



State Mortgage & Investment Bank

Financial Statements

For The Period Ended 31st March 2017

INCOME STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017

	Rs '000	
	31/03/2017	31/03/2016
Interest income	1,095,314	977,863
Interest expenses	(679,644)	(557,265)
Net interest income	415,670	420,598
Fee and commission income	34,431	28,320
Fee and commission expenses	-	-
Net fee and commission income	34,431	28,320
Other operating income (net)	1,364	283
Total operating income	451,465	449,201
Impairment for loans and other losses	(23,107)	(16,642)
Net operating income	428,358	432,559
Personnel expenses	(200,270)	(162,511)
Other expenses	(64,779)	(60,731)
Operating profit/(loss) before value added tax (VAT)	163,309	209,317
Value added tax (VAT) on financial services	(46,584)	(34,424)
Nation Building Tax (NBT)	(6,211)	(6,259)
Profit/(loss) before tax	110,514	168,634
Tax expenses	(54,454)	(64,240)
Profit/(loss) for the period	56,060	104,394

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST MARCH 2017

	Rs' 000	
	2017	2016
Profit/(loss) for the period	56,060	104,394
Other comprehensive income, net of tax		
Gains and losses on re-measuring available-for-sale financial assets (615)	7,321	-
Total comprehensive income for the period	55,445	111,714

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2017

	Rs '000	
	31/03/2017	31/12/2016
Assets		
Cash and cash equivalents	114,918	97,025
Placements with banks	5,923,273	5,696,689
Loans and receivables to customers	29,666,547	28,158,209
Financial investments – Available-for-sale	22,004	22,619
Financial investments – Held-to-maturity	606,799	659,891
Property, plant and equipment	88,160	92,501
Deferred tax assets	95,492	95,858
Other assets	696,052	506,712
Total assets	37,213,246	35,329,503
Liabilities		
Due to banks	88,317	19,057
Due to customers	30,298,508	28,845,169
Other borrowings	705,645	502,912
Employee Benefit Liability	324,837	322,683
Other liabilities	831,578	695,761
Total liabilities	32,248,885	30,385,582
Equity		
Stated capital/Assigned capital	889,813	889,813
Statutory reserve fund	217,717	214,301
Retained Earnings	2,767,397	2,749,758
Other reserves	1,089,434	1,090,049
Total equity	4,964,361	4,943,921
Total equity and liabilities	37,213,246	35,329,503
Contingent liabilities and commitments	-	-

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH 2017

	Rs '000	
	31/03/2017	31/03/2016
Cash flows from operating activities		
Interest Received	893,946	778,290
Interest Payments	(679,644)	(557,265)
Payments to Employees and suppliers	(237,529)	(193,835)
Receipts from Other Operating Activities	35,796	28,603
Payments on Other Operating Activities	(27,520)	(29,407)
Operating profit before changes in Operating Assets	(14,952)	26,386
Increase/(Decrease) in Operating Assets		
Funds Advanced to Customers (Net)	(1,508,339)	(773,173)
Other Short Term Securities	(832,768)	(1,833,465)
Increase/(Decrease) in Operating Liabilities		
Deposits from Customers (Net)	1,453,339	1,720,866
Others	535,039	758,053
Net cash generated from operating activities before Income Tax	(367,681)	(101,334)
Income Tax & Deemed Dividend Tax Paid, VAT, NBT	(86,523)	(87,453)
Net Cash from Operating Activities	(454,204)	(188,787)
Cash flows from investing activities		
Dividend Received	1,000	-
Proceeds from the sale of property, plant and equipment	-	-
Purchase of Property, Plant & Equipment	(3,860)	(1,534)
Interest Received from Deposits with Other Banks	189,124	138,741
Interest Received from Government Securities	-	-
Net cash (used in)/from investing activities	186,264	137,207
Cash flows from financing activities		
Repayment of Loans	(1,961)	(2,089)
Proceeds from Borrowings	200,000	-
Payments to Consolidated Fund	-	-
Net cash from financing activities	198,039	(2,089)
Net increase/(decrease) in cash & cash equivalents	(69,901)	(53,669)
Cash and cash equivalents at the beginning of the period	96,502	96,502
Cash and cash equivalents at the end of the period	26,601	42,833
Reconciliation of Cash and Cash Equivalents		
Cash and Short Term Funds	114,918	85,884
Government of Sri Lanka Treasury Bills	-	-
Borrowings from Banks	(88,317)	(43,051)
Cash and cash equivalents at the end of the period	26,601	42,833

