

Financial Statements for the Year Ended 31st March 2022

Statement of Profit or Loss and other Comprehensive Income For the Year Ended 31st March	Company			Group		
	2022 Rs.	2021 Rs.	Growth %	2022 Rs.	2021 Rs.	Growth %
Gross Income	12,066,211,076	9,469,941,763	27.4	11,978,477,367	9,469,941,763	26.5
Interest Income	9,930,097,982	8,331,297,497	19.2	9,930,097,982	8,331,297,497	19.2
Interest Expense	(4,234,571,767)	(4,067,534,369)	4.1	(4,234,571,767)	(4,067,534,369)	4.1
Net Interest Income	5,695,526,215	4,263,763,128	33.6	5,695,526,215	4,263,763,128	33.6
Fee and Commission Income	672,707,103	373,550,576	80.1	672,707,103	373,550,576	80.1
Net Fee and Commission Income	672,707,103	373,550,576	80.1	672,707,103	373,550,576	80.1
Net Gain / (Loss) from Trading	12,589	642,028	(98.0)	12,589	642,028	(98.0)
Net Gain / (Loss) from other Financial Instruments at FVTPL	33,825,363	36,563,641	(7.5)	33,825,363	36,563,641	(7.5)
Other Operating Income	1,429,568,039	727,888,021	96.4	1,341,834,330	727,888,021	84.3
Total Operating Income	7,831,639,309	5,402,407,394	45.0	7,743,905,600	5,402,407,394	43.3
Impairment (Charges) / Reversals and Other Credit Losses on Financial Assets	(592,488,831)	(575,076,254)	3.0	(592,488,831)	(575,076,254)	3.0
Net Operating Income	7,239,150,478	4,827,331,140	50.0	7,151,416,769	4,827,331,140	48.1
Expenses						
Personnel Expenses	(1,404,669,796)	(1,068,762,651)	31.4	(1,404,866,104)	(1,068,771,249)	31.4
Premises Equipment and Establishment Expenses	(221,286,928)	(171,557,465)	29.0	(221,286,928)	(171,557,465)	29.0
Other Operating Expenses	(835,514,204)	(728,461,168)	14.7	(837,435,478)	(731,704,537)	14.4
Operating Profit Before Taxes on Financial Services	4,777,679,550	2,858,549,856	67.1	4,687,828,259	2,855,297,889	64.2
Taxes on Financial Services	(783,809,641)	(468,767,648)	67.2	(783,809,641)	(468,767,648)	67.2
Profit Before Income Tax	3,993,869,909	2,389,782,208	67.1	3,904,018,618	2,386,530,241	63.6
Income Tax Expense	(1,081,971,589)	(661,604,106)	63.5	(1,062,383,369)	(660,823,634)	60.8
Profit for the Year	2,911,898,320	1,728,178,102	68.5	2,841,635,249	1,725,706,607	64.7
Profit attributable to:						
Equity holders of the Company	2,911,898,320	1,728,178,102	68.5	2,841,635,249	1,725,706,607	64.7
Non - Controlling Interest	-	-	-	-	-	-
Profit for the Year	2,911,898,320	1,728,178,102	68.5	2,841,635,249	1,725,706,607	64.7
Earnings Per Share						
Basic Earnings Per Share	12.37	7.34	68.5	12.07	7.33	64.7
Diluted Earnings Per Share	12.37	7.34	68.5	12.07	7.33	64.7

