



STATE MORTGAGE & INVESTMENT BANK

Financial Statements For The Period Ended 31 March 2026

Fitch Rating BB (Ika) Stable

INCOME STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2026		Rs 'Mn	
	From 01/01/2026 to 31/03/2026	From 01/01/2025 to 31/03/2025	
Interest income	1,861	1,784	
Interest expenses	(947)	(1,020)	
Net interest income	914	764	
Fee and commission income	90	60	
Net fee and commission income	90	60	
Net Fair Value Gains/(Losses) from FA at FVPL	4	42	
Net other operating income (net)	2	1	
Total operating income	1,010	867	
Impairment Charges	(120)	(97)	
Net operating income	890	770	
Personnel expenses	(392)	(382)	
Depreciation and amortization expenses	(33)	(29)	
Other expenses	(172)	(124)	
Operating profit/(loss) before VAT & SSCL	293	234	
Value added tax (VAT) on financial services (18%)	(94)	(96)	
Social Security Levy (2.5%)	(13)	(13)	
Profit/(loss) before tax	186	124	
Income Tax expenses	(110)	(88)	
Profit/(loss) for the period	76	36	

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST MARCH 2026		Rs 'Mn	
	From 01/01/2026 to 31/03/2026	From 01/01/2025 to 31/03/2025	
Profit/(loss) for the Period	76	36	
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	76	36	

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2026		Rs 'Mn	
	As at 31/03/2026	As at 31/12/2025	
Assets			
Cash and cash equivalents	421	137	
Placements with Banks	2,716	926	
Financial Assets - FVPL	-	789	
Financial Assets - AC			
- Loans and Advanced	46,648	44,806	
- Debt and Other Instruments	9,557	9,203	
Financial Assets - FVOCI	5	5	
Property, plant and equipment	440	459	
Deferred tax assets	438	438	
Other assets	644	597	
Total assets	60,869	57,360	
Liabilities			
Due to banks	-	-	
Financial Liabilities at Amortised Cost			
- Due to Depositors	51,777	48,857	
- Due to Debt Securities Holders	-	-	
- Due to Other Borrowers	384	274	
Employee Benefit Liability	704	663	
Other Liabilities	2,114	1,751	
Total liabilities	54,978	51,544	
Equity			
Stated Capital/Assigned Capital	890	890	
Statutory Reserve Fund	307	307	
Retained Earnings	3,617	3,541	
Other Reserves	1,078	1,078	
Total equity	5,891	5,816	
Total equity and liabilities	60,869	57,360	

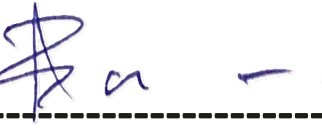
Certification:

These Financial Statements give a true and fair view of the state of affairs of the State Mortgage and Investment Bank as at 31st March 2026 and its profit for the year then ended.


Mr.K.L.N.A. Perera
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
Chairman


Mr. H.A.M.Senevirathne
Director


Mr.I.T.Asuramanna
General Manager / CEO

22nd April 2026

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH 2026		Rs 'Mn	
	From 01/01/2026 to 31/03/2026	From 01/01/2025 to 31/03/2025	
Cash Flows from Operating Activities			
Interest Received	1,347	1,339	
Interest Payments	(666)	(1,077)	
Net commission receipts	90	60	
Payments to Employees	(266)	(277)	
VAT on financial services & SSCL	(46)	(11)	
Receipts from Other Operating Activities	6	1	
Payments on Other Operating Activities	(106)	(124)	
Operating profit before changes in Operating Assets & Liabilities	359	(90)	
Financial assets at amortised cost - loans & advances	(1,448)	(890)	
Other assets	(47)	(19)	
Increase/ (Decrease) in Operating Liabilities			
Financial liabilities at amortised cost-due to depositors	2,639	1,291	
Financial liabilities at amortised cost-due to other borrowers	110	(104)	
Other liabilities	42	112	
Net cash generated from operating activities before Income Tax	2,791	1,299	
Gratuity Paid	(2)	(29)	
Income Taxes Paid	-	-	
Net Cash from Operating Activities	1,653	301	
Cash flows from investing activities			
Dividend Received	-	-	
Purchase of financial investments	-	-	
Proceeds from the sale of property, plant and equipment	(13)	(9)	
Net Proceeds from the sale and maturity of financial investments	(1,355)	(29)	
Net cash (used in)/ from investing activities	(1,369)	(39)	
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	284	234	
Cash and cash equivalents at the beginning of the period	137	125	
Cash and cash equivalents at the end of the period	421	358	
Reconciliation of Cash and Cash Equivalents			
Cash and Short Term Funds	421	358	
Borrowings from Banks (OD)	-	-	
Cash and cash equivalents at the end of the period	421	358	

