



STATE MORTGAGE & INVESTMENT BANK

FINANCIAL STATEMENTS

For The Period Ended 30th September 2020

INCOME STATEMENT FOR THE PERIOD ENDED 30 TH SEPTEMBER 2020		Rs 'Mn	
	From 01/01/2020 to 30/09/2020	From 01/01/2019 to 30/09/2019	
Interest income	4,517	4,465	
Interest expenses	2,919	2,923	
Net interest income	1,597	1,543	
Fee and commission income	79	84	
Fee and commission expenses	-	-	
Net fee and commission income	79	84	
Net Fair Value Gains/(Losses) from FA at FVPL	1	1	
Net other operating income (net)	31	23	
Total operating income	1,708	1,651	
Impairment Charges	208	112	
Net operating income	1,500	1,540	
Personnel expenses	617	631	
Depreciation and amortization expenses	23	23	
Other expenses	198	214	
Operating profit/(loss) before VAT,NBT & DRL	663	671	
Value added tax (VAT) on financial services	166	166	
Debt Repayment Levy (DRL)	-	91	
Nation Building Tax (NBT)	-	22	
Profit/(loss) before tax	497	392	
Tax expenses	175	155	
Profit/(loss) for the Period	322	237	

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 TH SEPTEMBER 2020		Rs 'Mn	
	From 01/01/2020 to 30/09/2020	From 01/01/2019 to 30/09/2019	
Profit/(loss) for the Period	322	237	
Items that will not be reclassified to Income Statement			
Re-measurement of post-employment benefit obligations	-	-	
Items that will be reclassified to Income Statement			
Gains and Losses on Re-Measuring Financial Assets	-	-	
Total comprehensive income for the period	322	237	

STATEMENT OF FINANCIAL POSITION As at 30 TH SEPTEMBER 2020		Rs 'Mn	
	As at 30/09/2020	As at 31/12/2019	
Assets	53,834	47,311	Audited
Cash and Cash Equivalents	277	121	
Placements with Banks	11,527	7,091	
Financial Assets - FVPL	21	19	
Financial Assets - AC	-	-	
- Loans and Advanced	36,112	35,893	
- Debt and Other Instruments	3,397	2,613	
Financial Assets - FVOCI	5	5	
Property, Plant and Equipment	43	56	
Deferred Tax Assets	221	222	
Other Assets	2,229	1,291	
Total Assets	53,834	47,311	
Liabilities	47,853	41,653	
Due to Banks	159	12	
Financial Liabilities at Amortised Cost			
- Due to Depositors	44,003	38,872	
- Due to Debt Securities Holders	112	110	
- Due to Other Borrowers	1,523	1,502	
Employee Benefit Liability	399	390	
Other Liabilities	1,658	766	
Total Liabilities	47,853	41,653	
Equity	5,981	5,659	
Stated Capital/Assigned Capital	890	890	
Statutory Reserve Fund	282	271	
Retained Earnings	3,732	3,420	
Other Reserves	1,078	1,078	
Total Equity	5,981	5,659	
Total Equity and Liabilities	53,834	47,311	

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 TH SEPTEMBER 2020		Rs 'Mn	
	From 01/01/2019 to 30/09/2019	From 01/01/2018 to 30/09/2018	
Cash flows from operating activities	253	(498)	
Interest Received	3,599	3,614	
Interest Payments	(2,576)	(3,150)	
Net commission receipts	79	84	
Payments to Employees	(534)	(529)	
VAT, DLR & NBT on financial services	(120)	(276)	
Receipts from Other Operating Activities	3	2	
Payments on Other Operating Activities	(198)	(242)	
Operating profit before changes in Operating Assets & Liabilities	253	(498)	
(Increase)/ Decrease in Operating Assets	(429)	(1,211)	
Financial assets at amortised cost - loans & advances	(429)	(1,190)	
Other assets	-	(22)	
Increase/ (Decrease) in Operating Liabilities	4,712	1,659	
Financial liabilities at amortised cost-due to depositors	4,691	1,673	
Financial liabilities at amortised cost-due to other borrowers	21	(14)	
Other liabilities	-	-	
Net cash generated from operating activities before Income Tax	4,537	(49)	
Income Taxes Paid	(90)	(123)	
Net Cash from Operating Activities	4,447	(172)	
Cash flows from investing activities	(4,437)	200	
Dividend Received	28	21	
Proceeds from the sale of property, plant and equipment	-	-	
Purchase of financial investments	(5,222)	(598)	
Purchase of Property, Plant & Equipment	10	(7)	
Proceeds from the sale & maturity of financial investments	746	783	
Net cash (used in)/ from investing activities	(4,437)	200	
Cash flows from financing activities	-	-	
Repayment of subordinated debt	-	-	
Payments to Consolidated Fund	-	-	
Net cash from financing activities	-	-	
Net increase/(decrease) in cash & cash equivalents	9	27	
Cash and cash equivalents at the beginning of the period	109	84	
Cash and cash equivalents at the end of the period	118	111	
Reconciliation of Cash and Cash Equivalents			
Cash and Short Term Funds	277	159	
Government of Sri Lanka Treasury Bills	-	-	
Borrowings from Banks (OD)	(159)	(47)	
Cash and cash equivalents at the end of the period	118	111	

Analysis of Financial Instruments by Measurement Basis - Bank Current Year (30.09.2020)				
Bank - Current Period (2019)				
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	277			277
Placements with banks	11,527			11,527
Loans and advances	36,112			36,112
Debt instruments	-			-
Reverse Repos	2,420			2,420
Treasury Bills	976			976
Treasury Bonds	1			1
Unit Trusts		21		21
Unquoted Shares			5	5
Total financial assets	51,314	21	5	51,340
LIABILITIES				
Due to Banks	159			159
Financial liabilities				
- Due to depositors	44,003			44,003
- Due to debt security holders	112			112
- Due to other borrowers	1,523			1,523
Total financial liabilities	45,796			45,796

