



INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2012

VALLIBEL FINANCE PLC
INCOME STATEMENT

Amounts in Rupees '000

	Quarter ended 30th September			Six Month ended 30th September		
	2012 (Unaudited)	2011 (Unaudited)	Growth	2012 (Unaudited)	2011 (Unaudited)	Growth
Income	439,726	277,768	58%	833,125	514,464	62%
Interest Income	412,652	252,373	64%	787,451	468,658	68%
Interest Expense	(237,075)	(112,474)	111%	(446,579)	(209,528)	113%
Net Interest Income	175,577	139,899	26%	340,872	259,130	32%
Other operating Income	27,073	25,395	7%	45,673	45,806	0%
Operating Expenses						
Personnel Costs	(36,961)	(22,084)	67%	(68,259)	(41,151)	66%
General and Administration Expenses	(41,608)	(32,165)	29%	(79,312)	(60,562)	31%
Profit before Loan Loss Provision & Taxation	124,081	111,045	12%	238,975	203,223	18%
Loan Loss Provision	(9,503)	(2,871)	231%	(16,458)	(6,977)	136%
Profit before Taxation & Value Added Taxation	114,578	108,174	6%	222,516	196,246	13%
Value Added Tax on Financial Services	(9,653)	(10,031)	-4%	(18,700)	(21,414)	-13%
Profit after Taxation & Value Added Taxation	104,926	98,143	7%	203,816	174,832	17%
Taxation	(38,003)	(37,990)	0%	(75,157)	(66,529)	13%
Profit for the period	66,923	60,153	11%	128,659	108,303	19%
Earnings Per Share (Annualized)	6.44	5.79	11%	6.19	5.21	19%

VALLIBEL FINANCE PLC
BALANCE SHEET

Amounts in Rupees '000

	As at 30th September 2012 (Unaudited)	As at 31st March 2012 (Audited)	Growth
ASSETS			
Cash & Bank Balances	176,948	79,321	123%
Treasury Bills and Bonds Eligible for Rediscounting	364,762	251,392	45%
Investments in Dealing Securities	17,145	12,283	40%
Investments in Other Securities	15,540	15,744	-1%
Placement with Banks and Other Finance Companies	330,118	210,000	57%
Loans & Advances to customers	458,739	307,625	49%
Lease Rental Receivable and Stock Out On Hire	6,302,595	5,519,757	14%
Trade & Other Receivables	273,174	174,665	56%
Property, Plant & Equipment	113,525	105,793	7%
Total Assets	8,052,547	6,676,581	21%
LIABILITIES			
Bank Overdraft	225,937	82,766	173%
Rental Received in Advance	107,155	76,741	40%
Deposits	4,868,396	3,910,613	24%
Borrowings	1,251,572	1,398,475	-11%
Debenture	375,000	225,000	0%
Retirement Benefit Obligation	5,103	3,903	31%
Current Tax Liabilities	82,320	52,417	57%
Deferred Tax Liabilities	38,925	38,925	0%
Accrued Expenses	73,058	117,025	-38%
Trade Payables	175,881	38,288	359%
Other Payables	75,754	46,092	64%
	7,279,101	5,990,244	22%
EQUITY			
Capital and Reserves			
Stated Capital	287,153	287,153	0%
Statutory Reserve	100,149	87,802	14%
General Reserve	7,500	7,500	0%
Investment Fund Account	56,317	42,750	32%
Retained Earnings	322,327	261,133	23%
Shareholders' Equity	773,446	686,336	13%
Total Equity and Liabilities	8,052,547	6,676,581	21%
Net assets per share	18.61	16.52	13%

Note : The above figures are subject to Audit

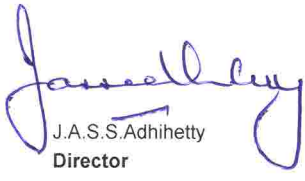
These Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act, No.07 of 2007


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 ;


S.B. Rangamuwa
Managing Director
Colombo


J.A.S.S. Adhihetty
Director

9th November 2012

VALLIBEL FINANCE PLC
STATEMENT OF CHANGES IN EQUITY

For the six months ended						Amounts in Rupees '000
	Stated Capital	Statutory Reserve	General Reserve	Investment Fund Account	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2012	287,153	87,803	7,500	42,750	261,133	686,337
Profit for the period	-	-	-	-	128,659	128,659
Dividend	-	-	-	-	(41,551)	(41,551)
Transfers	-	25,732	-	13,567	(39,298)	-
Balance as at 30th September 2012	287,153	113,535	7,500	56,317	308,943	773,446
Balance as at 1st April 2011	287,153	40,006	7,500	5,350	128,126	468,136
Profit for the period	-	-	-	-	108,303	108,303
Dividend	-	-	-	-	(20,775)	(20,775)
Transfers	-	21,661	-	14,100	(35,761)	-
Balance as at 30th September 2011	287,153	61,667	7,500	19,450	179,893	555,663

