



vallibel Finance

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Income Statement For the Year Ended 31st March	2016 Rs.	2015 Rs.	Change %
Gross Income	3,468,276,901	2,896,187,378	19.8
Interest Income	3,241,795,226	2,799,745,875	15.8
Interest Expense	(1,558,667,730)	(1,344,337,892)	15.9
Net Interest Income	1,683,127,496	1,455,407,983	15.6
Fee and Commission Income	59,805,642	50,314,825	18.9
Net Fee and Commission Income	59,805,642	50,314,825	18.9
Net Gain / (Loss) from Trading	(618,563)	(117,290)	427.4
Other Operating Income	167,294,596	46,243,968	261.8
Total Operating Income	1,909,609,171	1,551,849,486	23.1
Impairment Charges for Loans and other losses	(70,182,156)	(239,203,374)	(70.7)
Net Operating Income	1,839,427,015	1,312,646,112	40.1
Operating Expenses			
Personnel Expenses	(436,060,020)	(336,574,216)	29.6
Premises Equipment and Establishment Expenses	(87,538,076)	(66,321,159)	32.0
Other Expenses	(404,093,342)	(276,808,006)	46.0
Operating Profit Before Value Added Tax & NBT	911,735,577	632,942,731	44.0
Value Added Tax on Financial Services & NBT	(128,112,003)	(74,302,462)	72.4
Profit Before Income Tax	783,623,574	558,640,269	40.3
Income Tax Expense	(270,359,053)	(185,853,667)	45.5
Profit for the Year	513,264,521	372,786,602	37.7
Basic Earnings Per Share	12.35	8.97	37.7

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31st March	2016 Rs.	2015 Rs.	Change %
Profit for the Year	513,264,521	372,786,602	37.7
Other Comprehensive Income For the Year, Net of Tax			
Other Comprehensive Income not to be reclassified to Income Statement			
Remeasurement on Retirement Benefit Obligation	2,582,738	(4,183,437)	(161.7)
Deffered Tax (Charge) / Reversal on Actuarial Gains / (Losses)	(723,167)	1,171,362	(161.7)
Total Other Comprehensive Income not to be reclassified to Income Statement	1,859,571	(3,012,075)	(161.7)
Other Comprehensive Income to be reclassified to Income Statement			
Gains / (Losses) on remeasuring Available For Sale Financial Assets	(17,266,607)	5,202,523	(431.9)
Total Other Comprehensive Income to be reclassified to Income Statement	(17,266,607)	5,202,523	(431.9)
Total Other Comprehensive Income for the Year, Net of Tax	(15,407,036)	2,190,448	(803.4)
Total Comprehensive Income for the Year	497,857,485	374,977,050	32.8

Statement of Changes in Equity	Statutory Reserves						
	Stated Capital Rs.	Reserve Fund Rs.	Investment Fund Rs.	Available For Sale Reserve Rs.	General Reserve Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 01st April 2014	287,153,000	205,966,675	127,940,255	4,054,987	7,500,000	548,128,273	1,180,743,190
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	-	372,786,602	372,786,602
Other Comprehensive Income, net of Tax	-	-	-	5,202,523	-	(3,012,075)	2,190,448
Total Comprehensive Income for the Year	-	-	-	5,202,523	-	369,774,528	374,977,050
Transactions with Equity Holders of the Company							
Contributions and Distributions							
Dividends	-	-	-	-	-	(41,550,600)	(41,550,600)
Total Contributions and Distributions	-	-	-	-	-	(41,550,600)	(41,550,600)
Investment Fund Account Transfers	-	-	14,104,799	-	-	(14,104,799)	-
Investment Fund Account Re -Transfers	-	-	(142,045,054)	-	-	142,045,054	-
Statutory Reserve Transfers	-	74,557,320	-	-	-	(74,557,320)	-
Balance as at 31st March 2015	287,153,000	280,523,995	-	9,257,510	7,500,000	929,735,135	1,514,169,640
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	-	513,264,521	513,264,521
Other Comprehensive Income, net of Tax	-	-	-	(17,266,607)	-	1,859,571	(15,407,036)
Total Comprehensive Income for the Year	-	-	-	(17,266,607)	-	515,124,092	497,857,485
Transactions with Equity Holders of the Company							
Contributions and Distributions							
Dividends	-	-	-	-	-	(83,101,200)	(83,101,200)
Total Contributions and Distributions	-	-	-	-	-	(83,101,200)	(83,101,200)
Statutory Reserve Transfers	-	102,652,904	-	-	-	(102,652,904)	-
Balance as at 31st March 2016	287,153,000	383,176,899	-	(8,009,097)	7,500,000	1,259,105,123	1,928,925,925

