



INTERIM FINANCIAL STATEMENTS

For the Six months ended 30th September 2016

VALLIBEL FINANCE PLC
Income Statement

Amounts in Rupees '000

	Quarter ended 30th September			Six months ended 30th September		
	2016	2015	Change %	2016	2015	Change %
Gross Income	1,204,792	821,526	46.7	2,268,737	1,584,422	43.2
Interest Income	1,079,467	780,265	38.3	2,043,438	1,518,239	34.6
Interest Expense	(594,812)	(371,292)	60.2	(1,107,083)	(732,929)	51.0
Net Interest Income	484,655	408,973	18.5	936,355	785,310	19.2
Fee and Commission Income	19,169	12,302	55.8	37,182	23,956	55.2
Net Fee and Commission Income	19,169	12,302	55.8	37,182	23,956	55.2
Net Gain / (Loss) from Trading	175	(276)	163.4	458	132	248.5
Other Operating Income	105,981	29,235	262.5	187,658	42,095	345.8
Total Operating Income	609,979	450,234	35.5	1,161,654	851,493	36.4
Impairment Charges for Loans and other losses	(7,728)	(15,033)	(48.6)	(26,078)	(44,137)	(40.9)
Net Operating Income	602,251	435,201	38.4	1,135,575	807,356	40.7
Operating Expenses						
Personnel Expenses	(140,289)	(110,205)	27.3	(277,819)	(212,269)	30.9
Premises Equipment and Establishment Expenses	(25,265)	(21,120)	19.6	(49,044)	(41,800)	17.3
Other Expenses	(120,147)	(98,068)	22.5	(227,205)	(185,375)	22.6
Operating Profit Before Value Added Tax & NBT	316,550	205,808	53.8	581,509	367,912	58.1
Value Added Tax on Financial Services & NBT	(43,870)	(33,601)	30.6	(91,356)	(53,673)	70.2
Profit Before Income Tax	272,680	172,207	58.3	490,152	314,240	56.0
Income Tax Expense	(79,745)	(57,939)	37.6	(166,603)	(103,943)	60.3
Profit for the Period	192,935	114,268	68.8	323,549	210,297	53.9
Earnings Per Share (Annualised)	18.57	11.00	68.8	15.57	10.12	53.9

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		
	2016	2015	Change	2016	2015	Change
			%			%
Profit for the period	192,935	114,268	68.8	323,549	210,297	53.9
Other Comprehensive Income for the Period , Net of Tax						
Other Comprehensive Income not be reclassified to Income Statement						
Remeasurement on Retirement Benefit Obligation	-	-	-	-	-	-
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	830	(5,063)	116.4	6,396	(5,223)	222.5
Total Other Comprehensive Income to be reclassified to Income Statement	830	(5,063)	116.4	6,396	(5,223)	222.5
Total Other Comprehensive Income for the Period, Net of Tax	830	(5,063)	116.4	6,396	(5,223)	222.5
Total Comprehensive Income for the Period	193,765	109,205	77.4	329,945	205,074	60.9

VALLIBEL FINANCE PLC
Statement of Financial Position

	Amounts in Rupees '000		
	As at 30th September 2016	As at 31st March 2016 (Audited)	Change %
Assets			
Cash and Cash Equivalents	304,464	519,315	(41.4)
Placements with Banks and Other Finance Companies	1,465,590	1,312,170	11.7
Reverse Repurchase Agreements	-	1,679,717	(100.0)
Financial Investments - Held for Trading	4,387	4,067	7.9
Loans and Receivables to Other Customers	10,242,710	7,251,677	41.2
Lease Rental and Hire Purchase Receivables	11,488,195	11,228,228	2.3
Financial Investments - Available for Sale	511,751	104,658	389.0
Financial Investments - Held to Maturity	1,130,496	300,794	275.8
Other Financial Assets	17,553	15,969	9.9
Property, Plant and Equipment	272,211	194,787	39.7
Intangible Assets	3,602	4,130	(12.8)
Deferred Tax Assets	37,147	37,147	-
Other Assets	162,016	114,517	41.5
Total Assets	25,640,122	22,767,176	12.6
Liabilities			
Bank Overdrafts	894,878	1,224,665	(26.9)
Rental Received in Advance	276,299	208,870	32.3
Deposits due to Customers	16,692,678	14,804,037	12.8
Interest bearing Borrowings	3,070,590	2,243,116	36.9
Subordinated Term Debts	1,919,666	1,917,563	0.1
Current Tax Liabilities	170,074	38,688	339.6
Deferred Tax Liabilities	182,866	182,866	-
Other Liabilities	244,508	190,776	28.2
Retirement Benefit Obligations	33,568	27,669	21.3
Total Liabilities	23,485,127	20,838,250	12.7
Equity			
Stated Capital	287,153	287,153	-
Statutory Reserves	447,887	383,177	16.9
Available For Sale Reserve	(1,613)	(8,009)	(79.9)
General Reserve	7,500	7,500	-
Retained Earnings	1,414,068	1,259,105	12.3
Total Equity	2,154,995	1,928,926	11.7
Total Liabilities and Equity	25,640,122	22,767,176	12.6
Net Assets Value Per Share (Rs.)	51.86	46.42	11.7

