



INTERIM FINANCIAL STATEMENTS

For the Six months ended 30th September 2014

VALLIBEL FINANCE PLC**Income Statement**

Amounts in Rupees '000

	Quarter ended 30th September			Six months ended 30th September		
	2014	2013	Change %	2014	2013	Change %
Gross Income	718,523	634,834	13.2	1,428,102	1,206,029	18.4
Interest Income	703,183	607,601	15.7	1,393,056	1,161,460	19.9
Interest Expense	(334,073)	(324,827)	2.8	(683,155)	(636,748)	7.3
Net Interest Income	369,110	282,774	30.5	709,900	524,712	35.3
Fee and Commission Income	12,936	12,194	6.1	23,910	20,760	15.2
Net Fee and Commission Income	12,936	12,194	6.1	23,910	20,760	15.2
Net Gain / (Loss) from Trading	1,012	(1,027)	198.5	1,158	747	55.0
Other Operating Income	1,393	16,065	(91.3)	9,979	23,062	(56.7)
Total Operating Income	384,450	310,006	24.0	744,947	569,281	30.9
Impairment (Charges) / Reversals for Loans and other losses	(88,386)	(57,638)	53.3	(187,771)	(84,003)	123.5
Net Operating Income	296,064	252,368	17.3	557,176	485,278	14.8
Operating Expenses						
Personnel Expenses	(82,998)	(60,763)	36.6	(159,628)	(111,781)	42.8
Premises Equipment and Establishment Expenses	(14,882)	(16,077)	(7.4)	(28,836)	(28,952)	(0.4)
Other Expenses	(63,182)	(76,724)	(17.6)	(127,111)	(128,788)	(1.3)
Operating Profit Before Value Added Tax & NBT	135,002	98,806	36.6	241,601	215,757	12.0
Value Added Tax on Financial Services & NBT	(18,038)	(9,258)	94.8	(28,472)	(19,035)	49.6
Profit Before Taxation	116,965	89,548	30.6	213,129	196,722	8.3
Income Tax Expense	(35,757)	(24,223)	47.6	(65,831)	(60,903)	8.1
Profit for the Period	81,207	65,325	24.3	147,299	135,819	8.5
Earnings Per Share (Annualised)	7.82	6.29	24.3	7.09	6.54	8.5

VALLIBEL FINANCE PLC**Statement of Comprehensive Income**

Amounts in Rupees '000

	Quarter ended 30th September			Six months ended 30th September		
	2014	2013	Change	2014	2013	Change
			%			%
Profit for the period	81,207	65,325	24.3	147,299	135,819	8.5
Acturial Gains / (Losses) on Retirement Benefit Plans	-	-	-	-	-	-
Gains / (Losses) on remeasuring Available For Sale Financial Assets	12,512	(912)	1,471.9	15,994	(912)	1,853.7
Tax on Other Comprehensive Income	-	-	-	-	-	-
Other Comprehensive Income for the Period, Net of Tax	12,512	(912)	1,471.9	15,994	(912)	1,853.7
Total Comprehensive Income for the Period	93,719	64,413	45.5	163,292	134,907	21.0

