



Alliance Finance Co. PLC

Making the world a better place through sustainable finance



**Financial Statements
for the Twelve Months Ended
31st March 2022**



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

Alliance Finance Company PLC

STATEMENT OF PROFIT OR LOSS - COMPANY

For the period ended 31st March	For the Quarter ended			For the Twelve months ended		
	2022	2021	Variance	2022	2021	Variance
	(unaudited) Rs.	(unaudited) Rs.		(unaudited) Rs.	(audited) Rs.	
Gross Income	2,739,606,150	2,402,174,499	14.05	8,697,463,709	7,799,463,274	11.51
Interest income	2,363,305,410	2,195,984,412	7.62	7,852,033,338	7,172,427,543	9.48
Interest expenses	(786,359,507)	(630,697,796)	24.68	(2,651,181,039)	(2,912,756,756)	(8.98)
Net Interest Income	1,576,945,903	1,565,286,616	0.74	5,200,852,299	4,259,670,787	22.10
Fee and commission income	96,261,475	63,208,982	52.29	267,503,991	191,518,532	39.68
Fee and commission expenses	(81,157,185)	(72,628,714)	11.74	(255,158,346)	(272,347,232)	(6.31)
Net Fee and Commission Income	15,104,290	(9,419,732)	260.35	12,345,645	(80,828,700)	115.27
Net gain/(loss) from trading	25,280,574	8,687,249	191.01	28,124,476	17,262,743	62.92
Other operating income (net)	254,758,691	134,293,856	89.70	549,801,904	418,254,456	31.45
Total Operating Income	1,872,089,458	1,698,847,989	10.20	5,791,124,324	4,614,359,286	25.50
Impairment (charges) / reversal for loans and other losses	(17,129,575)	(379,844,231)	(95.49)	(102,890,182)	(752,126,049)	(86.32)
Net Operating Income	1,854,959,883	1,319,003,758	40.63	5,688,234,142	3,862,233,237	47.28
Operating Expenses						
Personnel expenses	(378,059,402)	(237,667,879)	59.07	(1,193,004,228)	(923,854,826)	29.13
Other operating expenses	(158,868,491)	(338,690,650)	(53.09)	(1,472,008,511)	(1,204,412,964)	22.22
Depreciation and amortization	(35,164,930)	(34,237,722)	2.71	(127,463,057)	(132,270,692)	(3.63)
Total operating expenses	(572,092,823)	(610,596,251)	(6.31)	(2,792,475,796)	(2,260,538,482)	23.53
Operating Profit before Taxes on Financial Services	1,282,867,060	708,407,507	81.09	2,895,758,346	1,601,694,755	80.79
Taxes on financial services	(256,154,409)	(114,345,753)	124.02	(554,549,356)	(307,871,498)	80.12
Operating Profit after Taxes on Financial Services	1,026,712,651	594,061,754	72.83	2,341,208,990	1,293,823,257	80.95
Share of profit/(loss) from associates	2,061,508	5,280,449	(60.96)	5,946,770	2,129,344	179.28
Profit before Taxation from Operations	1,028,774,159	599,342,203	71.65	2,347,155,760	1,295,952,601	81.11
Provision for income taxation	(400,533,339)	(365,537,807)	9.57	(884,055,134)	(735,062,807)	20.27
Profit for the Period	628,240,820	233,804,396	168.70	1,463,100,626	560,889,794	160.85
Basic/ Diluted earnings per share (Annualized)	74.58	27.75		43.42	16.65	
Dividend Per Share (Rs./Cts.)	6.50	-		12.00	-	

