



INTERIM FINANCIAL STATEMENTS

For the Nine months ended 31st December 2017

VALLIBEL FINANCE PLC
Income Statement

Amounts in Rupees '000

	Quarter ended 31st December			Nine months ended 31st December		
	2017	2016	Change %	2017	2016	Change %
Gross Income	1,729,677	1,380,525	25.3	4,939,846	3,649,262	35.4
Interest Income	1,550,729	1,237,041	25.4	4,453,887	3,282,089	35.7
Interest Expense	(896,477)	(726,439)	23.4	(2,568,143)	(1,833,522)	40.1
Net Interest Income	654,252	510,602	28.1	1,885,744	1,448,567	30.2
Fee and Commission Income	67,723	46,139	46.8	174,865	125,708	39.1
Net Fee and Commission Income	67,723	46,139	46.8	174,865	125,708	39.1
Net Gain / (Loss) from Trading	(103)	(276)	(62.6)	(118)	161	(173.5)
Gain from Financial Investments	-	-	-	1,944	23	8,537.8
Other Operating Income	111,328	97,621	14.0	309,268	241,281	28.2
Total Operating Income	833,200	654,086	27.4	2,371,703	1,815,740	30.6
Impairment Charges for Loans and other losses	(15,482)	(3,502)	342.1	(66,121)	(29,580)	123.5
Net Operating Income	817,718	650,584	25.7	2,305,582	1,786,160	29.1
Expenses						
Personnel Expenses	(187,258)	(145,952)	28.3	(528,184)	(423,771)	24.6
Premises Equipment and Establishment Expenses	(31,368)	(26,302)	19.3	(88,502)	(75,346)	17.5
Other Operating Expenses	(141,858)	(125,829)	12.7	(424,294)	(353,034)	20.2
Operating Profit Before Value Added Tax & NBT	457,234	352,501	29.7	1,264,602	934,009	35.4
Value Added Tax on Financial Services & NBT	(85,349)	(73,437)	16.2	(246,000)	(164,793)	49.3
Profit Before Income Tax	371,885	279,064	33.3	1,018,602	769,216	32.4
Income Tax Expense	(129,852)	(96,309)	34.8	(343,263)	(262,912)	30.6
Profit for the Period	242,033	182,755	32.4	675,339	506,304	33.4
Earnings Per Share (Annualised)	23.30	17.59	32.4	21.67	16.25	33.4

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

Amounts in Rupees '000

	Quarter ended 31st December			Nine months ended 31st December		
	2017	2016	Change	2017	2016	Change
			%			%
Profit for the period	242,033	182,755	32.4	675,339	506,304	33.4
Other Comprehensive Income for the Period , Net of Tax						
Items that will never be reclassified to Profit or Loss						
Remeasurement of Retirement Benefit Obligation	-	-	-	-	-	-
Deferred Tax (Charge) / Reversal on Actuarial Gains / (Losses)	-	-	-	-	-	-
Net Actuarial Gains / (Losses) on Retirement Benefit Obligation	-	-	-	-	-	-
Items that are or may be reclassified to Profit or Loss						
Net Fair Value change on remeasuring Available For Sale Financial Assets	(485)	(2,738)	(82.3)	11,273	3,657	208.2
Net Fair Value change realised to Income Statement on disposal of Available For Sale Financial Assets	-	-	-	(1,875)	-	(100.0)
Net Fair Value change on remeasuring Available For Sale Financial Assets	(485)	(2,738)	(82.3)	9,398	3,657	156.9
Other Comprehensive Income for the Period, Net of Tax	(485)	(2,738)	(82.3)	9,398	3,657	156.9
Total Comprehensive Income for the Period	241,548	180,017	34.2	684,737	509,961	34.3

