



State Mortgage & Investment Bank

Financial Statements

For The Period Ended 30th September 2016

INCOME STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2016

	Rs '000	
	30/09/2016	30/09/2015
Interest income	3,140,521	2,811,577
Interest expenses	(1,768,014)	(1,509,430)
Net interest income	1,372,507	1,302,147
Fee and commission income	90,801	81,308
Fee and commission expenses	-	-
Net fee and commission income	90,801	81,308
Other operating income (net)	2,863	9,032
Total operating income	1,466,172	1,392,487
Impairment for loans and other losses	(58,486)	(96,149)
Net operating income	1,407,686	1,296,338
Personnel expenses	(479,058)	(487,595)
Other expenses	(198,003)	(195,171)
Operating profit/(loss) before value added tax (VAT)	730,625	613,571
Value added tax (VAT) on financial services	(117,551)	(101,870)
Nation Building Tax (NBT)	(21,373)	(18,522)
Profit/(loss) before tax	591,701	493,179
Tax expenses	(223,294)	(171,800)
Profit/(loss) for the Year	368,407	321,379

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH SEPTEMBER 2016

	Rs' 000	
	30/09/2016	30/09/2015
Profit/(loss) for the Period	368,407	321,379
Other comprehensive income, net of tax		
Gains & losses on re-measuring available-for-sale financial assets	(865)	5,496
Actuarial Gains/(losses) on Defined Benefit Plans (+/-)	-	-
Total comprehensive income for the period	367,542	326,875

STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2016

	Rs '000	
	30/09/2016	31/12/2015
Assets		
Cash and cash equivalents	86,134	103,597
Placements with banks	5,814,245	5,812,559
Loans and receivables to customers	27,324,440	26,523,405
Financial investments - Available-for-sale	22,284	437,743
Financial investments - Held-to-maturity	1,255,265	820,278
Property, plant and equipment	87,039	74,416
Deferred tax assets	90,401	90,767
Other assets	480,041	368,810
Total assets	35,159,849	34,231,576
Liabilities		
Due to banks	194,842	7,196
Due to customers	28,529,409	27,836,411
Other borrowings	927,380	959,935
Employee Benefit Liability	328,051	323,423
Other Liabilities	693,049	841,488
Total liabilities	30,672,731	29,968,453
Equity		
Stated Capital/Assigned Capital	889,813	889,813
Statutory Reserve Fund	224,651	203,053
Retained Earnings	2,667,263	2,449,406
Other Reserves	705,392	720,851
Total equity	4,487,119	4,263,123
Total equity and liabilities	35,159,849	34,231,576
Contingent liabilities and commitments	-	-

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH SEPTEMBER 2016

	Rs '000	
	30/09/2016	30/09/2015
Cash flows from operating activities		
Interest Received	2,601,634	2,505,484
Interest Payments	(1,768,014)	(1,509,430)
Payments to Employees and suppliers	(582,212)	(593,484)
Receipts from Other Operating Activities	93,664	90,340
Payments on Other Operating Activities	(94,849)	(89,283)
Operating profit before changes in Operating Assets	250,223	403,627
Increase/(Decrease) in Operating Assets		
Funds Advanced to Customers	(801,035)	(1,569,102)
Other Short Term Securities	(841,492)	(1,119,539)
Increase/(Decrease) in Operating Liabilities		
Deposits from Customers	692,998	2,177,253
Others	483,004	30,548
Net cash generated from operating activities before Income Tax	(216,301)	(77,212)
Income Tax, VAT, NBT & Deemed Dividend Tax Paid	(436,345)	(293,710)
Net Cash from Operating Activities	(652,646)	(370,923)
Cash flows from investing activities		
Dividend Received	313	5,331
Proceeds from the sale of property, plant and equipment	-	-
Purchase of Property, Plant & Equipment	(41,990)	(9,182)
Proceeds from the sale and maturity of financial investments	537,685	325,770
Others (please specify)	-	-
Net cash (used in)/from investing activities	496,008	321,919
Cash flows from financing activities		
Repayment of Loans	(38,572)	(39,456)
Proceeds from Borrowings	-	-
Payments to Consolidated Fund	(10,000)	-
Net cash from financing activities	(48,572)	(39,456)
Net increase/(decrease) in cash & cash equivalents	(205,210)	(88,460)
Cash and cash equivalents at the beginning of the period	96,502	98,168
Cash and cash equivalents at the end of the period	(108,708)	9,708
Reconciliation of Cash and Cash Equivalents		
Cash and Short Term Funds	86,134	110,222
Government of Sri Lanka Treasury Bills	-	-
Borrowings from Banks	(194,842)	(100,514)
Cash and cash equivalents at the end of the period	(108,708)	9,708

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 30TH SEPTEMBER 2016

Rs '000

Bank - Current Period

	HTM	Loans & Receivables	AFS	Total
ASSETS				
Cash and Balances with Central Banks		86,134		86,134
Sri Lanka Government Securities	1,255,265			1,255,265
Balances with Banks				-
Investment Securities			5,379	5,379
Placement with and Loans to Other Banks & Financial Institutions				-
Commercial Papers		285,132		285,132
Trust Certificates		-		-
Treasury Bills Held Under Resale Agreement		1,680,565		1,680,565
Fixed Deposits		3,778,370		3,778,370
Debentures		-		-
Loans and Receivables to Other Customers		27,324,440		27,324,440
Financial Investments - Unit Trust			16,905	16,905
Other Assets - Prepaid Staff Loans		260,733		260,733
Total financial assets	1,255,265	33,415,373	22,284	34,692,922
LIABILITIES				
Due to Banks		194,842		194,842
Due to Customers				-
Deposits		17,620,540		17,620,540
Institutional Deposits		9,877,858		9,877,858
Scheme Deposits		1,031,012		1,031,012
Debt Securities Issued		112,243		112,243
Other Borrowings				-
Government of Sri Lanka		384,322		384,322
AHF		31,452		31,452
USAID		-		-
Refinance Borrowing		399,362		399,362
Other Liabilities		282,536		282,536
Total financial liabilities		29,934,167		29,934,167

