



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

Inspired by Purpose

Financial Statements
For the Three Months Ended
30th June 2023



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		
	2023	2022	Variance %	2023	2022	Variance %
	(unaudited) Rs.	(unaudited) Rs.		(unaudited) Rs.	(unaudited) Rs.	
Gross Income	3,181,412,074	2,721,490,515	17	3,208,128,270	2,752,066,072	17
Interest income	3,065,038,318	2,557,737,725	20	3,068,877,900	2,559,600,096	20
Interest expenses	(2,039,586,860)	(1,242,769,193)	(64)	(2,034,054,273)	(1,242,769,193)	(64)
Net Interest Income	1,025,451,458	1,314,968,532	(22)	1,034,823,627	1,316,830,903	(21)
Fee and commission income	61,162,020	46,452,546	32	82,449,865	71,287,263	16
Fee and commission expenses	(49,976,567)	(68,849,244)	27	(50,298,358)	(68,849,244)	27
Net Fee and Commission Income	11,185,453	(22,396,698)	(150)	32,151,507	2,438,019	1,219
Net gain/(loss) from trading	5,187,837	22,481,432	(77)	4,178,614	24,197,177	(83)
Other operating income (net)	50,023,899	94,818,812	(47)	52,621,891	96,981,536	(46)
Total Operating Income	1,091,848,647	1,409,872,078	(23)	1,123,775,639	1,440,447,635	(22)
Impairment (charges) / reversal for loans and other losses	(141,579,198)	(278,835,868)	49	(141,579,198)	(278,835,868)	49
Net Operating Income	950,269,449	1,131,036,210	(16)	982,196,441	1,161,611,767	(15)
Operating Expenses						
Personnel expenses	(330,860,924)	(302,062,046)	(10)	(334,606,431)	(305,070,768)	(10)
Other operating expenses	(402,922,969)	(461,206,974)	13	(405,119,238)	(463,263,281)	13
Depreciation and amortization	(41,085,033)	(38,389,261)	(7)	(41,255,519)	(38,559,947)	(7)
Total operating expenses	(774,868,926)	(801,658,281)	3	(780,981,188)	(806,893,996)	3
Operating Profit before Taxes on Financial Services	175,400,523	329,377,929	(47)	201,215,253	354,717,771	(43)
Taxes on financial services	(63,188,719)	(126,829,307)	50	(63,188,719)	(126,829,307)	50
Operating Profit after Taxes on Financial Services	112,211,804	202,548,622	(45)	138,026,534	227,888,464	(39)
Share of profit/(loss) from associates	4,521,208	9,801,370	(54)	4,521,208	9,801,370	(54)
Profit before Taxation from Operations	116,733,012	212,349,992	(45)	142,547,742	237,689,834	(40)
Provision for income taxation	(51,617,429)	(155,574,435)	67	(59,341,765)	(165,126,690)	64
Profit for the Period	65,115,583	56,775,557	15	83,205,977	72,563,144	15
Profit attributable to :						
Equity holders of the Company	65,115,583	56,775,557	15	76,682,581	65,642,172	17
Non controlling interest	-	-	-	6,523,396	6,920,972	(6)
Profit for the Period	65,115,583	56,775,557		83,205,977	72,563,144	
Basic/ Diluted earnings per share (Annualised)	7.73	6.74		9.88	7.79	
Dividend Per Share paid	-	-		-	-	

