



INTERIM FINANCIAL STATEMENTS

For the Three months ended 30th June 2020

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

Amounts in Rupees '000

	Three months ended 30th June		
	2020	2019	Change %
Gross Income	2,114,835	2,387,756	(11.4)
Interest Income	1,983,738	2,183,898	(9.2)
Interest Expense	(1,165,407)	(1,281,914)	(9.1)
Net Interest Income	818,331	901,984	(9.3)
Fee and Commission Income	50,384	84,894	(40.7)
Net Fee and Commission Income	50,384	84,894	(40.7)
Net Gain / (Loss) from Trading	277	81	240.6
Net Gain / (Loss) from other Financial Instruments at FVTPL	11,497	16,788	(31.5)
Other Operating Income	68,939	102,095	(32.5)
Total Operating Income	949,428	1,105,842	(14.1)
Impairment Charges and Other Credit Losses on Financial Assets	(203,280)	(83,193)	144.3
Net Operating Income	746,148	1,022,649	(27.0)
Expenses			
Personnel Expenses	(264,899)	(257,255)	3.0
Premises Equipment and Establishment Expenses	(34,588)	(12,333)	180.5
Other Operating Expenses	(136,981)	(189,377)	(27.7)
Operating Profit Before Taxes on Financial Services	309,680	563,684	(45.1)
Taxes on Financial Services	(68,146)	(163,315)	(58.3)
Profit Before Income Tax	241,534	400,369	(39.7)
Income Tax Expense	(68,635)	(125,664)	(45.4)
Profit for the Period	172,899	274,705	(37.1)
Earnings Per Share (Annualised) - Rs.	11.75	18.67	(37.1)

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

Amounts in Rupees '000

	Three months ended 30th June		
	2020	2019	Change %
Profit for the period	172,899	274,705	(37.1)
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	172,899	274,705	(37.1)


VALLIBEL FINANCE PLC
Statement of Financial Position

	Amounts in Rupees '000		
	As at 30th June 2020	As at 31st March 2020 (Audited)	Change %
Assets			
Cash and Cash Equivalents	2,967,961	2,046,506	45.0
Placements with Banks and Other Finance Companies	1,565,692	2,568,898	(39.1)
Reverse Repurchase Agreements	3,277,482	2,079,841	57.6
Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)	1,116,224	1,084,455	2.9
Financial Assets at Amortised Cost - Loans and Receivables to Other Customers	27,917,486	27,625,557	1.1
Financial Assets at Amortised Cost - Lease Rental and Hire Purchase Receivables	13,369,638	13,493,996	(0.9)
Financial Investments Measured at Fair Value Through Other Comprehensive Income	204	204	-
Financial Assets at Amortised Cost - Debt and other Financial Instruments	99,935	97,955	2.0
Financial Assets at Amortised Cost - Other Financial Assets	14,824	16,618	(10.8)
Property, Plant and Equipment	1,769,110	1,762,547	0.4
Right of Use Lease Assets	363,365	369,693	(1.7)
Intangible Assets	15,478	17,664	(12.4)
Deferred Tax Assets	73,780	73,780	-
Other Assets	261,829	186,135	40.7
Total Assets	52,813,008	51,423,849	2.7
Liabilities			
Bank Overdrafts	1,408,913	964,530	46.1
Rental Received in Advance	364,921	266,875	36.7
Financial Liabilities at Amortised Cost - Deposits due to Customers	29,287,342	29,243,913	0.1
Financial Liabilities at Amortised Cost - Interest bearing Borrowings	13,519,072	12,037,796	12.3
Lease Creditors	407,284	402,519	1.2
Current Tax Liabilities	241,209	223,998	7.7
Deferred Tax Liabilities	260,945	260,945	-
Other Liabilities	561,649	1,442,619	(61.1)
Retirement Benefit Obligations	110,762	102,642	7.9
Total Liabilities	46,162,097	44,945,837	2.7
Equity			
Stated Capital	1,325,918	1,325,918	-
Statutory Reserve Fund	1,243,144	1,208,564	2.9
Other Reserves	134,646	134,646	-
Retained Earnings	3,947,203	3,808,884	3.6
Total Equity	6,650,911	6,478,012	2.7
Total Liabilities and Equity	52,813,008	51,423,849	2.7
Net Assets Value Per Share (Rs.)	112.99	110.05	2.7

