vallibel Finance

Financial Statements for the Year Ended 31st March 2024														
Statement of Profit or Loss and other Comprehensive Income For the Year Ended 31st March		Company			Group		Statement of Financial	Company			Group			
	2024 Rs.	2023 Rs.	Growth %	2024 Rs.	2023 Rs.	Growth %	Position As at 31st March	2024 Rs.	2023 Rs.	Growth %	2024 Rs.	2023 Rs.	Growth %	
Gross Income	20,029,639,311	16,704,448,424	19.9	20,281,299,842	16,688,865,786	21.5	Assets							
Interest Income	18,371,636,183	15,675,717,444	17.2	18,371,636,183	15,675,717,444	17.2	Cash and Cash Equivalents	1,952,377,006	2,332,724,111	(16.3)	1,958,980,732	2,339,453,098	(16.3	
Interest Expense	(11,365,023,712)	(11,013,953,929)	3.2	(11,419,214,036)	(11,013,953,929)	3.7	Placements with Banks and Other Finance Companies	8,322,519,888	9,860,926,513	(15.6)	8 322 519 888	9,860,926,513	(15.6	
Net Interest Income	7,006,612,471	4,661,763,515	50.3	6,952,422,147	4,661,763,515	49.1	Financial Assets Measured at Fair Value	0,022,010,000	0,000,020,010	(10.0)	0,022,010,000	0,000,020,010	(10.0	
Fee and Commission Income	714,346,044	511,805,140	39.6	697,029,377	505,805,140	37.8	Through Profit or Loss (FVTPL)	3,652,151,999	1,498,552,923	143.7	4,181,479,931	1,501,875,305	178.	
Net Fee and Commission Income	714,346,044	511,805,140	39.6	697,029,377	505,805,140	37.8	Financial Assets at Amortised Cost - Loans and Receivables to Other Customers	57,895,030,197	50.581.535.164	14.5	57,895,030,197	50.581.535.164	14.	
Net Gain / (Loss) from Trading	239,187	(125,888)	290.0	239,187	(125,888)	(290.0)	Financial Assets at Amortised Cost - Lease	01,000,000,201	00,001,000,10		01,000,000,201	00,001,000,101		
Net Gain / (Loss) from other Financial Instruments at FVTPL	92,010,886	125,013,492	(26.4)	106,360,511	125,013,492	(14.9)	Rental and Hire Purchase Receivables	10,346,936,570	10,789,860,137	(4.1)	10,346,936,570	10,789,860,137	(4.:	
Other Operating Income	851,407,011	392,038,236	117.2	1,106,034,584	382,455,598	189.2	Financial Investments Measured at Fair Value Through Other Comprehensive Income	203,800	203,800		203,800	203,800	-	
Total Operating Income	8,664,615,599	5,690,494,495	52.3			56.2	Financial Assets at Amortised Cost - Debt	,						
Impairment (Charges) / Reversals and	-,,,	2,223,121,122	0	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	3,011,022,001		and other Financial Instruments	5,048,103,209	4,169,488,788	21.1	5,048,103,209	4,169,488,788	21.	
Other Credit Losses on Financial Assets	(437,781,236)	(97,575,003)	348.7	(437,781,236)	(97,575,003)	348.7	Financial Assets at Amortised Cost - Other Financial Assets	34,318,758	28,698,236	19.6	34,318,758	28,698,236	19.0	
Net Operating Income	8,226,834,363	5,592,919,492	47.1	8,424,304,570	5,577,336,854	51.0	Investment in a Subsidiary	20	20	-	-	-	-	
Expenses							Investment Property	1,178,000,000	1,179,500,000	(0.1)			-	
Personnel Expenses	(1,948,215,076)	(1,552,821,697)	25.5	(1,949,075,023)	(1,552,828,907)	25.5	Property, Plant and Equipment	968,055,891	772,845,990	25.3		3,974,429,790	12.	
Premises Equipment and	(050,000,047)	(004,000,005)		(000,000,470)	(004 000 005)	40.0	Right-of-use Lease Assets Intangible Assets	1,746,894,661 20,325,110	748,848,409 18,458,354	133.3 10.1	744,153,575 21,450,110	748,848,409 18,458,354	(0.6 16.:	
Establishment Expenses	(359,223,347)	, , , , ,	23.2	(332,266,473)	, , , ,	13.9	Deferred Tax Assets	644,011,716	107,519,914	499.0	373,281,789	110,488,657	237.8	
Other Operating Expenses	(1,274,807,182)	(985,897,827)	29.3	(1,341,009,198)	(988,916,877)	35.6	Other Assets	1,358,620,425	234,912,249	478.4	307,260,400		34.8	
Operating Profit Before Taxes on Financial Services	4,644,588,758	2,762,599,933	68.1	4,801,953,876	2,743,991,035	75.0	Total Assets	93,167,549,250	82,324,074,608	13.2	94,811,181,176	84,352,172,444	12.	
Taxes on Financial Services	(1,189,389,196)		70.6			70.8	Liabilities							
Profit Before Income Tax	3,455,199,562		67.3			76.4	Bank Overdrafts	1,913,963,888	1,561,119,013	22.6	1,913,963,888	1,561,119,013	22.0	
Income Tax Expense	(1,313,646,503)	(725,907,981)	81.0	(1,556,251,107)	(719,457,930)	116.3	Rental Received in Advance	197,788,433	176,943,085	11.8	216,238,433	176,943,085	22.2	
