

## STATE MORTGAGE & INVESTMENT BANK

Financial Statements For The Period Ended 30 June 2024

LRA Issuer Rating [SL] BBB Stable

INCOME STATEMENT		Rs 'Mn
FOR THE PERIOD ENDED 30TH JUNE 2024	From 01/01/2024	From 01/01/2023
Interest income	to 30/06/2024 4,129	to 30/06/2023 4,953
Interest expenses	(3,189)	(4,657)
Net interest income	940	296
Fee and commission income	69	33
Net fee and commission income  Not Fair Value Gains //Losses from FA at FVDI	69	33
Net Fair Value Gains/(Losses) from FA at FVPL Net other operating income (net)	223 1	3
Total operating income	1,233	333
Impairment Charges	(123)	(253)
Net operating income	1,109	80
Personnel expenses	(639)	(570)
Depreciation and amortization expenses	(15)	(15)
Other expenses	(240)	(196)
Operating profit/(loss) before VAT & SSCL	215	(701)
Value added tax (VAT) on financial services (18%)	(128)	-
Social Security Levy (2.5%)	(18)	-
Profit/(loss) before tax Income Tax expenses	70	(701)
Profit/(loss) for the period	70	(701)
STATEMENT OF COMPREHENSIVE INCOME		Rs 'Mn
FOR THE PERIOD ENDED 30TH JUNE 2024	From 01/01/2024	From 01/01/2023
Profit/(loss) for the Period	to 30/06/2024	to 30/06/2023
Items that will be reclassified to income statement	70	(701)
Gains and Losses on Re-Measuring Financial Assets	-	-
Items that will not be reclassified to income statemer		
Re-measurement of post-employment benefit obligat Deffered Tax effect on Actuarial Gains/Losses on defir		-
benefit obligations	- -	-
Total comprehensive income for the period	70	(701)
<u> </u>		
STATEMENT OF FINANCIAL POSITION		Rs 'Mn
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2024		Rs 'Mn
	As at 30/06/2024	Rs 'Mn As at 31/12/2023
AS AT 30TH JUNE 2024 Assets		As at 31/12/2023
AS AT 30TH JUNE 2024  Assets Cash and cash equivalents	179	As at 31/12/2023
AS AT 30TH JUNE 2024  Assets Cash and cash equivalents Placements with Banks	179 2,173	As at 31/12/2023  123 2,923
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL	179	As at 31/12/2023
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC	179 2,173 3,775	As at 31/12/2023  123 2,923 3,553 -
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC - Loans and Advanced	179 2,173 3,775 - 39,539	As at 31/12/2023  123 2,923 3,553 - 38,603
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC - Loans and Advanced - Debt and Other Instruments	179 2,173 3,775 - 39,539 10,101	As at 31/12/2023  123 2,923 3,553 - 38,603 12,163
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC - Loans and Advanced - Debt and Other Instruments Financial Assets - FVOCI	179 2,173 3,775 - 39,539 10,101 5	As at 31/12/2023  123 2,923 3,553 - 38,603 12,163 5
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC - Loans and Advanced - Debt and Other Instruments Financial Assets - FVOCI Property, plant and equipment	179 2,173 3,775 - 39,539 10,101 5 373	123 2,923 3,553 - 38,603 12,163 5 328
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC - Loans and Advanced - Debt and Other Instruments Financial Assets - FVOCI Property, plant and equipment Deferred tax assets	179 2,173 3,775 - 39,539 10,101 5 373 746	As at 31/12/2023  123 2,923 3,553 - 38,603 12,163 5 328 746
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC - Loans and Advanced - Debt and Other Instruments Financial Assets - FVOCI Property, plant and equipment Deferred tax assets Other assets	179 2,173 3,775 - 39,539 10,101 5 373 746 777	123 2,923 3,553 - 38,603 12,163 5 328 746 623
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC - Loans and Advanced - Debt and Other Instruments Financial Assets - FVOCI Property, plant and equipment Deferred tax assets Other assets  Total assets	179 2,173 3,775 - 39,539 10,101 5 373 746	As at 31/12/2023  123 2,923 3,553 - 38,603 12,163 5 328 746
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC - Loans and Advanced - Debt and Other Instruments Financial Assets - FVOCI Property, plant and equipment Deferred tax assets Other assets  Total assets  Liabilities	179 2,173 3,775 - 39,539 10,101 5 373 746 777 <b>57,668</b>	123 2,923 3,553 - 38,603 12,163 5 328 746 623 59,067
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC - Loans and Advanced - Debt and Other Instruments Financial Assets - FVOCI Property, plant and equipment Deferred tax assets Other assets  Total assets  Liabilities Due to banks	179 2,173 3,775 - 39,539 10,101 5 373 746 777	123 2,923 3,553 - 38,603 12,163 5 328 746 623
