



INTERIM FINANCIAL STATEMENTS

For the Nine months ended 31st December 2013

VALLIBEL FINANCE PLC
Income Statement

Amounts in Rupees '000

	Quarter ended 31st December			Nine months ended 31st December		
	2013	2012	Change %	2013	2012	Change %
Gross Income	676,023	498,123	35.7	1,882,052	1,332,887	41.2
Interest Income	646,579	483,730	33.7	1,808,039	1,272,820	42.0
Interest Expense	(349,103)	(274,400)	27.2	(985,851)	(720,979)	36.7
Net Interest Income	297,475	209,330	42.1	822,187	551,841	49.0
Fee and Commission Income	10,600	8,209	29.1	31,360	22,103	41.9
Net Fee and Commission Income	10,600	8,209	29.1	31,360	22,103	41.9
Net Gain / (Loss) from Trading	(132)	(2,826)	(95.3)	615	1,921	(68.0)
Other Operating Income	18,976	9,011	110.6	42,038	36,043	16.6
Total Operating Income	326,920	223,723	46.1	896,201	611,907	46.5
Impairment (Charges) / Reversals for Loans and other losses	(67,391)	(20,163)	234.2	(151,393)	(38,260)	295.7
Net Operating Income	259,529	203,560	27.5	744,807	573,648	29.8
Operating Expenses						
Personnel Expenses	(71,957)	(43,506)	65.4	(183,738)	(111,765)	64.4
Premises Equipment and Establishment Expenses	(12,320)	(9,814)	25.5	(41,273)	(24,723)	66.9
Other Expenses	(62,355)	(39,009)	59.8	(191,142)	(103,413)	84.8
Operating Profit Before Value Added Tax	112,897	111,232	1.5	328,654	333,747	(1.5)
Value Added Tax on Financial Services	(12,295)	(9,434)	30.3	(31,331)	(28,133)	11.4
Profit Before Taxation	100,602	101,798	(1.2)	297,323	305,614	(2.7)
Income Tax Expense	(32,636)	(29,173)	11.9	(93,538)	(104,330)	(10.3)
Profit for the Period	67,966	72,625	(6.4)	203,785	201,284	1.2
Earnings Per Share (Annualised)	6.54	6.99	(6.4)	6.54	6.46	1.2

VALLIBEL FINANCE PLC
Statement of Comprehensive Income

Amounts in Rupees '000

	Quarter ended 31st December			Nine months ended 31st December		
	2013	2012	Change	2013	2012	Change
			%			%
Profit for the period	67,966	72,625	(6.4)	203,785	201,284	1.2
Acturial Gains / (Losses) on Retirement Benefit Plans	-	-	-	-	-	-
Gains / (Losses) on remeasuring Available For Sale Financial Assets	6,582	-	100.0	5,671	-	100.0
Total Other Comprehensive Income	6,582	-	100.0	5,671	-	100.0
Total Other Comprehensive Income for the period, Net of Tax	6,582	-	100.0	5,671	-	100.0
Total Comprehensive Income for the period, Net of Tax	74,548	72,625	2.6	209,456	201,284	4.1

VALLIBEL FINANCE PLC
Statement of Financial Position

	Amounts in Rupees '000		
	As at 31st December 2013	As at 31st March 2013 (Audited)	Change %
Assets			
Cash and Cash Equivalents	245,937	239,916	2.5
Placements with Banks and Other Finance Companies	1,015,057	698,088	45.4
Financial Investments - Held for Trading	5,244	14,329	(63.4)
Loans and Receivables to Finance Companies	-	16,472	(100.0)
Loans and Receivables to Other Customers	1,009,598	630,952	60.0
Lease Rental and Hire Purchase Receivables	8,512,359	7,130,394	19.4
Financial Investments - Available for Sale	77,939	204	38,142.6
Financial Investments - Held to Maturity	370,977	281,719	31.7
Other Financial Assets	31,856	21,998	44.8
Other Assets	157,437	144,990	8.6
Property, Plant and Equipment	124,646	122,745	1.5
Deferred Tax Assets	1,699	1,699	-
Total Assets	11,552,747	9,303,506	24.2
Liabilities			
Bank Overdrafts	272,999	360,102	(24.2)
Rental Received in Advance	124,956	164,624	(24.1)
Deposits due to Customers	8,423,533	6,268,210	34.4
Interest bearing Borrowings	1,053,376	951,202	10.7
Subordinated Term Debts	381,996	399,256	(4.3)
Other Financial Liabilities	55,616	41,464	34.1
Current Tax Liabilities	42,078	41,939	0.3
Deferred Tax Liabilities	65,089	65,089	-
Other Liabilities	39,440	68,235	(42.2)
Retirement Benefit Obligations	9,218	6,068	51.9
Total Liabilities	10,468,300	8,366,189	25.1
Equity			
Stated Capital	287,153	287,153	-
Statutory Reserves	306,715	237,581	29.1
General Reserve	7,500	7,500	-
Retained Earnings	483,079	405,083	19.3
Total Equity	1,084,447	937,317	15.7
Total Liabilities and Equity	11,552,747	9,303,506	24.2
Net Assets Value Per Share (Rs.)	26.10	22.56	15.7