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

14th August 2020
Colombo

VALLIBEL FINANCE PLC
Statement of Changes in Equity

	Amounts in Rupees '000					
	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	General Reserve	Retained Earnings	Total Equity
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	-	-	-	-	274,705	274,705
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	-	-	-	-	274,705	274,705
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	-	54,941	-	-	(54,941)	-
Total Transactions with Equity Holders	-	54,941	-	-	(290,394)	(235,453)
Balance as at 30th June 2019	1,325,918	1,012,823	127,146	7,500	3,036,818	5,510,205
Balance as at 01st April 2020	1,325,918	1,208,564	127,146	7,500	3,808,884	6,478,012
Total Comprehensive Income for the Period						
Profit for the Period	-	-	-	-	172,899	172,899
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	-	-	-	-	172,899	172,899
Transactions with owners of the Company						
Contributions and distributions						
Statutory Reserve Transfer	-	34,580	-	-	(34,580)	-
Total Transactions with Equity Holders	-	34,580	-	-	(34,580)	-
Balance as at 30th June 2020	1,325,918	1,243,144	127,146	7,500	3,947,203	6,650,911

VALLIBEL FINANCE PLC
Cash Flow Statement

Amounts in Rupees '000

For the Period Ended	30th June 2020	30th June 2019
Cash Flow From Operating Activities		
Interest and Commission Receipts	2,019,865	2,318,177
Interest Payments	(1,174,568)	(1,162,947)
Cash Receipts from Customers	63,387	75,082
Cash Payments to Employees and Suppliers	(351,139)	(549,000)
Operating Profit Before Changes in Operating Assets and Liabilities	557,545	681,312
(Increase) / Decrease in Operating Assets		
Short Term Funds	(14,860)	(44,740)
Deposits held for Regulatory or Monetary Control Purposes	(1,122,089)	230,000
Financial Assets at Amortised Cost - Loans and advances / Lease rental & Hire purchase receivables	(314,380)	(717,987)
Other Short Term Negotiable Securities	968,256	(696,447)
Increase / (Decrease) in Operating Liabilities		
Financial liabilities at amortised cost – Due to depositors	122,461	1,595,693
Financial liabilities at amortised cost – Certificate of Deposits	(33,489)	217,364
Net Cash (Used in) / Generated from Operating Activities before Income Tax	163,444	1,265,195
Current Taxes Paid	(51,424)	(81,393)
Gratuity Paid	(130)	(198)
Net Cash (Used In) / Generated from Operating Activities	111,890	1,183,604
Cash Flows From Investing Activities		
Dividends Received	-	119
Proceed from Sale of Property , Plant and Equipment	-	117
Purchase of Property , Plant and equipment	(41,815)	(19,726)
Net Cash (Used In) / Generated from Investing Activities	(41,815)	(19,490)
Cash Flows From Financing Activities		
Net Increase / (decrease) in Financial liabilities at amortised cost – Interest bearing Borrowings	406,997	(1,066,901)
Dividends Paid	-	(235,453)
Net Cash (Used In) / Generated from Financing Activities	406,997	(1,302,354)
Net Increase / (Decrease) in Cash & Cash Equivalents	477,072	(138,240)
Cash & Cash Equivalents at the Beginning of the Period	1,081,976	(58,135)
Cash & Cash Equivalents at the End of the Period (Note A)	1,559,048	(196,375)
Note A		
Cash & Cash Equivalents at the End of the Period		
Cash in Hand and at Banks	2,967,961	929,218
Bank Overdrafts	(1,408,913)	(1,125,593)
	1,559,048	(196,375)