VALLIBEL FINANCE PLC
Statement of Financial Position

	Amounts in Rupees '000		
	As at 31st December 2017	As at 31st March 2017 (Audited)	Change %
Assets			
Cash and Cash Equivalents	710,168	806,207	(11.9)
Placements with Banks and Other Finance Companies	1,699,857	2,243,113	(24.2)
Reverse Repurchase Agreements	820,395	810,191	1.3
Financial Investments - Held for Trading	1,889	1,761	7.2
Loans and Receivables to Other Customers	16,089,900	12,466,944	29.1
Lease Rental and Hire Purchase Receivables	12,629,662	12,311,136	2.6
Financial Investments - Available for Sale	927,713	510,085	81.9
Financial Investments - Held to Maturity	982,977	1,019,286	(3.6)
Other Financial Assets	18,612	20,828	(10.6)
Property, Plant and Equipment	334,226	315,104	6.1
Intangible Assets	7,810	10,298	(24.2)
Deferred Tax Assets	8,525	8,525	-
Other Assets	229,136	161,618	41.8
Total Assets	34,460,870	30,685,096	12.3
Liabilities			
Bank Overdrafts	1,509,527	1,487,194	1.5
Rental Received in Advance	194,632	243,882	(20.2)
Deposits due to Customers	20,870,179	17,863,861	16.8
Interest bearing Borrowings	6,309,331	6,043,392	4.4
Subordinated Term Debts	1,516,369	1,700,466	(10.8)
Current Tax Liabilities	322,333	209,077	54.2
Deferred Tax Liabilities	270,784	270,784	-
Other Liabilities	309,059	279,103	10.7
Retirement Benefit Obligations	40,951	29,717	37.8
Total Liabilities	31,343,165	28,127,476	11.4
Equity			
Stated Capital	287,153	287,153	-
Statutory Reserve Fund	663,477	528,409	25.6
Available For Sale Reserve	2,563	(6,835)	137.5
General Reserve	7,500	7,500	-
Retained Earnings	2,157,012	1,741,393	23.9
Total Equity	3,117,705	2,557,620	21.9
Total Liabilities and Equity	34,460,870	30,685,096	12.3
Net Assets Value Per Share (Rs.)	75.03	61.55	21.9

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
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

25th January 2018
Colombo.

VALLIBEL FINANCE PLC
Statement of Changes in Equity

	Amounts in Rupees '000					
	Stated Capital	Statutory Reserve Fund	Available For Sale Reserve	General Reserve	Retained Earnings	Total Equity
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	-	-	-	-	506,304	506,304
Other Comprehensive Income, net of Tax						
Net Fair Value Change on remeasuring Available For Sale Financial Assets	-	-	3,657	-	-	3,657
Net Actuarial Gains / (Losses) on Retirement Benefit Obligation	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	3,657	-	506,304	509,961
Transactions with owners, recognised directly in equity, contributions and distributions to owners						
Dividends to equity holders	-	-	-	-	(103,877)	(103,877)
Statutory Reserve Transfer	-	101,261	-	-	(101,261)	-
Total Transactions with Equity Holders	-	101,261	-	-	(205,137)	(103,877)
Balance as at 31st December 2016	287,153	484,438	(4,352)	7,500	1,560,272	2,335,011
Balance as at 01st April 2017	287,153	528,409	(6,835)	7,500	1,741,393	2,557,620
Total Comprehensive Income for the Period						
Profit for the Period	-	-	-	-	675,339	675,339
Other Comprehensive Income, net of Tax						
Net Fair Value Change on remeasuring Available For Sale Financial Assets	-	-	11,273	-	-	11,273
Net Fair Value Change realised to Income Statement on disposal of Available For Sale Financial Assets	-	-	(1,875)	-	-	(1,875)
Net Actuarial Gains / (Losses) on Retirement Benefit Obligation	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	9,398	-	675,339	684,737
Transactions with owners, recognised directly in equity, contributions and distributions to owners						
Dividends to equity holders	-	-	-	-	(124,652)	(124,652)
Statutory Reserve Transfer	-	135,068	-	-	(135,068)	-
Total Transactions with Equity Holders	-	135,068	-	-	(259,720)	(124,652)
Balance as at 31st December 2017	287,153	663,477	2,563	7,500	2,157,012	3,117,705

