



STATE MORTGAGE & INVESTMENT BANK

FINANCIAL STATEMENTS

For The Year Ended 31st December 2022

ICRA Issuer Rating [SL] BBB+ Stable

INCOME STATEMENT		Rs 'Mn	
FOR THE YEAR ENDED 31 ST DECEMBER 2022			
	2022	2021	
Interest income	7,404	5,254	
Interest expenses	(5,384)	(2,951)	
Net interest income	2,020	2,302	
Fee and commission income	92	139	
Fee and commission expenses	-	-	
Net fee and commission income	92	139	
Net Fair Value Gains/(Losses) from FA at FVPL	(3)	4	
Net other operating income (net)	26	29	
Total operating income	2,134	2,474	
Impairment Charges	(276)	(362)	
Net operating income	1,858	2,112	
Personnel expenses	(1,093)	(1,084)	
Depreciation and amortization expenses	(30)	(100)	
Other expenses	(395)	(306)	
Operating profit/(loss) before VAT,NBT & DRL	340	621	
Value added tax (VAT) on financial services (18%)	(217)	(216)	
Social Security Levy (2.5%)	(4)	-	
Nation Building Tax (NBT)	-	-	
Profit/(loss) before tax	119	405	
Income Tax expenses	(86)	(152)	
Profit/(loss) for the Year	33	253	

STATEMENT OF COMPREHENSIVE INCOME		Rs 'Mn	
FOR THE YEAR ENDED 31 ST DECEMBER 2022			
	2022	2021	
Profit/(loss) for the Year	33	253	
Items that will be reclassified to income statement			
Gains and Losses on Re-Measuring Financial Assets	-	-	
Items that will not be reclassified to income statement			
Re-measurement of post-employment benefit obligations	-	13	
Deferred Tax effect on Actuarial Gains/Losses on defined benefit obligations	-	(3)	
Total comprehensive income for the period	33	263	

STATEMENT OF FINANCIAL POSITION		Rs 'Mn	
As at 31 ST DECEMBER 2022			
	2022	2021	
Assets			
Cash and cash equivalents	115	144	
Placements with Banks	13,004	11,775	
Financial Assets - FVPL	-	25	
Financial Assets - AC			
- Loans and Advances	39,323	38,103	
- Debt and Other Instruments	2,575	1,992	
Financial Assets - FVOCI	5	5	
Property, plant and equipment	65	56	
Deferred tax assets	223	223	
Other assets	1,256	1,000	
Total assets	56,566	53,323	
Liabilities			
Due to banks	29	31	
Financial Liabilities at Amortised Cost			
- Due to Depositors	49,094	45,738	
- Due to Debt Securities Holders	-	-	
- Due to Other Borrowers	180	270	
Employee Benefit Liability	443	438	
Other Liabilities	502	562	
Total liabilities	50,248	47,039	
Equity			
Stated Capital/Assigned Capital	890	890	
Statutory Reserve Fund	298	297	
Retained Earnings	4,052	4,019	
Other Reserves	1,078	1,078	
Total equity	6,317	6,284	
Total equity and liabilities	56,566	53,323	

STATEMENT OF CASH FLOWS		Rs 'Mn	
FOR THE YEAR ENDED 31 ST DECEMBER 2022			
	2022	2021	
Cash Flows from Operating Activities			
Interest Received	7,372	4,706	
Interest Payments	-	-	
Net commission receipts	(5,384)	(2,900)	
Payments to Employees	92	139	
VAT, DLR & NBT on financial services	(1,093)	(864)	
Receipts from Other Operating Activities	(199)	(263)	
Payments on Other Operating Activities	27	5	
	(395)	(212)	
Operating Profit before Changes in Operating Assets (Increase)/ Decrease in Operating Assets	420	611	
Financial assets at amortised cost - loans & advances	(1,496)	(1,666)	
Other assets	(256)	404	
	(1,752)	(1,262)	
Increase/ (Decrease) in Operating Liabilities			
Financial liabilities at amortised cost-due to depositors	3,356	350	
Financial liabilities at amortised cost-due to other borrowers	(90)	(91)	
Other liabilities	(44)	107	
	3,222	365	
Net cash generated from operating activities before Income Tax	1,890	(286)	
Income Taxes Paid	(86)	(147)	
Net Cash from Operating Activities	(1,804)	(433)	
Cash flows from investing activities			
Dividend Received	21	23	
Proceeds from the sale of property, plant and equipment	-	-	
Purchase of Property, Plant & Equipment	(39)	(21)	
Net Proceeds from the sale & maturity of financial investments	(1,812)	415	
Net cash (used in)/ from investing activities	(1,830)	417	
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	(26)	(16)	
Cash and cash equivalents at the beginning of the period	112	128	
Cash and cash equivalents at the end of the period	86	112	
Reconciliation of Cash and Cash Equivalents			
Cash and Short Term Funds	115	144	
Government of Sri Lanka Treasury Bills	-	-	
Borrowings from Banks (OD)	(29)	(31)	
Cash and cash equivalents at the end of the period	86	112	