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	
	As at 30th June 2020	As at 31st March 2020	As at 30th June 2020	As at 31st March 2020	As at 30th June 2020	As at 31st March 2020	As at 30th June 2020	As at 31st March 2020
	Assets							
Cash and Cash Equivalents	-	-	-	-	2,967,961	2,046,506	2,967,961	2,046,506
Placements with Banks and Other Finance Companies	-	-	-	-	1,565,692	2,568,898	1,565,692	2,568,898
Reverse Repurchase Agreements	-	-	-	-	3,277,482	2,079,841	3,277,482	2,079,841
Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)	1,116,224	1,084,455	-	-	-	-	1,116,224	1,084,455
Financial Assets at Amortised Cost - Loans and Receivables to Other Customers	-	-	-	-	27,917,486	27,625,557	27,917,486	27,625,557
Financial Assets at Amortised Cost - Lease Rental and Hire Purchase Receivables	-	-	-	-	13,369,638	13,493,996	13,369,638	13,493,996
Financial Investments Measured at Fair Value Through Other Comprehensive Income	-	-	204	204	-	-	204	204
Financial Assets at Amortised Cost - Debt and other Financial Instruments	-	-	-	-	99,935	97,955	99,935	97,955
Financial Assets at Amortised Cost - Other Financial Assets	-	-	-	-	14,824	16,618	14,824	16,618
Total Financial Assets	1,116,224	1,084,455	204	204	49,213,018	47,929,371	50,329,446	49,014,030
					Financial Liabilities at Amortised Cost (AC)		Total	
					As at 30th June 2020	As at 31st March 2020	As at 30th June 2020	As at 31st March 2020
Liabilities								
Bank Overdrafts					1,408,913	964,530	1,408,913	964,530
Rental Received in Advance					364,921	266,875	364,921	266,875
Financial Liabilities at Amortised Cost - Deposits due to Customers					29,287,342	29,243,913	29,287,342	29,243,913
Financial Liabilities at Amortised Cost - Interest bearing Borrowings Lease Creditor					13,519,072	12,037,796	13,519,072	12,037,796
					407,284	402,519	407,284	402,519
Total Financial Liabilities					44,987,532	42,915,633	44,987,532	42,915,633

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 2020.
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 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
- 4 A company under the name "Vallibel Properties Ltd" was incorporated on 5th March 2020, as a fully owned subsidiary of Vallibel Finance PLC, to engage in administration of construction, development and maintenance of the head office building complex for Vallibel Finance PLC. Since there were no transactions occurred during the period in Vallibel Properties Ltd, Consolidation Financial Statements have not been prepared.
- 5 During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities. All known expenditure items have been provided for.
- 6 There were no material events took place since reporting date other than disclosed above in Financial Statements.

Selected Performance Indicators

Indicator	As at 30th June 2020	As at 30th June 2019
	Rs'000	Rs'000
Asset Quality		
Based on Sri Lanka Accounting Standards effected prior to 1st April 2012		
Total Accommodation (Net of Interest in Suspense)	42,841,622	40,669,695
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	41,105,184	39,815,785
Non-Performing Accommodations (Net of Interest in Suspense)	2,897,764	1,215,252
Liquidity		
Required Minimum Amount of Liquid Assets	1,771,382	2,823,607
Available Amount of Liquid Assets	6,530,651	3,416,238
Required Minimum Amount of Government Securities	1,439,740	1,979,771
Available Amount of Government Securities	3,377,443	2,205,252
Capital Adequacy		
Tier 1 Capital to Risk Weighted Assets Ratio (Minimum 6.5%)	11.68%	10.18%
Total Capital to Risk Weighted Assets Ratio (Minimum 10.5%)	12.79%	11.69%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	22.39%	20.10%
Profitability		
Return on Average Assets (After Tax) - Annualised	1.33%	2.29%
Return on Average Equity - Annualised	10.54%	20.01%

Information On Listed Debentures

Information On Ordinary Shares

Share Price During the Quarter

	For the Quarter Ended	
	30.06.2020	30.06.2019
Highest	61.80	73.10
Lowest	39.00	64.00
Closing	60.00	64.50
No. of Ordinary Share Issued as at 30th June	58,863,350	58,863,350

VFIN Debentures 2015/2020

	Highest		For the quarter ended		Lowest		Period End	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019	30.06.2020	30.06.2019	30.06.2020	30.06.2019
5 Year Fixed Rate - 10.25%	N/A	N/T	N/A	N/T	N/A	N/T	N/A	N/T

