



**Alliance Finance Co. PLC**

Making the world a better place through sustainable finance



**Financial Statements  
for the Three Months Ended  
30th June 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

For the Three months ended 30th June	Company			Group		
	2022	2021	Variance %	2022	2021	Variance %
	(unaudited) Rs.	(unaudited) Rs.		(unaudited) Rs.	(unaudited) Rs.	
<b>Gross Income</b>	2,721,490,515	1,766,018,783	54.10	2,752,066,072	1,783,041,635	54.35
Interest income	2,557,737,725	1,658,764,105	54.20	2,559,600,096	1,659,570,385	54.23
Interest expenses	(1,242,769,193)	(600,549,000)	106.94	(1,242,769,193)	(600,549,000)	106.94
<b>Net Interest Income</b>	<u>1,314,968,532</u>	<u>1,058,215,105</u>	24.26	<u>1,316,830,903</u>	<u>1,059,021,385</u>	24.34
Fee and commission income	46,452,546	34,828,310	33.38	71,287,263	51,044,882	39.66
Fee and commission expenses	(68,849,244)	(53,205,720)	29.40	(68,849,244)	(53,205,714)	29.40
<b>Net Fee and Commission Income</b>	<u>(22,396,698)</u>	<u>(18,377,410)</u>	21.87	<u>2,438,019</u>	<u>(2,160,832)</u>	212.83
Net gain/(loss) from trading	22,481,432	(1,077,293)	2,186.84	24,197,177	(1,077,293)	2,346.11
Other operating income (net)	<u>94,818,812</u>	<u>73,503,661</u>	29.00	<u>96,981,536</u>	<u>73,503,661</u>	31.94
<b>Total Operating Income</b>	<u>1,409,872,078</u>	<u>1,112,264,063</u>	26.76	<u>1,440,447,635</u>	<u>1,129,286,921</u>	27.55
Impairment (charges) / reversal for loans and other losses	(278,835,868)	(480,811,839)	(42.01)	(278,835,868)	(480,811,839)	(42.01)
<b>Net Operating Income</b>	<u>1,131,036,210</u>	<u>631,452,224</u>	79.12	<u>1,161,611,767</u>	<u>648,475,082</u>	79.13
<b>Operating Expenses</b>						
Personnel expenses	(302,062,046)	(204,327,291)	47.83	(305,070,768)	(207,156,349)	47.27
Other operating expenses	(461,206,974)	(297,983,681)	54.78	(463,263,281)	(299,598,574)	54.63
Depreciation and amortization	(38,389,261)	(29,792,332)	28.86	(38,559,947)	(29,837,230)	29.23
<b>Total operating expenses</b>	<u>(801,658,281)</u>	<u>(532,103,304)</u>	50.66	<u>(806,893,996)</u>	<u>(536,592,153)</u>	50.37
<b>Operating Profit before Taxes on Financial Services</b>	<u>329,377,929</u>	<u>99,348,920</u>	231.54	<u>354,717,771</u>	<u>111,882,929</u>	217.04
Taxes on financial services	(126,829,307)	(44,190,317)	187.01	(126,829,307)	(44,190,317)	187.01
<b>Operating Profit after Taxes on Financial Services</b>	<u>202,548,622</u>	<u>55,158,603</u>	267.21	<u>227,888,464</u>	<u>67,692,612</u>	236.65
Share of profit/(loss) from associates	<u>9,801,370</u>	<u>(938,394)</u>	1,144.48	<u>9,801,370</u>	<u>(938,394)</u>	1,144.48
<b>Profit before Taxation from Operations</b>	<u>212,349,992</u>	<u>54,220,209</u>	291.64	<u>237,689,834</u>	<u>66,754,218</u>	256.07
Provision for income taxation	(155,574,435)	(26,477,073)	487.58	(165,126,690)	(29,547,853)	458.84
<b>Profit for the Period</b>	<u><u>56,775,557</u></u>	<u><u>27,743,136</u></u>	104.65	<u><u>72,563,144</u></u>	<u><u>37,206,365</u></u>	95.03
Profit attributable to :						
Equity holders of the Company	-	-		65,642,172	33,793,927	94.24
Non controlling interest	-	-		6,920,972	3,412,438	102.82
<b>Profit for the Period</b>	<u><u>56,775,557</u></u>	<u><u>27,743,136</u></u>		<u><u>72,563,144</u></u>	<u><u>37,206,365</u></u>	
Basic/ Diluted earnings per share (Annualized)	6.74	3.29		7.79	4.01	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

