses</b>	
Expenses on Litigation	5,741,840
Chairman's Fee and Emoluments	1,145,000
Directors' Emoluments	735,859
Auditors' Remuneration	4,395,219
	<u>12,017,918</u>
<b>Other Overhead Expenses</b>	
Donations	1,930,331
Advertising	32,930,502
	<u>34,860,833</u>
	<u>829,093,707</u>
<b>8. INCOME TAX EXPENSE</b>	
	<b>31.12.2010</b>
	<b>Rs.</b>
<b>Current Income Tax</b>	
Current Tax Expense on Ordinary Activities for the Period (Note 8.1)	472,488,140
Under/(Over) Provision of current taxes in respect of prior years	-
Social Responsibility Levy	7,087,322
<b>Deferred Income Tax</b>	
Deferred Taxation Charge/(Reversal) (Note 8.2)	50,079,272
	<u>529,654,734</u>
<b>8.1 Reconciliation Between Current Tax Expense and the Product of Accounting Profit.</b>	
	<b>31.12.2010</b>
	<b>Rs.</b>
Accounting Profit (Profit Before Tax )	809,668,280
Aggregate Disallowed Items	(67,239,480)
Aggregate Allowable Expenses	607,537,316
Statutory Income from Trade	<u>1,349,966,116</u>
Taxable Income	<u>1,349,966,116</u>
Taxation Rate	35%
Tax Liability for the Period of Assessment	472,488,140
Current Income Tax Expense	<u>472,488,140</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### 8.2 Deferred Tax Expense/(Income)

Deferred Tax Income arising due to  
Origination and Reversal of Timing Differences

50,079,272

50,079,272

### 8.3 Deferred Tax has been computed using current tax rate.

### 9. DIVIDENDS PAID AND PROPOSED

31.12.2010

Rs.

Declared and Paid During the Period

Final Dividend for 2009 Rs.1.1135 - North Western

18,350,991

18,350,991

### 10. EARNINGS PER SHARE

- 10.1** Basic Earnings Per Share is calculated by dividing the net profit for the eight months period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the Eight months period. The weighted average number of ordinary shares outstanding during the eight months period and the previous period are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

### 10.2 The following reflects the income and share data used in the Basic Earnings Per Share computations.

#### Amount Used as the Numerator

Net Profit

31.12.2010

Rs.

280,013,546

Net Profit Attributable to Ordinary Shareholders for Basic Earnings Per Share

280,013,546

#### Number of Ordinary Shares Used as Denominator

Weighted Average number of Ordinary Shares in issue

Applicable to Basic Earnings Per Share

31.12.2010

Number

109,940,015

Adjusted Weighted Average number of Ordinary Shares applicable to Basic Earnings Per Share

109,940,015

Earnings Per Share

2.55

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### 11. CASH AND SHORT TERM FUNDS

	31.12.2010 Rs.
Cash in Hand	155,377,751
Cash at Bank	454,287,184
	<u>609,664,935</u>

### 12. TREASURY BILLS AND OTHER SECURITIES ELIGIBLE FOR REDISCOUNTING WITH THE CENTRAL BANK

Current	31.12.2010 Rs.
Treasury Bills	538,330,853
Repurchase Agreements	1,978,250,991
Provision for Non Performing Repo Investments	(13,250,991)
	<u>2,503,330,853</u>
Total Carrying Amount	<u>2,503,330,853</u>

### 13. OTHER INVESTMENTS

Non Current	31.12.2010 Rs.
Investments in Debentures (Note 13.1)	120,000,000
Premium Bond	431,040
Vanik Call Deposits	23,500,000
Provision for Vanik Call Deposit	(23,500,000)
	<u>120,431,040</u>
Current	31.12.2010 Rs.
Fixed Deposits	3,339,677,307
Equity Securities (Note 13.2)	836,514
Other Investment	750,553,904
	<u>4,091,067,725</u>
Total Carrying amount	<u>4,211,498,765</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### 13.1 Investments in Debentures

	Face Value 31.12.2010 Rs.	Carrying Value 31.12.2010 Rs.
<b>Current</b>		
Vanik Incorporation Ltd.	10,500,000	10,500,000
Provision for Vanik Debentures	(10,500,000)	(10,500,000)
	-	-
<b>Non Current</b>		
BOC	10,000,000	10,000,000
Peoples Merchant Bank	100,000,000	100,000,000
DFCC Bank	10,000,000	10,000,000
	120,000,000	120,000,000
	120,000,000	120,000,000

