



INTERIM FINANCIAL STATEMENTS

For the Nine months ended 31st December 2015

VALLIBEL FINANCE PLC
Income Statement

Amounts in Rupees '000

	Quarter ended 31st December			Nine months ended 31st December		
	2015	2014	Change %	2015	2014	Change %
Gross Income	907,499	725,616	25.1	2,491,921	2,153,718	15.7
Interest Income	836,902	696,157	20.2	2,355,141	2,089,213	12.7
Interest Expense	(406,145)	(329,655)	23.2	(1,139,074)	(1,012,810)	12.5
Net Interest Income	430,757	366,503	17.5	1,216,067	1,076,403	13.0
Fee and Commission Income	16,625	10,800	53.9	40,581	34,710	16.9
Net Fee and Commission Income	16,625	10,800	53.9	40,581	34,710	16.9
Net Gain / (Loss) from Trading	5,553	(468)	1,285.7	5,685	689	724.9
Other Operating Income	48,419	19,127	153.1	90,514	29,106	211.0
Total Operating Income	501,354	395,961	26.6	1,352,847	1,140,908	18.6
Impairment Charges for Loans and other losses	(8,940)	(44,756)	(80.0)	(53,077)	(232,527)	(77.2)
Net Operating Income	492,414	351,205	40.2	1,299,770	908,381	43.1
Operating Expenses						
Personnel Expenses	(113,531)	(82,553)	37.5	(325,799)	(242,181)	34.5
Premises Equipment and Establishment Expenses	(21,193)	(16,608)	27.6	(62,993)	(45,444)	38.6
Other Expenses	(104,134)	(76,258)	36.6	(289,509)	(203,368)	42.4
Operating Profit Before Value Added Tax & NBT	253,556	175,787	44.2	621,468	417,388	48.9
Value Added Tax on Financial Services & NBT	(44,912)	(20,023)	124.3	(98,584)	(48,495)	103.3
Profit Before Income Tax	208,644	155,764	33.9	522,884	368,893	41.7
Income Tax Expense	(69,872)	(50,246)	39.1	(173,814)	(116,077)	49.7
Profit for the Period	138,772	105,518	31.5	349,070	252,817	38.1
Earnings Per Share (Annualised)	13.36	10.16	31.5	11.20	8.11	38.1

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

Amounts in Rupees '000

	Quarter ended 31st December			Nine months ended 31st December		
	2015	2014	Change	2015	2014	Change
			%			%
Profit for the period	138,772	105,518	31.5	349,070	252,817	38.1
Other Comprehensive Income for the Period , Net of Tax						
Other Comprehensive Income not be reclassified to Income Statement						
Actuarial Gains / (Losses) on Retirement Benefit Plans	-	-	-	-	-	-
Deffered Tax Charge / (Reversal) on Actuarial Gains / (Losses)	-	-	-	-	-	-
Total Other Comprehensive Income not be reclassified to Income Statement	-	-	-	-	-	-
Other Comprehensive Income to be reclassified to Income Statement						
Gains / (Losses) on remeasuring Available For Sale Financial Assets	(71)	(3,156)	(97.7)	(5,294)	12,838	(141.2)
Total Other Comprehensive Income to be reclassified to Income Statement	(71)	(3,156)	(97.7)	(5,294)	12,838	(141.2)
Total Other Comprehensive Income for the Period, Net of Tax	(71)	(3,156)	(97.7)	(5,294)	12,838	(141.2)
Total Comprehensive Income for the Period	138,701	102,362	35.5	343,776	265,654	29.4

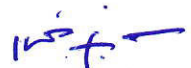
VALLIBEL FINANCE PLC
Statement of Financial Position

