



ORIENT FINANCE PLC

FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020
IN ACCORDANCE WITH CIRCULAR DATED 28 SEPTEMBER 2020 ISSUED BY THE CENTRAL BANK OF SRI LANKA

INCOME STATEMENT

For The Six Months Ended 30 September

	2020 Rs. (Unaudited)	2019 Rs. (Unaudited)
Income	1,183,395,411	1,632,130,553
Interest Income	1,099,620,222	1,527,670,629
Interest Expense	(713,043,140)	(950,393,598)
Net Interest Income	386,577,082	577,277,031
Gains/(losses) from trading activities	58,791,225	74,626,287
Other Income	24,983,965	29,833,637
Operating Expenses	(421,487,140)	(479,571,371)
Impairment for Loans and Advances	(64,763,111)	(429,733,145)
Profit/(Loss) Before Tax	(15,897,980)	(227,567,561)
Income Tax	(4,879,004)	(5,968,388)
Profit/(Loss) After Tax	(20,776,983)	(233,535,949)
Other Comprehensive Income, Net of Tax	-	6,175,605
Total Comprehensive Income	(20,776,983)	(227,360,344)

Basic Earnings Per Share (Rs.)

(0.11)

(1.56)

According to the CBSL circular No.05 of 2020, company applied only up to 11.5% p.a. interest rate for the moratorium granted contracts and as a result of that Rs.170,160,000.00 income had foregone for the 6 months ended September 2020.

STATEMENT OF FINANCIAL POSITION

As At	30-Sep-20 Rs. (Unaudited)	30-Sep-19 Rs. (Unaudited)
Assets		
Cash and Bank Balance	216,877,717	114,881,395
Government Securities	550,865,080	943,977,161
Due from Related Parties	126,149,000	178,450,000
Loans	12,038,057,859	12,812,749,782
Investment in Equity	230,600	230,600
Investment Properties and Real Estate	555,829,211	549,622,708
Property, plant and equipment	81,897,078	80,187,107
Other Assets	1,653,153,402	1,596,775,113
Total Assets	15,223,059,947	16,276,873,865
Liabilities		
Due to Banks	2,991,885,165	2,617,412,894
Deposits from Customer	8,772,275,424	9,655,207,923
Other Borrowing	-	1,019,543,846
Other Liabilities	769,466,732	569,165,062
Total Liabilities	12,533,627,321	13,861,329,725
Equity		
Stated Capital	2,431,879,039	1,925,236,265
Statutory Reserve Fund	311,080,742	306,478,542
Retained Earnings/(accumulated losses)	(194,647,928)	35,463,924
Other Reserves	141,120,773	148,365,409
Total Equity	2,689,432,626	2,415,544,140
Total Equity and Liabilities	15,223,059,947	16,276,873,865

Net Assets Per Share (Rs.)

12.74

13.73

We, the undersigned, being the Chief Executive Officer, Head of Finance and the Compliance Officer of Orient Finance PLC certify jointly that:

- The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
- The information contained in these statements have been extracted from the unaudited financial statements of the Orient Finance PLC.

(sgd)
Sanjeeva Jayasinghe
Head of Finance
17/11/2020

(sgd)
K.M.M.Jabir
Director / Chief Executive Officer
17/11/2020

(sgd)
Gayani Godellawatta
Head of Risk and Compliance
17/11/2020

SELECTED PERFORMANCE INDICATORS

As at 30 September

	As at 30 September 2020		As at 30 September 2019	
	Actual	Required	Actual	Required
Regulatory Capital Adequacy (%)				
Tier 1 Capital Adequacy Ratio	10.50	6.50	7.33	6.50
Total Capital Adequacy Ratio	11.94	10.50	8.74	10.50
Capital Funds to Deposit Liabilities Ratio	18.05		13.61	
Quality of Loan Portfolio (%)				
Gross Non-Performing Loans Ratio,	11.04		16.37	
Net-Non-Performing Loans Ratio,	4.65		5.49	
Net-Non-Performing Loans to Core Capital Ratio,	39.01		62.22	
Provision Coverage Ratio,	69.56		71.58	
Profitability (%)				
Net Interest Margin	6.31		8.54	
Return on Equity (Before Tax)	(1.55)		(18.82)	
Return on Assets (Before Tax)	(0.27)		(2.79)	
Cost to Income Ratio	89.61		70.35	
Liquidity (%)				
Available Liquid Assets to Required Liquid Assets (Minimum 100%)	136	100	112	100
Liquid Assets to External Funds	6.74	5	9.80	9
Memorandum information				
Number of Branches	26		26	
Number of Service Centres	5		5	
External Credit Rating	BB+		BB+	

EXPLANATIONS/GLOSSARY

Capital Adequacy ratios	Indicates level of non-paying loans and advances included in the total loans portfolio of the financial institution. High ratio indicates poor assets quality and high credit risk.
Non - Performing Loans ratio	Indicates the adequacy level of provision to cover problem loans and advances. A higher ratio with a higher capital adequacy ratio means that the financial institution can withstand future credit losses better, including unexpected losses beyond the loan loss provision.
Provision Coverage ratio	Indicates profitability of the core business operation of the financial institution. i.e granting loans and advances and accepting deposits.
Net Interest Margin	Indicates the percentage of total expenses (excluding income tax) compared to total income of the financial institution. Lower ratio will result in higher profitability.
Cost to Income ratio	A Liquid asset is an asset that can easily be converted into cash.
Liquid Assets	Maximum limit imposed by the CBSL
Cap	Gradual reduction of the business operation imposed by the CBSL
Downsizing	An order of CBSL that is in place preventing further transactions of the Company.
Freezing	Represents permanent shareholder equity and reserves
Tier 1 Capital	Represents Tier 1 and supplementary capital including instruments with characteristics of equity and debt, revaluation gains, impairment allowances.
Total Capital	Sum of on-balance sheet risk weighted assets and the total credit equivalent of risk weighted off-balance sheet assets.
Risk Weighted Assets	Tier 1 capital as a percentage of risk weighted assets
Tier 1 Capital ratio	Total capital as a percentage of risk weighted assets.
Total Capital ratio	Paid up capital, permanent free reserves and any other securities approved by the CBSL
Capital Funds	A loan in which the borrower has defaulted and hasn't made scheduled payments of principal or and / interest as per the stipulated guidelines issued by CBSL
Non-Performing Loan	Annualized net interest income (interest income less interest expenses) as a percentage of total net assets (as at end of period)
Net Interest Margin	Annualized profit before tax as a percentage of total net assets (as at end of period)
Return on Assets	Annualized profit after tax as a percentage of total capital (as at end of period)
Return on Equity	Includes only deposits and borrowings.
External Funds	Includes only deposits and borrowings.