



## **INTERIM FINANCIAL STATEMENTS**

For the three months ended 30th June 2013

**VALLIBEL FINANCE PLC****Income Statement**

Amounts in Rupees '000

For the Quarter ended 30th June	2013	2012	Change
			%
<b>Gross Income</b>	<b>571,195</b>	<b>393,399</b>	45.2
Interest Income	553,859	374,799	47.8
Interest Expense	(311,921)	(209,504)	48.9
<b>Net Interest Income</b>	<b>241,938</b>	<b>165,295</b>	46.4
Fee and Commission Income	8,566	6,489	32.0
<b>Net Fee and Commission Income</b>	<b>8,566</b>	<b>6,489</b>	32.0
Net Gain / (Loss) from Trading	1,773	9	19,685.5
Other Operating Income	6,997	12,102	(42.2)
<b>Total Operating Income</b>	<b>259,274</b>	<b>183,895</b>	41.0
Impairment ( Charges ) / Reversals for Loans and other losses	(26,365)	(6,956)	279.0
<b>Net Operating Income</b>	<b>232,909</b>	<b>176,939</b>	31.6
<b>Operating Expenses</b>			
Personnel Expenses	(51,019)	(29,516)	72.8
Premises Equipment and Establishment Expenses	(12,876)	(7,258)	77.4
Other Expenses	(52,064)	(32,228)	61.5
<b>Operating Profit Before Value Added Tax</b>	<b>116,950</b>	<b>107,937</b>	8.4
Value Added Tax on Financial Services	(9,777)	(9,047)	8.1
<b>Profit Before Taxation</b>	<b>107,173</b>	<b>98,890</b>	8.4
Income Tax Expense	(36,680)	(37,154)	(1.3)
<b>Profit for the Period</b>	<b>70,493</b>	<b>61,736</b>	14.2
<b>Earnings Per Share (Annualised)</b>	<b>6.79</b>	<b>5.94</b>	14.2

**VALLIBEL FINANCE PLC**  
**Statement of Comprehensive Income**

Amounts in Rupees '000

For the Quarter ended 30th June	2013	2012	Change
			%
<b>Profit for the period</b>	<b>70,493</b>	<b>61,736</b>	14.2
Acturial Gains / (Losses) on Retirement Benefit Plans	-	-	-
Gains / (Losses) on remeasuring Available For Sale Financial Assets	-	-	-
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Other Comprehensive Income for the period, Net of Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the period, Net of Tax</b>	<b>70,493</b>	<b>61,736</b>	14.2

**VALLIBEL FINANCE PLC**  
**Statement of Financial Position**

	Amounts in Rupees '000		
	As at 30th June 2013	As at 31st March 2013 (Audited)	Change %
<b>Assets</b>			
Cash and Cash Equivalents	186,532	239,916	(22.3)
Placements with Banks and Other Finance Companies	659,668	698,088	(5.5)
Financial Investments - Held for Trading	8,213	14,329	(42.7)
Loans and Receivables to Finance Companies	17,405	16,472	5.7
Loans and Receivables to Other Customers	686,302	630,952	8.8
Lease Rental and Hire Purchase Receivables	7,558,641	7,130,394	6.0
Financial Investments - Available for Sale	204	204	-
Financial Investments - Held to Maturity	377,659	281,719	34.1
Other Financial Assets	26,662	21,998	21.2
Other Assets	152,231	144,990	5.0
Property, Plant and Equipment	119,651	122,745	(2.5)
Deferred Tax Assets	1,699	1,699	-
<b>Total Assets</b>	<b>9,794,867</b>	<b>9,303,506</b>	<b>5.3</b>
<b>Liabilities</b>			
Bank Overdrafts	230,596	360,102	(36.0)
Rental Received in Advance	164,612	164,624	(0.0)
Deposits due to Customers	6,828,432	6,268,210	8.9
Interest bearing Borrowings	924,098	951,202	(2.8)
Subordinated Term Debts	412,850	399,256	3.4
Other Financial Liabilities	39,987	41,464	(3.6)
Current Tax Liabilities	56,476	41,939	34.7
Deferred Tax Liabilities	65,089	65,089	-
Other Liabilities	57,799	68,235	(15.3)
Retirement Benefit Obligations	7,118	6,068	17.3
<b>Total Liabilities</b>	<b>8,787,057</b>	<b>8,366,189</b>	<b>5.0</b>
<b>Equity</b>			
Stated Capital	287,153	287,153	-
Statutory Reserves	261,696	237,581	10.2
General Reserve	7,500	7,500	-
Retained Earnings	451,461	405,083	11.4
<b>Total Equity</b>	<b>1,007,810</b>	<b>937,317</b>	<b>7.5</b>
<b>Total Liabilities and Equity</b>	<b>9,794,867</b>	<b>9,303,506</b>	<b>5.3</b>
<b>Net Assets Value Per Share (Rs.)</b>	<b>24.25</b>	<b>22.56</b>	<b>7.5</b>

The information contained in these statements have been extracted from the unaudited Financial Statements of the company unless indicated as audited.

**Certification**

These Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act, No.07 of 2007.

