



STATE MORTGAGE & INVESTMENT BANK

INTERIM FINANCIAL STATEMENTS

For the Nine Months Ended 30th September 2022

ICRA Rating (SL) BBB+ Stable

INCOME STATEMENT		Rs. Mn	
For the nine months ended 30 September		2022	2021
Interest income	4,955	3,841	
Interest expenses	3,398	2,302	
Net interest income	1,557	1,540	
Fee and commission income	77	99	
Fee and commission expenses	-	-	
Net fee and commission income	77	99	
Net fair value gains/(losses) from FA at FVPL	(3)	-	
Net other operating income (net)	3	6	
Total operating income	1,633	1,645	
Impairment charges	104	89	
Net operating income	1,530	1,556	
Personnel expenses	807	754	
Depreciation and amortization expenses	23	23	
Other expenses	272	248	
Operating profit before VAT	428	531	
Value added tax (VAT) on financial services	188	167	
Debt repayment levy (DRL)	-	-	
Nation building tax (NBT)	-	-	
Profit before tax	240	364	
Tax expenses	77	95	
Profit for the Period	163	269	

STATEMENT OF COMPREHENSIVE INCOME		Rs. Mn	
For the nine months ended 30 September		2022	2021
Profit for the Period	163	269	
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	163	269	

STATEMENT OF FINANCIAL POSITION		Rs. Mn	
As at		30.09.2022	31.12.2021
Assets			Audited
Cash and cash equivalents	150	144	
Placements with banks	13,454	11,775	
Financial assets - FVPL	-	25	
Financial assets - AC			
- Loans and advanced	38,844	38,103	
- Debt and other instruments	1,539	1,992	
Financial assets - FVOCI	5	5	
Property, plant and equipment	69	56	
Deferred tax assets	223	223	
Other assets	1,250	1,000	
Total assets	55,534	53,323	
Liabilities			
Due to banks	16	31	
Financial liabilities at amortised cost			
- Due to depositors	47,899	45,738	
- Due to debt securities holders	-	-	
- Due to other borrowers	215	270	
Employee benefit liability	452	438	
Other liabilities	505	562	
Total liabilities	49,087	47,039	
Equity			
Stated capital/assigned capital	890	890	
Statutory reserve fund	305	297	
Retained earnings	4,175	4,019	
Other reserves	1,078	1,078	
Total equity	6,447	6,284	
Total equity and liabilities	55,534	53,323	

STATEMENT OF CASH FLOWS		Rs. Mn	
For the nine months ended 30 September		2022	2021
Cash flows from operating activities			
Interest received	3,447	3,330	
Interest payments	(2,607)	(2,302)	
Net commission receipts	77	99	
Payments to employees	(713)	(557)	
VAT on financial services	(174)	(122)	
Receipts from other operating activities	3	6	
Payments on other operating activities	(272)	(147)	
Operating profit before changes in Operating Assets & Liabilities	(239)	307	
Increase/(decrease) in operating assets			
Financial assets at amortised cost - loans & advances	(1,065)	(510)	
Other assets	(1)	(31)	
Increase/(decrease) in operating liabilities	(1,066)	(542)	
Financial liabilities at amortised cost - due to depositors	1,153	(564)	
Financial liabilities at amortised cost - due to other borrowers	(55)	(61)	
Other liabilities	(113)	17	
Net cash generated from operating activities before income tax	(319)	(843)	
Income taxes paid	(78)	(99)	
Net cash from operating activities	(397)	(942)	
Cash flows from investing activities			
Dividend received	-	2	
Proceeds from the sale of property, plant and equipment	-	-	
Purchase of financial investments	(669)	440	
Purchase of property, plant & equipment	(36)	(16)	
Proceeds from the sale & maturity of financial investments	1,124	550	
Net cash (used in)/ from investing activities	420	976	
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	22	34	
Cash and cash equivalents at the beginning of the period	112	128	
Cash and cash equivalents at the end of the period	135	162	
Reconciliation of cash and cash equivalents			
Cash and short term funds	150	202	
Government of Sri Lanka treasury bills	-	-	
Borrowings from Banks (OD)	(16)	(40)	
Cash and cash equivalents at the end of the period	135	162	

Analysis of Financial Instruments by Measurement Basis - Bank				
As at 30 September 2022				
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	150			150
Placements with banks	13,454			13,454
Loans and advances	38,844			38,844
Debt instruments	-			-
Reverse Repos	76			76
Treasury Bills	1,077			1,077
Treasury Bonds	386			386
Unit Trusts	-			-
Unquoted Shares			5	5
Total financial assets	53,986	-	5	53,992
LIABILITIES				
Due to Banks	16			16
Financial liabilities				
- Due to depositors	47,899			47,899
- Due to debt security holders	-			-
- Due to other borrowers	215			215
Total financial liabilities	48,130	-	-	48,130

Analysis of Financial Instruments by Measurement Basis - Bank				
As at 31 December 2021				
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	144			144
Placements with banks	11,775			11,775
Loans and advances	38,103			38,103
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	52,014	25	5	52,044
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 30.09.2022		
	30.09.2022	31.12.2021
Regulatory Capital (LKR 'Mn) Basel III		
Common Equity Tier - 1	6,074	6,066
Tier - 1 Capital	6,074	6,066
Total Capital	6,490	6,473
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement 7%)	21.25	23.95
Tier 1 Capital Ratio (Minimum Requirement - 8.5%)	21.25	23.95
Total Capital Ratio (Minimum Requirement - 12.5%)	22.71	25.23
Leverage Ratio %	10.92	10.57
Regulatory Liquidity		
Stat Liquid assets Rs Mn	14,811	13,652
Stat Liquid assets Ratio (Minimum req-20%)	33.83	32.58
Total Stock of High Quality Liquid Assets Rs.Mn	1,478	1,849
Liquidity Coverage Ratio (LCR) (Minimum req-100%)	106	115
Net Stable Funding Ratio (Minimum req-100%)	119	136
Gross NPL %	19.35	19.84
Net NPL (net of interest in suspense and provisions) %	15.58	16.56
Gross NPL Exclu. EPF %	10.21	9.19
Net NPL Exclu. EPF %	5.80	5.27
Interest Margin %	3.81	4.34
Return on Assets (before Tax) %	0.59	0.76
Return on Equity %	3.41	4.11
Number of Branches	25	25
Number of Employees	356	365
Impaired Loan (stage 3) ratio %	19.2	19.98
impairment (stage 3) to stage 3 loans ratio %	12.5	11.10

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30.09.2022								
	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						253		253
Deemed Dividend Tax over payment provision						-		-
Other Comprehensive Income						10		10
Transfer During the Year		13				(13)		-
Transfer to Consolidated Fund								-
Balance as at 31. 12. 2021	890	297	393	683	1	4,019	-	6,284
Prior year adjustment						1		1
Net profit for the period						163		163
Other Comprehensive Income								-
Deemed Dividend Tax						-		-
Transfer During the year		8				(8)		-
Transfer to Investment Fund								-
Transfer to Consolidated Fund								-
Balance as at 30.09. 2022	890	305	393	683	1	4,175	-	6,447

Certification:

We, the undersigned, being the Chairman, General Manager / CEO and Deputy General Manager (Finance and Planning) of State Mortgage and Investment Bank certify jointly that,

- the above Statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
- 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. N. D. P. Somarathna
 Deputy General Manager (Finance & Planning)

25 November 2022