



INTERIM FINANCIAL STATEMENTS

For the Year ended 31st March 2017

VALLIBEL FINANCE PLC
Income Statement

Amounts in Rupees '000

	Quarter ended 31st March			Year ended 31st March		
	2017	2016	Change %	2017	2016 (Audited)	Change %
Gross Income	1,465,433	976,356	50.1	5,114,696	3,468,277	47.5
Interest Income	1,314,644	886,654	48.3	4,594,506	3,241,795	41.7
Interest Expense	(753,066)	(419,594)	79.5	(2,586,589)	(1,558,668)	65.9
Net Interest Income	561,578	467,060	20.2	2,007,917	1,683,127	19.3
Fee and Commission Income	24,198	19,225	25.9	84,044	59,806	40.5
Net Fee and Commission Income	24,198	19,225	25.9	84,044	59,806	40.5
Net Gain / (Loss) from Trading	850	(6,303)	113.5	1,033	(619)	267.0
Other Operating Income	125,741	76,780	63.8	435,113	167,295	160.1
Total Operating Income	712,368	556,762	27.9	2,528,107	1,909,609	32.4
Impairment Charges for Loans and other losses	(3,461)	(17,105)	(79.8)	(33,041)	(70,182)	(52.9)
Net Operating Income	708,907	539,657	31.4	2,495,066	1,839,427	35.6
Operating Expenses						
Personnel Expenses	(125,538)	(110,261)	13.9	(549,310)	(436,060)	26.0
Premises Equipment and Establishment Expenses	(27,896)	(24,545)	13.7	(103,242)	(87,538)	17.9
Other Expenses	(165,008)	(114,584)	44.0	(518,042)	(404,093)	28.2
Operating Profit Before Value Added Tax & NBT	390,464	290,267	34.5	1,324,472	911,736	45.3
Value Added Tax on Financial Services & NBT	(64,897)	(29,528)	119.8	(229,690)	(128,112)	79.3
Profit Before Income Tax	325,567	260,739	24.9	1,094,782	783,624	39.7
Income Tax Expense	(105,710)	(96,544)	9.5	(368,622)	(270,359)	36.3
Profit for the Period	219,857	164,195	33.9	726,160	513,265	41.5
Earnings Per Share (Annualised)	21.17	15.81	33.9	17.48	12.35	41.5

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

Amounts in Rupees '000

	Quarter ended 31st March			Year ended 31st March		
	2017	2016	Change	2017	2016	Change
			%		(Audited)	%
Profit for the period	219,857	164,195	33.9	726,160	513,265	41.5
Other Comprehensive Income for the Period , Net of Tax						
Other Comprehensive Income not be reclassified to Income Statement						
Remeasurement on Retirement Benefit Obligation	7,274	2,583	181.6	7,274	2,583	181.6
Deffered Tax (Charge) / Reversal on Actuarial Gains / (Losses)	(2,037)	(723)	181.6	(2,037)	(723)	181.6
Total Other Comprehensive Income not be reclassified to Income Statement	5,237	1,860	181.6	5,237	1,860	181.6
Other Comprehensive Income to be reclassified to Income Statement						
Gains / (Losses) on remeasuring Available For Sale Financial Assets	(2,483)	(11,972)	(79.3)	1,174	(17,267)	106.8
Total Other Comprehensive Income to be reclassified to Income Statement	(2,483)	(11,972)	(79.3)	1,174	(17,267)	106.8
Total Other Comprehensive Income for the Period, Net of Tax	2,754	(10,113)	127.2	6,411	(15,407)	141.6
Total Comprehensive Income for the Period	222,611	154,083	44.5	732,571	497,858	47.1