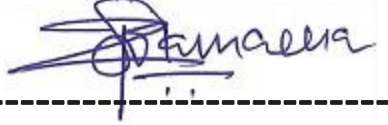
Analysis of Financial Instruments by Measurement Basis - Bank - Current Year (31.03.2026)				Rs. 'Mn
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	421			421
Placements with banks	2,716			2,716
Loans and advances	50,262			50,262
Debt instruments	677			677
Reverse Repos	783			783
Treasury Bills	7,773			7,773
Treasury Bonds	327			327
Money Market Saving	-			-
Unit Trusts		-		-
Unquoted Shares			5	5
Total financial assets	62,958	-	5	62,963
LIABILITIES				
Due to Banks	-			-
Financial liabilities				
- Due to depositors	51,777			51,777
- Due to debt security holders	-			-
- Due to other borrowers	246			246
Total financial liabilities	52,023			52,023

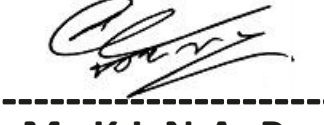
Analysis of Financial Instruments by Measurement Basis - Bank Previous Year (31.12.2025)				Rs. 'Mn
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	137			137
Placements with banks	926			926
Loans and advances	48,300			48,300
Debt instruments	695			695
Reverse Repos	981			981
Treasury Bills	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 31/03/2026			31/03/2026	31/12/2025
Regulatory Capital Adequacy (LKR 'Mn)-Basel III				
Common Equity Tire - 1			5,175	5,175
Tire -1 Capital			4,775	4,771
Total Capital			4,775	4,771
Regulatory Capital Ratios (%)				
Common Equity Tire 1 Capital Ratio (Minimum Requirement 7%)	24.52		24.32	
Tier 1 Capital Ratio (Minimum Req 8.5%)		22.62		22.42
Total Capital Ratio (Minimum Req 12.5%)		22.62		22.42
Basel III Leverage Ratio (Minimum Requirement 3%)		7.85		7.28
Regulatory Liquidity Requirement				
Liquidity Coverage Ratio (LCR) (Minimum req-100%)			104.07	102.48
Total Stock of High Quality Liquid Assets Rs.Mn			8,186	8,625
Net Stable Funding Ratio (Minimum req-100%)			105.00	108.00
Assets Quality				
Impaired Loan (stage 3) to Total Loan ratio %			39.00	37.00
impairment (stage 3) to stage 3 loans ratio %			14.45	14.54
Income & Profitability				
Interest Margin %			3.15	5.72
Return on Assets %			0.31	1.30
Return on Equity %			1.29	6.44
Cost to Income Ratio			70.97	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;


Mr.I.T.Asuramanna
General Manager / CEO


Mr.K.L.N.A. Perera
*Deputy General Manager
(Corporate Planning & Branch Operation)*

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.03.2026

	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 adjustments								
Net Profit / Loss for the year						76		76
Deemed dividend Tax over Payment								
Other Comprehensive Income								
Transfer During the Year								
Transfer to Consolidated Fund								
Balance as at 31/03/2026	890	307	393	683	1	3,617	-	5,891

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