



## **INTERIM FINANCIAL STATEMENTS**

For the Six months ended 30th September 2013

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

Amounts in Rupees '000

	Quarter ended 30th September			Six months ended 30th September		
	2013	2012	Change %	2013	2012	Change %
<b>Gross Income</b>	<b>634,834</b>	<b>441,364</b>	43.8	<b>1,206,029</b>	<b>834,763</b>	44.5
Interest Income	607,601	414,291	46.7	1,161,460	789,090	47.2
Interest Expense	(324,827)	(237,075)	37.0	(636,748)	(446,579)	42.6
<b>Net Interest Income</b>	<b>282,774</b>	<b>177,215</b>	59.6	<b>524,712</b>	<b>342,511</b>	53.2
Fee and Commission Income	12,194	7,406	64.7	20,760	13,894	49.4
<b>Net Fee and Commission Income</b>	<b>12,194</b>	<b>7,406</b>	64.7	<b>20,760</b>	<b>13,894</b>	49.4
Net Gain / (Loss) from Trading	(1,027)	4,738	(121.7)	747	4,747	(84.3)
Other Operating Income	16,065	14,930	7.6	23,062	27,032	(14.7)
<b>Total Operating Income</b>	<b>310,006</b>	<b>204,289</b>	51.7	<b>569,281</b>	<b>388,184</b>	46.7
Impairment ( Charges ) / Reversals for Loans and other losses	(57,638)	(11,141)	417.3	(84,003)	(18,097)	364.2
<b>Net Operating Income</b>	<b>252,368</b>	<b>193,148</b>	30.7	<b>485,278</b>	<b>370,087</b>	31.1
<b>Operating Expenses</b>						
Personnel Expenses	(60,763)	(38,743)	56.8	(111,781)	(68,259)	63.8
Premises Equipment and Establishment Expenses	(16,077)	(7,651)	110.1	(28,952)	(14,909)	94.2
Other Expenses	(76,724)	(32,175)	138.5	(128,788)	(64,403)	100.0
<b>Operating Profit Before Value Added Tax</b>	<b>98,806</b>	<b>114,578</b>	(13.8)	<b>215,757</b>	<b>222,516</b>	(3.0)
Value Added Tax on Financial Services	(9,258)	(9,653)	(4.1)	(19,035)	(18,700)	1.8
<b>Profit Before Taxation</b>	<b>89,548</b>	<b>104,926</b>	(14.7)	<b>196,722</b>	<b>203,816</b>	(3.5)
Income Tax Expense	(24,223)	(38,003)	(36.3)	(60,903)	(75,157)	(19.0)
<b>Profit for the Period</b>	<b>65,325</b>	<b>66,923</b>	(2.4)	<b>135,819</b>	<b>128,659</b>	5.6
<b>Earnings Per Share (Annualised)</b>	<b>6.29</b>	<b>6.44</b>	(2.4)	<b>6.54</b>	<b>6.19</b>	5.6

**VALLIBEL FINANCE PLC**  
**Statement of Comprehensive Income**

Amounts in Rupees '000

	Quarter ended 30th September			Six months ended 30th September		
	2013	2012	Change	2013	2012	Change
			%			%
<b>Profit for the period</b>	<b>65,325</b>	<b>66,923</b>	(2.4)	<b>135,819</b>	<b>128,659</b>	5.6
Actuarial Gains / (Losses) on Retirement Benefit Plans	-	-	-	-	-	-
Gains / (Losses) on remeasuring Available For Sale Financial Assets	(912)	-	(100.0)	(912)	-	(100.0)
<b>Total Other Comprehensive Income</b>	<b>(912)</b>	<b>-</b>	<b>(100.0)</b>	<b>(912)</b>	<b>-</b>	<b>(100.0)</b>
<b>Total Other Comprehensive Income for the period, Net of Tax</b>	<b>(912)</b>	<b>-</b>	<b>-</b>	<b>(912)</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the period, Net of Tax</b>	<b>64,413</b>	<b>66,923</b>	<b>(3.8)</b>	<b>134,907</b>	<b>128,659</b>	<b>4.9</b>

