STATE MORTGAGE & INVESTMENT BANK

Financial Statements For The Period Ended 30 June 2026

Fitch Rating BB (lka) Stable

INCOME STATEMENT
FOR THE PERIOD ENDED 30TH JUNE 2026 — Rs 'Mn

	From 01/01/2026 to 30/06/2026	From 01/01/2025 to 30/06/2025
Interest income	3,840	3,553
Interest expenses	(1,954)	(1,988)
Net interest income	**1,886**	**1,565**
Fee and commission income	172	150
Net fee and commission income	**172**	**150**
Net Fair Value Gains/(Losses) from FA at FVPL	4	82
Net other operating income (net)	5	1
Total operating income	**2,067**	**1,798**
Impairment Charges	(213)	(230)
Net operating income	**1,854**	**1,568**
Personnel expenses	(788)	(776)
Depreciation and amortization expenses	(65)	(59)
Other expenses	(349)	(268)
Operating profit/(loss) before VAT & SSCL	**651**	**465**
Value added tax (VAT) on financial services (18%)	(216)	(190)
Social Security Levy (2.5%)	(30)	(26)
Profit/(loss) before tax	**405**	**249**
Income Tax expenses	(235)	(181)
Profit/(loss) for the period	**170**	**68**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH JUNE 2026 — Rs 'Mn

	From 01/01/2026 to 30/06/2026	From 01/01/2025 to 30/06/2025
Profit/(loss) for the Period	**170**	**68**
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	-	-
Deffered Tax effect on Actuarial Gains/Losses on defined benefit obligations	-	-
Total comprehensive income for the period	**170**	**68**

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2026 — Rs 'Mn

	As at 30/06/2026	As at 31/12/2025
Assets		
Cash and cash equivalents	163	137
Placements with Banks	3,859	926
Financial Assets - FVPL	-	789
Financial Assets - AC		
- Loans and Advanced	45,522	44,806
- Debt and Other Instruments	8,937	9,203
Financial Assets - FVOCI	5	5
Property, plant and equipment	412	459
Deferred tax assets	438	438
Other assets	671	597
Total assets	**60,008**	**57,360**
Liabilities		
Due to banks	-	-
Financial Liabilities at Amortised Cost		
- Due to Depositors	50,741	48,857
- Due to Debt Securities Holders	-	-
- Due to Other Borrowers	421	274
Employee Benefit Liability	745	663
Other Liabilities	2,116	1,751
Total liabilities	**54,023**	**51,544**
Equity		
Stated Capital/Assigned Capital	890	890
Statutory Reserve Fund	307	307
Retained Earnings	3,711	3,541
Other Reserves	1,078	1,078
Total equity	**5,985**	**5,816**
Total equity and liabilities	**60,008**	**57,360**

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30TH JUNE 2026 — Rs 'Mn

	From 01/01/2026 to 30/06/2026	From 01/01/2025 to 30/06/2025
Cash Flows from Operating Activities		
Interest Received	4,342	3,764
Interest Payments	(1,861)	(2,478)
Net commission receipts	172	150
Payments to Employees	(560)	(614)
VAT, DLR & NBT, ESC on financial services	(105)	(97)
Receipts from Other Operating Activities	9	1
Payments on Other Operating Activities	(267)	(245)
Operating profit before changes in Operating Assets & Liabilities	**1,731**	**482**
Financial assets at amortised cost - loans & advances	(1,431)	(574)
Other assets	(74)	(13)
	(1,505)	**(587)**
Increase/ (Decrease) in Operating Liabilities		
Financial liabilities at amortised cost-due to depositors	1,791	1,601
Financial liabilities at amortised cost-due to other borrowers	147	(83)
Other liabilities	(238)	(53)
	1,700	**1,465**
Net cash generated from operating activities before Income Tax	**1,926**	**(1,360)**
Gratuity Paid	(3)	(44)
Income Taxes Paid	-	-
Net Cash from Operating Activities	**1,923**	**(1,315)**
Cash flows from investing activities		
Dividend Received	-	-
Proceeds from the sale of property, plant and equipment	-	-
Purchase of Property, Plant & Equipment	(18)	(19)
Proceeds from the sale and maturity of financial investments	(1,879)	(1,201)
Net cash (used in)/ from investing activities	**(1,897)**	**(1,220)**
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	**26**	**95**
Cash and cash equivalents at the beginning of the period	137	125
Cash and cash equivalents at the end of the period	**163**	**220**
Reconciliation of Cash and Cash Equivalents		
Cash and Short Term Funds	163	220
Borrowings from Banks (OD)	-	-
Cash and cash equivalents at the end of the period	**163**	**220**

Analysis of Financial Instruments by Measurement Basis - Bank - Current Year (30.06.2026)
Rs. 'Mn

	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	163			**163**
Placements with banks	3,859			**3,859**
Loans and advances	49,229			**49,229**
Debt instruments	694			**694**
Reverse Repos	745			**745**
Treasury Bills	7,170			**7,170**
Treasury Bonds	329			**329**
Money Market Saving	-			**-**
Unit Trusts		-		**-**
Unquoted Shares			5	**5**
Total financial assets	**62,190**	**-**	**5**	**62,195**
LIABILITIES				
Due to Banks	-			-
Financial liabilities				
- Due to depositors	50,741			**50,741**
- Due to debt security holders	-			**-**
- Due to other borrowers	421			**421**
Total financial liabilities	**51,162**			**51,162**

Analysis of Financial Instruments by Measurement Basis - Bank Previous Year (31.12.2025)
Rs. 'Mn