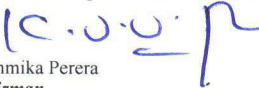
The information contained in these statements have been extracted from the unaudited Financial Statements of the company unless indicated as audited.

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 ;


Dhammika Perera
Chairman


S.B. Rangamuwa
Managing Director

12th February 2014
Colombo.

VALLIBEL FINANCE PLC
Statement of Changes in Equity

For the nine months ended	Amounts in Rupees '000					
	Stated Capital	Statutory Reserve Fund	Reserves Investment Fund	General Reserve	Retained Earnings	Total Equity
Balance as at 01st April 2013	287,153	145,185	92,396	7,500	405,083	937,317
Profit for the Period	-	-	-	-	203,785	203,785
Other Comprehensive income for the period , net of Tax	-	-	-	-	5,671	5,671
Dividends	-	-	-	-	(62,326)	(62,326)
Transfers during the period	-	40,757	28,377	-	(69,134)	-
Balance as at 31st December 2013	287,153	185,942	120,773	7,500	483,079	1,084,447
Balance as at 01st April 2012	287,153	87,802	42,750	7,500	259,190	684,395
Profit for the Period	-	-	-	-	201,284	201,284
Other Comprehensive income for the period , net of Tax	-	-	-	-	-	-
Dividends	-	-	-	-	(41,551)	(41,551)
Transfers during the period	-	40,257	35,139	-	(75,396)	-
Balance as at 31st December 2012	287,153	128,059	77,889	7,500	343,527	844,128

VALLIBEL FINANCE PLC**Cash Flow Statement**

Amounts in Rupees '000

For the period ended	31st December 2013	31st December 2012
Cash Flow From Operating Activities		
Interest and Commission Receipts	1,757,291	1,502,730
Interest Payments	(922,405)	(631,603)
Cash Receipts from Customers	9,547	35,943
Cash Payments to Employees and Suppliers	(362,389)	(217,742)
Operating Profit Before Changes in Operating Assets and Liabilities	482,045	689,328
(Increase) / Decrease in Operating Assets		
Short Term Funds	(465,108)	(53,456)
Deposits held for Regulatory or Monetary Control Purposes	39,124	(475,627)
Funds Advanced to Customers	(1,929,307)	(1,616,185)
Increase / (Decrease) in Operating Liabilities		
Deposits from Customers	1,971,249	1,512,083
Certificate of Deposits	126,742	34,708
Net Cash Generated from Operating Activities before Income Tax	224,744	90,851
Taxes paid	(125,586)	(121,104)
Net Cash (Used In)/Generated from Operating Activities after Income Tax	99,159	(30,253)
Cash Flows From Investing Activities		
Dividends Received	782	336
Proceed from Sale of Dealing and non Dealing Securities	25,557	-
Purchase of Property , Plant and equipment	(30,412)	(33,510)
Net Cash (Used In)/Generated from Investing Activities	(4,073)	(33,174)
Cash Flows From Financing Activities		
Net decrease in Borrowings	60,365	(144,102)
Dividend paid	(62,326)	(41,551)
Net Cash Used In Financing Activities	(1,961)	(102,551)
Net Increase / (Decrease) in Cash & Cash Equivalents	93,124	(165,977)
Cash & Cash Equivalents at the Beginning of the Period	(120,186)	(3,445)
Cash & Cash Equivalents at the End of the Period (Note A)	(27,062)	(169,422)

Note A**Cash & Cash Equivalents at the End of the Period**

Cash in Hand and at Banks	245,937	91,204
Bank Overdrafts	(272,999)	(260,626)
	(27,062)	(169,422)

Amounts in Rupees '000

Interim Financial Statements for the Nine months ended 31.12.2013

Explanatory Notes

1. 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'.
2. The Company has paid an Interim Dividend of Rs. 1.50 per share for the year ended 31st March 2013, on 04th July 2013.
3. On 11th February 2014, the Company opened the issuance of 2,500,000 Unsecured, Subordinated, Redeemable Debentures at an issue price of LKR 100.00 each with an option to issue up to a further 2,500,000 Debentures in the event the initial 2,500,000 Debentures are oversubscribed. Applications for over Rs. 500,000,000 (Rupees Five Hundred Million) have been received for the issue and accordingly issue has been oversubscribed on 11th February 2014.
4. There were no material events took place since 31st December 2013 other than disclosed above in Financial Statements.
5. During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debenture.

