



## **INTERIM FINANCIAL STATEMENTS**

For the three months ended 30th June 2015

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

Amounts in Rupees '000

**For the Quarter ended 30th June**

	<b>2015</b>	<b>2014</b>	<b>Change %</b>
<b>Gross Income</b>	<b>762,896</b>	<b>709,579</b>	7.5
Interest Income	737,974	689,873	7.0
Interest Expense	(361,637)	(349,082)	3.6
<b>Net Interest Income</b>	<b>376,337</b>	<b>340,791</b>	10.4
Fee and Commission Income	11,654	10,974	6.2
<b>Net Fee and Commission Income</b>	<b>11,654</b>	<b>10,974</b>	6.2
Net Gain / (Loss) from Trading	408	146	179.3
Other Operating Income	12,860	8,586	49.8
<b>Total Operating Income</b>	<b>401,259</b>	<b>360,497</b>	11.3
Impairment Charges for Loans and other losses	(29,103)	(99,385)	(70.7)
<b>Net Operating Income</b>	<b>372,156</b>	<b>261,112</b>	42.5
<b>Operating Expenses</b>			
Personnel Expenses	(102,064)	(76,631)	33.2
Premises Equipment and Establishment Expenses	(20,680)	(13,953)	48.2
Other Expenses	(87,307)	(63,928)	36.6
<b>Operating Profit Before Value Added Tax &amp; NBT</b>	<b>162,105</b>	<b>106,599</b>	52.1
Value Added Tax on Financial Services & NBT	(20,072)	(10,434)	92.4
<b>Profit Before Income Tax</b>	<b>142,033</b>	<b>96,165</b>	47.7
Income Tax Expense	(46,004)	(30,073)	53.0
<b>Profit for the Period</b>	<b>96,029</b>	<b>66,092</b>	45.3
<b>Earnings Per Share (Annualised)</b>	<b>9.24</b>	<b>6.36</b>	45.3

**VALLIBEL FINANCE PLC****Statement of Profit or Loss and Other Comprehensive Income**

Amounts in Rupees '000

<b>For the Quarter ended 30th June</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
			<b>%</b>
<b>Profit for the period</b>	<b>96,029</b>	<b>66,092</b>	45.3
<b>Other Comprehensive Income for the Period , Net of Tax</b>			
<b>Other Comprehensive Income not be reclassified to Income Statement</b>			
Actuarial Gains / (Losses) on Retirement Benefit Plans	-	-	-
Deffered Tax Charge / (Reversal) on Actuarial Gains / (Losses)	-	-	-
<b>Total Other Comprehensive Income not be reclassified to Income Statement</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Comprehensive Income to be reclassified to Income Statement</b>			
Gains / (Losses) on remeasuring Available For Sale Financial Assets	(160)	3,482	(104.6)
<b>Total Other Comprehensive Income to be reclassified to Income Statement</b>	<b>(160)</b>	<b>3,482</b>	(104.6)
<b>Total Other Comprehensive Income for the Period, Net of Tax</b>	<b>(160)</b>	<b>3,482</b>	(104.6)
<b>Total Comprehensive Income for the Period</b>	<b>95,869</b>	<b>69,573</b>	<b>37.8</b>

