



# STATE MORTGAGE & INVESTMENT BANK

## FINANCIAL STATEMENTS

For The Period Ended 31<sup>st</sup> March 2021

INCOME STATEMENT		Rs 'Mn	
FOR THE PERIOD ENDED 31 <sup>ST</sup> MARCH 2021			
	From 01/01/2021 to 31/03/2021	From 01/01/2020 to 31/03/2020	
Interest income	1,381	1,453	
Interest expenses	841	957	
<b>Net interest income</b>	<b>540</b>	<b>497</b>	
Fee and commission income	45	24	
Fee and commission expenses	-	-	
<b>Net fee and commission income</b>	<b>45</b>	<b>24</b>	
Net Fair Value Gains/(Losses) from FA at FVPL	-	-	
Net other operating income (net)	2	-	
<b>Total operating income</b>	<b>587</b>	<b>520</b>	
Impairment Charges	22	23	
<b>Net operating income</b>	<b>565</b>	<b>497</b>	
Personnel expenses	214	196	
Depreciation and amortization expenses	8	8	
Other expenses	69	56	
<b>Operating profit/(loss) before VAT,NBT &amp; DRL</b>	<b>275</b>	<b>238</b>	
Value added tax (VAT) on financial services	64	57	
Debt Repayment Levy (DRL)	-	-	
Nation Building Tax (NBT)	-	-	
<b>Profit/(loss) before tax</b>	<b>212</b>	<b>182</b>	
Tax expenses	64	53	
<b>Profit/(loss) for the Period</b>	<b>147</b>	<b>129</b>	

STATEMENT OF COMPREHENSIVE INCOME		Rs 'Mn	
FOR THE PERIOD ENDED 31 <sup>ST</sup> MARCH 2021			
	From 01/01/2021 to 31/03/2021	From 01/01/2020 to 31/03/2020	
<b>Profit/(loss) for the Period</b>	<b>147</b>	<b>129</b>	
<b>Items that will not be reclassified to Income Statement</b>			
Re-measurement of post-employment benefit obligations	-	-	
<b>Items that will be reclassified to Income Statement</b>			
Gains and Losses on Re-Measuring Financial Assets	-	-	
<b>Total comprehensive income for the period</b>	<b>147</b>	<b>129</b>	

STATEMENT OF FINANCIAL POSITION		Rs 'Mn	
As at 31 <sup>ST</sup> MARCH 2021			
	As at 31/03/2021	As at 31/12/2020	
<b>Assets</b>			
Cash and cash equivalents	294	196	
Placements with Banks	11,496	11,812	
Financial Assets - FVPL	21	21	
Financial Assets - AC			
- Loans and Advanced	37,915	36,887	
- Debt and Other Instruments	2,254	2,415	
Financial Assets - FVOCI	5	5	
Property, plant and equipment	47	52	
Deferred tax assets	216	216	
Other assets	1,924	1,674	
<b>Total assets</b>	<b>54,172</b>	<b>53,278</b>	
<b>Liabilities</b>			
Due to banks	68	67	
Financial Liabilities at Amortised Cost			
- Due to Depositors	45,345	45,388	
- Due to Debt Securities Holders	-	-	
- Due to Other Borrowers	263	348	
Employee Benefit Liability	445	449	
Other Liabilities	1,885	1,007	
<b>Total liabilities</b>	<b>48,007</b>	<b>47,260</b>	
<b>Equity</b>			
Stated Capital/Assigned Capital	890	890	
Statutory Reserve Fund	292	284	
Retained Earnings	3,905	3,766	
Other Reserves	1,078	1,078	
<b>Total equity</b>	<b>6,165</b>	<b>6,018</b>	
<b>Total equity and liabilities</b>	<b>54,172</b>	<b>53,278</b>	