VALLIBEL FINANCE PLC
CASH FLOW STATEMENT

Amounts in Rupees '000

For the Six Month ended

Cash Flow From Operating Activities

	30th September 2012 (Unaudited)	30th September 2011 (Unaudited)
Interest and commission receipts	797,193	477,031
Interest payments	(384,835)	(170,208)
Cash receipts from customers	27,032	36,744
Cash payments to employees and suppliers	(26,980)	(93,769)

Operating Profit Before Changes

in Operating Assets and Liabilities	412,410	249,798
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(Increase) / Decrease in Operating Assets

Short term funds	(44,616)	(93,122)
Deposits held for regulatory or monetary control purposes	(225,920)	(36,717)
Funds advanced to customers	(1,003,746)	(1,376,028)

Increase / (Decrease) in Operating Liabilities

Deposits from customers	929,056	741,775
Certificate of deposits	28,727	18,542

Net Cash Used In Operating Activities before Income Tax

	(316,499)	(745,550)
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Taxes paid

(92,110) (77,058)

Net Cash Used In Operating Activities after Income Tax

(408,608) (822,608)

Cash Flows From Investing Activities

Dividends received	89	47
Purchase of non-dealing securities		(25,000)
Purchase of property , plant and equipment	(19,909)	(28,262)

Net Cash Used In Investing Activities

(19,820) (53,215)

Cash Flows From Financing Activities

Net increase in borrowings	11,989	499,613
Dividend paid	(41,551)	(20,775)

Net Cash (Used In) / Generated From Financing Activities

(29,561) 478,838

Net Decrease in Cash & Cash Equivalents

(45,580) (147,187)

Cash & Cash equivalents at the beginning of the Period

(3,409) 16,170

Cash & Cash equivalents at end of the Period (Note A)

(48,989) (131,017)

Note A

Cash & Cash equivalents at the end of the Period

Cash in hand and at Banks	176,948	59,386
Bank Overdrafts	(225,937)	(190,404)
	(48,989)	(131,017)

EXPLANATORY NOTES

The accounting policies and methods of computation followed in preparing the above financial statements are the same as those disclosed in our Audited Financial Statements for the year ended 31st March 2012. These Financial Statements are presented in accordance with Sri Lanka Accounting Standard No.35 Interim Financial Reporting.

The Company is required to prepare interim financial statements in accordance with LKAS 34 - Interim Financial Reporting. However the Institute of Chartered Accountants of Sri Lanka has decided to allow companies to prepare interim financial statements during the first financial year commencing on or after 1st January 2012 in accordance with Sri Lanka Accounting Standards that existed immediately prior to that date and disclosure the impact and if the determination is impracticable, required to disclose the fact.

The Company is in the process of developing a system to convert the financial statements according to the new Sri Lanka Accounting Standards (LKAS/SLFRS)

There have been no material events occurring after the balance sheet date that require adjustments to or disclosure in the Financial Statements.

There has not been a significant change in the nature of the Contingent Liabilities which were disclosed in the Annual Report for the year ended 31st March 2012.

INFORMATION ON ORDINARY SHARES

Share Price During the Quarter

		For the quarter ended	
		30.09.2012	30.09.2011
Highest	Rs.	42.30	52.50
Lowest	Rs.	28.50	37.00
Closing	Rs.	40.00	44.80

No of Ordinary Share Issued As At 30th September

41,550,600 41,550,600

SELECTED PERFORMANCE INDICATORS

Indicator	As at 30th September 2012	As at 30th September 2011
Asset Quality	Rs'000	Rs'000
Total Accomodation (Net of Interest in Suspense)	6,735,430	4,582,082
Net Total Accomodations (Net of Provision for Bad and Doutful Debts and Interest in Suspense)	6,654,180	4,533,431
Non-Performing Accomodations (Net of Interest in Suspense)	182,626	48,383
Liquidity		
Required Minimum Amount of Liquid Assets	486,840	335,655
Available Amount of Liquide Assets	807,063	377,103
Required Minimum Amount of Government Securities	245,180	130,200
Available Amount of Government Securities	364,762	142,505
Capital Adiquacy		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	9.00%	11.53%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	13.48%	11.53%
Capital Funds to Total Deposit Liabilities Ratio (Mimimum 10%)	21.18%	14.43%
Profitability		
Return on Assets (After Tax) - (Annualized)	3.32%	4.44%
Return on Equity - (Annualized)	34.61%	43.30%