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
AGM - Finance & Administration

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

31st October 2016
Colombo.

VALLIBEL FINANCE PLC
Statement of Changes in Equity

For the six months ended	Stated Capital	Statutory Reserve Fund	Available For Sale Reserve	General Reserve	Amounts in Rupees '000	
					Retained Earnings	Total Equity
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
Balance as at 01st April 2016	287,153	383,177	(8,009)	7,500	1,259,105	1,928,926
Total Comprehensive Income for the Period						
Profit for the Period	-	-	-	-	323,549	323,549
Other Comprehensive Income, net of Tax	-	-	6,396	-	-	6,396
Total Comprehensive Income for the Period	-	-	6,396	-	323,549	329,945
Transactions with Equity Holders of the Company						
Contributions and Distributions						
Dividends	-	-	-	-	(103,877)	(103,877)
Total Contributions and Distributions	-	-	-	-	(103,877)	(103,877)
Statutory Reserve Transfers	-	64,710	-	-	(64,710)	-
Balance as at 30th September 2016	287,153	447,887	(1,613)	7,500	1,414,068	2,154,995

VALLIBEL FINANCE PLC**Cash Flow Statement**

For the period ended	Amounts in Rupees '000	
	30th September 2016	30th September 2015
Cash Flow From Operating Activities		
Interest and Commission Receipts	2,144,356	1,557,731
Interest Payments	(890,509)	(621,624)
Cash Receipts from Customers	182,184	39,850
Cash Payments to Employees and Suppliers	(500,268)	(400,478)
Operating Profit Before Changes in Operating Assets and Liabilities	935,763	575,480
(Increase) / Decrease in Operating Assets		
Short Term Funds & Other Short Term Negotiable Securities	(936,368)	841,954
Deposits held for Regulatory or Monetary Control Purposes	1,102,770	(606,335)
Funds Advanced to Customers	(3,209,648)	(2,600,109)
Increase / (Decrease) in Operating Liabilities		
Deposits from Customers	1,499,643	915,292
Certificate of Deposits	253,424	(9,382)
Net Cash (Used in) / Generated from Operating Activities before Tax	(354,416)	(883,100)
Taxes paid	(121,719)	(169,067)
Net Cash (Used In) / Generated from Operating Activities	(476,136)	(1,052,167)
Cash Flows From Investing Activities		
Dividends Received	139	136
Proceed from sale of Property , Plant and equipment	778	3,965
Purchase of Property , Plant and equipment	(106,946)	(43,040)
Net Cash (Used In) / Generated from Investing Activities	(106,029)	(38,938)
Cash Flows From Financing Activities		
Net increase / (decrease) in Borrowings	800,977	952,194
Dividend paid	(103,877)	(83,101)
Net Cash (Used In) / Generated from Financing Activities	697,100	869,093
Net Increase / (Decrease) in Cash & Cash Equivalents	114,936	(222,013)
Cash & Cash Equivalents at the Beginning of the Period	(705,350)	(105,814)
Cash & Cash Equivalents at the End of the Period (Note A)	(590,414)	(327,827)
Note A		
Cash & Cash Equivalents at the End of the Period		
Cash in Hand and at Banks	304,464	134,693
Bank Overdrafts	(894,878)	(462,520)
	(590,414)	(327,827)

