



STATE MORTGAGE & INVESTMENT BANK

Audited Financial Statements For The Year Ended 31st December 2024

LRA Issuer Rating [SL] BBB Stable

AUDITED INCOME STATEMENT FOR THE YEAR ENDED 31 st DECEMBER 2024		Rs 'Mn	
	2024	2023	
Interest income	7,591	9,324	
Interest expenses	(5,392)	(8,733)	
Net interest income	2,198	592	
Fee and commission income	173	96	
Net fee and commission income	173	96	
Net Fair Value Gains/(Losses) from FA at FVPL	378	158	
Net other operating income (net)	31	22	
Total operating income	2,780	867	
Impairment Charges	(541)	(561)	
Net operating income	2,239	306	
Personnel expenses	(1,229)	(1,015)	
Depreciation and amortization expenses	(127)	(100)	
Other expenses	(447)	(356)	
Operating profit/(loss) before VAT & SSCL	436	(1,165)	
Value added tax (VAT) on financial services (18%)	(245)	(5)	
Social Security Levy (2.5%)	(33)	5	
Profit/(loss) before tax	158	(1,165)	
Income Tax expenses	(126)	162	
Profit/(loss) for the Year	32	(1,003)	

AUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 st DECEMBER 2024		Rs 'Mn	
	2024	2023	
Profit/(loss) for the Year	32	(1,003)	
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	(46)	(25)	
Deferred Tax effect on Actuarial Gains/Losses on defined benefit obligations	14	7	
Total comprehensive income for the Year	0.04	(1,020)	

AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 st DECEMBER 2024		Rs 'Mn	
	2024	2023	
Assets			
Cash and cash equivalents	125	123	
Placements with Banks	153	2,923	
Financial Assets - FVPL	2,943	3,553	
Financial Assets - AC			
- Loans and Advanced	41,730	38,603	
- Debt and Other Instruments	8,979	12,163	
Financial Assets - FVOCI	5	5	
Property, plant and equipment	405	172	
Right-of-use Assets	99	157	
Deferred tax assets	634	746	
Other assets	596	623	
Total assets	55,668	59,067	
Liabilities			
Due to banks	-	3	
Financial Liabilities at Amortised Cost			
- Due to Depositors	48,161	52,138	
- Due to Debt Securities Holders	-	-	
- Due to Other Borrowers	141	179	
Employee Benefit Liability	678	598	
Other Liabilities	1,269	695	
Total liabilities	50,248	53,612	
Equity			
Stated Capital/Assigned Capital	890	890	
Statutory Reserve Fund	307	307	
Retained Earnings	3,146	3,180	
Other Reserves	1,078	1,078	
Total equity	5,420	5,454	
Total equity and liabilities	55,668	59,067	

Certification:

(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 Audited Financial Statements of the Bank.

Mr. K.L.N.A. Perera
 Deputy General Manager (Finance)

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
 These Audited Financial Statements were approved by the Board of Directors and signed on their behalf.

Mr. Maheel P. Kuragama
 Chairman

Mr. D.R.L. Wickramasinghe
 Director

Mr. I.T. Asuramanna
 General Manager / CEO

28th February 2025

Audit Opinion of Auditor General

In my opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of the bank as at 31st December 2024, and of its financial performance and its cashflows for the year ended in accordance with Sri Lanka Accounting Standards.

State Mortgage & Investment Bank, No.269, Galle Road, Colombo 03, Sri Lanka.

AUDITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 st DECEMBER 2024		Rs 'Mn	
	From 01/01/2024 to 31/12/2024	From 01/01/2023 to 31/12/2023	
Cash Flows from Operating Activities			
Interest Received	4,934	8,922	
Interest Payments	(6,732)	(9,337)	
Net commission receipts	173	96	
Payments to Employees	(1,119)	(847)	
VAT, DLR & NBT, ESC on financial services	(166)	(5)	
Receipts from Other Operating Activities	2	5	
Payments on Other Operating Activities	(468)	(303)	
Operating profit before changes in Operating Assets & Liabilities	(3,377)	(1,469)	
Financial assets at amortised cost - loans & advances	(606)	449	
Other assets	28	473	
Increase/ (Decrease) in Operating Liabilities	(578)	922	
Financial liabilities at amortised cost-due to depositors	(2,656)	3,607	
Financial liabilities at amortised cost-due to other borrowers	(38)	(96)	
Other liabilities	380	229	
Net cash generated from operating activities before Income Tax	(6,270)	3,193	
Gratuity Paid	(74)	(62)	
Income Taxes Paid	(16)	(79)	
Net Cash from Operating Activities	(6,359)	(3,052)	
Cash flows from investing activities			
Dividend Received	23	19	
Proceeds from the sale of property, plant and equipment	6	1	
Purchase of Property, Plant & Equipment	(235)	(151)	
Net Proceeds from the sale and maturity of financial investments	6,570	(2,904)	
Net cash (used in)/ from investing activities	6,364	(3,035)	
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	17	
Cash and cash equivalents at the beginning of the year	120	103	
Cash and cash equivalents at the end of the Year	125	120	
Reconciliation of Cash and Cash Equivalents			
Cash and Short Term Funds	125	123	
Borrowings from Banks (OD)	-	(3)	
Cash and cash equivalents at the end of the Year	125	120	

