



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

# Inspired by Purpose

**Financial Statements**  
For the Year Ended  
31st March 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 - Company**

For the period ended 31st March	For the Quarter ended			For the Year ended		
	2023	2022	Variance %	2023	2022	Variance %
	(Unaudited) Rs.	(Unaudited) Rs.		(Unaudited) Rs.	(Audited) Rs.	
<b>Gross Income</b>	3,267,170,438	2,739,606,190	19	12,420,568,123	8,697,463,749	43
Interest income	3,172,322,070	2,363,305,410	34	11,946,843,634	7,852,033,338	52
Interest expenses	(2,202,059,600)	(786,359,507)	(180)	(7,411,342,695)	(2,651,181,039)	(180)
<b>Net Interest Income</b>	970,262,470	1,576,945,903	(38)	4,535,500,939	5,200,852,299	(13)
Fee and commission income	55,250,771	96,261,475	(43)	182,764,216	267,503,991	(32)
Fee and commission expenses	(56,190,063)	(81,157,185)	31	(246,958,194)	(255,158,346)	3
<b>Net Fee and Commission Income</b>	(939,292)	15,104,290	(106)	(64,193,978)	12,345,645	(620)
Net gain/(loss) from trading	(13,480,534)	25,280,574	(153)	16,315,769	28,124,476	(42)
Other operating income (net)	53,078,131	254,758,731	(79)	274,644,504	549,801,944	(50)
<b>Total Operating Income</b>	1,008,920,775	1,872,089,498	(46)	4,762,267,234	5,791,124,364	(18)
Impairment (charges) / reversal for loans and other losses	240,813,574	(17,129,577)	1,506	(274,638,036)	(102,890,184)	(167)
<b>Net Operating Income</b>	1,249,734,349	1,854,959,921	(33)	4,487,629,198	5,688,234,180	(21)
<b>Operating Expenses</b>						
Personnel expenses	(341,254,139)	(378,059,402)	10	(1,219,117,857)	(1,193,004,228)	(2)
Other operating expenses	(351,684,749)	(142,093,091)	(148)	(1,757,351,521)	(1,455,233,111)	(21)
Depreciation and amortization	(41,809,155)	(35,164,930)	(19)	(162,069,603)	(127,463,057)	(27)
<b>Total operating expenses</b>	(734,748,043)	(555,317,423)	(32)	(3,138,538,981)	(2,775,700,396)	(13)
<b>Operating Profit before Taxes on Financial Services</b>	514,986,306	1,299,642,498	(60)	1,349,090,217	2,912,533,784	(54)
Taxes on financial services	(129,193,611)	(256,154,409)	50	(419,432,886)	(554,549,356)	24
<b>Operating Profit after Taxes on Financial Services</b>	385,792,695	1,043,488,089	(63)	929,657,331	2,357,984,428	(61)
Share of profit/(loss) from associates	(8,850,202)	2,061,508	(529)	21,068,498	5,946,770	254
<b>Profit before Taxation from Operations</b>	376,942,493	1,045,549,597	(64)	950,725,829	2,363,931,198	(60)
Provision for income taxation	(124,206,381)	(417,308,777)	70	(445,801,882)	(900,830,572)	51
<b>Profit for the Period</b>	<b>252,736,112</b>	<b>628,240,820</b>	(60)	<b>504,923,947</b>	<b>1,463,100,626</b>	(65)
Basic/ Diluted earnings per share (Annualised)	30.00	74.58		14.98	43.42	
Dividend Per Share paid	-	6.50		8.00	12.00	