	Amounts in Rupees '000		
	As at 31st December 2015	As at 31st March 2015 (Audited)	Change %
Assets			
Cash and Cash Equivalents	328,340	357,723	(8.2)
Placements with Banks and Other Finance Companies	1,140,765	1,768,499	(35.5)
Reverse Repurchase Agreements	573,572	1,353,478	(57.6)
Financial Investments - Held for Trading	335,371	4,822	6,854.5
Loans and Receivables to Other Customers	5,754,399	3,307,495	74.0
Lease Rental and Hire Purchase Receivables	11,212,601	9,261,380	21.1
Financial Investments - Available for Sale	113,711	120,530	(5.7)
Financial Investments - Held to Maturity	294,067	296,296	(0.8)
Other Financial Assets	14,678	11,806	24.3
Property, Plant and Equipment	196,684	181,173	8.6
Intangible Assets	5,577	4,189	33.1
Deferred Tax Assets	66,516	66,516	-
Other Assets	90,540	159,600	(43.3)
Total Assets	20,126,821	16,893,507	19.1
Liabilities			
Bank Overdrafts	783,107	463,537	68.9
Rental Received in Advance	246,334	170,421	44.5
Deposits due to Customers	13,912,311	12,162,096	14.4
Interest bearing Borrowings	1,174,924	299,523	292.3
Subordinated Term Debts	1,871,199	1,859,653	0.6
Current Tax Liabilities	80,407	93,291	(13.8)
Deferred Tax Liabilities	88,459	88,459	-
Other Liabilities	166,304	220,231	(24.5)
Retirement Benefit Obligations	28,932	22,126	30.8
Total Liabilities	18,351,977	15,379,337	19.3
Equity			
Stated Capital	287,153	287,153	-
Statutory Reserves	350,338	280,524	24.9
Available For Sale Reserve	3,963	9,258	(57.2)
General Reserve	7,500	7,500	-
Retained Earnings	1,125,890	929,735	21.1
Total Equity	1,774,844	1,514,170	17.2
Total Liabilities and Equity	20,126,821	16,893,507	19.1
Net Assets Value Per Share (Rs.)	42.72	36.44	17.2

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

27th January 2016
Colombo.

VALLIBEL FINANCE PLC
Statement of Changes in Equity

For the nine months ended	Stated Capital	Statutory Reserves		Available For Sale Reserve	General Reserve	Amounts in Rupees '000	
		Reserve Fund	Investment Fund			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
Total Comprehensive Income for the Period							
Profit for the Period	-	-	-	-	-	252,817	252,817
Other Comprehensive Income, net of Tax	-	-	-	12,838	-	-	12,838
Total Comprehensive Income for the Period	-	-	-	12,838	-	252,817	265,655
Transactions with Equity Holders of the Company							
Contributions and Distributions							
Dividends	-	-	-	-	-	(41,551)	(41,551)
Total Contributions and Distributions	-	-	-	-	-	(41,551)	(41,551)
Statutory Reserve Transfers / (Retransfers)	-	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 2015	287,153	280,524	-	9,258	7,500	929,735	1,514,170
Total Comprehensive Income for the Period							
Profit for the Period	-	-	-	-	-	349,070	349,070
Other Comprehensive Income, net of Tax	-	-	-	(5,294)	-	-	(5,294)
Total Comprehensive Income for the Period	-	-	-	(5,294)	-	349,070	343,776
Transactions with Equity Holders of the Company							
Contributions and Distributions							
Dividends	-	-	-	-	-	(83,101)	(83,101)
Total Contributions and Distributions	-	-	-	-	-	(83,101)	(83,101)
Statutory Reserve Transfers	-	69,814	-	-	-	(69,814)	-
Balance as at 31st December 2015	287,153	350,338	-	3,963	7,500	1,125,890	1,774,844

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

Amounts in Rupees '000

Cash Flow From Operating Activities

	31st December 2015	31st December 2014
Interest and Commission Receipts	2,431,392	2,035,450
Interest Payments	(973,470)	(898,977)
Cash Receipts from Customers	87,376	27,769
Cash Payments to Employees and Suppliers	(625,569)	(450,483)

Operating Profit Before Changes in Operating Assets and Liabilities**919,729** **713,759****(Increase) / Decrease in Operating Assets**

Short Term Funds & Other Short Term Negotiable Securities	1,685,183	(729,586)
Deposits held for Regulatory or Monetary Control Purposes	(599,245)	106,149
Funds Advanced to Customers	(4,375,290)	(2,031,947)

Increase / (Decrease) in Operating Liabilities

Deposits from Customers	1,612,467	2,015,142
Certificate of Deposits	(18,543)	105,994

Net Cash (Used in) / Generated from Operating Activities before Tax**(775,699)** **179,510**

Taxes paid

(269,908) (159,618)

Net Cash (Used In) / Generated from Operating Activities**(1,045,607)** **19,892****Cash Flows From Investing Activities**

Dividends Received	136	162
Proceed from sale of Property , Plant and equipment	4,318	1,119
Purchase of Property , Plant and equipment	(60,867)	(69,285)

Net Cash (Used In) / Generated from Investing Activities**(56,413)** **(68,005)****Cash Flows From Financing Activities**

Net increase / (decrease) in Borrowings	836,168	(132,377)
Dividend paid	(83,101)	(41,551)

