



INTERIM FINANCIAL STATEMENTS

For the Six Months ended 30th September 2019

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 | | |
|--|------------------------------|--------------------|-------------|---------------------------------|--------------------|-------------|
| | 2019 | 2018 (Restated) | Change % | 2019 | 2018 (Restated) | Change % |
| Gross Income | 2,438,086 | 2,119,626 | 15.0 | 4,825,843 | 4,085,331 | 18.1 |
| Interest Income | 2,224,367 | 1,894,773 | 17.4 | 4,408,265 | 3,670,182 | 20.1 |
| Interest Expense | (1,210,418) | (1,098,676) | 10.2 | (2,492,332) | (2,105,848) | 18.4 |
| Net Interest Income | 1,013,949 | 796,097 | 27.4 | 1,915,933 | 1,564,334 | 22.5 |
| Fee and Commission Income | 90,805 | 90,342 | 0.5 | 175,699 | 170,359 | 3.1 |
| Net Fee and Commission Income | 90,805 | 90,342 | 0.5 | 175,699 | 170,359 | 3.1 |
| Net Gain / (Loss) from Trading | 180 | (201) | 189.2 | 261 | (302) | 186.4 |
| Net Gain / (Loss) from other Financial Instruments at FVTPL | 19,638 | (930) | 2,211.7 | 36,427 | (305) | 12,028.7 |
| Other Operating Income | 103,096 | 135,642 | (24.0) | 205,191 | 245,397 | (16.4) |
| Total Operating Income | 1,227,668 | 1,020,950 | 20.2 | 2,333,511 | 1,979,483 | 17.9 |
| Impairment Charges and Other Credit Losses on Financial Assets | (98,568) | (67,573) | 45.9 | (181,761) | (112,431) | 61.7 |
| Net Operating Income | 1,129,100 | 953,377 | 18.4 | 2,151,750 | 1,867,052 | 15.2 |
| Expenses | | | | | | |
| Personnel Expenses | (268,328) | (241,093) | 11.3 | (525,583) | (461,940) | 13.8 |
| Premises Equipment and Establishment Expenses | (15,877) | (15,535) | 2.2 | (28,210) | (25,262) | 11.7 |
| Other Operating Expenses | (214,163) | (189,029) | 13.3 | (403,540) | (362,992) | 11.2 |
| Operating Profit Before Taxes on Financial Services | 630,732 | 507,720 | 24.2 | 1,194,417 | 1,016,858 | 17.5 |
| Taxes on Financial Services | (158,975) | (105,928) | 50.1 | (322,291) | (208,165) | 54.8 |
| Profit Before Income Tax | 471,757 | 401,792 | 17.4 | 872,126 | 808,693 | 7.8 |
| Income Tax Expense | (185,762) | (142,838) | 30.1 | (311,426) | (290,386) | 7.2 |
| Profit for the Period | 285,995 | 258,954 | 10.4 | 560,700 | 518,307 | 8.2 |
| Earnings Per Share (Annualised) - Rs. | 19.43 | 18.69 | 4.0 | 19.05 | 18.70 | 1.9 |