Alliance Finance Company PLC  
Statement of Profit or Loss - Group

For the period ended 31st March	For the Quarter ended			For the Year ended		
	2023	2022	Variance %	2023	2022	Variance %
	(Unaudited) Rs.	(Unaudited) Rs.		(Unaudited) Rs.	(Audited) Rs.	
<b>Gross Income</b>	3,305,095,072	2,759,464,844	20	12,525,096,443	8,776,702,341	43
Interest income	3,178,368,025	2,366,821,867	34	11,959,844,861	7,858,602,585	52
Interest expenses	(2,196,335,156)	(786,359,507)	(179)	(7,395,214,020)	(2,651,181,039)	(179)
<b>Net Interest Income</b>	<u>982,032,869</u>	<u>1,580,462,360</u>	(38)	<u>4,564,630,841</u>	<u>5,207,421,546</u>	(12)
Fee and commission income	81,983,021	116,889,549	(30)	272,637,751	341,843,804	(20)
Fee and commission expenses	(62,475,535)	(81,157,191)	23	(253,243,666)	(255,158,346)	1
<b>Net Fee and Commission Income</b>	<u>19,507,486</u>	<u>35,732,358</u>	(45)	<u>19,394,085</u>	<u>86,685,458</u>	(78)
Net gain/(loss) from trading	(17,929,001)	25,760,876	(170)	13,779,786	28,604,778	(52)
Other operating income (net)	<u>62,673,027</u>	<u>249,992,552</u>	(75)	<u>278,834,045</u>	<u>547,651,174</u>	(49)
<b>Total Operating Income</b>	1,046,284,381	1,891,948,146	(45)	4,876,638,757	5,870,362,956	(17)
Impairment (charges) / reversal for loans and other losses	240,813,574	(17,129,537)	1,506	(274,638,036)	(102,890,184)	(167)
<b>Net Operating Income</b>	<u>1,287,097,955</u>	<u>1,874,818,609</u>	(31)	<u>4,602,000,721</u>	<u>5,767,472,772</u>	(20)
<b>Operating Expenses</b>						
Personnel expenses	(344,145,494)	(379,037,484)	9	(1,231,220,988)	(1,203,890,498)	(2)
Other operating expenses	(353,083,809)	(144,522,956)	(144)	(1,767,472,554)	(1,462,637,445)	(21)
Depreciation and amortization	<u>(41,979,642)</u>	<u>(35,326,578)</u>	(19)	<u>(162,752,147)</u>	<u>(127,957,310)</u>	(27)
<b>Total operating expenses</b>	<u>(739,208,945)</u>	<u>(558,887,018)</u>	(32)	<u>(3,161,445,689)</u>	<u>(2,794,485,253)</u>	(13)
<b>Operating Profit before Taxes on Financial Services</b>	547,889,010	1,315,931,589	(58)	1,440,555,032	2,972,987,518	(52)
Taxes on financial services	(129,193,611)	(256,154,409)	50	(419,432,886)	(554,549,356)	24
<b>Operating Profit after Taxes on Financial Services</b>	418,695,399	1,059,777,180	(60)	1,021,122,146	2,418,438,162	(58)
Share of profit/(loss) from associates	<u>18,834,735</u>	<u>2,061,508</u>	814	<u>48,753,435</u>	<u>5,946,770</u>	720
<b>Profit before Taxation from Operations</b>	437,530,134	1,061,838,688	(59)	1,069,875,581	2,424,384,932	(56)
Provision for income taxation	<u>(139,712,393)</u>	<u>(419,238,203)</u>	67	<u>(482,740,665)</u>	<u>(913,616,229)</u>	47
<b>Profit for the Period</b>	<u>297,817,741</u>	<u>642,600,485</u>	(54)	<u>587,134,916</u>	<u>1,510,768,703</u>	(61)
Profit attributable to :						
Equity holders of the Company	281,561,307	636,371,841	(56)	550,497,987	1,492,529,033	(63)
Non controlling interest	<u>16,256,434</u>	<u>6,228,646</u>	161	<u>36,636,929</u>	<u>18,239,670</u>	101
<b>Profit for the Period</b>	<u>297,817,741</u>	<u>642,600,487</u>	(54)	<u>587,134,916</u>	<u>1,510,768,703</u>	(61)
Basic/ Diluted earnings per share (Annualised)	35.35	76.28		16.34	44.29	
Dividend Per Share paid	-	6.61		8.27	12.11	

## Alliance Finance Company PLC

### Statement of Comprehensive Income - Company

For the period ended 31st March	For the Quarter ended			For the Year ended		
	2023	2022	Variance	2023	2022	Variance
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
Rs.	Rs.	%	Rs.	Rs.	%	
<b>Profit for the period</b>	<u>252,736,112</u>	<u>628,240,820</u>	(60)	<u>504,923,947</u>	<u>1,463,100,626</u>	(65)
<b>Other Comprehensive Income</b>						
<b>Other Comprehensive Income not to be Reclassified to Profit or Loss</b>						
Actuarial gains /( losses ) on defined benefit plans	69,304,725	(5,426,609)	1,377	69,304,725	(114,165,613)	161
Deferred tax effect on above	(20,791,418)	1,302,386	(1,696)	(20,791,418)	27,399,747	(176)
Equity investments at FVOCI -net change in fair value & realized profit/ (loss) to retained earnings	14,795,419	(77,640,010)	119	(7,105,330)	(103,157,996)	93
<b>Net Other Comprehensive Income not be Classified to Profit or Loss</b>	<u>63,308,726</u>	<u>(81,764,233)</u>	177	<u>41,407,978</u>	<u>(189,923,862)</u>	122
<b>Total Comprehensive Income for the period</b>	<u>316,044,839</u>	<u>546,476,587</u>	(42)	<u>546,331,925</u>	<u>1,273,176,764</u>	(57)

