



Alliance Finance Co. PCC
Making the world a better place through sustainable finance

Inspired by Purpose

Financial Statements
for the Nine Months Ended
31st December 2022



The first financial institution in South Asia to receive the SSCI Certification, the world's first measurable and certifiable standard for value driven financial institutions with holistic sustainability integration to the business.

Alliance Finance Company PLC
Statement of Profit or Loss - Company

For the period ended 31st December	For the Quarter ended			For the Nine months ended		
	2022	2021	Variance %	2022	2021	Variance %
	(unaudited) Rs.	(unaudited) Rs.		(unaudited) Rs.	(unaudited) Rs.	
Gross Income	3,251,173,097	2,242,700,073	45	9,153,397,685	5,957,857,559	54
Interest income	3,161,285,187	2,047,032,081	54	8,774,521,564	5,488,727,928	60
Interest expenses	(2,133,716,638)	(674,047,494)	(217)	(5,209,283,095)	(1,864,821,532)	(179)
Net Interest Income	1,027,568,549	1,372,984,587	(25)	3,565,238,469	3,623,906,396	(2)
Fee and commission income	27,888,642	70,392,916	(60)	127,513,445	171,242,516	(26)
Fee and commission expenses	(55,274,763)	(62,637,355)	12	(190,768,131)	(174,001,161)	(10)
Net Fee and Commission Income	(27,386,121)	7,755,561	(453)	(63,254,686)	(2,758,645)	(2,193)
Net gain/(loss) from trading	1,250,430	1,301,765	(4)	29,796,303	2,843,902	948
Other operating income (net)	60,748,838	123,973,311	(51)	221,566,373	295,043,213	(25)
Total Operating Income	1,062,181,696	1,506,015,224	(29)	3,753,346,459	3,919,034,866	(4)
Impairment (charges) / reversal for loans and other losses	(86,172,637)	285,156,505	(130)	(515,451,610)	(85,760,607)	(501)
Net Operating Income	976,009,059	1,791,171,729	(46)	3,237,894,849	3,833,274,259	(16)
Operating Expenses						
Personnel expenses	(279,530,190)	(326,279,890)	14	(877,863,718)	(814,944,826)	(8)
Other operating expenses	(471,372,799)	(547,172,960)	14	(1,405,666,772)	(1,313,140,020)	(7)
Depreciation and amortization	(40,930,471)	(31,998,136)	(28)	(120,260,448)	(92,298,127)	(30)
Total operating expenses	(791,833,460)	(905,450,986)	13	(2,403,790,938)	(2,220,382,973)	(8)
Operating Profit before Taxes on Financial Services	184,175,599	885,720,743	(79)	834,103,911	1,612,891,286	(48)
Taxes on financial services	(66,120,662)	(141,689,168)	53	(290,239,275)	(298,394,947)	3
Operating Profit after Taxes on Financial Services	118,054,937	744,031,575	(84)	543,864,636	1,314,496,339	(59)
Share of profit/(loss) from associates	8,182,833	3,758,307	118	29,918,700	3,885,262	670
Profit before Taxation from Operations	126,237,770	747,789,882	(83)	573,783,336	1,318,381,601	(56)
Provision for income taxation	(78,692,730)	(263,793,917)	70	(321,595,501)	(483,521,795)	33
Profit for the Period	47,545,040	483,995,965	(90)	252,187,835	834,859,806	(70)
Basic/ Diluted earnings per share (Annualised)	5.64	57.45		9.98	33.03	
Dividend Per Share paid (Rs./Cts.)				8.00	5.50	

