



STATE MORTGAGE & INVESTMENT BANK

FINANCIAL STATEMENTS

For The Period Ended 30th June 2021

INCOME STATEMENT FOR THE PERIOD ENDED 30 TH JUNE 2021		Rs 'Mn	
	From 01/01/2021 to 30/06/2021	From 01/01/2020 to 30/06/2020	
Interest Income	2,730	2,844	
Interest Expenses	1,591	1,913	
Net Interest Income	1,139	931	
Fee and Commission Income	71	33	
Fee and Commission Expenses	-	-	
Net Fee and Commission Income	71	33	
Net Fair Value Gains/(Losses) from FA at FVPL	-	-	
Net other Operating Income (net)	3	1	
Total Operating Income	1,213	965	
Impairment Charges	94	98	
Net Operating Income	1,119	867	
Personnel Expenses	499	376	
Depreciation and Amortization Expenses	15	15	
Other expenses	163	121	
Operating Profit/(Loss) before VAT, NBT & DRL	442	354	
Value Added Tax (VAT) on Financial Services	122	95	
Debt Repayment Levy (DRL)	-	-	
Nation Building Tax (NBT)	-	-	
Profit/(Loss) before Tax	320	259	
Tax Expenses	99	75	
Profit/(Loss) for the Period	221	184	

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 TH JUNE 2021		Rs 'Mn	
	From 01/01/2021 to 30/06/2021	From 01/01/2020 to 30/06/2020	
Profit/(Loss) for the Period	221	184	
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	221	184	

STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 TH JUNE 2021		Rs 'Mn	
	As at 30/06/2021	As at 31/12/2020	
Assets		(Unaudited)	
Cash and Cash Equivalents	198	196	
Placements with Banks	10,375	11,812	
Financial Assets - FVPL	21	21	
Financial Assets - AC	-	-	
- Loans and Advanced	36,942	36,887	
- Debt and Other Instruments	3,485	2,415	
Financial Assets - FVOCI	5	5	
Property, Plant and Equipment	50	52	
Deferred Tax Assets	216	216	
Other Assets	1,649	1,673	
Total assets	52,941	53,278	
Liabilities			
Due to Banks	5	67	
Financial Liabilities at Amortised Cost			
- Due to Depositors	44,517	45,388	
- Due to Debt Securities Holders	-	-	
- Due to Other Borrowers	200	348	
Employee Benefit Liability	451	449	
Other Liabilities	1,529	1,007	
Total Liabilities	46,702	47,260	
Equity			
Stated Capital/Assigned Capital	890	890	
Statutory Reserve Fund	295	284	
Retained Earnings	3,976	3,766	
Other Reserves	1,078	1,078	
Total equity	6,239	6,018	
Total Equity and Liabilities	52,941	53,278	

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 TH JUNE 2021		Rs 'Mn	
	From 01/01/2021 to 30/06/2021	From 01/01/2020 to 30/06/2020	
Cash flows from operating activities			
Interest Received	2,755	2,001	
Interest Payments	(1,813)	(1,825)	
Net commission receipts	74	33	
Payments to Employees	(428)	(309)	
VAT, DLR & NBT on financial services	(113)	(88)	
Receipts from Other Operating Activities	(198)	1	
Payments on Other Operating Activities	-	(121)	
Operating profit before changes in Operating Assets & Liabilities	278	(308)	
(Increase)/Decrease in Operating Assets			
Financial assets at amortised cost - loans & advances	129	142	
Other assets	(14)	-	
Increase/(Decrease) in Operating Liabilities	115	142	
Financial liabilities at amortised cost - due to depositors	(649)	3,242	
Financial liabilities at amortised cost - due to other borrowers	(61)	(108)	
Other liabilities	333	-	
Net cash generated from operating activities before Income Tax	15	2,968	
Income Taxes Paid	(77)	(51)	
Net Cash from Operating Activities	(62)	2,916	
Cash flows from investing activities			
Dividend Received	-	-	
Proceeds from the sale of property, plant and equipment	-	-	
Purchase of financial investments	(295)	(3,410)	
Purchase of Property, Plant & Equipment	(14)	6	
Proceeds from the sale & maturity of financial investments	435	564	
Net cash (used in)/from investing activities	127	(2,840)	
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	65	76	
Cash and cash equivalents at the beginning of the period	128	109	
Cash and cash equivalents at the end of the period	193	185	
Reconciliation of Cash and Cash Equivalents			
Cash and Short Term Funds	198	221	
Government of Sri Lanka Treasury Bills	-	-	
Borrowings from Banks (OD)	(5)	(36)	
Cash and cash equivalents at the end of the period	193	185	

Analysis of Financial Instruments by Measurement Basis - Bank Current Year (30.06.2021)				
Bank - Current Period (2021)				
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	198			198
Placements with banks	10,375			10,375
Loans and advances	36,942			36,942
Debt instruments	-			-
Reverse Repos	2,399			2,399
Treasury Bills	1,081			1,081
Treasury Bonds	6			6
Unit Trusts		21		21
Unquoted Shares			5	5
Total financial assets	51,000	21	5	51,027
LIABILITIES				
Due to Banks	5			5
Financial liabilities				
- Due to depositors	44,517			44,517
- Due to debt security holders	-			-
- Due to other borrowers	200			200
Total financial liabilities	44,722			44,722