Alliance Finance Company PLC

Statement of Comprehensive Income - Company

For the three months ended 30th June	Company			Group		
	2023	2022	Variance	2023	2022	Variance
	(unaudited)	(unaudited)		(unaudited)	(unaudited)	
	Rs.	Rs.	%	Rs.	Rs.	%
Profit for the period	<u>65,115,583</u>	<u>56,775,557</u>	15	<u>83,205,977</u>	<u>72,563,144</u>	15
Other Comprehensive Income						
Other Comprehensive Income not to be Reclassified to Profit or Loss						
Equity investments at FVOCI -net change in fair value & realized profit/ (loss) to retained earnings	11,836,505	(44,265,862)	127	11,836,505	(44,265,862)	127
Net Other Comprehensive Income not be Classified to Profit or Loss	<u>11,836,505</u>	<u>(44,265,862)</u>	127	<u>11,836,505</u>	<u>(44,265,862)</u>	127
Total Comprehensive Income for the period	<u>76,952,088</u>	<u>12,509,695</u>	515	<u>95,042,482</u>	<u>28,297,282</u>	236
Attributable to:						
Equity holders of the company	76,952,088	12,509,695	515	88,519,086	21,376,310	314
Non controlling interest	-	-		6,523,396	6,920,972	(6)
Total Comprehensive Income for the period	<u>76,952,088</u>	<u>12,509,695</u>		<u>95,042,482</u>	<u>28,297,282</u>	

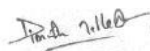
Alliance Finance Company PLC
Statement of Financial Position

As at	Company			Group		
	30.06.2023 Rs. (unaudited)	31.03.2023 Rs. (audited)	Variance %	30.06.2023 Rs. (unaudited)	31.03.2023 Rs. (audited)	Variance %
Assets						
Cash and cash equivalents	891,091,363	566,946,383	57	971,346,314	624,723,130	55
Repurchase agreements	100,383,562	250,154,110	(60)	100,383,562	250,154,110	(60)
Placements with banks & financial institutions	4,227,661,153	4,905,611,281	(14)	4,246,107,002	4,919,075,748	(14)
Financial assets recognised through profit or loss	1,881,527,496	3,130,690,272	(40)	1,881,527,496	3,130,690,272	(40)
Loans and advances - at amortised cost	17,448,596,059	17,449,867,823	(0)	17,448,596,060	17,449,867,823	(0)
Lease rentals receivable & stock out on hire - at amortised cost	21,589,029,221	21,552,425,838	0	21,589,029,221	21,552,425,838	0
Financial assets- fair value through other comprehensive income	194,542,125	182,705,621	6	194,542,125	182,705,621	6
Other trading stocks	45,768,829	59,653,942	(23)	45,768,829	59,653,942	(23)
Other financial assets	432,473,874	415,454,128	4	414,608,786	417,933,228	(1)
Other non financial assets	181,548,304	173,787,786	4	182,455,991	174,283,305	5
Investments in associates	100,428,053	70,906,846	42	126,933,588	97,412,381	30
Investments in subsidiaries	16,924,038	16,924,038	-	-	-	-
Investment property	163,200,000	163,200,000	-	253,200,000	253,200,000	-
Property, plant & equipment	2,579,862,948	2,595,446,980	(1)	2,580,367,615	2,596,074,215	(1)
Intangible assets	145,303,095	139,188,404	4	145,528,579	139,461,804	4
Right of use asset	347,738,269	365,346,690	(5)	347,738,269	365,346,690	(5)
Deferred tax assets	209,616,678	209,616,678	-	210,498,249	210,498,249	-
Total Assets	50,555,695,067	52,247,926,820	(3)	50,738,631,686	52,423,506,356	(3)
Liabilities						
Due to banks	19,452,510,660	22,571,002,700	(14)	19,488,805,018	22,571,002,700	(14)
Due to depositors - at amortised cost	21,762,823,538	20,475,847,835	6	21,666,939,887	20,390,703,071	6
Other financial liabilities	972,227,073	883,998,853	10	969,565,054	919,990,176	5
Other non financial liabilities	79,489,076	87,430,045	(9)	79,489,075	88,295,194	(10)
Derivative financial liabilities	3,779,763	36,175,016	(90)	3,779,763	36,175,016	(90)
Income tax liabilities	711,382,423	708,410,305	0	728,094,203	722,146,198	1
Retirement benefit liabilities	59,957,613	48,489,232	24	62,685,077	50,962,873	23
Deferred tax liabilities	478,434,653	478,434,654	(0)	478,434,653	478,434,654	(0)
Total Liabilities	43,520,604,799	45,289,788,640	(4)	43,477,792,730	45,257,709,882	(4)
Shareholders' Funds						
Stated capital	613,980,000	613,980,000	-	613,980,000	613,980,000	-
Retained earnings	3,827,113,244	3,761,997,661	2	3,946,870,168	3,870,187,587	2
Reserves	2,593,997,024	2,582,160,519	0	2,593,997,024	2,582,160,519	0
Total Equity Attributable to Equity Holders of the Company	7,035,090,268	6,958,138,180	1	7,154,847,192	7,066,328,106	1
Non controlling interest	-	-	-	105,991,764	99,468,368	7
Total Equity	7,035,090,268	6,958,138,180	1	7,260,838,956	7,165,796,474	1
Total Liabilities and Shareholders' Funds	50,555,695,067	52,247,926,820	(3)	50,738,631,686	52,423,506,356	(3)
Contingent Liabilities and Commitments	818,612,075	857,880,137		818,612,075	857,880,137	
Net assets value per share (Rs.)	209	206		212	210	