Alliance Finance Company PLC
Statement of Profit or Loss - Group

For the period ended 31st December	For the Quarter ended			For the Nine months ended		
	2022	2021	Variance %	2022	2021	Variance %
	(unaudited) Rs.	(unaudited) Rs.		(unaudited) Rs.	(unaudited) Rs.	
Gross Income	3,260,477,223	2,265,099,773	44	9,220,001,371	6,017,237,497	53
Interest income	3,164,587,452	2,048,151,963	55	8,781,476,836	5,491,780,718	60
Interest expenses	(2,129,456,226)	(674,047,494)	(216)	(5,198,878,864)	(1,864,821,532)	(179)
Net Interest Income	<u>1,035,131,226</u>	<u>1,374,104,469</u>	(25)	<u>3,582,597,972</u>	<u>3,626,959,186</u>	(1)
Fee and commission income	47,261,668	89,473,450	(47)	190,654,730	224,954,255	(15)
Fee and commission expenses	(55,274,763)	(62,637,355)	12	(190,768,131)	(174,001,155)	(10)
Net Fee and Commission Income	<u>(8,013,095)</u>	<u>26,836,095</u>	(130)	<u>(113,401)</u>	<u>50,953,100</u>	(100)
Net gain/(loss) from trading	1,299,119	1,301,765	(0)	31,708,787	2,843,902	1,015
Other operating income (net)	<u>47,328,984</u>	<u>126,172,595</u>	(62)	<u>216,161,018</u>	<u>297,658,622</u>	(27)
Total Operating Income	<u>1,075,746,234</u>	<u>1,528,414,924</u>	(30)	<u>3,830,354,376</u>	<u>3,978,414,810</u>	(4)
Impairment (charges) / reversal for loans and other losses	(86,172,637)	285,156,505	(130)	(515,451,610)	(85,760,647)	(501)
Net Operating Income	<u>989,573,597</u>	<u>1,813,571,429</u>	(45)	<u>3,314,902,766</u>	<u>3,892,654,163</u>	(15)
Operating Expenses						
Personnel expenses	(228,841,440)	(330,484,544)	31	(887,075,494)	(824,853,014)	(8)
Other operating expenses	(529,128,650)	(548,994,295)	4	(1,414,388,745)	(1,318,114,489)	(7)
Depreciation and amortization	<u>(41,101,155)</u>	<u>(32,237,369)</u>	(27)	<u>(120,772,505)</u>	<u>(92,630,732)</u>	(30)
Total operating expenses	<u>(799,071,245)</u>	<u>(911,716,208)</u>	12	<u>(2,422,236,744)</u>	<u>(2,235,598,235)</u>	(8)
Operating Profit before Taxes on Financial Services	190,502,352	901,855,221	(79)	892,666,022	1,657,055,928	(46)
Taxes on financial services	(66,120,662)	(141,689,168)	53	(290,239,275)	(298,394,947)	3
Operating Profit after Taxes on Financial Services	124,381,690	760,166,053	(84)	602,426,747	1,358,660,981	(56)
Share of profit/(loss) from associates	<u>8,182,833</u>	<u>3,758,307</u>	118	<u>29,918,700</u>	<u>3,885,262</u>	670
Profit before Taxation from Operations	<u>132,564,523</u>	<u>763,924,360</u>	(83)	<u>632,345,447</u>	<u>1,362,546,243</u>	(54)
Provision for income taxation	<u>(84,057,046)</u>	<u>(267,787,175)</u>	69	<u>(343,028,272)</u>	<u>(494,378,026)</u>	31
Profit for the Period	<u>48,507,477</u>	<u>496,137,185</u>	(90)	<u>289,317,175</u>	<u>868,168,217</u>	(67)
Profit attributable to :						
Equity holders of the Company	42,396,736	491,806,062	(91)	268,936,680	856,157,192	(69)
Non controlling interest	<u>6,110,741</u>	<u>4,331,123</u>	41	<u>20,380,495</u>	<u>12,011,025</u>	70
Profit for the Period	<u>48,507,477</u>	<u>496,137,185</u>	(90)	<u>289,317,175</u>	<u>868,168,217</u>	(67)
Basic/ Diluted earnings per share (Annualised)	5.76	58.90		11.45	33.88	
Dividend Per Share paid (Rs./Cts.)	-	-		-	5.50	

Alliance Finance Company PLC

Statement of Comprehensive Income - Company

For the period ended 31st December	For the Quarter ended			For the Nine months ended		
	2022	2021	Variance	2022	2021	Variance
	(unaudited)	(unaudited)		(unaudited)	(unaudited)	
	Rs.	Rs.	%	Rs.	Rs.	%
Profit for the period	<u>47,545,040</u>	<u>483,995,965</u>	(90)	<u>252,187,835</u>	<u>834,859,806</u>	(70)
Other Comprehensive Income						
Other Comprehensive Income not to be Reclassified to Profit or Loss						
Actuarial gains /(losses) on defined benefit	-	(108,739,004)	(100)	-	(108,739,004)	
Deferred tax effect on above	-	26,097,361	(100)	-	26,097,361	
Equity investments at FVOCI -net change in fair value & realized profit/ (loss) to retained earnings	(46,461,099)	(27,058,058)	72	(21,900,749)	(25,517,986)	(14)
Net Other Comprehensive Income not be Classified to Profit or Loss	<u>(46,461,099)</u>	<u>(109,699,701)</u>	(58)	<u>(21,900,749)</u>	<u>(108,159,629)</u>	(80)
Total Comprehensive Income for the period	<u>1,083,940</u>	<u>374,296,264</u>	(100)	<u>230,287,086</u>	<u>726,700,178</u>	(68)

Alliance Finance Company PLC

Statement of Comprehensive Income - Group

For the period ended 31st December	For the Quarter ended			For the Nine months ended		
	2022	2021	Variance %	2022	2021	Variance %
	(unaudited) Rs.	(unaudited) Rs.		(unaudited) Rs.	(unaudited) Rs.	
Profit for the period	<u>48,507,477</u>	<u>496,137,185</u>	(90)	<u>289,317,175</u>	<u>868,168,217</u>	(67)
Other Comprehensive Income						
Other Comprehensive Income not to be Reclassified to Profit or Loss						
Actuarial gains /(losses) on defined benefit plans	-	(108,739,004)		-	(108,739,004)	
Deferred tax effect on above	-	26,097,361		-	26,097,361	
Equity investments at FVOCI -net change in fair value & realized profit/ (loss) to retained earnings	(46,461,099)	(27,058,058)	72	(21,900,749)	(25,517,986)	(14)
Net Other Comprehensive Income not be Classified to Profit or Loss	<u>(46,461,099)</u>	<u>(109,699,701)</u>	(58)	<u>(21,900,749)</u>	<u>(108,159,629)</u>	(80)
Total Comprehensive Income for the period	<u>2,046,378</u>	<u>386,437,484</u>	(99)	<u>267,416,426</u>	<u>760,008,588</u>	(65)
Attributable to:						
Equity holders of the company	(63,955,892)	382,106,360	(117)	187,144,402	747,997,562	(75)
Non controlling interest	66,002,270	4,331,124	1,424	80,272,024	12,011,025	568
Total Comprehensive Income for the period	<u>2,046,378</u>	<u>386,437,484</u>	(99)	<u>267,416,426</u>	<u>760,008,588</u>	(65)


