



## **INTERIM FINANCIAL STATEMENTS**

FOR THE THREE MONTHS ENDED 30TH JUNE 2012

**VALLIBEL FINANCE PLC**  
**INCOME STATEMENT**

Amounts in Rupees '000

**Quarter ended 30th June**

	<b>2012</b> <b>(Unaudited)</b>	<b>2011</b> <b>(Unaudited)</b>	<b>Growth</b>
<b>Income</b>	<b>393,399</b>	<b>236,696</b>	<b>66%</b>
Interest Income	374,799	216,284	73%
Interest Expense	(209,504)	(97,054)	116%
Net Interest Income	165,295	119,231	39%
Other operating Income	18,600	20,411	-9%
<b>Operating Expenses</b>			
Personnel Costs	(31,298)	(19,067)	64%
General and Administration Expenses	(37,704)	(28,398)	33%
<b>Profit before Loan Loss Provision &amp; Taxation</b>	<b>114,893</b>	<b>92,178</b>	<b>25%</b>
Loan Loss Provision	(6,956)	(4,106)	69%
<b>Profit before Taxation &amp; Value Added Taxation</b>	<b>107,937</b>	<b>88,072</b>	<b>23%</b>
Value Added Tax on Financial Services	(9,047)	(11,383)	-21%
<b>Profit after Taxation &amp; Value Added Taxation</b>	<b>98,890</b>	<b>76,688</b>	<b>29%</b>
Taxation	(37,154)	(28,539)	30%
<b>Profit for the period</b>	<b>61,736</b>	<b>48,150</b>	<b>28%</b>
<b>Earnings Per Share ( Annualized )</b>	<b>5.94</b>	<b>4.64</b>	<b>28%</b>


**VALLIBEL FINANCE PLC**  
**BALANCE SHEET**

Amounts in Rupees '000

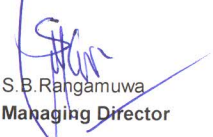
	As at 30th June 2012 (Unaudited)	As at 31st March 2012 (Audited)	Growth
<b>ASSETS</b>			
Cash & Bank Balances	73,023	79,321	-8%
Treasury Bills and Bonds Eligible for Rediscounting	253,847	251,392	1%
Investments in Dealing Securities	12,487	12,283	2%
Investments in Other Securities	15,851	15,744	1%
Placement with Banks and Other Finance Companies	415,000	210,000	98%
Loans & Advances to customers	374,615	307,625	22%
Lease Rental Receivable and Stock Out On Hire	5,766,510	5,519,757	4%
Trade & Other Receivables	249,011	174,665	43%
Property, Plant & Equipment	107,197	105,793	1%
<b>Total Assets</b>	<b>7,267,541</b>	<b>6,676,581</b>	<b>9%</b>
<b>LIABILITIES</b>			
Bank Overdraft	158,421	82,766	91%
Rental Received in Advance	56,991	76,741	-26%
Deposits	4,521,858	3,910,613	16%
Borrowings	1,191,536	1,398,475	-15%
Debenture	225,000	225,000	0%
Retirement Benefit Obligation	4,503	3,903	15%
Current Tax Liabilities	90,000	52,417	72%
Deferred Tax Liabilities	38,925	38,925	0%
Accrued Expenses	179,432	117,025	53%
Trade Payables	47,139	38,288	23%
Other Payables	47,214	46,092	2%
	<b>6,561,018</b>	<b>5,990,244</b>	<b>10%</b>
<b>EQUITY</b>			
<b>Capital and Reserves</b>			
Stated Capital	287,153	287,153	0%
Statutory Reserve	100,150	87,802	14%
General Reserve	7,500	7,500	0%
Investment Fund Account	49,557	42,750	16%
Retained Earnings	262,164	261,133	0%
<b>Shareholders' Equity</b>	<b>706,523</b>	<b>686,336</b>	<b>3%</b>
<b>Total Equity and Liabilities</b>	<b>7,267,541</b>	<b>6,676,581</b>	<b>9%</b>
<b>Net assets per share</b>	<b>17.00</b>	<b>16.52</b>	<b>3%</b>

