



State Mortgage & Investment Bank

Financial Statements

For The Period Ended 31st March 2016

INCOME STATEMENT FOR THE PERIOD ENDED 31 ST MARCH	Rs '000	
	31/03/2016	31/03/2015
Interest income	977,863	886,820
Interest expenses	(557,265)	(491,830)
Net interest income	420,598	394,990
Fee and commission income	28,320	28,389
Fee and commission expenses	-	-
Net fee and commission income	28,320	28,389
Other operating income (net)	283	2,412
Total operating income	449,201	425,791
Impairment for loans and other losses	(16,642)	(33,691)
Net operating income	432,559	392,100
Personnel expenses	(162,511)	(140,168)
Other expenses	(60,731)	(70,293)
Operating profit/(loss) before value added tax (VAT)	209,317	181,640
Value added tax (VAT) on financial services	(34,424)	(31,891)
Nation Building Tax (NBT)	(6,259)	(6,436)
Profit/(loss) before tax	168,634	143,313
Tax expenses	(64,240)	(50,859)
Profit/(loss) for the period	104,394	92,454

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 ST MARCH	Rs' 000	
	31/03/2016	31/03/2015
Profit/(loss) for the period	104,394	92,454
Other comprehensive income, net of tax		
Gains and losses on re-measuring available-for-sale financial assets	7,321	(1,560)
Actuarial gains/(losses) on defined benefit plans (+/-)	-	-
Total comprehensive income for the period	111,714	90,894

STATEMENT OF FINANCIAL POSITION AS AT 31 ST MARCH	Rs '000	
	31/03/2016	31/12/2015
Assets		
Cash and cash equivalents	85,884	103,698
Placements with banks	6,581,442	5,812,559
Loans and receivables to customers	27,318,033	26,544,860
Financial investments - Available-for-sale	445,063	437,743
Financial investments - Held-to-maturity	1,057,262	820,098
Property, plant and equipment	64,220	74,457
Deferred tax assets	90,401	90,767
Other assets	429,750	384,970
Total assets	36,072,056	34,269,152
Liabilities		
Due to banks	43,051	7,196
Due to customers	29,556,749	27,835,884
Other borrowings	963,102	960,228
Employee Benefit Liability	320,182	323,423
Other liabilities	841,013	864,880
Total liabilities	31,724,097	29,991,611
Equity		
Stated capital/Assigned capital	889,813	889,813
Statutory reserve fund	207,674	203,053
Retained Earnings	2,522,300	2,463,825
Other reserves	728,171	720,851
Total equity	4,347,959	4,277,541
Total equity and liabilities	36,072,056	34,269,152
Contingent liabilities and commitments	-	-

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 ST MARCH	Rs '000	
	31/03/2016	31/03/2015
Cash flows from operating activities		
Interest Received	778,290	849,387
Interest Payments	(557,265)	(491,830)
Payments to Employees and suppliers	(193,835)	(176,379)
Receipts from Other Operating Activities	28,603	30,801
Payments on Other Operating Activities	(29,407)	(34,082)
Operating profit before changes in Operating Assets	26,386	177,898
Increase/(Decrease) in Operating Assets		
Funds Advanced to Customers (Net)	(773,173)	(895,384)
Other Short Term Securities	(1,833,465)	(175,792)
	(2,606,639)	(1,071,177)
Increase/(Decrease) in Operating Liabilities		
Deposits from Customers (Net)	1,720,866	737,562
Others	758,053	(44,121)
	2,478,918	693,441
Net cash generated from operating activities before Income Tax	(101,334)	(199,838)
Income Tax & Deemed Dividend Tax Paid	(87,453)	(101,330)
Net Cash from Operating Activities	(188,787)	(301,168)
Cash flows from investing activities		
Dividend Received	-	1,500
Proceeds from the sale of property, plant and equipment	-	-
Purchase of Property, Plant & Equipment	(1,534)	(4,091)
Proceeds from the sale and maturity of financial investments	138,741	99,308
Others (please specify)	-	-
Net cash (used in)/from investing activities	137,207	96,717
Cash flows from financing activities		
Repayment of Loans	(2,089)	(2,163)
Proceeds from Borrowings	-	-
Payments to Consolidated Fund	-	-
Net cash from financing activities	(2,089)	(2,163)
Net increase/(decrease) in cash & cash equivalents	(53,669)	(206,614)
Cash and cash equivalents at the beginning of the period	96,502	98,168
Cash and cash equivalents at the end of the year	42,833	(108,447)

Reconciliation of Cash and Cash Equivalents	Rs '000	
	31/03/2016	31/12/2015
Cash and Short Term Funds	85,884	106,360
Government of Sri Lanka Treasury Bills	-	-
Borrowings from Banks	(43,051)	(214,807)
Cash and cash equivalents at the end of the period	42,833	(108,447)