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

	Amounts in Rupees '000		
	As at 30th September 2013	As at 31st March 2013 (Audited)	Change %
<b>Assets</b>			
Cash and Cash Equivalents	234,466	239,916	(2.3)
Placements with Banks and Other Finance Companies	1,059,259	698,088	51.7
Financial Investments - Held for Trading	6,526	14,329	(54.5)
Loans and Receivables to Finance Companies	-	16,472	(100.0)
Loans and Receivables to Other Customers	808,522	630,952	28.1
Lease Rental and Hire Purchase Receivables	8,036,334	7,130,394	12.7
Financial Investments - Available for Sale	47,873	204	23,390.4
Financial Investments - Held to Maturity	375,155	281,719	33.2
Other Financial Assets	29,371	21,998	33.5
Other Assets	180,793	144,990	24.7
Property, Plant and Equipment	121,298	122,745	(1.2)
Deferred Tax Assets	1,699	1,699	-
<b>Total Assets</b>	<b>10,901,297</b>	<b>9,303,506</b>	<b>17.2</b>
<b>Liabilities</b>			
Bank Overdrafts	322,313	360,102	(10.5)
Rental Received in Advance	141,179	164,624	(14.2)
Deposits due to Customers	7,611,217	6,268,210	21.4
Interest bearing Borrowings	1,177,804	951,202	23.8
Subordinated Term Debts	400,094	399,256	0.2
Other Financial Liabilities	58,408	41,464	40.9
Current Tax Liabilities	34,135	41,939	(18.6)
Deferred Tax Liabilities	65,089	65,089	-
Other Liabilities	72,993	68,235	7.0
Retirement Benefit Obligations	8,168	6,068	34.6
<b>Total Liabilities</b>	<b>9,891,399</b>	<b>8,366,189</b>	<b>18.2</b>
<b>Equity</b>			
Stated Capital	287,153	287,153	-
Statutory Reserves	281,118	237,581	18.3
General Reserve	7,500	7,500	-
Retained Earnings	434,128	405,083	7.2
<b>Total Equity</b>	<b>1,009,898</b>	<b>937,317</b>	<b>7.7</b>
<b>Total Liabilities and Equity</b>	<b>10,901,297</b>	<b>9,303,506</b>	<b>17.2</b>
<b>Net Assets Value Per Share (Rs.)</b>	<b>24.31</b>	<b>22.56</b>	<b>7.7</b>

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

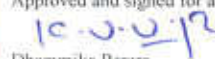
**Certification**

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



K.D. Menaka Sumeera  
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  
Chairman

  
S.B. Ranganuwa  
Managing Director

24th October 2013  
Colombo.

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

For the six months ended	Amounts in Rupees '000					
	Stated Capital	Statutory Reserve Fund	Reserves Investment Fund	General Reserve	Retained Earnings	Total Equity
<b>Balance as at 01st April 2013</b>	<b>287,153</b>	<b>145,185</b>	<b>92,396</b>	<b>7,500</b>	<b>405,083</b>	<b>937,317</b>
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)	-
<b>Balance as at 30th September 2013</b>	<b>287,153</b>	<b>172,348</b>	<b>108,769</b>	<b>7,500</b>	<b>434,128</b>	<b>1,009,898</b>
<b>Balance as at 01st April 2012</b>	<b>287,153</b>	<b>87,802</b>	<b>42,750</b>	<b>7,500</b>	<b>259,190</b>	<b>684,395</b>
Profit for the Period	-	-	-	-	128,659	128,659
Other Comprehensive income for the period , net of Tax	-	-	-	-	-	-
Dividends	-	-	-	-	(41,551)	(41,551)
Transfers during the period	-	25,732	13,567	-	(39,298)	-
<b>Balance as at 30th September 2012</b>	<b>287,153</b>	<b>113,534</b>	<b>56,317</b>	<b>7,500</b>	<b>307,000</b>	<b>771,503</b>

