



STATE MORTGAGE & INVESTMENT BANK

FINANCIAL STATEMENTS

For The Period Ended 31st March 2022

INCOME STATEMENT		Rs 'Mn	
FOR THE PERIOD ENDED 31 ST MARCH 2022			
	From 01/01/2022 to 31/03/2022	From 01/01/2021 to 31/03/2021	
Interest income	1,339	1,381	
Interest expenses	749	841	
Net interest income	591	540	
Fee and commission income	43	45	
Fee and commission expenses	-	-	
Net fee and commission income	43	45	
Net Fair Value Gains/(Losses) from FA at FVPL	(3)	-	
Net other operating income (net)	1	2	
Total operating income	632	587	
Impairment Charges	11	22	
Net operating income	620	565	
Personnel expenses	287	214	
Depreciation and amortization expenses	8	8	
Other expenses	82	69	
Operating profit/(loss) before VAT,NBT & DRL	244	275	
Value added tax (VAT) on financial services	81	64	
Debt Repayment Levy (DRL)	-	-	
Nation Building Tax (NBT)	-	-	
Profit/(loss) before tax	163	212	
Tax expenses	51	64	
Profit/(loss) for the Period	112	147	

STATEMENT OF COMPREHENSIVE INCOME		Rs 'Mn	
FOR THE PERIOD ENDED 31 ST MARCH 2022			
	From 01/01/2022 to 31/03/2022	From 01/01/2021 to 31/03/2021	
Profit/(loss) for the Period	112	147	
Items that will not be reclassified to Income Statement			
Re-measurement of post-employment benefit obligations	-	-	
Items that will be reclassified to Income Statement			
Gains and Losses on Re-Measuring Financial Assets	-	-	
Total comprehensive income for the period	112	147	

STATEMENT OF FINANCIAL POSITION		Rs 'Mn	
As at 31 ST MARCH 2022			
	As at 31/03/2022	As at 31/12/2021	
Assets			
Cash and cash equivalents	219	144	
Placements with Banks	11,350	11,775	
Financial Assets - FVPL	23	25	
Financial Assets - AC			
- Loans and Advanced	40,069	38,302	
- Debt and Other Instruments	1,770	1,992	
Financial Assets - FVOCI	5	5	
Property, plant and equipment	51	56	
Deferred tax assets	164	165	
Other assets	1,319	1,027	
Total assets	54,970	53,491	
Liabilities			
Due to banks	25	31	
Financial Liabilities at Amortised Cost			
- Due to Depositors	46,892	45,738	
- Due to Debt Securities Holders	-	-	
- Due to Other Borrowers	272	270	
Employee Benefit Liability	442	438	
Other Liabilities	801	585	
Total liabilities	48,431	47,063	
Equity			
Stated Capital/Assigned Capital	890	890	
Statutory Reserve Fund	309	304	
Retained Earnings	4,263	4,157	
Other Reserves	1,078	1,078	
Total equity	6,540	6,428	
Total equity and liabilities	54,970	53,491	

STATEMENT OF CASH FLOWS		Rs 'Mn	
FOR THE PERIOD ENDED 31 ST MARCH 2022			
	From 01/01/2022 to 31/03/2022	From 01/01/2021 to 31/03/2021	
Cash flows from operating activities			
Interest Received	995	1,065	
Interest Payments	(650)	(841)	
Net commission receipts	43	45	
Payments to Employees	(247)	(161)	
VAT, DLR & NBT on financial services	(76)	(75)	
Receipts from Other Operating Activities	1	2	
Payments on Other Operating Activities	(35)	(47)	
Operating profit before changes in Operating Assets & Liabilities	31	(11)	
Increase/(Decrease) in Operating Assets			
Financial assets at amortised cost - loans & advances	(1,700)	(734)	
	(1,700)	(734)	
Increase/(Decrease) in Operating Liabilities			
Financial liabilities at amortised cost-due to depositors	969	170	
Financial liabilities at amortised cost-due to other borrowers	1	-	
	970	170	
Net cash generated from operating activities before Income Tax	(699)	(575)	
Income Taxes Paid	(35)	(39)	
Net Cash from Operating Activities	(734)	(614)	
Cash flows from investing activities			
Dividend Received	-	-	
Proceeds from the sale of property, plant and equipment	-	-	
Purchase of financial investments	706	477	
Purchase of Property, Plant & Equipment	3	2	
Proceeds from the sale & maturity of financial investments	108	232	
Net cash (used in)/ from investing activities	816	711	
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	82	97	
Cash and cash equivalents at the beginning of the period	112	128	
Cash and cash equivalents at the end of the period	195	226	
Reconciliation of Cash and Cash Equivalents			
Cash and Short Term Funds	219	294	
Government of Sri Lanka Treasury Bills	-	-	
Borrowings from Banks (OD)	(25)	(68)	
Cash and cash equivalents at the end of the period	195	226	