### 13.2 Investments in Equity Securities

	No of Shares 31.12.2010	Carrying Value 31.12.2010 Rs.	Market Value 31.12.2010 Rs.
<b>Quoted</b>			
DFCC Bank	361	14,580	72,272
Lanka Walltiles Ltd.	1,575	45,000	218,768
Merchant Bank Ltd.	3,461	274,665	158,514
People's Merchant Bank Ltd.	1,400	28,000	41,160
Kelani Tyres Ltd.	3,000	175,000	295,800
Ceylinco Seylan Development Ltd	10,000	150,000	-
CRIB	5,000	50,000	50,000
		737,245	836,514
Provision for Non Performing Shares		(150,000)	-
Provision for Shares - Devaluation		249,269	-
		836,514	836,514

### 14. LOANS AND ADVANCES

	31.12.2010 Rs.
Cultivation Loans	947,068,933
Pledge Loans	483,126,456
Agriculture Loans	3,666,000,295
Agriculture Equipments	109,559,163
Live Stock Loans	721,677,610
Fisheries Loans	197,070,034
Industrial Loans	2,240,466,593
Commercial Loans	3,390,068,338
Transport Service Loans	259,601,687
Housing Loans	7,177,115,845
Consumption Loans	1,856,312,527
Rescheduled Loans	8,022,116
Loans Against Deposits	1,106,462,446
Pawning Advances	13,964,166,348
Leasing	50,025,912
Staff Loans	790,205,576
Non Performing Loans (Note 14.1)	1,151,711,837
	38,118,661,716

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### Less :

Specific Provision for Non-Performing Loans and Advances & Leasing (Note 16)	(783,834,135)
General Provision for Performing Loans and Overdue Advances (Note 16)	(195,428,134)
Emergency Fund Pawning	(116,449,303)
Interest in Suspense for Rescheduled Loans	(2,327,387)
	<u>37,020,622,757</u>

### 14.1 Non Performing Loans have been categorised as follows

	31.12.2010 Rs.
Special Mention Loans	102,452,306
Special Mention Leases	7,281,890
Special Mention Pawning	13,566,557
Substandard Loans	139,004,310
Doubtful Loans	116,056,420
Loss Loans	762,259,931
Loss Pawning	11,090,423
	<u>1,151,711,837</u>

### 15. INTEREST RECEIVABLES

	31.12.2010 Rs.
Interest Receivables	2,084,748,222
Less: Interest in Suspense (Note 16)	(665,157,501)
	<u>1,419,590,721</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### 16. MOVEMENT IN THE PROVISION FOR LOAN LOSSES AND INTEREST IN SUSPENSE

	General Provision Against Advances Rs	Specific Provision Against Advances Rs.	Total Provision Against Advances Rs.	Interest in Suspense Rs.
As at 1 May 2010	184,407,103	815,427,194	999,834,297	792,316,984
Amounts Written Off	(6,060,045)	(400,098)	(6,460,143)	-
Recoveries of Advances Written Off in Previous Period	530,196	3,471,022	4,001,218	-
Provision Made During the Period	27,629,764	42,371,822	70,001,586	19,468,965
Recoveries of Provision Made During the Previous Period	(11,078,883)	(77,035,804)	(88,114,687)	(159,771,361)
Interest Suspense During the Period	-	-	-	172,408,015
Suspense Interest Recovered	-	-	-	(159,265,102)
As at December 31,2010	195,428,135	783,834,136	979,262,271	665,157,501