Alliance Finance Company PLC
Statement of Financial Position

As at	Company			Group		
	31.12.2022 Rs. (unaudited)	31.03.2022 Rs. (audited)	Variance %	31.12.2022 Rs. (unaudited)	31.03.2022 Rs. (audited)	Variance %
Assets						
Cash and cash equivalents	878,891,990	795,260,944	11	959,171,047	898,748,640	7
Repurchase agreements	-	250,000,000	(100)	-	250,000,000	(100)
Placements with banks & financial institutions	1,099,448,144	287,925,208	282	1,115,209,533	287,925,208	287
Financial assets recognised through profit or loss	2,146,320,325	1,502,280,225	43	2,146,320,325	1,502,280,225	43
Loans and advances - at amortised cost	17,349,513,052	14,797,772,357	17	17,349,513,052	14,797,772,357	17
Lease rentals receivable & stock out on hire - at amortised cost	23,127,928,883	25,503,747,256	(9)	23,127,928,883	25,503,747,256	(9)
Financial assets- fair value through other comprehensive income	157,790,202	184,720,884	(15)	157,790,202	184,720,884	(15)
Other trading stocks	157,793,242	392,525,744	(60)	157,793,242	392,525,744	(60)
Other financial assets	464,019,345	636,340,449	(27)	453,284,958	630,656,592	(28)
Other non financial assets	261,497,508	243,886,129	7	262,038,991	244,361,452	7
Derivative financial assets	-	82,923,194	(100)	-	82,923,194	(100)
Investments in associates	79,757,047	49,838,348	60	113,011,543	83,092,843	36
Investments in subsidiaries	16,924,038	16,924,038	-	-	-	-
Investment property	159,590,100	159,590,100	-	245,250,516	245,250,516	-
Property, plant & equipment	2,521,365,921	2,502,324,245	1	2,522,115,728	2,503,442,359	1
Intangible assets	136,600,162	126,715,431	8	136,921,479	127,180,497	8
Right of use asset	310,455,589	397,784,021	(22)	310,455,589	397,784,021	(22)
Deferred tax assets	209,679,476	209,679,475	0	210,485,255	210,485,254	0
Total Assets	49,077,575,024	48,140,238,048	2	49,267,290,343	48,342,897,042	2
Liabilities						
Due to banks	21,113,472,999	22,558,061,981	(6)	21,141,221,729	22,558,061,981	(6)
Due to depositors - at amortised cost	19,104,892,141	14,681,375,682	30	19,027,719,393	14,681,375,682	30
Debt instruments issued and other borrowed funds	-	867,759,553	(100)	-	867,759,553	(100)
Other financial liabilities	867,758,582	1,670,249,511	(48)	904,365,173	1,704,808,662	(47)
Other non financial liabilities	15,416,384	184,106,172	(92)	15,416,385	184,106,173	(92)
Derivative financial liabilities	69,983,927	-	100	69,983,927	-	100
Income tax liabilities	610,555,672	865,153,792	(29)	620,448,790	869,537,847	(29)
Retirement benefit liabilities	142,673,548	121,428,671	17	146,381,974	124,326,196	18
Deferred tax liabilities	510,728,429	510,728,430	(0)	510,728,429	510,728,430	(0)
Total Liabilities	42,435,481,682	41,458,863,792	2	42,436,265,800	41,500,704,524	2
Shareholders' Funds						
Stated capital	613,980,000	613,980,000	-	613,980,000	613,980,000	-
Retained earnings	3,485,994,439	3,500,238,368	(0)	3,582,066,337	3,588,577,822	(0)
Reserves	2,542,118,903	2,567,155,888	(1)	2,542,118,903	2,567,155,888	(1)
Total Equity Attributable to Equity Holders of the Company	6,642,093,342	6,681,374,256	(1)	6,738,165,240	6,769,713,710	(0)
Non controlling interest	-	-	-	92,859,303	72,478,808	28
Total Equity	6,642,093,342	6,681,374,256	(1)	6,831,024,543	6,842,192,518	(0)
Total Liabilities and Shareholders' Funds						
Funds	49,077,575,024	48,140,238,048	2	49,267,290,343	48,342,897,042	2
Contingent Liabilities and Commitments	874,645,391	38,415,571	-	874,645,391	38,415,571	-
Net assets value per share (Rs.)	197	198	-	200	201	-

Accounting policies & notes to the accounts form an integral part of these Financial Statements.

Certification

I certify that these Financial Statements are presented in compliance with the requirements of the Companies Act No. 07 of 2007.