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

Certification

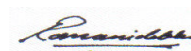
I certify that these Financial Statements are presented in compliance with the requirements of the Companies Act No. 07 of 2007.



W.A.D.D. Tillekeratne
AGM Finance



W.P.K Jayawardana
Deputy Managing Director



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

14-Aug-23
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.
Balance as at 1st April 2022	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	-	-	-	-	-	-	504,923,947	504,923,947
Other comprehensive income, net of tax								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	48,513,307	48,513,307
Equity investments at FVOCI - net change in fair value &								
Disposal profit	-	-	-	-	(7,105,330)	-	-	(7,105,330)
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	(3,136,236)	-	3,136,236	-
Net asset adjustment - Associate Company	-	-	-	-	-	-	-	-
Transfer of realized profit on investment property disposal to retained earnings	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	25,246,197	-	-	-	-	(25,246,197)	-
Dividend paid	-	-	-	-	-	-	(269,568,000)	(269,568,000)
Balances as at 31st March 2023	613,980,000	1,002,482,237	1,223,390,151	388,258,055	(31,969,924)	-	3,761,997,661	6,958,138,180
Balance as at 1st April 2023	613,980,000	1,002,482,237	1,223,390,151	388,258,055	(31,969,924)	-	3,761,997,661	6,958,138,180
Profit for the period	-	-	-	-	-	-	65,115,583	65,115,583
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	-	-	-	-	11,836,505	-	-	11,836,505
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Balances as at 30th June 2023	613,980,000	1,002,482,237	1,223,390,151	388,258,055	(20,133,419)	-	3,827,113,245	7,035,090,268

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 2022	613,980,000	977,236,040	1,223,390,151	388,258,055	(21,728,358)	72,478,808	3,588,577,822	6,842,192,519
Profit for the period	-	-	-	-	-	26,653,741	532,796,238	559,449,979
Other comprehensive income, net of tax -								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	335,819	49,507,888	49,843,707
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	(7,105,330)	-	-	(7,105,330)
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	(3,136,236)	-	3,136,236	-
Net Asset adjustment - Associate Company	-	-	-	-	-	-	-	-
Transfer of realized profit on investment property disposal to retained earnings	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	25,246,197	-	-	-	-	(25,246,197)	-
Dividend paid	-	-	-	-	-	-	(278,584,400)	(278,584,400)
Balances as at 31st March 2023	613,980,000	1,002,482,237	1,223,390,151	388,258,055	(31,969,924)	99,468,368	3,870,187,587	7,165,796,474
Balance as at 1st April 2023	613,980,000	1,002,482,237	1,223,390,151	388,258,055	(31,969,924)	99,468,368	3,870,187,587	7,165,796,474
Profit for the period	-	-	-	-	-	6,523,396	76,682,581	83,205,977
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	-	-	-	-	11,836,505	-	-	11,836,505
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Balances as at 30th June 2023	613,980,000	1,002,482,237	1,223,390,151	388,258,055	(20,133,419)	105,991,764	3,946,870,168	7,260,838,956

