



State Mortgage & Investment Bank

Financial Statements

For The Period Ended 30th September 2017

INCOME STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2017

	Rs '000	
	30/09/2017	30/09/2016
Interest income	3,458,487	3,140,521
Interest expenses	(2,270,144)	(1,768,014)
Net interest income	1,188,343	1,372,507
Fee and commission income	111,112	90,801
Fee and commission expenses	-	-
Net fee and commission income	111,112	90,801
Other operating income (net)	19,786	2,863
Total operating income	1,319,241	1,466,172
Impairment for loans and other losses	(113,410)	(58,486)
Net operating income	1,205,832	1,407,686
Personnel expenses	(527,065)	(479,058)
Other expenses	(206,639)	(198,003)
Operating profit/(loss) before value added tax (VAT)	472,128	730,625
Value added tax (VAT) on financial services	(127,919)	(117,551)
Nation Building Tax (NBT)	(17,056)	(21,373)
Profit/(loss) before tax	327,153	591,701
Tax expenses	(162,426)	(223,294)
Profit/(loss) for the Year	164,727	368,407

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH SEPTEMBER 2017

	Rs' 000	
	30/09/2017	30/09/2016
Profit/(loss) for the Period	164,727	368,407
Other comprehensive income, net of tax		
Gains & losses on re-measuring available-for-sale financial assets	425	(865)
Actuarial Gains/(losses) on Defined Benefit Plans (+/-)	-	-
Total comprehensive income for the period	165,152	367,542

STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2017

	Rs '000	
	30/09/2017	31/12/2016
Assets		
Cash and cash equivalents	84,644	98,025
Placements with banks	4,629,600	5,700,335
Loans and receivables to customers	31,498,575	28,163,701
Financial investments - Available-for-sale	10,805	22,619
Financial investments - Held-to-maturity	1,149,444	667,814
Property, plant and equipment	73,019	93,576
Deferred tax assets	95,492	95,858
Other assets	614,196	505,230
Total assets	38,155,776	35,347,159
Liabilities		
Due to banks	87,687	19,057
Due to customers	31,626,388	28,845,169
Other borrowings	579,961	502,912
Employee Benefit Liability	332,975	322,683
Other Liabilities	549,834	739,142
Total liabilities	33,176,845	30,428,963
Equity		
Stated Capital/Assigned Capital	889,813	889,813
Statutory Reserve Fund	243,274	231,358
Retained Earnings	2,755,370	2,706,976
Other Reserves	1,090,474	1,090,049
Total equity	4,978,931	4,918,195
Total equity and liabilities	38,155,776	35,347,159

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH SEPTEMBER 2017

	Rs '000	
	30/09/2017	30/09/2016
Cash flows from operating activities		
Interest Received	2,972,029	2,601,634
Interest Payments	(1,651,686)	(1,768,014)
Payments to Employees and suppliers	(679,007)	(582,212)
Receipts from Other Operating Activities	130,898	93,664
Payments on Other Operating Activities	(73,341)	(94,849)
Operating profit before changes in Operating Assets	698,893	250,223
Increase/(Decrease) in Operating Assets		
Funds Advanced to Customers	(3,578,389)	(801,035)
Other Short Term Securities	514,739	(841,492)
Increase/(Decrease) in Operating Liabilities		
Deposits from Customers	2,168,149	692,998
Others	(134,254)	483,004
Net cash generated from operating activities before Income Tax	(330,862)	(216,301)
Income Tax, VAT, NBT & Deemed Dividend Tax Paid	(408,635)	(436,345)
Net Cash from Operating Activities	(739,497)	(652,646)
Cash flows from investing activities		
Dividend Received	18,208	313
Proceeds from the sale of property, plant and equipment	-	-
Purchase of Property, Plant & Equipment	(2,822)	(41,990)
Proceeds from the sale and maturity of financial investments	444,600	537,685
Interest Received from Government Securities	125,840	-
Net cash (used in)/from investing activities	585,825	496,008
Cash flows from financing activities		
Repayment of Debentures	-	-
Repayment of Loans	(134,439)	(38,572)
Proceeds from Borrowings	206,100	-
Payments to Consolidated Fund	-	(10,000)
Net cash from financing activities	71,661	(48,572)
Net increase/(decrease) in cash & cash equivalents	(82,011)	(205,210)
Cash and cash equivalents at the beginning of the period	78,968	96,502
Cash and cash equivalents at the end of the period	(3,043)	(108,708)
Reconciliation of Cash and Cash Equivalents		
Cash and Short Term Funds	84,644	86,134
Government of Sri Lanka Treasury Bills	-	-
Borrowings from Banks	(87,687)	(194,842)
Cash and cash equivalents at the end of the period	(3,043)	(108,708)

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 30TH SEPTEMBER 2017

	Rs '000			
	HTM	Loans & Receivables	AFS	Total
ASSETS				
Cash and Balances with Central Banks		84,644		84,644
Sri Lanka Government Securities	1,149,444			1,149,444
Balances with Banks				-
Investment Securities			5,380	5,380
Placement with and Loans to Other Banks & Financial Institutions				-
Commercial Papers				-
Trust Certificates				-
Treasury Bills Held Under Resale Agreement		761,801		761,801
Fixed Deposits		3,805,009		3,805,009
Debentures		62,790		62,790
Loans and Receivables to Other Customers		31,498,575		31,498,575
Financial Investments - Unit Trust			5,425	5,425
Other Assets - Prepaid Staff Loans		275,456		275,456
Total financial assets	1,149,444	36,488,275	10,805	37,648,524
LIABILITIES				
Due to Banks		87,687		87,687
Due to Customers				-
Deposits		19,995,996		19,995,996
Institutional Deposits		10,568,412		10,568,412
Scheme Deposits		1,061,979		1,061,979
Debt Securities Issued		112,243		112,243
Other Borrowings				-
Government of Sri Lanka				-
Bank Loan		103,231		103,231
AHF		23,034		23,034
Swashakthi Loan		6,105		6,105
Refinance Borrowing		335,347		335,347
Other Liabilities		250,348		250,348
Total financial liabilities		32,544,384		32,544,384