Vallibel Finance PLC

Interim Financial Statements for the six months ended 30.09.2012

Financial Reporting by Segements as per the Provisions of the Sri Lanka Accounting Standards No. 28

The primary business segement reporting format is determined to be business segment as nature of the products and services provided, with each segement representing a strategic business unit that offers different product and serves in different markets.

The Following table presents financial information regarding business segements : -

Business Segements

For the six months ended 30th September	Finance Lease		Hire Purchase		Loan & Advances		Investments		Unallocated		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	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	345,773	122,572	349,112	311,799	50,062	17,104	42,504	17,183	-	-	787,451	468,658
Administration Fees	-	-	-	-	-	-	-	-	13,894	9,015	13,894	9,015
Capital gains / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	89	47	89	47
Other	3,874	-	16,380	33,547	399	-	-	-	11,038	3,197	31,690	36,744
Total Revenue	349,647	122,572	365,491	345,346	50,461	17,104	42,504	17,183	25,021	12,259	833,125	514,464
Profit before tax	-	-	-	-	-	-	-	-	-	-	203,816	174,832
Taxation	-	-	-	-	-	-	-	-	-	-	(75,157)	(66,529)
Profit after tax											128,659	108,303
Other Information												
As at 31st March												
Segement assets	2,896,766	1,627,356	3,016,627	2,850,974	302,362	148,565	684,698	412,826	1,152,094	402,982	8,052,547	5,442,702
Segement Liabilities	2,618,532	1,462,067	2,726,881	2,517,680	273,320	131,421	618,933	364,354	1,041,435	411,518	7,279,101	4,887,040
Net assests	278,234	165,289	289,747	333,294	29,042	17,144	65,765	48,472	110,658	-8,536	773,446	555,663

ADDITIONAL NOTES

20 MAJOR SHAREHOLDERS AS AT 30TH SEPTEMBER 2012

1	Vallibel Investments (Pvt) Limited	30,277,000	72.87%
2	Seylan Bank PLC/M/S Divasa Equity (Pvt) Ltd	1,382,424	3.33%
3	Employees Trust Fund Board	1,062,492	2.56%
4	George Steuart (Teas & Marketing) (Pvt) Ltd	514,275	1.24%
5	HSBC International Nominees Ltd- UBS AG Singapore Branch (Ex SBC)	430,000	1.03%
6	Seylan Bank PLC/HVA Lanka Exports (Private) Limited	228,148	0.55%
7	Mr. H Beruwalage	202,800	0.49%
8	Mrs. K I A Hewage	200,000	0.48%
9	Mr. B A R Dissanayake	181,620	0.44%
10	Mr. V R Kathiragamamatamby	140,000	0.34%
11	Mr. N Balasingam	134,900	0.32%
12	Mr. S B Rangamuwa	109,100	0.26%
13	Mr.L D Wickramasinghe/Mrs. S S Wickramasinghe/Ms.L D Wickramasinghe	106,900	0.26%
14	Mr. R R S Ananda	103,200	0.25%
15	Mr. A Tirathdas	100,000	0.24%
16	Codegen International (Pvt) Ltd	100,000	0.24%
17	Dr. W U N Gamage	91,338	0.22%
18	Mr.R.Gautam	82,800	0.20%
19	Mr. W A S P De Saram	80,104	0.19%
20	Mr D.S.Jayaweera	72,000	0.17%
	Others	5,951,499	14.32%
		41,550,600	100.00%

DIRECTORS' SHAREHOLDING AS AT 30TH SEPTEMBER 2012

1	Mr K D D Perera	600	0.001%
2	Mr S B Rangamuwa	109,100	0.263%
3	Mr J A S S Adhihetty	600	0.001%
4	Mr W D N H Perera	-	0.000%
5	Mr M D S Goonatilleke	600	0.001%
6	Mr S Senaratne	22,600	0.054%
7	Mr K D H Perera	600	0.001%
		134,100	0.323%

PUBLIC HOLDING AS AT 30TH SEPTEMBER 2012

11,139,500 26.81%

Vallibel Finance PLC

Interim Financial Statements for the six months ended 30.09.2012