Statement of Profit or Loss and other Comprehensive Income Contd. For the Year Ended 31st March	Company			Group		
	2022 Rs.	2021 Rs.	Growth %	2022 Rs.	2021 Rs.	Growth %
Profit for the Year	2,911,898,320	1,728,178,102	68.5	2,841,635,249	1,725,706,607	64.7
Other Comprehensive Income, Net of Tax						
Items that will never be reclassified to Profit or Loss						
Gains / (Losses) on remeasurement of Defined Benefit Liability	125,947,705	(30,289,378)	515.8	125,947,705	(30,289,378)	515.8
Deferred Tax (Charge) / Reversal on Actuarial Gains / (Losses)	(30,227,449)	7,269,449	(515.8)	(30,227,449)	7,269,449	(515.8)
Net Actuarial Gains / (Losses) on Defined Benefit Liability	95,720,256	(23,019,929)	515.8	95,720,256	(23,019,929)	515.8
Revaluation of Land & Buildings	48,245,347	-	100.0	127,745,347	-	100.0
Deferred Tax (Charge) / Reversal on Revaluation of Land & Buildings	(9,130,356)	4,615,161	(297.8)	(28,210,356)	4,615,161	(711.3)
Net Change in Revaluation of Land & Buildings	39,114,991	4,615,161	747.5	99,534,991	4,615,161	2,056.7
Items that are or may be reclassified to Profit or Loss						
Fair Value Gains / (Losses) that arose during the Year	(297,777,200)	-	(100.0)	(297,777,200)	-	(100.0)
Deferred Tax (Charge) / Reversal on Fair Value Gains / (Losses)	71,466,528	-	100.0	71,466,528	-	100.0
Net Gains / (Losses) on Investment in Financial Assets at Fair Value through Other Comprehensive Income	(226,310,672)	-	(100.0)	(226,310,672)	-	(100.0)
Other Comprehensive Income for the Year, Net of Tax	(91,475,425)	(18,404,768)	397.0	(31,055,425)	(18,404,768)	68.7
Total Comprehensive Income for the Year	2,820,422,895	1,709,773,334	65.0	2,810,579,824	1,707,301,839	64.6
Attributable to:						
Equity holders of the Company	2,820,422,895	1,709,773,334	65.0	2,810,579,824	1,707,301,839	64.6
Non - Controlling Interest	-	-	-	-	-	-
Total Comprehensive Income for the Year	2,820,422,895	1,709,773,334	65.0	2,810,579,824	1,707,301,839	64.6

Selected Performance Indicators (As Per Regulatory Reporting) As at 31st March	Company	
	2022	2021
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs. '000	10,270,608	8,036,430
Total Capital Base, Rs. '000	13,049,585	8,725,014
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 7.00%)	14.58%	12.98%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 11.00%)	18.52%	14.09%
Capital Funds to Deposit Liabilities Ratio (Minimum requirement, 10%)	30.96%	25.01%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Accommodations, Rs. '000	1,876,045	2,244,234
Gross Non-Performing Accommodations Ratio, %	2.73%	4.48%
Net Non-Performing Accommodation Ratio, %	0.38%	1.19%
Profitability (%)		
Interest Margin	7.75%	8.91%
Return on Average Assets (Before Tax)	6.01%	4.48%
Return on Average Equity (After Tax)	30.91%	23.57%
Regulatory Liquidity (Rs. '000)		
Required minimum amount of Liquid Assets	4,313,215	1,938,259
Available amount of Liquid Assets	8,072,739	2,927,819
Required minimum amount of Government Securities	2,246,257	1,439,740
Available amount of Government Securities	3,574,721	1,795,353
Memorandum information		
Number of Employees	1271	1067
Number of Branches	54	45
Number of Service Centers	-	1

