



INTERIM FINANCIAL STATEMENTS

For the three months ended 30th June 2016

VALLIBEL FINANCE PLC
Income Statement

Amounts in Rupees '000

	Three months ended 30th June		
	2016	2015	Change %
Gross Income	1,063,944	762,896	39.5
Interest Income	963,970	737,974	30.6
Interest Expense	(512,270)	(361,637)	41.7
Net Interest Income	451,700	376,337	20.0
Fee and Commission Income	18,013	11,654	54.6
Net Fee and Commission Income	18,013	11,654	54.6
Net Gain / (Loss) from Trading	283	408	(30.5)
Other Operating Income	81,678	12,860	535.1
Total Operating Income	551,674	401,259	37.5
Impairment Charges for Loans and other losses	(18,350)	(29,103)	(36.9)
Net Operating Income	533,324	372,156	43.3
Operating Expenses			
Personnel Expenses	(137,530)	(102,064)	34.7
Premises Equipment and Establishment Expenses	(23,779)	(20,680)	15.0
Other Expenses	(107,058)	(87,307)	22.6
Operating Profit Before Value Added Tax & NBT	264,957	162,105	63.4
Value Added Tax on Financial Services & NBT	(47,487)	(20,072)	136.6
Profit Before Income Tax	217,470	142,033	53.1
Income Tax Expense	(86,857)	(46,004)	88.8
Profit for the Period	130,613	96,029	36.0
Earnings Per Share (Annualised)	12.57	9.24	36.0

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

Amounts in Rupees '000

	Three months ended 30th June		
	2016	2015	Change
			%
Profit for the period	130,613	96,029	36.0
Other Comprehensive Income for the Period , Net of Tax			
Other Comprehensive Income not be reclassified to Income Statement			
Remeasurement on Retirement Benefit Obligation	-	-	-
Deffered Tax (Charge) / Reversal on Actuarial Gains / (Losses)	-	-	-
Total Other Comprehensive Income not be reclassified to Income Statement	-	-	-
Other Comprehensive Income to be reclassified to Income Statement			
Gains / (Losses) on remeasuring Available For Sale Financial Assets	5,566	(160)	3,572.4
Total Other Comprehensive Income to be reclassified to Income Statement	5,566	(160)	3,572.4
Total Other Comprehensive Income for the Period, Net of Tax	5,566	(160)	3,572.4
Total Comprehensive Income for the Period	136,179	95,869	42.0

VALLIBEL FINANCE PLC
Statement of Financial Position

	Amounts in Rupees '000		
	As at 30th June 2016	As at 31st March 2016 (Audited)	Change %
Assets			
Cash and Cash Equivalents	276,098	519,315	(46.8)
Placements with Banks and Other Finance Companies	1,446,111	1,312,170	10.2
Reverse Repurchase Agreements	610,826	1,679,717	(63.6)
Financial Investments - Held for Trading	4,212	4,067	3.5
Loans and Receivables to Other Customers	8,850,900	7,251,677	22.1
Lease Rental and Hire Purchase Receivables	11,377,955	11,228,228	1.3
Financial Investments - Available for Sale	257,970	104,658	146.5
Financial Investments - Held to Maturity	618,862	300,794	105.7
Other Financial Assets	17,649	15,969	10.5
Property, Plant and Equipment	196,195	194,787	0.7
Intangible Assets	3,441	4,130	(16.7)
Deferred Tax Assets	37,147	37,147	-
Other Assets	132,015	114,517	15.3
Total Assets	23,829,383	22,767,176	4.7
Liabilities			
Bank Overdrafts	941,837	1,224,665	(23.1)
Rental Received in Advance	217,230	208,870	4.0
Deposits due to Customers	15,430,701	14,804,037	4.2
Interest bearing Borrowings	2,849,159	2,243,116	27.0
Subordinated Term Debts	1,892,312	1,917,563	(1.3)
Current Tax Liabilities	110,709	38,688	186.2
Deferred Tax Liabilities	182,866	182,866	-
Other Liabilities	212,788	190,776	11.5
Retirement Benefit Obligations	30,552	27,669	10.4
Total Liabilities	21,868,154	20,838,250	4.9
Equity			
Stated Capital	287,153	287,153	-
Statutory Reserves	409,299	383,177	6.8
Available For Sale Reserve	(2,443)	(8,009)	(69.5)
General Reserve	7,500	7,500	-
Retained Earnings	1,259,719	1,259,105	0.0
Total Equity	1,961,229	1,928,926	1.7
Total Liabilities and Equity	23,829,383	22,767,176	4.7
Net Assets Value Per Share (Rs.)	47.20	46.42	1.7