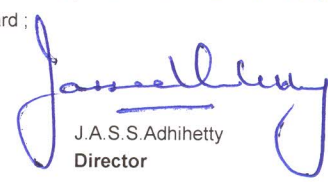
**Note : The above figures are subject to Audit**

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 August 2012

**VALLIBEL FINANCE PLC**  
**STATEMENT OF CHANGES IN EQUITY**

	Amounts in Rupees '000					
For the three months ended 30th June 2012	Stated Capital Rs.	Statutory Reserve Rs.	General Reserve Rs.	Investment Fund Account Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1st April 2012	287,153	87,803	7,500	42,750	261,133	686,337
Profit for the period	-	-	-	-	61,736	61,736
Dividend	-	-	-	-	(41,551)	(41,551)
Transfers	-	12,347	-	6,807	(19,154)	-
Balance as at 30th June 2012	287,153	100,150	7,500	49,557	262,164	706,523
Balance as at 1st April 2011	287,153	40,006	7,500	5,350	128,126	468,136
Profit for the period	-	-	-	-	48,150	48,150
Transfers	-	9,630	-	11,940	(21,570)	-
Balance as at 30th June 2011	287,153	49,636	7,500	17,290	154,706	516,285

**VALLIBEL FINANCE PLC**  
**CASH FLOW STATEMENT**

Amounts in Rupees '000

**For the year ended**

**Cash Flow From Operating Activities**

Interest and commission receipts	386,976	220,766
Interest payments	(168,506)	(73,411)
Cash receipts from customers	12,102	16,482
Cash payments to employees and suppliers	(21,579)	(44,385)

**Operating Profit Before Changes**

**in Operating Assets and Liabilities**

**208,993**      **119,452**

**( Increase ) / Decrease in Operating Assets**

Short term funds	(134,881)	(31,084)
Deposits held for regulatory or monetary control purposes	(114,231)	(213,682)
Funds advanced to customers	(360,624)	(615,859)

**Increase / ( Decrease ) in Operating Liabilities**

Deposits from customers	597,438	325,226
Certificate of deposits	13,807	293

**Net Cash ( Used In ) / Generated from**

**Operating Activities before Income Tax**

**1,509**      **(535,106)**

Taxes paid

(36,770)      (12,975)

**Net Cash ( Used In ) / Generated from**

**Operating Activities after Income Tax**

**(35,261)**      **(548,080)**

**Cash Flows From Investing Activities**

Dividends received	9	47
Purchase of non-dealing securities	-	(25,000)
Purchase of property , plant and equipment	(7,257)	(4,865)

**Net Cash Used In Investing Activities**

**(7,248)**      **(29,818)**

**Cash Flows From Financing Activities**

Net increase / ( decrease ) in borrowings	(206,924)	438,093
Dividend paid	(41,551)	-

**Net Cash ( Used In ) / Generated From Financing Activities**

**(248,474)**      **438,093**

**Net Increase / ( Decrease ) in Cash & Cash Equivalents**

**(81,990)**      **(20,353)**

**Cash & Cash equivalents at the beginning of the year**

(3,409)      16,170

**Cash & Cash equivalents at end of the year ( Note A )**

**(85,399)**      **(4,183)**

**Note A**

**Cash & Cash equivalents at the end of the Period**

Cash in hand and at Banks	73,023	86,430
Bank Overdrafts	(158,421)	(90,613)
	<b>(85,399)</b>	<b>(4,183)</b>

## 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	
		30.06.2012	30.06.2011
Highest	Rs.	44.50	52.40
Lowest	Rs.	29.50	43.50
Closing	Rs.	31.50	44.50
No of Ordinary Share Issued As At 30th June		41,550,600	41,550,600