Interest Rates

VFIN Debentures 2015/2020

	For the quarter ended		For the quarter ended	
	Coupon Rate	Effective Rate	Coupon Rate	Effective Rate
	30.06.2020	30.06.2020	30.06.2019	30.06.2019
5 Year Fixed Rate - 10.25%	N/A	N/A	10.25%	10.51%

Interest Rates of Comparable Government Securities

	For the quarter ended	
	30.06.2020	30.06.2019
5 Year Treasury Bond	N/A	10.98%

Interest Yield and Yield to Maturity

VFIN Debentures 2015/2020

	For the quarter ended	
	30.06.2020	30.06.2019
Interest Yield	N/A	10.25%
Yield to Maturity of last trade	N/A	N/T

* Debentures 2015/2020 - Rs. 1,000 Mn redeemed on the respective maturity date.
 *** N/A - Not Applicable as at 30th June and N/T - Not Traded as at 30th June

Ratios

	30.06.2020	30.06.2019
Debt to Equity Ratio (%)	203%	233%
Interest Cover (Times)	1.27	1.44
Liquid Asset Ratio (%)	22.11%	12.10%

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 June	Finance Lease		Hire Purchase		Loans & Advances		Investments		Unallocated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	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	601,208	816,034	19	1,591	1,254,986	1,249,997	127,525	116,276	-	-	1,983,738	2,183,898
Fee & Commission Income	-	-	-	-	-	-	-	-	50,384	84,894	50,384	84,894
Dividends	-	-	-	-	-	-	-	119	-	-	-	119
Other	-	-	-	-	-	-	31,492	40,115	49,221	78,730	80,713	118,845
Total Revenue	601,208	816,034	19	1,591	1,254,986	1,249,997	159,017	156,510	99,605	163,624	2,114,835	2,387,756
Profit before Income tax											241,534	400,369
Income Tax Expense											(68,635)	(125,664)
Profit after tax											172,899	274,705
Other Information												
As at 30th June												
Segment assets	13,365,673	14,595,084	3,965	45,996	27,917,486	24,929,186	9,027,497	6,586,745	2,498,387	2,359,612	52,813,008	48,516,623
Segment Liabilities	11,682,491	12,937,469	3,466	40,772	24,401,748	22,097,890	7,890,636	5,838,665	2,183,757	2,091,622	46,162,097	43,006,418
Net assets	1,683,182	1,657,615	499	5,224	3,515,738	2,831,296	1,136,861	748,080	314,630	267,990	6,650,911	5,510,205

Additional Notes

20 Major Shareholders as at 30th June 2020

	No. of Shares	(%)
1 Vallibel Investments (Pvt) Limited	30,277,000	51.436
2 K.D.D. Perera	12,616,266	21.433
3 K.D.A. Perera	2,133,240	3.624
4 R.F.T. Perera	2,100,000	3.568
5 Pershing LLC S/A Averbach Grauson & Co.	2,028,909	3.447
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 A.S. Marapana	215,955	0.367
10 A. Ragupathy	205,708	0.349
11 K.I.A. Hewage	200,000	0.340
12 H. Beruwalage	187,300	0.318
13 A. Sithampalam	186,690	0.317
14 J.B. Cocoshell (Pvt) Ltd	182,261	0.310
15 S.L.R.R. Premathilaka & A.R.N. Perera	167,337	0.284
16 W.M.A.B. Walisundara	147,900	0.251
17 K.A.S.R. Nissanka	139,196	0.236
18 N. Balasingam	134,900	0.229
19 U.F. Strunk & M.G. De Albuquerque Leinenbach	125,992	0.214
20 K.D.H. Perera	122,612	0.208
	53,396,518	90.713
Others	5,466,832	9.287
	58,863,350	100.000

Directors' Shareholding As At 30th June 2020

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	2,133,240	3.624%
6 A Dadigama	-	-
7 H Ota (Alternate Director to T Murakami)	-	-
8 S S Weerabahu	-	-
9 Janaka Kumarasinghe	-	-
	16,062,006	27.287%

Public Holding As At 30th June 2020

21.08%

Number of Public Shareholders

2,281

The Float Adjusted Market Capitalization (Rs.)

744,589,860

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.