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 30th June	Company		Group	
	2023	2022	2023	2022
Cash Flows From / (Used in) Operating Activities	Rs.	Rs.	Rs.	Rs.
Profit before Income Tax Expense	116,733,012	212,349,992	142,547,742	237,689,834
Adjustments for;				
Depreciation of property, plant & equipment	38,336,033	35,563,280	38,458,603	35,686,050
Amortization of intangible assets	2,749,000	2,825,981	2,796,916	2,873,897
Amortization of Right of use asset	32,228,647	28,723,805	32,228,647	28,723,805
Interest expense on lease liability	8,770,747	-	8,770,747	-
Impairment (reversal)/provision	133,963,254	276,298,918	133,963,254	276,298,918
Interest on fixed deposits, commercial paper & treasury bills	(121,404,239)	(44,176,884)	(125,243,821)	(46,039,255)
Bad debt written-off	7,615,944	2,536,950	7,615,944	2,536,950
Diminution/(appreciation) in value of treasury bonds	-	(2,815,470)	-	(2,815,470)
Loss/(profit) on disposal of property, plant & equipment	(4,671,000)	(186,680)	(4,671,000)	(186,680)
Profit from sale of vehicle	(2,760,074)	(14,732,214)	(2,760,074)	(14,732,214)
Provision/(reversal) for defined benefit plans	13,500,000	13,500,000	13,753,824	13,770,301
Dividend received	(2,241,606)	(2,622,731)	(2,241,606)	(2,622,731)
Share of loss/(profit) from associates	(4,521,208)	(9,801,370)	(4,521,208)	(9,801,370)
Operating Profit before Working Capital Changes	218,298,510	497,463,577	240,697,968	521,382,035
(Increase)/decrease in trading stock	11,233,025	(5,051,290)	11,233,025	(5,051,290)
(Increase)/decrease in loans and advances	(133,842,981)	(847,880,714)	(133,842,981)	(847,880,714)
(Increase)/decrease in lease rentals receivable & stock out on hire	(43,067,837)	32,570,686	(43,067,837)	32,570,686
(Increase)/decrease in hire purchase rentals receivable & stock out on hire	-	(228,867)	-	(228,867)
(Increase)/decrease in fixed deposits & repo	827,720,676	(162,945,495)	822,739,293	(162,945,499)
(Increase)/decrease in other financial assets	(17,019,746)	19,312,256	3,324,442	21,149,554
(Increase)/decrease in other non financial assets	23,279,472	46,699,127	14,096,558	46,699,127
Increase/(decrease) in derivative financial liabilities	(32,395,253)	42,130,345	(32,395,253)	42,130,345
Increase/(decrease) in amounts due to depositors	1,286,975,703	3,204,592,777	1,276,236,817	3,129,592,777
Increase/(decrease) in other financial liabilities	79,457,473	(826,637,661)	49,574,878	(834,307,404)
Increase/(decrease) in other non financial liabilities	(7,940,967)	(73,331,130)	(8,806,119)	(73,331,130)
Cash generated from/(used in) Operations	2,212,698,074	1,926,693,611	2,199,790,791	1,869,779,620
Retirement benefit liabilities paid	(2,031,619)	(12,190,464)	(2,031,619)	(12,190,464)
Taxes paid	(48,645,311)	(171,996,752)	(53,393,761)	(174,823,157)
Net cash generated from/(used in) operating activities	2,162,021,144	1,742,506,395	2,144,365,411	1,682,765,999
Cash Flows from / (Used in) Investing Activities				
Acquisition of property, plant & equipment	(28,031,001)	(78,587,756)	(28,031,003)	(78,587,756)
Acquisition of right of use assets	(3,030,000)	(5,816,000)	(3,030,000)	(5,816,000)
Acquisition of Intangible Assets	(8,863,691)	(296,785)	(8,863,691)	(296,785)
Investment in associates	(25,000,000)	-	(25,000,000)	-
Proceeds from sales of property, plant & equipment	9,950,000	204,150	9,950,000	204,150
Proceeds from sales of vehicles	5,412,162	120,435,000	5,412,162	120,435,000
Net sales/ (purchases) of financial assets -FVTPL/FVTOCI	1,249,162,777	(2,196,681,869)	1,249,162,777	(2,196,681,869)
Dividend received	2,241,606	2,622,731	2,241,606	2,622,731
Interest on fixed deposits, commercial paper & treasury bills	121,404,239	44,176,884	125,243,821	46,039,255
Net Cash Generated from Investing Activities	1,323,246,092	(2,113,943,645)	1,327,085,672	(2,112,081,274)
Cash Flows from / (Used in) Financing Activities				
Settlement of operating lease liabilities	(42,630,216)	(31,526,187)	(42,630,216)	(31,526,187)
Increase in borrowed funds	-	(867,759,553)	-	(867,759,553)
Net increase / (decrease) in other borrowings	(1,086,240,017)	1,417,114,608	(1,086,240,017)	1,417,114,608
Net Cash Generated from/(Used in) Financing Activities	(1,128,870,233)	517,828,868	(1,128,870,233)	517,828,868
Net Increase/(Decrease) in Cash and Cash Equivalents	2,356,397,003	146,391,618	2,342,580,850	88,513,593
Cash and cash equivalents at the beginning of the year	(2,952,136,234)	429,792,059	(2,894,359,487)	533,279,755
Cash and cash equivalents at the end of the year *	(595,739,231)	576,183,677	(551,778,637)	621,793,348
Movement in Cash and Cash Equivalent	2,356,397,003	146,391,618	2,342,580,850	88,513,593