VALLIBEL FINANCE PLC
Statement of Financial Position

Amounts in Rupees '000

	As at 31st March 2017	As at 31st March 2016 (Audited)	Change %
Assets			
Cash and Cash Equivalents	806,207	519,315	55.2
Placements with Banks and Other Finance Companies	2,243,113	1,312,170	70.9
Reverse Repurchase Agreements	810,191	1,679,717	(51.8)
Financial Investments - Held for Trading	1,761	4,067	(56.7)
Loans and Receivables to Other Customers	12,466,944	7,251,677	71.9
Lease Rental and Hire Purchase Receivables	12,311,136	11,228,228	9.6
Financial Investments - Available for Sale	510,085	104,658	387.4
Financial Investments - Held to Maturity	1,019,286	300,794	238.9
Other Financial Assets	20,828	15,969	30.4
Property, Plant and Equipment	315,104	194,787	61.8
Intangible Assets	10,298	4,130	149.4
Deferred Tax Assets	8,525	37,147	(77.1)
Other Assets	161,618	114,517	41.1
Total Assets	30,685,096	22,767,176	34.8
Liabilities			
Bank Overdrafts	1,487,194	1,224,665	21.4
Rental Received in Advance	243,882	208,870	16.8
Deposits due to Customers	17,863,861	14,804,037	20.7
Interest bearing Borrowings	6,043,392	2,243,116	169.4
Subordinated Term Debts	1,700,466	1,917,563	(11.3)
Current Tax Liabilities	209,077	38,688	440.4
Deferred Tax Liabilities	270,784	182,866	48.1
Other Liabilities	279,103	190,776	46.3
Retirement Benefit Obligations	29,717	27,669	7.4
Total Liabilities	28,127,476	20,838,250	35.0
Equity			
Stated Capital	287,153	287,153	-
Statutory Reserve Fund	528,409	383,177	37.9
Available For Sale Reserve	(6,835)	(8,009)	(14.7)
General Reserve	7,500	7,500	-
Retained Earnings	1,741,393	1,259,105	38.3
Total Equity	2,557,620	1,928,926	32.6
Total Liabilities and Equity	30,685,096	22,767,176	34.8
Net Assets Value Per Share (Rs.)	61.55	46.42	32.6

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.E. Rangamuwa
Managing Director

12th May 2017
Colombo.

VALLIBEL FINANCE PLC
Statement of Changes in Equity

	Amounts in Rupees '000					
	Stated Capital	Statutory Reserve Fund	Available For Sale Reserve	General Reserve	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	-	-	-	-	513,265	513,265
Other Comprehensive Income, net of Tax	-	-	(17,267)	-	1,860	(15,407)
Total Comprehensive Income for the Period	-	-	(17,267)	-	515,124	497,858
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	-	102,653	-	-	(102,653)	-
Balance as at 31st March 2016	287,153	383,177	(8,009)	7,500	1,259,105	1,928,926
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	-	-	-	-	726,160	726,160
Other Comprehensive Income, net of Tax	-	-	1,174	-	5,237	6,411
Total Comprehensive Income for the Period	-	-	1,174	-	731,397	732,571
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	-	145,232	-	-	(145,232)	-
Balance as at 31st March 2017	287,153	528,409	(6,835)	7,500	1,741,393	2,557,620

VALLIBEL FINANCE PLC**Cash Flow Statement**

For the period ended	Amounts in Rupees '000	
	As at 31st March 2017	As at 31st March 2016
Cash Flow From Operating Activities		
Interest and Commission Receipts	4,653,150	3,323,778
Interest Payments	(2,459,132)	(1,363,960)
Cash Receipts from Customers	388,968	175,341
Cash Payments to Employees and Suppliers	(1,275,396)	(980,096)
Operating Profit Before Changes in Operating Assets and Liabilities	1,307,591	1,155,064
(Increase) / Decrease in Operating Assets		
Short Term Funds	16,112	34,024
Deposits held for Regulatory or Monetary Control Purposes	49,214	(1,714,651)
Funds Advanced to Customers	(6,296,074)	(5,942,763)
Other Short Term Negotiable Securities	(1,175,956)	1,809,030
Increase / (Decrease) in Operating Liabilities		
Deposits from Customers	2,696,143	2,517,433
Certificate of Deposits	256,660	(5,144)
Net Cash (Used in) / Generated from Operating Activities before Income Tax	(3,146,310)	(2,147,008)
Income Taxes Paid	(83,730)	(201,910)
Net Cash (Used In) / Generated from Operating Activities	(3,230,040)	(2,348,918)
Cash Flows From Investing Activities		
Dividends Received	253	136
Proceed from Sale of Financial Investments - Held for Trading	3,086	-
Proceed from Sale of Property , Plant and Equipment	2,132	6,095
Purchase of Property , Plant and equipment	(182,567)	(70,457)
Purchase of Intangible Assets	(8,916)	(2,353)
Net Cash (Used In) / Generated from Investing Activities	(186,011)	(66,579)
Cash Flows From Financing Activities		
Net increase / (decrease) in Borrowings	3,544,291	1,899,063
Dividend paid	(103,877)	(83,101)
Net Cash (Used In) / Generated from Financing Activities	3,440,414	1,815,961
Net Increase / (Decrease) in Cash & Cash Equivalents	24,363	(599,536)
Cash & Cash Equivalents at the Beginning of the Period	(705,350)	(105,814)
Cash & Cash Equivalents at the End of the Period (Note A)	(680,987)	(705,350)
Note A		
Cash & Cash Equivalents at the End of the Period		
Cash in Hand and at Banks	806,207	519,315
Bank Overdrafts	(1,487,194)	(1,224,665)
	(680,987)	(705,350)