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 31ST MARCH 2016

Rs '000

Bank - Current Period	Rs '000			
	HTM	Loans & Receivables	AFS	Total
ASSETS				
Cash and balances with central banks		85,884		85,884
Sri Lanka government securities	1,057,262			1,057,262
Balances with banks				-
Investment securities			5,379	5,379
Placement with and Loans to other banks & Financial institutions				-
Commercial Papers		748,046		748,046
Trust Certificates				-
Treasury Bills Held Under Resale Agreement		1,648,090		1,648,090
Fixed Deposits		4,117,992		4,117,992
Debentures				-
Loans and receivables to other Customers		27,318,033		27,318,033
Financial investments - Unit Trust			439,684	439,684
Other assets -Prepaid staff Loans		260,733		260,733
Total financial assets	1,057,262	34,178,778	445,063	35,681,103
LIABILITIES				
Due to banks		43,051		43,051
Due to customers				-
Deposits		17,748,637		17,748,637
Institutional Deposits		10,812,246		10,812,246
Scheme deposits		995,866		995,866
Debt securities issued		110,868		110,868
Other borrowings				-
Government of Sri Lanka AHF		384,322		384,322
USAID		35,819		35,819
Refinance Borrowing		432,092		432,092
Other liabilities		312,422		312,422
Total financial liabilities		30,875,324		30,875,324

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS (continued) Bank - Previous Year (2015)

Bank - Previous Year (2015)	Rs '000			
	HTM	Loans & Receivables	AFS	Total
ASSETS				
Cash and Balances with Central Banks		103,698		103,698
Sri Lanka Government Securities -	820,098			820,098
Balances with banks				-
Investment Securities			5,379	5,379
Placement with and Loans to Other Banks & Financial Institutions				-
Commercial Papers		466,026		466,026
Trust Certificates				-
Treasury Bills Held Under Resale Agreement		611,335		611,335
Fixed Deposits		4,669,309		4,669,309
Debentures		65,890		65,890
Loans and Receivables to Other Customers		26,544,860		26,544,860
Financial investments - Pyramid Trust			432,364	432,364
Other Assets -Prepaid staff Loans		260,733		260,733
Total financial assets	820,098	32,721,850	437,743	33,979,691
LIABILITIES				
Due to Banks		7,196		7,196
Due to Customers				-
Deposits		17,969,945		17,969,945
Institutional Deposits		8,862,312		8,862,312
Scheme Deposits		1,003,627		1,003,627
Debt Securities Issued		110,181		110,181
Other Borrowings				-
Government of Sri Lanka AHF		384,322		384,322
USAID		37,908		37,908
Refinance Borrowing		427,817		427,817
Other Liabilities		371,078		371,078
Total Financial Liabilities		29,174,387		29,174,387

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2016

FOR THE PERIOD ENDED 31 ST MARCH 2016	Rs '000					
	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Total
Balance as at 31/12/2014	889,813	191,356	9,176	683,280	1,031	4,017,687
Net profit for the year						430,775
Deemed Dividend Tax						(174,445)
Other Comprehensive Income						13,524
Transfer during the year		11,697				(11,697)
Transfer to Investment Fund						-
Transfer to Consolidated Fund						(10,000)
Balance as at 31/12/2015	889,813	203,053	9,176	683,280	1,031	4,277,541
Net profit for the period						104,394
Deemed Dividend Tax						(41,297)
Other Comprehensive Income						7,321
Transfer during the year		4,621				(4,621)
Transfer to Investment Fund						-
Transfer to Consolidated Fund						-
Balance as at 31/03/2016	889,813	207,674	9,176	683,280	1,031	4,347,959

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2015

FOR THE PERIOD ENDED 31 ST MARCH 2015	Rs '000					
	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Total
Balance as at 31/12/2014	889,813	191,356	9,176	683,280	1,031	4,017,687
Net profit for the year						430,775
Deemed Dividend Tax						(174,445)
Other Comprehensive Income						13,524
Transfer during the year		11,697				(11,697)
Transfer to Investment Fund						-
Transfer to Consolidated Fund						(10,000)
Balance as at 31/12/2015	889,813	203,053	9,176	683,280	1,031	4,277,541
Net profit for the period						104,394
Deemed Dividend Tax						(41,297)
Other Comprehensive Income						7,321
Transfer during the year		4,621				(4,621)
Transfer to Investment Fund						-
Transfer to Consolidated Fund						-
Balance as at 31/03/2016	889,813	207,674	9,176	683,280	1,031	4,347,959

CERTIFICATION:

We, the undersigned being the Chairman, General Manager and Acting 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.

.....
K.K. Tissa Jinadasa,
Chairman

.....
W.M. Dayasinghe
General Manager

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

20/04/2016

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NOTES TO THE FINANCIAL STATEMENTS

01) LOANS AND RECEIVABLES TO OTHER CUSTOMERS

	Rs '000	
	As at 31/03/2016	As at 31/12/2015
Gross loans and receivables	27,666,193	26,876,378
(Less): Individual impairment	(9,390)	(9,390)
Collective impairment	(338,770)	(322,128)
Net loans and receivables	27,318,033	26,544,860

02) LOANS AND RECEIVABLES TO OTHER CUSTOMERS-BY PRODUCT

By Product	Rs '000	
	As at 31/03/2016	As at 31/12/2015
Mortgage	8,333,546	8,232,209
EPF	11,994,400	12,054,294
Vehicle	50,970	54,682
Staff loans	774,265	740,234
Personal Loans	5,328,926	4,606,368
Others (FD Loans, Refinance, Etc)	1,184,085	1,188,590
Total	27,666,193	26,876,378

03) MOVEMENTS IN INDIVIDUAL