



State Mortgage & Investment Bank

Financial Statements

For The Period Ended 31 March 2019

INCOME STATEMENT FOR THE PERIOD ENDED 31 ST MARCH 2019	Rs 'Mn	
	From 01/01/2019 to 31/03/2019	From 01/01/2018 to 31/03/2018 Restated
Interest income	1,429.6	1,333.1
Interest expenses	(945.1)	(935.7)
Net interest income	484.5	397.3
Fee and commission income	28.7	26.5
Fee and commission expenses	-	-
Net fee and commission income	28.7	26.5
Net Fair Value Gains/(Losses) from FA at FVPL	0.3	-
Net other operating income (net)	0.7	1.0
Total operating income	514.1	424.8
Impairment Charges	(10.2)	(15.1)
Net operating income	503.9	409.7
Personnel expenses	(233.2)	(168.6)
Depreciation and amortization expenses	(7.5)	(6.0)
Other expenses	(55.2)	(67.7)
Operating profit/(loss) before VAT,NBT & DRL	208.0	167.4
Value added tax (VAT) on financial services	(56.5)	(43.0)
Debt Repayment Levy (DRL)	(30.8)	-
Nation Building Tax (NBT)	(7.5)	(5.7)
Profit/(loss) before tax	113.2	118.7
Tax expenses	(49.1)	(52.0)
Profit/(loss) for the Period	64.1	66.7

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 ST MARCH 2019	Rs 'Mn	
	31/03/2019	31/03/2018 Restated
Profit/(loss) for the Period	64.1	66.7
Re-measurement of post-employment benefit obligations	-	-
Gains and Losses on Re-Measuring Financial Assets	-	(1.1)
Total comprehensive income for the period	64.1	65.6

STATEMENT OF FINANCIAL POSITION As at 31 ST MARCH 2019	Rs 'Mn	
	31/03/2019	31/12/2018
Assets		
Cash and cash equivalents	130	96
Placements with Banks	6,546	5,206
Financial Assets - FVPL	18	18
Financial Assets - AC	-	-
- Loans and Advanced	35,017	34,225
- Debt and Other Instruments	2,002	1,943
Financial Assets - FVOCI	5	5
Property, plant and equipment	62	64
Deferred tax assets	107	107
Other assets	1,192	932
Total assets	45,080	42,597
Liabilities		
Due to banks	52	12
Financial Liabilities at Amortised Cost		
- Due to Depositors	36,415	34,272
- Due to Debt Securities Holders	111	110
- Due to Other Borrowers	1,924	1,873
Employee Benefit Liability	380	382
Other Liabilities	947	760
Total liabilities	39,829	37,410
Equity		
Stated Capital/Assigned Capital	890	890
Statutory Reserve Fund	264	262
Retained Earnings	3,019	2,958
Other Reserves	1,078	1,078
Total equity	5,251	5,187
Total equity and liabilities	45,080	42,597

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 ST MARCH 2019	Rs 'Mn	
	31/03/2019	31/03/2018
Cash flows from operating activities		
Interest Received	896	1,017
Interest Payments	(701)	(1,554)
Net commission receipts	29	27
Payments to Employees	(233)	(159)
VAT, DLR & NBT on bank services	(91)	(18)
Receipts from Other Operating Activities	1	1
Payments on Other Operating Activities	(55)	(72)
Operating profit before changes in Operating Assets & Liabilities	(155)	(759)
(Increase)/ Decrease in Operating Assets		
Financial assets at amortised cost - loans & advances	(645)	(421)
Other assets	-	-
Increase/ (Decrease) in Operating Liabilities	(645)	(421)
Financial liabilities at amortised cost - due to depositors	1,953	644
Financial liabilities at amortised cost - due to other borrowers	52	(54)
Other liabilities	-	-
Net cash generated from operating activities before Income Tax	1,205	(590)
Income Taxes Paid	(58)	(27)
Net Cash from Operating Activities	1,147	(617)
Cash flows from investing activities		
Dividend Received	-	-
Proceeds from the sale of property, plant and equipment	-	-
Purchase of financial investments	(1,400)	737
Purchase of Property, Plant & Equipment	(5)	(3)
Proceeds from the sale & maturity of financial investments	240	208
Net cash (used in)/ from investing activities	(1,165)	942
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	(18)	325
Cash and cash equivalents at the beginning of the period	96	72
Cash and cash equivalents at the end of the period	78	398
Reconciliation of Cash and Cash Equivalents		
Cash and Short Term Funds	130	407
Government of Sri Lanka Treasury Bills	-	-
Borrowings from Banks (OD)	(52)	(10)
Cash and cash equivalents at the end of the period	78	398

Analysis of Financial Instruments by Measurement Basis - Bank Current Year (31.03.2019)	Rs. 'Mn			
Bank - Current Period (2019)	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	130			130
Placements with banks	6,546			6,546
Loans and advances	35,017			35,017
Debt instruments	67			67
Reverse Repos	705			705
Treasury Bills	1,001			1,001
Treasury Bonds	228			228
Unit Trusts		18		18
Unquoted Shares			5	5
Total financial assets	43,696	18	5	43,719
LIABILITIES				
Due to Banks	52			52
Financial liabilities				
- Due to depositors	36,415			36,415
- Due to debt security holders	111			111
- Due to other borrowers	1,924			1,924
Total financial liabilities	38,502			38,502