 Dimuthu Tillekeratne
 Head of Finance
 14-Feb-22
 Colombo


 Kusal Jayawardana
 Deputy Managing Director


 R.K.E.P. de Silva
 Deputy Chairman & Managing Director

Alliance Finance Company PLC
Statement of Changes in Equity

Company	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	General Reserve	FVOCI	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2021 (Audited)	613,980,000	904,081,009	1,556,017,602	388,258,055	58,527,420	-	2,295,549,890	5,816,413,976
Profit for the period	-	-	-	-	-	-	834,859,806	834,859,806
Other comprehensive income, net of tax								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	(82,641,642)	(82,641,642)
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	(25,517,986)	-	-	(25,517,986)
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	19,211,027	-	(19,211,027)	-
Net asset adjustment - Associate Company	-	-	-	-	-	-	(3,864,484)	(3,864,484)
Dividend paid	-	-	-	-	-	-	(185,328,000)	(185,328,000)
Balances as at 31st December 2021	613,980,000	904,081,009	1,556,017,602	388,258,055	52,220,461	-	2,839,364,544	6,353,921,671
Balance as at 1st April 2022 (Audited)	613,980,000	977,236,040	1,223,390,151	388,258,055	(21,728,358)	-	3,500,238,368	6,681,374,256
Profit for the period	-	-	-	-	-	-	252,187,835	252,187,835
Other comprehensive income, net of tax								
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	(21,900,749)	-	-	(21,900,749)
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	(3,136,236)	-	3,136,236	-
Dividend paid	-	-	-	-	-	-	(269,568,000)	(269,568,000)
Balances as at 31st December 2022	613,980,000	977,236,040	1,223,390,151	388,258,055	(46,765,343)	-	3,485,994,438	6,642,093,342

Alliance Finance Company PLC
Statement of Changes in Equity

Group	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	General Reserve	FVOCI	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2021 (Audited)	613,980,000	904,081,009	1,556,017,602	388,258,055	58,527,421	53,955,005	2,374,274,468	5,949,093,560
Profit for the period	-	-	-	-	-	12,011,025	856,157,192	868,168,217
Other comprehensive income, net of tax -								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	(82,641,642)	(82,641,642)
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	(25,517,986)	-	-	(25,517,986)
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	19,211,027	-	(19,211,027)	-
Net Asset adjustment - Associate Company	-	-	-	-	-	-	(20,372,400)	(20,372,400)
Dividend paid	-	-	-	-	-	-	(185,328,000)	(185,328,000)
Balances as at 31st December 2021	613,980,000	904,081,009	1,556,017,602	388,258,055	52,220,462	65,966,030	2,922,878,591	6,503,401,749
Balance as at 1st April 2022 (Audited)	613,980,000	977,236,040	1,223,390,151	388,258,055	(21,728,358)	72,478,808	3,588,577,822	6,842,192,518
Profit for the period	-	-	-	-	-	20,380,495	268,936,680	289,317,175
Other comprehensive income, net of tax -								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	-	-
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	(21,900,749)	-	-	(21,900,749)
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	(3,136,236)	-	3,136,236	-
Dividend paid	-	-	-	-	-	-	(278,584,400)	(278,584,400)
Balances as at 31st December 2022	613,980,000	977,236,040	1,223,390,151	388,258,055	(46,765,343)	92,859,303	3,582,066,338	6,831,024,544

Figures in brackets indicate deductions.

Accounting policies & notes to accounts form an integral part of these Financial Statements.