### 17. PROPERTY, PLANT AND EQUIPMENT

	Land & Building Rs.	Bank Safe Rs.	Office Equipment Rs.	Computer Accessories Rs.	Furniture, Fittings & Others Rs.	Motor Vehicles Rs.	Total Rs.
<b>Cost</b>							
Balance as at 01.05.2010	108,637,926	46,745,747	238,769,815	167,157,941	136,525,369	118,720,371	816,557,170
Additions During the Period	-	2,023,867	78,758,169	28,026,626	11,625,159	12,242,987	132,676,807
Write Off	-	-	(10,455,708)	-	-	-	(10,455,708)
Transfer During the Period	-	47,530,086	(3,056,252)	3,631,357	(68,527,935)	3,958,727	(16,464,018)
Disposals during the Period	-	-	(4,916,137)	(2,522,772)	(3,845,352)	-	(11,284,261)
Reclassification - Addition	-	-	1,176,532	21,041,055	388,721	-	22,606,308
Reclassification - Deduction	-	-	(23,499,964)	(3,864,949)	(14,499,420)	-	(41,864,334)
Balance as at 31.12.2010	108,637,926	96,299,700	276,776,454	213,469,257	61,666,542	134,922,085	891,771,964
<b>Working Progress</b>							
Balance as at 01.05.2010	14,692,753	-	-	263,008	-	-	14,955,761
Additions During the Period	2,253,665	-	-	-	-	-	2,253,665
Transfer During the Period	-	-	-	(263,008)	-	-	(263,008)
Balance as at 31.12.2010	16,946,418	-	-	-	-	-	16,946,418
<b>Total Value</b>	125,584,344	96,299,700	276,776,454	213,469,257	61,666,542	134,922,085	908,718,382
<b>Accumulated Depreciation</b>							
Balance as at 01.05.2010	21,426,965	31,969,230	156,807,876	119,522,025	39,763,247	86,225,101	455,714,444
Charge for the Period	2,771,493	4,228,584	23,159,722	18,218,658	4,900,022	7,899,512	61,177,991
Written Off	-	-	(8,956,052)	-	-	-	(8,956,052)
Transfer During the Period	-	24,038,244	(2,139,246)	98,578	(95,119)	3,603,733	25,506,190
Disposals During the Period	-	-	(4,685,554)	(1,993,258)	(3,817,244)	-	(10,496,055)
Reclassification - Addition	-	-	1,176,382	10,512,482	246,157.02	-	11,935,021
Reclassification - Deduction	-	-	(22,998,725)	(2,136,781)	(6,009,360)	-	(31,144,866)
Balance as at 31.12.2010	24,198,459	60,236,058	142,364,403	144,221,705	34,987,702	97,728,346	503,736,673
<b>Total Depreciation</b>	24,198,459	60,236,058	142,364,403	144,221,705	34,987,702	97,728,346	503,736,673

#### 17.1 Net Book Values

At Cost or Valuation	31.12.2010 Rs.
Lands & Buildings	84,439,468
Iron Safes	36,063,641
Furniture & Equipments	26,678,840
Machinery ( Office ) Equipments	134,412,051
Motor Vehicles	37,193,740
Computer Equipment	63,725,698
Computer Software	5,521,854
Working Progress	16,946,418
	404,981,710
<b>Total Carrying Amount of Property, Plant and Equipment</b>	404,981,710



## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### 18. OTHER ASSETS

	31.12.2010 Rs.
Deposits and Prepayments	152,249,344
Other Debtors	81,349,406
Cashiers' Excess and Shortage	204,126
	<u>233,802,876</u>

### 19. DEPOSITS FROM CUSTOMERS

	31.12.2010 Rs.
Savings Deposits (Note 19.1)	16,944,576,147
Time Deposits (Note 19.2)	21,005,348,388
	<u>37,949,924,535</u>

#### 19.1 Savings Deposits

	31.12.2010 Rs.
General Savings	10,645,372,102
Senior Citizens Savings	42,055,171
Dormant Savings	1,073,710,387
Investment Savings	3,773,879,568
Minor Savings	1,006,784,744
Dormant Investment Savings	402,774,175
	<u>16,944,576,147</u>

#### 19.2 Time Deposits

	31.12.2010 Rs.
Fixed Deposit	15,066,063,343
Institutional Fixed Deposit	4,922,488,966
Senior Citizens Fixed Deposits	644,003,436
Certificates of Deposits	211,078,123
Call Deposits	150,945,181
Staff Security Deposits	10,769,339
	<u>21,005,348,388</u>

### 20. BORROWINGS

	31.12.2010 Rs.
Bank Overdraft	436,734
Short Term Loan	12,364,171
Refinance Borrowings- Central Bank	1,075,883,563
Refinance Borrowings - Other Institutions	1,368,509,865
	<u>2,457,194,333</u>
Due within One Year	746,118,934
1-5 Years	1,515,523,925
After Five Years	195,551,474
	<u>2,457,194,334</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### 21. OTHER LIABILITIES

	31.12.2010 Rs.
Accrued Expenditure	1,181,424,370
Provision for Gratuity (Note 21.1)	503,979,675
Other Creditors	735,659,631
Other Provisions	491,137
Provisions for Loan Contingencies	20,727,667
Staff Medical Fund	24,904,959
Staff Welfare Fund	5,260,713
Loan Assurance Fund	3,118,718
Unclaimed Balances	51,517,980
Special Revolving Funds	16,891,338
Wirusevana Fund	945,697
	<u>2,544,921,886</u>