VALLIBEL FINANCE PLC
Statement of Financial Position

	Amounts in Rupees '000		
	As at 30th September 2014	As at 31st March 2014 (Audited)	Change %
Assets			
Cash and Cash Equivalents	251,277	311,613	(19.4)
Placements with Banks and Other Finance Companies	1,214,969	1,146,245	6.0
Reverse Repurchase Agreements	212,825	112,017	90.0
Financial Investments - Held for Trading	6,097	5,102	19.5
Loans and Receivables to Other Customers	1,750,123	1,149,653	52.2
Lease Rental and Hire Purchase Receivables	9,226,135	8,788,528	5.0
Financial Investments - Available for Sale	130,656	113,965	14.6
Financial Investments - Held to Maturity	638,428	612,635	4.2
Other Financial Assets	11,303	7,913	42.8
Other Assets	149,129	165,575	(9.9)
Property, Plant and Equipment	127,685	127,326	0.3
Intangible Assets	5,272	4,356	21.0
Deffered Tax Assets	33,786	33,786	-
Total Assets	13,757,685	12,578,714	9.4
Liabilities			
Bank Overdrafts	470,555	233,879	101.2
Rental Received in Advance	117,672	136,928	(14.1)
Deposits due to Customers	10,289,988	9,299,978	10.6
Interest bearing Borrowings	400,066	542,517	(26.3)
Subordinated Term Debts	909,749	898,089	1.3
Other Financial Liabilities	55,622	48,885	13.8
Current Tax Liabilities	26,242	88,295	(70.3)
Deferred Tax Liabilities	74,289	74,289	-
Other Liabilities	95,144	62,239	52.9
Retirement Benefit Obligations	15,872	12,872	23.3
Total Liabilities	12,455,200	11,397,971	9.3
Equity			
Stated Capital	287,153	287,153	-
Statutory Reserves	377,472	333,907	13.0
Available For Sale Reserve	20,049	4,055	394.4
General Reserve	7,500	7,500	-
Retained Earnings	610,312	548,128	11.3
Total Equity	1,302,485	1,180,743	10.3
Total Liabilities and Equity	13,757,685	12,578,714	9.4
Net Assets Value Per Share (Rs.)	31.35	28.42	10.3

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
Executive Director


S.B. Ranganuwa
Managing Director

10th November 2014
Colombo.

VALLIBEL FINANCE PLC
Statement of Changes in Equity

Amounts in Rupees '000

For the six months ended	Stated Capital	Statutory Reserve Fund	Reserves Investment Fund	Available For Sale Reserve	General Reserve	Retained Earnings	Total Equity
Balance as at 01st April 2014	287,153	205,967	127,940	4,055	7,500	548,128	1,180,743
Profit for the Period	-	-	-	-	-	147,299	147,299
Other Comprehensive income for the period , net of Tax	-	-	-	15,994	-	-	15,994
Dividends	-	-	-	-	-	(41,551)	(41,551)
Transfers during the period	-	29,460	14,105	-	-	(43,565)	-
Balance as at 30th September 2014	287,153	235,427	142,045	20,049	7,500	610,312	1,302,485
Balance as at 01st April 2013	287,153	145,185	92,396	-	7,500	403,942	936,176
Profit for the Period	-	-	-	-	-	135,819	135,819
Other Comprehensive income for the period , net of Tax	-	-	-	-	-	(912)	(912)
Dividends	-	-	-	-	-	(62,326)	(62,326)
Transfers during the period	-	27,164	16,373	-	-	(43,537)	-
Balance as at 30th September 2013	287,153	172,348	108,769	-	7,500	432,986	1,008,757

VALLIBEL FINANCE PLC**Cash Flow Statement****For the period ended**

Amounts in Rupees '000

Cash Flow From Operating Activities

Interest and Commission Receipts

1,347,268

1,160,442

Interest Payments

(629,219)

(622,129)

Cash Receipts from Customers

15,079

4,929

Cash Payments to Employees and Suppliers

(273,242)

(229,948)

Operating Profit Before Changes in Operating Assets and Liabilities**459,887****313,294****(Increase) / Decrease in Operating Assets**

Short Term Funds & Other Short Term Negotiable Securities

(34,909)

(582,540)

Deposits held for Regulatory or Monetary Control Purposes

(108,899)

107,070

Funds Advanced to Customers

(1,209,772)

(1,189,656)

Increase / (Decrease) in Operating Liabilities

Deposits from Customers

862,847

1,217,644

Certificate of Deposits

92,871

108,957

Net Cash (Used in) / Generated from Operating Activities before Income Tax**62,025****(25,231)**

Taxes paid

(156,811)

(90,186)

Net Cash (Used In) / Generated from Operating Activities**(94,786)****(115,417)****Cash Flows From Investing Activities**

Dividends Received

162

782

Proceed from Sale of Securities

-

24,585

Proceed from sale of Property , Plant and equipment

954

-

Purchase of Property , Plant and equipment

(25,023)

(16,592)

Net Cash (Used In) / Generated from Investing Activities**(23,907)****8,774****Cash Flows From Financing Activities**

Net (decrease) / increase in Borrowings

(136,769)

201,308

Dividend paid

(41,551)

(62,326)

Net Cash (Used In) / Generated from Financing Activities**(178,320)****138,982****Net Increase / (Decrease) in Cash & Cash Equivalents****(297,012)****32,340**

Cash & Cash Equivalents at the Beginning of the Period

77,734

(120,186)

Cash & Cash Equivalents at the End of the Period (Note A)**(219,278)****(87,847)****Note A****Cash & Cash Equivalents at the End of the Period**

Cash in Hand and at Banks

251,277

234,466

Bank Overdrafts

(470,555)

(322,313)

(219,278)**(87,847)**

Amounts in Rupees '000

Interim Financial Statements for the six months ended 30.09.2014

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 2014.
- These Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting'.
- The Company has paid first and final dividend of Rs. 1 per share for the year ended 31st March 2014, on 7th July 2014.
- In terms of the Finance Companies (Corporate Governance) Direction No. 3 of 2008 Mr. W D N H Perera, Mr. J A S S Adhihetty, Mr. S Senaratne, Mr. M D S Goonatilleke & Mr. K D H Perera who served on the Board of Vallibel Finance PLC ceased to be Directors of the Company with effect from 21st August 2014.

Mr. Dhammika Perera , the Chairman of the Board stepped down as the Chairman and was designated as an Executive Director,pursuant to the regulatory approval received under the Finance Companies (Structural Changes) Direction No. 01 of 2013.
Mr. K V P Ranjith De Silva was appointed as the new Chairman of the Board of Directors with effect from 26th September 2014.
Mr. K D A Perera was appointed as a Non-Executive Director of the Company with effect from 12th August 2014.
Mr. Aravinda Dadigama was appointed as an Independent Non -Executive Director of the Company with effect from 15th September 2014.
- There were no material events took place since 30th September 2014 other than disclosed above in Financial Statements.
- During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debenture.

Selected Performance Indicators

Indicator	As at 30th September 2014	As at 30th September 2013
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)	11,274,484	8,902,336
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	10,858,586	8,736,571
Non-Performing Accommodations (Net of Interest in Suspense)	647,036	347,218
Liquidity		
Required Minimum Amount of Liquid Assets	1,074,041	761,585
Available Amount of Liquid Assets	1,445,381	1,155,036
Required Minimum Amount of Government Securities	610,144	379,086
Available Amount of Government Securities	821,037	380,570
Capital Adequacy		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	8.90%	8.41%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	13.32%	11.64%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	15.04%	14.63%
Profitability		
Return on Assets (After Tax) - (Annualised)	2.36%	2.49%
Return on Equity - (Annualised)	24.94%	26.90%

Vallibel Finance PLC

Interim Financial Statements for the six months ended 30.09.2014

Information On Ordinary Shares

Share Price During the Quarter

	For the quarter ended	
	30.09.2014	30.09.2013
Highest	48.50	32.00
Lowest	33.00	26.00
Closing	46.50	30.00
No. of Ordinary Share Issued As At 30th September	41,550,600	41,550,600

Information On Listed Shares

VFIN Debentures 2014/2019

Market Values of Listed Debentures

	For the quarter ended					
	Highest		Lowest		Period End	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013	30.09.2014	30.09.2013
5 Year Fixed Rate - 14.75%	116.00	N/A	108.00	N/A	116.00	N/A
5 Year Fixed Rate - 15.00%	N/T	N/A	N/T	N/A	N/T	N/A
5 Year Fixed Rate - 15.50%	118.92	N/A	118.92	N/A	118.92	N/A

Interest Rates

	For the quarter ended			
	Coupon Rate		Effective Rate	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
5 Year Fixed Rate - 14.75%	14.75%	N/A	15.59%	N/A
5 Year Fixed Rate - 15.00%	15.00%	N/A	15.56%	N/A
5 Year Fixed Rate - 15.50%	15.50%	N/A	15.50%	N/A

Interest Rates of Comparable Government Securities - Gross Rates

	For the quarter ended	
	30.09.2014	30.09.2013
VFIN Debentures 2014/2019	8.93%	N/A