	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	137			**137**
Placements with banks	926			**926**
Loans and advances	48,300			**48,300**
Debt instruments	695			**695**
Reverse Repos	981			**981**
Treasury Bills	7,200			**7,200**
Treasury Bonds	329			**329**
Commercial Papers	-			**-**
Unit Trusts		789		**789**
Unquoted Shares			5	**5**
Total financial assets	**58,566**	**789**	**5**	**59,361**
LIABILITIES				
Due to Banks	-			**-**
Financial liabilities				
- Due to depositors	48,857			**48,857**
- Due to debt security holders	-			**-**
- Due to other borrowers	274			**274**
Total financial liabilities	**49,130**			**49,130**

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 30/06/2026

	30/06/2026	31/12/2025
Regulatory Capital Adequacy (LKR 'Mn)-Basel III		
Common Equity Tire - 1	5,175	5,175
Tire -1 Capital	4,790	4,771
Total Capital	4,790	4,771
Regulatory Capital Ratios (%)		
Common Equity Tire 1 Capital Ratio (Minimum Requirement 7%)	22.79	24.32
Tier 1 Capital Ratio (Minimum Req 8.5%)	21.09	22.42
Total Capital Ratio (Minimum Req 12.5%)	21.09	22.42
Basel III Leverage Ratio (Minimum Requirement 3%)	8.00	7.28
Regulatory Liquidity Requirement		
Liquidity Coverage Ratio (LCR) (Minimum req-100%)	110.18	102.48
Total Stock of High Quality Liquid Assets Rs.Mn	7,608	8,625
Net Stable Funding Ratio (Minimum req-100%)	104.00	108.00
Assets Quality		
Impaired Loan (stage 3) to Total Loan ratio %	36.00	37.00
impairment (stage 3) to stage 3 loans ratio %	15.55	14.54
Income & Profitability		
Interest Margin %	3.21	5.72
Return on Assets %	0.69	1.30
Return on Equity %	2.88	6.44
Cost to Income Ratio	68.52	69.08
Memorandum Information		
Credit Rating	BB	BB
Number of Branches	25	25
Number of Employees	333	334

Certification:

We, the undersigned, being the Chief Executive Officer and the Chief Financial Officer of the Bank jointly certify that:

(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;

Ms. E.A.D.V.Sepalika	Mr.K.L.N.A. Perera	Mr.I.T.Asuramanna
Chief Manager - Finance	*Deputy General Manager (Corporate Planning & Branch Operation)*	*General Manager / CEO*

Analysis of amount due to depositors
Rs. 'Mn

	30.06.2026	31.12.2025
By Product		
Savings deposits	3,648	3,544
Fixed deposits	46,825	44,998
Other deposits (Schemes)	268	315
Total	**50,741**	**48,857**

a. Product wise Gross Loans and Advances
Rs. 'Mn

	30.06.2026	31.12.2025
Mortgage	10,028	10,017
EPF	18,542	18,587
Vehicle	-	-
Staff loans	1,044	1,048
Personal Loans	16,716	16,125
Others	3,234	2,858
Less-		
Allowance for Day 1 Difference - Staff Loan	(327)	(327)
Gross Total	**49,238**	**48,309**

b. Stage wise impairment on loans and advances
Rs. 'Mn

	30.06.2026	31.12.2025
Gross loans and advances	**49,238**	**48,309**
Stage 1	27,134	25,507
Stage 2	4,271	4,822
Stage 3	17,832	17,979
(Less): Accumulated impairment under:	**3,707**	**3,493**
Stage 1	602	453
Stage 2	333	426
Stage 3	2,772	2,615
Net Loans and Advances	**45,531**	**44,815**
Less- First day impact of Moratorium Loans	9	9
Net Loans and Advances	**45,522**	**44,806**

c. Movements in impairment during the Period
Rs. 'Mn

		30.06.2026	31.12.2025
Stage 1	Opening balance as at 01/01/2026	453	463
	Charge/ (Write back) to income Statement	149	(35)
	Write-off during the year	-	-
	Closing balance at 30/06/2026	**602**	**453**
Stage 2	Opening balance as at 01/01/2026	426	264
	Charge/ (Write back) to income Statement	(93)	167
	Write-off during the year	-	-
	Closing balance at 30/06/2026	**333**	**426**
Stage 3	Opening balance as at 01/01/2026	2,615	1,106
	Charge/ (Write back) to income Statement	158	424
	Write-off during the year	-	-
	Closing balance at 30/06/2026	**2,772**	**2,615**
Total		**3,707**	**3,493**

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30.06.2026

	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Retained Earnings	AFS Reserve	Total
Balance as at 31/12/2024	**890**	**307**	**393**	**683**	**1**	**3,146**	**-**	**5,420**
Prior Period Adjustments						1		**1**
Net Profit / Loss for the Year						362		**362**
Other Comprehensive Income						32		**32**
Transfer During the Year								
Transfer to Consolidated Fund								
Balance as at 31/12/2025	**890**	**307**	**393**	**683**	**1**	**3,541**		**5,816**
Prior Year adjustements								
Net Profit / Loss for the year						170		**170**
Deemed dividend Tax over Payment								
Other Comprehensive Income								
Transfer During the Year								
Transfer to Consolidated Fund								
Balance as at 30/06/2026	**890**	**307**	**393**	**683**	**1**	**3,711**	**-**	**5,985**

Certification:

These Financial Statements give a true and fair view of the state of affairs of the State Mortgage and Investment Bank as at 30 June 2026 and its profit for the year then ended.

Ms. E.A.D.V.Sepalika	Mr.K.L.N.A. Perera
Chief Manager - Finance	*Deputy General Manager (Corporate Planning & Branch Operation)*

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and Signed for and on behalf of the board,

Mr. Maheel P. Kuragama	Mr. H.A.M.Senevirathne	Mr.I.T.Asuramanna
Chairman	*(Director)*	*General Manager / CEO*

14th August 2026

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