



STATE MORTGAGE & INVESTMENT BANK

FINANCIAL STATEMENTS

For The Period Ended 30th June 2022

ICRA Rating (SL) BBB+ Stable

INCOME STATEMENT FOR THE PERIOD ENDED 30 TH JUNE 2022		Rs 'Mn	
	From 01/01/2022 to 30/06/2022	From 01/01/2021 to 30/06/2021	
Interest income	3,016	2,730	
Interest expenses	1,721	1,591	
Net interest income	1,295	1,139	
Fee and commission income	65	71	
Fee and commission expenses	-	-	
Net fee and commission income	65	71	
Net Fair Value Gains/(Losses) from FA at FVPL	(3)	-	
Net other operating income (net)	2	3	
Total operating income	1,359	1,213	
Impairment Charges	112	94	
Net operating income	1,246	1,119	
Personnel expenses	540	499	
Depreciation and amortization expenses	15	15	
Other expenses	177	162	
Operating profit/(loss) before VAT	514	442	
Value added tax (VAT) on financial services	160	122	
Debt Repayment Levy (DRL)	-	-	
Nation Building Tax (NBT)	-	-	
Profit/(loss) before tax	353	320	
Tax expenses	125	99	
Profit/(loss) for the Period	228	221	

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 TH JUNE 2022		Rs 'Mn	
	From 01/01/2022 to 30/06/2022	From 01/01/2021 to 30/06/2021	
Profit/(loss) for the Period	228	221	
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	228	221	

STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE 2022		Rs 'Mn	
	As at 30/06/2022	As at 31/12/2021	
Assets			
Cash and cash equivalents	236	144	
Placements with Banks	12,629	11,775	
Financial Assets - FVPL	-	25	
Financial Assets - AC			
- Loans and Advanced	39,060	38,158	
- Debt and Other Instruments	1,588	1,992	
Financial Assets - FVOCI	5	5	
Property, plant and equipment	47	56	
Deferred tax assets	199	199	
Other assets	1,275	1,027	
Total assets	55,039	53,381	
Liabilities			
Due to banks	73	31	
Financial Liabilities at Amortised Cost			
- Due to Depositors	47,079	45,738	
- Due to Debt Securities Holders	-	-	
- Due to Other Borrowers	215	270	
Employee Benefit Liability	447	438	
Other Liabilities	663	569	
Total liabilities	48,477	47,047	
Equity			
Stated Capital/Assigned Capital	890	890	
Statutory Reserve Fund	310	299	
Retained Earnings	4,284	4,068	
Other Reserves	1,078	1,078	
Total equity	6,562	6,335	
Total equity and liabilities	55,039	53,381	

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 TH JUNE 2022		Rs 'Mn	
	From 01/01/2022 to 30/06/2022	From 01/01/2021 to 30/06/2021	
Cash flows from operating activities			
Interest Received	2,567	2,646	
Interest Payments	(1,585)	(1,813)	
Net commission receipts	65	74	
Payments to Employees	(485)	(428)	
VAT on Financial services	(107)	(113)	
Receipts from Other Operating Activities	2	-	
Payments on Other Operating Activities	(168)	(198)	
Operating profit before changes in Operating Assets & Liabilities	289	168	
Increase/(Decrease) in Operating Assets			
Financial assets at amortised cost - loans & advances	(1,339)	(366)	
Other Assets	-	-	
	(1,339)	(366)	
Increase/(Decrease) in Operating Liabilities			
Financial liabilities at amortised cost - due to depositors	1,037	(649)	
Financial liabilities at amortised cost - due to other borrowers	(55)	(61)	
Other liabilities	(50)	333	
	931	(377)	
Net cash generated from operating activities before Income Tax	(119)	(575)	
Income Taxes Paid	(70)	(77)	
Net Cash from Operating Activities	(189)	(652)	
Cash flows from investing activities			
Dividend Received	-	-	
Proceeds from the sale of property, plant and equipment	-	-	
Purchase of financial investments	(272)	295	
Purchase of Property, Plant & Equipment	(6)	(14)	
Proceeds from the sale & maturity of financial investments	517	435	
Net cash (used in)/ from investing activities	239	717	
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	50	65	
Cash and cash equivalents at the beginning of the period	112	128	
Cash and cash equivalents at the end of the period	163	193	
Reconciliation of Cash and Cash Equivalents			
Cash and Short Term Funds	236	198	
Government of Sri Lanka Treasury Bills	-	-	
Borrowings from Banks (OD)	(73)	(5)	
Cash and cash equivalents at the end of the period	163	193	

