



INTERIM FINANCIAL STATEMENTS

For the Six months ended 30th September 2015

VALLIBEL FINANCE PLC
Income Statement

Amounts in Rupees '000

	Quarter ended 30th September			Six months ended 30th September		
	2015	2014	Change %	2015	2014	Change %
Gross Income	821,526	718,523	14.3	1,584,422	1,428,102	10.9
Interest Income	780,265	703,183	11.0	1,518,239	1,393,056	9.0
Interest Expense	(371,292)	(334,073)	11.1	(732,929)	(683,155)	7.3
Net Interest Income	408,973	369,110	10.8	785,310	709,900	10.6
Fee and Commission Income	12,302	12,936	(4.9)	23,956	23,910	0.2
Net Fee and Commission Income	12,302	12,936	(4.9)	23,956	23,910	0.2
Net Gain / (Loss) from Trading	(276)	1,012	(127.3)	132	1,158	(88.6)
Other Operating Income	29,235	1,393	1,999.2	42,095	9,979	321.8
Total Operating Income	450,234	384,450	17.1	851,493	744,947	14.3
Impairment Charges for Loans and other losses	(15,033)	(88,386)	(83.0)	(44,137)	(187,771)	(76.5)
Net Operating Income	435,201	296,064	47.0	807,356	557,176	44.9
Operating Expenses						
Personnel Expenses	(110,205)	(82,998)	32.8	(212,269)	(159,628)	33.0
Premises Equipment and Establishment Expenses	(21,120)	(14,882)	41.9	(41,800)	(28,836)	45.0
Other Expenses	(98,068)	(63,182)	55.2	(185,375)	(127,111)	45.8
Operating Profit Before Value Added Tax & NBT	205,808	135,002	52.4	367,913	241,601	52.3
Value Added Tax on Financial Services & NBT	(33,601)	(18,038)	86.3	(53,673)	(28,472)	88.5
Profit Before Income Tax	172,207	116,965	47.2	314,240	213,129	47.4
Income Tax Expense	(57,939)	(35,757)	62.0	(103,943)	(65,831)	57.9
Profit for the Period	114,268	81,207	40.7	210,297	147,299	42.8
Earnings Per Share (Annualised)	11.00	7.82	40.7	10.12	7.09	42.8

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

Amounts in Rupees '000

	Quarter ended 30th September			Six months ended 30th September		
	2015	2014	Change	2015	2014	Change
			%			%
Profit for the period	114,268	81,207	40.7	210,297	147,299	42.8
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	(5,063)	12,512	(140.5)	(5,223)	15,994	(132.7)
Total Other Comprehensive Income to be reclassified to Income Statement	(5,063)	12,512	(140.5)	(5,223)	15,994	(132.7)
Total Other Comprehensive Income for the Period, Net of Tax	(5,063)	12,512	(140.5)	(5,223)	15,994	(132.7)
Total Comprehensive Income for the Period	109,205	93,719	16.5	205,074	163,292	25.6