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

Amounts in Rupees '000

	As at 30th June 2015	As at 31st March 2015 (Audited)	Change %
<b>Assets</b>			
Cash and Cash Equivalents	137,165	357,723	(61.7)
Placements with Banks and Other Finance Companies	1,976,111	1,768,499	11.7
Reverse Repurchase Agreements	291,219	1,353,478	(78.5)
Financial Investments - Held for Trading	5,094	4,822	5.6
Loans and Receivables to Other Customers	3,967,167	3,307,495	19.9
Lease Rental and Hire Purchase Receivables	9,824,205	9,261,380	6.1
Financial Investments - Available for Sale	118,115	120,530	(2.0)
Financial Investments - Held to Maturity	568,872	296,296	92.0
Other Financial Assets	12,514	11,806	6.0
Property, Plant and Equipment	184,904	181,173	2.1
Intangible Assets	3,647	4,189	(12.9)
Deferred Tax Assets	66,516	66,516	-
Other Assets	267,339	159,600	67.5
<b>Total Assets</b>	<b>17,422,868</b>	<b>16,893,507</b>	<b>3.1</b>
<b>Liabilities</b>			
Bank Overdrafts	620,577	463,537	33.9
Rental Received in Advance	217,720	170,421	27.8
Deposits due to Customers	12,569,609	12,162,096	3.4
Interest bearing Borrowings	241,024	299,523	(19.5)
Subordinated Term Debts	1,877,147	1,859,653	0.9
Current Tax Liabilities	103,626	93,291	11.1
Deferred Tax Liabilities	88,459	88,459	-
Other Liabilities	153,392	220,231	(30.3)
Retirement Benefit Obligations	24,376	22,126	10.2
<b>Total Liabilities</b>	<b>15,895,930</b>	<b>15,379,337</b>	<b>3.4</b>
<b>Equity</b>			
Stated Capital	287,153	287,153	-
Statutory Reserves	299,730	280,524	6.8
Available For Sale Reserve	9,098	9,258	(1.7)
General Reserve	7,500	7,500	-
Retained Earnings	923,457	929,735	(0.7)
<b>Total Equity</b>	<b>1,526,938</b>	<b>1,514,170</b>	<b>0.8</b>
<b>Total Liabilities and Equity</b>	<b>17,422,868</b>	<b>16,893,507</b>	<b>3.1</b>
<b>Net Assets Value Per Share (Rs.)</b>	<b>36.75</b>	<b>36.44</b>	<b>0.8</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 ;

  
Dhammika Perera  
Executive Director

  
S.B. Rangamuwa  
Managing Director

6th August 2015  
Colombo.

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

For the three months ended	Amounts in Rupees '000						
	Stated Capital	Statutory Reserves		Available For Sale Reserve	General Reserve	Retained Earnings	Total Equity
	Rs.	Reserve Fund Rs.	Investment Fund Rs.	Rs.	Rs.	Rs.	Rs.
<b>Balance as at 01st April 2014</b>	<b>287,153</b>	<b>205,967</b>	<b>127,940</b>	<b>4,055</b>	<b>7,500</b>	<b>548,128</b>	<b>1,180,743</b>
<b>Total Comprehensive Income for the Period</b>							
Profit for the Period	-	-	-	-	-	66,092	66,092
Other Comprehensive Income, net of Tax	-	-	-	3,482	-	-	3,482
<b>Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,482</b>	<b>-</b>	<b>66,092</b>	<b>69,574</b>
<b>Transactions with Equity Holders of the Company</b>							
<b>Contributions and Distributions</b>							
Dividends	-	-	-	-	-	(41,551)	(41,551)
<b>Total Contributions and Distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,551)</b>	<b>(41,551)</b>
Statutory Reserve Transfers	-	13,218	-	-	-	(13,218)	-
<b>Balance as at 30th June 2014</b>	<b>287,153</b>	<b>219,185</b>	<b>127,940</b>	<b>7,537</b>	<b>7,500</b>	<b>559,451</b>	<b>1,208,766</b>
<b>Balance as at 01st April 2015</b>	<b>287,153</b>	<b>280,524</b>	<b>-</b>	<b>9,258</b>	<b>7,500</b>	<b>929,735</b>	<b>1,514,170</b>
<b>Total Comprehensive Income for the Period</b>							
Profit for the Period	-	-	-	-	-	96,029	96,029
Other Comprehensive Income, net of Tax	-	-	-	(160)	-	-	(160)
<b>Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(160)</b>	<b>-</b>	<b>96,029</b>	<b>95,869</b>
<b>Transactions with Equity Holders of the Company</b>							
<b>Contributions and Distributions</b>							
Dividends	-	-	-	-	-	(83,101)	(83,101)
<b>Total Contributions and Distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(83,101)</b>	<b>(83,101)</b>
Statutory Reserve Transfers	-	19,206	-	-	-	(19,206)	-
<b>Balance as at 30th June 2015</b>	<b>287,153</b>	<b>299,730</b>	<b>-</b>	<b>9,098</b>	<b>7,500</b>	<b>923,457</b>	<b>1,526,938</b>