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

Amounts in Rupees '000

| | Quarter ended 30th September | | | Six Months ended 30th September | | |
|---|------------------------------|--------------------|-------------|---------------------------------|--------------------|-------------|
| | 2019 | 2018 (Restated) | Change % | 2019 | 2018 (Restated) | Change % |
| Profit for the period | 285,995 | 258,954 | 10.4 | 560,700 | 518,307 | 8.2 |
| Other Comprehensive Income for the Period , Net of Tax | | | | | | |
| Items that will never be reclassified to Profit or Loss | | | | | | |
| Gains / (Losses) on Remeasurement of Defined Benefit Liability | - | - | - | - | - | - |
| Deferred Tax (Charge) / Reversal on Actuarial Gains / (Losses) | - | - | - | - | - | - |
| Net Actuarial Gains / (Losses) on Defined Benefit Liability | - | - | - | - | - | - |
| Items that are or may be reclassified to Profit or Loss | | | | | | |
| Fair Value Gains / (Losses) that arose during the period, Net of Tax | - | - | - | - | - | - |
| Fair Value Gains realised to Statement of Profit or Loss and Other Comprehensive Income on disposal, Net of Tax | - | - | - | - | - | - |
| Net Gains / (Losses) on Investment in Financial Assets at Fair Value through Other Comprehensive Income | - | - | - | - | - | - |
| Other Comprehensive Income for the Period, Net of Tax | - | - | - | - | - | - |
| Total Comprehensive Income for the Period | 285,995 | 258,954 | 10.4 | 560,700 | 518,307 | 8.2 |

VALLIBEL FINANCE PLC
Statement of Financial Position

| | Amounts in Rupees '000 | | |
|---|---------------------------------|--|------------|
| | As at 30th September 2019 | As at 31st March 2019 (Audited) | Change % |
| Assets | | | |
| Cash and Cash Equivalents | 948,350 | 1,507,933 | (37.1) |
| Placements with Banks and Other Finance Companies | 1,531,771 | 2,356,359 | (35.0) |
| Reverse Repurchase Agreements | 1,042,200 | 230,130 | 352.9 |
| Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL) | 2,003,315 | 812,321 | 146.6 |
| Financial Assets at Amortised Cost - Loans and Receivables to Other Customers | 25,924,647 | 24,332,296 | 6.5 |
| Financial Assets at Amortised Cost - Lease Rental and Hire Purchase Receivables | 14,307,924 | 14,624,917 | (2.2) |
| Financial Investments Measured at Fair Value Through Other Comprehensive Income | 204 | 204 | - |
| Financial Assets at Amortised Cost - Debt and other Financial Instruments | 1,871,253 | 1,785,716 | 4.8 |
| Financial Assets at Amortised Cost - Other Financial Assets | 16,131 | 15,963 | 1.1 |
| Right of Use Lease Assets | 354,203 | - | 100.0 |
| Property, Plant and Equipment | 1,714,100 | 1,719,587 | (0.3) |
| Intangible Assets | 15,903 | 19,648 | (19.1) |
| Deferred Tax Assets | 73,029 | 73,029 | - |
| Other Assets | 218,506 | 181,423 | 20.4 |
| Total Assets | 50,021,536 | 47,659,526 | 5.0 |
| Liabilities | | | |
| Bank Overdrafts | 920,548 | 1,566,069 | (41.2) |
| Rental Received in Advance | 268,330 | 324,197 | (17.2) |
| Financial Liabilities at Amortised Cost - Deposits due to Customers | 27,591,596 | 25,436,258 | 8.5 |
| Financial Liabilities at Amortised Cost - Interest bearing Borrowings | 12,975,314 | 12,497,221 | 3.8 |
| Subordinated Term Debts | 1,042,406 | 1,031,100 | 1.1 |
| Lease Creditor | 369,793 | - | 100.0 |
| Current Tax Liabilities | 251,205 | 509,696 | (50.7) |
| Deferred Tax Liabilities | 343,734 | 343,734 | - |
| Other Liabilities | 381,164 | 411,166 | (7.3) |
| Retirement Benefit Obligations | 81,246 | 69,132 | 17.5 |
| Total Liabilities | 44,225,336 | 42,188,573 | 4.8 |
| Equity | | | |
| Stated Capital | 1,325,918 | 1,325,918 | - |
| Statutory Reserve Fund | 1,070,022 | 957,882 | 11.7 |
| Other Reserves | 134,646 | 134,646 | - |
| Retained Earnings | 3,265,614 | 3,052,507 | 7.0 |
| Total Equity | 5,796,200 | 5,470,953 | 5.9 |
| Total Liabilities and Equity | 50,021,536 | 47,659,526 | 5.0 |
| Net Assets Value Per Share (Rs.) | 98.47 | 92.94 | 5.9 |

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
SENIOR DGM - 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

17th October 2019
Colombo.

