

Income Statement For the Year Ended 31st March	2017 Rs.	2016 Rs.	Growth %
Gross Income	5,114,694,482	3,468,276,901	47.5
Interest Income	4,597,260,244	3,244,786,741	41.7
Interest Expense	(2,586,588,604)	(1,558,667,730)	65.9
Net Interest Income	2,010,671,640	1,686,119,011	19.2
Fee and Commission Income	189,052,650	109,128,266	73.2
Net Fee and Commission Income	189,052,650	109,128,266	73.2
Net Gain / (Loss) from Trading	1,010,838	(639,083)	258.2
Gain from Financial Investments	22,230	20,520	8.3
Other Operating Income	327,348,520	114,980,457	184.7
Total Operating Income	2,528,105,878	1,909,609,171	32.4
Impairment (Charges) / Reversals for Loans and other losses	(33,041,325)	(70,182,156)	(52.9)
Net Operating Income	2,495,064,553	1,839,427,015	35.6
Expenses			
Personnel Expenses	(549,309,630)	(436,060,020)	26.0
Depreciation and Amortisation	(60,927,563)	(54,794,468)	11.2
Other Expenses	(560,356,171)	(436,836,950)	28.3
Operating Profit Before Value Added Tax (VAT) & Nation Building Tax (NBT)	1,324,471,189	911,735,577	45.3
Value Added Tax (VAT) on Financial Services & Nation Building Tax (NBT)	(229,689,842)	(128,112,003)	79.3
Profit Before Income Tax	1,094,781,347	783,623,574	39.7
Income Tax Expense	(368,622,373)	(270,359,053)	36.3
Profit for the Year	726,158,974	513,264,521	41.5
Earnings Per Share on profit			
Basic Earnings Per Ordinary Share	17.48	12.35	41.5
Diluted Earnings Per Ordinary Share	17.48	12.35	41.5

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31st March	2017 Rs.	2016 Rs.	Growth %
Profit for the Year	726,158,974	513,264,521	41.5
Other Comprehensive Income, Net of Tax			
Items that will never be reclassified to Profit or Loss			
Remeasurement of Retirement Benefit Obligation	7,274,213	2,582,738	181.6
Deferred Tax (Charge) / Reversal on Actuarial Gains / (Losses)	(2,036,780)	(723,167)	181.6
Net Actuarial Gains / (Losses) on Retirement Benefit Obligation	5,237,433	1,859,571	181.6
Items that are or may be reclassified to Profit or Loss			
Gains / (Losses) on remeasuring Available For Sale Financial Assets	1,174,150	(17,266,607)	106.8
Net Fair Value Gains / (Losses) on remeasuring Available For Sale Financial Assets	1,174,150	(17,266,607)	106.8
Other Comprehensive Income for the Year, Net of Tax	6,411,583	(15,407,036)	141.6
Total Comprehensive Income for the Year	732,570,557	497,857,485	47.1

Statement of Changes in Equity	Stated Capital Rs.	Statutory Reserve Fund Rs.	Available For Sale Reserve Rs.	General Reserve Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 01st April 2015	287,153,000	280,523,995	9,257,510	7,500,000	929,735,135	1,514,169,640
Total Comprehensive Income for the Year						
Profit for the Year	-	-	-	-	513,264,521	513,264,521
Other Comprehensive Income, net of Tax						
Net Fair Value Gains / (Losses) on remeasuring Available For Sale Financial Assets	-	-	(17,266,607)	-	-	(17,266,607)
Net Actuarial Gains / (Losses) on Retirement Benefit Obligation	-	-	-	-	1,859,571	1,859,571
Total Comprehensive Income for the Year	-	-	(17,266,607)	-	515,124,092	497,857,485
Transactions with owners, recognised directly in equity, contributions and distributions to owners						
Dividends to equity holders	-	-	-	-	(83,101,200)	(83,101,200)
Statutory Reserve Transfer	-	102,652,904	-	-	(102,652,904)	-
Total Transactions with Equity Holders	-	102,652,904	-	-	(185,754,104)	(83,101,200)
Balance as at 01st April 2016	287,153,000	383,176,899	(8,009,097)	7,500,000	1,259,105,123	1,928,925,925
Total Comprehensive Income for the Year						
Profit for the Year	-	-	-	-	726,158,974	726,158,974
Other Comprehensive Income, net of Tax						
Net Fair Value Gains / (Losses) on remeasuring Available For Sale Financial Assets	-	-	1,174,150	-	-	1,174,150
Net Actuarial Gains / (Losses) on Retirement Benefit Obligation	-	-	-	-	5,237,433	5,237,433
Total Comprehensive Income for the Year	-	-	1,174,150	-	731,396,407	732,570,557
Transactions with owners, recognised directly in equity, contributions and distributions to owners						
Dividends to equity holders	-	-	-	-	(103,876,500)	(103,876,500)
Statutory Reserve Transfer	-	145,231,795	-	-	(145,231,795)	-
Total Transactions with Equity Holders	-	145,231,795	-	-	(249,108,295)	(103,876,500)
Balance as at 31st March 2017	287,153,000	528,408,694	(6,834,947)	7,500,000	1,741,393,235	2,557,619,982