Selected Performance Indicators (As Per Regulatory Reporting) As at 31st March	2016	2015
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs. '000	1,936,935	1,504,912
Total Capital Base, Rs. '000	2,905,403	2,257,368
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 5%)	10.58%	11.53%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 10%)	15.86%	17.29%
Capital Funds to Deposit Liabilities Ratio (Minimum requirement, 10%)	19.63%	18.56%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Accommodations, Rs. '000	721,150	673,113
Gross Non-Performing Accommodations Ratio, %	3.76%	5.11%
Net Non-Performing Accommodation Ratio, %	0.52%	0.95%
Profitability (%)		
Interest Margin	8.86%	10.38%
Return on Assets (before Tax)	3.95%	3.79%
Return on Equity (after Tax)	29.81%	27.67%
Regulatory Liquidity (Rs. '000)		
Required minimum amount of Liquid Assets	1,610,083	1,353,441
Available amount of Liquid Assets	3,077,482	3,248,895
Required minimum amount of Government Securities	847,503	610,144
Available amount of Government Securities	1,974,577	1,649,883
Memorandum information		
Number of Employees	600	517
Number of Branches	20	17
Number of Service Centers	8	7

ICRA Rating : BBB- Stable Outlook



No. 310, Galle Road, Colombo 03. Tel: 2 370 990

Statement of Financial Position As at 31st March	2016 Rs.	2015 Rs.	Change %
Assets			
Cash and Cash Equivalents	519,315,084	357,722,928	45.2
Placements with Banks and Other Finance Companies	1,312,169,859	1,768,499,428	(25.8)
Reverse Repurchase Agreements	1,679,716,852	1,353,477,948	24.1
Financial Investments - Held for Trading	4,067,378	4,822,336	(15.7)
Loans and Receivables to Other Customers	7,251,676,658	3,307,495,086	119.2
Lease Rental and Hire Purchase Receivables	11,228,228,344	9,261,379,875	21.2
Financial Investments - Available for Sale	104,658,351	120,529,779	(13.2)
Financial Investments - Held to Maturity	300,794,154	296,296,416	1.5
Other Financial Assets	15,968,593	11,806,411	35.3
Property, Plant and Equipment	194,787,387	181,172,558	7.5
Intangible Assets	4,129,612	4,188,589	(1.4)
Deferred Tax Assets	37,147,476	66,516,415	(44.2)
Other Assets	114,516,593	159,599,520	(28.2)
Total Assets	22,767,176,341	16,893,507,289	34.8
Liabilities			
Bank Overdrafts	1,224,665,038	463,536,788	164.2
Rental Received in Advance	208,870,398	170,421,167	22.6
Deposits due to Customers	14,804,037,141	12,162,096,690	21.7
Interest bearing Borrowings	2,243,116,105	299,522,795	648.9
Subordinated Term Debts	1,917,563,133	1,859,653,357	3.1
Current Tax Liabilities	38,687,596	93,290,845	(58.5)
Deferred Tax Liabilities	182,865,531	88,459,437	106.7
Other Liabilities	190,776,252	220,230,653	(13.4)
Retirement Benefit Obligations	27,669,222	22,125,917	25.1
Total Liabilities	20,838,250,416	15,379,337,649	35.5
Equity			
Stated Capital	287,153,000	287,153,000	-
Statutory Reserves	383,176,899	280,523,995	36.6
Available For Sale Reserve	(8,009,097)	9,257,510	(186.5)
General Reserve	7,500,000	7,500,000	-
Retained Earnings	1,259,105,123	929,735,135	35.4
Total Equity	1,928,925,925	1,514,169,640	27.4
Total Liabilities and Equity	22,767,176,341	16,893,507,289	34.8
Net Assets Value Per Share (Rs.)	46.42	36.44	27.4

Certification

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


sgd.
K.D.Menaka Sameera
AGM - Finance & Administration

sgd.
S.B. Rangamuwa
Managing Director

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 ;

27th May 2016,
Colombo.



KPMG
(Chartered Accountants)
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INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF VALLIBEL FINANCE PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Vallibel Finance PLC, ("the Company"), which comprise the statement of financial position as at 31st March 2016, and the Income Statement , statement of profit or loss and other comprehensive income, statement of changes in equity and, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion


In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st March 2016, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

a) The basis of opinion and scope and limitations of the audit are as stated above.

b) In our opinion 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 and the financial statements of the Company, comply with the requirements of section 151 of the Companies Act.



CHARTERED ACCOUNTANTS
Colombo
27th May 2016

M.R. Mihular FCA
T.J.S. Rajakarier FCA
Ms. S.M.B. Jayasekera ACA
G.A.U. Karunaratne FCA
R.H. Rajan ACA

P.Y.S. Perera FCA
W.W.J.C. Perera FCA
W.K.D.C. Abeyaratne FCA
R.M.D.B. Rajapakse FCA

C.P. Jayatilake FCA
Ms. S. Joseph FCA
S.T.O.L. Perera FCA
Ms. B.K.D.T.N. Rodrigo FCA

KPMG, a Sri Lankan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA