



INTERIM FINANCIAL STATEMENTS

For the Nine months ended 31st December 2014

VALLIBEL FINANCE PLC**Income Statement**

Amounts in Rupees '000

	Quarter ended 31st December			Nine months ended 31st December		
	2014	2013	Change %	2014	2013	Change %
Gross Income	725,616	676,023	7.3	2,153,718	1,882,052	14.4
Interest Income	696,157	646,579	7.7	2,089,213	1,808,039	15.6
Interest Expense	(329,655)	(349,103)	(5.6)	(1,012,810)	(985,851)	2.7
Net Interest Income	366,503	297,475	23.2	1,076,403	822,187	30.9
Fee and Commission Income	10,800	10,600	1.9	34,710	31,360	10.7
Net Fee and Commission Income	10,800	10,600	1.9	34,710	31,360	10.7
Net Gain / (Loss) from Trading	(468)	(132)	254.6	689	615	12.1
Other Operating Income	19,127	18,976	0.8	29,106	42,038	(30.8)
Total Operating Income	395,961	326,920	21.1	1,140,908	896,201	27.3
Impairment (Charges) / Reversals for Loans and other losses	(44,756)	(67,391)	(33.6)	(232,527)	(151,393)	53.6
Net Operating Income	351,205	259,529	35.3	908,381	744,807	22.0
Operating Expenses						
Personnel Expenses	(82,553)	(71,957)	14.7	(242,181)	(183,738)	31.8
Premises Equipment and Establishment Expenses	(16,608)	(12,320)	34.8	(45,444)	(41,273)	10.1
Other Expenses	(76,258)	(62,355)	22.3	(203,368)	(191,142)	6.4
Operating Profit Before Value Added Tax & NBT	175,787	112,897	55.7	417,388	328,654	27.0
Value Added Tax on Financial Services & NBT	(20,023)	(12,295)	62.9	(48,495)	(31,331)	54.8
Profit Before Taxation	155,764	100,602	54.8	368,893	297,323	24.1
Income Tax Expense	(50,246)	(32,636)	54.0	(116,077)	(93,538)	24.1
Profit for the Period	105,518	67,966	55.3	252,817	203,785	24.1
Earnings Per Share (Annualised)	10.16	6.54	55.3	8.11	6.54	24.1

VALLIBEL FINANCE PLC
Statement of Comprehensive Income

Amounts in Rupees '000

	Quarter ended 31st December			Nine months ended 31st December		
	2014	2013	Change	2014	2013	Change
			%			%
Profit for the period	105,518	67,966	55.3	252,817	203,785	24.1
Acturial Gains / (Losses) on Retirement Benefit Plans	-	-	-	-	-	-
Gains / (Losses) on remeasuring Available For Sale Financial Assets	(3,156)	6,582	(147.9)	12,838	5,671	126.4
Tax on Other Comprehensive Income	-	-	-	-	-	-
Other Comprehensive Income for the Period, Net of Tax	(3,156)	6,582	(147.9)	12,838	5,671	126.4
Total Comprehensive Income for the Period	102,362	74,548	37.3	265,654	209,456	26.8

VALLIBEL FINANCE PLC
Statement of Financial Position

Amounts in Rupees '000

	As at 31st December 2014	As at 31st March 2014 (Audited)	Change %
Assets			
Cash and Cash Equivalents	272,139	311,613	(12.7)
Placements with Banks and Other Finance Companies	1,889,224	1,146,245	64.8
Reverse Repurchase Agreements	-	112,017	(100.0)
Financial Investments - Held for Trading	5,629	5,102	10.3
Loans and Receivables to Other Customers	2,510,130	1,149,653	118.3
Lease Rental and Hire Purchase Receivables	9,302,230	8,788,528	5.8
Financial Investments - Available for Sale	125,277	113,965	9.9
Financial Investments - Held to Maturity	649,500	612,635	6.0
Other Financial Assets	11,750	7,913	48.5
Other Assets	166,767	165,575	0.7
Property, Plant and Equipment	159,899	127,326	25.6
Intangible Assets	4,730	4,356	8.6
Deffered Tax Assets	33,786	33,786	-
Total Assets	15,131,060	12,578,714	20.3
Liabilities			
Bank Overdrafts	416,444	233,879	78.1
Rental Received in Advance	156,273	136,928	14.1
Deposits due to Customers	11,489,138	9,299,978	23.5
Interest bearing Borrowings	451,118	542,517	(16.8)
Subordinated Term Debts	905,501	898,089	0.8
Other Financial Liabilities	57,465	48,885	17.6
Current Tax Liabilities	41,668	88,295	(52.8)
Deferred Tax Liabilities	74,289	74,289	-
Other Liabilities	116,945	62,239	87.9
Retirement Benefit Obligations	17,372	12,872	35.0
Total Liabilities	13,726,213	11,397,971	20.4
Equity			
Stated Capital	287,153	287,153	-
Statutory Reserves	256,530	333,907	(23.2)
Available For Sale Reserve	16,893	4,055	316.6
General Reserve	7,500	7,500	-
Retained Earnings	836,771	548,128	52.7
Total Equity	1,404,847	1,180,743	19.0
Total Liabilities and Equity	15,131,060	12,578,714	20.3
Net Assets Value Per Share (Rs.)	33.81	28.42	19.0