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.

* Cash and cash equivalents at the end of the year include favourable cash balances and the Bank Overdraft balances.

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 30th June 2023				
Financial assets - Fair value through profit and loss				
Government of Sri Lanka treasury bills	-	1,881,527,496	-	1,881,527,496
Financial assets - Fair value through Other Comprehensive Income				
Quoted Investments	193,962,875	-	-	193,962,875
Unquoted Investments	-	-	579,250	579,250
	<u>193,962,875</u>	<u>1,881,527,496</u>	<u>579,250</u>	<u>2,076,069,621</u>
Liabilities				
Due to Depositors	-	21,762,823,538	-	21,762,823,538
Due to Banks	-	19,452,510,660	-	19,452,510,660
Derivative financial liabilities	-	3,779,763	-	3,779,763
	<u>-</u>	<u>41,219,113,961</u>	<u>-</u>	<u>41,219,113,961</u>

As at 30th June 2022

Financial assets - Fair value through profit and loss

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

Financial assets - Fair value through Other Comprehensive Income

Quoted Investments	139,875,698	-	-	139,875,698
Unquoted Investments	-	-	579,250	579,250
	<u>139,875,698</u>	<u>3,742,570,487</u>	<u>579,250</u>	<u>3,883,025,435</u>

Liabilities

Due to Depositors	-	17,885,968,459	-	17,885,968,459
Due to Banks	-	23,717,390,542	-	23,717,390,542
	<u>-</u>	<u>41,603,359,001</u>	<u>-</u>	<u>41,603,359,001</u>

Alliance Finance Company PLC

ANALYSIS OF FINANCIAL STATEMENTS MEASUREMENT BASIS

Company

As at 30th June 2023

	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	-	891,091,363	-	891,091,363
Repurchase Agreements	100,383,562	-	-	100,383,562
Placement with banks and other financial institutions	-	4,227,661,153	-	4,227,661,153
Financial asset recognized through profit or loss	1,881,527,496	-	-	1,881,527,496
Loans and receivables-Amortized cost	-	17,448,596,059	-	17,448,596,059
Lease rental receivables at amortized Financial asset recognized through other comprehensive income	-	21,589,029,221	-	21,589,029,221
Derivative financial assets	-	-	194,542,125	194,542,125
	1,981,911,058	44,156,377,796	194,542,125	46,332,830,979
Liabilities				
Due to Depositors	-	21,762,823,538	-	21,762,823,538
Due to Banks	-	19,452,510,660	-	19,452,510,660
Derivative financial liabilities	-	3,779,763	-	3,779,763
	-	41,219,113,961	-	41,219,113,961

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.
Asset				
Cash and cash equivalents	-	683,866,515	-	683,866,515
Repurchase agreements	-	100,297,260	-	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 Financial asset recognized through other comprehensive income	-	25,245,383,866	-	25,245,383,866
Derivative financial assets	-	-	140,454,948	140,454,948
	3,701,777,638	42,263,752,705	140,454,948	46,105,985,291
Liabilities				
Due to Depositors	-	17,885,968,459	-	17,885,968,459
Due to Banks	-	23,717,390,542	-	23,717,390,542
	-	41,603,359,001	-	41,603,359,001