## Alliance Finance Company PLC

### STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Three months ended 30th June	Company			Group		
	2022 (unaudited) Rs.	2021 (unaudited) Rs.	Variance %	2022 (unaudited) Rs.	2021 (unaudited) Rs.	Variance %
Profit for the period	56,775,557	27,743,136	104.65	72,563,144	26,150,752	177.48
<b>Other Comprehensive Income not to be Reclassified to Profit or Loss</b>						
Equity investments at FVOCI - net change in fair value and disposal gain / (loss)	<u>(44,265,862)</u>	<u>(11,828,117)</u>	274.24	<u>(44,265,862)</u>	<u>(11,828,117)</u>	274.24
<b>Net Other Comprehensive Income not be Classified to Profit or Loss</b>	<u>(44,265,862)</u>	<u>(11,828,117)</u>	274.24	<u>(44,265,862)</u>	<u>(11,828,117)</u>	274.24
<b>Total Comprehensive Income for the period</b>	<u>12,509,695</u>	<u>15,915,019</u>	(21.40)	<u>28,297,283</u>	<u>14,322,635</u>	97.57
Attributable to:						
Equity holders of the company	-	-		21,376,311	51,508,808	(58.50)
Non controlling interest	-	-		6,920,972	3,801,610	82.05
<b>Total Comprehensive Income for the period</b>	<u>12,509,695</u>	<u>15,915,019</u>	(21.40)	<u>28,297,284</u>	<u>55,310,418</u>	(48.84)

