



# vallibel Finance

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

Income Statement For the Year Ended 31st March	2015 Rs.	2014 Rs.	Change %
<b>Gross Income</b>	2,896,187,378	2,570,624,353	12.7
Interest Income	2,799,745,875	2,451,800,812	14.2
Interest Expense	(1,344,337,892)	(1,340,464,712)	0.3
<b>Net Interest Income</b>	<b>1,455,407,983</b>	<b>1,111,336,100</b>	<b>31.0</b>
Fee and Commission Income	50,314,825	43,082,243	16.8
<b>Net Fee and Commission Income</b>	<b>50,314,825</b>	<b>43,082,243</b>	<b>16.8</b>
Net Gain / (Loss) from Trading	(117,290)	903,092	(113.0)
Other Operating Income	46,243,968	74,838,206	(38.2)
<b>Total Operating Income</b>	<b>1,551,849,486</b>	<b>1,230,159,641</b>	<b>26.2</b>
Impairment Charges for Loans and other losses	(239,203,374)	(210,654,141)	13.6
<b>Net Operating Income</b>	<b>1,312,646,112</b>	<b>1,019,505,500</b>	<b>28.8</b>
<b>Operating Expenses</b>			
Personnel Expenses	(336,574,216)	(251,662,381)	33.7
Premises Equipment and Establishment Expenses	(66,321,159)	(55,105,334)	20.4
Other Expenses	(276,808,006)	(223,727,661)	23.7
<b>Operating Profit Before Value Added Tax &amp; NBT</b>	<b>632,942,731</b>	<b>489,010,124</b>	<b>29.4</b>
Value Added Tax on Financial Services & NBT	(74,302,462)	(46,006,899)	61.5
<b>Profit Before Income Tax</b>	<b>558,640,269</b>	<b>443,003,225</b>	<b>26.1</b>
Income Tax Expense	(185,853,667)	(139,092,992)	33.6
<b>Profit for the Year</b>	<b>372,786,602</b>	<b>303,910,233</b>	<b>22.7</b>
<b>Earnings Per Share</b>			
Basic Earnings Per Share	8.97	7.31	22.7
Diluted Earnings Per Share	8.97	7.31	22.7

Statement of Profit or Loss and other Comprehensive Income For the Year Ended 31st March	2015 Rs.	2014 Rs.	Change %
<b>Profit for the Year</b>	<b>372,786,602</b>	<b>303,910,233</b>	<b>22.7</b>
<b>Other Comprehensive Income For the Year, Net of Tax</b>			
<b>Other Comprehensive Income not to be reclassified to Income Statement</b>			
Actuarial Gains / (Losses) on Retirement Benefit Plans	(4,183,437)	(1,488,824)	181.0
Deffered Tax Charge / (Reversal) on Actuarial Gains / (Losses)	1,171,362	416,871	181.0
<b>Total Other Comprehensive Income not to be reclassified to Income Statement</b>	<b>(3,012,075)</b>	<b>(1,071,953)</b>	<b>181.0</b>
<b>Other Comprehensive Income to be reclassified to Income Statement</b>			
Gains on remeasuring Available For Sale Financial Assets	5,202,523	4,054,987	28.3
<b>Total Other Comprehensive Income to be reclassified to Income Statement</b>	<b>5,202,523</b>	<b>4,054,987</b>	<b>28.3</b>
<b>Total other Comprehensive Income for the Year, Net of Tax</b>	<b>2,190,448</b>	<b>2,983,034</b>	<b>(26.6)</b>
<b>Total Comprehensive Income for the Year</b>	<b>374,977,050</b>	<b>306,893,267</b>	<b>22.2</b>