## Alliance Finance Company PLC

### Statement of Comprehensive Income - Group

For the period ended 31st March	For the Quarter ended			For the Year ended		
	2023	2022	Variance %	2023	2022	Variance %
	(Unaudited) Rs.	(Unaudited) Rs.		(Unaudited) Rs.	(Audited) Rs.	
<b>Profit for the period</b>	<u>297,817,741</u>	<u>642,600,487</u>	(54)	<u>587,134,916</u>	<u>1,510,768,703</u>	(61)
<b>Other Comprehensive Income</b>						
<b>Other Comprehensive Income not to be Reclassified to Profit or Loss</b>						
Actuarial gains /( losses ) on defined benefit plans	70,635,125	(4,638,663)	1,623	70,635,125	(113,377,667)	162
Deferred tax effect on above	(20,791,418)	1,302,386	(1,696)	(20,791,418)	27,399,747	(176)
Equity investments at FVOCI -net change in fair value & realized profit/ (loss) to retained earnings	14,795,419	(76,152,928)	(119)	(7,105,330)	(101,670,914)	(93)
<b>Net Other Comprehensive Income not be Classified to Profit or Loss</b>	<u>64,639,126</u>	<u>(79,489,205)</u>	(181)	<u>42,738,378</u>	<u>(187,648,834)</u>	(123)
<b>Total Comprehensive Income for the period</b>	<u>362,456,867</u>	<u>563,111,282</u>	(36)	<u>629,873,294</u>	<u>1,323,119,869</u>	(52)
Attributable to:						
Equity holders of the company	406,091,962	382,106,360	6	593,236,365	1,304,880,199	(55)
Non controlling interest	<u>(43,635,095)</u>	<u>181,004,922</u>	(124)	<u>36,636,929</u>	<u>18,239,670</u>	101
<b>Total Comprehensive Income for the period</b>	<u>362,456,867</u>	<u>563,111,282</u>	(36)	<u>629,873,294</u>	<u>1,323,119,869</u>	(52)

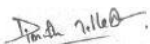
**Alliance Finance Company PLC**  
**Statement of Financial Position**