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	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Assets										
Cash and Cash Equivalents	-	-	-	-	806,207	519,315	-	-	806,207	519,315
Placements with Banks and Other Finance Companies	-	-	-	-	2,243,113	1,312,170	-	-	2,243,113	1,312,170
Reverse Repurchase Agreements	-	-	-	-	810,191	1,679,717	-	-	810,191	1,679,717
Financial Investments - Held for Trading	1,761	4,067	-	-	-	-	-	-	1,761	4,067
Loans and Receivables to Other Customers	-	-	-	-	12,466,944	7,251,677	-	-	12,466,944	7,251,677
Lease Rental and Hire Purchase Receivables	-	-	-	-	12,311,136	11,228,228	-	-	12,311,136	11,228,228
Financial Investments - Available for Sale	-	-	-	-	-	-	510,085	104,658	510,085	104,658
Financial Investments - Held to Maturity	-	-	1,019,286	300,794	-	-	-	-	1,019,286	300,794
Other Financial Assets	-	-	-	-	20,828	15,969	-	-	20,828	15,969
Total Financial Assets	1,761	4,067	1,019,286	300,794	28,658,418	22,007,075	510,085	104,658	30,189,550	22,416,595
Liabilities										
Bank Overdrafts					-	-	1,487,194	1,224,665	1,487,194	1,224,665
Rental Received in Advance					-	-	243,882	208,870	243,882	208,870
Deposits due to Customers					-	-	17,863,861	14,804,037	17,863,861	14,804,037
Interest bearing Borrowings					-	-	6,043,392	2,243,116	6,043,392	2,243,116
Subordinated Term Debts					-	-	1,700,466	1,917,563	1,700,466	1,917,563
Total Financial Liabilities					-	-	27,338,795	20,398,251	27,338,795	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 31st March 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 31st March 2017	As at 31st March 2016
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)	25,395,108	19,064,600
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts)	24,842,238	18,537,022
Non-Performing Accommodations (Net of Interest in Suspense)	647,903	626,811
Liquidity		
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
Capital Adequacy		
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	9.47%	7.74%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	12.72%	11.61%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	18.02%	14.80%
Profitability		
Return on Average Assets (After Tax)	2.72%	2.59%
Return on Average Equity	32.37%	29.81%

Information On Ordinary Shares

Share Price During the Quarter

	For the quarter ended	
	31.03.2017	31.03.2016
Highest	Rs. 62.00	67.00
Lowest	Rs. 55.20	47.10
Closing	Rs. 58.50	53.70
No. of Ordinary Share Issued As At 31st March	41,550,600	41,550,600

Information On Listed Debentures

Market Values of Listed Debentures

VFIN Debentures 2014/2019

	Highest		For the quarter ended		Lowest		Period End	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	5 Year Fixed Rate - 14.75%	N/T	104.21	N/T	100.18	N/T	104.21	N/T
5 Year Fixed Rate - 15.00%	N/T	N/T	N/T	N/T	N/T	N/T	N/T	N/T
5 Year Fixed Rate - 15.50%	N/T	106.00	N/T	106.00	N/T	106.00	N/T	106.00

VFIN Debentures 2015/2020

	Highest		For the quarter ended		Lowest		Period End	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	5 Year Fixed Rate - 10.25%	N/T	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	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
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	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
5 Year Fixed Rate - 10.25%	10.25%	10.25%	10.51%	10.51%

Interest Rates of Comparable Government Securities

	For the quarter ended	
	31.03.2017	31.03.2016
5 Year Treasury Bond	12.89%	11.42%

Interest Yield and Yield to Maturity

VFIN Debentures 2014/2019

	Fixed - 14.75%		For the quarter ended		Fixed - 15.50%	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	Interest Yield	N/T	14.15%	N/T	N/T	N/T
Yield to Maturity of last trade	N/T	13.00%	N/T	N/T	N/T	12.91%