Analysis of Financial Instruments by Measurement Basis - Bank Bank Previous Period 2018				
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	121			121
Placements with banks	7,091			7,091
Loans and advances	35,893			35,893
Debt instruments	66			66
Reverse Repos	1,386			1,386
Treasury Bills	995			995
Treasury Bonds	169			169
Unit Trusts		19		19
Unquoted Shares			5	5
Total financial assets	45,720	19	5	45,745
LIABILITIES				
Due to Banks	12			12
Financial liabilities				
- Due to depositors	38,872			38,872
- Due to debt security holders	110			110
- Due to other borrowers	1,502			1,502
Total financial liabilities	40,496			40,496

AC - Financial assets/liabilities measured at amortised cost
FVPL - Financial assets/liabilities measured at fair value through profit or loss
FVOCI - Financial assets measured at fair value through other comprehensive income

Ratio Analysis as at 30/09/2020

	30/09/2020	31/12/2019
Regulatory Capital (LKR 'Mn) - Basel III		
Common Equity Tire - 1	5,424	5,075
Tier - 1 Capital	5,424	5,075
Total Capital	5,621	5,251
Regulatory Capital Ratios (%)		
Common Equity Tire 1 Capital Ratio (Minimum Requirement 7%)	20.02	21.04
Tier 1 Capital Ratio (Minimum Req 08.5%)	20.02	21.04
Total Capital Ratio (Minimum Req 12.5%)	20.75	21.77
Leverage Ratio %	10.06	10.74
Regulatory Liquidity		
Stat Liquid assets Rs Mn	15,162	8,494
Stat Liquid assets Ratio (Minimum req-20%)	38.03	25.09
Total Stock of High Quality Liquid Assets Rs.Mn	1,459	1,522
Liquidity Coverage Ratio (LCR) (Minimum req-100%)	110.00	121.05
Net Stable Funding Ratio (Minimum req-100%)	136.00	137.00
Gross NPL %	22.58	21.21
Net NPL (net of interest in suspense and provisions) %	20.07	19.31
Gross NPL Exclu. EPF %	10.39	7.73
Net NPL Exclu. EPF %	7.27	5.31
Interest Margin %	4.21	4.52
Return on Assets (before Tax) %	1.31	1.11
Return on Equity %	7.38	7.73
Number of Branches	25	25
Number of Employees	366	379

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 TH SEPTEMBER 2020								
	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Retained Earnings	AFS Reserve	Total
Balance as at 31/12/2018	890	262	393	683	1	2,958	-	5,187
Prior Period Adjustments								
Impairment Adjustment								
Net Profit for the Year						419		419
Deemed Dividend Tax over payment provision						40		40
Other Comprehensive Income						12		12
Transfer During the Year		9				(9)		
Transfer to Consolidated Fund								
Balance as at 31/12/2019	890	271	393	683	1	3,420	-	5,659
Prior year adjustment								
Net profit for the period						322		322
Other Comprehensive Income								
Deemed Dividend Tax								
Transfer During the year		11				(11)		
Transfer to Investment Fund								
Transfer to Consolidated Fund								
Balance as at 30/09/2020	890	282	393	683	1	3,732	-	5,981

Certification:

We, the undersigned being the Chairman, General Manager and Assistant General Manager(Finance) of State Mortgage and Investment Bank certify jointly that,
(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
(b) the information contained in these statements have been extracted from the unaudited draft Financial Statements of the Bank. The Board of Directors are responsible for the preparation and presentation of these Financial Statements. These draft Financial Statements were approved by the Board of Directors and signed on their behalf.

Dr. Udayasri Kariyawasam
Chairman

W.M. Dayasinghe
General Manager

K.L.N.A. Perera
Assistant General Manager (Finance)

24 NOVEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

a. Product wise Gross Loans and Advances		Rs. 'Mn	
	30/09/2020	31/12/2019	
Mortgage	9,835	9,577	
EPF	7,675	8,283	
Vehicle	1	6	
Staff loans	1,230	1,118	
Personal Loans	17,319	16,649	
Others	1,097	1,096	
Gross Total	37,156	36,729	

b. Stage wise impairment on loans and advances		Rs. 'Mn	
	30/09/2020	31/12/2019	
Gross loans and advances	37,156	36,729	
Stage 1	26,403	26,125	
Stage 2	1,531	1,916	
Stage 3	9,222	8,688	
(Less): Accumulated impairment under:	1,044	836	
Stage 1	171	153	
Stage 2	50	65	
Stage 3	823	618	
Net Loans and Advances	36,112	35,893	

c. Movements in impairment during the period		Rs. 'Mn	
	30/09/2020	31/12/2019	
Stage 1			
Opening balance as at 01/01/2020	153	140	
Charge/ (Write back) to income Statement	18	14	
Write-off during the year	-	-	
Closing balance at 30/09/2020	171	153	
Stage 2			
Opening balance as at 01/01/2020	65	57	
Charge/ (Write back) to income Statement	-	8	
Write-off during the year	(15)	-	
Closing balance at 30/09/2020	50	65	
Stage 3			
Opening balance as at 01/01/2020	618	508	
Charge/ (Write back) to income Statement	205	109	
Write-off during the year	-	-	
Closing balance at 30/09/2020	823	618	
Total	1,044	836	

Analysis of	
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