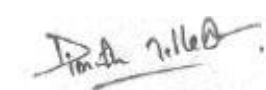
# Alliance Finance Company PLC

## STATEMENT OF FINANCIAL POSITION

As at	Company			Group		
	30-06-2022 (unaudited) Rs.	31-03-2022 (audited) Rs.	Variance %	30-06-2022 (unaudited) Rs.	31-03-2022 (audited) Rs.	Variance %
<b>Assets</b>						
Cash and cash equivalents	683,866,515	795,260,944	(14.01)	768,137,386	898,748,640	(14.53)
Repurchase agreements	100,297,260	250,000,000	(59.88)	100,297,260	250,000,000	(59.88)
Placements with banks & financial institutions	600,573,441	287,925,208	108.59	600,573,441	287,925,208	108.59
Financial assets recognized through profit or loss	3,701,777,638	1,502,280,225	146.41	3,701,777,638	1,502,280,225	146.41
Loans and advances - at amortized cost	15,592,838,774	14,797,772,357	5.37	15,592,838,774	14,797,772,357	5.37
Lease rentals receivable & stock out on hire - at amortized cost	25,245,383,866	25,503,747,256	(1.01)	25,245,383,866	25,503,747,256	(1.01)
Financial assets- fair value through other comprehensive income	140,454,948	184,720,884	(23.96)	140,454,948	184,720,884	(23.96)
Other trading stocks	291,874,248	392,525,744	(25.64)	291,874,248	392,525,744	(25.64)
Other financial assets	617,028,193	636,340,449	(3.03)	609,507,038	630,656,592	(3.35)
Other non financial assets	234,529,189	243,886,129	(3.84)	235,004,512	244,361,452	(3.83)
Derivative financial assets	40,792,849	82,923,194	(50.81)	40,792,849	82,923,194	(50.81)
Investments in associates	59,639,717	49,838,347	19.67	92,894,214	83,092,843	11.80
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	2,545,331,251	2,502,324,245	1.72	2,546,326,596	2,503,442,359	1.71
Intangible assets	124,186,235	126,715,431	(2.00)	124,603,385	127,180,497	(2.03)
Right of use asset	369,060,216	397,784,021	(7.22)	369,060,216	397,784,021	(7.22)
Deferred tax assets	209,679,475	209,679,475	-	210,485,254	210,485,254	-
<b>Total Assets</b>	<b>50,733,827,953</b>	<b>48,140,238,048</b>	<b>5.39</b>	<b>50,915,262,141</b>	<b>48,342,897,042</b>	
<b>Liabilities</b>						
Due to banks	23,717,390,542	22,558,061,981	5.14	23,756,051,742	22,558,061,981	5.31
Due to depositors	17,885,968,459	14,681,375,682	21.83	17,810,968,459	14,681,375,682	21.32
Debt instruments issued and other borrowed funds	-	867,759,553	(100.00)	-	867,759,553	(100.00)
Other financial liabilities	843,611,850	1,670,249,511	(49.49)	870,501,258	1,704,808,662	(48.94)
Other non financial liabilities	110,775,042	184,106,172	(39.83)	110,775,042	184,106,173	(39.83)
Income tax liabilities	848,731,474	865,153,792	(1.90)	859,841,381	869,537,847	(1.12)
Retirement benefit liabilities	122,738,205	121,428,671	1.08	125,906,029	124,326,196	1.27
Deferred tax liabilities	510,728,430	510,728,430	-	510,728,430	510,728,430	-
<b>Total Liabilities</b>	<b>44,039,944,002</b>	<b>41,458,863,792</b>	<b>6.23</b>	<b>44,044,772,341</b>	<b>41,500,704,524</b>	<b>6.13</b>
<b>Shareholders' Funds</b>						
Stated capital	613,980,000	613,980,000	-	613,980,000	613,980,000	-
Retained earnings	3,557,013,925	3,500,238,368	1.62	3,654,219,994	3,588,577,822	1.83
Reserves	2,522,890,026	2,567,155,888	(1.72)	2,522,890,026	2,567,155,888	(1.72)
<b>Total Equity Attributable to Equity Holders of the Company</b>	<b>6,693,883,951</b>	<b>6,681,374,256</b>	<b>0.19</b>	<b>6,791,090,020</b>	<b>6,769,713,710</b>	<b>0.32</b>
Non controlling interest	-	-	-	79,399,780	72,478,808	9.55
<b>Total Equity</b>	<b>6,693,883,951</b>	<b>6,681,374,256</b>	<b>0.19</b>	<b>6,870,489,800</b>	<b>6,842,192,518</b>	<b>0.41</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>50,733,827,953</b>	<b>48,140,238,048</b>	<b>5.39</b>	<b>50,915,262,141</b>	<b>48,342,897,042</b>	<b>5.32</b>
Contingent Liabilities and Commitments	30,915,571	38,415,571		30,915,571	38,415,571	
Net assets value per share (Rs.)	199	198		202	201	

### Certification

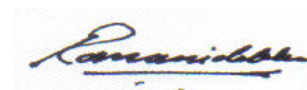
I certify that these Financial Statements are presented in compliance with the requirements of the Companies Act No. 07 of 2007.



.....  
Dimuthu Tillekeratne  
AGM - Finance



.....  
Kusal Jayawardana  
Deputy Managing Director



.....  
Romani De Silva  
Deputy Chairman & Managing Director

15-Aug-22  
Colombo

## 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.
<b>Balance as at 1st April 2021 (Audited)</b>	613,980,000	904,081,009	1,556,017,602	388,258,055	58,527,420	-	2,295,549,890	5,816,413,977
Profit for the period	-	-	-	-	-	-	27,743,136	27,743,136
Other comprehensive income, net of tax								
Equity investments at FVOCI - net change in fair value	-	-	-	-	(11,828,117)	-	-	(11,828,117)
Transfer of realised profit from equity investment					13,181,214		(13,181,214)	
<b>Balances as at 30th June 2021 (Unaudited)</b>	<b>613,980,000</b>	<b>904,081,009</b>	<b>1,556,017,602</b>	<b>388,258,055</b>	<b>59,880,517</b>	<b>-</b>	<b>2,310,111,812</b>	<b>5,832,328,996</b>
<b>Balance as at 1st April 2022 (Audited)</b>	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	-	-	-	-	-	-	56,775,557	56,775,557
Other comprehensive income, net of tax								
Equity investments at FVOCI - net change in fair value	-	-	-	-	(44,265,862)	-	-	(44,265,862)
<b>Balances as at 30th June 2022 (Unaudited)</b>	<b>613,980,000</b>	<b>977,236,040</b>	<b>1,223,390,151</b>	<b>388,258,055</b>	<b>(65,994,220)</b>	<b>-</b>	<b>3,557,013,925</b>	<b>6,693,883,951</b>

Figures in brackets indicate deductions.