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
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

01st August 2016
Colombo.

VALLIBEL FINANCE PLC
Statement of Changes in Equity

For the three months ended	Stated Capital	Statutory Reserve Fund	Available For Sale Reserve	General Reserve	Amounts in Rupees '000	
					Retained Earnings	Total Equity
Balance as at 01st April 2015	287,153	280,524	9,258	7,500	929,735	1,514,170
Total Comprehensive Income for the Period						
Profit for the Period	-	-	-	-	96,029	96,029
Other Comprehensive Income, net of Tax	-	-	(160)	-	-	(160)
Total Comprehensive Income for the Period	-	-	(160)	-	96,029	95,869
Transactions with Equity Holders of the Company						
Contributions and Distributions						
Dividends	-	-	-	-	(83,101)	(83,101)
Total Contributions and Distributions	-	-	-	-	(83,101)	(83,101)
Statutory Reserve Transfers	-	19,206	-	-	(19,206)	-
Balance as at 30th June 2015	287,153	299,730	9,098	7,500	923,457	1,526,938
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	-	-	5,566	-	-	5,566
Total Comprehensive Income for the Period	-	-	5,566	-	130,613	136,179
Transactions with Equity Holders of the Company						
Contributions and Distributions						
Dividends	-	-	-	-	(103,877)	(103,877)
Total Contributions and Distributions	-	-	-	-	(103,877)	(103,877)
Statutory Reserve Transfers	-	26,122	-	-	(26,122)	-
Balance as at 30th June 2016	287,153	409,299	(2,443)	7,500	1,259,719	1,961,229

VALLIBEL FINANCE PLC**Cash Flow Statement**

For the period ended	Amounts in Rupees '000	
	As at 30th June 2016	As at 30th June 2015
Cash Flow From Operating Activities		
Interest and Commission Receipts	981,847	710,988
Interest Payments	(492,729)	(331,477)
Cash Receipts from Customers	84,752	12,122
Cash Payments to Employees and Suppliers	(245,299)	(202,608)
Operating Profit Before Changes in Operating Assets and Liabilities	328,572	189,025
(Increase) / Decrease in Operating Assets		
Short Term Funds & Other Short Term Negotiable Securities	(619,511)	1,041,032
Deposits held for Regulatory or Monetary Control Purposes	1,096,998	(562,413)
Funds Advanced to Customers	(1,758,939)	(1,192,285)
Increase / (Decrease) in Operating Liabilities		
Deposits from Customers	579,814	408,794
Certificate of Deposits	(9,368)	(8,475)
Net Cash (Used in) / Generated from Operating Activities before Tax	(382,434)	(124,322)
Taxes paid	(59,484)	(59,690)
Net Cash (Used In) / Generated from Operating Activities	(441,918)	(184,012)
Cash Flows From Investing Activities		
Dividends Received	139	136
Proceed from sale of Property , Plant and equipment	613	65
Purchase of Property , Plant and equipment	(15,763)	(16,387)
Net Cash (Used In) / Generated from Investing Activities	(15,011)	(16,185)
Cash Flows From Financing Activities		
Net increase / (decrease) in Borrowings	600,417	(94,299)
Dividend paid	(103,877)	(83,101)
Net Cash (Used In) / Generated from Financing Activities	496,540	(177,400)
Net Increase / (Decrease) in Cash & Cash Equivalents	39,611	(377,598)
Cash & Cash Equivalents at the Beginning of the Period	(705,350)	(105,814)
Cash & Cash Equivalents at the End of the Period (Note A)	(665,739)	(483,411)
Note A		
Cash & Cash Equivalents at the End of the Period		
Cash in Hand and at Banks	276,098	137,165
Bank Overdrafts	(941,837)	(620,577)
	(665,739)	(483,411)