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS (continued) Bank - Previous Year (2016)

	Rs '000			
	HTM	Loans & Receivables	AFS	Total
ASSETS				
Cash and Balances with Central Banks		98,025		98,025
Sri Lanka Government Securities	667,814			667,814
Balances with Banks				-
Investment Securities			5,379	5,379
Placement with and Loans to Other Banks & Financial Institutions				-
Commercial Papers		291,437		291,437
Trust Certificates				-
Treasury Bills Held Under Resale Agreement		940,400		940,400
Fixed Deposits		4,402,499		4,402,499
Debentures		65,999		65,999
Loans and Receivables to Other Customers		28,163,701		28,163,701
Financial investments - Pyramid			17,240	17,240
Trust				-
Other Assets -Prepaid Staff Loans		275,456		275,456
Total financial assets	667,814	34,237,517	22,619	34,927,950
LIABILITIES				
Due to Banks		19,057		19,057
Due to Customers				-
Deposits		17,814,279		17,814,279
Institutional Deposits		9,982,831		9,982,831
Scheme Deposits		1,048,059		1,048,059
Debt Securities Issued		110,181		110,181
Other Borrowings				-
Government of Sri Lanka				-
AHF		29,321		29,321
USAID				-
Refinance Borrowing		363,411		363,411
Other Liabilities		273,523		273,523
Total Financial Liabilities		29,640,661		29,640,661

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH SEPTEMBER 2017

	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Retained Earnings	AFS Reserve	Total
Balance as at 31/12/2015	889,813	203,053	9,176	683,280	1,031	2,449,406	27,364	4,263,123
Prior Period Adjustments						1,846		1,846
Net Profit for the Year						436,018		436,018
Deemed Dividend Tax						(173,347)		(173,347)
Government Loan Transfer				384,322		-		384,322
Other Comprehensive Income						31,357	(15,124)	16,234
Transfer During the Year			28,305			(28,305)		(10,000)
Payments to Consolidated Fund						(10,000)		(10,000)
Balance as at 31/12/2016	889,813	231,358	393,498	683,280	1,031	2,706,976	12,240	4,918,195
Net Profit for the Period						164,727		164,727
Deemed Dividend Tax						(104,417)	425	(103,992)
Other Comprehensive Income						(11,916)		-
Transfer During the Year			11,916					-
Transfer to Investment Fund								-
Payments to Consolidated Fund								-
Balance as at 30/09/2017	889,813	243,274	393,498	683,280	1,031	2,755,370	12,665	4,978,931

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.

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K.K. Tissa Jinadasa
Chairman

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W.M. Dayasinghe
General Manager

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

NOTES TO THE FINANCIAL STATEMENTS

01) LOANS AND RECEIVABLES TO OTHER CUSTOMERS		
	Rs '000	
	As at 30/09/2017	As at 31/12/2016
Gross loans and receivables	31,978,779	28,530,495
(Less): Individual impairment	(12,893)	(12,893)
Collective impairment	(467,311)	(353,901)
Net loans and receivables	31,498,575	28,163,701

02) LOANS AND RECEIVABLES TO OTHER CUSTOMERS-BY PRODUCT		
	Rs '000	
	As at 30/09/2017	As at 31/12/2016
By Product		
Mortgage	9,111,820	9,076,121
EPF	9,290,267	10,343,698
Vehicle	28,952	40,345
Staff loans	891,613	841,704
Personal Loans	11,707,785	7,430,006
Others (FD Loans, Refinance, Etc)	948,342	798,621
Total	31,978,779	28,530,495

03) MOVEMENTS IN INDIVIDUAL AND COLLECTIVE IMPAIRMENT DURING THE PERIOD FOR LOANS AND RECEIVABLES TO OTHER CUSTOMERS		
	Rs '000	
	As at 30/09/2017	As at 31/12/2016
Individual impairment		
Opening balance	12,893	9,390
Charge/(Write back) to income Statement	-	3,503
Write-off during the year	-	-
Other movements	-	-
Closing balance at 30/09/2017	12,893	12,893
Collective impairment		
Opening balance	353,901	322,128
Charge/(Write back) to income Statement	113,410	31,773
Other movements	-	-
Closing balance as at 30/09/2017	467,311	353,901
Total impairment as at 30/09/2017	480,204	366,794

04) DUE TO OTHER CUSTOMERS-BY PRODUCT		
	Rs '000	
	As at 30/09/2017	As at 31/12/2016
By Product		
Term Deposits	28,972,798	26,358,349
Savings Deposits	1,591,610	1,438,761
Scheme Deposits	1,061,979	1,048,059
Total	31,626,388	28,845,169

SELECTED PERFORMANCE INDICATORS

Item	As at 30/09/2017	As at 31/12/2016
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