  
K.D. Menaka Sameera  
Head of Finance

The Board of Directors is responsible for the preparation and the presentation of these Financial Statements.  
Approved and signed for and on behalf of the Board:

  
K.D.D. Perera  
Chairman

  
S.B. Raghunatha  
Managing Director

29th July 2013,  
Colombo.

**VALLIBEL FINANCE PLC**  
**Statement of Changes in Equity**

For the three months ended	Amounts in Rupees '000					
	Stated Capital	Statutory Reserve Fund	Reserves Investment Fund	General Reserve	Retained Earnings	Total Equity
<b>Balance as at 01st April 2013</b>	<b>287,153</b>	<b>145,185</b>	<b>92,396</b>	<b>7,500</b>	<b>405,083</b>	<b>937,317</b>
Profit for the Period	-	-	-	-	70,493	70,493
Other Comprehensive income for the period , net of Tax	-	-	-	-	-	-
Transfers during the period	-	14,392	9,723	-	(24,115)	-
<b>Balance as at 30th June 2013</b>	<b>287,153</b>	<b>159,577</b>	<b>102,119</b>	<b>7,500</b>	<b>451,461</b>	<b>1,007,810</b>
<b>Balance as at 01st April 2012</b>	<b>287,153</b>	<b>87,802</b>	<b>42,750</b>	<b>7,500</b>	<b>259,190</b>	<b>684,395</b>
Profit for the Period	-	-	-	-	61,736	61,736
Other Comprehensive income for the period , net of Tax	-	-	-	-	-	-
Dividends	-	-	-	-	(41,551)	(41,551)
Transfers during the period	-	12,347	6,807	-	(19,154)	-
<b>Balance as at 30th June 2012</b>	<b>287,153</b>	<b>100,149</b>	<b>49,557</b>	<b>7,500</b>	<b>260,221</b>	<b>704,580</b>

**VALLIBEL FINANCE PLC****Cash Flow Statement**

Amounts in Rupees '000

**For the period ended****Cash Flow From Operating Activities**

	<b>30th June 2013</b>	<b>30th June 2012</b>
Interest and Commission Receipts	552,244	386,976
Interest Payments	(281,179)	(168,506)
Cash Receipts from Customers	6,704	12,102
Cash Payments to Employees and Suppliers	(108,092)	(21,579)

**Operating Profit Before Changes in Operating Assets and Liabilities****169,677** **208,993****( Increase ) / Decrease in Operating Assets**

Short Term Funds	(198,263)	(134,881)
Deposits held for Regulatory or Monetary Control Purposes	146,314	(114,231)
Funds Advanced to Customers	(516,285)	(360,624)

**Increase / ( Decrease ) in Operating Liabilities**

-

Deposits from Customers	477,496	597,438
Certificate of Deposits	58,832	13,807

**Net Cash Generated from Operating Activities before Income Tax****137,771** **210,502**

Taxes paid	(31,528)	(36,770)
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**Net Cash (Used In)/Generated from Operating Activities after Income Tax****106,243** **173,732****Cash Flows From Investing Activities**

Dividends Received	782	9
Proceed from Sale of Dealing Securities	7,400	-
Purchase of Property , Plant and equipment	(5,304)	(7,257)

**Net Cash (Used In)/Generated from Investing Activities****2,877** **(7,248)****Cash Flows From Financing Activities**

Net decrease in Borrowings	(32,998)	(206,924)
Dividend paid	-	(41,551)

**Net Cash Used In Financing Activities****(32,998)** **(248,474)****Net Increase / ( Decrease ) in Cash & Cash Equivalents****76,122** **(81,990)****Cash & Cash Equivalents at the Beginning of the Period****(120,186)** **(3,409)****Cash & Cash Equivalents at the End of the Period ( Note A )****(44,064)** **(85,399)****Note A****Cash & Cash Equivalents at the End of the Period**

Cash in Hand and at Banks	186,532	73,023
Bank Overdrafts	(230,596)	(158,421)
	<b>(44,064)</b>	<b>(85,399)</b>

Amounts in Rupees '000

**Vallibel Finance PLC**  
Interim Financial Statements for the three months ended 30.06.2013

### Explanatory Notes

These Interim Financial Statements of the Company have been prepared based on the Sri Lanka Accounting Standards that came into effect from 01st April 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Audited Financial Statements for the year ended 31st March 2013.

Further, these Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting'.

There were no material events that took place since 30th June 2013, that require disclosure in these Financial Statements except

for the payment of an Interim Dividend of Rs. 1.50 per share for the year ended 31st March 2013, on 04th July 2013.

During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debentures.