As at	Company			Group		
	31.03.2023 Rs. (Unaudited)	31.03.2022 Rs. (Audited)	Variance %	31.03.2023 Rs. (Unaudited)	31.03.2022 Rs. (Audited)	Variance %
<b>Assets</b>						
Cash and cash equivalents	566,946,383	795,260,944	(29)	624,723,130	898,748,640	(30)
Repurchase agreements	250,154,110	250,000,000	0	250,154,110	250,000,000	0
Placements with banks & financial institutions	4,905,611,281	287,925,208	1,604	4,919,075,748	287,925,208	1,608
Financial assets recognised through profit or loss	3,130,690,272	1,502,280,225	108	3,130,690,272	1,502,280,225	108
Loans and advances - at amortised cost	17,449,867,823	14,797,772,357	18	17,449,867,823	14,797,772,357	18
Lease rentals receivable & stock out on hire - at amortised cost	21,552,425,838	25,503,747,256	(15)	21,552,425,838	25,503,747,256	(15)
Financial assets- fair value through other comprehensive income	182,705,621	184,720,884	(1)	182,705,621	184,720,884	(1)
Other trading stocks	59,653,942	392,525,744	(85)	59,653,942	392,525,744	(85)
Other financial assets	415,454,128	636,340,449	(35)	417,933,227	630,656,592	(34)
Other non financial assets	173,787,785	243,886,129	(29)	174,283,306	244,361,452	(29)
Derivative financial assets	-	82,923,194	(100)	-	82,923,194	(100)
Investments in associates	70,906,846	49,838,348	42	125,097,318	83,092,843	51
Investments in subsidiaries	16,924,038	16,924,038	-	-	-	-
Investment property	163,200,000	159,590,100	2	253,200,000	245,250,516	3
Property, plant & equipment	2,595,446,980	2,502,324,245	4	2,596,074,215	2,503,442,359	4
Intangible assets	139,188,404	126,715,431	10	139,461,804	127,180,497	10
Right of use asset	365,346,690	397,784,021	(8)	365,346,690	397,784,021	(8)
Deferred tax assets	209,616,678	209,679,475	(0)	210,498,249	210,485,254	0
<b>Total Assets</b>	<b>52,247,926,819</b>	<b>48,140,238,048</b>	<b>9</b>	<b>52,451,191,293</b>	<b>48,342,897,042</b>	<b>8</b>
<b>Liabilities</b>						
Due to banks	22,571,002,700	22,558,061,981	0	22,571,002,700	22,558,061,981	0
Due to depositors - at amortised cost	20,475,847,835	14,681,375,682	39	20,390,703,071	14,681,375,682	39
Debt instruments issued and other borrowed funds	-	867,759,553	(100)	-	867,759,553	(100)
Other financial liabilities	883,998,853	1,670,249,511	(47)	919,990,175	1,704,808,662	(46)
Other non financial liabilities	87,430,044	184,106,172	(53)	88,295,195	184,106,173	(52)
Derivative financial liabilities	36,175,016	-	100	36,175,016	-	100
Income tax liabilities	708,410,304	865,153,792	(18)	722,146,198	869,537,847	(17)
Retirement benefit liabilities	48,489,232	121,428,671	(60)	50,962,873	124,326,196	(59)
Deferred tax liabilities	478,434,654	510,728,430	(6)	478,434,654	510,728,430	(6)
<b>Total Liabilities</b>	<b>45,289,788,638</b>	<b>41,458,863,792</b>	<b>9</b>	<b>45,257,709,882</b>	<b>41,500,704,524</b>	<b>9</b>
<b>Shareholders' Funds</b>						
Stated capital	613,980,000	613,980,000	-	613,980,000	613,980,000	-
Retained earnings	3,761,997,662	3,500,238,368	7	3,887,889,336	3,588,577,822	8
Reserves	2,582,160,519	2,567,155,888	1	2,582,160,519	2,567,155,888	1
<b>Total Equity Attributable to Equity Holders of the Company</b>	<b>6,958,138,181</b>	<b>6,681,374,256</b>	<b>4</b>	<b>7,084,029,855</b>	<b>6,769,713,710</b>	<b>5</b>
Non controlling interest	-	-	-	109,451,556	72,478,808	51
<b>Total Equity</b>	<b>6,958,138,181</b>	<b>6,681,374,256</b>	<b>4</b>	<b>7,193,481,411</b>	<b>6,842,192,518</b>	<b>5</b>
<b>Total Liabilities and Shareholders' Funds</b>						
<b>Funds</b>	<b>52,247,926,819</b>	<b>48,140,238,048</b>	<b>9</b>	<b>52,451,191,293</b>	<b>48,342,897,042</b>	<b>8</b>
Contingent Liabilities and Commitments	733,393,490	38,415,571		733,393,490	38,415,571	
Net assets value per share (Rs.)	206	198		210	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  
29-May-23  
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.
<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	-	-	-	-	-	-	1,463,100,626	1,463,100,626
<b>Other comprehensive income, net of tax</b>								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	(86,765,866)	(86,765,866)
Equity investments at FVOCI - net change in fair value &								
Disposal profit	-	-	-	-	(103,157,996)	-	-	(103,157,996)
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	22,902,218	-	(22,902,218)	-
Net asset adjustment - Associate Company	-	-	-	-	-	-	(3,864,484)	(3,864,484)
Transfer of realized profit on investment property disposal to retained earnings	-	-	(332,627,451)	-	-	-	332,627,451	-
Transfer to statutory reserve	-	73,155,031	-	-	-	-	(73,155,031)	-
Dividend paid	-	-	-	-	-	-	(404,352,000)	(404,352,000)
<b>Balances as at 31st March 2022</b>	<b>613,980,000</b>	<b>977,236,040</b>	<b>1,223,390,151</b>	<b>388,258,055</b>	<b>(21,728,358)</b>	<b>-</b>	<b>3,500,238,368</b>	<b>6,681,374,256</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	-	-	-	-	-	-	504,923,947	504,923,947
<b>Other comprehensive income, net of tax</b>								
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	-
Transfer to statutory reserve	-	25,246,197	-	-	-	-	(25,246,197)	-
Dividend paid	-	-	-	-	-	-	(269,568,000)	(269,568,000)
<b>Balances as at 31st March 2023</b>	<b>613,980,000</b>	<b>1,002,482,237</b>	<b>1,223,390,151</b>	<b>388,258,055</b>	<b>(31,969,924)</b>	<b>-</b>	<b>3,761,997,662</b>	<b>6,958,138,181</b>