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

For the period ended	Amounts in Rupees '000	
	30th June 2015	30th June 2014
<b>Cash Flow From Operating Activities</b>		
Interest and Commission Receipts	710,988	652,680
Interest Payments	(331,477)	(284,413)
Cash Receipts from Customers	12,122	8,485
Cash Payments to Employees and Suppliers	(202,608)	(142,207)
<b>Operating Profit Before Changes in Operating Assets and Liabilities</b>	<b>189,025</b>	<b>234,545</b>
<b>( Increase ) / Decrease in Operating Assets</b>		
Short Term Funds & Other Short Term Negotiable Securities	1,041,032	(135,832)
Deposits held for Regulatory or Monetary Control Purposes	(562,413)	75,634
Funds Advanced to Customers	(1,192,285)	(711,309)
<b>Increase / ( Decrease ) in Operating Liabilities</b>		
Deposits from Customers	408,794	568,313
Certificate of Deposits	(8,475)	76,346
<b>Net Cash (Used in) / Generated from Operating Activities before Tax</b>	<b>(124,322)</b>	<b>107,696</b>
Taxes paid	(59,690)	(39,044)
<b>Net Cash (Used In) / Generated from Operating Activities</b>	<b>(184,012)</b>	<b>68,652</b>
<b>Cash Flows From Investing Activities</b>		
Dividends Received	136	74
Proceed from sale of Property , Plant and equipment	65	-
Purchase of Property , Plant and equipment	(16,387)	(5,588)
<b>Net Cash (Used In) / Generated from Investing Activities</b>	<b>(16,185)</b>	<b>(5,514)</b>
<b>Cash Flows From Financing Activities</b>		
Net decrease in Borrowings	(94,299)	(103,056)
Dividend paid	(83,101)	-
<b>Net Cash (Used In) / Generated from Financing Activities</b>	<b>(177,400)</b>	<b>(103,056)</b>
<b>Net Increase / ( Decrease ) in Cash &amp; Cash Equivalents</b>	<b>(377,598)</b>	<b>(39,919)</b>
Cash & Cash Equivalents at the Beginning of the Period	(105,814)	77,734
<b>Cash &amp; Cash Equivalents at the End of the Period ( Note A )</b>	<b>(483,411)</b>	<b>37,816</b>
<b>Note A</b>		
<b>Cash &amp; Cash Equivalents at the End of the Period</b>		
Cash in Hand and at Banks	137,165	293,031
Bank Overdrafts	(620,577)	(255,215)
	<b>(483,411)</b>	<b>37,816</b>

## Analysis of Financial Instruments by Measurement Basis

Amounts in Rupees '000

As at	Held For Trading (HFT)		Held To Maturity (HTM)		Loans and Receivables (L&R)			Available For Sale (AFS)				Total					
	30th	31st	30th	31st	30th	June	31st	30th	31st	30th	31st	30th	31st				
	June 2015	March 2015	June 2015	March 2015	June 2015	June 2015	March 2015	June 2015	March 2015	June 2015	March 2015	June 2015	March 2015				
<b>Assets</b>																	
Cash and Cash Equivalents	-	-	-	-	137,165		357,723	-	-	137,165		357,723					
Placements with Banks and Other Finance Companies	-	-	-	-	1,976,111		1,768,499	-	-	1,976,111		1,768,499					
Reverse Repurchase Agreements	-	-	-	-	291,219		1,353,478	-	-	291,219		1,353,478					
Financial Investments - Held for Trading	5,094	4,822	-	-	-		-	-	-	5,094		4,822					
Loans and Receivables to Other Customers	-	-	-	-	3,967,167		3,307,495	-	-	3,967,167		3,307,495					
Lease Rental and Hire Purchase Receivables	-	-	-	-	9,824,205		9,261,380	-	-	9,824,205		9,261,380					
Financial Investments - Available for Sale	-	-	-	-	-		-	118,115	120,530	118,115		120,530					
Financial Investments - Held to Maturity	-	-	568,872	296,296	-		-	-	-	568,872		296,296					
Other Financial Assets	-	-	-	-	12,514		11,806	-	-	12,514		11,806					
<b>Total Financial Assets</b>	<b>5,094</b>	<b>4,822</b>	<b>568,872</b>	<b>296,296</b>	<b>16,208,381</b>		<b>16,060,381</b>	<b>118,115</b>	<b>120,530</b>	<b>16,900,462</b>		<b>16,482,029</b>					
					<b>Held For Trading</b>			<b>Amortised Cost</b>				<b>Total</b>					
					<b>30th</b>	<b>June</b>	<b>31st</b>	<b>30th</b>	<b>31st</b>	<b>30th</b>	<b>31st</b>	<b>30th</b>	<b>31st</b>				
					<b>2015</b>	<b>March</b>	<b>2015</b>	<b>June</b>	<b>2015</b>	<b>March</b>	<b>2015</b>	<b>June</b>	<b>2015</b>				
<b>Liabilities</b>																	
Bank Overdrafts								-	-	620,577	463,537	620,577	463,537				
Rental Received in Advance								-	-	217,720	170,421	217,720	170,421				
Deposits due to Customers								-	-	12,569,609	12,162,096	12,569,609	12,162,096				
Interest bearing Borrowings								-	-	241,024	299,523	241,024	299,523				
Subordinated Term Debts								-	-	1,877,147	1,859,653	1,877,147	1,859,653				
<b>Total Financial Liabilities</b>								-	-	<b>15,526,077</b>	<b>14,955,230</b>	<b>15,526,077</b>	<b>14,955,230</b>				