# VALLIBEL FINANCE PLC

## Cash Flow Statement

	Amounts in Rupees '000	
For the period ended	30th September 2013	30th September 2012
<b>Cash Flow From Operating Activities</b>		
Interest and Commission Receipts	1,160,442	797,193
Interest Payments	(622,129)	(384,835)
Cash Receipts from Customers	4,929	27,032
Cash Payments to Employees and Suppliers	(229,948)	(26,980)
<b>Operating Profit Before Changes in Operating Assets and Liabilities</b>	<b>313,294</b>	<b>412,410</b>
<b>( Increase ) / Decrease in Operating Assets</b>		
Short Term Funds	(582,540)	(44,616)
Deposits held for Regulatory or Monetary Control Purposes	107,070	(225,920)
Funds Advanced to Customers	(1,189,656)	(1,003,746)
<b>Increase / ( Decrease ) in Operating Liabilities</b>		
Deposits from Customers	1,217,644	929,056
Certificate of Deposits	108,957	28,727
<b>Net Cash Generated from Operating Activities before Income Tax</b>	<b>(25,231)</b>	<b>95,911</b>
Taxes paid	(90,186)	(92,110)
<b>Net Cash (Used In)/Generated from Operating Activities after Income Tax</b>	<b>(115,417)</b>	<b>3,801</b>
<b>Cash Flows From Investing Activities</b>		
Dividends Received	782	89
Proceed from Sale of Dealing and non Dealing Securities	24,585	-
Purchase of Property , Plant and equipment	(16,592)	(19,909)
<b>Net Cash (Used In)/Generated from Investing Activities</b>	<b>8,774</b>	<b>(19,820)</b>
<b>Cash Flows From Financing Activities</b>		
Net decrease in Borrowings	201,308	11,989
Dividend paid	(62,326)	(41,551)
<b>Net Cash Used In Financing Activities</b>	<b>138,982</b>	<b>(29,562)</b>
<b>Net Increase / ( Decrease ) in Cash &amp; Cash Equivalents</b>	<b>32,340</b>	<b>(45,580)</b>
<b>Cash &amp; Cash Equivalents at the Beginning of the Period</b>	<b>(120,186)</b>	<b>(3,409)</b>
<b>Cash &amp; Cash Equivalents at the End of the Period ( Note A )</b>	<b>(87,847)</b>	<b>(48,989)</b>
<b>Note A</b>		
<b>Cash &amp; Cash Equivalents at the End of the Period</b>		
Cash in Hand and at Banks	234,466	176,948
Bank Overdrafts	(322,313)	(225,937)
	<b>(87,847)</b>	<b>(48,989)</b>

## Amounts in Rupees '000

**Vallibel Finance PLC**  
Interim Financial Statements for the six months ended 30.09.2013

### 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 2013.

Further, 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 an Interim Dividend of Rs. 1.50 per share for the year ended 31st March 2013, on 04th July 2013.

There were no material events took place since 30th September 2013, that require disclosure 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.

### Information On Ordinary Shares

#### Share Price During the Quarter

		For the quarter ended	
		30.09.2013	30.09.2012
Highest	Rs.	32.00	42.30
Lowest	Rs.	26.00	28.50
Closing	Rs.	30.00	40.00
No of Ordinary Share Issued As At 30th September		41,550,600	41,550,600

### Selected Performance Indicators

Indicator	As at 30th September 2013	As at 30th September 2012
<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)	8,902,336	6,735,430
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	8,736,571	6,654,180
Non-Performing Accommodations (Net of Interest in Suspense)	347,218	182,626
<b>Liquidity</b>		
Required Minimum Amount of Liquid Assets	761,585	486,840
Available Amount of Liquid Assets	1,155,036	807,063
Required Minimum Amount of Government Securities	379,086	245,180
Available Amount of Government Securities	380,570	364,762
<b>Capital Adequacy</b>		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	8.41%	9.00%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	11.64%	13.48%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	14.63%	21.18%
<b>Profitability</b>		
Return on Assets (After Tax) - ( Annualised )	2.49%	3.20%
Return on Equity - ( Annualised )	26.90%	33.35%