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC	179 2,173 3,775 - 39,539 10,101 5 373 746 777 <b>57,668</b>	123 2,923 3,553 - 38,603 12,163 5 328 746 623 59,067
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC - Loans and Advanced - Debt and Other Instruments Financial Assets - FVOCI Property, plant and equipment Deferred tax assets Other assets  Total assets  Liabilities Due to banks	179 2,173 3,775 - 39,539 10,101 5 373 746 777 <b>57,668</b>	123 2,923 3,553 - 38,603 12,163 5 328 746 623 59,067
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC - Loans and Advanced - Debt and Other Instruments Financial Assets - FVOCI Property, plant and equipment Deferred tax assets Other assets  Total assets Liabilities Due to banks Financial Liabilities at Amortised Cost - Due to Depositors	179 2,173 3,775 - 39,539 10,101 5 373 746 777 <b>57,668</b>	123 2,923 3,553 - 38,603 12,163 5 328 746 623 59,067
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC	179 2,173 3,775 - 39,539 10,101 5 373 746 777 <b>57,668</b> 27  50,489 -	As at 31/12/2023  123 2,923 3,553 - 38,603 12,163 5 328 746 623 59,067  3 52,138 -
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC	179 2,173 3,775 - 39,539 10,101 5 373 746 777 <b>57,668</b> 27  50,489 - 10	As at 31/12/2023  123 2,923 3,553 - 38,603 12,163 5 328 746 623 59,067  3 52,138 - 179
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC	179 2,173 3,775 - 39,539 10,101 5 373 746 777 <b>57,668</b> 27  50,489 - 10 639	As at 31/12/2023  123 2,923 3,553 - 38,603 12,163 5 328 746 623  59,067  3  52,138 - 179 598
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC	179 2,173 3,775 - 39,539 10,101 5 373 746 777 <b>57,668</b> 27  50,489 - 10 639 979	As at 31/12/2023  123 2,923 3,553 - 38,603 12,163 5 328 746 623  59,067  3  52,138 - 179 598 695  53,612
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC - Loans and Advanced - Debt and Other Instruments Financial Assets - FVOCI Property, plant and equipment Deferred tax assets Other assets  Total assets Liabilities Due to banks Financial Liabilities at Amortised Cost - Due to Depositors - Due to Debt Securities Holders - Due to Other Borrowers Employee Benefit Liability Other Liabilities  Total liabilities  Equity Stated Capital/Assigned Capital	179 2,173 3,775 - 39,539 10,101 5 373 746 777 <b>57,668</b> 27  50,489 - 10 639 979 <b>52,144</b>	As at 31/12/2023  123 2,923 3,553 - 38,603 12,163 5 328 746 623  59,067  3  52,138 - 179 598 695  53,612
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC - Loans and Advanced - Debt and Other Instruments Financial Assets - FVOCI Property, plant and equipment Deferred tax assets Other assets  Total assets  Liabilities Due to banks Financial Liabilities at Amortised Cost - Due to Depositors - Due to Debt Securities Holders - Due to Other Borrowers  Employee Benefit Liability Other Liabilities  Total liabilities  Equity Stated Capital/Assigned Capital Statutory Reserve Fund	179 2,173 3,775 - 39,539 10,101 5 373 746 777 <b>57,668</b> 27  50,489 - 10 639 979 <b>52,144</b> 890 307	As at 31/12/2023  123 2,923 3,553 - 38,603 12,163 5 328 746 623 59,067  3 52,138 - 179 598 695 53,612
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC	179 2,173 3,775 - 39,539 10,101 5 373 746 777 <b>57,668</b> 27  50,489 - 10 639 979 <b>52,144</b> 890 307 3,250	As at 31/12/2023  123 2,923 3,553 - 38,603 12,163 5 328 746 623  59,067  3  52,138 - 179 598 695  53,612  890 307 3,180
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC	179 2,173 3,775 - 39,539 10,101 5 373 746 777 <b>57,668</b> 27  50,489 - 10 639 979 <b>52,144</b> 890 307 3,250 1,078	As at 31/12/2023  123 2,923 3,553 - 38,603 12,163 5 328 746 623  59,067  3  52,138 - 179 598 695  53,612  890 307 3,180 1,078
Assets Cash and cash equivalents Placements with Banks Financial Assets - FVPL Financial Assets - AC	179 2,173 3,775 - 39,539 10,101 5 373 746 777 <b>57,668</b> 27  50,489 - 10 639 979 <b>52,144</b> 890 307 3,250	As at 31/12/2023  123 2,923 3,553 - 38,603 12,163 5 328 746 623  59,067  3  52,138 - 179 598 695  53,612  890 307 3,180