#### 21.1 Provision for Gratuity

	As At 01.05.2010 Rs.	Charge for the Period Rs.	Payments during the Period Rs.	As At 31.12.2010 Rs.
Retirement Benefit Obligation - Gratuity	433,279,247	77,533,453	(6,833,026)	503,979,675

### 22. DEFERRED TAX ASSETS / LIABILITIES

Deferred Tax Assets , Liabilities and Income Relates to the Followings

	Balance Sheet Rs.	Income Statement Rs.
<b>Deferred Tax Liability</b>		
Capital allowances for tax purposes	152,168,363	(119,036,740)
	<u>152,168,363</u>	
<b>Deferred Tax Assets</b>		
Defined Benefit Plans	176,392,886	35,887,583
General Provision for Performing Loans and Advances	68,399,847	33,069,885
	<u>244,792,733</u>	
Deferred tax income / (expense )		<u>(50,079,272)</u>
 Reflected in the Balance Sheet as follows		
Deferred Tax Assets	244,792,733	
Deferred Tax Liabilities	152,168,363	
Deferred Tax Assets /Liabilities (Net)	<u>92,624,371</u>	

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### 23. GOVERNMENT GRANTS

	31.12.2010 Rs.
Balance as at Beginning of the Period	10,178,960
Grant Received During the Period	-
Amortisation During the Period	(65,407)
Balance as at the end of the Period	10,113,553

### 24. STATED CAPITAL

#### 24.1 Stated Capital

	31.12.2010	
	Number	Rs.
Ordinary Shares	109,940,015	1,099,400,151
	109,940,015	1,099,400,151

**24.2** The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at a meeting of the share holders.

Issued and Fully Paid	Balance As at 01.05.2010 Number	Debenture & Debenture Interest Transfer to Shares During the Period Number	Issued for Cash During the Period Number	Issued for Non cash Consideration Number	Balance As at 31.12.2010 Number
Number of Ordinary shares	84,629,153	25,310,862	-	-	109,940,015

### 25. STATUTORY RESERVE FUND

	Balance as at 01.05.2010 Rs.	Appropriations During the Period Rs.	Transfers From/to Reserves Rs.	Balance as at 31.12.2010 Rs.
Statutory Reserve Fund	303,324,883	13,085,378	-	316,410,261

### 26. RESERVES

	31.12.2010 Rs.
Special Reserve Fund	245,795,139
General Reserve Fund	1,576,003,977
	1,821,799,116

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### 26.1 Movement of Reserves During the Period

	Balance as at 01.05.2010	Appropriations During the Period	Transfers From/to Reserves	Balance as at 31.12.2010
	Rs.	Rs.	Rs.	Rs.
Special Reserve Fund	232,055,494	13,739,647	-	245,795,140
General Reserve Fund	1,038,777,550	54,958,587	482,267,838	1,576,003,975
	1,270,833,044	68,698,233	482,267,838	1,821,799,115

### 27. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no material events occurred after the Balance Sheet date that requires adjustment to or disclosure in the Financial Statements other than disclosed above.

### 28. DIRECTORS' INTEREST IN CONTRACTS

Transactions with Key Management Personnel of the Bank or its parent

The key management personnel of the Bank are the members of its Board of Directors.  
The Directors of the Bank during the financial Period were:

Mr. Dhammika Perera

Mrs. Chandani Werapitiya

Mrs. W.A. Nalani

Mrs. Sujatha Cooray

Mr. P.V. Pathirana

During the Period, the Bank has entered in to transactions with the following Related Parties.

Mr. Dhammika Perera is a Director of the Bank, is also the Deputy General Manager of National Saving Bank, with which, the Bank has invested in Fixed Deposit amounting to Rs. 30,000,000.00/- as at December 31, 2010 and during the current financial period Rs. 36,714,109.59 was received from the said Bank as an interest income from investment in Fixed Deposits.

Mrs. Chandani Werapitiya was a Director of the Bank, is also Deputy General Manager of People's Bank., with which, the bank has had following transaction.

The Bank maintains current accounts with the said Bank and the balance as at December 31, 2010 was amounted to Rs. 29,758,530.33 and also invested in Fixed Deposits and in Repurchase Agreements amounting to Rs. 19,492,731.18/- and Rs. 1,314,951,633.00/- respectively. During the current financial period Rs. 22,287,687.34/- and Rs. 32,866,474.66/- was received from the said Bank as an interest income from the investment in Fixed Deposits and Repurchase Agreements respectively.

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

Mrs. W.A. Nalani was a Director of the Bank, is also Deputy General Manager of Bank of Ceylon ., with which, the Bank has had following transaction.