VALLIBEL FINANCE PLC
Statement of Changes in Equity

| | Stated Capital | Statutory Reserve Fund | Revaluation Reserve | FVOCI Reserve | General Reserve | Amounts in Rupees '000 | |
|---|-------------------|---------------------------|------------------------|------------------|--------------------|------------------------|------------------|
| | | | | | | Retained Earnings | Total Equity |
| Balance as at 01st April 2018 | 287,153 | 732,136 | - | - | 7,500 | 2,274,321 | 3,301,110 |
| Adjustment on initial application of SLFRS 9, net of tax | | | | | | (124,874) | (124,874) |
| Restated balance as at 01st April 2018 | 287,153 | 732,136 | - | - | 7,500 | 2,149,447 | 3,176,236 |
| Total Comprehensive Income for the Period | | | | | | | |
| Profit for the Period | - | - | - | - | - | 518,307 | 518,307 |
| Other Comprehensive Income, net of Tax | | | | | | | |
| Net Gains / (Losses) on Investment in Financial Assets at Fair Value through Other Comprehensive Income | - | - | - | - | - | - | - |
| Net Actuarial Gains / (Losses) on Retirement Benefit Liability | - | - | - | - | - | - | - |
| Total Comprehensive Income for the Period | - | - | - | - | - | 518,307 | 518,307 |
| Transactions with owners of the Company | | | | | | | |
| Contributions and distributions | | | | | | | |
| Proceeds from the Right Issue of Ordinary Shares | 1,038,765 | - | - | - | - | - | 1,038,765 |
| Transaction Cost of Right Issue of Ordinary Shares | - | - | - | - | - | (1,109) | (1,109) |
| Statutory Reserve Transfer | - | 103,661 | - | - | - | (103,661) | - |
| Total Contributions and distributions | 1,038,765 | 103,661 | - | - | - | (104,770) | 1,037,656 |
| Balance as at 30th September 2018 | 1,325,918 | 835,797 | - | - | 7,500 | 2,562,984 | 4,732,199 |
| Balance as at 01st April 2019 | 1,325,918 | 957,882 | 127,146 | - | 7,500 | 3,052,507 | 5,470,953 |
| Total Comprehensive Income for the Period | | | | | | | |
| Profit for the Period | - | - | - | - | - | 560,700 | 560,700 |
| Other Comprehensive Income, net of Tax | | | | | | | |
| Net Gains / (Losses) on Investment in Financial Assets at Fair Value through Other Comprehensive Income | - | - | - | - | - | - | - |
| Net Actuarial Gains / (Losses) on Defined Benefit Liability | - | - | - | - | - | - | - |
| Total Comprehensive Income for the Period | - | - | - | - | - | 560,700 | 560,700 |
| Transactions with owners of the Company | | | | | | | |
| Contributions and distributions | | | | | | | |
| Dividends to equity holders | | | | | | | |
| First and Final Dividend for 2018/19 | - | - | - | - | - | (235,453) | (235,453) |
| Statutory Reserve Transfer | - | 112,140 | - | - | - | (112,140) | - |
| Total Transactions with Equity Holders | - | 112,140 | - | - | - | (347,593) | (235,453) |
| Balance as at 30th September 2019 | 1,325,918 | 1,070,022 | 127,146 | - | 7,500 | 3,265,614 | 5,796,200 |