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

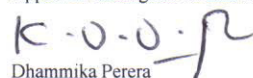
Certification

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. Rangamawa
Managing Director

19th January 2015

Colombo.

VALLIBEL FINANCE PLC
Statement of Changes in Equity

Amounts in Rupees '000

For the nine 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	-	-	-	-	-	252,817	252,817
Other Comprehensive income for the period , net of Tax	-	-	-	12,838	-	-	12,838
Dividends	-	-	-	-	-	(41,551)	(41,551)
Transfers/(Retransfers) during the period	-	50,563	(127,940)	-	-	77,377	-
Balance as at 31st December 2014	287,153	256,530	-	16,893	7,500	836,771	1,404,847
Balance as at 01st April 2013	287,153	145,185	92,396	-	7,500	403,942	936,176
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	5,671	7,500	476,267	1,083,306

VALLIBEL FINANCE PLC**Cash Flow Statement**

Amounts in Rupees '000

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

Interest and Commission Receipts

2,035,450

1,757,291

Interest Payments

(898,977)

(922,405)

Cash Receipts from Customers

27,769

9,547

Cash Payments to Employees and Suppliers

(450,483)

(362,389)

Operating Profit Before Changes in Operating Assets and Liabilities**713,759****482,045****(Increase) / Decrease in Operating Assets**

Short Term Funds & Other Short Term Negotiable Securities

(729,586)

(465,108)

Deposits held for Regulatory or Monetary Control Purposes

106,149

39,124

Funds Advanced to Customers

(2,031,947)

(1,929,307)

Increase / (Decrease) in Operating Liabilities

Deposits from Customers

2,015,142

1,971,249

Certificate of Deposits

105,994

126,742

Net Cash (Used in) / Generated from Operating Activities before Tax**179,510****224,744**

Taxes paid

(159,618)

(125,586)

Net Cash (Used In) / Generated from Operating Activities after Tax**19,892****99,159****Cash Flows From Investing Activities**

Dividends Received

162

782

Proceed from Sale of Securities

-

25,557

Proceed from sale of Property , Plant and equipment

1,119

-

Purchase of Property , Plant and equipment

(69,285)

(30,412)

Net Cash (Used In) / Generated from Investing Activities**(68,005)****(4,073)****Cash Flows From Financing Activities**

Net (decrease) / increase in Borrowings

(132,377)

60,365

Dividend paid

(41,551)

(62,326)

Net Cash (Used In) / Generated from Financing Activities**(173,927)****(1,961)****Net Increase / (Decrease) in Cash & Cash Equivalents****(222,040)****93,124**

Cash & Cash Equivalents at the Beginning of the Period

77,734

(120,186)

Cash & Cash Equivalents at the End of the Period (Note A)**(144,305)****(27,062)****Note A****Cash & Cash Equivalents at the End of the Period**

Cash in Hand and at Banks

272,139

245,937

Bank Overdrafts

(416,444)

(272,999)

(144,305)**(27,062)**

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 2014.
2. These Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting'.
3. The Company has paid first and final dividend of Rs. 1 per share for the year ended 31st March 2014, on 7th July 2014.
4. There were no material events took place since 31st December 2014 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.

