



INTERIM FINANCIAL STATEMENTS

For the three months ended 30th June 2017

VALLIBEL FINANCE PLC
Income Statement

Amounts in Rupees '000

	Three months ended 30th June		
	2017	2016	Change %
Gross Income	1,544,374	1,063,944	45.2
Interest Income	1,407,935	964,850	45.9
Interest Expense	(804,715)	(512,270)	57.1
Net Interest Income	603,220	452,580	33.3
Fee and Commission Income	51,832	42,183	22.9
Net Fee and Commission Income	51,832	42,183	22.9
Net Gain / (Loss) from Trading	93	283	(67.3)
Gain from Financial Investments	-	-	-
Other Operating Income	84,514	56,628	49.2
Total Operating Income	739,659	551,674	34.1
Impairment Charges for Loans and other losses	(26,784)	(18,350)	46.0
Net Operating Income	712,875	533,324	33.7
Expenses			
Personnel Expenses	(171,782)	(137,530)	24.9
Premises Equipment and Establishment Expenses	(27,570)	(23,779)	15.9
Other Operating Expenses	(139,030)	(107,058)	29.9
Operating Profit Before Value Added Tax (VAT) & Nation Building Tax (NBT)	374,493	264,957	41.3
Value Added Tax (VAT) on Financial Services & Nation Building Tax (NBT)	(75,175)	(47,487)	58.3
Profit Before Income Tax	299,318	217,470	37.6
Income Tax Expense	(97,676)	(86,857)	12.5
Profit for the Period	201,642	130,613	54.4
Earnings Per Share (Annualised)	19.41	12.57	54.4

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

Amounts in Rupees '000

	Three months ended 30th June		
	2017	2016	Change %
Profit for the period	201,642	130,613	54.4
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			
Gains / (Losses) on remeasuring Available For Sale Financial Assets	5,131	5,566	(7.8)
Net Fair Value Gains / (Losses) on remeasuring Available For Sale Financial Assets	5,131	5,566	(7.8)
Other Comprehensive Income for the Period, Net of Tax	5,131	5,566	(7.8)
Total Comprehensive Income for the Period	206,773	136,179	51.8

VALLIBEL FINANCE PLC
Statement of Financial Position

	Amounts in Rupees '000		
	As at 30th June 2017	As at 31st March 2017 (Audited)	Change %
Assets			
Cash and Cash Equivalents	734,759	806,207	(8.9)
Placements with Banks and Other Finance Companies	2,012,023	2,243,113	(10.3)
Reverse Repurchase Agreements	810,213	810,191	0.0
Financial Investments - Held for Trading	1,854	1,761	5.3
Loans and Receivables to Other Customers	13,362,082	12,466,944	7.2
Lease Rental and Hire Purchase Receivables	12,482,444	12,311,136	1.4
Financial Investments - Available for Sale	515,176	510,085	1.0
Financial Investments - Held to Maturity	996,090	1,019,286	(2.3)
Other Financial Assets	23,527	20,828	13.0
Property, Plant and Equipment	304,103	315,104	(3.5)
Intangible Assets	9,468	10,298	(8.1)
Deferred Tax Assets	8,525	8,525	-
Other Assets	170,335	161,618	5.4
Total Assets	31,430,599	30,685,096	2.4
Liabilities			
Bank Overdrafts	1,179,080	1,487,194	(20.7)
Rental Received in Advance	286,886	243,882	17.6
Deposits due to Customers	18,903,677	17,863,861	5.8
Interest bearing Borrowings	5,878,763	6,043,392	(2.7)
Subordinated Term Debts	1,669,089	1,700,466	(1.8)
Current Tax Liabilities	296,191	209,077	41.7
Deferred Tax Liabilities	270,784	270,784	-
Other Liabilities	273,353	279,103	(2.1)
Retirement Benefit Obligations	33,035	29,717	11.2
Total Liabilities	28,790,858	28,127,476	2.4
Equity			
Stated Capital	287,153	287,153	-
Statutory Reserve Fund	568,737	528,409	7.6
Available For Sale Reserve	(1,704)	(6,835)	(75.1)
General Reserve	7,500	7,500	-
Retained Earnings	1,778,055	1,741,393	2.1
Total Equity	2,639,741	2,557,620	3.2
Total Liabilities and Equity	31,430,599	30,685,096	2.4
Net Assets Value Per Share (Rs.)	63.53	61.55	3.2