Statement of Financial Position As at 31st March	Company			Group		
	2022 Rs.	2021 Rs.	Growth %	2022 Rs.	2021 Rs.	Growth %
Assets						
Cash and Cash Equivalents	877,638,204	1,683,003,076	(47.9)	900,929,559	1,712,137,601	(47.4)
Placements with Banks and Other Finance Companies	4,167,388,105	267,311,713	1,459.0	4,167,388,105	267,311,713	1,459.0
Reverse Repurchase Agreements	1,770,612,142	1,795,352,511	(1.4)	1,780,760,519	1,795,352,511	(0.8)
Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)	314,015,408	1,188,828,796	(73.6)	796,421,859	1,352,702,922	(41.1)
Financial Assets at Amortised Cost - Loans and Receivables to Other Customers	50,691,038,582	33,660,559,075	50.6	50,691,038,582	33,660,559,075	50.6
Financial Assets at Amortised Cost - Lease Rental and Hire Purchase Receivables	14,973,325,141	14,085,116,152	6.3	14,973,325,141	14,085,116,152	6.3
Financial Investments Measured at Fair Value Through Other Comprehensive Income	1,737,815,264	203,800	852,606.2	1,737,815,264	203,800	852,606.2
Financial Assets at Amortised Cost - Debt and other Financial Instruments	100,423,871	-	100.0	100,423,871	-	100.0
Financial Assets at Amortised Cost - Other Financial Assets	13,647,730	15,162,142	(10.0)	13,647,730	15,162,142	(10.0)
Investment in a Subsidiary	20	20	-	-	-	-
Investment Property	1,179,500,000	1,100,000,000	7.2	-	-	-
Property, Plant and Equipment	756,193,121	614,154,778	23.1	3,208,302,588	2,119,143,851	51.4
Right-of-use Lease Assets	781,224,648	583,944,570	33.8	781,224,648	583,944,570	33.8
Intangible Assets	28,671,530	9,897,595	189.7	28,671,530	9,897,595	189.7
Deferred Tax Assets	141,914,484	80,267,468	76.8	143,203,176	81,047,940	76.7
Other Assets	156,802,865	141,234,971	11.0	156,829,959	139,271,402	12.6
Total Assets	77,690,211,115	55,225,036,667	40.7	79,479,982,531	55,821,851,274	42.4
Liabilities						
Bank Overdrafts	1,062,546,767	983,750,361	8.0	1,062,546,767	983,750,361	8.0
Rental Received in Advance	227,759,381	247,760,859	(8.1)	227,759,381	247,760,859	(8.1)
Financial Liabilities at Amortised Cost - Deposits due to Customers	41,021,169,765	32,170,953,144	27.5	41,021,169,765	32,170,953,144	27.5
Financial Liabilities at Amortised Cost - Interest bearing Borrowings	20,034,340,212	11,282,498,665	77.6	21,835,482,493	11,880,986,632	83.8
Subordinated Term Debt	2,012,844,267	-	100.0	2,012,844,267	-	100.0
Lease Liabilities	858,556,285	599,680,856	43.2	858,556,285	599,680,856	43.2
Current Tax Liabilities	604,894,450	635,606,078	(4.8)	604,894,450	635,606,078	(4.8)
Deferred Tax Liabilities	142,580,571	112,558,388	26.7	142,580,571	112,558,388	26.7
Other Liabilities	989,544,615	841,325,477	17.6	990,488,316	842,123,612	17.6
Retirement Benefit Obligations	80,824,933	162,995,765	(50.4)	80,824,933	162,995,765	(50.4)
Total Liabilities	67,035,061,246	47,037,129,593	42.5	68,837,147,228	47,636,415,695	44.5
Equity						
Stated Capital	1,325,918,000	1,325,918,000	-	1,325,918,000	1,325,918,000	-
Statutory Reserve Fund	1,699,794,425	1,554,199,509	9.4	1,699,794,425	1,554,199,509	9.4
Other Reserves	(47,934,140)	139,261,541	(134.4)	12,485,860	139,261,541	(91.0)
Retained Earnings	7,677,371,584	5,168,528,024	48.5	7,604,637,018	5,166,056,529	47.2
Total Equity attributable to Equity holders of the Company	10,655,149,869	8,187,907,074	30.1	10,642,835,303	8,185,435,579	30.0
Non - Controlling Interest	-	-	-	-	-	-
Total Equity	10,655,149,869	8,187,907,074	30.1	10,642,835,303	8,185,435,579	30.0
Total Liabilities and Equity	77,690,211,115	55,225,036,667	40.7	79,479,982,531	55,821,851,274	42.4
Net Assets Value Per Share (Rs.)	45.25	34.78	30.1	45.20	34.76	30.0

Certification

These Financial Statements have been prepared in compliance with the requirements of the Companies Act, No.07 of 2007.

sgd.

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 ;

sgd.

S.B. Rangamuwa

Managing Director

6th June 2022,
Colombo.

sgd.

S.S. Weerabahu

Executive Director



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**TO THE SHAREHOLDERS OF VALLIBEL FINANCE PLC
Report on the Audit of the Financial Statements**

Opinion
We have audited the financial statements of Vallibel Finance PLC (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group), which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 198 to 297 of this Annual Report.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Allowance for impairment losses for loans and receivables, lease rental and hire purchase receivables
Refer note 20, 20.1.1 and 20.2.1 to the financial statements and the accounting policies in the note 6.1.10.

Risk Description