Alliance Finance Company PLC

SEGMENT REPORT

30th June 2023 - Group	Leasing & Hire Purchase	Hire Purchase & Consumer Durables	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.	Rs.
REVENUE										
External sales	3,779,378,956	355,551	970,556,688	819,292,985	9,169,236	2,241,606	181,489,091	3,077,037	135,750,793	5,901,311,943
Total revenue	3,779,378,956	355,551	970,556,688	819,292,985	9,169,236	2,241,606	181,489,091	3,077,037	135,750,793	5,901,311,943
Total income	1,563,618,019	355,551	492,746,536	819,292,985	9,169,236	2,241,606	189,426,406	3,077,037	128,200,893	3,208,128,269
RESULTS										
Segment results	1,236,668,383	326,758	376,526,845	733,177,394	(273,333)	2,152,040	187,568,011	3,077,037	120,541,843	2,659,764,978
Unallocated company expenses										(487,684,172)
Operating profit										2,172,080,806
Interest expenses	(947,547,182)	-	(352,048,362)	(417,495,610)	(6,861,455)	(8,538,492)	(86,986,505)	(2,344,957)	(212,231,709)	(2,034,054,272)
Share of profits of associates before tax										4,521,208
Income taxes										(59,341,765)
Net Profit										83,205,977
OTHER INFORMATION										
Segment assets	21,589,029,284	-	8,021,112,334	9,512,270,335	156,332,250	194,542,125	1,981,911,058	53,427,769	4,835,512,776	46,344,137,931
Investment in associates										126,933,588
Unallocated company assets										4,267,560,167
Total assets										50,738,631,686
Segment liabilities	19,061,386,273	-	6,678,170,180	7,919,669,673	130,158,178	161,970,730	1,650,087,765	44,482,575	4,025,922,525	39,671,847,899
Unallocated company liabilities										3,805,944,831
Total liabilities										43,477,792,730

Alliance Finance Company PLC

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.
REVENUE									
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
Total revenue	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
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
RESULTS									
Segment results	1,261,397,031	166,647,713	406,941,217	158,864	2,513,726	94,719,730	6,001,839	84,091,651	2,022,471,771
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)	(1,242,769,194)
Share of profits of associates before tax									9,801,370
Income taxes									(165,126,690)
Net Profit									72,563,144
OTHER INFORMATION									
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	46,796,774,206
Investment in associates									92,894,213
Unallocated company assets									4,025,593,723
Total assets									50,915,262,142
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
Total liabilities									44,044,772,341

Alliance Finance Company PLC

Explanatory Notes

- 1 These Interim Financial Statements have been prepared in accordance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting'.
- 2 The accounting policies adopted in the preparation of these Interim condensed Consolidated Financial Statements are same as those followed in the preparation of the Company's annual Consolidated Financial Statements for the year ended 31st March 2023.

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.

4 Going Concern

In determining the basis of preparing the Financial Statements for the quarter ended 30th June 2023, 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 the appropriateness of the use of the going concern assumption.

5 Commitments & Contingencies

	30 th June 2023	31st March 2023
	Rs.	Rs.
Commitments & Contingencies	818,612,075	857,880,137

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 these tax assessments stating the reasons of which the Company believes that the 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 The company invested 25% of the stated Capital of Helios P2P (Pvt) Ltd in April 2023. Helios P2P (Pvt) Ltd is accounted for as an Associate Company using equity method.

7 Changes in Board of Directors

Retirement of Directors

Mr. Ravi Rambukwelle, Executive Director - Credit Operations and Marketing and Mr. Mahinda Gunasekara, Executive Director Sustainability retired from the Board with effect from 06th April 2023 and 15th July 2023 respectively.

- 8 There were no other material events that took place since 30th June 2023, that require disclosure in these Interim Financial Statements other than mentioned above.
- 9 During the quarter, there were no material changes in the composition of assets, liabilities and/or contingent liabilities, other than those disclosed above.
- 10 All known expenses including management fees and other similar expenses have been provided for the three months ended 30th June 2023.