Statement of Changes in Equity	Stated Capital Rs.	Satutory Reserves Reserve Fund Rs.	Investment Fund Rs.	Available For Sale Reserve Rs.	General Reserve Rs.	Retained Earnings Rs.	Total Equity Rs.
<b>Balance as at 01st April 2013</b>	<b>287,153,000</b>	<b>145,184,628</b>	<b>92,396,351</b>	<b>-</b>	<b>7,500,000</b>	<b>403,941,844</b>	<b>936,175,823</b>
<b>Total Comprehensive Income for the Year</b>							
Profit for the Year	-	-	-	-	-	303,910,233	303,910,233
Other Comprehensive Income, Net of Tax	-	-	-	4,054,987	-	(1,071,953)	2,983,034
<b>Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,054,987</b>	<b>-</b>	<b>302,838,280</b>	<b>306,893,267</b>
<b>Transactions with Equity Holders of the Company</b>							
<b>Contributions and Distributions</b>							
Dividends	-	-	-	-	-	(62,325,900)	(62,325,900)
<b>Total Contributions and Distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(62,325,900)</b>	<b>(62,325,900)</b>
Investment Fund Account Transfers	-	-	35,543,904	-	-	(35,543,904)	-
Statutory Reserve Transfers	-	60,782,047	-	-	-	(60,782,047)	-
<b>Balance as at 31st March 2014</b>	<b>287,153,000</b>	<b>205,966,675</b>	<b>127,940,255</b>	<b>4,054,987</b>	<b>7,500,000</b>	<b>548,128,273</b>	<b>1,180,743,190</b>
<b>Total Comprehensive Income for the Year</b>							
Profit for the Year	-	-	-	-	-	372,786,602	372,786,602
Other Comprehensive Income, Net of Tax	-	-	-	5,202,523	-	(3,012,075)	2,190,448
<b>Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,202,523</b>	<b>-</b>	<b>369,774,528</b>	<b>374,977,050</b>
<b>Transactions with Equity Holders of the Company</b>							
<b>Contributions and Distributions</b>							
Dividends	-	-	-	-	-	(41,550,600)	(41,550,600)
<b>Total Contributions and Distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,550,600)</b>	<b>(41,550,600)</b>
Investment Fund Account Transfers	-	-	14,104,799	-	-	(14,104,799)	-
Investment Fund Account Re-Transfers	-	-	(142,045,054)	-	-	142,045,054	-
Statutory Reserve Transfers	-	74,557,320	-	-	-	(74,557,320)	-
<b>Balance as at 31st March 2015</b>	<b>287,153,000</b>	<b>280,523,995</b>	<b>-</b>	<b>9,257,510</b>	<b>7,500,000</b>	<b>929,735,135</b>	<b>1,514,169,640</b>

Selected Performance Indicators (As per Regulatory Reporting) As at 31st March	2015	2014
<b>Regulatory Capital Adequacy</b>		
Core Capital (Tier 1 Capital), Rs. '000	1,504,912	1,048,748
Total Capital Base, Rs. '000	2,257,368	1,573,122
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 5%)	11.53%	10.11%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 10%)	17.29%	15.16%
Capital Funds to Deposit Liabilities Ratio (Minimum requirement, 10%)	18.56%	16.92%
<b>Assets Quality (Quality of Loan Portfolio)</b>		
Gross Non-Performing Accommodations, Rs. '000	673,113	509,593
Gross Non-Performing Accommodations Ratio, %	5.11%	4.95%
Net Non-Performing Accommodation Ratio, %	0.95%	1.97%
<b>Profitability (%)</b>		
Interest Margin	10.38%	10.74%
Return on Assets (before Tax)	3.79%	4.05%
Return on Equity (after Tax)	27.67%	28.71%
<b>Regulatory Liquidity (Rs. '000)</b>		
Required minimum amount of Liquid Assets	1,353,441	966,137
Available amount of Liquid Assets	3,248,895	1,471,593
Required minimum amount of Government Securities	610,144	410,300
Available amount of Government Securities	1,649,883	713,899
<b>Memorandum information</b>		
Number of Employees	517	433
Number of Branches	17	13
Number of Service Centers	7	6

Ram Rating: BBB- Stable Outlook



# vallibel Finance

No. 310, Galle Road, Colombo 03.