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

## 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.
<b>Balance as at 1st April 2021 (Audited)</b>	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	-	-	-	-	-	3,412,438	33,793,927	37,206,365
Other comprehensive income, net of tax -								
Equity investments at FVOCI - net change in fair value	-	-	-	-	(11,828,117)	-	-	(11,828,117)
Transfer of realised profit from equity investment	-	-	-	-	13,181,214	-	(13,181,214)	-
<b>Balances as at 30th June 2021 (Unaudited)</b>	<b>613,980,000</b>	<b>904,081,009</b>	<b>1,556,017,602</b>	<b>388,258,055</b>	<b>59,880,518</b>	<b>57,367,443</b>	<b>2,394,887,181</b>	<b>5,974,471,808</b>
<b>Balance as at 1st April 2022 (Audited)</b>	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	-	-	-	-	-	6,920,972	65,642,172	72,563,144
Other comprehensive income, net of tax -								
Equity investments at FVOCI - net change in fair value	-	-	-	-	(44,265,862)	-	-	(44,265,862)
<b>Balances as at 30th June 2022 (Unaudited)</b>	<b>613,980,000</b>	<b>977,236,040</b>	<b>1,223,390,151</b>	<b>388,258,055</b>	<b>(65,994,220)</b>	<b>79,399,780</b>	<b>3,654,219,994</b>	<b>6,870,489,800</b>