FVOCI Reserve - Fair Value through Other Comprehensive Income Reserve

VALLIBEL FINANCE PLC
Cash Flow Statement

| | Amounts in Rupees '000 | |
|--|---------------------------|---------------------------|
| For the Period Ended | 30th September 2019 | 30th September 2018 |
| Cash Flow From Operating Activities | | |
| Interest and Commission Receipts | 4,609,088 | 3,664,191 |
| Interest Payments | (2,315,796) | (2,073,929) |
| Cash Receipts from Customers | 159,125 | 309,813 |
| Cash Payments to Employees and Suppliers | (1,213,794) | (1,006,773) |
| Operating Profit Before Changes in Operating Assets and Liabilities | 1,238,623 | 893,302 |
| (Increase) / Decrease in Operating Assets | | |
| Short Term Funds | (52,626) | 27,744 |
| Deposits held for Regulatory or Monetary Control Purposes | 230,000 | 770,762 |
| Financial Assets at Amortised Cost - Loans and advances / Lease rental & Hire purchase receivables | (1,528,375) | (5,002,121) |
| Other Short Term Negotiable Securities | (1,422,333) | (723,167) |
| Increase / (Decrease) in Operating Liabilities | | |
| Financial liabilities at amortised cost – Due to depositors | 1,947,482 | 1,860,704 |
| Financial liabilities at amortised cost – Certificate of Deposits | 86,269 | (47,702) |
| Net Cash (Used in) / Generated from Operating Activities before Income Tax | 499,040 | (2,220,478) |
| Current Taxes Paid | (569,918) | (417,624) |
| Gratuity Paid | (1,986) | (1,559) |
| Net Cash (Used In) / Generated from Operating Activities | (72,864) | (2,639,661) |
| Cash Flows From Investing Activities | | |
| Dividends Received | 210 | 78 |
| Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL) | - | - |
| Proceed from Sale of Property , Plant and Equipment | 507 | 13,486 |
| Purchase of Property , Plant and equipment | (47,870) | (57,116) |
| Purchase of Intangible Assets | - | - |
| Net Cash (Used In) / Generated from Investing Activities | (47,153) | (43,552) |
| Cash Flows From Financing Activities | | |
| Proceeds from the Rights Issue of Ordinary Shares - Net of Transaction cost | - | 1,038,765 |
| Net Increase / (decrease) in Financial liabilities at amortised cost – Interest bearing Borrowings | 441,407 | 1,647,512 |
| Dividends Paid | (235,453) | - |
| Transaction cost of Right Issue | - | (1,877) |
| Net Cash (Used In) / Generated from Financing Activities | 205,954 | 2,684,400 |
| Net Increase / (Decrease) in Cash & Cash Equivalents | 85,937 | 1,187 |
| Cash & Cash Equivalents at the Beginning of the Period | (58,135) | (817,493) |
| Cash & Cash Equivalents at the End of the Period (Note A) | 27,802 | (816,306) |
| Note A | | |
| Cash & Cash Equivalents at the End of the Period | | |
| Cash in Hand and at Banks | 948,350 | 896,586 |
| Bank Overdrafts | (920,548) | (1,712,892) |
| | 27,802 | (816,306) |