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

27th July 2017
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	-	-	-	-	130,613	130,613
Other Comprehensive Income, net of Tax						
Net Fair Value Gains / (Losses) on remeasuring Available For Sale Financial Assets	-	-	5,566	-	-	5,566
Net Actuarial Gains / (Losses) on Retirement Benefit Obligation	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	5,566	-	130,613	136,179
Transactions with owners, recognised directly in equity, contributions and distributions to owners						
Dividends to equity holders	-	-	-	-	(103,877)	(103,877)
Statutory Reserve Transfer	-	26,122	-	-	(26,122)	-
Total Transactions with Equity Holders	-	26,122	-	-	(129,999)	(103,877)
Balance as at 30th June 2016	287,153	409,299	(2,443)	7,500	1,259,719	1,961,229
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	-	-	-	-	201,642	201,642
Other Comprehensive Income, net of Tax						
Net Fair Value Gains / (Losses) on remeasuring Available For Sale Financial Assets	-	-	5,131	-	-	5,131
Net Actuarial Gains / (Losses) on Retirement Benefit Obligation	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	5,131	-	201,642	206,773
Transactions with owners, recognised directly in equity, contributions and distributions to owners						
Dividends to equity holders	-	-	-	-	(124,652)	(124,652)
Statutory Reserve Transfer	-	40,328	-	-	(40,328)	-
Total Transactions with Equity Holders	-	40,328	-	-	(164,980)	(124,652)
Balance as at 30th June 2017	287,153	568,737	(1,704)	7,500	1,778,055	2,639,741

VALLIBEL FINANCE PLC**Cash Flow Statement**

For the period ended	Amounts in Rupees '000	
	As at 30th June 2017	As at 30th June 2016
Cash Flow From Operating Activities		
Interest and Commission Receipts	1,415,257	981,847
Interest Payments	(832,068)	(492,729)
Cash Receipts from Customers	112,040	84,752
Cash Payments to Employees and Suppliers	(379,664)	(289,830)
Operating Profit Before Changes in Operating Assets and Liabilities	315,565	284,040
(Increase) / Decrease in Operating Assets		
Short Term Funds	5,437	8,214
Deposits held for Regulatory or Monetary Control Purposes	20,274	1,096,998
Funds Advanced to Customers	(1,077,295)	(1,758,939)
Other Short Term Negotiable Securities	249,948	(627,725)
Increase / (Decrease) in Operating Liabilities		
Deposits from Customers	976,217	579,814
Certificate of Deposits	18,830	(9,368)
Net Cash (Used in) / Generated from Operating Activities before Income Tax	508,975	(426,965)
Current Taxes Paid	(10,562)	(14,837)
Gratuity Paid	(282)	(117)
Net Cash (Used In) / Generated from Operating Activities	498,131	(441,919)
Cash Flows From Investing Activities		
Dividends Received	-	139
Proceed from Sale of Property , Plant and Equipment	533	613
Purchase of Property , Plant and equipment	(6,728)	(15,763)
Purchase of Intangible Assets	-	-
Net Cash (Used In) / Generated from Investing Activities	(6,195)	(15,012)
Cash Flows From Financing Activities		
Net increase / (decrease) in Borrowings	(130,619)	600,417
Dividend paid	(124,652)	(103,877)
Net Cash (Used In) / Generated from Financing Activities	(255,270)	496,540
Net Increase / (Decrease) in Cash & Cash Equivalents	236,666	39,611
Cash & Cash Equivalents at the Beginning of the Period	(680,987)	(705,350)
Cash & Cash Equivalents at the End of the Period (Note A)	(444,321)	(665,739)
Note A		
Cash & Cash Equivalents at the End of the Period		
Cash in Hand and at Banks	734,759	276,098
Bank Overdrafts	(1,179,080)	(941,837)
	(444,321)	(665,739)

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	
	As at 30th June 2017	As at 31st March 2017	As at 30th June 2017	As at 31st March 2017	As at 30th June 2017	As at 31st March 2017	As at 30th June 2017	As at 31st March 2017	As at 30th June 2017	As at 31st March 2017
	Assets									
Cash and Cash Equivalents	-	-	-	-	734,759	806,207	-	-	734,759	806,207
Placements with Banks and Other Finance Companies	-	-	-	-	2,012,023	2,243,113	-	-	2,012,023	2,243,113
Reverse Repurchase Agreements	-	-	-	-	810,213	810,191	-	-	810,213	810,191
Financial Investments - Held for Trading	1,854	1,761	-	-	-	-	-	-	1,854	1,761
Loans and Receivables to Other Customers	-	-	-	-	13,362,082	12,466,944	-	-	13,362,082	12,466,944
Lease Rental and Hire Purchase Receivables	-	-	-	-	12,482,444	12,311,136	-	-	12,482,444	12,311,136
Financial Investments - Available for Sale	-	-	-	-	-	-	515,176	510,085	515,176	510,085
Financial Investments - Held to Maturity	-	-	996,090	1,019,286	-	-	-	-	996,090	1,019,286
Other Financial Assets	-	-	-	-	23,527	20,828	-	-	23,527	20,828
Total Financial Assets	1,854	1,761	996,090	1,019,286	29,425,048	28,658,418	515,176	510,085	30,938,168	30,189,551
					Held For Trading		Amortised Cost		Total	
					As at 30th June 2017	As at 31st March 2017	As at 30th June 2017	As at 31st March 2017	As at 30th June 2017	As at 31st March 2017
Liabilities										
Bank Overdrafts					-	-	1,179,080	1,487,194	1,179,080	1,487,194
Rental Received in Advance					-	-	286,886	243,882	286,886	243,882
Deposits due to Customers					-	-	18,903,677	17,863,861	18,903,677	17,863,861
Interest bearing Borrowings					-	-	5,878,763	6,043,392	5,878,763	6,043,392
Subordinated Term Debts					-	-	1,669,089	1,700,466	1,669,089	1,700,466
Total Financial Liabilities					-	-	27,917,495	27,338,795	27,917,495	27,338,795