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 2016	31st March 2016	30th September 2016	31st March 2016	30th September 2016	31st March 2016	30th September 2016	31st March 2016	30th September 2016	31st March 2016
	Assets									
Cash and Cash Equivalents	-	-	-	-	304,464	519,315	-	-	304,464	519,315
Placements with Banks and Other Finance Companies	-	-	-	-	1,465,590	1,312,170	-	-	1,465,590	1,312,170
Reverse Repurchase Agreements	-	-	-	-	-	1,679,717	-	-	-	1,679,717
Financial Investments - Held for Trading	4,387	4,067	-	-	-	-	-	-	4,387	4,067
Loans and Receivables to Other Customers	-	-	-	-	10,242,710	7,251,677	-	-	10,242,710	7,251,677
Lease Rental and Hire Purchase Receivables	-	-	-	-	11,488,195	11,228,228	-	-	11,488,195	11,228,228
Financial Investments - Available for Sale	-	-	-	-	-	-	511,751	104,658	511,751	104,658
Financial Investments - Held to Maturity	-	-	1,130,496	300,794	-	-	-	-	1,130,496	300,794
Other Financial Assets	-	-	-	-	17,553	15,969	-	-	17,553	15,969
Total Financial Assets	4,387	4,067	1,130,496	300,794	23,518,512	22,007,074	511,751	104,658	25,165,146	22,416,594
Liabilities										
Bank Overdrafts	-	-	-	-	-	-	894,878	1,224,665	894,878	1,224,665
Rental Received in Advance	-	-	-	-	-	-	276,299	208,870	276,299	208,870
Deposits due to Customers	-	-	-	-	-	-	16,692,678	14,804,037	16,692,678	14,804,037
Interest bearing Borrowings	-	-	-	-	-	-	3,070,590	2,243,116	3,070,590	2,243,116
Subordinated Term Debts	-	-	-	-	-	-	1,919,666	1,917,563	1,919,666	1,917,563
Total Financial Liabilities	-	-	-	-	-	-	22,854,112	20,398,251	22,854,112	20,398,251

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 2016.
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. 2.50 per share for the year ended 31st March 2016, on 21st June 2016.
4. There were no material events took place since 30th September 2016 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 2016	As at 30th September 2015
	Rs'000	Rs'000
Asset Quality		
Based on Sri Lanka Accounting Standards effected prior to 1st April 2012		
Total Accommodation (Net of Interest in Suspense)	22,337,583	15,766,314
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	21,777,670	15,243,736
Non-Performing Accommodations (Net of Interest in Suspense)	683,140	639,275
Liquidity		
Required Minimum Amount of Liquid Assets	1,778,232	1,441,588
Available Amount of Liquid Assets	2,314,315	2,391,136
Required Minimum Amount of Government Securities	1,098,644	847,503
Available Amount of Government Securities	1,125,721	1,006,115
Capital Adequacy		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	8.29%	8.99%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	12.44%	13.49%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	16.94%	16.66%
Profitability		
Return on Assets (After Tax) - (Annualised)	3.01%	2.40%
Return on Equity - (Annualised)	35.81%	27.94%

Information On Ordinary Shares

Share Price During the Quarter	For the quarter ended	
	30.09.2016	30.09.2015
Highest	65.80	73.00
Lowest	57.00	58.50
Closing	62.00	63.10
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

	For the quarter ended					
	Highest		Lowest		Period End	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015
5 Year Fixed Rate - 14.75%	102.00	N/T	102.00	N/T	102.00	N/T
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	N/T	N/T	N/T	N/T	N/T

VFIN Debentures 2015/2020

	For the quarter ended					
	Highest		Lowest		Period End	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015
5 Year Fixed Rate - 10.25%	99.28	N/T	97.73	N/T	99.28	N/T

Interest Rates

VFIN Debentures 2014/2019

	For the quarter ended			
	Coupon Rate		Effective Rate	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
5 Year Fixed Rate - 14.75%	14.75%	14.75%	15.59%	15.59%
5 Year Fixed Rate - 15.00%	15.00%	15.00%	15.56%	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	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
5 Year Fixed Rate - 10.25%	10.25%	10.25%	10.51%	10.51%