Alliance Finance Company PLC

STATEMENT OF PROFIT OR LOSS - GROUP

For the period ended 31st March	For the Quarter ended			For the Twelve months ended		
	2,022 (unaudited) Rs.	2021 (unaudited) Rs.	Variance %	2022 (unaudited) Rs.	2021 (audited) Rs.	Variance %
Gross Income	2,759,464,804	2,416,775,194	14.18	8,776,702,301	7,863,173,738	11.62
Interest income	2,366,821,867	2,196,637,258	7.75	7,858,602,585	7,175,165,275	9.53
Interest expenses	(786,359,507)	(630,697,796)	24.68	(2,651,181,039)	(2,912,756,756)	(8.98)
Net Interest Income	1,580,462,360	1,565,939,462	0.93	5,207,421,546	4,262,408,519	22.17
Fee and commission income	116,889,549	77,156,831	51.50	341,843,804	252,491,264	35.39
Fee and commission expenses	(81,157,185)	(72,635,848)	11.73	(255,158,340)	(272,354,366)	(6.31)
Net Fee and Commission Income	35,732,364	4,520,983	690.37	86,685,464	(19,863,102)	536.41
Net gain/(loss) from trading	25,280,574	8,687,249	191.01	28,124,476	17,262,743	62.92
Other operating income (net)	250,472,814	134,293,856	86.51	548,131,436	418,254,456	31.05
Total Operating Income	1,891,948,112	1,713,441,550	10.42	5,870,362,922	4,678,062,616	25.49
Impairment (charges) / reversal for loans and other losses	(17,129,535)	(379,844,231)	(95.49)	(102,890,182)	(752,126,049)	(86.32)
Net Operating Income	1,874,818,577	1,333,597,319	40.58	5,767,472,740	3,925,936,567	46.91
Operating Expenses						
Personnel expenses	(379,037,484)	(239,763,658)	58.09	(1,203,890,498)	(934,266,544)	28.86
Other operating expenses	(161,298,356)	(340,880,350)	(52.68)	(1,479,412,845)	(1,211,268,151)	22.14
Depreciation and amortization	(35,326,578)	(34,273,617)	3.07	(127,957,310)	(132,376,288)	(3.34)
Total operating expenses	(575,662,418)	(614,917,625)	(6.38)	(2,811,260,653)	(2,277,910,983)	23.41
Operating Profit before Taxes on Financial Services	1,299,156,159	718,679,694	80.77	2,956,212,087	1,648,025,584	79.38
Taxes on financial services	(256,154,409)	(114,345,753)	124.02	(554,549,356)	(307,871,498)	80.12
Debt repayment levy	-	-	(100.00)	-	-	
Operating Profit after Taxes on Financial Services	1,043,001,750	604,333,941	72.59	2,401,662,731	1,340,154,086	79.21
Share of profit/(loss) from associates	2,061,508	5,280,449	(60.96)	5,946,770	2,129,344	179.28
Profit before Taxation from Operations	1,045,063,258	609,614,390	71.43	2,407,609,501	1,342,283,430	79.37
Provision for income taxation	(405,818,979)	(367,769,288)	10.35	(900,197,005)	(746,181,731)	20.64
Profit for the Period	639,244,279	241,845,102	164.32	1,507,412,496	596,101,699	152.88
Profit attributable to :						
Equity holders of the Company	632,841,287	238,945,624	164.85	1,488,998,479	583,404,287	155.23
Non controlling interest	6,402,992	2,899,478	120.83	18,414,017	12,697,412	45.02
Profit for the Period	639,244,279	241,845,102	164.32	1,507,412,496	596,101,699	152.88
Basic/ Diluted earnings per share (Annualized)	75.88	28.71		44.19	17.31	
Dividend Per Share (Rs./Cts.)	6.61	-		12.11	-	

Alliance Finance Company PLC

STATEMENT OF OTHER COMPREHENSIVE INCOME - COMPANY

For the period ended 31st March	For the Quarter ended			For the Twelve months ended		
	2022 (unaudited) Rs.	2021 (unaudited) Rs.	Variance %	2022 (unaudited) Rs.	2021 (unaudited) Rs.	Variance %
Profit for the period	<u>628,240,820</u>	<u>233,804,396</u>	168.70	<u>1,463,100,626</u>	<u>560,889,794</u>	160.85
Other Comprehensive Income						
Reclassified to Profit or Loss						
Actuarial gains /(losses) on defined benefit plans	(5,426,609)	(25,068,189)	(78.35)	(114,165,613)	(25,068,189)	355.42
Deferred tax effect on above	1,302,386	6,016,365	(78.35)	27,399,747	6,016,365	355.42
	<u>(4,124,223)</u>	<u>(19,051,824)</u>	(78.35)	<u>(86,765,866)</u>	<u>(19,051,824)</u>	355.42
Surplus from revaluation of property, plant & equipment	-	707,379,021	(100.00)	-	707,379,021	(100.00)
Deferred tax effect on land	-	(153,209,514)	(100.00)	-	(153,209,514)	(100.00)
Deferred tax effect on building	-	(16,561,451)	(100.00)	-	(16,561,451)	(100.00)
	<u>-</u>	<u>537,608,056</u>	(100.00)	<u>-</u>	<u>537,608,056</u>	(100.00)
Other Comprehensive Income not to be Reclassified to Profit or Loss						
Equity investments at FVOCI -Transfer of realized profit to retained earnings	(3,691,191)	(3,408,042)	8.31	(22,902,218)	-	100.00
Equity investments at FVOCI - net change in fair value	(73,948,819)	6,053,903	(1,321.51)	(80,255,778)	123,996,645	(164.72)
Net Other Comprehensive Income not be Classified to Profit or Loss	<u>(77,640,010)</u>	<u>2,645,861</u>	(3,034.39)	<u>(103,157,996)</u>	<u>123,996,645</u>	(183.19)
Total Comprehensive Income for the period	<u>546,476,587</u>	<u>755,006,490</u>	(27.62)	<u>1,273,176,764</u>	<u>1,203,442,672</u>	5.79