VALLIBEL FINANCE PLC
Statement of Financial Position

	As at 30th September 2015	As at 31st March 2015 (Audited)	Amounts in Rupees '000 Change %
Assets			
Cash and Cash Equivalents	134,693	357,723	(62.3)
Placements with Banks and Other Finance Companies	1,931,240	1,768,499	9.2
Reverse Repurchase Agreements	681,844	1,353,478	(49.6)
Financial Investments - Held for Trading	104,817	4,822	2,073.6
Loans and Receivables to Other Customers	4,753,765	3,307,495	43.7
Lease Rental and Hire Purchase Receivables	10,459,811	9,261,380	12.9
Financial Investments - Available for Sale	116,004	120,530	(3.8)
Financial Investments - Held to Maturity	325,841	296,296	10.0
Other Financial Assets	12,547	11,806	6.3
Property, Plant and Equipment	195,416	181,173	7.9
Intangible Assets	3,105	4,189	(25.9)
Deferred Tax Assets	66,516	66,516	-
Other Assets	246,988	159,600	54.8
Total Assets	19,032,587	16,893,507	12.7
Liabilities			
Bank Overdrafts	462,520	463,537	(0.2)
Rental Received in Advance	238,623	170,421	40.0
Deposits due to Customers	13,138,062	12,162,096	8.0
Interest bearing Borrowings	1,278,652	299,523	326.9
Subordinated Term Debts	1,906,788	1,859,653	2.5
Current Tax Liabilities	73,159	93,291	(21.6)
Deferred Tax Liabilities	88,459	88,459	-
Other Liabilities	183,649	220,231	(16.6)
Retirement Benefit Obligations	26,532	22,126	19.9
Total Liabilities	17,396,444	15,379,337	13.1
Equity			
Stated Capital	287,153	287,153	-
Statutory Reserves	322,583	280,524	15.0
Available For Sale Reserve	4,035	9,258	(56.4)
General Reserve	7,500	7,500	-
Retained Earnings	1,014,872	929,735	9.2
Total Equity	1,636,143	1,514,170	8.1
Total Liabilities and Equity	19,032,587	16,893,507	12.7
Net Assets Value Per Share (Rs.)	39.38	36.44	8.1

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

02nd November 2015
Colombo.

VALLIBEL FINANCE PLC
Statement of Changes in Equity

For the six 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	-	-	-	-	-	147,299	147,299
Other Comprehensive Income, net of Tax	-	-	-	15,994	-	-	15,994
Total Comprehensive Income for the Period	-	-	-	15,994	-	147,299	163,293
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	-	29,460	14,105	-	-	(43,565)	-
Balance as at 30th September 2014	287,153	235,427	142,045	20,049	7,500	610,312	1,302,485
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	-	-	-	-	-	210,297	210,297
Other Comprehensive Income, net of Tax	-	-	-	(5,223)	-	-	(5,223)
Total Comprehensive Income for the Period	-	-	-	(5,223)	-	210,297	205,074
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	-	42,059	-	-	-	(42,059)	-
Balance as at 30th September 2015	287,153	322,583	-	4,035	7,500	1,014,872	1,636,143

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

Amounts in Rupees '000

30th September 2015	30th September 2014
------------------------------------	------------------------------------

Cash Flow From Operating Activities

Interest and Commission Receipts	1,557,731	1,347,268
Interest Payments	(621,624)	(629,219)
Cash Receipts from Customers	39,850	15,079
Cash Payments to Employees and Suppliers	(400,478)	(273,242)

Operating Profit Before Changes in Operating Assets and Liabilities

575,480	459,887
----------------	----------------

(Increase) / Decrease in Operating Assets

Short Term Funds & Other Short Term Negotiable Securities	841,954	(34,909)
Deposits held for Regulatory or Monetary Control Purposes	(606,335)	(108,899)
Funds Advanced to Customers	(2,600,109)	(1,209,772)

Increase / (Decrease) in Operating Liabilities

Deposits from Customers	915,292	862,847
Certificate of Deposits	(9,382)	92,871

Net Cash (Used in) / Generated from Operating Activities before Tax

(883,100)	62,025
------------------	---------------

Taxes paid

(169,067)	(156,811)
-----------	-----------

Net Cash (Used In) / Generated from Operating Activities

(1,052,167)	(94,786)
--------------------	-----------------

Cash Flows From Investing Activities

Dividends Received	136	162
Proceed from sale of Property , Plant and equipment	3,965	954
Purchase of Property , Plant and equipment	(43,040)	(25,023)

Net Cash (Used In) / Generated from Investing Activities

(38,938)	(23,907)
-----------------	-----------------

Cash Flows From Financing Activities

Net increase / (decrease) in Borrowings	952,194	(136,769)
Dividend paid	(83,101)	(41,551)

Net Cash (Used In) / Generated from Financing Activities

869,093	(178,320)
----------------	------------------

Net Increase / (Decrease) in Cash & Cash Equivalents

(222,013)	(297,012)
------------------	------------------

Cash & Cash Equivalents at the Beginning of the Period

(105,814)	77,734
-----------	--------

Cash & Cash Equivalents at the End of the Period (Note A)