The Bank maintains current accounts with the said Bank and the balance as at December 31, 2010 was amounted to Rs. 72,050,361.56 and also invested in Fixed Deposits amounting to Rs. 2,475,793,972.60/-. During the current financial period Rs. 92,822,286.22/- was received from the said Bank as an interest income from investment in Fixed Deposits.

Mrs. Sujatha Cooray and Mr. P.V. Pathirana are Directors of the Bank , are also the Directors of Government Treasury, with which, the bank has no direct or indirect transactions.

### 29. COMMITMENTS AND CONTINGENCIES

#### Financial Commitments

#### Bank Guarantees

31.12.2010  
Rs.

35,275,791  
35,275,791

#### Contingent Liabilities

#### Legal Claims

##### Wayamba Province

##### Case No.2895/M – District Court Puttalam

Mr. M.A.T.A. Marasinghe, Attorney-at-Law appears on behalf of the Bank.

The case has been filed against the bank by N.I.Mallawarchchi. By executing, parate rights bank has sold the subject land to the plaintiff by a auction dated 29/12/2004. The Plaintiff has now pleaded Rs.2500000/- as damages from the bank for the failure to execute the transfer deed in due course. Case is fixed on 25th March 2011 in order to file the proxy.

##### Case No.1663/L – District Court Naththandiya

Mr. M.A.T.A. Marasinghe, Attorney-at-Law appears on behalf of the Bank.

1st Defendant (our customer) has mortgaged a land to the Bank which was bought by him under a transfer deed from the plaintiff. Plaintiff's position was that, the transfer deed is a fraudulently executed deed by the 1st defendant. Plaintiff has filed the case against 1st Defendant – the customer and the Bank as the 2nd defendant and pleaded Rs.800,000/- as damages. Bank is in the position that, respective panel lawyer has duly checked the title and there were no discrepancies on the title. Case is fixed for on 31st March 2011 in order to file the proxy.

##### Central Province

##### Case No.6311/L – District Court Matale

Ms. Sandyani Wijesekera appears on behalf of the Bank. The case has been filed against the bank by Hariraman Nadar Vishwanadan, a former land lord of a RDB Branch. Plaintiff has pleaded to eject the RDB from the respective premises, Rs.23000/- per month till the handing over of the vacant possession, & Rs.550,000/- as damages caused to the premises.

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

Bank has already vacated from the respective premises. Further it was called a technical report in respect of the damages caused. The case is due for the answer of the defendant bank, on 20th May 2011.

### North Central province

Case No.20324/M – District Court Anuradhapura

Mr. Hiran Jayasuriya Appears on behalf of the Bank

Bank has granted a loan to the Plaintiff secured by a vehicle. Due to default of installments bank has ceased the property. Plaintiff had filed a case against the bank claiming Rs.2,000,000/- as damages. For the damages caused to him on the seizure.

### 30. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT

Components of Cash and Cash Equivalents for the purpose of the Cash Flow Statements

#### 30.1 Favourable Cash and Cash Equivalents balance

	31.12.2010 Rs.
Cash and Short Term Funds	609,664,935
Repurchase Agreements	1,965,000,000
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	2,574,664,935

### 31. RELATED PARTY DISCLOSURES

"Except for the matters stated in Note 29 to these financial statements there were no related party transactions during the period."



## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### 32. MATURITY ANALYSIS

An analysis of the interest bearing assets and liabilities based on the remaining period at the Balance Sheet date to the respective contractual maturity dates are as follows.