Alliance Finance Company PLC

STATEMENT OF COMPREHENSIVE INCOME - GROUP

For the period ended 31st March	For the Quarter ended			For the Twelve months ended		
	2022 (unaudited) Rs.	2021 (unaudited) Rs.	Variance %	2022 (unaudited) Rs.	2021 (unaudited) Rs.	Variance %
Profit for the period	<u>639,244,279</u>	<u>241,845,102</u>	164.32	<u>1,507,412,496</u>	<u>596,101,699</u>	152.88
Other Comprehensive Income not to be Reclassified to Profit or Loss						
Actuarial gains /(losses) on defined benefit plans	(4,638,663)	(25,070,165)	(81.50)	(113,377,667)	(25,070,165)	352.24
Deferred tax effect on above	1,302,386	6,016,365	(78.35)	27,399,747	6,016,365	355.42
	<u>(3,336,277)</u>	<u>(19,053,800)</u>	(82.49)	<u>(85,977,920)</u>	<u>(19,053,800)</u>	351.24
Surplus from revaluation of property, plant & equipment	-	707,379,021	(100.00)	-	707,379,021	(100.00)
Deferred tax effect on land	-	(153,209,514)	(100.00)	-	(153,209,514)	(100.00)
Deferred tax effect on building	-	(16,561,451)	(100.00)	-	(16,561,451)	(100.00)
	<u>-</u>	<u>537,608,056</u>	(100.00)	<u>-</u>	<u>537,608,056</u>	(100.00)
Equity investments at FVOCI -Transfer of realized profit to retained earnings	(3,691,191)	-	100.00	(22,902,218)	-	100.00
Equity investments at FVOCI - net change in fair value	<u>(73,948,819)</u>	<u>6,053,903</u>	(1,321.51)	<u>(80,255,778)</u>	<u>123,996,645</u>	(164.72)
Net Other Comprehensive Income not be Classified to Profit or Loss	<u>(77,640,010)</u>	<u>6,053,903</u>	(1,382.48)	<u>(103,157,996)</u>	<u>123,996,645</u>	(183.19)
Total Comprehensive Income for the period	<u>558,267,992</u>	<u>766,453,262</u>	(27.16)	<u>1,318,276,580</u>	<u>1,238,652,601</u>	6.43

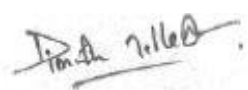
Alliance Finance Company PLC
Statement of Financial Position