Alliance Finance Company PLC
 Explanatory Notes (Continued.)

Selected Performance Indicators		
	6/30/2023	6/30/2022
Capital Adequacy (%)		
Tier 1 Capital Adequacy Ratio (minimum 8.5% [7%- 2022])	11.88%	11.74%
Total Capital Adequacy Ratio (minimum 12.5% [11%-2022])	15.77%	15.27%
Capital Funds to Deposit Liabilities Ratio	27.72%	28.46%
Profitability (%)		
Return on average shareholders funds (before tax)	6.67%	12.70%
Return on average assets (before tax)	0.91%	1.72%
Liquidity ('000)		
Required Minimum Amount of Liquid Assets	2,236,123	1,945,209
Available Amount of Liquid Assets	2,561,188	4,610,766
Required Minimum Amount of Government Securities	1,455,885	1,162,618
Available Amount of Government Securities	1,982,782	3,565,474
Quality of Loan Portfolio (%)		
	90 DPD	90 DPD
Gross Non-Performing Loans Ratio	18.34%	15.18%
Net-Non-Performing Loans Ratio	14.05%	12.23%

Alliance Finance Company PLC

Shareholders' Information

Market price per share

Quarter ended 01st April to 30th June	2023	2022
Highest Price	92.00	70.10
Lowest Price	67.60	42.00
Last Traded	91.00	50.30

Stated capital

As at 30th June 2023, the Stated Capital was Rs. 613,980,000/- comprising of 33,696,000 ordinary shares issued.

Directors'/ CEO's Holding in Shares as at 30th June 2023

No	Name of Director	No. of Shares
1	Mrs.G.S.T. Dharmakirti-Herath	100
2	Mr.R.K.E.P. de Silva	11,780,851
3	Mr.J.M. Gunasekera	1,500
4	Mr.W.P.K. Jayawardana	42,750
5	Mrs.P. De Silva	100
6	Mr.L.J.H. De Silva	3,052
7	Mr.D.L.I. Hettiarachchi	100

Twenty Largest Ordinary Shareholders as at 30th June 2023

No.	Name of Shareholder	No. of Shares	%
1	Mr.R.K.E.P. de Silva	11,780,851	34.96
2	Motor Service Station (Pvt) Ltd.,	4,576,553	13.58
3	Mrs D.M.E.P. Perera	2,526,909	7.50
4	Mr.D.F.W.S.K. Perera & Mr.D.F.W. Perera	1,404,072	4.17
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	Mrs.P.N. Weththasinghe	401,051	1.19
9	Peoples Leasing Finance PLC/Mr.K.R.E.M.D.M.B. Jayasundara	391,693	1.16
10	Mrs.C.R. de Silva	374,400	1.11
11	Hatton National Bank PLC/Mr.K.K. Shujeevan	335,204	0.99
12	Ms.D.C.M.A. Perera	328,310	0.97
13	Mr. D.F.W. Perera	310,560	0.92
14	Ms.D.D.P.T. Perera	309,384	0.92
15	Mrs.A.S. Wijewardena	259,200	0.77
16	Mr.G.P. Kapilaseena	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. Jinadasa	140,000	0.42

Alliance Finance Company PLC

Shareholders' Information

Public Shareholding as at 30th June 2023

No of Shares	%
17,254,232	51.21

No of Shareholders

The percentage of ordinary shares held by the public as at 30th June 2023 was 51.21 and the number of shareholders representing the public holding was 1959.

Float Adjusted Market Capitalization

The Float adjusted market capitalization as at 30th June 2023 - Rs. 1,570,135,112- 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 (Retired w.e.f 15/07/2023)
Mr. Ravi Rambukwelle - BA, MCIM(UK), ACI (UK), *Executive Director - Credit Operations and Marketing* (Retired w.e.f 06/04/2023)
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 (Retired w.e.f 15/07/2023)
Mr.Kusal Jayawardana
Mr. Ravi Rambukwelle (Retired w.e.f 06/04/2023)

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