Analysis of Financial Instruments by Measurement Basis - Bank Current Year (31.03.2022)				
Bank - Current Period (2022)				
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	219			219
Placements with banks	11,350			11,350
Loans and advances	40,069			40,069
Debt instruments	-			-
Reverse Repos	740			740
Treasury Bills	643			643
Treasury Bonds	387			387
Unit Trusts		23		23
Unquoted Shares			5	5
Total financial assets	53,408	23	5	53,436
LIABILITIES				
Due to Banks	25			25
Financial liabilities				
- Due to depositors	46,892			46,892
- Due to debt security holders	-			-
- Due to other borrowers	272			272
Total financial liabilities	47,188			47,188

Analysis of Financial Instruments by Measurement Basis - Bank Previous Year (31.12.2021)				
Bank Previous Year - 2021				
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	144			144
Placements with banks	11,775			11,775
Loans and advances	38,302			38,302
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	52,213	25	5	52,244
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 31/03/2022		
	31/03/2022	31/12/2021
Regulatory Capital (LKR 'Mn) Basel III		
Common Equity Tire - 1	5,778	5,777
Tier - 1 Capital	5,778	5,777
Total Capital	6,060	6,070
Regulatory Capital Ratios (%)		
Common Equity Tire 1 Capital Ratio (Minimum Requirement 7%)	20.32	21.49
Tier 1 Capital Ratio (Minimum Req 08.5%)	20.32	21.49
Total Capital Ratio (Minimum Req 12.5%)	21.31	22.57
Leverage Ratio %	10.49	10.57
Regulatory Liquidity		
Stat Liquid assets Rs Mn	13,495	13,652
Stat Liquid assets Ratio (Minimum req-20%)	31.54	32.58
Total Stock of High Quality Liquid Assets Rs.Mn	1,614	1,849
Liquidity Coverage Ratio (LCR) (Minimum req-100%)	114	115
Net Stable Funding Ratio (Minimum req-100%)	133	136
Gross NPL %	19.16	19.84
Net NPL (net of interest in suspense and provisions) %	15.88	16.56
Gross NPL Exclu. EPF %	8.88	9.19
Net NPL Exclu. EPF %	4.98	5.27
Interest Margin %	4.36	4.33
Return on Assets (before Tax) %	1.20	1.08
Return on Equity %	6.88	6.06
Number of Branches	25	25
Number of Employees	362	365
Impaired Loan (stage 3) ratio %	20	20
impairment (stage 3) to stage 3 loans ratio %	10	9

STATEMENT OF CHANGES IN EQUITY - FOR THE PERIOD ENDED 31.03.2022								
	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
Impairment Adjustment								-
Net Profit for the Year						397		397
Deemed Dividend Tax over payment provision						-		-
Other Comprehensive Income						10		10
Transfer During the Year		20				(20)		-
Transfer to Consolidated Fund								-
Balance as at 31/12/2021	890	304	393	683	1	4,157	-	6,428
Prior year adjustment								-
Net profit for the period						112		112
Other Comprehensive Income						-		-
Deemed Dividend Tax						-		-
Transfer During the year		6				(6)		-
Transfer to Investment Fund								-
Transfer to Consolidated Fund								-
Balance as at 31/03/2022	890	309	393	683	1	4,263	-	6,540

Certification:
 We, the undersigned, being the Chairman, Acting General Manager and Deputy General Manager (Finance & Planning) 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. L.I. Ranasinghe
 Acting General Manager / CEO

Mr. S.M. Hettiarachchi
 Deputy General Manager (Finance & Planning)

18 May 2022

NOTES TO THE FINANCIAL STATEMENTS		
a. Product wise Gross Loans and Advances		
	31/03/2022	31/12/2021
Mortgage	10,867	10,573
EPF	7,016	6,814
Vehicle	-	-
Staff loans (Staff & EHL)	1,399	1,411
Personal Loans	21,257	20,062
Others	1,265	1,168
Less- Allowance for Day 1 Difference - Staff Loans	(480)	(480)
Gross Total	41,325	39,547
b. Stage wise impairment on loans and advances		
	31/03/2022	31/12/2021
Gross loans and advances	41,325	39,547
Stage 1	30,439	29,384
Stage 2	1,752	1,319
Stage 3	9,133	8,844
(Less): Accumulated impairment under:	1,238	1,226
Stage 1	245	250
Stage 2	73	168
Stage 3	919	808
Net Loans and Advances	40,087	38,320
Less-First Day Impact of Moratorium Loans	18	18
Net Loans and Advances	40,069	38,302
c. Movements in impairment during the period		
	31/03/2022	31/12/2021
Stage 1		
Opening balance as at 01/01/2022	250	248
Charge/(Write back) to income statement	(5)	3
Write-off during the year	-	-
Closing balance at 31/03/2022	245	250
Stage 2		
Opening balance as at 01/01/2022	168	89
Charge/(Write back) to income statement	-	79
Write-off during the year	(95)	-
Closing balance at 31/03/2022	73	168
Stage 3		
Opening balance as at 01/01/2022	808	766
Charge/(Write back) to income statement	112	42
Write-off during the year	-	-
Closing balance at 31/03/2022	919	808
Total	1,238	1,226
Analysis of amount due to depositors		
	As at 31/03/2022	As at 31/12/2021
By Product		
Savings deposits	2,668	2,621
Fixed deposits	43,180	42,041
Other deposits (Schemes)	1,043	1,076
Total	46,892	45,738