VFIN Debentures 2015/2020

	For the quarter ended	
	31.03.2017	31.03.2016
Interest Yield	N/T	N/T
Yield to Maturity of last trade	N/T	N/T

* N/A - Not Applicable as at 31st March and N/T - Not Traded as at 31st March

Ratios

	31.03.2017	31.03.2016
Debt to Equity Ratio (%)	303%	216%
Interest Cover (Times)	1.51	1.58
Liquid Asset Ratio (%)	20.85%	19.11%

Utilization of Funds Raised Via Capital Market

Debenture Issue	Objective Number	Objective as Per Prospectus	Amount Allocated as per Prospectus	Proposed Date of Utilization as Per Prospectus	Amount Allocated From Proceeds	% of Total Proceeds	Amounts Utilized	% Of Utilization Against Allocation	Clarification if not Fully Utilized
Rs. 500 Mn	i	To Expand and strengthen the capital base of the Company	Rs. 500 Mn	From 11th February 2014 onwards	Rs. 500 Mn	100%	Rs. 500 Mn	100%	N/Ap
	ii	Diversify the funding mix of the Company							
	iii	To minimize the interest rate risk and gap exposure of the Company							
Rs. 1,000 Mn	i	To Expand and strengthen the capital base of the Company	Rs. 1,000 Mn	From 26th March 2015 onwards	Rs. 1,000 Mn	100%	Rs. 1,000 Mn	100%	N/Ap
	ii	To minimize the interest rate risk							

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 31st March	Finance Lease		Hire Purchase		Loans & Advances		Investments		Unallocated		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	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	2,150,009	1,617,885	280,231	648,827	1,798,492	773,086	365,773	201,997	-	-	4,594,506	3,241,795
Administration Fees	-	-	-	-	-	-	-	-	84,044	59,806	84,044	59,806
Dividends	-	-	-	-	-	-	253	136	-	-	253	136
Other	-	-	-	-	-	-	45,875	10,922	390,017	155,618	435,892	166,540
Total Revenue	2,150,009	1,617,885	280,231	648,827	1,798,492	773,086	411,902	213,055	474,060	215,424	5,114,694	3,468,277
Profit before Income tax											1,094,782	783,624
Taxation											(368,622)	(270,359)
Profit after tax											726,160	513,265
Other Information												
As at 31st March												
Segment assets	11,517,450	9,103,789	793,686	2,124,439	12,466,944	7,251,677	4,584,436	3,401,407	1,322,580	885,865	30,685,096	22,767,176
Segment Liabilities	10,577,341	8,383,998	729,792	1,941,604	11,455,249	6,629,362	4,163,850	3,080,895	1,201,244	802,391	28,127,476	20,838,250
Net assets	940,109	719,791	63,894	182,835	1,011,695	622,315	420,586	320,511	121,336	83,474	2,557,620	1,928,926

Additional Notes

20 Major Shareholders As At 31st March 2017

	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	1,250,000	3.008%
4 Mr. S B Rangamuwa	880,092	2.118%
5 Union Bank of Colombo PLC/Mr. Sithampalam Abishek	289,157	0.696%
6 Mr. C S J Perera	285,200	0.686%
7 Mr. V R Kathiragamamatamby	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. D S Panditha	153,798	0.370%
12 Mrs. S P Gunasekera	149,166	0.359%
13 Mr. F J P Raj	148,778	0.358%
14 Mr. N Balasingam	134,900	0.325%
15 Mr. A Sithampalam	130,605	0.314%
16 Code-Gen International (Pvt) Ltd	125,000	0.301%
17 Mr. H A Van Starrex	119,420	0.287%
18 Mr. R Udalagama	113,022	0.272%
19 Mr. W M A B Walisundara	107,655	0.259%
20 Mr. R Gautam	103,461	0.249%
	36,435,363	87.689%
Others	5,115,237	12.311%
	41,550,600	100.000%

Directors' Shareholding As At 31st March 2017

1 Mr. K V P Ranjith De Silva	-	-
2 Mr. Dhammika Perera	600	0.001%
3 Mr. S B Rangamuwa	880,092	2.118%
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)	-	-
	2,240,501	5.392%

Public Holding As At 31st March 2017

21.585%

Number of Public Shareholders

1,979