**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	58,527,420	53,955,005	2,374,274,468	5,949,093,560
Profit for the period	-	-	-	-	-	18,239,670	1,492,529,033	1,510,768,703
<b>Other comprehensive income, net of tax -</b>								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	284,133	(86,262,053)	(85,977,920)
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	(103,157,996)	-	-	(103,157,996)
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	22,902,218	-	(22,902,218)	-
Net Asset adjustment - Associate Company	-	-	-	-	-	-	(20,372,399)	(20,372,399)
Transfer of realized profit on investment property disposal to retained earnings	-	-	(332,627,451)	-	-	-	332,627,451	-
Transfer to statutory reserve	-	73,155,031	-	-	-	-	(73,155,031)	-
Dividend paid	-	-	-	-	-	-	(408,161,429)	(408,161,429)
<b>Balances as at 31st March 2022</b>	<b>613,980,000</b>	<b>977,236,040</b>	<b>1,223,390,151</b>	<b>388,258,055</b>	<b>(21,728,358)</b>	<b>72,478,808</b>	<b>3,588,577,822</b>	<b>6,842,192,518</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	-	-	-	-	-	36,636,929	550,497,987	587,134,916
<b>Other comprehensive income, net of tax -</b>								
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	-
Transfer to statutory reserve	-	25,246,197	-	-	-	-	(25,246,197)	-
Dividend paid	-	-	-	-	-	-	(278,584,400)	(278,584,400)
<b>Balances as at 31st March 2023</b>	<b>613,980,000</b>	<b>1,002,482,237</b>	<b>1,223,390,151</b>	<b>388,258,055</b>	<b>(31,969,924)</b>	<b>109,451,556</b>	<b>3,887,889,336</b>	<b>7,193,481,411</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 period ended 31st March	Company		Group	
	2023	2022	2023	2022
<b>Cash Flows From / (Used in) Operating Activities</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Profit before Income Tax Expense	950,725,829	2,363,931,198	1,069,875,581	2,424,384,932
<b>Adjustments for;</b>				
Depreciation of property, plant & equipment	150,711,053	116,431,961	151,201,931	116,816,283
Amortization of intangible assets	11,358,550	11,031,096	11,550,216	11,141,027
Intangible asset write-off	-	1,014,204	-	1,014,204
Amortization of Right of use asset	127,702,817	104,584,448	127,702,817	104,584,448
Interest expense on lease liability	44,022,441	40,649,243	44,022,441	40,649,243
Depreciation adjustment	-	(10,505,851)	-	(10,505,851)
Impairment (reversal)/provision	40,334,682	(133,250,305)	40,334,682	(133,250,305)
Interest on fixed deposits, commercial paper & treasury bills	(243,766,340)	(67,058,063)	(256,767,567)	(73,627,310)
Fair value (gain)/loss on equity investments (FVTPL)	-	(275,394)	-	(275,394)
Fair value gain on investment property	(3,609,900)	(27,009,600)	(7,949,484)	(27,009,600)
Bad debt written-off	234,303,354	236,140,489	234,303,354	236,140,489
Diminution/(appreciation) in value of treasury bonds	2,753,591	(4,043)	2,753,591	(4,043)
Loss/(profit) on disposal of property, plant & equipment	(12,652,649)	(13,729,654)	(12,652,649)	(13,729,654)
Loss/(profit) on disposal of investment property	-	(67,140,000)	-	(67,140,000)
Profit From Disposal of Financial Instrument (Quoted Shares)	-	-	-	(480,302)
Profit from sale of vehicle	3,122,258	(111,492,609)	3,122,258	(111,492,609)
Loss/(profit) on disposal of real estates	(9,105,101)	-	(9,105,101)	-
Provision/(reversal) for defined benefit plans	64,321,756	43,803,310	65,228,272	44,423,948
Dividend received	(29,789,738)	(16,809,063)	(20,174,158)	(11,610,626)
Share of loss/(profit) from associates	(21,068,498)	(5,946,770)	(48,753,435)	(5,946,770)
<b>Operating Profit before Working Capital Changes</b>	<b>1,309,364,105</b>	<b>2,464,364,597</b>	<b>1,394,692,749</b>	<b>2,524,082,110</b>
(Increase)/decrease in trading stock	53,647,645	(1,043,219,266)	53,647,645	(1,043,219,266)
(Increase)/decrease in loans and advances	(2,602,720,732)	(8,268,070,660)	(2,602,720,732)	(8,268,070,660)
(Increase)/decrease in lease rentals receivable & stock out on hire	3,627,297,790	(5,531,357,034)	3,627,297,790	(5,531,357,034)
(Increase)/decrease in hire purchase rentals receivable & stock out on hire	10,858	5,744,562	10,858	5,744,562
(Increase)/decrease in fixed deposits & repo	(4,617,840,183)	655,843,416	(4,631,304,650)	655,843,416