Alliance Finance Company PLC

Statement of Cash Flows

For the period ended 31st December	Company		Group	
	2022	2021	2022	2021
Cash Flows From / (Used in) Operating Activities	Rs.	Rs.	Rs.	Rs.
Profit before Income Tax Expense	573,783,336	1,318,381,601	632,345,447	1,362,546,243
Adjustments for;				
Depreciation of property, plant & equipment	111,657,818	84,099,015	112,026,126	84,431,620
Amortization of intangible assets	8,602,630	8,199,112	8,746,379	8,199,112
Amortization of Right of use asset	87,328,432	72,661,510	87,328,432	72,661,510
Impairment (reversal)/provision	426,376,329	(74,578,517)	426,376,329	(74,578,517)
Interest on fixed deposits, commercial paper & treasury bills	(139,701,810)	(55,796,095)	(146,657,082)	(58,848,884)
(Profit) /loss on sale of securities		-		-
Fair value (gain)/loss on equity investments (FVTPL)		(275,394)		(275,394)
Bad debt written-off	89,075,281	160,339,124	89,075,281	160,339,124
Diminution/(appreciation) in value of treasury bonds	2,753,591	(2,820,017)	2,753,591	(2,820,017)
Loss/(profit) on disposal of property, plant & equipment	(12,456,358)	(2,537,756)	(12,456,358)	(2,537,756)
Profit from sale of vehicle	(9,215,534)		(9,215,534)	
Provision/(reversal) for defined benefit plans	40,500,000	27,500,000	41,310,902	28,224,020
Dividend received	(28,076,885)	(9,588,166)	(15,242,415)	(10,520,946)
Share of loss/(profit) from associates	(29,918,700)	(3,885,262)	(29,918,700)	(3,885,262)
Operating Profit before Working Capital Changes	1,120,708,130	1,521,699,155	1,186,472,398	1,562,934,853
(Increase)/decrease in trading stock	30,991,036	(241,906,168)	30,991,036	(241,906,169)
(Increase)/decrease in loans and advances	(2,907,944,798)	(5,696,590,006)	(2,907,944,798)	(5,696,734,536)
(Increase)/decrease in lease rentals receivable & stock out on hire	2,216,570,865	(3,539,187,776)	2,216,570,865	(3,539,187,776)
(Increase)/decrease in fixed deposits & repo	(561,522,936)	18,927,408	(577,284,325)	18,927,408
(Increase)/decrease in other financial assets	172,321,102	(65,072,594)	177,371,634	(90,455,446)
(Increase)/decrease in other non financial assets	87,394,910	(132,598,250)	87,328,743	(132,598,251)
Increase/(decrease) in derivative financial liabilities	152,907,121	1,597,039,622	152,907,121	1,597,039,622
Increase/(decrease) in amounts due to depositors	4,423,516,459	(20,575,693)	4,346,343,711	(20,575,693)
Increase/(decrease) in other financial liabilities	(802,490,929)	316,026,956	(800,443,489)	340,974,478
Increase/(decrease) in other non financial liabilities	(168,689,786)	83,805,781	(168,689,787)	83,805,782
Cash generated from/(used in) Operations	3,763,761,173	(6,158,431,565)	3,743,623,111	(6,117,775,728)
Retirement benefit liabilities paid	(19,255,123)	(6,287,681)	(19,255,123)	(6,287,681)
Taxes paid	(576,193,621)	(558,429,203)	(592,117,328)	(567,474,136)
Net cash generated from/(used in) operating activities	3,168,312,429	(6,723,148,449)	3,132,250,660	(6,691,537,545)
Cash Flows from / (Used in) Investing Activities				
Acquisition of property, plant & equipment	(135,864,486)	(80,140,630)	(135,864,487)	(83,418,503)
Acquisition of right of use assets	(7,666,000)	(31,325,000)	(7,666,000)	(31,325,000)
Acquisition of Intangible Assets	(18,487,361)	(7,435,298)	(18,487,361)	(8,010,295)
Investment in unquoted equities				(954,940)
Proceeds from sales of property, plant & equipment	17,621,350	6,296,500	17,621,350	6,296,500
Proceeds from sales of vehicles	212,957,000		212,957,000	
Net sales/ (purchases) of financial assets -FVTPL/FVTOCI	(641,763,758)	(764,188,667)	(641,763,758)	(764,188,667)
Dividend received	28,076,885	9,588,166	15,242,415	9,588,166
Interest on fixed deposits, commercial paper & treasury bills	139,701,810	55,796,095	146,657,082	58,848,884
Net Cash Generated from Investing Activities	(405,424,560)	(811,408,834)	(411,303,759)	(813,163,855)
Cash Flows from / (Used in) Financing Activities				
Settlement of operating lease liabilities	(97,340,289)	(73,113,618)	(97,340,289)	(73,113,618)
Increase in borrowed funds	(867,759,553)	500,000,000	(867,759,553)	500,000,000
Net increase /(decrease) in other borrowings	(1,086,996,465)	7,220,540,716	(1,086,996,465)	7,253,632,004
Net increase /(decrease) in finance lease		-		-
Dividend paid	(269,568,000)	(185,328,000)	(278,584,400)	(185,328,000)
Net Cash Generated from/(Used in) Financing Activities	(2,321,664,307)	7,462,099,098	(2,330,680,707)	7,495,190,386
Net Increase/(Decrease) in Cash and Cash Equivalents	441,223,563	(72,458,185)	390,266,194	(9,511,014)
Cash and cash equivalents at the beginning of the year	429,792,059	587,405,947	533,279,755	637,840,499
Cash and cash equivalents at the end of the year	871,015,622	514,947,762	923,545,949	628,329,485
Movement in Cash and Cash Equivalent	441,223,563	(72,458,185)	390,266,194	(9,511,014)

Note : Reporting cash flows from operating activities

The Company reports cash flows from operating activities by using the indirect method. The indirect method – whereby profit or loss is adjusted for the effects of non-cash items, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows – is shown in the above.

Alliance Finance Company PLC

Fair Value Hierarchy

Company

Financial assets

	Fair Value Measurement using				Total Rs.
	Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs		
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.		
As at 31st December 2022					
Financial assets - Fair value through profit and loss					
Government of Sri Lanka treasury bills	-	2,146,320,325	-	2,146,320,325	
Financial assets - Fair value through Other Comprehensive Income					
Quoted Investments	157,210,952	-	-	157,210,952	
Unquoted Investments	-	-	579,250	579,250	
	<u>157,210,952</u>	<u>2,146,320,325</u>	<u>579,250</u>	<u>2,304,110,527</u>	
Liabilities					
Due to Depositors	-	19,104,892,141	-	19,104,892,141	
Due to Banks	-	21,113,472,999	-	21,113,472,999	
Derivative financial liabilities	-	69,983,927	-	69,983,927	
	<u>-</u>	<u>40,288,349,067</u>	<u>-</u>	<u>40,288,349,067</u>	
As at 31st December 2021					
Financial assets - Fair value through profit and loss					
Government of Sri Lanka treasury bills	-	1,191,671,597	-	1,191,671,597	
Government of Sri Lanka treasury bonds	-	113,374,985	-	113,374,985	
Investments in Unit Trusts	-	601,284,310	-	601,284,310	
Derivative financial Assets	-	7,030,143	-	7,030,143	
Financial assets - Fair value through Other Comprehensive Income					
Quoted Investments	216,040,744	-	-	216,040,744	
Unquoted Investments	-	-	579,250	579,250	
	<u>216,040,744</u>	<u>1,913,361,035</u>	<u>579,250</u>	<u>2,129,981,029</u>	
Liabilities					
Due to Depositors	-	14,515,826,100	-	14,515,826,100	
Due to Banks	-	20,434,781,818	-	20,434,781,818	
Derivative financial liabilities	-	500,000,000	-	500,000,000	
	<u>-</u>	<u>35,450,607,918</u>	<u>-</u>	<u>35,450,607,918</u>	