As at	Company			Group		
	31.3.2022 Rs. (unaudited)	31.03.2021 Rs. (audited)	Variance %	31.3.2022 Rs. (unaudited)	31.03.2021 Rs. (audited)	Variance %
Assets						
Cash and cash equivalents	795,260,944	587,405,947	35	898,748,640	637,840,499	41
Repurchase agreements	250,000,000	400,203,715	(38)	250,000,000	400,203,715	(38)
Placements with banks & financial institutions	287,925,208	793,564,909	(64)	287,925,208	793,564,909	(64)
Financial assets recognised through profit or loss	1,502,280,225	1,177,459,993	28	1,502,280,225	1,177,459,993	28
Loans and advances - at amortised cost	14,797,772,357	6,630,287,692	123	14,797,772,357	6,630,437,142	123
Lease rentals receivable & stock out on hire - at amortised cost	25,503,747,257	19,978,211,851	28	25,503,747,257	19,978,211,851	28
Hire purchase rentals receivable & stock out on hire - at amortised cost	-	5,542,117	(100)	-	5,542,117	(100)
Financial assets- fair value through other comprehensive income	184,720,810	203,724,802	(9)	184,720,810	203,724,802	(9)
Other trading stocks	392,525,744	279,566,570	40	392,525,744	279,566,570	40
Other financial assets	636,338,351	489,616,233	30	630,654,494	560,626,424	12
Other non financial assets	243,886,129	163,285,409	49	244,361,452	163,760,732	49
Derivative financial assets	82,923,194	-	100	82,923,194	-	100
Investments in associates	49,838,348	47,756,062	4	83,092,842	96,563,532	(14)
Investments in subsidiaries	16,924,038	16,924,038	-	-	-	-
Investment property	159,590,100	574,254,000	(72)	245,250,516	574,254,000	(57)
Property, plant & equipment	2,502,324,249	2,377,684,658	5	2,503,442,364	2,377,956,161	5
Intangible assets	126,715,433	58,497,170	117	127,180,497	58,497,170	117
Right of use asset	397,784,022	193,321,481	106	397,784,022	193,321,481	106
Deferred tax assets	213,875,145	144,831,784	48	214,680,924	145,567,344	47
Total Assets	48,144,431,554	34,122,138,431	41	48,347,090,546	34,277,098,442	41
Liabilities						
Due to banks	22,558,061,979	13,214,241,102	71	22,558,061,979	13,214,241,102	71
Due to depositors - at amortised cost	14,681,375,682	12,918,786,478	14	14,681,375,682	12,918,786,478	14
Debt instruments issued and other borrowed funds	867,759,553	-	100	867,759,553	-	100
Other financial liabilities	1,670,249,512	883,877,701	89	1,704,808,663	899,693,781	89
Other non financial liabilities	184,104,075	60,188,110	206	184,104,075	60,188,110	206
Derivative financial liabilities	-	13,545,550	(100)	-	13,545,550	(100)
Income tax liabilities	869,349,423	646,313,080	35	877,089,691	649,705,208	35
Retirement benefit liabilities	121,428,672	12,924,029	840	124,326,195	15,988,862	678
Deferred tax liabilities	510,728,432	555,848,404	(8)	510,728,425	555,855,791	(8)
Total Liabilities	41,463,057,328	28,305,724,454	46	41,508,254,263	28,328,004,882	47
Shareholders' Funds						
Stated capital	613,980,000	613,980,000	-	613,980,000	613,980,000	-
Retained earnings	3,500,238,338	2,295,549,890	52	3,585,047,237	2,374,274,468	51
Reserves	2,567,155,888	2,906,884,087	(12)	2,567,155,891	2,906,884,087	(12)
Total Equity Attributable to Equity Holders of the Company	6,681,374,226	5,816,413,977	15	6,766,183,128	5,895,138,555	15
Non controlling interest	-	-	-	72,653,155	53,955,005	35
Total Equity	6,681,374,226	5,816,413,977	15	6,838,836,283	5,949,093,560	15
Total Liabilities and Shareholders' Funds	48,144,431,554	34,122,138,431	41	48,347,090,546	34,277,098,442	41
Contingent Liabilities and Commitments	133,282,416	261,333,077		133,282,416	261,333,077	
Net assets value per share (Rs.)	198	173		201	175	

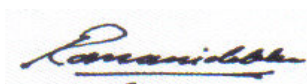
Accounting policies & notes to the accounts form an integral part of these Financial Statements.

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
31-May-22
Colombo


.....
Kusal Jayawardana
Deputy Managing Director


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

Alliance Finance Company PLC

STATEMENT OF CHANGES IN EQUITY

Company	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	General Reserve	FVOCI	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2020 (Audited)	613,980,000	876,036,520	1,018,409,546	388,258,055	(61,455,160)	-	1,777,742,345	4,612,971,306
Profit for the period	-	-	-	-	-	-	560,889,794	560,889,794
Other comprehensive income, net of tax								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	(19,051,824)	(19,051,824)
Revaluation gain	-	-	537,608,056	-	-	-	-	537,608,056
Equity investments at FVOCI - net change in fair value	-	-	-	-	123,996,645	-	-	123,996,645
Transfer of realized profit on equity portfolio to retained earnings	-	-	-	-	(4,014,065)	-	4,014,065	-
Transfer to statutory reserve	-	28,044,490	-	-	-	-	(28,044,490)	-
Dividend paid	-	-	-	-	-	-	-	-
Balances as at 31st March 2021 (Audited)	613,980,000	904,081,010	1,556,017,602	388,258,055	58,527,420	-	2,295,549,890	5,816,413,977
Balance as at 1st April 2021 (Audited)	613,980,000	904,081,010	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
Other comprehensive income, net of tax								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	(86,765,896)	(86,765,896)
Revaluation Surplus	-	-	-	-	-	-	-	-
Equity investments at FVOCI - net change in fair value	-	-	-	-	(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)
Balances as at 31st March 2022 (Unaudited)	613,980,000	977,236,041	1,223,390,151	388,258,055	(21,728,359)	-	3,500,238,338	6,681,374,226