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2024		Rs 'Mn
	From 01/01/2024 to 30/06/2024	From 01/01/2023 to 30/06/2023
Cash Flows from Operating Activities	10 30/00/2024	10 30/00/2023
Interest Received	4,194	2,567
Interest Payments	(4,342)	(1,585)
Net commission receipts	69	65
Payments to Employees  VAT DIR & NRT ESC on financial sorvices	(494) (445)	(485) (107)
VAT, DLR & NBT, ESC on financial services	(145)	(107)
Receipts from Other Operating Activities	(240)	(1.60)
Payments on Other Operating Activities	(240)	(168)
Operating profit before changes in Operating Assets & Liabilities	(957)	289
Financial assets at amortised cost - loans & advances Other assets	(1,123) (154)	(1,339) -
Increase/ (Decrease) in Operating Liabilities	(1,277)	(1,339)
Financial liabilities at amortised cost-due to depositors	(497)	1,036
Financial liabilities at amortised cost-due to other borrowers	(169)	(55)
Other liabilities	212	(50)
	(454)	931
Net cash generated from operating activities before Income Tax	(2,688)	(119)
Gratuity Paid	(32)	-
Income Taxes Paid	-	(70)
Net Cash from Operating Activities	(2,720)	(189)
Cash flows from investing activities		
Dividend Received	-	-
Purchase of financial investments	-	-
Purchase of Property, Plant & Equipment	(60)	(6)
Proceeds from the sale and maturity of financial investments	2,812	245
Net cash (used in)/ from investing activities	2,752	239
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	32	50
Cash and cash equivalents at the beginning of the period	120	113
Cash and cash equivalents at the end of the period	152	163
Reconciliation of Cash and Cash Equivalents		
Cash and Short Term Funds	179	236
Borrowings from Banks (OD)	(27)	(73)
Cash and cash equivalents at the end of the period	152	163

Analysis of Financial Instrume	•	ment Basi	S -	Rs. 'Mn
Bank - Current Year (30.06.202	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	179			179
Placements with banks	2,173			2,173
Loans and advances	39,539			39,539
Debt instruments	695			695
Reverse Repos	1,518			1,518
Treasury Bills	7,470			7,470
Treasury Bonds	418			418
Unit Trusts		3,775		3,775
Unquoated Shares			5	5
Total financial assets	51,992	3,775	5	55,773

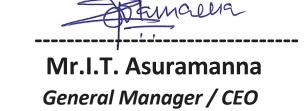
## Certification:

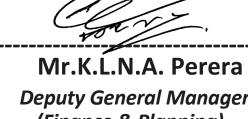
We, the undersigned, being the Chairman, being General Manager and Deputy General Manager (Finance & Planning) of State Mortgage and Investment Bank certify jointly that,

- (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.









(Finance & Planning)