### 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 six months ended 30th September	Finance Lease		Hire Purchase		Loans & Advances		Investments		Unallocated		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	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	589,250	347,426	417,957	349,098	80,207	50,062	74,046	42,504	-	-	1,161,460	789,090
Administration Fees	-	-	-	-	-	-	-	-	20,760	13,894	20,760	13,894
Capital gains / ( loss )	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	747	-	-	89	747	89
Other	-	3,874	12,520	16,380	469	399	-	-	10,073	11,038	23,061	31,690
<b>Total Revenue</b>	<b>589,250</b>	<b>351,300</b>	<b>430,476</b>	<b>365,477</b>	<b>80,676</b>	<b>50,461</b>	<b>74,793</b>	<b>42,504</b>	<b>30,833</b>	<b>25,021</b>	<b>1,206,029</b>	<b>834,763</b>
Profit before tax											196,722	203,816
Taxation											(60,903)	(75,157)
<b>Profit after tax</b>											<b>135,818</b>	<b>128,659</b>
<b>Other Information</b>												
<b>As at 30th September</b>												
Segment assets	4,599,370	2,896,766	3,630,675	3,016,627	727,984	302,362	1,481,004	684,698	462,264	1,152,094	10,901,297	8,052,547
Segment Liabilities	4,173,284	2,618,532	3,294,329	2,726,881	660,543	273,320	1,343,803	618,933	419,440	1,041,435	9,891,399	7,279,101
<b>Net assets</b>	<b>426,087</b>	<b>278,234</b>	<b>336,347</b>	<b>289,747</b>	<b>67,441</b>	<b>29,042</b>	<b>137,200</b>	<b>65,765</b>	<b>42,824</b>	<b>110,658</b>	<b>1,009,898</b>	<b>773,446</b>

## Additional Notes

### 20 Major Shareholders As At 30th September 2013

	No. of Shares	(%)
1 Vallibel Investments (Pvt) Limited	30,277,000	72.87%
2 Employees Trust Fund Board	1,248,127	3.00%
3 Seylan Bank PLC/M/S Divasa Equity (Pvt) Ltd	1,092,424	2.63%
4 George Steuart Teas (Pvt) Ltd	514,275	1.24%
5 HSBC International Nominees Ltd- UBS AG Singapore Branch (Ex SBC)	430,000	1.03%
6 Mr K.D.A.Perera	379,388	0.91%
7 Seylan Bank PLC/HVA Lanka Exports (Private) Limited	203,000	0.49%
8 Mr. H Beruwalage	202,800	0.49%
9 Mrs. K I A Hewage	200,000	0.48%
10 Mr. V R Kathiragamathamby	188,000	0.45%
11 Mr. B A R Dissanayake	181,620	0.44%
12 Mr. S B Rangamuwa	139,692	0.34%
13 Mr. N Balasingam	134,900	0.32%
14 Mr. R R S Ananda	103,200	0.25%
15 Mr P R Abeyasekara	102,209	0.25%
16 Mr. A Tirathdas	100,000	0.24%
17 Codegen International (Pvt) Ltd	100,000	0.24%
18 Mr K Sabaratnam	98,100	0.24%
19 Mr.R.Gautam	85,000	0.20%
20 Mrs.W S P M Abeysekara	82,994	0.20%
Others	5,687,871	13.69%
	<b>41,550,600</b>	<b>100.00%</b>

### Directors' Shareholding As At 30th September 2013

1 Mr K D D Perera	600	0.001%
2 Mr S B Rangamuwa	139,692	0.336%
3 Mr J A S S Adhihetty	600	0.001%
4 Mr M D S Goonatilleke	600	0.001%
5 Mr S Senaratne	22,600	0.054%
6 Mr K D H Perera	600	0.001%
	<b>164,692</b>	<b>0.396%</b>

### Public Holding As At 30th September 2013

11,108,908	26.74%
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