Profit for the Year	2,141,553,059	1,339,572,151	59.9	2,054,934,435	1,327,413,304	54.8	Financial Liabilities at Amortised Cost - Deposits due to Customers	58,643,446,021	49.659.457.138	18.1	58,643,446,021	49.659.457.138	18.:	
Profit attributable to:							Financial Liabilities at Amortised Cost	00,010,110,022	10,000,101,100	2012	55,515,115,522	10,000,101,100	20	
Equity holders of the Company	2,141,553,059	1,339,572,151	59.9	2,054,934,435	1,327,413,304	54.8	- Interest bearing Borrowings	10,786,680,538	13,888,909,088	` '	12,747,146,583		(20.1	
Non - Controlling Interest	-		-	-	-	-	Subordinated Term Debt	3,331,609,018	3,163,398,140		3,331,609,018		5.	
Profit for the Year	2,141,553,059	1,339,572,151	59.9	2,054,934,435	1,327,413,304	54.8	Lease Liabilities Current Tax Liabilities	1,989,370,134 642,304,471	912,495,354 547,185,073	118.0 17.4	967,091,730 642,304,471		6.0 17.4	
Earnings Per Share							Deferred Tax Liabilities	739,933,605	284,918,764	159.7	881,723,481	, ,	209.	
Basic Earnings Per Share	9.10	5.69	59.9	8.73	5.64	54.8	Other Liabilities	1,791,324,976	955,904,529	87.4	2,048,995,557	947,566,765	116.	
Diluted Earnings Per Share	9.10	5.69	59.9	8.73	5.64	54.8	Retirement Benefit Obligations	157,335,587	86,818,197	81.2	157,335,587	86,818,197	81.2	
							Total Liabilities	80,193,756,671	71,237,148,381	12.6	81,549,854,769	73,294,489,630	11.3	
Statement of Profit or Loss and		Company			Group		Equity							
other Comprehensive Income contd. For the Year Ended 31st March		2023	Growth	2024	2023	Growth	Stated Capital Statutory Reserve Fund	1,325,918,000 1,873,850,686	1,325,918,000 1,766,773,033	- 6 1		1,325,918,000 1,766,773,033	-	
For the fear Ended 31st March	Rs.	Rs.	%	Rs.	Rs.	%	Other Reserves	184,034,787	164,886,280	6.1 11.6	643,080,652		6.3 191.0	
Profit for the Year	2,141,553,059	1,339,572,151	59.9	2,054,934,435	1,327,413,304	54.8	Retained Earnings	9,589,989,106	7,829,348,914		9,418,477,069		21.0	
Other Comprehensive Income, Net of							Total Equity attributable to Equity holders							
Tax Items that will never be reclassified to Profit or Loss							of the Company	12,973,792,579	11,086,926,227	17.0	13,261,326,407	11,057,682,814	19.	
							Non - Controlling Interest							
Gains / (Losses) on remeasurement of Defined Benefit Liability	(57,665,014)	10,848,897	(631.5)	(57,665,014)	10,848,897	(631.5)	Total Equity	12,973,792,579			13,261,326,407		19.9	
Deferred Tax (Charge) / Reversal on	(* /***/* /	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	(3,733,73,7		(33.37	Total Liabilities and Equity	, , ,	82,324,074,608		94,811,181,176		12.	
Actuarial Gains / (Losses)	17,299,504	4,625,210	274.0	17,299,504	4,625,210	274.0	Net Assets Value Per Share (Rs.)	55.10	47.09	17.0	56.32	46.96	19.	
Net Actuarial Gains / (Losses) on	/40 005 540	45 454 405	(000.0)	//0.005.5/0	45 454 405	222.2	Certification							
Defined Benefit Liability	(40,365,510)	15,474,107	(360.9)		15,474,107	360.9	These Financial Statements had Act, No.07 of 2007.	ave been prepar	ed in compliar	ice with th	e requirement	s of the Compa	anies	
Revaluation of Land & Buildings	27,355,010		100.0	603,634,817		100.0								
Deferred Tax (Charge) / Reversal on Revaluation of Land & Buildings	(8,206,503)		(100.0)	(181,090,445)		(100.0)	sgd. K.D.Menaka Sameera							
Deferred Tax Effect on Revaluation Surplus		(40,400,050)	400.0		(40,000,050)	400.0	Senior DGM - Finance & Administration							
due to Change in Tax Rate Net Change in Revaluation of Land & Buildings	19,148,507	(13,490,252) (13,490,252)	241.9	422,544,372	(18,260,252) (18,260,252)		The Board of Directors is responsible for the preparation and the presentation of these Financial Statements.							
Items that are or may be reclassified to	13,140,307	(13,430,232)	241.3	722,344,372	(10,200,232)	2,714.0	Approved and signed for and o	n behalf of the	Board ;					
Profit or Loss							sgd.		sgd.					
Deferred Tax (Charge) / Reversal on							S.B. Rangamuwa S.S. Weerabahu							
Fair Value Gains / (Losses)	-	226,310,672	(100.0)	-	226,310,672	(100.0)	Managing Director		Executive Di		VALIA	3rd Jun	ne 2024,	
Net Gains / (Losses) on Investment in												Colomb		