Net Cash (Used In) / Generated from Financing Activities**753,067** **(173,927)****Net Increase / (Decrease) in Cash & Cash Equivalents****(348,953)** **(222,040)**

Cash & Cash Equivalents at the Beginning of the Period

(105,814) 77,734

Cash & Cash Equivalents at the End of the Period (Note A)**(454,767)** **(144,305)****Note A****Cash & Cash Equivalents at the End of the Period**

Cash in Hand and at Banks	328,340	272,139
Bank Overdrafts	(783,107)	(416,444)
	(454,767)	(144,305)

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	
	31st December 2015	31st March 2015	31st December 2015	31st March 2015	31st December 2015	31st March 2015	31st December 2015	31st March 2015	31st December 2015	31st March 2015
Assets										
Cash and Cash Equivalents	-	-	-	-	328,340	357,723	-	-	328,340	357,723
Placements with Banks and Other Finance Companies	-	-	-	-	1,140,765	1,768,499	-	-	1,140,765	1,768,499
Reverse Repurchase Agreements	-	-	-	-	573,572	1,353,478	-	-	573,572	1,353,478
Financial Investments - Held for Trading	335,371	4,822	-	-	-	-	-	-	335,371	4,822
Loans and Receivables to Other Customers	-	-	-	-	5,754,399	3,307,495	-	-	5,754,399	3,307,495
Lease Rental and Hire Purchase Receivables	-	-	-	-	11,212,601	9,261,380	-	-	11,212,601	9,261,380
Financial Investments - Available for Sale	-	-	-	-	-	-	113,711	120,530	113,711	120,530
Financial Investments - Held to Maturity	-	-	294,067	296,296	-	-	-	-	294,067	296,296
Other Financial Assets	-	-	-	-	14,678	11,806	-	-	14,678	11,806
Total Financial Assets	335,371	4,822	294,067	296,296	19,024,355	16,060,381	113,711	120,530	19,767,504	16,482,029
					Held For Trading		Amortised Cost		Total	
					31st December 2015	31st March 2015	31st December 2015	31st March 2015	31st December 2015	31st March 2015
Liabilities										
Bank Overdrafts	-	-	-	-	-	-	783,107	463,537	783,107	463,537
Rental Received in Advance	-	-	-	-	-	-	246,334	170,421	246,334	170,421
Deposits due to Customers	-	-	-	-	-	-	13,912,311	12,162,096	13,912,311	12,162,096
Interest bearing Borrowings	-	-	-	-	-	-	1,174,924	299,523	1,174,924	299,523
Subordinated Term Debts	-	-	-	-	-	-	1,871,199	1,859,653	1,871,199	1,859,653
Total Financial Liabilities	-	-	-	-	-	-	17,987,875	14,955,230	17,987,875	14,955,230

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. Hiroyuki Ota was appointed as the Alternate Director to Mr. Toyohiko Murakami of the Company in place of Mr. K Hiroshige, with effect from 10th December 2015.
5. There were no material events took place since 31st December 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 31st December 2015	As at 31st December 2014
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)	17,530,052	12,311,871
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	16,994,249	11,865,680
Non-Performing Accommodations (Net of Interest in Suspense)	654,706	632,845
Liquidity		
Required Minimum Amount of Liquid Assets	1,521,866	1,193,261
Available Amount of Liquid Assets	1,639,062	2,134,521
Required Minimum Amount of Government Securities	847,503	610,144
Available Amount of Government Securities	867,053	650,378
Capital Adequacy		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	8.19%	9.23%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	12.29%	13.29%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	15.81%	14.62%
Profitability		
Return on Assets (After Tax) - (Annualised)	2.76%	2.79%
Return on Equity - (Annualised)	31.28%	30.04%

Information On Ordinary Shares

Share Price During the Quarter

		For the quarter ended	
		31.12.2015	31.12.2014
Highest	Rs.	71.00	48.80
Lowest	Rs.	63.00	40.10
Closing	Rs.	67.90	46.00
No. of Ordinary Share Issued As At 31st December		41,550,600	41,550,600

Information On Listed Debentures

Market Values of Listed Debentures

VFIN Debentures 2014/2019

	Highest		Lowest		Period End	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
5 Year Fixed Rate - 14.75%	N/T	120.00	N/T	115.00	N/T	120.00
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	116.02	N/T	116.02	N/T	116.02

VFIN Debentures 2015/2020

	Highest		Lowest		Period End	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
5 Year Fixed Rate - 10.25%	95.73	N/A	95.73	N/A	95.73	N/A