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 Three months ended 30th June	Company		Group	
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	Rs.	Rs.	Rs.	Rs.
<b>Cash Flows From / (Used in) Operating Activities</b>				
Profit before Income Tax Expense	212,349,992	54,220,209	237,689,834	66,754,218
<b>Adjustments for;</b>				
Depreciation of property, plant & equipment	35,563,280	27,042,091	35,686,050	27,086,989
Amortization of intangible assets	2,825,981	2,750,241	2,873,897	2,750,241
Amortization of Right of use asset	28,723,805	19,013,552	28,723,805	19,013,552
Impairment (reversal)/provision	276,298,918	473,721,381	276,298,918	473,721,381
Interest on fixed deposits, commercial paper & treasury bills	(44,176,884)	(23,005,751)	(46,039,255)	(23,812,031)
Fair value (gain)/loss on equity investments (FVTPL)	-	29,745	-	29,745
Bad debt written-off	2,536,950	7,090,458	2,536,950	7,090,458
Diminution/(appreciation) in value of treasury bonds	(2,815,470)	(9,883,007)	(2,815,470)	(9,883,007)
Loss/(profit) on disposal of property, plant & equipment	(186,680)	1,036,204	(186,680)	1,036,204
Provision/(reversal) for defined benefit plans	13,500,000	7,500,000	13,770,301	7,741,340
Profit from sale of vehicle	(14,732,214)	-	(14,732,214)	-
Dividend received	(2,622,731)	(6,282,400)	(2,622,731)	(6,282,400)
Share of loss/(profit) from associates	(9,801,370)	938,394	(9,801,370)	938,394
<b>Operating Profit before Working Capital Changes</b>	<b>497,463,577</b>	<b>554,171,117</b>	<b>521,382,035</b>	<b>566,185,083</b>
(Increase)/decrease in trading stock	(5,051,290)	(12,080,984)	(5,051,290)	(12,080,984)
(Increase)/decrease in loans and advances	(847,880,714)	(610,601,208)	(847,880,714)	(610,793,078)
(Increase)/decrease in lease rentals receivable	32,570,686	(18,903,305)	32,570,686	(18,903,305)
(Increase)/decrease in hire purchase rentals receivable	(228,867)	(1,440)	(228,867)	(1,440)
(Increase)/decrease in fixed deposits & repurchase agreements	(162,945,495)	384,923,611	(162,945,499)	384,923,611
(Increase)/decrease in other financial assets	19,312,256	13,998,278	21,149,554	(3,938,276)
(Increase)/decrease in other non financial assets	46,699,127	(31,179,301)	46,699,127	(31,179,301)
(Increase)/decrease in derivative financial assets	42,130,345	(8,250,345)	42,130,345	(8,250,345)
Increase/(decrease) in amounts due to depositors	3,204,592,777	1,074,083,198	3,129,592,777	1,074,083,198
Increase/(decrease) in other financial liabilities	(826,637,661)	(106,144,050)	(834,307,404)	(105,527,492)
Increase/(decrease) in other non financial liabilities	(73,331,130)	(35,689,489)	(73,331,130)	(35,689,489)
<b>Cash generated from/(used in) Operations</b>	<b>1,926,693,611</b>	<b>1,204,326,082</b>	<b>1,869,779,620</b>	<b>1,198,828,182</b>
Retirement benefit liabilities paid	(12,190,464)	(1,527,344)	(12,190,464)	(1,527,344)
Taxes paid	(171,996,752)	(154,864,081)	(174,823,157)	(157,501,910)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,742,506,395</b>	<b>1,047,934,657</b>	<b>1,682,765,999</b>	<b>1,039,798,929</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of property, plant & equipment	(78,587,756)	(13,915,530)	(78,587,756)	(14,287,560)
Acquisition of right of use assets	(5,816,000)	6,193,412	(5,816,000)	6,193,412
Acquisition of Intangible Assets	(296,785)	(3,214,773)	(296,785)	(3,214,773)
Proceeds from sales of property, plant & equipment	204,150	40,000	204,150	40,000
Proceeds from sales of vehicles	120,435,000	-	120,435,000	-
Net sales/ (purchases) of financial investments -FVTPL/FVOCI	(2,196,681,869)	1,452,244	(2,196,681,869)	1,452,244
Dividend received	2,622,731	6,282,400	2,622,731	6,282,400
Interest on fixed deposits, commercial paper & treasury bills	44,176,884	23,005,751	46,039,255	23,812,031
<b>Net cash generated from investing activities</b>	<b>(2,113,943,645)</b>	<b>19,843,504</b>	<b>(2,112,081,274)</b>	<b>20,277,753</b>
<b>Cash flows from / (used in) financing activities</b>				
Settlement of operating Lease liabilities	(31,526,187)	(21,907,522)	(31,526,187)	(21,907,522)
Increase/(decrease) in borrowed funds	(867,759,553)	-	(867,759,553)	-
Net increase /(decrease) in other borrowings	1,417,114,608	(1,162,243,124)	1,417,114,608	(1,114,013,553)
<b>Net cash generated from/(used in) financing activities</b>	<b>517,828,868</b>	<b>(1,184,150,646)</b>	<b>517,828,868</b>	<b>(1,135,921,075)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>146,391,618</b>	<b>(116,372,485)</b>	<b>88,513,593</b>	<b>(75,844,392)</b>
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	576,183,677	471,033,462	621,793,348	561,996,107
<b>Movement in Cash and Cash Equivalent</b>	<b>146,391,618</b>	<b>(116,372,485)</b>	<b>88,513,593</b>	<b>(75,844,392)</b>