Interest Rates of Comparable Government Securities

	For the quarter ended	
	30.09.2016	30.09.2015
5 Year Treasury Bond	11.76%	9.58%

Interest Yield and Yield to Maturity

VFIN Debentures 2014/2019

	For the quarter ended					
	Fixed - 14.75%		Fixed - 15.00%		Fixed - 15.50%	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Interest Yield	14.46%	N/T	15.00%	N/T	15.50%	N/T
Yield to Maturity of last trade	13.80%	N/T	N/T	N/T	N/T	N/T

VFIN Debentures 2015/2020

	For the quarter ended	
	30.09.2016	30.09.2015
Interest Yield	10.32%	N/T
Yield to Maturity of last trade	10.48%	N/T

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

Ratios

	30.09.2016	30.09.2015
Debt to Equity Ratio (%)	235%	195%
Interest Cover (Times)	1.53	1.50
Liquid Asset Ratio (%)	13.02%	16.59%

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	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	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	1,005,245	721,416	174,386	377,461	731,937	314,627	131,871	104,736	-	-	2,043,438	1,518,239
Administration Fees	-	-	-	-	-	-	-	-	37,182	23,956	37,182	23,956
Capital gains / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	139	136	-	-	139	136
Other	18,801	-	71	-	36,991	-	12,013	-	120,102	42,090	187,977	42,090
Total Revenue	1,024,046	721,416	174,456	377,461	768,928	314,627	144,023	104,872	157,284	66,046	2,268,737	1,584,422
Profit before Income tax											490,152	314,240
Taxation											(166,603)	(103,943)
Profit after tax											323,549	210,297
Other Information												
As at 30th September												
Segment assets	10,136,254	7,291,837	1,351,941	3,201,912	10,242,710	4,717,241	3,112,225	3,152,733	796,993	668,865	25,640,122	19,032,587
Segment Liabilities	9,284,325	6,664,991	1,238,313	2,926,658	9,381,833	4,311,722	2,850,649	2,881,707	730,007	611,366	23,485,127	17,396,444
Net assets	851,929	626,845	113,628	275,254	860,877	405,519	261,575	271,026	66,985	57,499	2,154,995	1,636,143

Additional Notes

20 Major Shareholders As At 30th September 2016

	No. of Shares	(%)
1 Vallibel Investments (Pvt) Limited	30,277,000	72.868%
2 Mr. K D A Perera	1,359,809	3.273%
3 Mr. R F T Perera	1,136,500	2.735%
4 Mr. S B Rangamuwa	860,092	2.070%
5 Union Bank of Colombo PLC/Mr. S Abishek	289,157	0.696%
6 Mr. C S J Perera	285,200	0.686%
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 Samaranayake	150,000	0.361%
12 Mr. N Balasingam	134,900	0.325%
13 Mr. A Sithampalam	130,605	0.314%
14 Code-Gen International (Pvt) Ltd	125,000	0.301%
15 Mrs. S P Gunasekara	122,913	0.296%
16 Mr. D S Panditha	116,260	0.280%
17 Mr. F J P Raj	115,100	0.277%
18 Mr. R Udalgama	113,022	0.272%
19 Mr. R Gautam	102,000	0.245%
20 Mr. W M A B Walisundara	100,155	0.241%
	36,226,013	87.185%
Others	5,324,587	12.815%
	41,550,600	100.000%

Directors' Shareholding As At 30th September 2016

1 Mr. K V P Ranjith De Silva	-	-
2 Mr. Dhammika Perera	600	0.001%
3 Mr. S B Rangamuwa	860,092	2.070%
4 Mr. R M Karunaratne	-	-
5 Mr. T Murakami	-	-
6 Mr. K D A Perera	1,359,809	3.273%
7 Mr. A Dadigama	-	-
8 Mr. H Ota (Alternate Director to Mr. T Murakami)	-	-
	2,220,501	5.344%

Public Holding As At 30th September 2016

21.63%

Number of Public Shareholders

2,052