29 <sup>'''</sup>	June	2024	

LIABILITIES  Due to Banks  Financial liabilities  - Due to depositors  - Due to debt security holders  - Due to other borrowers  Total financial liabilities  Analysis of Financial Instruments by	27 50,489 - 10 50,526 y Measurer	ment Basis		27 50,489 - 10 50,526
Financial liabilities  - Due to depositors  - Due to debt security holders  - Due to other borrowers  Total financial liabilities	50,489 - 10 <b>50,526</b> y Measure	ment Basis		50,489 - 10
<ul> <li>- Due to depositors</li> <li>- Due to debt security holders</li> <li>- Due to other borrowers</li> </ul> Total financial liabilities	10 <b>50,526</b> y Measure	ment Basis		10
- Due to debt security holders - Due to other borrowers  Total financial liabilities	10 <b>50,526</b> y Measure	ment Basis		10
- Due to debt security holders - Due to other borrowers  Total financial liabilities	50,526 y Measurei	ment Basis		
- Due to other borrowers  Total financial liabilities	50,526 y Measurei	ment Basis		
	y Measurei	ment Basis		50.526
Analysis of Financial Instruments by	•	ment Basis		,
Analysis of Finalicial Instruments by	•	IIICIIC Dasis		De INA
Bank Previous Year (31.12.2023)	AC			Rs. 'Mn
(1)		FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	123			123
Placements with banks	2,923			2,923
Loans and advances	38,603			38,603
Debt instruments	781			781
Reverse Repos	971			971
Treasury Bills Treasury Bonds	9,840 415			9,840 415
Commercial Papers	415 155			155
Unit Trusts	100	3,553		3,553
Unquoated Shares			5	5
Total financial assets	53,812	3,553	5	57,370
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 - Financial assets/liabilities measured FVOCI - Financial assets measured at fair Ratio Analysis as at 30/06/2024	ıred at fair v	alue throug		e income
Regulatory Capital (LKR 'Mn) Basel III				
Common Equity Tire - 1			4,706	5,532
Tier - 1 Capital			4,706	5,532
Total Capital			4,706	5,532
Regulatory Capital Ratios (%)				
Common Equity Tire 1 Capital Ratio (		equirement	•	23.47
Tier 1 Capital Ratio (Minimum Req 8.	•		17.32	23.47
Total Capital Ratio (Minimum Req 12	.5%)		17.32	23.47
Leverage Ratio %			08.13	09.33
Regulatory Liquidity				
Total Stock of High Quality Liquid Ass	sets Rs.Mn		10,586	12,740
Liquidity Coverage Ratio (LCR) (Minir	num req-10	0%)	114.47	175.14
Net Stable Funding Ratio (Minimum	req-100%)		129.00	129.00
Gross NPL %	•		28.31	25.99
Net NPL %			25.83	23.74
Gross NPL Exclu. EPF %			17.64	15.71
Net NPL Exclu. EPF %			13.36	12.02
Interest Margin %			1.93	1.22
Return on Assets (before Tax) %			0.14	2.15
,				
Return on Equity %			1.53	-20.21
Number of Employees			338	354
Number of Branches  Number of Employees			25	25

Analysis of amount due to dep	Rs. 'Mn	
	30.06.2024	31.12.2023
By Product		
Savings deposits	3,415	2,202
Fixed deposits	46,469	49,324
Other deposits (Schemes)	604	612
Total	50,489	52,138

a. Product wise Gross Loans and Advance	S	Rs. 'Mn
	30.06.2024	31.12.2023
Mortgage	10,067	10,180
EPF	8,529	8,857
Vehicle	-	, -
Staff loans	1,122	1,208
Personal Loans	18,426	19,295
Others	4,316	1,864
<b>Less-</b> Allowance for Day 1 Difference - Staff Loan	(394)	(398)
ross Total	42,066	41,007

b. Stage wise impairment on loans and	Rs. 'Mn	
	30.06.2024	31.12.2023
Gross loans and advances	42,066	41,007
Stage 1	24,485	25,022
Stage 2	5,671	5,326
Stage 3	11,910	10,659
(Less): Accumulated impairment under:	2,513	2,389
Stage 1	420	428
Stage 2	399	431
Stage 3	1,693	1,530
Net Loans and Advances	39,553	38,617
Less- First day impact of Moratorium Loans	14	14
Net Loans and Advances	39,539	38,603

c. Mov	ements in impairment during the Per	iod	Rs. 'Mn
		30.06.2024	31.12.2023
Stage 1	Opening balance as at 01/01/2024	428	463
	Charge/ (Write back) to income Statement	(8)	(35)
	Write-off during the year	-	-
	Closing balance at 30/06/2024	420	428
Stage 2	Opening balance as at 01/01/2024	431	264
	Charge/ (Write back) to income Statement	-	167
	Write-off during the year	(32)	-
	Closing balance at 30/06/2024	399	431
Stage 3	Opening balance as at 01/01/2024	1,530	1,106
	Charge/ (Write back) to income Statement	163	424
	Write-off during the year	-	-
	Closing balance at 30/06/2024	1,693	1,530
Total		2,513	2,389

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30.06.2024

Impairment (Stage 3) to Stage 3 Loans Ratio (%)

Impaired Loans (Stage 3) Ratio (%)

Hotline 1922

	Contributed Capital	Statutary 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 / Loss for the Year						(1,003)		(1,003)
Other Comprehensive Income						(17)		(17)
Transfer During the Year								
Transfer to Consolidated Fund								
Balance as at 31/12/2023	890	307	393	683	1	3,180		5,454
Prior Year adjustements								
Net Profit / Loss for the year						70		70
Deemed dividend Tax over Payment								
Other Comprehensive Income								
Transfer During the Year								
Transfer to Consolidated Fund								
Balance as at 30/06/2024	890	307	393	683	1	3,250	_	5,524

26.00

28.00

14.22 13.70