(327,827)	(219,278)
------------------	------------------

Note A**Cash & Cash Equivalents at the End of the Period**

Cash in Hand and at Banks	134,693	251,277
Bank Overdrafts	(462,520)	(470,555)
	<u>(327,827)</u>	<u>(219,278)</u>

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 September 2015	31st March 2015	30th September 2015	31st March 2015	30th September 2015	31st March 2015	30th September 2015	31st March 2015	30th September 2015	31st March 2015
Assets										
Cash and Cash Equivalents	-	-	-	-	134,693	357,723	-	-	134,693	357,723
Placements with Banks and Other Finance Companies	-	-	-	-	1,931,240	1,768,499	-	-	1,931,240	1,768,499
Reverse Repurchase Agreements	-	-	-	-	681,844	1,353,478	-	-	681,844	1,353,478
Financial Investments - Held for Trading	104,817	4,822	-	-	-	-	-	-	104,817	4,822
Loans and Receivables to Other Customers	-	-	-	-	4,753,765	3,307,495	-	-	4,753,765	3,307,495
Lease Rental and Hire Purchase Receivables	-	-	-	-	10,459,811	9,261,380	-	-	10,459,811	9,261,380
Financial Investments - Available for Sale	-	-	-	-	-	-	116,004	120,530	116,004	120,530
Financial Investments - Held to Maturity	-	-	325,841	296,296	-	-	-	-	325,841	296,296
Other Financial Assets	-	-	-	-	12,547	11,806	-	-	12,547	11,806
Total Financial Assets	104,817	4,822	325,841	296,296	17,973,900	16,060,381	116,004	120,530	18,520,562	16,482,029
					Held For Trading		Amortised Cost		Total	
					30th September 2015	31st March 2015	30th September 2015	31st March 2015	30th September 2015	31st March 2015
Liabilities										
Bank Overdrafts					-	-	462,520	463,537	462,520	463,537
Rental Received in Advance					-	-	238,623	170,421	238,623	170,421
Deposits due to Customers					-	-	13,138,062	12,162,096	13,138,062	12,162,096
Interest bearing Borrowings					-	-	1,278,652	299,523	1,278,652	299,523
Subordinated Term Debts					-	-	1,906,788	1,859,653	1,906,788	1,859,653
Total Financial Liabilities					-	-	17,024,645	14,955,230	17,024,645	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. There were no material events took place since 30th September 2015 other than disclosed above in Financial Statements.
5. 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 September 2015	As at 30th September 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)	15,766,314	11,274,484
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	15,243,736	10,858,586
Non-Performing Accommodations (Net of Interest in Suspense)	639,275	647,036
Liquidity		
Required Minimum Amount of Liquid Assets	1,441,588	1,074,041
Available Amount of Liquid Assets	2,391,136	1,445,381
Required Minimum Amount of Government Securities	847,503	610,144
Available Amount of Government Securities	1,006,115	821,037
Capital Adequacy		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	8.99%	8.90%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	13.49%	13.32%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	16.66%	15.04%
Profitability		
Return on Assets (After Tax) - (Annualised)	2.40%	2.36%
Return on Equity - (Annualised)	27.94%	24.94%

Information On Ordinary Shares

Share Price During the Quarter

	For the quarter ended	
	30.09.2015	30.09.2014
Highest	73.00	48.50
Lowest	58.50	33.00
Closing	63.10	46.50
No. of Ordinary Share Issued As At 30th September	41,550,600	41,550,600

Information On Listed Debentures

Market Values of Listed Debentures

VFIN Debentures 2014/2019

	Highest		For the quarter ended		Period End	
	30.09.2015	30.09.2014	Lowest	30.09.2015	30.09.2014	30.09.2014
5 Year Fixed Rate - 14.75%	N/T	116.00	N/T	108.00	N/T	116.00
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	118.92	N/T	118.92	N/T	118.92