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	
	30th June 2016	31st March 2016	30th June 2016	31st March 2016	30th June 2016	31st March 2016	30th June 2016	31st March 2016	30th June 2016	31st March 2016
	Assets									
Cash and Cash Equivalents	-	-	-	-	276,098	519,315	-	-	276,098	519,315
Placements with Banks and Other Finance Companies	-	-	-	-	1,446,111	1,312,170	-	-	1,446,111	1,312,170
Reverse Repurchase Agreements	-	-	-	-	610,826	1,679,717	-	-	610,826	1,679,717
Financial Investments - Held for Trading	4,212	4,067	-	-	-	-	-	-	4,212	4,067
Loans and Receivables to Other Customers	-	-	-	-	8,850,900	7,251,677	-	-	8,850,900	7,251,677
Lease Rental and Hire Purchase Receivables	-	-	-	-	11,377,955	11,228,228	-	-	11,377,955	11,228,228
Financial Investments - Available for Sale	-	-	-	-	-	-	257,970	104,658	257,970	104,658
Financial Investments - Held to Maturity	-	-	618,862	300,794	-	-	-	-	618,862	300,794
Other Financial Assets	-	-	-	-	17,649	15,969	-	-	17,649	15,969
Total Financial Assets	4,212	4,067	618,862	300,794	22,579,539	22,007,074	257,970	104,658	23,460,583	22,416,594
Liabilities										
					Held For Trading		Amortised Cost		Total	
					30th June 2016	31st March 2016	30th June 2016	31st March 2016	30th June 2016	31st March 2016
Bank Overdrafts					-	-	941,837	1,224,665	941,837	1,224,665
Rental Received in Advance					-	-	217,230	208,870	217,230	208,870
Deposits due to Customers					-	-	15,430,701	14,804,037	15,430,701	14,804,037
Interest bearing Borrowings					-	-	2,849,159	2,243,116	2,849,159	2,243,116
Subordinated Term Debts					-	-	1,892,312	1,917,563	1,892,312	1,917,563
Total Financial Liabilities					-	-	21,331,239	20,398,251	21,331,239	20,398,251

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 2016.
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. 2.50 per share for the year ended 31st March 2016, on 21st June 2016.
4. There were no material events took place since 30th June 2016 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 2016	As at 30th June 2015
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)	20,827,955	14,326,235
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	20,287,665	13,809,696
Non-Performing Accommodations (Net of Interest in Suspense)	667,179	659,420
Liquidity		
Required Minimum Amount of Liquid Assets	1,648,291	1,391,676
Available Amount of Liquid Assets	2,052,593	2,574,972
Required Minimum Amount of Government Securities	1,098,644	847,503
Available Amount of Government Securities	1,224,004	860,026
Capital Adequacy		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	9.03%	9.84%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	13.55%	14.75%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	18.28%	17.34%
Profitability		
Return on Assets (After Tax) - (Annualised)	2.19%	2.20%
Return on Equity - (Annualised)	26.64%	25.16%

Information On Ordinary Shares

Share Price During the Quarter

		For the quarter ended	
		30.06.2016	30.06.2015
Highest	Rs.	71.60	64.50
Lowest	Rs.	56.00	45.00
Closing	Rs.	57.40	60.10
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		Lowest		Period End	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	For the quarter ended					
5 Year Fixed Rate - 14.75%	100.00	N/T	100.00	N/T	100.00	N/T
5 Year Fixed Rate - 15.00%	N/T	N/T	N/T	N/T	N/T	N/T
5 Year Fixed Rate - 15.50%	N/T	N/T	N/T	N/T	N/T	N/T

