



STATE MORTGAGE & INVESTMENT BANK

Financial Statements For The Period Ended 31 March 2024

ICRA Issuer Rating [SL] BBB Stable

INCOME STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2024

	Rs 'Mn	Rs 'Mn
	From 01/01/2024 to 31/03/2024	From 01/01/2023 to 31/03/2023
Interest income	2,170	2,431
Interest expenses	(1,739)	(2,292)
Net interest income	431	139
Fee and commission income	38	14
Net fee and commission income	38	14
Net Fair Value Gains/(Losses) from FA at FVPL	123	-
Net other operating income (net)	-	2
Total operating income	592	155
Impairment Charges	(68)	(48)
Net operating income	524	107
Personnel expenses	(287)	(283)
Depreciation and amortization expenses	(8)	(8)
Other expenses	(117)	(94)
Operating profit/(loss) before VAT & SSCL	113	(278)
Value added tax (VAT) on financial services (18%)	(59)	-
Social Security Levy (2.5%)	(8)	-
Profit/(loss) before tax	46	(278)
Income Tax expenses	-	-
Profit/(loss) for the period	46	(278)

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST MARCH 2024

	Rs 'Mn	Rs 'Mn
	From 01/01/2024 to 31/03/2024	From 01/01/2023 to 31/03/2023
Profit/(loss) for the Period	46	(278)
Items that will be reclassified to income statement		
Gains and Losses on Re-Measuring Financial Assets	-	-
Items that will not be reclassified to income statement		
Re-measurement of post-employment benefit obligations	-	-
Deferred Tax effect on Actuarial Gains/Losses on defined benefit obligations	-	-
Total comprehensive income for the period	46	(278)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2024

	Rs 'Mn	Rs 'Mn
	As at 31/03/2024	As at 31/12/2023
Assets		
Cash and cash equivalents	125	123
Placements with Banks	2,862	2,923
Financial Assets - FVPL	3,676	3,553
Financial Assets - AC	-	-
- Loans and Advanced	40,031	38,725
- Debt and Other Instruments	12,115	12,163
Financial Assets - FVOCI	5	5
Property, plant and equipment	326	331
Deferred tax assets	1,081	1,081
Other assets	1,010	603
Total assets	61,231	59,507
Liabilities		
Due to banks	10	3
Financial Liabilities at Amortised Cost		
- Due to Depositors	53,514	52,138
- Due to Debt Securities Holders	-	-
- Due to Other Borrowers	181	182
Employee Benefit Liability	612	598
Other Liabilities	960	678
Total liabilities	55,276	53,598
Equity		
Stated Capital/Assigned Capital	890	890
Statutory Reserve Fund	307	307
Retained Earnings	3,681	3,635
Other Reserves	1,078	1,078
Total equity	5,955	5,909
Total equity and liabilities	61,231	59,507

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH 2024

	Rs 'Mn	Rs 'Mn
	From 01/01/2024 to 31/03/2024	From 01/01/2023 to 31/03/2023
Cash Flows from Operating Activities		
Interest Received	1,862	2,029
Interest Payments	(1,021)	(1,796)
Net commission receipts	38	14
Payments to Employees	(251)	(232)
VAT, DLR & NBT, ESC on financial services	(11)	-
Receipts from Other Operating Activities	-	2
Payments on Other Operating Activities	(117)	(82)
Operating profit before changes in Operating Assets & Liabilities	501	(65)
Financial assets at amortised cost - loans & advances	(1,066)	178
Other assets	(407)	(238)
Increase/(Decrease) in Operating Liabilities	(1,473)	(59)
Financial liabilities at amortised cost-due to depositors	657	1,989
Financial liabilities at amortised cost-due to other borrowers	-	3
Other liabilities	227	98
Net cash generated from operating activities before Income Tax	(89)	1,966
Taxes Paid	(22)	-
Income Taxes Paid	-	(5)
Net Cash from Operating Activities	(111)	1,962

	Rs 'Mn	Rs 'Mn
	From 01/01/2024 to 31/03/2024	From 01/01/2023 to 31/03/2023
Cash flows from investing activities		
Dividend Received	-	-
Net Proceeds from Placement with banks	-	997
Purchase of Property, Plant & Equipment	(3)	(93)
Net Proceeds from the sale & maturity of financial investments	109	(2,794)
Net cash (used in)/ from investing activities	106	(1,890)

	Rs 'Mn	Rs 'Mn
	From 01/01/2024 to 31/03/2024	From 01/01/2023 to 31/03/2023
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	(5)	71
Cash and cash equivalents at the beginning of the period	120	103
Cash and cash equivalents at the end of the period	115	175

	Rs 'Mn	Rs 'Mn
	From 01/01/2024 to 31/03/2024	From 01/01/2023 to 31/03/2023
Reconciliation of Cash and Cash Equivalents		
Cash and Short Term Funds	125	175
Borrowings from Banks (OD)	(10)	-
Cash and cash equivalents at the end of the period	115	175

Analysis of Financial Instruments by Measurement Basis - Bank - Current Year (31.03.2024)

	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	125			125
Placements with banks	2,862			2,862
Loans and advances	40,031			40,031
Debt instruments	677			677
Reverse Repos	180			180
Treasury Bills	10,841			10,841
Treasury Bonds	418			418
Unit Trusts		3,676		3,676
Unquoted Shares			5	5
Total financial assets	55,133	3,676	5	58,814