Alliance Finance Company PLC

ANALYSIS OF FINANCIAL STATEMENTS MEASUREMENT BASIS

Company

As at 31st December 2022

	Financial assets recognized through profit or loss (FVTPL)	Financial assets at amortized cost (AC)	Financial assets at fair value through other comprehensive income(FVOCI)	Total
	Rs.	Rs.	Rs.	Rs.
Asset				
Cash and cash equivalents	-	878,891,990	-	878,891,990
Repurchase Agreements	-	-	-	-
Placement with banks and other financial institutions	-	1,099,448,144	-	1,099,448,144
Financial asset recognized through profit or loss	2,146,320,325	-	-	2,146,320,325
Loans and receivables-Amortized cost	-	17,349,513,052	-	17,349,513,052
Lease rental receivables at amortized	-	23,127,928,883	-	23,127,928,883
Financial asset recognized through other comprehensive income	-	-	157,790,202	157,790,202
Hire purchase and rental receivables amortized cost	-	-	-	-
Derivative financial assets	-	-	-	-
	<u>2,146,320,325</u>	<u>42,455,782,069</u>	<u>157,790,202</u>	<u>44,759,892,596</u>
Liabilities				
Due to Depositors	-	19,104,892,141	-	19,104,892,141
Due to Banks	-	21,113,472,999	-	21,113,472,999
Derivative financial liabilities	-	69,983,927	-	69,983,927
	-	<u>40,288,349,067</u>	-	<u>40,288,349,067</u>

As at 31st December 2021

	Financial assets recognized through profit or loss (FVTPL)	Financial assets at amortized cost (AC)	Financial assets at fair value through other comprehensive income(FVOCI)	Total
	Rs.	Rs.	Rs.	Rs.
Asset				
Cash and cash equivalents	-	514,947,762	-	514,947,762
Repurchase agreements	300,053,424	-	-	300,053,424
Placement with banks and other financial institutions	-	874,787,792	-	874,787,792
Financial asset recognized through profit or loss	1,906,330,892	-	-	1,906,330,892
Loans and receivables-Amortized cost	-	12,202,741,168	-	12,202,741,168
Lease rental receivables at amortized	-	23,555,774,074	-	23,555,774,074
Financial asset recognized through other comprehensive income	-	-	216,619,994	216,619,994
Hire purchase and rental receivables amortized cost	-	5,543,593	-	5,543,593
Derivative financial assets	-	7,030,143	-	7,030,143
	<u>2,206,384,316</u>	<u>37,160,824,532</u>	<u>216,619,994</u>	<u>39,583,828,842</u>
Liabilities				
Due to Depositors	-	14,515,826,100	-	14,515,826,100
Due to Banks	-	20,434,781,818	-	20,434,781,818
Derivative financial liabilities	-	500,000,000	-	500,000,000
	-	<u>35,450,607,918</u>	-	<u>35,450,607,918</u>

Alliance Finance Company PLC

Notes to the Financial Statements

For Nine Months Ended 31st December 2022

SEGMENT REPORT

31st December 2022 - Group	Leasing & Hire Purchase	Loans	Gold Loans	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
REVENUE									
External sales	12,063,206,952	2,320,870,908	2,074,174,506	27,569,344	15,242,415	362,020,717	13,108,033	252,378,792	17,129,330,411
Total revenue	12,063,206,952	2,320,870,908	2,074,174,506	27,569,344	15,242,415	362,020,717	13,108,033	252,378,792	17,129,330,411
Total income	5,294,920,986	1,173,663,768	2,074,174,506	27,569,344	15,242,415	370,918,438	13,108,033	249,662,619	9,220,001,371
RESULTS									
Segment results	4,010,398,407	726,067,588	1,824,006,283	3,163,306	14,911,452	366,308,275	13,108,033	201,744,581	7,160,108,634
Unallocated company expenses									(1,358,803,023)
Operating profit									5,801,305,611
Interest expenses	(2,661,003,822)	(881,204,022)	(1,145,639,334)	(17,166,067)	(18,154,525)	(246,944,517)	(3,941,842)	(224,824,735)	(5,198,878,864)
Share of profits of associates before tax									29,918,700
Income taxes									(343,028,272)
Net Profit									289,317,175
OTHER INFORMATION									
Segment assets	23,128,136,843	7,658,992,083	9,957,333,792	149,199,014	157,790,202	2,146,320,325	34,260,554	1,954,066,107	45,186,098,920
Investment in associates									113,011,543
Unallocated company assets									3,968,179,880
Total assets									49,267,290,343
Segment liabilities	20,264,910,922	6,378,509,095	8,292,598,225	124,254,896	131,409,750	1,787,483,727	28,532,639	1,627,371,893	38,635,071,147
Unallocated company liabilities									3,801,194,653
Total liabilities									42,436,265,800