Analysis of Financial Instruments by Measurement Basis - Bank Previous Year 2023		Rs. 'Mn	
	AC	FVPL	FVOCI
ASSETS			
Cash and cash equivalents	123		
Placements with banks	2,923		
Loans and advances	40,993		
Debt instruments	781		
Reverse Repos	971		
Treasury Bills	9,840		
Treasury Bonds	415		
Commercial Papers	155		
Unit Trusts		3,553	
Unquoted Shares			5
Total financial assets	56,201	3,553	5
LIABILITIES			
Due to Banks	3		
Financial liabilities			
- Due to depositors	52,138		
- Due to debt security holders	-		
- Due to other borrowers	179		
Total financial liabilities	52,320		52,320

Analysis of Financial Instruments by Measurement Basis - Bank - Current Year 2024		Rs. 'Mn	
	AC	FVPL	FVOCI
ASSETS			
Cash and cash equivalents	125		
Placements with banks	153		
Loans and advances	44,667		
Debt instruments	694		
Reverse Repos	2,256		
Treasury Bills	5,608		
Treasury Bonds	423		
Commercial Papers	-		
Unit Trusts		2,943	
Unquoted Shares			5
Total financial assets	53,925	2,943	5

LIABILITIES		Rs. 'Mn	
	31/12/2024	31/12/2023	
Due to Banks	-	-	
Financial liabilities			
- Due to depositors	48,161	48,161	
- Due to debt security holders	-	-	
- Due to other borrowers	141	141	
Total financial liabilities	48,301	48,301	

Analysis of Financial Instruments by Measurement Basis - Bank Previous Year 2023		Rs. 'Mn	
	AC	FVPL	FVOCI
ASSETS			
Cash and cash equivalents	123		
Placements with banks	2,923		
Loans and advances	40,993		
Debt instruments	781		
Reverse Repos	971		
Treasury Bills	9,840		
Treasury Bonds	415		
Commercial Papers	155		
Unit Trusts		3,553	
Unquoted Shares			5
Total financial assets	56,201	3,553	5

LIABILITIES		Rs. 'Mn	
	31/12/2024	31/12/2023	
Due to Banks	3		
Financial liabilities			
- Due to depositors	52,138	52,138	
- Due to debt security holders	-	-	
- Due to other borrowers	179	179	
Total financial liabilities	52,320	52,320	

Ratio Analysis as at 31/12/2024		31/12/2024		31/12/2023	
Regulatory Capital Adequacy (LKR 'Mn)-Basel III					
Common Equity Tire - 1		4,787	5,532		
Tier - 1 Capital		4,787	5,532		
Total Capital		4,787	5,532		
Regulatory Capital Ratios (%)					
Common Equity Tire 1 Capital Ratio (Minimum Requirement 7%)		19.28	23.47		
Tier 1 Capital Ratio (Minimum Req 8.5%)		19.28	23.47		
Total Capital Ratio (Minimum Req 12.5%)		19.28	23.47		
Basel III Leverage Ratio (Minimum Requirement 3%)		8.40	9.33		
Regulatory Liquidity Requirement					
Liquidity Coverage Ratio (LCR) (Minimum req-100%)		104.79	175.14		
Total Stock of High Quality Liquid Assets Rs.Mn		7,167	12,740		
Net Stable Funding Ratio (Minimum req-100%)		108.00	129.00		
Assets Quality					
Impaired Loan (stage 3) to Total Loan ratio %		33.00	26.00		
impairment (stage 3) to stage 3 loans ratio %		14.10	13.70		
Income & Profitability					
Interest Margin %		3.83	1.22		
Return on Assets %		0.28	-2.15		
Return on Equity %		0.59	-20.21		
Cost to Income Ratio		84.32	234.31		
Memorandum Information					
Credit Rating		BBB	BBB		
Number of Branches		25	25		
Number of Employees		353	354		

AUDITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2024

	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 / 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 adjustments						(34)		(34)
Net Profit / Loss for the year						32		32
Deemed dividend Tax over Payment								
Other Comprehensive Income						(32)		(32)
Transfer During the Year								
Transfer to Consolidated Fund								
Balance as at 31/12/2024	890	307	393	683	1	3,146		5,420

Analysis of amount due to depositors		Rs. 'Mn	
	2024	2023	
By Product			
Savings deposits	3,574	2,202	
Fixed deposits	44,319	49,324	
Other deposits (Schemes)	267	612	
Total	48,161	52,138	

a. Product wise Gross Loans and Advances		Rs. 'Mn	
	2024	2023	
Mortgage	10,881	10,180	
EPF	13,939	8,857	
Vehicle	-	-	
Staff loans	150	1,208	
Personal Loans	17,669	19,295	
Others	2,404	1,864	
Less- Allowance for Day 1 Difference - Staff Loan	(365)	(398)	
Gross Total	44,678	41,007	

b. Stage wise impairment on loans and advances		Rs. 'Mn	
	2024	2023	
Gross loans and advances	44,678	41,007	
Stage 1	24,539	25,022	
Stage 2	5,401	5,326	
Stage 3	14,738	10,659	
(Less): Accumulated impairment under:	2,937	2,389	