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 31ST MARCH 2017

	Rs '000			
	HTM	Loans & Receivables	AFS	Total
Bank - Current Period				
ASSETS				
Cash and balances with central banks		114,918		114,918
Sri Lanka government securities	606,799			606,799
Balances with banks				-
Investment securities			5,379	5,379
Placement with and Loans to other banks & Financial institutions				-
Commercial Papers				-
Trust Certificates				-
Treasury Bills Held Under Resale Agreement		690,010		690,010
Fixed Deposits		5,160,235		5,160,235
Debentures		73,028		73,028
Loans and receivables to other Customers		29,666,547		29,666,547
Financial investments - Unit Trust			16,625	16,625
Other assets -Prepaid staff Loans		272,398		272,398
Total financial assets	606,799	35,977,136	22,004	36,605,939
LIABILITIES				
Due to banks		88,317		88,317
Due to customers				-
Deposits		18,576,689		18,576,689
Institutional Deposits		10,670,427		10,670,427
Scheme deposits		1,051,393		1,051,393
Debt securities issued		110,868		110,868
Other borrowings				-
Bank Loan		200,000		200,000
AHF		27,731		27,731
USAID				-
Refinance Borrowing		367,045		367,045
Other liabilities		295,010		295,010
Total financial liabilities		31,387,480		31,387,480

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

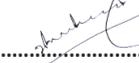
	Rs '000			
	HTM	Loans & Receivables	AFS	Total
ASSETS				
Cash and Balances with Central Banks		97,025		97,025
Sri Lanka Government Securities	659,891			659,891
Balances with banks				-
Investment Securities			5,379	5,379
Placement with and Loans to Other Banks & Financial Institutions				-
Commercial Papers		291,437		291,437
Trust Certificates				-
Treasury Bills Held Under Resale Agreement		939,963		939,963
Fixed Deposits		4,402,499		4,402,499
Debentures		62,790		62,790
Loans and Receivables to Other Customers		28,158,209		28,158,209
Financial investments - Pyramid			17,240	17,240
Trust				-
Other Assets -Prepaid staff Loans		272,398		272,398
Total financial assets	659,891	34,224,320	22,619	34,906,830
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				-
Bank Loan				-
AHF		29,321		29,321
USAID				-
Refinance Borrowing		363,411		363,411
Other Liabilities		280,944		280,944
Total Financial Liabilities	-	29,648,083	-	29,648,083

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2017

	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Investment 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
Net Profit for the Year							451,671		451,671
Deemed Dividend Tax							(161,428)		(161,428)
Government Loan Transferred			384,322						384,322
Other Comprehensive Income							(31,357)	15,124	16,234
Transfer During the Year		11,248					(11,248)		-
Transfer to Investment Fund									-
Transfer to Consolidated Fund							(10,000)		(10,000)
Balance as at 31/12/2016	889,813	214,301	393,498	683,280	1,031	-	2,749,758	12,240	4,943,921
Net profit for the period							56,060		56,060
Deemed Dividend Tax							(35,006)		(35,006)
Other Comprehensive Income								(615)	(615)
Transfer during the period		3,416					(3,416)		-
Transfer to Investment Fund									-
Transfer to Consolidated Fund									-
Balance as at 31/03/2017	889,813	217,717	393,498	683,280	1,031	-	2,767,397	11,625	4,964,361

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.


K.K. Tissa Jinadasa
 Chairman


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 31/03/2017	As at 31/12/2016
Gross loans and receivables	30,060,340	28,528,894
(Less): Individual impairment	(12,893)	(12,893)
Collective impairment	(380,899)	(357,793)
Net loans and receivables	29,666,547	28,158,209

02) LOANS AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	Rs '000	
	As at 31/03/2017	As at 31/12/2016
By Product		
Mortgage	9,297,733	9,096,333
EPF	10,489,032	10,299,463
Vehicle	40,328	40,345
Staff loans	725,887	861,614
Personal Loans	8,681,318	7,430,006
Others (FD Loans , Refinance. Etc)	826,042	801,133
Total	30,060,340	28,528,894

03) MOVEMENTS IN INDIVIDUAL AND COLLECTIVE IMPAIRMENT DURING THE PERIOD FOR LOANS AND RECEIVABLES TO OTHER CUSTOMERS

	Rs '000	
	As at 31/03/2017	As at 31/12/2016
Individual impairment		
Opening balance	12,893	9,390
Charge / (Write back) to income	-	3,503
Write-off during the year	-	-
Other movements	-	-
Closing balance at 31/03/2017	12,893	12,893
Collective impairment		
Opening balance	357,793	322,128
Charge / (Write back) to income	23,107	35,664
Other movements	-	-
Closing balance as at 31/03/2017	380,899	357,793
Total impairment as at 31/03/2017	393,792	370,686

04) DUE TO OTHER CUSTOMERS-BY PRODUCT

	Rs '000	
	As at 31/03/2017	As at 31/12/2016
By Product		
Institutional Fixed Deposits	10,670,427	9,982,830
Retail Fixed Deposits	17,012,679	16,375,522
Savings Deposits	1,564,009	1,438,757
Scheme Deposits	1,051,393	1,048,059
Total	30,298,508	28,845,169