Analysis of Financial Instruments by Measurement Basis Bank Previous Year (31.12.2018)	Rs. 'Mn			
Bank 2018	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	96			96
Placements with banks	5,206			5,206
Loans and advances	34,225			34,225
Debt instruments	66			66
Reverse Repos	730			730
Treasury Bills	874			874
Treasury Bonds	275			275
Unit Trusts		18		18
Unquoted Shares			5	5
Total financial assets	41,472	18	5	41,495
LIABILITIES				
Due to Banks	12			12
Financial liabilities				
- Due to depositors	34,272			34,272
- Due to debt security holders	110			110
- Due to other borrowers	1,873			1,873
Total financial liabilities	36,267			36,267

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 31/03/2019	31/03/2019	31/12/2018
Regulatory Capital (Rs'Mn) Basel III		
Common Equity Tire - 1	4,850	4,850
Tier - 1 Capital	4,850	4,850
Total Capital	4,975	4,972
Regulatory Capital Ratios (%)		
Common Equity Tire 1 Capital Ratio (Minimum Requirement 7%)	21.35	21.68
Tier 1 Capital Ratio (Minimum Req 08.5%)	21.35	21.69
Total Capital Ratio (Minimum Req 12.5%)	21.90	22.24
Leverage Ratio	11.05	11.64
Regulatory Liquidity		
Stat Liqd assts Rs Mn	8,769	6,944
Stat Liqd assts Rtaio (Minimum req-20%)	26.43	22.34
Total Stock of High Quality Liquid Assets Rs.Mn	1,184	1,127
Liquidity Coverage Ratio (LCR) (Minimum req-100%)	95.07	83.91
Net Stable Funding Ratio (Minimum req-90%)	133.00	133.00
Gross NPL	21.86	21.76
Net NPL (net of interest in suspense and provisions)	20.38	20.31
Gross NPL Exclu. EPF	6.90	7.31
Net NPL Exclu. EPF	4.97	5.41
Interest Margin	4.42	4.60
Return on Assets (before Tax)	1.03	1.13
Return on Equity	4.91	4.82
Number of Branches	25	25
Number of Employees	383	386

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 ST MARCH 2019	Rs. 'Mn							
	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Retained Earnings	AFS Reserve	Total
Balance as at 31/12/2017	890	247	393	683	1	2,729	13	4,956
Prior Period Adjustments						(12)		(12)
OCI Reserve Transfer to RE						13	(13)	-
Impairment Adjustment						71		71
Net Profit for the Year						244		244
Deemed Dividend Tax						(49)		(49)
Other Comprehensive Income						(24)		(24)
Transfer During the Year		15				(15)		
Transfer to Consolidated Fund								
Balance as at 31/12/2018	890	262	393	683	1	2,958	-	5,187
Prior year adjustment								
Net profit for the period						64		64
Other Comprehensive Income								
Transfer During the year		3				(3)		
Transfer to Consolidated Fund								
Balance as at 31/03/2019	890	264	393	683	1	3,019	-	5,251

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.


 Niroshana Perera,
 Chairman


 W.M. Dayasinghe,
 General Manager


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

NOTES TO THE FINANCIAL STATEMENTS		
a. Product wise Gross Loans and Advances	Rs. 'Mn	
	31/03/2019	31/12/2018
Mortgage	9,487	9,324
EPF	8,902	8,707
Vehicle	14	15
Staff loans	992	986
Personal Loans	15,261	14,821
Others	1,076	1,077
Gross Total	35,732	34,931
b. Stage wise impairment on loans and advances	Rs. 'Mn	
	31/03/2019	31/12/2018
Gross loans and advances	35,732	34,931
Stage 1	24,977	24,567
Stage 2	1,947	1,765
Stage 3	8,808	8,598
(Less): Accumulated impairment under:	715	705
Stage 1	143	140
Stage 2	60	57
Stage 3	512	508
Net Loans and Advances	35,017	34,225
c. Movements in impairment during the period	Rs. 'Mn	
	31/03/2019	31/12/2018
Stage 1		
Opening balance as at 01/01/2019	140	124
Charge/ (Write back) to income Statement	4	15
Write-off during the year	-	-
Closing balance at 31/03/2019	143	140
Stage 2		
Opening balance as at 01/01/2019	57	33
Charge/ (Write back) to income Statement	3	24
Write-off during the year	-	-
Closing balance at 31/03/2019	60	57
Stage 3		
Opening balance as at 01/01/2019	508	361
Charge/ (Write back) to income Statement	3	148
Write-off during the year	-	-
Closing balance at 31/03/2019	512	508
Total	715	705

Analysis of amount due to depositors	Rs. 'Mn	
	As at 31/03/2019	As at 31/12/2018
By Product		
Savings deposits	1,652	1,560
Fixed deposits	33,681	31,629
Other deposits (Schemes)	1,082	1,083
Total	36,415	34,272