Information On Ordinary Shares

Share Price During the Quarter

		For the quarter ended	
		31.12.2013	31.12.2012
Highest	Rs.	30.90	43.00
Lowest	Rs.	28.50	30.00
Closing	Rs.	28.80	31.00
No. of Ordinary Share Issued As At 31st December		41,550,600	41,550,600

Selected Performance Indicators

Indicator	As at 31st December 2013	As at 31st December 2012
Asset Quality	Rs'000	Rs'000
Based on Sri Lanka Accounting Standards effected prior to 1st April 2012		
Total Accommodation (Net of Interest in Suspense)	9,621,096	7,217,494
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	9,435,222	7,123,233
Non-Performing Accommodations (Net of Interest in Suspense)	416,897	187,512
Liquidity		
Required Minimum Amount of Liquid Assets	842,676	545,142
Available Amount of Liquid Assets	1,167,108	701,526
Required Minimum Amount of Government Securities	379,086	245,180
Available Amount of Government Securities	420,570	245,572
Capital Adequacy		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	9.04%	7.73%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	11.61%	11.59%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	14.11%	15.81%
Profitability		
Return on Assets (After Tax) - (Annualised)	2.35%	3.10%
Return on Equity - (Annualised)	25.06%	31.72%

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 Nine months ended December	31st	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
Income From													
External Operations													
Interest		926,949	582,801	639,654	542,514	124,885	71,487	116,550	76,018	-	-	1,808,039	1,272,820
Administration Fees		-	-	-	-	-	-	-	-	31,360	22,103	31,360	22,103
Capital gains / (loss)		-	-	-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	615	-	-	336	615	336
Other		-	1,505	23,446	27,891	1,741	-	-	-	16,851	8,231	42,037	37,627
Total Revenue		926,949	584,306	663,101	570,405	126,626	71,487	117,164	76,018	48,211	30,670	1,882,052	1,332,887
Profit before tax												297,323	305,614
Taxation												(93,538)	(104,330)
Profit after tax												203,785	201,284
Other Information													
As at 31st December													
Segment assets		4,878,210	3,624,916	3,877,947	3,167,209	947,023	438,739	1,443,730	960,127	405,837	470,702	11,552,747	8,661,693
Segment Liabilities		4,420,297	3,272,670	3,513,928	2,857,906	858,127	395,893	1,308,208	866,363	367,741	424,734	10,468,300	7,817,566
Net assets		457,914	352,246	364,020	309,302	88,896	42,846	135,522	93,764	38,096	45,968	1,084,447	844,127

Additional Notes

20 Major Shareholders As At 31st December 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 Mr K.D.A.Perera	702,682	1.69%
5 George Steuart Teas (Pvt) Ltd	514,275	1.24%
6 HSBC International Nominees Ltd- UBS AG Singapore Branch (Ex SBC)	430,000	1.03%
7 Seylan Bank PLC/HVA Lanka Exports (Private) Limited	203,000	0.49%
8 Mr. H Beruwalage	202,800	0.49%
9 Mrs. K I A Hewage	200,000	0.48%
10 Mr. V R Kathiragamatamby	200,000	0.48%
11 Mr. B A R Dissanayake	181,620	0.44%
12 Mr. S B Rangamuwa	170,027	0.41%
13 Mr K.Sabaratham	150,000	0.36%
14 Mr. N Balasingam	134,900	0.32%
15 Mr. R R S Ananda	103,200	0.25%
16 Mr. A Tirathdas	100,000	0.24%
17 Codegen International (Pvt) Ltd	100,000	0.24%
18 Mr.R.Gautam	85,000	0.20%
19 Mr D S Jayaweera	73,000	0.18%
20 HVA Foods PLC	71,400	0.17%
	36,239,455	
Others	5,311,145	12.78%
	41,550,600	100.00%

Directors' Shareholding As At 31st December 2013

1 Mr K D D Perera	600	0.001%
2 Mr S B Rangamuwa	170,027	0.409%
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%
	195,027	0.469%

Public Holding As At 31st December 2013

11,078,573	26.66%
------------	--------