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 March 2017 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 June 2017	As at 30th June 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)	26,474,159	20,827,955
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	25,889,890	20,287,665
Non-Performing Accommodations (Net of Interest in Suspense)	782,304	667,179
Liquidity		
Required Minimum Amount of Liquid Assets	1,985,168	1,648,291
Available Amount of Liquid Assets	3,893,535	2,052,593
Required Minimum Amount of Government Securities	1,323,561	1,098,644
Available Amount of Government Securities	2,200,072	1,224,004
Capital Adequacy		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	9.52%	9.03%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	12.66%	13.55%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	17.61%	18.28%
Profitability		
Return on Average Assets (After Tax) - Annualised	2.60%	2.24%
Return on Average Equity - Annualised	31.04%	26.86%

Information On Ordinary Shares

Share Price During the Quarter

		For the quarter ended	
		30.06.2017	30.06.2016
Highest	Rs.	71.80	71.60
Lowest	Rs.	59.80	56.00
Closing	Rs.	67.50	57.40
No. of Ordinary Share Issued As At 30th June		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	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	5 Year Fixed Rate - 14.75%	N/T	100.00	N/T	100.00	N/T	100.00	N/T
5 Year Fixed Rate - 15.00%	100.00	N/T	100.00	N/T	100.00	N/T	100.00	N/T
5 Year Fixed Rate - 15.50%	N/T	N/T	N/T	N/T	N/T	N/T	N/T	N/T

VFIN Debentures 2015/2020

	Highest		For the quarter ended		Lowest		Period End	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	5 Year Fixed Rate - 10.25%	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	
	30.06.2017	30.06.2017	30.06.2016	30.06.2016
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	
	30.06.2017	30.06.2017	30.06.2016	30.06.2016
5 Year Fixed Rate - 10.25%	10.25%	10.51%	10.25%	10.51%

Interest Rates of Comparable Government Securities

	For the quarter ended	
	30.06.2017	30.06.2016
5 Year Treasury Bond	11.42%	11.97%

Interest Yield and Yield to Maturity

VFIN Debentures 2014/2019

	Fixed - 14.75%		For the quarter ended		Fixed - 15.50%	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	Interest Yield	14.75%	14.75%	15.00%	15.00%	15.50%
Yield to Maturity of last trade	N/T	14.75%	15.00%	N/T	N/T	N/T

VFIN Debentures 2015/2020

	For the quarter ended	
	30.06.2017	30.06.2016
Interest Yield	10.25%	10.25%
Yield to Maturity of last trade	N/T	N/T

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

Ratios

	30.06.2017	30.06.2016
Debt to Equity Ratio (%)	286%	242%
Interest Cover (Times)	1.47	1.52
Liquid Asset Ratio (%)	19.62%	12.45%

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/Ap
	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/Ap
	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 30th June	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	628,510	486,593	34,474.10	97,424	637,427	319,487	107,524	61,346	-	-	1,407,935	964,850
Administration Fees	-	-	-	-	-	-	-	-	51,832	42,183	51,832	42,183
Dividends	-	-	-	-	-	-	-	-	-	139	-	139
Other	-	-	-	-	-	-	733	-	83,873	56,772	84,607	56,772
Total Revenue	628,510	486,593	34,474.10	97,424	637,427	319,487	108,257	61,346	135,705	99,094	1,544,374	1,063,944
Profit before Income tax											299,318	217,470
Income Tax Expense											(97,676)	(86,857)
Profit after tax											201,642	130,613
Other Information												
As at 30th June												
Segment assets	11,876,800	10,058,452	605,644	1,319,503	13,362,082	8,850,900	4,333,501	2,933,769	1,252,572	666,758	31,430,599	23,829,383
Segment Liabilities	10,879,311	9,230,611	554,778	1,210,904	12,239,849	8,122,445	3,969,546	2,692,311	1,147,373	611,882	28,790,858	21,868,154
Net assets	997,489	827,841	50,866	108,599	1,122,233	728,455	363,955	241,458	105,199	54,876	2,639,741	1,961,229

Additional Notes

20 Major Shareholders As At 30th June 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. Sithampalam 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 Mrs. S P Gunasekera	158,524	0.382%
12 Mr. D S Panditha	153,798	0.370%
13 Mr. F J P Raj	150,100	0.361%
14 Mr. N Balasingam	134,900	0.325%
15 Mr. A S Marapana	113,650	0.274%
16 Mr. A Sithampalam	110,605	0.266%
17 Mr. W M A B Walisundara	104,851	0.252%
18 Mr. R Gautam	104,490	0.251%
19 Mr. K S D Senaweera	100,000	0.241%
20 Mr. A Ragupathy	97,317	0.234%
	36,397,701	87.598%
Others	5,152,899	12.402%
	41,550,600	100.000%

Directors' Shareholding As At 30th June 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 30th June 2017

21.54%

Number of Public Shareholders

1,961