VFIN Debentures 2015/2020

	Highest		For the quarter ended		Period End	
	30.09.2015	30.09.2014	Lowest	30.09.2015	30.09.2014	30.09.2014
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
	30.09.2015	30.09.2015	30.09.2014	30.09.2014
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
	30.09.2015	30.09.2015	30.09.2014	30.09.2014
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	
	30.09.2015	30.09.2014
5 Year Treasury Bond	9.58%	8.93%

Interest Yield and Yield to Maturity

VFIN Debentures 2014/2019

	Fixed - 14.75%		For the quarter ended		Fixed - 15.50%	
	30.09.2015	30.09.2014	Fixed - 15.00%	30.09.2015	30.09.2014	30.09.2014
Interest Yield	N/T	12.72%	N/T	15.00%	N/T	13.03%
Yield to Maturity of last trade	N/T	10.20%	N/T	N/T	N/T	10.00%

VFIN Debentures 2015/2020

	For the quarter ended	
	30.09.2015	30.09.2014
Interest Yield	N/T	N/A
Yield to Maturity of last trade	N/T	N/A

* N/A - Not Applicable as at 30th September and N/T - Not Traded as at 30th September

Ratios

	30.09.2015	30.09.2014
Debt to Equity Ratio (%)	195%	101%
Interest Cover (Times)	1.50	1.35
Liquid Asset Ratio (%) - Minimum Required 10%	16.59%	13.46%

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 September	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	721,416	691,899	377,461	459,845	314,627	144,020	104,736	97,292	-	-	1,518,239	1,393,056
Administration Fees	-	-	-	-	-	-	-	-	23,956	23,910	23,956	23,910
Capital gains / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	136	162	-	-	136	162
Other	-	-	-	-	-	-	-	-	42,090	10,975	42,090	10,975
Total Revenue	721,416	691,899	377,461	459,845	314,627	144,020	104,872	97,454	66,046	34,885	1,584,422	1,428,102
Profit before tax											314,240	213,129
Taxation											(103,943)	(65,831)
Profit after tax											210,297	147,299
Other Information												
As at 30th September												
Segment assets	7,291,837	5,289,867	3,201,912	4,361,091	4,717,241	1,668,650	3,152,733	2,165,602	668,865	272,474	19,032,587	13,757,685
Segment Liabilities	6,664,991	4,789,058	2,926,658	3,948,212	4,311,722	1,510,674	2,881,707	1,960,578	611,366	246,678	17,396,444	12,455,200
Net assets	626,845	500,809	275,254	412,879	405,519	157,977	271,026	205,025	57,499	25,796	1,636,143	1,302,485

Additional Notes

20 Major Shareholders As At 30th September 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. R F T Perera	800,000	1.925%
4 Mr. S B Rangamuwa	761,000	1.832%
5 Union Bank of Colombo PLC/Mr. Sithampalam Abishek	289,157	0.696%
6 Code-Gen International Pvt Ltd	260,000	0.626%
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 Mrs. K I A Hewage	200,000	0.481%
11 Mr. N P D E Samaranyake	160,000	0.385%
12 Mr. R P Vijedasa	159,916	0.385%
13 United Motors Lanka PLC	149,648	0.360%
14 Mr. N Balasingam	134,900	0.325%
15 Mr. A Sithampalam	130,605	0.314%
16 Mr. F J P Raj	125,100	0.301%
17 Unimo Enterprises Ltd	113,248	0.273%
18 Mr. W M A B Walisundara	104,650	0.252%
19 Mr. W W R U Wijekoon	102,051	0.246%
20 Mr. K D Y Pathiraja	100,000	0.241%
20 Mr. C S J Perera	100,000	0.241%
20 Asha Financial Services Ltd/Mr. N K D Alwis	100,000	0.241%
20 Mr. R Gautam	100,000	0.241%
	35,612,288	85.708%
Others	5,938,312	14.292%
	41,550,600	100.000%

Directors' Shareholding As At 30th September 2015

1 Mr. K V P Ranjith De Silva	-	-
2 Mr. Dhammika Perera	600	0.001%
3 Mr. S B Rangamuwa	761,000	1.832%
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)	-	-
	1,598,313	3.847%

Public Holding As At 30th September 2015

10,447,000	25.14%
2,179	

Number of Public Shareholders