Alliance Finance Company PLC

Notes to the Financial Statements

For Nine Months Ended 31st December 2022

SEGMENT REPORT

31st December 2021 - Group	Leasing & Hire Purchase	Loans	Gold Loans	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
REVENUE									
External sales	10,863,178,683	590,701,368	720,204,109	21,572,557	10,520,946	59,426,702	10,057,931	306,282,808	12,581,945,104
Total revenue	10,863,178,683	590,701,368	720,204,109	21,572,557	10,520,946	59,426,702	10,057,931	306,282,808	12,581,945,104
Total income	4,307,094,310	580,738,867	720,204,109	21,572,557	10,520,946	61,437,787	12,290,388	303,378,533	6,017,237,497
RESULTS									
Segment results	3,178,368,690	137,329,394	505,450,456	4,708,877	10,206,647	58,315,093	12,290,388	263,610,035	4,170,279,580
Unallocated company expenses									(946,797,066)
Operating profit									3,223,482,514
Interest expenses	(1,082,570,679)	(325,411,944)	(235,419,699)	(4,275,748)	(9,955,370)	(101,400,487)	(102,466)	(105,685,139)	(1,864,821,532)
Share of profits of associates before tax									3,885,262
Income taxes									(494,378,026)
Net Profit									868,168,218
OTHER INFORMATION									
Segment assets	23,555,774,074	7,080,674,150	5,122,523,031	93,036,462	216,619,994	2,206,384,316	111,549,571	2,175,416,205	40,561,977,803
Investment in associates									81,031,334
Unallocated company assets									3,991,983,001
Total assets									44,634,992,138
Segment liabilities	20,483,362,046	5,856,655,153	4,237,004,877	76,953,471	179,173,420	1,824,972,001	92,266,267	1,799,357,273	34,549,744,508
Unallocated company liabilities									3,581,845,880
Total liabilities									38,131,590,388

Alliance Finance Company PLC

Explanatory Notes

- 1 These Interim Financial Statements have been prepared in accordance with the requirements of Sri Lanka Accounting Standard -LKAS 34 on'Interim Financial Reporting'.
- 2 The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 March 2022 except the changes mentioned under section 3.1.

3 Expected Credit Loss Computation

The company's estimated Expected Credit Loss (ECL) was based on the Probability of Default (PD), Loss Given Default (LGD) and Economic Factor Adjustment (EFA) applying a range of forecasted economic conditions prevailed as at that date.

Given the high degree of uncertainty and unprecedented circumstances in the macro economic outlook , a significant amount of additional ECL provision was made by using management overlays along with the modelled ECL provisions to ensure that the overall ECL provisions are adequate to cover unseen risk factors in the uncertain and highly volatile environment. The Company will continue to monitor the external developments and will make further necessary adjustments to the management overlays in the future.

4 Going Concern

In determining the basis of preparing the financial statements for the quarter ended 31st December 2022, the management has assessed the existing and anticipated effects of macro economic factor fluctuations on the Company and the management is in the view of appropriateness of the use of the going concern basis.

5 Commitments & Contingencies

	31st Dec 2022	31st March 2022
	Rs.	Rs.
Commitments & Contingencies	874,645,391	38,415,571

Commitments & Contingencies represent the financial guarantees issued by the company and the value of the tax assessments issued by the Department of Inland Revenue. The Company has formally objected to the tax assessments stating the reasons on which the Company believes that assessments are arbitrary and excessive. Company has also actively engaged with the Department of Inland Revenue to conclude these pending assessments.

There are no significant changes in the nature of the Contingent Liabilities other than disclosed above.

- 6 There were no other material events that took place since 31st December 2022, that require disclosure in these Interim Financial Statements other than mentioned above.
- 7 During the quarter, there were no material changes in the composition of assets, liabilities and/or contingent liabilities, other than those disclosed above.
- 8 All known expenses including management fees and other similar expenses have been provided for the nine months ended 31st December 2022.

Alliance Finance Company PLC
 Explanatory Notes (Continued.)

Selected Performance Indicators
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	12/31/2022	12/31/2021
Capital Adequacy (%)		
Tier 1 Capital Adequacy Ratio (minimum 8.5% [7%- 2021])	11.95%	9.47%
Total Capital Adequacy Ratio (minimum 12.5% [11%-2021])	15.30%	13.77%
Capital Funds to Deposit Liabilities Ratio	29.65%	37.54%
Profitability (%)		
Return on average shareholders funds (before tax) - Annualised	11.48%	28.89%
Return on average assets (before tax) - Annualised	1.57%	2.83%
Liquidity ('000)		
Required Minimum Amount of Liquid Assets	2,016,042	1,636,885
Available Amount of Liquid Assets	3,167,813	2,619,590
Required Minimum Amount of Government Securities	1,913,055	991,519
Available Amount of Government Securities	1,162,842	1,597,986
Quality of Loan Portfolio (%)		
	2022	2021
	90 DPD	90 DPD 180 DPD
Gross Non-Performing Loans Ratio	18.36%	15.89% 5.03%
Net-Non-Performing Loans Ratio	13.57%	12.26% 1.19%

Alliance Finance Company PLC

Shareholders' Information

Market price per share

Quarter ended 01st October to 31st December	2022	2021
Highest Price	73.40	112.00
Lowest Price	50.00	63.20
Last Traded	57.00	104.75

Stated capital

As at 31st December 2022, the Stated Capital was Rs. 613,980,000/- comprising of 33,696,000 ordinary shares issued.