### Information On Ordinary Shares

#### Share Price During the Quarter

		For the quarter ended	
		30.06.2013	30.06.2012
Highest	Rs.	35.10	44.50
Lowest	Rs.	28.00	29.50
Closing	Rs.	30.30	31.50
No of Ordinary Share Issued As At 30th June		41,550,600	41,550,600

### Selected Performance Indicators

Indicator	As at 30th June 2013	As at 30th June 2012
<b>Asset Quality</b>	<b>Rs'000</b>	<b>Rs'000</b>
<b>Based on Sri Lanka Accounting Standards effected prior to 1st April 2012</b>		
Total Accommodation (Net of Interest in Suspense)	8,228,965	6,155,885
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	8,112,482	6,084,135
Non-Performing Accommodations (Net of Interest in Suspense)	232,565	139,299
<b>Liquidity</b>		
Required Minimum Amount of Liquid Assets	682,843	452,676
Available Amount of Liquid Assets	899,581	741,870
Required Minimum Amount of Government Securities	379,086	248,191
Available Amount of Government Securities	383,048	253,847
<b>Capital Adequacy</b>		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	9.09%	12.12%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	12.92%	15.59%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	16.29%	15.62%
<b>Profitability</b>		
Return on Assets (After Tax) - ( Annualised )	2.88%	2.65%
Return on Equity - ( Annualised )	27.98%	26.35%



### Financial Reporting by Segments as per the Provisions of SLFRS - 08

The primary business segment reporting format is determined to be business segment as nature of the products and services provided, with each segment representing a strategic business unit that offers different product and serves in different markets.

The Following table presents financial information regarding business segments :-

#### Business Segments

For the three months ended 30th June	Finance Lease		Hire Purchase		Loans & Advances		Investments		Unallocated		Total		
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
<b>Income From</b>													
<b>External Operations</b>													
Interest	280,865	163,561	202,737	172,210	35,652	18,322	34,605	20,706	-	-	553,859	374,799	
Administration Fees	-	-	-	-	-	-	-	-	8,566	6,489	8,566	6,489	
Capital gains / ( loss )	-	-	-	-	-	-	1,285	-	-	-	1,285	-	
Dividends	-	-	-	-	-	-	782	9	-	-	782	9	
Other	-	2,193	5,487	7,864	129	247	-	-	1,088	1,798	6,703	12,102	
<b>Total Revenue</b>	<b>280,865</b>	<b>165,754</b>	<b>208,223</b>	<b>180,074</b>	<b>35,780</b>	<b>18,569</b>	<b>36,672</b>	<b>20,715</b>	<b>9,654</b>	<b>8,286</b>	<b>571,195</b>	<b>393,399</b>	
Profit before tax												116,950	107,937
Taxation												(46,457)	(46,201)
<b>Profit after tax</b>												<b>70,493</b>	<b>61,736</b>
<b>Other Information</b>													
<b>As at 30th June</b>													
Segment assets	4,312,086	2,896,766	3,363,519	3,016,627	597,513	302,362	1,073,226	684,698	448,524	367,088	9,794,867	7,267,541	
Segment Liabilities	3,868,408	2,615,153	3,017,441	2,723,362	536,034	272,967	962,800	618,134	402,374	331,401	8,787,057	6,561,018	
<b>Net assets</b>	<b>443,678</b>	<b>281,613</b>	<b>346,078</b>	<b>293,265</b>	<b>61,479</b>	<b>29,394</b>	<b>110,426</b>	<b>66,564</b>	<b>46,149</b>	<b>35,687</b>	<b>1,007,810</b>	<b>706,523</b>	

## Additional Notes

### 20 Major Shareholders As At 30th June 2013

	No. of Shares	(%)
1 Vallibel Investments (Pvt) Limited	30,277,000	72.87%
2 Employees Trust Fund Board	1,248,127	3.00%
3 Seylan Bank PLC/M/S Divasa Equity (Pvt) Ltd	1,092,424	2.63%
4 George Steuart Teas (Pvt) Ltd	514,275	1.24%
5 HSBC International Nominees Ltd- UBS AG Singapore Branch (Ex SBC)	430,000	1.03%
6 Seylan Bank PLC/HVA Lanka Exports (Private) Limited	228,148	0.55%
7 Mr. H Beruwalage	202,800	0.49%
8 Mrs. K I A Hewage	200,000	0.48%
9 Mr. B A R Dissanayake	181,620	0.44%
10 Mr. V R Kathiragamamby	180,000	0.43%
11 Mr K.D.A.Perera	148,246	0.36%
12 Mr. N Balasingam	134,900	0.32%
13 Mr. S B Rangamuwa	117,790	0.28%
14 Mr. R R S Ananda	103,200	0.25%
15 Mr. A Tirathdas	100,000	0.24%
16 Codegen International (Pvt) Ltd	100,000	0.24%
17 Mr.R.Gautam	82,800	0.20%
18 Mrs.W S P M Abeysekara	73,129	0.18%
19 Mr D.S.Jayaweera	73,000	0.18%
20 HVA Foods PLC	71,400	0.17%
Others	5,991,741	14.42%
	<b>41,550,600</b>	<b>100.00%</b>

### Directors' Shareholding As At 30th June 2013

1 Mr K D D Perera	600	0.001%
2 Mr S B Rangamuwa	117,790	0.283%
3 Mr J A S S Adhihetty	600	0.001%
4 Mr M D S Goonatilleke	600	0.001%
5 Mr S Senaratne	22,600	0.054%
6 Mr K D H Perera	600	0.001%
	<b>142,790</b>	<b>0.344%</b>

### Public Holding As At 30th June 2013

11,130,810	26.79%
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