VFIN Debentures 2015/2020

	Highest		Lowest		Period End	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	For the quarter ended					
5 Year Fixed Rate - 10.25%	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	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
5 Year Fixed Rate - 14.75%	14.75%	14.75%	15.59%	15.59%
5 Year Fixed Rate - 15.00%	15.00%	15.00%	15.56%	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	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
5 Year Fixed Rate - 10.25%	10.25%	10.25%	10.51%	10.51%

Interest Rates of Comparable Government Securities - Gross Rates

	For the quarter ended	
	30.06.2016	30.06.2015
5 Year Treasury Bond	11.97%	8.11%

Interest Yield and Yield to Maturity

VFIN Debentures 2014/2019

	Fixed - 14.75%		Fixed - 15.00%		Fixed - 15.50%	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	For the quarter ended					
Interest Yield	14.75%	N/T	15.00%	N/T	15.50%	N/T
Yield to Maturity of last trade	14.75%	N/T	N/T	N/T	N/T	N/T

VFIN Debentures 2015/2020

	For the quarter ended	
	30.06.2016	30.06.2015
Interest Yield	10.25%	N/T
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

	30.06.2016	30.06.2015
Debt to Equity Ratio (%)	242%	139%
Interest Cover (Times)	1.52	1.45
Liquid Asset Ratio (%)	12.45%	18.50%

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	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	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	486,593	341,385	97,424	195,614	318,607	142,145	61,346	58,830	-	-	963,970	737,974
Fee and Commission Income	-	-	-	-	-	-	-	-	18,013	11,654	18,013	11,654
Capital gains / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	139	136	-	-	139	136
Other	22,702	1,294	20,026	430	35,286	2,197	-	-	3,807	9,211	81,821	13,132
Total Revenue	509,295	342,679	117,449	196,044	353,893	144,342	61,485	58,966	21,821	20,865	1,063,944	762,896
Profit before Income tax											217,470	142,033
Income Tax											(86,857)	(46,004)
Profit after tax											130,613	96,029
Other Information												
As at 30th June												
Segment assets	10,058,452	6,282,836	1,319,503	3,961,396	8,850,900	3,945,837	2,933,769	2,889,485	666,758	343,316	23,829,383	17,422,868
Segment Liabilities	9,230,611	5,732,209	1,210,904	3,614,218	8,122,445	3,600,024	2,692,311	2,636,250	611,882	313,228	21,868,154	15,895,930
Net assets	827,841	550,627	108,599	347,176	728,455	345,813	241,458	253,234	54,876	30,088	1,961,229	1,526,938

Additional Notes

20 Major Shareholders As At 30th June 2016

	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	1,100,280	2.648%
4 Mr. S B Rangamuwa	860,092	2.070%
5 Union Bank of Colombo PLC/Mr. S Abishek	289,157	0.696%
6 Mr. C S J Perera	284,860	0.686%
7 Mr. V R Kathiraganatamby	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 Mr. N P D E Samaranayake	200,000	0.481%
12 Mr. N Balasingam	134,900	0.325%
13 Mr. A Sithampalam	130,605	0.314%
14 Code-Gen International (Pvt) Ltd	130,000	0.313%
15 Mrs. S P Gunasekara	122,913	0.296%
16 Mr. D S Panditha	116,260	0.280%
17 Mr. P J P Raj	115,100	0.277%
18 Mr. R Udalgama	113,022	0.272%
19 Mr. Gautam	102,000	0.245%
20 Mr. W M A R Walisundara	100,155	0.241%
	36,244,453	87.230%
Others	5,306,147	12.770%
	41,550,600	100.000%

Directors' Shareholding As At 30th June 2016

1 Mr. K V P Ranjith De Silva	-	-
2 Mr. Dhammika Perera	600	0.001%
3 Mr. S B Rangamuwa	860,092	2.070%
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)	-	-
	2,220,501	5.344%

Public Holding As At 30th June 2016

Number of Public Shareholders

21.63%

2,101