Analysis of Financial Instruments by Measurement Basis

Amounts in Rupees '000

| | Financial Assets recognised through Profit or Loss (FVTPL) | | Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI) | | Financial Assets at Amortised Cost (AC) | | Total | |
|---|--|-----------------------|--|-----------------------|--|-----------------------|---------------------|-----------------------|
| | 30th September 2019 | As at 31st March 2019 | 30th September 2019 | As at 31st March 2019 | 30th September 2019 | As at 31st March 2019 | 30th September 2019 | As at 31st March 2019 |
| | | | | | | | | |
| Assets | | | | | | | | |
| Cash and Cash Equivalents | - | - | - | - | 948,350 | 1,507,933 | 948,350 | 1,507,933 |
| Placements with Banks and Other Finance Companies | - | - | - | - | 1,531,771 | 2,356,359 | 1,531,771 | 2,356,359 |
| Reverse Repurchase Agreements | - | - | - | - | 1,042,200 | 230,130 | 1,042,200 | 230,130 |
| Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL) | 2,003,315 | 812,321 | - | - | - | - | 2,003,315 | 812,321 |
| Financial Assets at Amortised Cost - Loans and Receivables to Other Customers | - | - | - | - | 25,924,647 | 24,332,296 | 25,924,647 | 24,332,296 |
| Financial Assets at Amortised Cost - Lease Rental and Hire Purchase Receivables | - | - | - | - | 14,307,924 | 14,624,917 | 14,307,924 | 14,624,917 |
| Financial Investments Measured at Fair Value Through Other Comprehensive Income | - | - | 204 | 204 | - | - | 204 | 204 |
| Financial Assets at Amortised Cost - Debt and other Financial Instruments | - | - | - | - | 1,871,253 | 1,785,716 | 1,871,253 | 1,785,716 |
| Financial Assets at Amortised Cost - Other Financial Assets | - | - | - | - | 16,131 | 15,963 | 16,131 | 15,963 |
| Total Financial Assets | 2,003,315 | 812,321 | 204 | 204 | 45,642,276 | 44,853,314 | 47,645,795 | 45,665,839 |
| | | | | | Financial Liabilities at Amortised Cost (AC) | | Total | |
| | | | | | 30th September 2019 | As at 31st March 2019 | 30th September 2019 | As at 31st March 2019 |
| Liabilities | | | | | | | | |
| Bank Overdrafts | | | | | 920,548 | 1,566,069 | 920,548 | 1,566,069 |
| Rental Received in Advance | | | | | 268,330 | 324,197 | 268,330 | 324,197 |
| Financial Liabilities at Amortised Cost - Deposits due to Customers | | | | | 27,591,596 | 25,436,258 | 27,591,596 | 25,436,258 |
| Financial Liabilities at Amortised Cost - Interest bearing Borrowings | | | | | 12,975,314 | 12,497,221 | 12,975,314 | 12,497,221 |
| Subordinated Term Debts | | | | | 1,042,406 | 1,031,100 | 1,042,406 | 1,031,100 |
| Lease Creditor | | | | | 369,793 | - | 369,793 | - |
| Total Financial Liabilities | | | | | 43,167,987 | 40,854,845 | 43,167,987 | 40,854,845 |

Explanatory Notes

1. 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 2019 except described in note 03.
2. These Interim Financial Statements have been prepared in accordance with the requirements of Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting'.
3. **SLFRS 16 - Leasing**
The Company has adopted Sri Lanka Accounting Standard - SLFRS 16 (Leasing) with effect from 01st April 2019.
4. Interim Financial Statements for the quarter ended 30.09.2018 has been restated by incorporating the impact on adopting SLFRS 9 on 01st April 2018. The Company has previously prepared Interim Financials for the quarter ended 30.09.2018 based on "LKAS 39 –Financial Instruments: Recognition and Measurement" as permitted by the Statement of Alternative Treatment (SoAT), on the figures in the "Interim Financial Statements" issued by CA Sri Lanka.
5. ICRA Lanka Limited has revised / reaffirmed the ratings issued to the Company as follows.
Issuer Rating of [SL] BBB (stable) , reaffirmed
Guaranteed Subordinate Redeemable Debentures rating of [SL] AA - (SO) (stable) , reaffirmed
Unsecured Subordinate Redeemable Debentures rating of [SL] BBB - (stable) , withdrawn
6. The Company has paid the first and final dividend of Rs. 4.00 per share for the year ended 31st March 2019, on 24th June 2019.

7 Comparative Figures

Comparative figures have been re-stated/re-classified where necessary, to conform to the current period presentation. The following line items of the Interim Financial Statements were restated due to the adoption of SLFRS 9.