STATEMENT OF CASH FLOWS		Rs 'Mn	
FOR THE PERIOD ENDED 31 <sup>ST</sup> MARCH 2021			
	From 01/01/2021 to 31/03/2021	From 01/01/2020 to 31/03/2020	
<b>Cash flows from operating activities</b>			
Interest Received	1,065	1,244	
Interest Payments	(841)	(921)	
Net commission receipts	45	24	
Payments to Employees	(161)	(184)	
VAT, DLR & NBT on financial services	(75)	(35)	
Receipts from Other Operating Activities	2	-	
Payments on Other Operating Activities	(47)	(55)	
<b>Operating profit before changes in Operating Assets &amp; Liabilities</b>	<b>(11)</b>	<b>74</b>	
(Increase)/ Decrease in Operating Assets	(734)	(366)	
Financial assets at amortised cost - loans & advances	-	-	
Other assets	(734)	(366)	
<b>Increase/ (Decrease) in Operating Liabilities</b>			
Financial liabilities at amortised cost-due to depositors	170	2,111	
Financial liabilities at amortised cost-due to other borrowers	-	(42)	
Other liabilities	-	-	
<b>Net cash generated from operating activities before Income Tax</b>	<b>(575)</b>	<b>1,777</b>	
Income Taxes Paid	(39)	(30)	
<b>Net Cash from Operating Activities</b>	<b>(614)</b>	<b>1,747</b>	
<b>Cash flows from investing activities</b>			
Dividend Received	-	-	
Proceeds from the sale of property, plant and equipment	-	-	
Purchase of financial investments	477	(1,486)	
Purchase of Property, Plant & Equipment	2	(4)	
Proceeds from the sale & maturity of financial investments	232	373	
<b>Net cash (used in)/ from investing activities</b>	<b>711</b>	<b>(1,117)</b>	
<b>Cash flows from financing activities</b>			
Repayment of subordinated debt	-	-	
Payments to Consolidated Fund	-	-	
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>	
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>97</b>	<b>630</b>	
Cash and cash equivalents at the beginning of the period	128	109	
<b>Cash and cash equivalents at the end of the period</b>	<b>226</b>	<b>738</b>	
<b>Reconciliation of Cash and Cash Equivalents</b>			
Cash and Short Term Funds	294	799	
Government of Sri Lanka Treasury Bills	-	-	
Borrowings from Banks (OD)	(68)	(60)	
<b>Cash and cash equivalents at the end of the period</b>	<b>226</b>	<b>738</b>	

Analysis of Financial Instruments by Measurement Basis - Bank Current Year (31.03.2021)				
Bank - Current Period (2021)				
	AC	FVPL	FVOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	294			294
Placements with banks	11,496			11,496
Loans and advances	37,915			37,915
Debt instruments	-			-
Reverse Repos	1,368			1,368
Treasury Bills	884			884
Treasury Bonds	1			1
Unit Trusts		21		21
Unquoted Shares			5	5
<b>Total financial assets</b>	<b>51,958</b>	<b>21</b>	<b>5</b>	<b>51,985</b>
<b>LIABILITIES</b>				
Due to Banks	68			68
<b>Financial liabilities</b>				
- Due to depositors	45,345			45,345
- Due to debt security holders	-			-
- Due to other borrowers	263			263
<b>Total financial liabilities</b>	<b>45,677</b>			<b>45,677</b>

Analysis of Financial Instruments by Measurement Basis - Bank Previous Year (31.12.2020)				
Bank Previous Year - 2020				
	AC	FVPL	FVOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	196			196
Placements with banks	11,812			11,812
Loans and advances	36,887			36,887
Debt instruments	-			-
Reverse Repos	1,434			1,434
Treasury Bills	815			815
Treasury Bonds	166			166
Unit Trusts		21		21
Unquoted Shares			5	5
<b>Total financial assets</b>	<b>51,310</b>	<b>21</b>	<b>5</b>	<b>51,336</b>
<b>LIABILITIES</b>				
Due to Banks	67			67
<b>Financial liabilities</b>				
- Due to depositors	45,388			45,388
- Due to debt security holders	-			-
- Due to other borrowers	348			348
<b>Total financial liabilities</b>	<b>45,804</b>			<b>45,804</b>

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 31/03/2021		
	31/03/2021	31/12/2020
<b>Regulatory Capital (LKR 'Mn) Basel III</b>		
Common Equity Tire - 1	5,425	5,425
Tier - 1 Capital	5,425	5,425
Total Capital	5,611	5,611
<b>Regulatory Capital Ratios (%)</b>		
Common Equity Tire 1 Capital Ratio (Minimum Requirement 7%)	19.78	20.18
Tier 1 Capital Ratio (Minimum Req 08.5%)	19.78	20.18
Total Capital Ratio (Minimum Req 12.5%)	20.46	20.87
<b>Leverage Ratio %</b>	9.76	10.16
<b>Regulatory Liquidity</b>		
Stat Liquid assets Rs Mn	14,068	15,482
Stat Liquid assets Ratio (Minimum req-20%)	34.05	37.29
Total Stock of High Quality Liquid Assets Rs.Mn	1,471	1,580
Liquidity Coverage Ratio (LCR) (Minimum req-100%)	106.00	116.00
Net Stable Funding Ratio (Minimum req-100%)	110.29	138.00
Gross NPL %	21.73	22.94
Net NPL (net of interest in suspense and provisions) %	19.01	20.25
Gross NPL Exclu. EPF %	9.51	10.71
Net NPL Exclu. EPF %	6.16	7.39
Interest Margin %	4.02	4.15
Return on Assets (before Tax) %	1.58	1.17
Return on Equity %	8.99	6.06
Number of Branches	25	25
Number of Employees	369	369