### 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 2015.
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. 2 per share for the year ended 31st March 2015, on 16th June 2015.
4. Mr. Katsuhiko Hiroshige was appointed as the Alternate Director to Mr. Toyohiko Murakami with effect from 3rd June 2015.
5. There were no material events took place since 30th June 2015 other than disclosed above in Financial Statements.
6. 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 June 2015	As at 30th June 2014
<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)	14,326,235	10,796,783
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	13,809,696	10,433,790
Non-Performing Accommodations (Net of Interest in Suspense)	659,420	630,700
<b>Liquidity</b>		
Required Minimum Amount of Liquid Assets	1,391,676	1,031,388
Available Amount of Liquid Assets	2,574,972	1,563,694
Required Minimum Amount of Government Securities	847,503	610,144
Available Amount of Government Securities	860,026	634,283
<b>Capital Adequacy</b>		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	9.84%	9.15%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	14.75%	13.72%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	17.34%	15.56%
<b>Profitability</b>		
Return on Assets (After Tax) - ( Annualised )	2.20%	1.99%
Return on Equity - ( Annualised )	25.16%	21.87%



Information On Ordinary Shares						
Share Price During the Quarter					For the quarter ended	
					30.06.2015	30.06.2014
	Highest				64.50	37.00
	Lowest				45.00	29.00
	Closing				60.10	34.60
No. of Ordinary Share Issued As At 30th June				41,550,600	41,550,600	
Information On Listed Debentures						
Market Values of Listed Debentures						
VFIN Debentures 2014/2019		For the quarter ended				
	Highest		Lowest		Period End	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
5 Year Fixed Rate - 14.75%	N/T	N/T	N/T	N/T	N/T	N/T
5 Year Fixed Rate - 15.00%	N/T	N/T	N/T	N/T	N/T	N/T
5 Year Fixed Rate - 15.50%	N/T	N/T	N/T	N/T	N/T	N/T
VFIN Debentures 2015/2020		For the quarter ended				
	Highest		Lowest		Period End	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
5 Year Fixed Rate - 10.25%	N/T	N/A	N/T	N/A	N/T	N/A
Interest Rates						
VFIN Debentures 2014/2019		For the quarter ended				
		Coupon Rate	Effective Rate	Coupon Rate	Effective Rate	
		30.06.2015	30.06.2015	30.06.2014	30.06.2014	
5 Year Fixed Rate - 14.75%		14.75%	15.59%	14.75%	15.59%	
5 Year Fixed Rate - 15.00%		15.00%	15.56%	15.00%	15.56%	
5 Year Fixed Rate - 15.50%		15.50%	15.50%	15.50%	15.50%	
VFIN Debentures 2015/2020		For the quarter ended				
		Coupon Rate	Effective Rate	Coupon Rate	Effective Rate	
		30.06.2015	30.06.2015	30.06.2014	30.06.2014	
5 Year Fixed Rate - 10.25%		10.25%	10.51%	N/A	N/A	
Interest Rates of Comparable Government Securities - Gross Rates						
				For the quarter ended		
				30.06.2015	30.06.2014	
5 Year Treasury Bond				8.11%	8.93%	
Interest Yield and Yield to Maturity						
VFIN Debentures 2014/2019		For the quarter ended				
	Fixed - 14.75%		Fixed - 15.00%		Fixed - 15.50%	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Interest Yield	N/T	N/T	N/T	N/T	N/T	N/T
Yield to Maturity of last trade	N/T	N/T	N/T	N/T	N/T	N/T
VFIN Debentures 2015/2020		For the quarter ended				
		30.06.2015		30.06.2014		
Interest Yield	N/T		N/A			
Yield to Maturity of last trade	N/T		N/A			
* N/A - Not Applicable as at 30th June and N/T - Not Traded as at 30th June						
Ratios				30.06.2015	30.06.2014	
Debt to Equity Ratio (%)				139%	115%	
Interest Cover (Times)				1.45	1.31	
Liquid Asset Ratio (%) - Minimum Required 10%				18.50%	14.68%	