VALLIBEL FINANCE PLC**Cash Flow Statement**

	Amounts in Rupees '000	
	As at 31st December 2017	As at 31st December 2016
Cash Flow From Operating Activities		
Interest and Commission Receipts	4,598,772	3,339,499
Interest Payments	(2,356,280)	(1,658,435)
Cash Receipts from Customers	376,456	287,144
Cash Payments to Employees and Suppliers	(1,216,752)	(953,264)
Operating Profit Before Changes in Operating Assets and Liabilities	1,402,196	1,014,944
(Increase) / Decrease in Operating Assets		
Short Term Funds	(28,770)	20,127
Deposits held for Regulatory or Monetary Control Purposes	117,205	1,104,993
Funds Advanced to Customers	(4,053,274)	(5,260,510)
Other Short Term Negotiable Securities	1,367	(2,465,440)
Increase / (Decrease) in Operating Liabilities		
Deposits from Customers	2,465,449	2,106,911
Certificate of Deposits	299,315	294,735
Net Cash (Used in) / Generated from Operating Activities before Income Tax	203,488	(3,184,241)
Current Taxes Paid	(230,007)	(69,951)
Gratuity Paid	(766)	(492)
Net Cash (Used In) / Generated from Operating Activities	(27,285)	(3,254,684)
Cash Flows From Investing Activities		
Dividends Received	167	253
Purchase of Financial Investments - Held for Trading	(343)	-
Proceed from Sale of Property , Plant and Equipment	6,010	1,743
Purchase of Property , Plant and equipment	(72,493)	(133,880)
Net Cash (Used In) / Generated from Investing Activities	(66,659)	(131,884)
Cash Flows From Financing Activities		
Net increase / (decrease) in Borrowings	100,224	3,255,209
Dividend paid	(124,652)	(103,877)
Net Cash (Used In) / Generated from Financing Activities	(24,428)	3,151,332
Net Increase / (Decrease) in Cash & Cash Equivalents	(118,372)	(235,236)
Cash & Cash Equivalents at the Beginning of the Period	(680,987)	(705,350)
Cash & Cash Equivalents at the End of the Period (Note A)	(799,359)	(940,586)
Note A		
Cash & Cash Equivalents at the End of the Period		
Cash in Hand and at Banks	710,168	497,020
Bank Overdrafts	(1,509,527)	(1,437,606)
	(799,359)	(940,586)

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 2017.
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. 3.00 per share for the year ended 31st March 2017, on 23rd June 2017.
4. There were no material events took place since 31st December 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 31st December 2017	As at 31st December 2016
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)	29,387,019	24,407,002
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	28,768,615	23,846,004
Non-Performing Accommodations (Net of Interest in Suspense)	753,276	670,433
Liquidity		
Required Minimum Amount of Liquid Assets	2,171,407	1,822,372
Available Amount of Liquid Assets	3,688,324	3,181,489
Required Minimum Amount of Government Securities	1,323,561	1,098,644
Available Amount of Government Securities	2,204,665	1,156,756
Capital Adequacy		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	8.51%	7.45%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	11.31%	11.17%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	16.04%	16.28%
Profitability		
Return on Average Assets (After Tax) - Annualised	2.76%	2.58%
Return on Average Equity - Annualised	31.73%	31.66%

Information On Ordinary Shares

Share Price During the Quarter

	For the quarter ended	
	31.12.2017	31.12.2016
Highest	Rs. 75.00	65.00
Lowest	Rs. 66.50	58.50
Closing	Rs. 70.00	60.40
No. of Ordinary Share Issued As At 31st December	41,550,600	41,550,600

Information On Listed Debentures

Market Values of Listed Debentures

VFIN Debentures 2014/2019

	Highest		For the quarter ended		Lowest		Period End	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016
5 Year Fixed Rate - 14.75%	N/T	N/T	N/T	N/T	N/T	N/T	N/T	N/T
5 Year Fixed Rate - 15.00%	N/T	N/T	N/T	N/T	N/T	N/T	N/T	N/T
5 Year Fixed Rate - 15.50%	101.00	N/T	100.20	N/T	100.20	N/T	100.20	N/T

VFIN Debentures 2015/2020

	Highest		For the quarter ended		Lowest		Period End	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016
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
	31.12.2017	31.12.2017	31.12.2016	31.12.2016
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
	31.12.2017	31.12.2017	31.12.2016	31.12.2016
5 Year Fixed Rate - 10.25%	10.25%	10.51%	10.25%	10.51%

Interest Rates of Comparable Government Securities

	For the quarter ended	
	31.12.2017	31.12.2016
5 Year Treasury Bond	10.20%	11.76%

Interest Yield and Yield to Maturity

VFIN Debentures 2014/2019

	Fixed - 14.75%		For the quarter ended		Fixed - 15.00%		Fixed - 15.50%	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Interest Yield	N/T	N/T	N/T	N/T	15.47%	N/T	N/T	N/T
Yield to Maturity of last trade	N/T	N/T	N/T	N/T	15.17%	N/T	N/T	N/T