Statement of Financial Position As at 31st March	2015 Rs.	2014 Rs.	Change %
<b>Assets</b>			
Cash and Cash Equivalents	357,722,928	311,612,928	14.8
Placements with Banks and Other Finance Companies	1,768,499,428	1,146,244,786	54.3
Reverse Repurchase Agreements	1,353,477,948	112,017,262	1,108.3
Financial Investments - Held for Trading	4,822,336	5,101,684	(5.5)
Loans and Receivables to Other Customers	3,307,495,086	1,149,653,055	187.7
Lease Rental and Hire Purchase Receivables	9,261,379,875	8,788,528,303	5.4
Financial Investments - Available for Sale	120,529,779	113,965,232	5.8
Financial Investments - Held to Maturity	296,296,416	612,634,968	(51.6)
Other Financial Assets	11,806,411	7,912,643	49.2
Property, Plant and Equipment	181,172,558	127,325,987	42.3
Intangible Assets	4,188,589	4,355,878	(3.8)
Deffered Tax Assets	66,516,415	33,785,748	96.9
Other Assets	159,599,520	165,575,145	(3.6)
<b>Total Assets</b>	<b>16,893,507,289</b>	<b>12,578,713,619</b>	<b>34.3</b>
<b>Liabilities</b>			
Bank Overdrafts	463,536,788	233,878,618	98.2
Rental Received in Advance	170,421,167	136,928,230	24.5
Deposits due to Customers	12,162,096,690	9,299,977,850	30.8
Interest bearing Borrowings	299,522,795	542,516,837	(44.8)
Subordinated Term Debts	1,859,653,357	898,088,784	107.1
Current Tax Liabilities	93,290,845	88,294,895	5.7
Deferred Tax Liabilities	88,459,437	74,288,962	19.1
Other Liabilities	220,230,653	111,124,087	98.2
Retirement Benefit Obligations	22,125,917	12,872,166	71.9
<b>Total Liabilities</b>	<b>15,379,337,649</b>	<b>11,397,970,429</b>	<b>34.9</b>
<b>Equity</b>			
Stated Capital	287,153,000	287,153,000	-
Statutory Reserves	280,523,995	333,906,930	(16.0)
Available For Sale Reserve	9,257,510	4,054,987	128.3
General Reserve	7,500,000	7,500,000	-
Retained Earnings	929,735,135	548,128,273	69.6
<b>Total Equity</b>	<b>1,514,169,640</b>	<b>1,180,743,190</b>	<b>28.2</b>
<b>Total Liabilities and Equity</b>	<b>16,893,507,289</b>	<b>12,578,713,619</b>	<b>34.3</b>
<b>Net Assets Value Per Share (Rs.)</b>	<b>36.44</b>	<b>28.42</b>	<b>28.2</b>

### Certification

I certify that these Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act No. 07 of 2007.

*sgd*

**K.D.Menaka Sameera**

*Head of Finance*

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*

**Dhammika Perera**

*Executive Director*

*sgd*

**S.B.Rangamuwa**

*Managing Director*

22nd May 2015

Colombo.



KPMG  
(Chartered Accountants)  
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### INDEPENDENT AUDITORS' REPORT

#### TO THE SHAREHOLDERS OF VALLIBEL FINANCE PLC

#### Report on the Financial Statements

We have audited the accompanying financial statements of Vallibel Finance PLC, ("the Company"), which comprise the statement of financial position as at March 31, 2015, and the income statement, statement of profit or loss and other comprehensive income, statement of changes in equity and, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards , and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

a) The basis of opinion and scope and limitations of the audit are as stated above.

b) In our opinion we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company and the financial statements of the Company, comply with the requirements of section 151 of the Companies Act No. 07 of 2007.

*Kpmg*

#### CHARTERED ACCOUNTANTS

Colombo

22nd May 2015.

M.R. Mihular FCA  
T.J.S. Rajakarier FCA  
Ms. S.M.B. Jayasekara ACA  
G.A.U. Karunaratne ACA  
R.H. Rajan ACA

P.Y.S. Perera FCA  
W.W.J.C. Perera FCA  
W.K.D.C Abeyratne ACA  
R.M.D.B. Rajapakse ACA

C.P. Jayatilake FCA  
Ms. S. Joseph FCA  
S.T.D.L. Perera FCA  
Ms. B.K.D.T.N. Rodrigo ACA

**Principals** - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA

Principal Lines of Business:

●Leasing

●Hire Purchase

●Gold Loan

●Fixed Deposits

●Microfinance

●Mortgage Loans

●Group Personal Loans