Selected Performance Indicators (As Per Regulatory Reporting) As at 31st March	2017	2016
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs. '000	2,557,620	1,936,935
Total Capital Base, Rs. '000	3,357,620	2,905,403
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 5%)	10.45%	10.58%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 10%)	13.72%	15.86%
Capital Funds to Deposit Liabilities Ratio (Minimum requirement, 10%)	18.80%	19.63%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Accommodations, Rs. '000	746,084	721,150
Gross Non-Performing Accommodations Ratio, %	2.93%	3.76%
Net Non-Performing Accommodation Ratio, %	0.37%	0.52%
Profitability (%)		
Interest Margin	7.84%	8.86%
Return on Assets (before Tax)	4.10%	3.95%
Return on Equity (after Tax)	32.37%	29.81%
Regulatory Liquidity (Rs. '000)		
Required minimum amount of Liquid Assets	1,885,166	1,610,083
Available amount of Liquid Assets	3,928,710	3,077,482
Required minimum amount of Government Securities	1,098,644	847,503
Available amount of Government Securities	2,023,015	1,974,577
Memorandum information		
Number of Employees	694	600
Number of Branches	24	20
Number of Service Centers	8	8

ICRA Rating : BBB- Stable Outlook

Statement of Financial Position As at 31st March	2017 Rs.	2016 Rs.	Growth %
Assets			
Cash and Cash Equivalents	806,206,582	519,315,084	55.2
Placements with Banks	2,040,208,425	1,206,515,284	69.1
Placements with Other Finance Companies	202,904,415	105,654,575	92.0
Reverse Repurchase Agreements	810,190,562	1,679,716,852	(51.8)
Financial Investments - Held for Trading	1,761,300	4,067,378	(56.7)
Loans and Receivables - Leases	11,517,449,933	9,103,789,014	26.5
Loans and Receivables - Hire Purchase	793,685,839	2,124,439,330	(62.6)
Loans and Receivables - Others	12,466,944,145	7,251,676,658	71.9
Financial Investments - Available for Sale	510,085,388	104,658,351	387.4
Financial Investments - Held to Maturity	1,019,286,080	300,794,154	238.9
Other Financial Assets	20,827,738	15,968,593	30.4
Property, Plant and Equipment	315,103,615	194,787,387	61.8
Intangible Assets	10,297,779	4,129,612	149.4
Deferred Tax Assets	8,525,324	37,147,476	(77.1)
Other Assets	161,618,964	114,516,593	41.1
Total Assets	30,685,096,089	22,767,176,341	34.8
Liabilities			
Due to Banks	7,530,585,546	3,467,781,143	117.2
Rental Received in Advance	243,881,527	208,870,398	16.8
Deposits due to Customers	17,863,861,472	14,804,037,141	20.7
Current Tax Liabilities	209,076,751	38,687,596	440.4
Deferred Tax Liabilities	270,783,875	182,865,531	48.1
Other Liabilities	308,821,154	218,445,474	41.4
Subordinated Term Debts	1,700,465,782	1,917,563,133	(11.3)
Total Liabilities	28,127,476,107	20,838,250,416	35.0
Equity			
Stated Capital	287,153,000	287,153,000	-
Statutory Reserve Fund	528,408,694	383,176,899	37.9
Available For Sale Reserve	(6,834,947)	(8,009,097)	(14.7)
General Reserve	7,500,000	7,500,000	-
Retained Earnings	1,741,393,235	1,259,105,123	38.3
Total Equity	2,557,619,982	1,928,925,925	32.6
Total Liabilities and Equity	30,685,096,089	22,767,176,341	34.8
Contingent Liabilities and Commitments	339,561,953	395,410,420	(14.1)
Net Assets Value Per Share	61.55	46.42	32.6

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

AGM - Finance & Administration

sgd.

Dhammika Perera

Executive Director

S.B. Rangamuwa

Managing Director

 25th May 2017,
Colombo.


KPMG
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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 31st March 2017, 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 31st March 2017, 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:

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

CHARTERED ACCOUNTANTS

Colombo

25th May 2017

M.R. Mihular FCA
T.J.S. Rajakarier FCA
Ms. S.M.B. Jayasekara ACA
G.A.U. Karunaratne FCA
R.H. Rajan ACA
P.Y.S. Perera FCA
W.W.J.C. Perera FCA
W.K.D.C. Abeyratne FCA
R.M.D.B. Rajapakse FCA
C.P. Jayatilake FCA
Ms. S. Joseph FCA
S.T.D.L. Perera FCA
Ms. B.K.D.T.N. Rodrigo FCA
Principals - S.R.I. Perera FCA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA
Ms. C.T.K.N. Perera ACA(UK)

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