Directors'/ CEO's Holding in Shares as at 31st December 2022

No	Name of Director	No. of Shares
1	Mrs.G.S.T. Dharmakirti-Herath	100
2	Mr.R.K.E.P. de Silva	11,635,291
3	Mr.J.M. Gunasekera	1,500
4	Mr.W.P.K. Jayawardana	42,750
5	Mrs.P. De Silva	100
6	Mr.R.E. Rambukwelle	10,000
7	Mr.L.J.H. De Silva	3,052
8	Mr.D.L.I. Hettiarachchi	100

Twenty Largest Ordinary Shareholders as at 31st December 2022

No.	Name of Shareholder	No. of Shares	%
1	Mr.R.K.E.P. de Silva	11,635,291	34.53
2	Motor Service Station (Pvt) Ltd.,	4,576,553	13.58
3	Mrs D.M.E.P. Perera	2,501,443	7.42
4	Mr.D.F.W.S.K. Perera & Mr.D.F.W. Perera	1,381,536	4.10
5	Orient Hotels Ltd.,	1,358,323	4.03
6	Mrs.S.E. Canekeratne	612,268	1.82
7	Mr.D.L.S.R. Perera	553,556	1.64
8	Hatton National Bank PLC/Mr.K.R.E.M.Y.D.M.B. Jayasundara	456,398	1.35
9	Mrs.P.N. Weththasinghe	401,051	1.19
10	Mrs.C.R. de Silva	374,400	1.11
11	Hatton National Bank PLC/Mr.K.K. Shujeevan	332,011	0.99
12	Mr. D.F.W. Perera	310,560	0.92
13	Ms.D.D.P.T. Perera	309,384	0.92
14	Ms.D.C.M.A. Perera	303,634	0.90
15	Mrs.A.S. Wijewardena	259,200	0.77
16	Mr.G.P. Kapilasena	201,180	0.60
17	Mrs.K.G.G.S.L. Perera	201,066	0.60
18	Mrs.N.U. Silva	172,105	0.51
19	Mrs.C. Yogagopalakrishnan & Mrs.Y. Thirukumar	155,920	0.46
20	Mr.A.J.M. Kiribanda	140,000	0.42

Alliance Finance Company PLC

Shareholders' Information

Public Shareholding as at 31st December 2022

No of Shares	%
17,399,792	51.64

No of Shareholders

The percentage of ordinary shares held by the public as at 31st December 2022 was 51.64 and the number of shareholders representing the public holding was 1960.

Float Adjusted Market Capitalization

The Float adjusted market capitalization as at 31st December 2022 - Rs. 991,788,144- and the Company falls under Option 5 of Rule 7.13.1 (a), of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

Alliance Finance Company PLC

Corporate Information

Name of the Company

Alliance Finance Company PLC

Statutory Status

Quoted Public Limited Liability Company, Incorporated on 18th July 1956. Approved and registered under the Finance Business Act No.42 of 2011 and Finance Leasing Act No.56 of 2000. An approved Credit Agency under the Mortgage Act No.06 of 1949 and the Trust receipt Ordinance No.12 of 1947.

Company Registration

Registered under the Companies Act No.07 of 2007.
Company Registration number PQ 93

Registered Office

Alliance House, No.84, Ward Place, Colombo 07.
Tel : 011 2673673 Fax: 011 2697205
e mail : info@alliancefinance.lk

Board of Directors

Mrs.Tamara Dharmakirti Herath - *Chairperson*
Mr. Romani de Silva - F.I.C.M.(SL) - *Deputy Chairman / Managing Director*
Mr.Kusal Jayawardana - CFA, MBA, ACMA, CGMA - *Deputy Managing Director*
Mr.Mahinda Gunasekara, B.Sc. (Agri), MBA, Executive Director
Sustainability
Mr. Ravi Rambukwelle - BA, MCIM(UK), ACI (UK), *Executive Director - Credit Operations and Marketing*
Mrs. Priyanthi de Silva - FCMA, CGMA, FCPA - *Independent Non Executive Director*
Mr.Hiran de Silva - *Independent Non Executive Director*
Mr. Lasantha Ivers Hettiarachchi - LLM,DCL, Attorney at Law -*Independent Non Executive Director*

Secretaries

Alliance Management Services (Pvt) Ltd.
No. 84, Ward Place
Colombo 07.

Legal Consultants

Gunawardene Ranasinghe Associates
Sudath Perera Associates

Audit Committee

Mrs. Priyanthi de Silva - *Chairperson*
Mrs.Tamara Dharmakirti Herath
Mr.Hiran de Silva

Remuneration Committee

Mr.Hiran de Silva -*Chairman*
Mrs.Tamara Dharmakirti Herath
Mr.Lasantha Ivers Hettiarachchi

Related Party Transaction Review Committee

Mrs.Tamara Dharmakirti Herath - *Chairperson*
Mr.Hiran de Silva
Mr.Lasantha Ivers Hettiarachchi

Board Integrated Risk Management Committee

Mrs.Tamara Dharmakirti Herath - *Chairperson*
Mrs. Priyanthi de Silva
Mr. Romani de Silva
Mr.Mahinda Gunasekara
Mr.Kusal Jayawardana
Mr. Ravi Rambukwelle
Mrs. Thamara Rathnayaka

Auditors

M/s Edirisinghe & Co.
Chartered Accountants,
No.45, 2nd Floor, Bray Brooke Street,
Colombo 02.

Advisory Council

Mrs. K.S.K. de Silva
Mr. B. Ponnambalam
Mr. K. Kanag Isvaran
Mr.S.P. Morawake - Former Registrar of Companies

Bankers

Sampath Bank PLC
Seylan Bank PLC
Public Bank Berhad
People's Bank
Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Bank of Ceylon
Nations Trust Bank PLC
Union Bank of Colombo PLC
DFCC Bank PLC
NDB Bank PLC
Cargills Bank