



STATE MORTGAGE & INVESTMENT BANK

FINANCIAL STATEMENTS

For The Period Ended 31st March 2020

INCOME STATEMENT FOR THE PERIOD ENDED 31 ST MARCH 2020		Rs 'Mn	
	From 01/01/2020 to 31/03/2020	From 01/01/2019 to 31/03/2019	
Interest income	1,453	1,430	
Interest expenses	957	945	
Net interest income	497	484	
Fee and commission income	24	29	
Fee and commission expenses	-	-	
Net fee and commission income	24	29	
Net Fair Value Gains/(Losses) from FA at FVPL	-	-	
Net other operating income (net)	-	1	
Total operating income	520	514	
Impairment Charges	23	10	
Net operating income	497	504	
Personnel expenses	196	233	
Depreciation and amortization expenses	8	8	
Other expenses	56	55	
Operating profit/(loss) before VAT,NBT & DRL	238	208	
Value added tax (VAT) on financial services	57	56	
Debt Repayment Levy (DRL)	-	31	
Nation Building Tax (NBT)	-	8	
Profit/(loss) before tax	182	113	
Tax expenses	53	49	
Profit/(loss) for the Period	129	64	

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 ST MARCH 2020		Rs 'Mn	
	From 01/01/2020 to 31/03/2020	From 01/01/2019 to 31/03/2019	
Profit/(loss) for the Period	129	64	
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	129	64	

STATEMENT OF FINANCIAL POSITION As at 31 ST MARCH 2020		Rs 'Mn	
	As at 31/03/2020	As at 31/12/2019	
Assets			
Cash and cash equivalents	799	121	
Placements with Banks	7,879	7,091	
Financial Assets - FVPL	19	19	
Financial Assets - AC			
- Loans and Advanced	36,480	35,893	
- Debt and Other Instruments	3,312	2,613	
Financial Assets - FVOCI	5	5	
Property, plant and equipment	52	56	
Deferred tax assets	88	88	
Other assets	1,598	1,269	
Total assets	50,232	47,156	
Liabilities			
Due to banks	60	12	
Financial Liabilities at Amortised Cost			
- Due to Depositors	41,025	38,872	
- Due to Debt Securities Holders	111	110	
- Due to Other Borrowers	1,460	1,502	
Employee Benefit Liability	393	390	
Other Liabilities	1,384	600	
Total liabilities	44,433	41,486	
Equity			
Stated Capital/Assigned Capital	890	890	
Statutory Reserve Fund	273	271	
Retained Earnings	3,558	3,431	
Other Reserves	1,078	1,078	
Total equity	5,799	5,670	
Total equity and liabilities	50,232	47,156	

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 ST MARCH 2020		Rs 'Mn	
	From 01/01/2020 to 31/03/2020	From 01/01/2019 to 31/03/2019	
Cash flows from operating activities			
Interest Received	1,244	984	
Interest Payments	(921)	(701)	
Net commission receipts	24	29	
Payments to Employees	(184)	(219)	
VAT, DLR & NBT on financial services	(35)	(91)	
Receipts from Other Operating Activities	-	1	
Payments on Other Operating Activities	(55)	(55)	
Operating profit before changes in Operating Assets & Liabilities	74	(52)	
(Increase)/ Decrease in Operating Assets			
Financial assets at amortised cost - loans & advances	(366)	(645)	
Other assets	-	-	
Increase/ (Decrease) in Operating Liabilities	(366)	(645)	
Financial liabilities at amortised cost - due to depositors	2,111	1,953	
Financial liabilities at amortised cost - due to other borrowers	(42)	52	
Other liabilities	-	-	
Net cash generated from operating activities before Income Tax	1,777	1,307	
Income Taxes Paid	(30)	(58)	
Net Cash from Operating Activities	1,747	1,250	
Cash flows from investing activities			
Dividend Received	-	-	
Proceeds from the sale of property, plant and equipment	-	-	
Purchase of financial investments	(1,486)	(1,400)	
Purchase of Property, Plant & Equipment	(4)	(5)	
Proceeds from the sale & maturity of financial investments	373	138	
Net cash (used in)/ from investing activities	(1,117)	(1,267)	
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	630	(18)	
Cash and cash equivalents at the beginning of the period	109	96	
Cash and cash equivalents at the end of the period	738	78	
Reconciliation of Cash and Cash Equivalents			
Cash and Short Term Funds	799	130	
Government of Sri Lanka Treasury Bills	-	-	
Borrowings from Banks (OD)	(60)	(52)	
Cash and cash equivalents at the end of the period	738	78	