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.	
<b>As at 30th June 2022</b>				
<b>Financial assets - Fair value through profit and loss</b>				
Government of Sri Lanka treasury bills	-	3,388,017,412	-	3,388,017,412
Government of Sri Lanka treasury bonds	-	111,369,381	-	111,369,381
Investments in Unit Trusts	-	202,390,845	-	202,390,845
Derivative financial Assets	-	40,792,849	-	40,792,849
<b>Financial assets - Fair value through Other Comprehensive Income</b>				
Quoted Investments	139,875,698	-	-	139,875,698
Unquoted Investments	-	-	579,250	579,250
	<u>139,875,698</u>	<u>3,701,777,638</u>	<u>579,250</u>	<u>3,883,025,435</u>
<b>Liabilities</b>				
Due to Depositors	-	17,885,968,459	-	17,885,968,459
Due to Banks	-	23,717,390,542	-	23,717,390,542
	-	<u>41,603,359,001</u>	-	<u>41,603,359,001</u>
<b>As at 30th June 2021</b>				
<b>Financial assets - Fair value through profit and loss</b>				
Government of Sri Lanka treasury bills	-	865,680,759	-	865,680,759
Government of Sri Lanka treasury bonds	-	286,214,145	-	286,214,145
<b>Financial assets - Fair value through Other Comprehensive Income</b>				
Quoted Investments	225,283,554	-	-	225,283,554
Unquoted Investments	-	-	579,250	579,250
	<u>225,283,554</u>	<u>1,151,894,904</u>	<u>579,250</u>	<u>1,377,757,708</u>
<b>Liabilities</b>				
Due to Depositors	-	13,992,869,676	-	13,992,869,676
Due to Banks	-	12,051,997,978	-	12,051,997,978
Derivative financial liabilities	-	5,295,205	-	5,295,205
	-	<u>26,050,162,859</u>	-	<u>26,050,162,859</u>



## Alliance Finance Company PLC

### ANALYSIS OF FINANCIAL STATEMENTS MEASUREMENT BASIS

Company

As at 30th June 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.
<b>Asset</b>				
Cash and cash equivalents	-	683,866,515	-	683,866,515
Repurchase agreements	-	100,297,260	-	
Placement with banks and other financial institutions	-	600,573,441	-	600,573,441
Financial asset recognized through profit or loss	3,701,777,638	-	-	3,701,777,638
Loans and receivables-Amortized cost	-	15,592,838,774	-	15,592,838,774
Lease rental receivables at amortized cost	-	25,245,383,866	-	25,245,383,866
Derivative financial assets	-	40,792,849	-	40,792,849
Financial asset recognized through other comprehensive income	-	-	140,454,948	140,454,948
	<u>3,701,777,638</u>	<u>42,263,752,705</u>	<u>140,454,948</u>	<u>46,005,688,031</u>
<b>Liabilities</b>				
Due to Depositors	-	17,885,968,459	-	17,885,968,459
Due to Banks	-	23,717,390,542	-	23,717,390,542
	-	<u>41,603,359,001</u>	-	<u>41,603,359,001</u>

As at 30th June 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.
<b>Asset</b>				
Cash and cash equivalents	-	471,033,462	-	471,033,462
Placement with banks and other financial institutions	-	808,845,013	-	808,845,013
Financial asset recognized through profit or loss	1,151,894,904	-	-	1,151,894,904
Loans and receivables-Amortized cost	-	6,996,652,891	-	6,996,652,891
Lease rental receivables at amortized cost	-	19,760,539,326	-	19,760,539,326
Financial asset recognized through other comprehensive income	-	-	225,862,804	225,862,804
Hire purchase and rental receivables amortized cost	-	5,543,557	-	5,543,557
	<u>1,151,894,904</u>	<u>28,042,614,249</u>	<u>225,862,804</u>	<u>29,420,371,957</u>
<b>Liabilities</b>				
Due to Depositors	-	13,992,869,676	-	13,992,869,676
Due to Banks	-	12,051,997,978	-	12,051,997,978
Derivative financial liabilities	-	5,295,205	-	5,295,205
	-	<u>26,050,162,859</u>	-	<u>26,050,162,859</u>