(Chartered Accountants) 32A, Sir Mohamed Macan Markar Mawatha, P. O. Box 186, Colombo 00300, Sri Lanka.

To the Shareholders of Vallibel Finance PLC **Report on the Audit of the Financial Statements**

Opinion
We have audited the financial statements of Vallibel Finance PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 3.1 March 2024, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on pages 198 to 298 of this Annual Report.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as of March 31, 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ney audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Company uses the Expected Credit Loss (ECL) model to calculate the allowance for impairment loss in accordance with SLFRS 9- Financial Instruments (SLFRS 9).

A high degree of complexity and judgment are involved in estimating ECL. There are also a number of key assumptions made by the Company in applying the requirements of SLFRS 9 to the models including the identification of loss stage, floward looking probability of default (PD), loss given default (LGD), macroeconomic scenarios including their weighting and judgments over the use of data inputs required.

The prevailing uncertain and volatile macro-economic environment meant that assumptions regarding the economic objects on more uncertain which, combined with varying government responses, increases the level of judgement required by the Company in calculating the ECL, and this associated audit risk.

We have identified the allowance for expected credit losses as a key audit matter due to the significance of the loans and receivables, lease and hire purchases receivables balances to these financial statements, the inherent complexity of the Company's ECI models used to measure ECI allowances.