(Increase)/decrease in other financial assets	220,886,321	(143,409,221)	212,723,365	(150,179,199)
(Increase)/decrease in other non financial assets	133,102,714	(222,002,020)	89,060,072	(222,002,020)
Increase/(decrease) in derivative financial liabilities	119,098,210	(96,468,744)	119,098,210	(96,468,744)
Increase/(decrease) in amounts due to depositors	5,794,472,153	1,762,589,204	5,709,327,389	1,762,589,204
Increase/(decrease) in other financial liabilities	(830,273,101)	745,722,568	(784,818,486)	764,465,640
Increase/(decrease) in other non financial liabilities	(96,676,128)	142,278,241	(95,810,979)	142,278,241
<b>Cash generated from/(used in) Operations</b>	<b>3,110,369,652</b>	<b>(9,527,984,357)</b>	<b>3,091,203,231</b>	<b>(9,456,293,750)</b>
Retirement benefit liabilities paid	(27,744,250)	(10,155,107)	(27,744,250)	(10,155,107)
Investment in gratuity fund	(40,212,220)	(39,309,174)	(40,212,220)	(39,309,174)
Taxes paid	(655,567,767)	(782,917,956)	(676,481,543)	(794,789,292)
<b>Net cash generated from/(used in) operating activities</b>	<b>2,386,845,415</b>	<b>(10,360,366,594)</b>	<b>2,346,765,218</b>	<b>(10,300,547,323)</b>
<b>Cash Flows from / (Used in) Investing Activities</b>				
Acquisition of property, plant & equipment	(249,592,489)	(238,188,743)	(249,691,688)	(239,659,582)
Acquisition of right of use assets	(17,326,000)	(60,536,000)	(17,326,000)	(60,536,000)
Acquisition of Intangible Assets	(23,831,523)	(80,263,561)	(23,831,523)	(80,838,558)
Investment in unquoted equities	-	-	-	(954,940)
Proceeds from sales of property, plant & equipment	18,411,350	21,352,700	18,510,550	21,352,700
Proceeds from sales of investment property	-	508,813,500	-	508,813,500
Proceeds from sales of vehicles	262,252,000	1,041,752,701	262,252,000	1,041,752,701
Proceeds from sales of real estates	22,955,000	-	22,955,000	-
Purchase of Equipment relating to the investment property	-	-	-	(1,807,034)
Net sales/ (purchases) of financial assets -FVTPL/FVTOCI	(1,636,253,705)	(408,694,873)	(1,636,253,705)	(408,214,571)
Dividend received	29,789,738	16,809,063	20,174,158	11,610,626
Interest on fixed deposits, commercial paper & treasury bills	243,766,340	67,058,063	256,767,567	73,627,310
<b>Net Cash Generated from Investing Activities</b>	<b>(1,349,829,289)</b>	<b>868,102,850</b>	<b>(1,346,443,641)</b>	<b>865,146,152</b>
<b>Cash Flows from / (Used in) Financing Activities</b>				
Settlement of operating lease liabilities	(140,943,853)	(107,109,688)	(140,943,853)	(107,109,688)
Increase in borrowed funds	(867,759,553)	867,759,550	(867,759,553)	867,759,550
Net increase/(decrease) in other borrowings	(3,140,673,013)	9,087,499,254	(3,140,673,013)	9,087,499,254
Dividend paid	(269,568,000)	(404,352,000)	(278,584,400)	(408,161,429)
<b>Net Cash Generated from/(Used in) Financing Activities</b>	<b>(4,418,944,419)</b>	<b>9,443,797,116</b>	<b>(4,427,960,819)</b>	<b>9,439,987,687</b>
<b>Net Increase/(Decrease) In Cash and Cash Equivalents</b>	<b>(3,381,928,293)</b>	<b>(48,466,628)</b>	<b>(3,427,639,242)</b>	<b>4,586,516</b>
Cash and cash equivalents at the beginning of the year	429,792,059	478,258,687	533,279,755	528,693,239
Cash and cash equivalents at the end of the year	(2,952,136,234)	429,792,059	(2,894,359,487)	533,279,755
<b>Movement in Cash and Cash Equivalent</b>	<b>(3,381,928,293)</b>	<b>(48,466,628)</b>	<b>(3,427,639,242)</b>	<b>4,586,516</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 31st March 2023</b>				
<b>Financial assets - Fair value through profit and loss</b>				
Government of Sri Lanka treasury bills	-	3,130,690,272	-	3,130,690,272
<b>Financial assets - Fair value through Other Comprehensive Income</b>				
Quoted Investments	182,126,371	-	-	182,126,371
Unquoted Investments	-	-	579,250	579,250
	<u>182,126,371</u>	<u>3,130,690,272</u>	<u>579,250</u>	<u>3,313,395,893</u>
<b>Liabilities</b>				
Due to Depositors	-	20,475,847,835	-	20,475,847,835
Due to Banks	-	22,571,002,700	-	22,571,002,700
Derivative financial liabilities	-	36,175,016	-	36,175,016
	<u>-</u>	<u>43,083,025,551</u>	<u>-</u>	<u>43,083,025,551</u>