## Alliance Finance Company PLC

### NOTES TO THE FINANCIAL STATEMENTS

#### SEGMENT REPORT

30th June 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.
<b>REVENUE</b>									
External sales	4,170,571,877	642,083,281	488,302,227	8,915,701	2,622,731	92,828,067	6,001,839	116,829,800	5,528,155,523
<b>Total revenue</b>	<b>4,170,571,877</b>	<b>642,083,281</b>	<b>488,302,227</b>	<b>8,915,701</b>	<b>2,622,731</b>	<b>92,828,067</b>	<b>6,001,839</b>	<b>116,829,800</b>	<b>5,528,155,523</b>
Total income	1,728,127,607	323,315,534	488,302,227	8,915,701	2,622,731	96,608,711	6,001,839	98,171,722	2,752,066,072
<b>RESULTS</b>									
<b>Segment results</b>	<b>1,261,397,031</b>	<b>166,647,713</b>	<b>406,941,217</b>	<b>158,864</b>	<b>2,513,726</b>	<b>94,719,730</b>	<b>6,001,839</b>	<b>84,091,651</b>	<b>2,022,471,771</b>
Unallocated company expenses									(551,814,113)
Operating profit									1,470,657,658
Interest expenses	(670,434,788)	(222,942,338)	(194,419,783)	(4,143,640)	(3,730,024)	(100,970,668)	(399,085)	(45,728,868)	<b>(1,242,769,194)</b>
Share of profits of associates before tax									9,801,370
Income taxes									(165,126,690)
<b>Net Profit</b>									<b>72,563,144</b>
<b>OTHER INFORMATION</b>									
Segment assets	25,245,383,929	8,394,947,600	7,320,923,891	156,029,763	140,454,948	3,802,074,898	15,027,655	1,721,931,522	46,796,774,205
Investment in associates									92,894,213
Unallocated company assets									4,025,593,723
<b>Total assets</b>									<b>50,915,262,141</b>
Segment liabilities	22,344,083,224	7,016,864,199	6,119,148,231	130,416,497	117,398,386	3,177,940,412	12,560,771	1,439,265,643	40,357,677,363
Unallocated company liabilities									3,687,094,978
<b>Total liabilities</b>									<b>44,044,772,341</b>

## Alliance Finance Company PLC

### NOTES TO THE FINANCIAL STATEMENTS

For the Three months ended 30th June

#### SEGMENT REPORT

30th June 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.
<b>REVENUE</b>									
External sales	3,342,148,437	134,893,357	193,175,280	7,348,255	6,282,400	23,618,550	1,992,670	68,662,261	3,778,121,210
<b>Total revenue</b>	<b>3,342,148,437</b>	<b>134,893,357</b>	<b>193,175,280</b>	<b>7,348,255</b>	<b>6,282,400</b>	<b>23,618,550</b>	<b>1,992,670</b>	<b>68,662,261</b>	<b>3,778,121,210</b>
Total income	1,351,796,550	129,624,730	193,175,280	7,348,255	6,282,400	23,618,550	2,533,609	68,662,261	1,783,041,635
<b>RESULTS</b>									
<b>Segment results</b>	<b>813,129,807</b>	<b>(175,106,898)</b>	<b>146,343,827</b>	<b>699,441</b>	<b>6,169,640</b>	<b>22,690,432</b>	<b>2,533,609</b>	<b>61,243,398</b>	<b>877,703,256</b>
Unallocated company expenses									(209,461,646)
Operating profit									668,241,610
Interest expenses	(394,504,307)	(73,411,285)	(66,239,266)	(1,995,269)	(4,507,916)	(22,990,266)	(813,807)	(36,086,884)	(600,549,000)
Share of profits of associates before tax									(938,394)
Income taxes									(29,547,851)
<b>Net Profit</b>									<b>37,206,365</b>
<b>OTHER INFORMATION</b>									
Segment assets	19,766,082,872	3,678,169,065	3,318,825,146	99,970,145	225,862,804	1,151,894,904	40,774,633	1,808,082,506	30,089,662,075
Investment in associates									95,625,137
Unallocated company assets									3,806,051,708
<b>Total assets</b>									<b>33,991,338,920</b>
Segment liabilities	16,636,306,116	2,920,587,869	2,635,256,915	79,379,601	179,342,535	914,642,645	32,376,407	1,435,677,301	24,833,569,389
Unallocated company liabilities									3,183,297,723
<b>Total liabilities</b>									<b>28,016,867,112</b>

## Alliance Finance Company PLC

### EXPLANATORY NOTES

- 1 The figures given in the financial statements for the quarter ended 30th June 2022 are provisional and subjected to the audit.
- 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.