VFIN Debentures 2015/2020

	For the quarter ended	
	31.12.2017	31.12.2016
Interest Yield	N/T	N/T
Yield to Maturity of last trade	N/T	N/T

* N/A - Not Applicable as at 31st December and N/T - Not Traded as at 31st December

Ratios

	31.12.2017	31.12.2016
Debt to Equity Ratio (%)	251.01%	319.40%
Interest Cover (Times)	1.49	1.51
Liquid Asset Ratio (%)	16.99%	17.46%

Utilization of Funds Raised Via Capital Market

Debenture Issue	Objective Number	Objective as Per Prospectus	Amount Allocated as per Prospectus	Proposed Date of Utilization as Per Prospectus	Amount Allocated From Proceeds	% of Total Proceeds	Amounts Utilized	% Of Utilization Against Allocation	Clarification if not Fully Utilized
Rs. 500 Mn	i	To Expand and strengthen the capital base of the Company	Rs. 500 Mn	From 11th February 2014 onwards	Rs. 500 Mn	100%	Rs. 500 Mn	100%	N/A
	ii	Diversify the funding mix of the Company							
	iii	To minimize the interest rate risk and gap exposure of the Company							
Rs. 1,000 Mn	i	To Expand and strengthen the capital base of the Company	Rs. 1,000 Mn	From 26th March 2015 onwards	Rs. 1,000 Mn	100%	Rs. 1,000 Mn	100%	N/A
	ii	To minimize the interest rate risk							

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 December	31st	Finance Lease		Hire Purchase		Loans & Advances		Investments		Unallocated		Total	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		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		1,953,713	1,555,000	79,753	234,849	2,093,508	1,229,896	326,913	262,344	-	-	4,453,887	3,282,089
Fee & Commission Income		-	-	-	-	-	-	-	-	174,865	125,708	174,865	125,708
Capital Gains / (Losses)		-	-	-	-	-	-	1,875	-	-	-	1,875	-
Dividends		-	-	-	-	-	-	167	253	-	-	167	253
Other		-	-	-	-	-	-	15,695	33,512	293,357	207,699	309,052	241,212
Total Revenue		1,953,713	1,555,000	79,753	234,849	2,093,508	1,229,896	344,650	296,109	468,222	333,407	4,939,846	3,649,262
Profit before Income tax												1,018,602	769,216
Income Tax Expense												(343,263)	(262,912)
Profit after tax												675,339	506,304
Other Information													
As at 31st December													
Segment assets		12,313,700	11,051,664	315,962	1,036,706	16,089,900	11,708,889	4,430,942	4,799,232	1,310,366	1,032,656	34,460,870	29,629,146
Segment Liabilities		11,199,669	10,180,706	287,377	955,005	14,634,233	10,786,136	4,030,071	4,421,014	1,191,816	951,274	31,343,165	27,294,135
Net assets		1,114,031	870,958	28,585	81,701	1,455,668	922,753	400,871	378,218	118,550	81,381	3,117,705	2,335,011

Additional Notes

20 Major Shareholders As At 31st December 2017

	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	1,250,000	3.008%
4 Mr. S B Rangamuwa	900,000	2.166%
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 Kathiragamamby	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 S Abishek	197,467	0.475%
12 Mr K Sabaratnam	190,000	0.457%
13 Mr F J P Raj	166,350	0.400%
14 Mrs S P Gunasekera	158,524	0.382%
15 Mr D S Panditha	154,898	0.373%
16 Mr N Balasingam	134,900	0.325%
17 Mr A S Marapana	131,470	0.316%
18 Mr U F Strunk & Mrs M G DE A Leinenbach	125,992	0.303%
19 Mr A Ragupathy	120,500	0.290%
20 Mr A Sitampalam	110,605	0.266%
	36,660,172	88.230%
Others	4,890,428	11.770%
	41,550,600	100.000%

Directors' Shareholding As At 31st December 2017

1 Mr. K V P Ranjith De Silva	-	-
2 Mr. Dhammika Perera	600	0.001%
3 Mr. S B Rangamuwa	900,000	2.166%
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)	-	-
	2,260,409	5.440%

Public Holding As At 31st December 2017

21.49%

Number of Public Shareholders

1,864