	Rs 'Mn	Rs 'Mn
	From 01/01/2024 to 31/03/2024	From 01/01/2023 to 31/03/2023
LIABILITIES		
Due to Banks	10	10
Financial liabilities		
- Due to depositors	53,514	53,514
- Due to debt security holders	-	-
- Due to other borrowers	181	181
Total financial liabilities	53,705	53,705

Analysis of Financial Instruments by Measurement Basis - Bank Previous Year (31.12.2023)

	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	123			123
Placements with banks	2,923			2,923
Loans and advances	38,725			38,725
Debt instruments	781			781
Reverse Repos	971			971
Treasury Bills	9,840			9,840
Treasury Bonds	415			415
Commercial Papers	155			155
Unit Trusts		3,553		3,553
Unquoted Shares			5	5
Total financial assets	53,934	3,553	5	57,492

	Rs 'Mn	Rs 'Mn
	From 01/01/2024 to 31/03/2024	From 01/01/2023 to 31/03/2023
LIABILITIES		
Due to Banks	3	3
Financial liabilities		
- Due to depositors	52,138	52,138
- Due to debt security holders	-	-
- Due to other borrowers	182	182
Total financial liabilities	52,322	52,322

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 31/03/2024

	31/03/2024	31/12/2023
Regulatory Capital (LKR 'Mn) Basel III		
Common Equity Tire - 1	5,741	5,532
Tier - 1 Capital	5,741	5,532
Total Capital	5,741	5,532
Regulatory Capital Ratios (%)		
Common Equity Tire 1 Capital Ratio (Minimum Requirement 7%)	23.20	23.47
Tier 1 Capital Ratio (Minimum Req 8.5%)	23.20	23.47
Total Capital Ratio (Minimum Req 12.5%)	23.20	23.47
Leverage Ratio %	09.35	09.33
Regulatory Liquidity		
Stat Liquid assets Rs Mn	14,687	14,326
Stat Liquid assets Ratio (Minimum req-20%)	29.84	29.37
Total Stock of High Quality Liquid Assets Rs.Mn	13,517	12,740
Liquidity Coverage Ratio (LCR) (Minimum req-100%)	159.50	175.14
Net Stable Funding Ratio (Minimum req-100%)	129.00	129.00
Gross NPL %	28.23	25.99
Net NPL %	25.97	23.74
Gross NPL Exclu. EPF %	15.76	15.71
Net NPL Exclu. EPF %	11.99	12.02
Interest Margin %	0.86	1.22
Return on Assets (before Tax) %	0.09	-2.15
Return on Equity %	0.93	-20.21
Number of Branches	25	25
Number of Employees	344	354
Impaired Loans (Stage 3) Ratio (%)	28.00	26.00
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	13.08	13.70

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.03.2024

	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Retained Earnings	AFS Reserve	Total
Balance as at 31/12/2022	890	307	393	683	1	4,200		6,474
Prior Period Adjustments								
Net Profit for the Year						(548)		(548)
Other Comprehensive Income						(17)		(17)
Transfer During the Year								
Transfer to Consolidated Fund								
Balance as at 31/12/2023	890	307	393	683	1	3,635		5,909
Prior Year adjustments								
Net Profit for the year						46		46
Deemed dividend Tax over Payment								
Other Comprehensive Income								
Transfer During the Year								
Transfer to Consolidated Fund								
Balance as at 31/03/2024	890	307	393	683	1	3,681		5,955

Analysis of amount due to depositors

	Rs 'Mn	Rs 'Mn
	31.03.2024	31.12.2023
By Product		
Savings deposits	2,376	2,202
Fixed deposits	50,533	49,324
Other deposits (Schemes)	605	612
Total	53,514	52,138

a. Product wise Gross Loans and Advances

	Rs 'Mn	Rs 'Mn
	31.03.2024	31.12.2023
Mortgage	9,965	10,180
EPF	8,327	8,857
Vehicle	-	-
Staff loans	1,177	1,208
Personal Loans	19,087	19,295
Others	4,222	1,864
Less- Allowance for Day 1 Difference - Staff Loan	(396)	(396)
Gross Total	42,382	41,008

b. Stage wise impairment on loans and advances

	Rs 'Mn	Rs 'Mn
	31.03.2024	31.12.2023
Gross loans and advances	42,382	41,008
Stage 1	24,847	25,024
Stage 2	5,570	5,326
Stage 3	11,964	10,658
(Less): Accumulated impairment under:	2,337	2,269
Stage 1	380	410
Stage 2	392	399
Stage 3	1,565	1,460
Net Loans and Advances	40,045	38,739

Less- First day impact of Moratorium Loans	14	14
Net Loans and Advances	40,031	38,725

c. Movements in impairment during the Period

	Rs 'Mn	Rs 'Mn
	31.03.2024	31.12.2023
Stage 1		
Opening balance as at 01/01/2024	410	463
Charge/ (Write back) to income Statement	(30)	(53)
Write-off during the year	-	-
Closing balance at 31/03/2024	380	410
Stage 2		
Opening balance as at 01/01/2024	399	264
Charge/ (Write back) to income Statement	-	135
Write-off during the year	(7)	-
Closing balance at 31/03/2024	392	399
Stage 3		
Opening balance as at 01/01/2024	1,460	1,106
Charge/ (Write back) to income Statement	105	354
Write-off during the year	-	-
Closing balance at 31/03/2024	1,565	1,460
Total	2,337	2,269

Certification:

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