3 **Expected Credit Loss Computation**

The Group's estimated Expected Credit Loss (ECL) was based on the Probability of Default (PD), Loss Given Default (LGD) and Economic Factor Adjustment (EFA) after applying the forecasts and projections published by the Central Bank of Sri Lanka and International Monetary Fund.

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 30th June 2022, based on available information, 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.

6 **Commitments & Contingencies**

	As at 30th June 2022	As at 31st March 2022
	Rs.	Rs.
Financial guarantees	4,759,721	4,759,721
Tax assessments	362,667,198	362,667,198
Provision already make	(336,511,348)	(329,011,348)
	<u>30,915,571</u>	<u>38,415,571</u>

There has not been a significant changes in the nature of the Contingent Liabilities which were disclosed above.

- 7 There were no material events that took place since 30th June 2022 , that require disclosure in these Interim Financial Statements other than those disclosed below.
- 8 All known expenses including management fees and other similar expenses have been provided for three months ended 30th June 2022.

## Alliance Finance Company PLC

### EXPLANATORY NOTES (Continued.)

#### Selected Performance Indicators

	30-06-22	30-06-21
<b>Capital Adequacy (%)</b>		
Tier 1 Capital Adequacy Ratio (minimum 7%)	11.74%	11.52%
Total Capital Adequacy Ratio (minimum (11%))	15.27%	14.28%
Capital Funds to Deposit Liabilities Ratio	28.46%	30.83%
<b>Profitability (%)</b>		
Return on average shareholders funds (before tax) - Annualised	12.70%	4.13%
Return on average assets (before tax) - Annualised	1.72%	0.63%
<b>Quality of Loan Portfolio (%)</b>		
Gross Non-Performing Loans Ratio	4.87%	10.57%
Net-Non-Performing Loans Ratio	2.06%	2.87%
<b>Liquidity ('000)</b>		
Required Minimum Amount of Liquid Assets	1,945,209	894,706
Available Amount of Liquid Assets	4,610,766	1,578,732
Required Minimum Amount of Government Securities	1,162,618	661,013
Available Amount of Government Securities	3,565,474	1,022,162

## Alliance Finance Company PLC

### SHAREHOLDERS' INFORMATION

#### Market price per share

Quarter ended 01st April to 30th June	2022	2021
Highest Price	70.10	83.90
Lowest Price	42.00	59.60
Last Traded	50.30	76.40

#### Issued capital

As at 30th June 2022 the Stated Capital was Rs. 613,980,000/- of 33,696,000 Ordinary shares were issued.

#### Directors'/ CEO's Holding in Shares as at 30th June 2022

<u>No</u>	<u>Name of Director</u>	<u>No of Shares</u>
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 30th June 2022

<u>No.</u>	<u>Name of Shareholder</u>	<u>No. of Shares</u>	<u>%</u>
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	Hatton National Bank PLC/Mr.K.R.E.M.Y.D.M.B. Jaya:	631,672	1.87
7	Mrs.S.E. Canekeratne	612,268	1.82
8	Mr.D.L.S.R. Perera	553,556	1.64
9	Mrs.C.R. de Silva	374,400	1.11
10	Hatton National Bank PLC/Mr.K.K. Shujeevan	355,142	1.05
11	Mr. D.F.W. Perera	310,560	0.92
12	Ms.D.D.P.T. Perera	309,384	0.92
13	Ms.D.C.M.A. Perera	303,634	0.90
14	Mrs.P. Weththasinghe	299,975	0.89
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	155,920	0.46
20	Mr.A.J.M. Jinadasa	140,000	0.42

## Alliance Finance Company PLC

### SHAREHOLDERS' INFORMATION

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#### Public Shareholding as at 30th June 2022

No of Shares	%
17,399,792	51.64

#### No of Shareholders

The percentage of ordinary shares held by the public as at 30th June 2022 was 51.64 and the number of shareholders representing the public holding was 1605.

#### Float Adjusted Market Capitalization

The Float adjusted market capitalization as at 30th June 2022 - Rs. 875,250,904/- 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 Iswaran  
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