	Up to 3 Months	3-12 Months	1 - 3 Years	3 - 5 Years	Over 5 Years	Total
<b>ASSETS</b>						
<b>Interest Earning Assets</b>						
Treasury Bills	279,982,858	258,347,996	-	-	-	538,330,853
Repurchase Agreements	1,965,000,000	-	-	-	-	1,965,000,000
Fixed Deposits	807,992,731	2,531,684,576	-	-	-	3,339,677,307
Investment in Debentures	-	110,000,000	10,000,000	-	-	120,000,000
Investments in Shares	-	-	-	587,245	-	587,245
Investments in Promissary notes	551,435,123	-	-	-	-	551,435,123
Investments in Commercial Papers	100,000,000	98,619,329	-	-	-	198,619,329
Investments in Premium Bond	-	-	431,040	-	-	431,040
Investments in Savings Deposits	499,452	-	-	-	-	499,452
Loans and Advances	4,547,446,037	14,895,464,911	7,878,677,575	6,091,147,797	3,554,213,560	36,966,949,880
Bills Purchased	123,346,329	-	-	-	-	123,346,329
Non Performing Loans	-	-	-	-	1,151,711,837	1,151,711,837
	8,375,702,530	17,894,116,811	7,889,108,615	6,091,735,042	4,705,925,397	44,956,588,395
<b>Non Interest Earning Assets</b>						
Cash and Bank	609,664,935	-	-	-	-	609,664,935
Other Assets	105,276,354	104,056,507	11,030,565	106,063,821	-	326,427,247
Interest Receivables	354,538,003	1,065,052,718	-	-	-	1,419,590,721
Property Plant and Equipment	8,099,634	32,398,537	40,498,171	101,245,428	222,739,940	404,981,710
	1,077,578,926	1,201,507,762	51,528,736	207,309,249	222,739,940	2,760,664,613
<b>Total Assets</b>	<b>9,453,281,456</b>	<b>19,095,624,573</b>	<b>7,940,637,351</b>	<b>6,299,044,291</b>	<b>4,928,665,337</b>	<b>47,717,253,008</b>
<b>LIABILITIES</b>						
<b>Interest Bearing Liabilities</b>						
Customer Deposits	9,526,160,122	12,690,563,898	6,538,341,935	3,681,269,900	5,513,588,680	37,949,924,535
Borrowings	122,656,406	623,462,528	904,425,568	611,098,357	195,551,474	2,457,194,334
	9,648,816,527	13,314,026,426	7,442,767,503	4,292,368,257	5,709,140,155	40,407,118,869
<b>Non Interest Bearing Liabilities</b>						
Other Liabilities	569,036,611	1,188,053,678	176,237,936	-	611,593,660	2,544,921,886
Interest in Suspense	-	-	-	-	2,327,387	2,327,387
Loan Loss Provision	-	-	-	-	979,262,269	979,262,269
Emergency Fund Pawning	-	-	-	-	116,449,304	116,449,304
Provision for Shares - Devaluation	-	-	-	-	(249,269)	(249,269)
Deferred Government Grant	-	-	-	-	10,113,553	10,113,553
Shareholders' Fund	-	-	-	-	3,657,309,009	3,657,309,009
	569,036,611	1,188,053,678	176,237,936	-	5,376,805,914	7,310,134,139
<b>Total Liability</b>	<b>10,217,853,138</b>	<b>14,502,080,104</b>	<b>7,619,005,439</b>	<b>4,292,368,257</b>	<b>11,085,946,068</b>	<b>47,717,253,008</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the Eight Months ended 31 December 2010

### 33. SIGNIFICANT RISK ASSOCIATED WITH THE BANK'S OPERATIONS

#### CREDIT RISK

Credit Risk is minimized by controlling the various stages of the credit facility. Therefore, a rigorous appraisal, approval and disbursement procedure has to be put in place to mitigate the risks. Line management has been given specific limits for credit approvals. Need assessment is done at origin by field visits. Appraisal is a joint function at branch level. Once approved, documentation is examined by the next higher authority before disbursement. Approved limits are reviewed by the next higher authority within 60 days. The Recoveries Committee meets monthly to monitor the amortization process. It identifies and segregates the problem areas and puts into motion a programme to remedy the position. As the quality is large against the volume, clusters of problem loan customers are made the responsibility of different levels of line management. Enhancing the risk awareness at all levels of staff is also done by this committee at training workshops and at the quarterly review meeting of branch managers.

Specific provisions are made on the non-performing portfolio as per the directions given by the Central Bank. Branch inspections carried out by the Internal Audit Division focus on the credit administration functions of the managers under delegated authority. On the directions of the Audit Committee of the Board, a full credit has been done by this division in respect of all facilities granted in the year 2009 to ensure that all relevant procedures have been followed and all covenants are fulfilled prior to disbursement of funds.

The management is reviewing the entire credit appraisal and review process, credit policies and procedures with a view to introducing changes into the credit administration process where necessary.

#### INTEREST RATE RISK

The two factors affecting the interest rate risk are the Mismatch Risk and Basis Risk. The Mismatch Risk is the risk coming from carrying assets & Liabilities maturing at different time intervals. Maturity analysis of all interest sensitive assets liabilities is done within five time frames. Gaps between assets and liabilities have been maintained at satisfactory levels, by making adjustments under market pressures.

#### LIQUIDITY RISK

The Bank's ability to cover the maturing obligations in a timely and cost effective manner is the measure for the Liquidity Risk. To mitigate this risk a healthy portfolio of gilt-edged securities is always maintained.