Analysis of Financial Instruments by Measurement Basis - Bank Current Year (31.03.2020)				
Bank - Current Period (2020)				
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	799			799
Placements with banks	7,879			7,879
Loans and advances	36,480			36,480
Debt instruments	67			67
Reverse Repos	2,198			2,198
Treasury Bills	882			882
Treasury Bonds	164			164
Unit Trusts		19		19
Unquoted Shares			5	5
Total financial assets	48,469	19	5	48,494
LIABILITIES				
Due to Banks	60			60
Financial liabilities				
- Due to depositors	41,025			41,025
- Due to debt security holders	111			111
- Due to other borrowers	1,460			1,460
Total financial liabilities	42,657			42,657

Analysis of Financial Instruments by Measurement Basis - Bank Previous Year (2019)				
Bank Previous Year - 2019				
	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 31/03/2020	
	31/03/2020
Regulatory Capital (LKR 'Mn) Basel III	
Common Equity Tire - 1	5,075
Tier - 1 Capital	5,075
Total Capital	5,251
Regulatory Capital Ratios (%)	
Common Equity Tire 1 Capital Ratio (Minimum Requirement 7%)	19.74
Tier 1 Capital Ratio (Minimum Req 08.5%)	19.74
Total Capital Ratio (Minimum Req 12.5%)	20.43
Leverage Ratio %	10.08
Regulatory Liquidity	
Stat Liquid assets Rs Mn	11,294
Stat Liquid assets Ratio (Minimum req-20%)	30.33
Total Stock of High Quality Liquid Assets Rs.Mn	1,579
Liquidity Coverage Ratio (LCR) (Minimum req-100%)	124.32
Net Stable Funding Ratio (Minimum req-100%)	135.00
Gross NPL %	24.87
Net NPL (net of interest in suspense and provisions) %	22.78
Gross NPL Exclu. EPF %	11.45
Net NPL Exclu. EPF %	8.79
Interest Margin %	4.08
Return on Assets (before Tax) %	1.49
Return on Equity %	9.00
Number of Branches	25
Number of Employees	374

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 ST MARCH 2020							
	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Retained Earnings	AFS Reserve
Balance as at 31/12/2018	890	262	393	683	1	2,958	-
Prior Period Adjustments							
Impairment Adjustment							
Net Profit for the Year						281	
Deemed Dividend Tax over payment provision						189	
Other Comprehensive Income						13	
Transfer During the Year		9				(9)	
Transfer to Consolidated Fund							
Balance as at 31/12/2019	890	271	393	683	1	3,431	-
Prior year adjustment							
Net profit for the period						129	
Other Comprehensive Income						-	
Deemed Dividend Tax						-	
Transfer During the year		2				(2)	
Transfer to Investment Fund							
Transfer to Consolidated Fund							
Balance as at 31/03/2020	890	273	393	683	1	3,558	-

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

Mr. W.M. Dayasinghe
CEO/ General Manager

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

NOTES TO THE FINANCIAL STATEMENTS		
a. Product wise Gross Loans and Advances		
	31/03/2020	31/12/2019
Mortgage	9,702	9,577
EPF	8,520	8,283
Vehicle	4	6
Staff loans (Staff & EHL)	1,175	1,118
Personal Loans	16,883	16,649
Others	1,054	1,096
Gross Total	37,339	36,729
b. Stage wise impairment on loans and advances		
	31/03/2020	31/12/2019
Gross loans and advances	37,339	36,729
Stage 1	26,019	26,125
Stage 2	2,218	1,916
Stage 3	9,102	8,688
(Less): Accumulated impairment under:	859	836
Stage 1	182	153
Stage 2	34	65
Stage 3	643	618
Net Loans and Advances	36,480	35,893
c. Movements in impairment during the period		
	31/03/2020	31/12/2019
Stage 1		
Opening balance as at 01/01/2020	153	140
Charge/ (Write back) to income Statement	29	14
Write-off during the year	-	-
Closing balance at 31/03/2020	182	153
Stage 2		
Opening balance as at 01/01/2020	65	57
Charge/ (Write back) to income Statement	-	8
Write-off during the year	(30)	-
Closing balance at 31/03/2020	34	65
Stage 3		
Opening balance as at 01/01/2020	618	508
Charge/ (Write back) to income Statement	25	109
Write-off during the year	-	-
Closing balance at 31/03/2020	643	618
Total	859	836

Analysis of amount due to depositors		
	As at 31/03/2020	As at 31/12/2019
By Product		
Savings deposits	1,845	1,670
Fixed deposits	38,077	36,104
Other deposits (Schemes)	1,104	1,098
Total	41,025	38,872