Selected Performance Indicators

Indicator	As at 31st December 2014	As at 31st December 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)	12,311,871	9,621,096
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	11,865,680	9,435,222
Non-Performing Accommodations (Net of Interest in Suspense)	632,845	416,897
Liquidity		
Required Minimum Amount of Liquid Assets	1,193,261	842,676
Available Amount of Liquid Assets	2,134,521	1,167,108
Required Minimum Amount of Government Securities	610,144	379,086
Available Amount of Government Securities	650,378	420,570
Capital Adequacy		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	9.23%	9.04%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	13.29%	11.61%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	14.62%	14.11%
Profitability		
Return on Assets (After Tax) - (Annualised)	2.79%	2.35%
Return on Equity - (Annualised)	30.04%	25.06%

Information On Ordinary Shares

Share Price During the Quarter

		For the quarter ended	
		31.12.2014	31.12.2013
Highest	Rs.	48.80	30.90
Lowest	Rs.	40.10	28.50
Closing	Rs.	46.00	28.80

No. of Ordinary Share Issued As At 31st December

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	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
5 Year Fixed Rate - 14.75%	120.00	N/A	115.00	N/A	120.00	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%	116.02	N/A	116.02	N/A	116.02	N/A

Interest Rates

	For the quarter ended			
	Coupon Rate		Effective Rate	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
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	
	31.12.2014	31.12.2013
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%	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Interest Yield	12.29%	N/A	15.00%	N/A	13.36%	N/A
Yield to Maturity of last trade	9.09%	N/A	N/T	N/A	10.53%	N/A

* N/A - Not Applicable as at 31st December and N/T - Not Traded as at 31st December

Ratios

	31.12.2014	31.12.2013
Debt to Equity Ratio (%)	97%	132%
Interest Cover (Times)	1.41	1.33
Liquid Asset Ratio (%)	17.89%	13.85%

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 31st December	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	1,023,666	926,949	689,499	639,654	234,562	124,885	141,487	116,550	-	-	2,089,213	1,808,039
Administration Fees	-	-	-	-	-	-	-	-	34,710	31,360	34,710	31,360
Capital gains / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	162	615	-	-	162	615
Other	-	-	-	23,446	-	1,741	-	-	29,634	16,851	29,634	42,038
Total Revenue	1,023,666	926,949	689,499	663,101	234,562	126,626	141,649	117,164	64,343	48,211	2,153,718	1,882,052
Profit before tax											368,893	297,323
Taxation											(116,077)	(93,538)
Profit after tax											252,817	203,785
Other Information												
As at 31st December												
Segment assets	5,436,256	4,878,210	4,313,811	3,877,947	2,504,255	947,023	2,628,046	1,443,730	248,692	406,281	15,131,060	11,553,191
Segment Liabilities	4,931,525	4,420,297	3,913,294	3,513,928	2,271,747	858,127	2,384,045	1,308,208	225,602	369,326	13,726,213	10,469,886
Net assets	504,731	457,914	400,517	364,020	232,508	88,896	244,002	135,522	23,090	36,955	1,404,847	1,083,306

Additional Notes

20 Major Shareholders As At 31st December 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	535,132	1.288%
5 Mr H A Van Starrex	354,000	0.852%
6 Merchant Bank of Sri Lanka PLC A/C No 1	219,054	0.527%
7 Pan Asia Banking Corporation PLC/ Mr A S R Silva	217,332	0.523%
8 Mr. V R Kathiragamamatamby	210,000	0.505%
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 Mr. N Balasingam	134,900	0.325%
13 Mr K Sabaratnam	127,550	0.307%
14 George Steuart Teas (Pvt) Ltd	104,331	0.251%
15 Mr R. Gautam	100,000	0.241%
16 MCSL Financial Services Ltd	100,000	0.241%
17 Ms.S J Wickremasinghe	95,919	0.231%
18 Employees Trust Fund Board	95,669	0.230%
19 HVA Foods PLC	93,400	0.225%
20 Merchant Bank of Sri Lanka PLC/ R R S Ananda	90,000	0.217%
	35,286,724	84.925%
Others	6,263,876	15.075%
	41,550,600	100.00%

Directors' Shareholding As At 31st December 2014

1 Mr. K D D Perera	600	0.001%
2 Mr. S B Rangamuwa	535,132	1.288%
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	-	-
	1,372,445	3.30%

Public Holding As At 31st December 2014

Number of Public Shareholders

9,876,162 23.77%
2,488