Amounts in Rupees '000

| | Quarter ended 30th September | | Six Months ended 30th September | |
|--|------------------------------|---------------------|---------------------------------|---------------------|
| | Restated | As reported in 2018 | Restated | As reported in 2018 |
| Income Statement | | | | |
| Gross Income | 2,119,626 | 2,123,880 | 4,085,331 | 4,092,644 |
| Interest Income | 1,894,773 | 1,898,098 | 3,670,182 | 3,677,190 |
| Net Interest Income | 796,097 | 799,423 | 1,564,334 | 1,571,342 |
| Net Gain / (Loss) from other Financial Instruments at FVTPL | (930) | - | (305) | - |
| Total Operating Income | 1,020,950 | 1,025,205 | 1,979,483 | 1,986,797 |
| Impairment Charges and Other Credit Losses on Financial Assets | 67,573 | 62,945 | 112,431 | 101,887 |
| Net Operating Income | 953,377 | 962,260 | 1,867,052 | 1,884,910 |
| Operating Profit Before Taxes on Financial Services | 507,720 | 516,603 | 1,016,858 | 1,034,716 |
| Taxes on Financial Services | 105,928 | 107,782 | 208,165 | 211,821 |
| Profit Before Income Tax | 401,792 | 408,821 | 808,693 | 822,895 |
| Income Tax Expense | 142,838 | 145,337 | 290,386 | 295,486 |
| Profit for the Period | 258,954 | 263,484 | 518,307 | 527,409 |
| Statement of Profit or Loss and Other Comprehensive Income | | | | |
| Fair Value Gains / (Losses) that arose during the period, Net of Tax | - | (930) | - | (305) |
| Other Comprehensive Income for the Period, Net of Tax | - | (930) | - | (305) |
| Total Comprehensive Income for the Period | 258,954 | 262,554 | 518,307 | 527,104 |

8. During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities. All known expenditure items have been provided for.
9. There were no material events took place since reporting date other than disclosed above in Financial Statements.

Information On Ordinary Shares

| Share Price During the Quarter | For the Quarter Ended | |
|---|-----------------------|------------|
| | 30.09.2019 | 30.09.2018 |
| Highest | 71.80 | 69.00 |
| Lowest | 65.00 | 60.00 |
| Closing | 66.30 | 63.50 |
| No. of Ordinary Share Issued as at 30th September | 58,863,350 | 58,863,350 |

Selected Performance Indicators

| Indicator | As at 30th September 2019 | As at 30th September 2018 |
|---|---------------------------------|---------------------------------|
| 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) | 41,423,047 | 36,499,395 |
| Net Total Accommodations (Net of Provision for Bad and Doubtful Debts) | 40,487,676 | 35,825,133 |
| Non-Performing Accommodations (Net of Interest in Suspense) | 1,300,581 | 1,008,409 |
| Liquidity | | |
| Required Minimum Amount of Liquid Assets | 2,851,571 | 2,631,510 |
| Available Amount of Liquid Assets | 3,996,754 | 4,117,515 |
| Required Minimum Amount of Government Securities | 1,979,771 | 1,573,335 |
| Available Amount of Government Securities | 2,925,083 | 1,633,785 |
| Capital Adequacy | | |
| Tier 1 Capital to Risk Weighted Assets Ratio (Minimum 6%) | 9.95% | 10.21% |
| Total Capital to Risk Weighted Assets Ratio (Minimum 10%) | 11.46% | 11.39% |
| Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%) | 19.94% | 20.81% |
| Profitability | | |
| Return on Average Assets (After Tax) - Annualised | 2.30% | 2.54% |
| Return on Average Equity - Annualised | 19.91% | 25.81% |

Information On Listed Debentures

Market Values of Listed Debentures
VFIN Debentures 2014/2019

| | Highest | | For the quarter ended | | Lowest | | Period End | |
|----------------------------|------------|------------|-----------------------|------------|------------|------------|------------|------------|
| | 30.09.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 |
| 5 Year Fixed Rate - 14.75% | N/A | N/T | N/A | N/T | N/A | N/T | N/A | N/T |
| 5 Year Fixed Rate - 15.00% | N/A | N/T | N/A | N/T | N/A | N/T | N/A | N/T |
| 5 Year Fixed Rate - 15.50% | N/A | 100.50 | N/A | 97.50 | N/A | 97.50 | N/A | 97.50 |

