



State Mortgage & Investment Bank

Financial Statements

For The Period Ended 30th June 2016

INCOME STATEMENT FOR THE PERIOD ENDED 30 TH JUNE		Rs '000	
	30/06/2016	30/06/2015	
Interest income	2,047,062	1,911,229	
Interest expenses	(1,237,129)	(993,160)	
Net interest income	809,933	918,069	
Fee and commission income	62,613	48,521	
Fee and commission expenses	-	-	
Net fee and commission income	62,613	48,521	
Other operating income (net)	2,229	8,396	
Total operating income	874,775	974,985	
Impairment for loans and other losses	(51,832)	(77,799)	
Net operating income	822,943	897,186	
Personnel expenses	(316,317)	(298,835)	
Other expenses	(128,893)	(145,425)	
Operating profit/(loss) before value added tax (VAT)	377,733	452,926	
Value added tax (VAT) on financial services	(76,090)	(69,625)	
Nation Building Tax (NBT)	(12,096)	(12,659)	
Profit/(loss) before tax	289,547	370,642	
Tax expenses	(121,783)	(126,819)	
Profit/(loss) for the Period	167,765	243,822	
STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 TH JUNE		Rs' 000	
	30/06/2016	30/06/2015	
Profit/(loss) for the Period	167,765	243,822	
Other comprehensive income, net of tax			
Gains & losses on re-measuring available-for-sale financial assets	17,367	(2,617)	
Actuarial Gains/(losses) on Defined Benefit Plans (+/-)	-	-	
Total comprehensive income for the period	185,131	241,205	
STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE		Rs '000	
	30/06/2016	31/12/2015	
Assets			
Cash and cash equivalents	110,213	103,597	
Placements with banks	6,169,746	5,812,559	
Loans and receivables to customers	27,024,129	26,523,405	
Financial investments – Available-for-sale	455,109	437,743	
Financial investments – Held-to-maturity	1,433,923	820,278	
Property, plant and equipment	58,184	74,416	
Deferred tax assets	90,401	90,767	
Other assets	493,703	368,810	
Total assets	35,835,409	34,231,576	
Liabilities			
Due to banks	26,452	7,196	
Due to customers	29,385,285	27,836,411	
Other borrowings	924,790	959,935	
Employee Benefit Liability	322,265	323,423	
Other Liabilities	806,652	841,488	
Total liabilities	31,465,443	29,968,453	
Equity			
Stated Capital/Assigned Capital	889,813	889,813	
Statutory Reserve Fund	211,969	203,053	
Retained Earnings	2,529,966	2,449,406	
Other Reserves	738,217	720,851	
Total equity	4,369,966	4,263,123	
Total equity and liabilities	35,835,409	34,231,576	
Contingent liabilities and commitments	-	-	
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 TH JUNE		Rs '000	
	30/06/2016	30/06/2015	
Cash flows from operating activities			
Interest Received	1,654,475	1,694,567	
Interest Payments	(1,237,129)	(993,160)	
Payments to Employees and suppliers	(383,692)	(372,252)	
Receipts from Other Operating Activities	64,842	56,916	
Payments on Other Operating Activities	(61,518)	(72,009)	
Operating profit before changes in Operating Assets	36,979	314,063	
Increase/(Decrease) in Operating Assets			
Funds Advanced to Customers (Net)	(500,724)	(878,446)	
Other Short Term Investments	(1,808,476)	(482,452)	
	(2,309,201)	(1,360,898)	
Increase/(Decrease) in Operating Liabilities			
Deposits from Customers (Net)	1,548,874	931,518	
Others	629,974	74,971	
	2,178,848	1,006,489	
Net cash generated from operating activities before Income Tax	(93,373)	(40,346)	
Income Tax & Deemed Dividend Tax Paid	(196,290)	(154,514)	
Net Cash from Operating Activities	(289,663)	(194,860)	
Cash flows from investing activities			
Dividend Received	-	5,331	
Proceeds from the sale of property, plant and equipment	-	-	
Purchase of Property, Plant & Equipment	(5,774)	(7,897)	
Proceeds from the sale and maturity of financial investments	319,215	206,757	
Others (please specify)	-	-	
Net cash (used in)/from investing activities	313,441	204,191	
Cash flows from financing activities			
Repayment of Loans	(36,519)	(37,386)	
Proceeds from Borrowings	-	-	
Payments to Consolidated Fund	-	-	
Net cash from financing activities	(36,519)	(37,386)	
Net increase/(decrease) in cash & cash equivalents	(12,741)	(28,055)	
Cash and cash equivalents at the beginning of the period	96,502	98,168	
Cash and cash equivalents at the end of the period	83,761	70,113	
Reconciliation of Cash and Cash Equivalents			
Cash and Short Term Funds	110,213	110,645	
Government of Sri Lanka Treasury Bills	-	-	
Borrowings from Banks	(26,452)	(40,532)	
Cash and cash equivalents at the end of the period	83,761	70,113	

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 30 TH JUNE 2016					Rs '000				
Bank - Current Period									
	HTM	Loans & Receivables	AFS	Total					
ASSETS									
Cash and Balances with Central Banks		110,213		110,213					
Sri Lanka Government Securities	1,433,923			1,433,923					
Balances with Banks				-					
Investment Securities			5,379	5,379					
Placement with and Loans to Other Banks & Financial Institutions				-					
Commercial Papers		763,714		763,714					
Trust Certificates		-		-					
Treasury Bills Held Under Resale Agreement		2,267,510		2,267,510					
Fixed Deposits		3,069,783		3,069,783					
Debentures		-		-					
Loans and Receivables to Other Customers		27,024,129		27,024,129					
Financial Investments - Unit Trust			449,730	449,730					
Other Assets - Prepaid Staff Loans		260,733		260,733					
Total financial assets	1,433,923	33,496,083	455,109	35,385,115					
LIABILITIES									
Due to Banks		26,452		26,452					
Due to Customers				-					
Deposits		17,904,976		17,904,976					
Institutional Deposits		10,473,690		10,473,690					
Scheme Deposits		1,006,620		1,006,620					
Debt Securities Issued		111,556		111,556					
Other Borrowings				-					
Government of Sri Lanka		384,322		384,322					
AHF		33,504		33,504					
USAID		-		-					
Refinance Borrowing		395,408		395,408					
Other Liabilities		288,961		288,961					
Total financial liabilities		30,625,488		30,625,488					
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS (continued) Bank - Previous Year (2015)					Rs '000				
	HTM	Loans & Receivables	AFS	Total					
ASSETS									
Cash and Balances with Central Banks		103,597		103,597					
Sri Lanka Government Securities	820,278			820,278					
Balances with Banks				-					
Investment Securities			5,379	5,379					
Placement with and Loans to Other Banks & Financial Institutions				-					
Commercial Papers		466,026		466,026					
Trust Certificates				-					
Treasury Bills Held Under Resale Agreement		611,335		611,335					
Fixed Deposits		4,669,309		4,669,309					
Debentures		65,890		65,890					
Loans and Receivables to Other Customers		26,523,405		26,523,405					
Financial investments - Pyramid			432,364	432,364					
Trust				-					
Other Assets -Prepaid Staff Loans		260,733		260,733					
Total financial assets	820,278	32,700,295	437,743	33,958,316					
LIABILITIES									
Due to Banks		7,196		7,196					
Due to Customers				-					
Deposits		17,969,934		17,969,934					
Institutional Deposits		8,862,850		8,862,850					
Scheme Deposits		1,003,627		1,003,627					
Debt Securities Issued		110,181		110,181					
Other Borrowings				-					
Government of Sri Lanka		384,322		384,322					
AHF		37,615		37,615					
USAID		-		-					
Refinance Borrowing		427,817		427,817					
Other Liabilities		369,395		369,395					
Total Financial Liabilities		29,172,937		29,172,937					
Held-to-maturity - HTM									
Available-for-sale - AFS									
Loans and receivables/deposits at amortised cost - Amortised cost									
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 TH JUNE 2016					Rs '000				
	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Investment Fund	Retained Earnings	AFS Reserve	Total
Balance as at 31/12/2014	889,813	191,356	9,176	683,280	1,031	-	2,229,191	13,840	4,017,687
Net Profit for the Year							409,774		409,774
Deemed Dividend Tax							(167,862)		(167,862)
Other Comprehensive Income							-	13,524	13,524
Transfer During the Year		11,697					(11,697)		-
Transfer to Investment Fund							-		-
Transfer to Consolidated Fund							(10,000)		(10,000)
Balance as at 31/12/2015	889,813	203,053	9,176	683,280	1,031	-	2,449,406	27,364	4,263,123
Net Profit for the Period							167,765		167,765
Deemed Dividend Tax							(78,289)		(78,289)
Other Comprehensive Income							-	17,367	17,367
Transfer During the Year		8,916					(8,916)		-
Transfer to Investment Fund							-		-
Transfer to Consolidated Fund							-		-
Balance as at 30/06/2016	889,813	211,969	9,176	683,280	1,031	-	2,529,966	44,730	4,369,966

NOTES TO THE FINANCIAL STATEMENTS		
01) LOANS AND RECEIVABLES TO OTHER CUSTOMERS		
	Rs '000	
	As at 30/06/2016	As at 31/12/2015
Gross loans and receivables	27,407,480	26,854,923
(Less): Individual impairment	(9,390)	(9,390)
Collective impairment	(373,961)	(322,128)
Net loans and receivables	27,024,129	26,523,405
02) LOANS AND RECEIVABLES TO OTHER CUSTOMERS-BY PRODUCT		
	Rs '000	
	As at 30/06/2016	As at 31/12/2015
By Product		
Mortgage	8,524,904	8,213,026
EPF	10,696,136	12,051,365
Vehicle	47,300	54,682
Staff loans	767,525	740,216
Personal Loans	6,183,966	4,606,068
Others (FD Loans , Refinance. Etc)	1,187,650	1,189,566
Total	27,407,480	26,854,923
03) MOVEMENTS IN INDIVIDUAL AND COLLECTIVE IMPAIRMENT DURING THE PERIOD FOR LOANS AND RECEIVABLES TO OTHER CUSTOMERS		
	Rs '000	
	As at 30/06/2016	As at 31/12/2015
Individual impairment		
Opening balance	9,390	6,450
Charge/(Write back) to income	-	2,940
Write-off during the year	-	-
Other movements	-	-
Closing balance at 30/06/2016	9,390	9,390
Collective impairment		
Opening balance	322,128	218,491
Charge/(Write back) to income	51,832	103,637
Other movements	-	-
Closing balance as at 30/06/2016	373,961	322,128
Total impairment as at 30/06/2016	383,351	331,518
04) DUE TO OTHER CUSTOMERS-BY PRODUCT		
	Rs '000	
	As at 30/06/2016	As at 31/12/2015
By Product		
Institutional Fixed Deposits	10,473,690	8,862,850
Retail Fixed Deposits	16,436,805	16,618,