**As at 31st March 2022**

**Financial assets - Fair value through  
profit and loss**

Government of Sri Lanka treasury bills	-	1,395,566,214	-	1,395,566,214
Government of Sri Lanka treasury bonds	-	106,714,011	-	106,714,011

**Financial assets - Fair value through  
Other Comprehensive Income**

Quoted Investments	184,141,634	-	-	184,141,634
Unquoted Investments	-	-	579,250	579,250
	<u>184,141,634</u>	<u>1,502,280,225</u>	<u>579,250</u>	<u>1,687,001,109</u>

**Liabilities**

Due to Depositors	-	14,681,375,682	-	14,681,375,682
Due to Banks	-	22,558,061,981	-	22,558,061,981
Debt instruments issued and other borrowed Funds	-	867,759,553	-	867,759,553
	<u>-</u>	<u>38,107,197,216</u>	<u>-</u>	<u>38,107,197,216</u>

**Alliance Finance Company PLC**
**ANALYSIS OF FINANCIAL STATEMENTS MEASUREMENT BASIS**

Company

As at 31st March 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.
<b>Asset</b>				
Cash and cash equivalents	-	566,946,383	-	566,946,383
Repurchase Agreements	250,154,110	-	-	250,154,110
Placement with banks and other financial institutions	-	4,905,611,281	-	4,905,611,281
Financial asset recognized through profit or loss	3,130,690,272	-	-	3,130,690,272
Loans and receivables-Amortized cost	-	17,449,867,823	-	17,449,867,823
Lease rental receivables at amortized Financial asset recognized through other comprehensive income	-	21,552,425,838	-	21,552,425,838
Derivative financial assets	-	-	182,705,621	182,705,621
	3,380,844,382	44,474,851,325	182,705,621	48,038,401,328
<b>Liabilities</b>				
Due to Depositors	-	20,475,847,835	-	20,475,847,835
Due to Banks	-	22,571,002,700	-	22,571,002,700
Derivative financial liabilities	-	36,175,016	-	36,175,016
	-	43,083,025,551	-	43,083,025,551

As at 31st March 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	-	795,260,944	-	795,260,944
Repurchase agreements	250,000,000	-	-	250,000,000
Placement with banks and other financial institutions	-	287,925,208	-	287,925,208
Financial asset recognized through profit or loss	1,502,280,225	-	-	1,502,280,225
Loans and receivables-Amortized cost	-	14,797,772,357	-	14,797,772,357
Lease rental receivables at amortized Financial asset recognized through other comprehensive income	-	25,503,747,256	-	25,503,747,256
Derivative financial assets	-	-	184,720,884	184,720,884
	1,752,280,225	41,467,628,959	184,720,884	43,404,630,068
<b>Liabilities</b>				
Due to Depositors	-	14,681,375,682	-	14,681,375,682
Due to Banks	-	22,558,061,981	-	22,558,061,981
Debt instruments issued and other	-	867,759,553	-	867,759,553
	-	38,107,197,216	-	38,107,197,216

## Alliance Finance Company PLC

### SEGMENT REPORT

31st March 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.
<b>REVENUE</b>										
External sales	16,120,699,009	1,639,599	3,247,717,633	2,935,829,560	37,045,825	20,174,158	547,916,638	18,311,766	344,306,763	23,273,640,951
<b>Total revenue</b>	<b>16,120,699,009</b>	<b>1,639,599</b>	<b>3,247,717,633</b>	<b>2,935,829,560</b>	<b>37,045,825</b>	<b>20,174,158</b>	<b>547,916,638</b>	<b>18,311,766</b>	<b>344,306,763</b>	<b>23,273,640,951</b>
Total income	6,967,150,528	1,622,117	1,644,775,406	2,935,829,560	37,045,825	20,174,158	558,999,841	18,311,766	341,187,241	12,525,096,442
<b>RESULTS</b>										
<b>Segment results</b>	<b>6,417,575,154</b>	<b>1,590,539</b>	<b>1,473,948,487</b>	<b>2,846,292,108</b>	<b>28,236,493</b>	<b>20,076,492</b>	<b>556,177,596</b>	<b>18,311,766</b>	<b>343,748,523</b>	<b>11,705,957,158</b>
Unallocated company expenses										(3,289,620,992)
Operating profit										8,416,336,166
Interest expenses	(3,303,652,396)	-	(1,155,374,597)	(1,511,778,948)	(24,231,593)	(28,005,932)	(518,230,971)	(9,967,194)	(843,972,390)	(7,395,214,021)
Share of profits of associates before tax										48,753,435
Income taxes										(482,740,665)
<b>Net Profit</b>										<b>587,134,915</b>
<b>OTHER INFORMATION</b>										
Segment assets	21,552,425,901	-	7,537,453,218	9,862,570,224	158,082,500	182,705,621	3,380,844,382	65,024,152	5,505,922,008	48,245,028,005
Investment in associates										125,097,318
Unallocated company assets										4,081,067,055
<b>Total assets</b>										<b>52,451,192,378</b>
Segment liabilities	19,223,812,269	-	6,345,030,902	8,302,315,256	133,073,907	153,801,659	2,845,996,049	54,737,355	4,634,887,128	41,693,654,525
Unallocated company liabilities										3,564,055,358
<b>Total liabilities</b>										<b>45,257,709,882</b>