Analysis of Financial Instruments by Measurement Basis - Bank Previous Year (2020)				
Bank Previous Year - 2020				
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	196			196
Placements with banks	11,812			11,812
Loans and advances	36,887			36,887
Debt instruments	-			-
Reverse Repos	1,434			1,434
Treasury Bills	815			815
Treasury Bonds	166			166
Unit Trusts		21		21
Unquoted Shares			5	5
Total financial assets	51,310	21	5	51,336
LIABILITIES				
Due to Banks	67			67
Financial liabilities				
- Due to depositors	45,389			45,389
- Due to debt security holders	-			-
- Due to other borrowers	348			348
Total Financial Liabilities	45,804			45,804

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 30/06/2021		
	30/06/2021	31/12/2020
Regulatory Capital (LKR 'Mn) Basel III		
Common Equity Tire - 1	5,425	5,425
Tier - 1 Capital	5,425	5,425
Total Capital	5,611	5,621
Regulatory Capital Ratios (%)		
Common Equity Tire 1 Capital Ratio (Minimum Requirement 7%)	19.06	20.17
Tier 1 Capital Ratio (Minimum Req 08.5%)	19.06	20.17
Total Capital Ratio (Minimum Req 12.5%)	19.72	20.90
Leverage Ratio %	10.22	10.16
Regulatory Liquidity		
Stat Liquid assets Rs Mn	14,706	15,482
Stat Liquid assets Ratio (Minimum req-20%)	34.31	37.29
Total Stock of High Quality Liquid Assets Rs.Mn	1,679	1,580
Liquidity Coverage Ratio (LCR) (Minimum req-100%)	123	116
Net Stable Funding Ratio (Minimum req-100%)	112	138
Gross NPL %	22.35	22.94
Net NPL (net of interest in suspense and provisions) %	19.32	20.25
Gross NPL Exclu. EPF %	12.15	10.71
Net NPL Exclu. EPF %	8.52	7.39
Interest Margin %	4.29	4.15
Return on Assets (before Tax) %	1.20	1.17
Return on Equity %	7.22	6.06
Number of Branches	25	25
Number of Employees	372	369

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 TH JUNE 2021								
	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Retained Earnings	AFS Reserve	Total
Balance as at 31/12/2019	890	271	393	683	1	3,420	-	5,659
Prior Period Adjustments						23		23
Impairment Adjustment								-
Net Profit for the Year						354		354
Deemed Dividend Tax over payment provision								(18)
Other Comprehensive Income						(18)		(18)
Transfer During the Year		13				(13)		-
Transfer to Consolidated Fund								-
Balance as at 31/12/2020 (Unaudited)	890	284	393	683	1	3,766	-	6,018
Prior year adjustment								-
Net profit for the period						221		221
Other Comprehensive Income								-
Deemed Dividend Tax								-
Transfer During the year		11				(11)		-
Transfer to Investment Fund								-
Transfer to Consolidated Fund								-
Balance as at 30/06/2021	890	295	393	683	1	3,983	-	6,239

Certification:
We, the undersigned, being the Chairman, Actg. General Manager and Deputy General Manager (Finance & Planning) 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.

NOTES TO THE FINANCIAL STATEMENTS		
a. Product wise Gross Loans and Advances		Rs. 'Mn
	30/06/2021	31/12/2020
Mortgage	10,066	9,900
EPF	6,629	7,676
Vehicle	-	-
Staff loans (Staff & EHL)	1,395	1,267
Personal Loans	18,861	17,994
Others	1,169	1,134
Gross Total	38,120	37,971
b. Stage wise impairment on loans and advances		Rs. 'Mn
	30/06/2021	31/12/2020
Gross loans and advances	38,120	37,971
Stage 1	26,458	26,847
Stage 2	2,275	1,992
Stage 3	9,387	9,132
(Less): Accumulated impairment under:	1,178	1,084
Stage 1	249	245
Stage 2	111	80
Stage 3	818	759
Net Loans and Advances	36,942	36,887
c. Movements in impairment during the period		Rs. 'Mn
	30/06/2021	31/12/2020
Stage 1		
Opening balance as at 01/01/2021	245	153
Charge/ (Write back) to income Statement	4	91
Write-off during the year	-	-
Closing balance at 30/06/2021	249	245
Stage 2		
Opening balance as at 01/01/2021	81	65
Charge/ (Write back) to income Statement	-	15
Write-off during the year	30	-
Closing balance at 30/06/2021	111	80
Stage 3		
Opening balance as at 01/01/2021	759	618
Charge/ (Write back) to income Statement	59	141
Write-off during the year	-	-
Closing balance at 30/06/2021	818	759
Total	1,178	1,084
Analysis of amount due to depositors		Rs. 'Mn
	As at 30/06/2021	As at 31/12/2020
By Product		
Savings deposits	2,398	2,262
Fixed deposits	40,997	41,985
Other deposits (Schemes)	1,122	1,141
Total	44,517	45,388

Dr. Udayasri Kariyawasam
Chairman

Mr. L. I. Ranasinghe
Actg. CEO/ General Manager

Ms. G. H. N. Kodikara
Deputy General Manager (Finance & Planning)