VFIN Debentures 2015/2020

| | Highest | | For the quarter ended | | Lowest | | Period End | |
|----------------------------|------------|------------|-----------------------|------------|------------|------------|------------|------------|
| | 30.09.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 |
| 5 Year Fixed Rate - 10.25% | N/T | N/T | N/T | N/T | N/T | N/T | N/T | N/T |

Interest Rates

VFIN Debentures 2014/2019

| | For the quarter ended | | | |
|----------------------------|-----------------------|----------------|-------------|----------------|
| | Coupon Rate | Effective Rate | Coupon Rate | Effective Rate |
| | 30.09.2019 | 30.09.2019 | 30.09.2018 | 30.09.2018 |
| 5 Year Fixed Rate - 14.75% | N/A | N/A | 14.75% | 15.59% |
| 5 Year Fixed Rate - 15.00% | N/A | N/A | 15.00% | 15.56% |
| 5 Year Fixed Rate - 15.50% | N/A | N/A | 15.50% | 15.50% |

VFIN Debentures 2015/2020

| | For the quarter ended | | | |
|----------------------------|-----------------------|----------------|-------------|----------------|
| | Coupon Rate | Effective Rate | Coupon Rate | Effective Rate |
| | 30.09.2019 | 30.09.2019 | 30.09.2018 | 30.09.2018 |
| 5 Year Fixed Rate - 10.25% | 10.25% | 10.51% | 10.25% | 10.51% |

Interest Rates of Comparable Government Securities

| | For the quarter ended | |
|----------------------|-----------------------|------------|
| | 30.09.2019 | 30.09.2018 |
| 5 Year Treasury Bond | 10.27% | 9.91% |

Interest Yield and Yield to Maturity

VFIN Debentures 2014/2019

| | Fixed - 14.75% | | For the quarter ended | | Fixed - 15.50% | |
|---------------------------------|----------------|------------|-----------------------|------------|----------------|------------|
| | 30.09.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 |
| Interest Yield | N/A | 14.75% | N/A | 15.00% | N/A | 15.50% |
| Yield to Maturity of last trade | N/A | N/T | N/A | N/T | N/A | N/T |

VFIN Debentures 2015/2020

| | For the quarter ended | |
|---------------------------------|-----------------------|------------|
| | 30.09.2019 | 30.09.2018 |
| Interest Yield | 10.25% | 10.25% |
| Yield to Maturity of last trade | N/T | N/T |

* Debentures 2014/2019 - Rs. 500 Mn redeemed on the respective maturity date.

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

Ratios

| | 30.09.2019 | 30.09.2018 |
|--------------------------|------------|------------|
| Debt to Equity Ratio (%) | 248% | 239% |
| Interest Cover (Times) | 1.48 | 1.48 |
| Liquid Asset Ratio (%) | 14.02% | 15.65% |

Utilization of Funds Raised Via Capital Market

The funds raised via Capital Market have been utilized for the respective objective mentioned in the prospectus / circular.