#### OPERATIONAL RISK

Operational Risks include a number of factors. These risks arise as a resulting of processing errors, human errors, system and procedural failures, non-compliance with internal policies, laws and regulations, natural disasters, frauds, thefts and burglaries. These risks can never be fully eliminated. The Board has taken steps to lesson such risks by continuously assessing the systems of control and check to ascertain that an appropriate control framework is in place and to ensure sufficient indemnity cover is in force at all times.

The Audit Sub-Committee of the Board comprising of non-executive directors examines on a quarterly basis the quality and effectiveness of the systems of internal controls within the Bank. The Chief Internal Auditor monitors the Banks compliance with applicable laws and regulations. He reports to the Audit Sub- Committee. The Bank is substantially in compliance with Central Bank directions and co-operate governance guideline.

## NOTES TO THE FINANCIAL STATEMENTS

*For the Eight Months ended 31 December 2010*

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### **MARKET RISK**

Market Risk is associated mainly with investments. Exposure in long term investments has been reduced considering the movements in interest rates. The Bank does not deal in securities other than government securities.

### **LEGAL RISK**

This risk results from legal consequence causing material or unexpected financial loss to the Bank. External legal counsel is always taken in respect of matters which require legal advice and under specific circumstances. The legal obligations the Bank has to meet in its capacity as a bank, taxpayer, employer and a body corporate are duly monitored. Compliance with all statutory requirements is reported at Board level.

## BRANCH LIST

### The Network of Regional Development Bank Service Centers.

Head Office - Regional Development Bank - 12th Floor, Access Tower, 278, Union Place, Colombo 02.

#### **North Central Province**

**Regional Office**  
Anuradhapura Town Office  
Mihinthale Branch  
Thambuththegama Branch  
Kahatagasdigiliya Branch  
Galnewa Branch  
Thalawa Branch  
Medawachchiya Branch  
Thirappane Branch  
Rambewa Branch  
Galenbidunuwewa Branch  
Gonapathirawa Branch  
Kekirawa Branch  
E/C Thambuththegama  
District Office Polonnaruwa  
Polonnaruwa Branch  
Medirigiriya Branch  
Pulasthigama Branch  
Hingurakgoda Branch  
Bakamuna Branch  
Manampitiya Branch  
Gal Amuna Branch  
Siripura Branch  
Kaduruwela Branch  
Aralaganwila Branch  
Sewanapitiya Branch

#### **Southern province**

**Regional Office**  
District Office Galle  
District Office Hambanthota  
District Office Mathara  
Ahangama Branch  
Akmeemana Branch  
Akuressa Branch  
Ambalanthota Branch  
Angunakola Pelessa Branch  
Baddegama Branch  
Balapitiya Branch  
Barawakumbura Branch  
Batapola Branch  
Beliatta Branch  
Matara Town Branch  
Deiyandara Branch  
Deniyaya Branch  
Devinuwara Branch  
Dikwella Branch  
Elpitiya Branch  
Galle Branch  
Gandara Branch  
Gonagalpura Branch  
Hakmana Branch  
Hambanthota Branch  
Mathara Branch  
Hikkaduwa Branch  
Imaduwa Branch  
Kaluwella Branch  
Kamburugamuwa Branch  
Kamburupitiya Branch  
Karandeniya Branch  
Karapitiya Branch  
Katuwana Branch  
Kekanadura Branch  
Kirinda Branch  
Lunugamwehera Branch  
Mawarala Branch  
Middeniya Branch  
Mirissa Branch  
Morawaka Branch  
Neluwa Branch

Pamburana Pawning Centre  
Galle Pawning Centre  
Pitabeddara Branch  
Pitigala Branch  
Ranna Branch  
Sooriyawewa Branch  
Thangalle Branch  
Thalgaswela Branch  
Thihagoda Branch  
Thissamaharama Branch  
Udugama Branch  
Uragasmanhandiya Branch  
Urubokka Branch  
Walasmulla Branch  
Warapitiya Branch  
Weeraketiya Branch  
Weligama Branch  
Yakkalamulla Branch

#### **Sabaragamuwa Province**

**Regional Office**  
Rathnapura Branch  
Pelmadulla Branch  
Balangoda Branch  
Embilipitiya Branch  
Kolonna Branch  
Eheliyagoda Branch  
Kalawana Branch  
Godakawela Branch  
Erathna Branch  
Kuruwita Branch  
Niwithigala Branch  
Kahawatta Branch  
Rakwana Branch  
Kiriella Branch  
Pothupitiya Branch  
Waligepola Branch  
Sri Palabaddala Branch  
Kegalle Branch  
Pitagaldeniya Branch  
Rambukkana Branch  
Mawanelle Branch  
Warakapola Branch  
Aranayake Branch  
Kithulgala Branch  
Ruwanwella Branch  
Dewalegama Branch  
Bulathkohupitiya Branch  
Deraniyagala Branch  
Hemmathagama Branch  
Nelundeniya Branch  
Yatinyanthota Branch  
Kotiyakumbura Branch  
Dehiowita Branch  
Pulingupitiya Branch

#### **Uva Province**

**Regional Office**  
District Office Badulla  
District Office Monaragala  
District Office Ampara  
Badulla Branch  
Passara Branch  
Welimada Branch  
Haputhale Branch  
Kandeketiya Branch  
Mahiyangana Branch  
Rideemaliyadda Branch  
Uva Paranagama Branch  
Bandarawela Branch  
Lunugala Branch

Meegahakivula Branch  
Haldummulla Branch  
Girandurukotte Branch  
Bogahakumbura Branch  
Buththala Branch  
Medagama Branch  
Monaragala Branch  
Thanamalwila Branch  
Wellawaya Branch  
Badalkumbura Branch  
Bibila Branch  
Ampara Branch  
Dehiaththakandiya Branch  
Damana Branch  
Sammanthurei Branch  
Akkareipaththu Branch  
Kalmune Branch  
Mahaoya Branch  
Pothuwil Branch  
Uhana Branch  
Maligathenna Branch  
Siyambalanduwa Branch  
Diyathalawa Branch  
Sevanagala Branch  
Ninthawur Branch  
Madulla Branch

#### **Central Province**

**Regional Office**  
Gampola Branch  
Udawela Branch  
Hatharaliyadda Branch  
Marassana Branch  
Danthure Branch  
Waththegama Branch  
Morayaya Branch  
Theldeniya Branch  
Pujapitiya Branch  
Nuwara Eliya Branch  
Rikilagaskada Branch  
Marketing Information  
Center Kandy  
Ginigathhena Branch  
Pundaluoya Branch  
Katugasthota Branch  
Niidandahinna Branch  
Agarapathana Branch  
Ududumbara Branch  
Mathale Branch  
Dambulla Branch  
Galewela Branch  
Laggala Branch  
Raththota Branch  
Kotagala Branch  
Menikhinna Branch  
Hanguranketha Branch  
Dawlagala Branch  
Naula Branch  
Nawalapitiya Branch  
Hedeniya Branch  
Kandy Branch  
Willagamuwa Branch

#### **North Western**

**Regional Office**  
District Office Kurunegala  
District Office Chilaw  
Kuliypitiya Branch  
Pannala Branch  
Panduwasnuwara Branch

Alawwa Branch  
Dummalasooriya Branch  
Pothuhera Branch  
Nikaweratiya Branch  
Rideegama Branch  
Mawathagama Branch  
Wariyapola Branch  
Kurunegala Branch  
Galgamuwa Branch  
Chilaw Branch  
Palakuda Branch  
Anamaduwa Branch  
Naththandiya Branch  
Kirimetiya Branch  
Puttlam Branch  
Maho Branch  
Giriulla Branch  
Ibbagamuwa Branch  
Mundel Branch  
Nawagaththegama Branch  
Mampuri Branch  
Mahawewa Branch  
Narammala Branch  
Polpithigama Branch  
Kurunegala Branch  
Isuru Office - Chilaw  
Melsiripura Branch  
Ambanpola Branch  
Bowaththa Branch

#### **Western Province**

**Regional Office**  
District Office Gampaha  
Homagama Branch  
Kolonnawa Branch  
Awissawella Branch  
Piliyandala Branch  
Bulathsinhala Branch  
Walagedara Branch  
Agalawaththa Branch  
Milaniya Branch  
Gonapola Branch  
Moronthuduwa Branch  
Beruwala Branch  
Panadura Branch  
Horana Branch  
Warakagoda Branch  
Ingiriya Branch  
Dodangoda Branch  
Meegahathenna Branch  
Baduraliya Branch  
Kaluthara Branch  
Moragahahena Branch  
Rathugama Branch  
Wadduwa Branch  
Gampaha Branch  
Mawaramandiya Branch  
Minuwangoda Branch  
Meerigama Branch  
Negombo Branch  
Kirindiwela Branch  
Divulapitiya Branch  
Nittambuwa Branch  
Ragama Branch