STATEMENT OF CHANGES IN EQUITY								
FOR THE PERIOD ENDED 31 <sup>ST</sup> MARCH 2021								
	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Retained Earnings	AFS Reserve	Total
<b>Balance as at 31/12/2019</b>	<b>890</b>	<b>271</b>	<b>393</b>	<b>683</b>	<b>1</b>	<b>3,420</b>	-	<b>5,659</b>
Prior Period Adjustments						23		23
Impairment Adjustment								
Net Profit for the Year						354		354
Deemed Dividend Tax over payment provision								
Other Comprehensive Income						(18)		(18)
Transfer During the Year		13				(13)		
Transfer to Consolidated Fund								
<b>Balance as at 31/12/2020</b>	<b>890</b>	<b>284</b>	<b>393</b>	<b>683</b>	<b>1</b>	<b>3,766</b>	-	<b>6,018</b>
Prior year adjustment								
Net profit for the period						147		147
Other Comprehensive Income								
Deemed Dividend Tax								
Transfer During the year		8				(8)		
Transfer to Investment Fund								
Transfer to Consolidated Fund								
<b>Balance as at 31/03/2021</b>	<b>890</b>	<b>292</b>	<b>393</b>	<b>683</b>	<b>1</b>	<b>3,905</b>	-	<b>6,165</b>

**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.

Dr. Udayasri Kariyawasam  
 Chairman

Mr. W.M. Dayasinghe  
 CEO/ General Manager

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

NOTES TO THE FINANCIAL STATEMENTS		
a. Product wise Gross Loans and Advances		
	31/03/2021	31/12/2020
Mortgage	11,167	9,900
EPF	7,844	7,676
Vehicle	-	-
Staff loans (Staff & EHL)	164	1,267
Personal Loans	18,680	17,994
Others	1,165	1,134
<b>Gross Total</b>	<b>39,021</b>	<b>37,971</b>
b. Stage wise impairment on loans and advances		
	31/03/2021	31/12/2020
<b>Gross loans and advances</b>	<b>39,021</b>	<b>37,971</b>
Stage 1	27,495	26,847
Stage 2	1,457	1,992
Stage 3	10,069	9,132
<b>(Less): Accumulated impairment under:</b>	<b>1,106</b>	<b>1,084</b>
Stage 1	251	245
Stage 2	77	81
Stage 3	778	759
<b>Net Loans and Advances</b>	<b>37,915</b>	<b>36,887</b>
c. Movements in impairment during the period		
	31/03/2021	31/12/2020
<b>Stage 1</b>		
Opening balance as at 01/01/2021	245	153
Charge/ (Write back) to income Statement	06	91
Write-off during the year	-	-
<b>Closing balance at 31/03/2021</b>	<b>251</b>	<b>245</b>
<b>Stage 2</b>		
Opening balance as at 01/01/2021	81	65
Charge/ (Write back) to income Statement	-	16
Write-off during the year	(3)	-
<b>Closing balance at 31/03/2021</b>	<b>77</b>	<b>81</b>
<b>Stage 3</b>		
Opening balance as at 01/01/2021	759	618
Charge/ (Write back) to income Statement	19	141
Write-off during the year	-	-
<b>Closing balance at 31/03/2021</b>	<b>778</b>	<b>759</b>
<b>Total</b>	<b>1,106</b>	<b>1,084</b>

Analysis of amount due to depositors		
	As at 31/03/2021	As at 31/12/2020
<b>By Product</b>		
Savings deposits	2,351	2,262
Fixed deposits	41,885	41,985
Other deposits (Schemes)	1,109	1,141
<b>Total</b>	<b>45,345</b>	<b>45,388</b>