## 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 June	Finance Lease		Hire Purchase		Loans & Advances		Investments		Unallocated		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	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	341,385	348,858	195,614	224,639	142,145	65,846	58,830	50,530	-	-	737,974	689,873
Fees and Commission Income	-	-	-	-	-	-	-	-	11,654	10,974	11,654	10,974
Capital gains / ( loss )	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	136	74	-	-	136	74
Other	1,294	-	430	3,731	2,197	69	-	-	9,211	4,859	13,132	8,658
<b>Total Revenue</b>	<b>342,679</b>	<b>348,858</b>	<b>196,044</b>	<b>228,370</b>	<b>144,342</b>	<b>65,915</b>	<b>58,966</b>	<b>50,604</b>	<b>20,865</b>	<b>15,833</b>	<b>762,896</b>	<b>709,579</b>
Profit before tax											162,105	106,599
Taxation											(66,076)	(40,508)
<b>Profit after tax</b>											<b>96,029</b>	<b>66,092</b>
<b>Other Information</b>												
<b>As at 30th June</b>												
Segment assets	6,282,836	5,228,194	3,961,396	4,240,754	3,945,837	1,412,337	2,889,485	2,045,053	343,316	337,215	17,422,868	13,263,554
Segment Liabilities	5,732,209	4,751,725	3,614,218	3,854,276	3,600,024	1,283,625	2,636,250	1,858,678	313,228	306,484	15,895,930	12,054,787
<b>Net assets</b>	<b>550,627</b>	<b>476,469</b>	<b>347,176</b>	<b>386,479</b>	<b>345,813</b>	<b>128,713</b>	<b>253,234</b>	<b>186,375</b>	<b>30,088</b>	<b>30,732</b>	<b>1,526,938</b>	<b>1,208,767</b>

## Additional Notes

### 20 Major Shareholders As At 30th June 2015

	No. of Shares	(%)
1 Vallibel Investments (Pvt) Limited	30,277,000	72.868%
2 Mr. K D A Perera	836,713	2.014%
3 Mr. S B Rangamuwa	751,000	1.807%
4 Seylan Bank PLC/M/S Divasa Equity (Pvt) Ltd	750,000	1.805%
5 Code-Gen International (Pvt) Ltd	441,002	1.061%
6 Mr. R F T Perera	300,000	0.722%
7 Mr. S Abishek	289,157	0.696%
8 Mr. V R Kathiragamamatamby	205,000	0.493%
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. M M Fuad	135,427	0.326%
13 Mr. N Balasingam	134,900	0.325%
14 Mr. A Sithampalam	130,605	0.314%
15 Mr. F J P Raj	110,100	0.265%
16 Mr. W M A B Walisundara	106,000	0.255%
17 Mr. R Gautam	100,000	0.241%
18 Mr. N P DE A Samaranayake	100,000	0.241%
19 Mr. C S J Perera	98,523	0.237%
20 Mr. A Ragupathy	97,317	0.234%
	35,466,044	85.356%
Others	6,084,556	14.644%
	<b>41,550,600</b>	<b>100.000%</b>

### Directors' Shareholding As At 30th June 2015

1 Mr. K V P Ranjith De Silva	-	-
2 Mr. Dhammika Perera	600	0.001%
3 Mr. S B Rangamuwa	751,000	1.807%
4 Mr. R M Karunaratne	-	-
5 Mr. T Murakami	-	-
6 Mr. K D A Perera	836,713	2.014%
7 Mr. A Dadigama	-	-
8 Mr. K Hiroshige (Alternate Director to Mr. T Murakami)	-	-
	<b>1,588,313</b>	<b>3.823%</b>

### Public Holding As At 30th June 2015

#### Number of Public Shareholders

9,620,287	23.15%
2,299	