Interest Yield and Yield to Maturity

	For the quarter ended					
	Fixed - 14.75%		Fixed - 15.00%		Fixed - 15.50%	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013	30.09.2014	30.09.2013
Interest Yield	12.72%	N/A	15.00%	N/A	13.03%	N/A
Yield to Maturity of last trade	10.20%	N/A	N/T	N/A	10.00%	N/A

* N/A - Not Applicable as at 30th September and N/T - Not Traded as at 30th September

Ratios

	30.09.2014	30.09.2013
Debt to Equity Ratio (%)	101%	156%
Interest Cover (Times)	1.35	1.34
Liquid Asset Ratio (%)	13.46%	15.17%

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 Period ended 30th September	Finance Lease		Hire Purchase		Loans & Advances		Investments		Unallocated		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	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	691,899	589,250	459,845	417,957	144,020	80,207	97,292	74,046	-	-	1,393,056	1,161,460
Administration Fees	-	-	-	-	-	-	-	-	23,910	20,760	23,910	20,760
Capital gains / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	162	747	-	-	162	747
Other	-	-	-	-	-	-	-	-	10,975	23,062	10,975	23,062
Total Revenue	691,899	589,250	459,845	417,957	144,020	80,207	97,454	74,793	34,885	43,822	1,428,102	1,206,029
Profit before tax											213,129	196,722
Taxation											(65,831)	(60,903)
Profit after tax											147,299	135,819
Other Information												
As at 30th September												
Segment assets	5,289,867	4,599,370	4,361,091	3,630,675	1,668,650	727,984	2,165,602	1,481,004	272,474	462,708	13,757,685	10,901,741
Segment Liabilities	4,789,058	4,173,284	3,948,212	3,294,329	1,510,674	660,543	1,960,578	1,343,803	246,678	421,025	12,455,200	9,892,984
Net assets	500,809	426,086	412,879	336,346	157,977	67,441	205,025	137,201	25,796	41,683	1,302,485	1,008,757

Additional Notes

20 Major Shareholders As At 30th September 2014

	No. of Shares	(%)
1 Vallibel Investments (Pvt) Limited	30,277,000	72.868%
2 Seylan Bank PLC/M/S Divasa Equity (Pvt) Ltd	1,092,424	2.629%
3 Mr K D A Perera	836,713	2.014%
4 Mr. S B Rangamuwa	400,400	0.964%
5 Employees Trust Fund Board	390,185	0.939%
6 Mr. V R Kathiragamamby	282,000	0.679%
7 Merchant Bank of Sri Lanka PLC A/C No 1	249,967	0.602%
8 Pan Asia Banking Corporation PLC/ Mr A S R Silva	224,532	0.540%
9 Mr. H Beruwalage	202,800	0.488%
10 Mr. B A R Dissanayake	200,500	0.483%
11 Mrs. K I A Hewage	200,000	0.481%
12 George Steuart Teas (Pvt) Ltd	172,476	0.415%
13 Mr H A Van Starrex	160,000	0.385%
14 MCSL Financial Services LTD	138,500	0.333%
15 Mr. N Balasingam	134,900	0.325%
16 HVA Foods PLC	93,400	0.225%
17 Merchant Bank of Sri Lanka PLC/ R R S Ananda	90,000	0.217%
18 Mr R. Gautam	88,000	0.212%
19 Mr F J P Raj	80,100	0.193%
20 Codegen International (Pvt) Ltd	80,000	0.193%
	35,393,897	
Others	6,156,703	14.817%
	41,550,600	100.00%

Directors' Shareholding As At 30th September 2014

1 Mr. K D D Perera	600	0.001%
2 Mr. S B Rangamuwa	400,400	0.964%
3 Mr K D A Perera	836,713	2.014%
4 Mr R.M.Karunaratne	-	-
5 Mr K V P Ranjith De Silva	-	-
6 Mr T Murakami	-	-
7 Mr A Dadigama	-	-
	1,237,713	2.98%

Public Holding As At 30th September 2014

Number of Public Shareholders

10,010,786	24.09%
2,552	