## Alliance Finance Company PLC

### SEGMENT REPORT

31st March 2022 - 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.
<b>REVENUE</b>										
External sales	15,941,431,171	2,245,907	916,049,739	1,076,701,563	29,510,470	12,090,928	84,956,822	13,832,166	547,570,581	18,624,389,347
<b>Total revenue</b>	<b>15,941,431,171</b>	<b>2,245,907</b>	<b>916,049,739</b>	<b>1,076,701,563</b>	<b>29,510,470</b>	<b>12,090,928</b>	<b>84,956,822</b>	<b>13,832,166</b>	<b>547,570,581</b>	<b>18,624,389,347</b>
Total income	6,117,930,794	(3,445,131)	893,399,856	1,076,701,562	29,510,470	12,090,928	96,323,315	17,986,459	536,204,088	8,776,702,341
<b>RESULTS</b>										
<b>Segment results</b>	<b>4,449,926,943</b>	<b>(3,440,708)</b>	<b>310,674,488</b>	<b>771,076,098</b>	<b>4,564,381</b>	<b>11,672,187</b>	<b>92,262,791</b>	<b>17,986,459</b>	<b>487,607,524</b>	<b>6,142,330,163</b>
Unallocated company expenses										(1,072,710,961)
Operating profit										5,069,619,202
Interest expenses	(1,537,507,727)	-	(509,905,311)	(385,162,597)	(8,059,886)	(11,135,998)	(105,637,198)	(3,523,170)	(90,249,153)	(2,651,181,039)
Share of profits of associates before tax										5,946,770
Income taxes										(913,616,229)
<b>Net Profit</b>										<b>1,510,768,703</b>
<b>OTHER INFORMATION</b>										
Segment assets	25,503,747,256	-	8,458,166,393	6,388,969,206	133,695,138	184,720,810	1,752,280,225	58,441,360	1,497,027,636	43,977,048,024
Investment in associates										83,092,843
Unallocated company assets										4,282,756,175
<b>Total assets</b>										<b>48,342,897,042</b>
Segment liabilities	22,403,945,850	-	7,014,723,551	5,298,648,747	110,879,165	153,196,964	1,453,241,848	48,467,950	1,241,549,826	37,724,653,901
Unallocated company liabilities										3,776,050,623
<b>Total liabilities</b>										<b>41,500,704,524</b>

## 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 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.

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 March 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 appropriateness of the use of the going concern basis.

#### 5 Commitments & Contingencies

	31st March 2023 Rs.	31st March 2022 Rs.
Commitments & Contingencies	733,393,490	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 March 2023, 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 March 2023.

Alliance Finance Company PLC  
 Explanatory Notes (Continued.)

Selected Performance Indicators				
	3/31/2023		3/31/2022	
<b>Capital Adequacy (%)</b>				
Tier 1 Capital Adequacy Ratio (minimum 8.5% [7%- 2022])	11.67%		11.67%	
Total Capital Adequacy Ratio (minimum 12.5% [11%-2022])	15.40%		15.07%	
Capital Funds to Deposit Liabilities Ratio	29.09%		34.67%	
<b>Profitability (%)</b>				
Return on average shareholders funds (before tax)	13.94%		37.56%	
Return on average assets (before tax)	1.89%		5.71%	
<b>Liquidity ('000)</b>				
Required Minimum Amount of Liquid Assets	2,112,142		1,682,186	
Available Amount of Liquid Assets	4,010,497		2,641,940	
Required Minimum Amount of Government Securities	1,162,842		991,519	
Available Amount of Government Securities	3,376,078		1,737,660	
<b>Quality of Loan Portfolio (%)</b>				
	2023		2022	
	90 DPD	120 DPD	90 DPD	120 DPD
Gross Non-Performing Loans Ratio	13.03%	9.50%	11.00%	7.23%
Net-Non-Performing Loans Ratio	8.66%	5.13%	6.95%	3.17%

## Alliance Finance Company PLC

### Shareholders' Information

#### Market price per share

Quarter ended 01st January to 31st March	2023	2022
Highest Price	71.40	116.50
Lowest Price	55.50	69.00
Last Traded	66.80	70.40

#### Stated capital

As at 31st March 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 31st March 2023

No	Name of Director	No. of Shares
1	Mrs.G.S.T. Dharmakirti-Herath	100
2	Mr.R.K.E.P. de Silva	11,635,291
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 March 2023

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	Mrs.P.N. Weththasinghe	401,051	1.19
9	Peoples Leasing Finance PLC/Mr.K.R.E.M.D.M.B. Jayasundara	390,993	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	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	Est. of the late Mr.S.B.O. Illangakoon	145,560	0.43



## Alliance Finance Company PLC

### Shareholders' Information

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#### Public Shareholding as at 31st March 2023

No of Shares	%
17,399,792	51.64

#### No of Shareholders

The percentage of ordinary shares held by the public as at 31st March 2023 was 51.64 and the number of shareholders representing the public holding was 1965.

#### Float Adjusted Market Capitalization

The Float adjusted market capitalization as at 31st March 2023 - Rs. 1,162,306,106- 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