## SELECTED PERFORMANCE INDICATORS

Indicator	As at 30th June 2012	As at 30th June 2011
<b>Asset Quality</b>	<b>Rs'000</b>	<b>Rs'000</b>
Total Accommodation (Net of Interest in Suspense)	6,155,885	3,882,133
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	6,084,135	3,836,354
Non-Performing Accommodations (Net of Interest in Suspense)	121,884	39,699
<b>Liquidity</b>		
Required Minimum Amount of Liquid Assets	452,676	292,175
Available Amount of Liquid Assets	741,870	582,210
Required Minimum Amount of Government Securities	248,191	130,202
Available Amount of Government Securities	253,847	168,902
<b>Capital Adequacy</b>		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	12.12%	12.41%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	15.59%	12.41%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	15.62%	17.67%
<b>Profitability</b>		
Return on Assets (After Tax) - ( Annualized )	3.40%	2.88%
Return on Equity - ( Annualized )	34.95%	28.06%

## 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 three months ended 30th June	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	163,561	53,530	172,210	146,084	18,322	10,061	20,706	6,609	-	-	374,799	216,284
Administration Fees		-		-		-		-	6,518	3,883	6,518	3,883
Capital gains / ( loss )		-		-		-		-	-	-	-	
Dividends		-		-		-	9	-		47	9	47
Other	2,193	-	7,864	16,039	247	-		-	1,769	443	12,073	16,482
Total Revenue	165,754	53,530	180,074	162,123	18,569	10,061	20,715	6,609	8,286	4,372	393,399	236,696
Profit before tax	-	-	-	-	-	-	-	-	-	-	107,937	88,072
Taxation	-	-	-	-	-	-	-	-	-	-	(46,201)	(39,922)
Profit after tax											61,736	48,150
Other Information As at 31st March												
Segement assets	2,896,766	1,066,891	3,016,627	2,736,703	302,362	174,879	684,698	573,427	367,088	221,945	7,267,541	4,773,845
Segement Liabilities	2,615,153	989,660	2,723,362	2,421,089	272,967	153,938	618,134	499,530	331,401	193,343	6,561,018	4,257,560
Net assests	281,613	77,231	293,265	315,614	29,394	20,941	66,564	73,897	35,687	28,602	706,523	516,285

## ADDITIONAL NOTES

### 20 MAJOR SHAREHOLDERS AS AT 30TH JUNE 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	472,300	1.14%
4	HSBC International Nominees Ltd- UBS AG Singapore Branch (Ex SBC)	430,000	1.03%
5	Bank of Ceylon No. 01 Account	345,100	0.83%
6	Georage Steuart (Teas & Marketing ) ( Pvt) Ltd	335,774	0.81%
7	Credit Suisse Singapore	286,000	0.69%
8	Seylan Bank PLC/HVA Lanka Exports (Private) Limited	228,148	0.55%
9	Dr. W U N Gamage	214,801	0.52%
10	Mr. H Beruwalage	202,800	0.49%
11	Ms. K I A Hewage	200,000	0.48%
12	Mr. S N C W M B C Kandegedara	174,849	0.42%
13	Mr. B A R Dissanayake	160,000	0.39%
14	Mr. V R Kathiragamamatamby	140,000	0.34%
15	Mr. N Balasingam	134,900	0.32%
16	Mr. L D Wickramasinghe/Mrs. S S Wickramasinghe/Ms. L D Wickramasinghe	106,900	0.26%
17	Mr. S B Rangamuwa	105,000	0.25%
18	Mr. R R S Ananda	103,200	0.25%
19	Mr. A Tirathdas	100,000	0.24%
20	Mr. W A S P De Saram	95,001	0.23%
	Others	6,056,403	14.58%
		<b>41,550,600</b>	<b>100.00%</b>

### DIRECTORS' SHAREHOLDING AS AT 30TH JUNE 2012

1	Mr K D D Perera	600	0.001%
2	Mr S B Rangamuwa	105,000	0.253%
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%
		<b>130,000</b>	<b>0.313%</b>

### PUBLIC HOLDING AS AT 30TH JUNE 2012

11,143,600	26.82%
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