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 | |
|-------------------------------------|------------------|------------------|---------------|---------------|------------------|------------------|----------------|----------------|----------------|----------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | 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 | 1,475,369 | 1,473,860 | 1,716 | 15,279 | 2,715,531 | 1,982,606 | 215,649 | 198,436 | - | - | 4,408,265 | 3,670,182 |
| Fee & Commission Income | - | - | - | - | - | - | - | - | 175,699 | 170,359 | 175,699 | 170,359 |
| Dividends | - | - | - | - | - | - | - | 79 | - | - | - | 79 |
| Other | - | - | - | - | - | - | 54,543 | 24,300 | 187,336 | 220,411 | 241,879 | 244,711 |
| Total Revenue | 1,475,369 | 1,473,860 | 1,716 | 15,279 | 2,715,531 | 1,982,606 | 270,192 | 222,815 | 363,035 | 390,770 | 4,825,843 | 4,085,331 |
| Profit before Income tax | | | | | | | | | | | 872,126 | 808,693 |
| Income Tax Expense | | | | | | | | | | | (311,426) | (290,386) |
| Profit after tax | | | | | | | | | | | 560,700 | 518,307 |
| Other Information | | | | | | | | | | | | |
| As at 30th September | | | | | | | | | | | | |
| Segment assets | 14,278,672 | 13,868,048 | 29,253 | 114,066 | 25,924,647 | 21,626,005 | 7,397,093 | 4,895,903 | 2,391,871 | 2,586,289 | 50,021,536 | 43,090,311 |
| Segment Liabilities | 12,624,144 | 12,377,415 | 25,863 | 84,274 | 22,920,652 | 19,251,893 | 6,539,962 | 4,349,348 | 2,114,715 | 2,295,183 | 44,225,336 | 38,358,112 |
| Net assets | 1,654,528 | 1,490,633 | 3,390 | 29,792 | 3,003,995 | 2,374,112 | 857,131 | 546,555 | 277,156 | 291,106 | 5,796,200 | 4,732,199 |

Additional Notes

20 Major Shareholders as at 30th September 2019

| | No. of Shares | (%) |
|---|-------------------|----------------|
| 1 Vallibel Investments (Pvt) Limited | 30,277,000 | 51.436 |
| 2 K D D Perera | 12,616,266 | 21.433 |
| 3 Pershing LLC S/A Averbach Grauson & Co | 2,028,909 | 3.447 |
| 4 R F T Perera | 2,002,791 | 3.402 |
| 5 K D A Perera | 1,926,396 | 3.273 |
| 6 S B Rangamuwa | 1,312,500 | 2.230 |
| 7 S Abishek | 628,711 | 1.068 |
| 8 B A R Dissanayake | 284,041 | 0.483 |
| 9 D S Panditha | 229,438 | 0.390 |
| 10 A S Marapana | 215,955 | 0.367 |
| 11 A Ragupathy | 205,708 | 0.349 |
| 12 K I A Hewage | 200,000 | 0.340 |
| 13 H Beruwalage | 187,300 | 0.318 |
| 14 A Sithampalam | 186,690 | 0.317 |
| 15 S L R R Premathilaka & A R N Perera | 167,337 | 0.284 |
| 16 K S R Nissanka | 152,880 | 0.260 |
| 17 S P Gunasekera | 150,000 | 0.255 |
| 18 W M A B Walisundara | 147,900 | 0.251 |
| 19 N Balasingam | 134,900 | 0.229 |
| 20 U F Strunk & M G De Albuquerque Leinenbach | 125,992 | 0.214 |
| | 53,180,714 | 90.346 |
| Others | 5,682,636 | 9.654 |
| | 58,863,350 | 100.000 |

Directors' Shareholding As At 30th September 2019

| | | |
|--|-------------------|----------------|
| 1 Dhammika Perera | 12,616,266 | 21.433% |
| 2 S B Rangamuwa | 1,312,500 | 2.230% |
| 3 R M Karunaratne | - | - |
| 4 T Murakami | - | - |
| 5 K D A Perera | 1,926,396 | 3.273% |
| 6 A Dadigama | - | - |
| 7 H Ota (Alternate Director to T Murakami) | - | - |
| 8 S S Weerabahu | - | - |
| 9 Janaka Kumarasinghe | - | - |
| | 15,855,162 | 26.936% |

Public Holding As At 30th September 2019

21.434%

Number of Public Shareholders

2,145

The Float Adjusted Market Capitalization (Rs.)

836,487,807

The Float adjusted market capitalization of the Company falls under **Option 5** of Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.