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS (continued) Bank - Previous Year (2015)

	HTM	Loans & Receivables	AFS	Total
ASSETS				
Cash and Balances with Central Banks		103,597		103,597
Sri Lanka Government Securities	820,278			820,278
Balances with Banks				-
Investment Securities			5,379	5,379
Placement with and Loans to Other Banks & Financial Institutions				-
Commercial Papers		466,026		466,026
Trust Certificates				-
Treasury Bills Held Under Resale Agreement		611,335		611,335
Fixed Deposits		4,669,309		4,669,309
Debentures		65,890		65,890
Loans and Receivables to Other Customers		26,523,405		26,523,405
Financial investments - Pyramid			432,364	432,364
Trust				-
Other Assets -Prepaid Staff Loans		260,733		260,733
Total financial assets	820,278	32,700,295	437,743	33,958,316
LIABILITIES				
Due to Banks		7,196		7,196
Due to Customers				-
Deposits		17,969,934		17,969,934
Institutional Deposits		8,862,850		8,862,850
Scheme Deposits		1,003,627		1,003,627
Debt Securities Issued		110,181		110,181
Other Borrowings				-
Government of Sri Lanka		384,322		384,322
AHF		37,615		37,615
USAID		-		-
Refinance Borrowing		427,817		427,817
Other Liabilities		369,395		369,395
Total Financial Liabilities	-	29,172,937	-	29,172,937
Held-to-maturity - HTM				
Available-for-sale - AFS				
Loans and receivables/deposits at amortised cost - Amortised cost				

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH SEPTEMBER 2016

	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Investment Fund	Retained Earnings	AFS Reserve	Total
Balance as at 31/12/2014	889,813	191,356	9,176	683,280	1,031	-	2,229,191	13,840	4,017,687
Net Profit for the Year							409,774		409,774
Deemed Dividend Tax							(167,862)		(167,862)
Other Comprehensive Income							-	13,524	13,524
Transfer During the Year		11,697					(11,697)		-
Transfer to Investment Fund							-		-
Transfer to Consolidated Fund							(10,000)		(10,000)
Balance as at 31/12/2015	889,813	203,053	9,176	683,280	1,031	-	2,449,406	27,364	4,263,123
Net Profit for the Period							368,407		368,407
Deemed Dividend Tax							(133,546)		(133,546)
Other Comprehensive Income							14,594	(15,459)	(865)
Transfer During the Year		21,598					(21,598)		-
Transfer to Investment Fund							-		-
Transfer to Consolidated Fund							(10,000)		(10,000)
Balance as at 30/09/2016	889,813	224,651	9,176	683,280	1,031	-	2,667,263	11,905	4,487,119

Certification:

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

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K.K. Tissa Jinadasa,
 Chairman

.....
W.M. Dayasinghe
 General Manager

.....
K.L.N.A. Perera
 Assistant General Manager (Finance)

NOTES TO THE FINANCIAL STATEMENTS

Rs '000

(01) LOANS AND RECEIVABLES TO OTHER CUSTOMERS

	As at 30/09/2016	As at 31/12/2015
Gross loans and receivables	27,714,443	26,854,923
(Less): Individual impairment	(9,390)	(9,390)
Collective impairment	(380,614)	(322,128)
Net loans and receivables	27,324,440	26,523,405

(02) LOANS AND RECEIVABLES TO OTHER CUSTOMERS-BY PRODUCT

	As at 30/09/2016	As at 31/12/2015
By Product		
Mortgage	8,952,099	8,213,026
EPF	10,261,620	12,051,365
Vehicle	45,244	54,682
Staff loans	753,438	740,216
Personal Loans	6,821,581	4,606,068
Others (FD Loans, Refinance, Etc)	880,461	1,189,566
Total	27,714,443	26,854,923

(03) MOVEMENTS IN INDIVIDUAL AND COLLECTIVE IMPAIRMENT DURING THE PERIOD FOR LOANS AND RECEIVABLES TO OTHER CUSTOMERS

	As at 30/09/2016	As at 31/12/2015
Individual impairment		
Opening balance	9,390	6,450
Charge/(Write back) to income Statement	-	2,940
Write-off during the year	-	-
Other movements	-	-
Closing balance at 30/09/2016	9,390	9,390
Collective impairment		
Opening balance	322,128	218,491
Charge/(Write back) to income Statement	58,486	103,637
Other movements	-	-
Closing balance as at 30/09/2016	380,614	322,128
Total impairment as at 30/09/2016	390,004	331,518

(04) DUE TO OTHER CUSTOMERS-BY PRODUCT

	As at 30/09/2016	As at 31/12/2015
By Product		
Institutional Fixed Deposits	9,877,858	8,862,850
Retail Fixed Deposits	16,200,278	16,618,446
Savings Deposits	1,4	