Our Response:

- Assessing the methodology inherent within the impairment models against the requirements of SLFRS 9, specially taking into consideration the prevailing uncertain and volatile macro-economic environment; Challenging the key assumptions in the ECL models, including staging, PD, and LGD and evaluating the reas
 of Management's key judgments and estimates;
- Testing the accuracy and completeness of the data inputs to the systems and ECL models and challenging the economic information used within, and weightings applied to, forward looking scenarios;
- Recalculating the ECL on sample basis, by using the key assumptions used in the models, such as PD and LGD; Assessing the reasonableness of the Company's considerations of the prevailing uncertain and volatile macro-
- Assessing the adequacy of disclosures made in the financial statements in compliance with relevant accounting standards requirements.

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the undit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraudor errors.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAUSS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material instatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override

Km

CHARTERED ACCOUNTANTS Colombo, Sri Lanka

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within
the Group to express an opinion on the consolidated financial statements. We are responsible for the direction,
supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to been on un independence, and where applicable, actions taken to eliminate threats or safeguards applied. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in externely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweight the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company. CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2599



226,310,672

223,524,527 1.550.937.831

As at 31st March

2023

6.16%

2.96%

17.85%

51.85%

4.82%

6.18%

3.45%

12.32%

49.74%

269.24%

19.94%

58

BBB+ (Negative)

Actual

17.02%

22.26%

26.84%

(100.0)

57.1

57.1

57.1

Required

8.50%

12.50%

10.00%

KPMG, a Sri Lankan Partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English Company limited by a guarantee. All rights reserverd.

M.N.M. Shameel FCA Ms. C.I.K.N. Perera ACA
Ms. P.M.K.S. Sumanasekara FCA R.W.M.O.W.B.D. Rathnadiwakara FCA

W.W.J.C. Perera FCA G.A.U. Karunaratne FCA

Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyard FCMA (UK), FCIT, K. Somasundaram ACMA(UK)

Vallibel Finance

There had not been any regulatory restrictions on deposits, borrowings and lending during the year ended 31.03.2024 and 31.03.2023.

226,310,672

228.294.527

1,567,866,678

1,567,866,678

(21,217,003)

2,120,336,056

2,120,336,056

2,120,336,056 1,567,866,678

(100.0)

(109.3)

35.2

35.2

35.2

As at 31st March

2024

5.88%

2.62%

15.11%

55.41%

5.00%

8.60%

4.99%

16.51%

41.34%

225.98%

64

BBB+ (Stable)

200,000

19.68%

Required

8.50%

12.50%

10.00%

Actual

17.06%

19.80%

24.71%

382,178,862

2,437,113,297

2,437,113,297 1,550,937,831

2,437,113,297 1,550,937,831

Financial Assets at Fair Value through

Other Comprehensive Income for the

Total Comprehensive Income for the Year

Total Comprehensive Income for the Year

Selected Key Performance Indicators

Other Comprehensive Income

Equity holders of the Company

Non - Controlling Interest

(As Per Regulatory Reporting)

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

Quality of Loan Portfolio (%) Gross - Stage 3 Loans Ratio

Net - Stage 3 Loans Ratio

Profitability (%)

Net Interest Margin

Cost to Income Ratio

Liquidity (%)

Amount (Rs.)

Regulatory Capital Adequacy (%)

Capital Funds to Deposit Liabilities Ratio

Net - Stage 3 Loans to Core Capital Ratio

Available Liquid Assets to Required Liquid Assets (Minimum 100%)

Stage 3 Impairment Coverage Ratio

Total Impairment Coverage Ratio

Return on Assets (Before Tax)

Liquid Assets to External Funds

Regulatory penalties imposed

Memorandum information

Number of Branches

External Credit Rating

Return on Equity (After Tax)

Year, Net of Tax

Attributable to:

No. 310, Galle Road, Colombo 03. Tel: 011 7 480 480