Interest Rates

VFIN Debentures 2014/2019

	For the quarter ended			
	Coupon Rate	Effective Rate	Coupon Rate	Effective Rate
	31.12.2015	31.12.2015	31.12.2014	31.12.2014
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
	31.12.2015	31.12.2015	31.12.2014	31.12.2014
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	
	31.12.2015	31.12.2014
5 Year Treasury Bond	9.79%	8.93%

Interest Yield and Yield to Maturity

VFIN Debentures 2014/2019

	Fixed - 14.75%		Fixed - 15.00%		Fixed - 15.50%	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Interest Yield	N/T	12.29%	N/T	15.00%	N/T	13.36%
Yield to Maturity of last trade	N/T	9.09%	N/T	N/T	N/T	10.53%

VFIN Debentures 2015/2020

	For the quarter ended	
	31.12.2015	31.12.2014
Interest Yield	10.71%	N/A
Yield to Maturity of last trade	11.50%	N/A

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

Ratios

	31.12.2015	31.12.2014
Debt to Equity Ratio (%)	172%	97%
Interest Cover (Times)	1.55	1.41
Liquid Asset Ratio (%) - Minimum Required 10%	10.77%	17.89%

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	
	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
Income From												
External Operations												
Interest	1,146,764	1,023,666	527,528	689,499	522,935	234,562	157,915	141,487	-	-	2,355,141	2,089,213
Administration Fees	-	-	-	-	-	-	-	-	40,581	34,710	40,581	34,710
Capital gains / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	136	162	-	-	136	162
Other	-	-	-	-	-	-	-	-	96,063	29,634	96,063	29,634
Total Revenue	1,146,764	1,023,666	527,528	689,499	522,935	234,562	158,051	141,649	136,644	64,344	2,491,921	2,153,718
Profit before tax											522,884	368,893
Taxation											(173,814)	(116,077)
Profit after tax											349,070	252,817
Other Information												
As at 31st December												
Segment assets	8,912,127	5,273,785	2,300,474	4,028,444	5,754,399	2,510,130	2,444,504	2,628,046	715,316	690,653	20,126,821	15,131,060
Segment Liabilities	8,126,228	4,784,139	2,097,612	3,654,423	5,246,959	2,277,077	2,228,940	2,384,045	652,238	626,530	18,351,977	13,726,213
Net assets	785,899	489,646	202,863	374,021	507,440	233,053	215,564	244,001	63,079	64,123	1,774,844	1,404,847

Additional Notes

21 Major Shareholders As At 31st December 2015

	No. of Shares	(%)
1 Vallibel Investments (Pvt) Limited	30,277,000	72.868%
2 Mr K D A Perera	1,062,714	2.558%
3 Mr R F T Perera	1,025,000	2.467%
4 Mr. S B Rangamuwa	840,000	2.022%
5 Union Bank of Colombo PLC/Mr Sithampalam Abishek	289,157	0.696%
6 Mr C S J Perera	272,599	0.656%
7 Mr. V R Kathiragamamatamby	205,000	0.493%
8 Mr. H Beruwalage	202,800	0.488%
9 Mr. B A R Dissanayake	200,500	0.483%
10 Code-Gen International Pvt Ltd	200,000	0.481%
11 Mrs. K I A Hewage	200,000	0.481%
12 Mr N P DE A Samaranayake	180,000	0.433%
13 Mr N Balasingam	134,900	0.325%
14 Mr A Sithampalam	130,605	0.314%
15 Mr F J P Raj	115,100	0.277%
16 Mrs. S.P.Gunasekera	107,400	0.258%
17 Mr. J.S.A.Perera & Mrs R. N. Perera	107,006	0.258%
18 United Motors Lanka PLC	100,485	0.242%
19 Mr R Gautam	100,000	0.241%
20 Mr K D Y Pathiraja	100,000	0.241%
21 Mr W M A B Walisundara	100,000	0.241%
	35,950,266	86.522%
Others	5,600,334	13.478%
	41,550,600	100.000%

Directors' Shareholding As At 31st December 2015

1 Mr. K V P Ranjith De Silva	-	
2 Mr. Dhammika Perera	600	0.001%
3 Mr. S B Rangamuwa	840,000	2.022%
4 Mr. R M Karunaratne	-	-
5 Mr. T Murakami	-	-
6 Mr. K D A Perera	1,062,714	2.558%
7 Mr. A Dadigama	-	-
8 Mr. H Ota (Alternate Director to Mr. T Murakami)	-	-
	1,903,314	4.581%

Public Holding As At 31st December 2015

24.95%

Number of Public Shareholders

2,138