Analysis of Financial Instruments by Measurement Basis - Bank Current Year 2022		Rs. 'Mn			
	AC	FVPL	FVOCI	Total	
ASSETS					
Cash and cash equivalents	115			115	
Placements with banks	13,004			13,004	
Loans and advances	39,323			39,323	
Debt instruments	-			-	
Reverse Repos	70			70	
Treasury Bills	2,204			2,204	
Treasury Bonds	300			300	
Unit Trusts	-			-	
Unquoted Shares	-		5	5	
Total financial assets	55,017	-	5	55,022	
LIABILITIES					
Due to Banks	29			29	
Financial liabilities					
- Due to depositors	49,094			49,094	
- Due to debt security holders	-			-	
- Due to other borrowers	180			180	
Total financial liabilities	49,303	-	-	49,303	

Analysis of Financial Instruments by Measurement Basis - Bank Previous Year 2021		Rs. 'Mn			
	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 31/12/2022		31/12/2022	31/12/2021
Regulatory Capital (LKR 'Mn) Basel III			
Common Equity Tire - 1		6,047	6,066
Tier - 1 Capital		6,047	6,066
Total Capital		6,568	6,473
Regulatory Capital Ratios (%)			
Common Equity Tire 1 Capital Ratio (Minimum Requirement 7%)		21.91	23.95
Tier 1 Capital Ratio (Minimum Req 8.5%)		21.91	23.95
Total Capital Ratio (Minimum Req 12.5%)		23.80	25.23
Leverage Ratio %		10.73	10.57
Regulatory Liquidity			
Stat Liquid assets Rs Mn		15,503	13,652
Stat Liquid assets Ratio (Minimum req-20%)		34.69	32.58
Total Stock of High Quality Liquid Assets Rs.Mn		1,521	1,849
Liquidity Coverage Ratio (LCR) (Minimum req-100%)		103.81	115.00
Net Stable Funding Ratio (Minimum req-100%)		104.00	136.00
Gross NPL %		19.33	19.84
Net NPL %		15.56	16.56
Gross NPL Exclu. EPF %		10.18	9.19
Net NPL Exclu. EPF %		5.74	5.27
Interest Margin %		3.68	4.34
Return on Assets (before Tax) %		0.22	0.76
Return on Equity %		0.52	4.11
Number of Branches		25	25
Number of Employees		416	365
Impaired Loans (Stage 3) Ratio (%)		16.0	19.98
Impairment (Stage 3) to Stage 3 Loans Ratio (%)		14.6	11.10

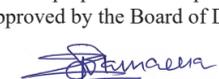
STATEMENT OF CHANGES IN EQUITY		FOR THE YEAR ENDED 31 ST DECEMBER 2022						
	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Retained Earnings	AFS Reserve	Total
Balance as at 31/12/2020	890	284	393	683	1	3,768	-	6,020
Prior Period Adjustments						1		1
Net Profit for the Year						253		253
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 adjustments						1		1
Net Profit for the year						33		33
Deemed dividend Tax over Payment						-		-
Other Comprehensive Income						-		-
Transfer During the Year		2				(2)		-
Transfer to Consolidated Fund						-		-
Balance as at 31/12/2022	890	298	393	683	1	4,052	-	6,317

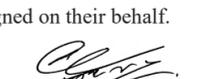
Certification:

We, the undersigned, be the Director, being 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.


Mr. H.C.D.L. Silva
 Director


Mr. I.T. Asuramanna
 General Manager / CEO


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

24th February 2023