Analysis of Financial Instruments by Measurement Basis - Bank Current Year (30.06.2022)				
Bank - Current Period (2022)				
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	236	-	-	236
Placements with banks	12,629	-	-	12,629
Loans and advances	39,060	-	-	39,060
Debt instruments	-	-	-	-
Reverse Repos	117	-	-	117
Treasury Bills	1,084	-	-	1,084
Treasury Bonds	386	-	-	386
Unit Trusts	-	-	-	-
Unquoted Shares	-	-	5	5
Total financial assets	53,513	-	5	53,518
LIABILITIES				
Due to Banks	73	-	-	73
Financial liabilities				
- Due to depositors	47,079	-	-	47,079
- Due to debt security holders	-	-	-	-
- Due to other borrowers	215	-	-	215
Total financial liabilities	47,367	-	-	47,367

Analysis of Financial Instruments by Measurement Basis - Bank Previous Period (31.12.2021)				
Bank Previous Year - 2021				
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	144	-	-	144
Placements with banks	11,775	-	-	11,775
Loans and advances	38,158	-	-	38,158
Debt instruments	-	-	-	-
Reverse Repos	716	-	-	716
Treasury Bills	893	-	-	893
Treasury Bonds	383	-	-	383
Unit Trusts	-	25	-	25
Unquoted Shares	-	-	5	5
Total financial assets	52,068	25	5	52,099
LIABILITIES				
Due to Banks	31	-	-	31
Financial liabilities				
- Due to depositors	45,738	-	-	45,738
- Due to debt security holders	-	-	-	-
- Due to other borrowers	270	-	-	270
Total financial liabilities	46,040	-	-	46,040

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 30/06/2022

	30/06/2022	31/12/2021
Regulatory Capital (LKR 'Mn) Basel III		
Common Equity Tire - 1	5,777	5,777
Tier - 1 Capital	5,777	5,777
Total Capital	6,060	6,070
Regulatory Capital Ratios (%)		
Common Equity Tire 1 Capital Ratio (Minimum Requirement 7%)	19.62	21.49
Tier 1 Capital Ratio (Minimum Req 08.5%)	19.62	21.49
Total Capital Ratio (Minimum Req 12.5%)	20.58	22.57
Leverage Ratio %	10.45	10.57
Regulatory Liquidity		
Stat Liquid assets Rs Mn	13,862	13,652
Stat Liquid assets Ratio (Minimum req-20%)	32.15	32.58
Total Stock of High Quality Liquid Assets Rs.Mn	1,514	1,849
Liquidity Coverage Ratio (LCR) (Minimum req-100%)	106	115
Net Stable Funding Ratio (Minimum req-100%)	132	136
Gross NPL %	18.21	19.84
Net NPL (net of interest in suspense and provisions) %	14.75	16.56
Gross NPL Exclu. EPF %	9.52	9.19
Net NPL Exclu. EPF %	5.48	5.27
Interest Margin %	4.78	4.33
Return on Assets (before Tax) %	1.30	0.90
Return on Equity %	7.06	4.92
Number of Branches	25	25
Number of Employees	366	365
Impaired Loan (stage 3) ratio %	18	20
impairment (stage 3) to stage 3 loans ratio %	12	11

STATEMENT OF CHANGES IN EQUITY - FOR THE PERIOD ENDED 30.06.2022								Rs. 'Mn
	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Retained Earnings	AFS Reserve	Total
Balance as at 31/12/2020	890	284	393	683	1	3,768	-	6,020
Prior Period Adjustments	-	-	-	-	-	1	-	1
Impairment Adjustment	-	-	-	-	-	-	-	-
Net Profit for the Year	-	-	-	-	-	304	-	304
Deemed Dividend Tax over payment provision	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	10	-	10
Transfer During the Year	-	15	-	-	-	(15)	-	-
Transfer to Consolidated Fund	-	-	-	-	-	-	-	-
Balance as at 31/12/2021	890	299	393	683	1	4,068	-	6,335
Prior year adjustment	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	228	-	228
Other Comprehensive Income	-	-	-	-	-	-	-	-
Deemed Dividend Tax	-	-	-	-	-	-	-	-
Transfer During the year	-	11	-	-	-	(11)	-	-
Transfer to Investment Fund	-	-	-	-	-	-	-	-
Transfer to Consolidated Fund	-	-	-	-	-	-	-	-
Balance as at 30/06/2022	890	310	393	683	1	4,284	-	6,562

Certification:

We, the undersigned, being the Chairman, General Manager / CEO 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. I.T. Asuramanna
 General Manager / CEO

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

25 August 2022