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 2020 (Audited)	613,980,000	876,036,520	1,018,409,546	388,258,055	(61,455,160)	41,258,308	1,833,953,692	4,710,440,961
Profit for the period	-	-	-	-	-	12,697,411	583,404,287	596,101,698
Other comprehensive income, net of tax								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	(714)	(19,053,087)	(19,053,801)
Revaluation Surplus	-	-	537,608,056	-	-	-	-	537,608,056
Transfer to statutory reserve	-	28,044,490	-	-	-	-	(28,044,490)	-
Equity investments at FVOCI - net change in fair value	-	-	-	-	123,996,645	-	-	123,996,645
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	(4,014,065)	-	4,014,065	-
Dividend paid	-	-	-	-	-	-	-	-
Balances as at 31st March 2021 (Audited)	613,980,000	904,081,010	1,556,017,602	388,258,055	58,527,420	53,955,006	2,374,274,468	5,949,093,560
Balance as at 1st April 2021 (Audited)	613,980,000	904,081,010	1,556,017,602	388,258,055	58,527,420	53,955,006	2,374,274,468	5,949,093,560
Profit for the period	-	-	-	-	-	18,414,017	1,488,998,479	1,507,412,496
Other comprehensive income, net of tax								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	284,133	(86,262,082)	(85,977,949)
Revaluation Surplus	-	-	-	-	-	-	-	-
Equity investments at FVOCI - net change in fair value	-	-	-	-	(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	-	-	(332,627,449)	-	-	-	332,627,449	-
Transfer to statutory reserve	-	73,155,031	-	-	-	-	(73,155,031)	-
Dividend paid	-	-	-	-	-	-	(408,161,429)	(408,161,429)
Balances as at 31st March 2022 (Unaudited)	613,980,000	977,236,041	1,223,390,153	388,258,055	(21,728,358)	72,653,155	3,585,047,237	6,838,836,283

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	
	2022 (unaudited) Rs.	2021 (audited) Rs.	2022 (unaudited) Rs.	2021 (audited) Rs.
Cash Flows From / (Used in) Operating Activities				
Profit before Income Tax Expense	2,347,155,760	1,295,952,601	2,407,609,501	1,342,283,430
Adjustments for;				
Depreciation of property, plant & equipment	116,431,961	123,282,161	116,816,283	123,387,757
Amortization of intangible assets	11,031,096	8,988,531	11,141,027	8,988,531
Intangible asset write-off	-	(753,265)	-	(753,265)
Writeoff of PPE	(10,558,951)	-	(10,558,951)	-
Amortization of Right of use asset	104,584,448	71,961,239	104,584,448	71,961,239
Impairment (reversal)/provision	(258,654,596)	279,399,091	(258,654,596)	279,399,091
Interest on fixed deposits, commercial paper & treasury bills	(67,058,063)	(123,297,343)	(73,627,310)	(126,035,075)
Fair value (gain)/loss on equity investments (FVTPL)	(275,394)	2,031,684	(275,394)	2,031,684
Bad debt written-off	236,140,489	472,726,958	236,140,489	472,726,958
Fair value gain on investment property	(27,009,600)	(25,254,000)	(27,009,600)	(25,254,000)
Diminution/(appreciation) in value of treasury bonds	(4,043)	4,222,979	(4,043)	4,222,979
Loss/(profit) on disposal of property, plant & equipment	(12,715,450)	(42,278,926)	(12,715,450)	(42,278,926)
Loss/(profit) on disposal of investment property	(67,140,000)	-	(67,140,000)	-
Provision/(reversal) for defined benefit plans	43,803,310	31,822,498	44,423,948	32,594,083
Dividend received	(16,809,063)	(6,825,336)	(12,090,928)	(6,825,336)
Share of loss/(profit) from associates	(5,946,770)	(2,129,344)	(5,946,770)	(2,129,344)
Operating Profit before Working Capital Changes	2,392,975,135	2,089,849,528	2,452,692,655	2,134,319,806
(Increase)/decrease in trading stock	(112,959,174)	(72,178,381)	(112,959,174)	(72,178,381)
(Increase)/decrease in loans and advances	(8,218,707,417)	(772,080,576)	(8,218,707,417)	(772,080,576)
(Increase)/decrease in lease rentals receivable & stock out on hire	(5,455,315,987)	(348,913,589)	(5,455,315,987)	(348,913,589)
(Increase)/decrease in hire purchase rentals receivable	5,744,562	(796,750)	5,744,562	(796,750)
(Increase)/decrease in fixed deposits & repurchase agreements	655,843,416	72,237,395	655,843,416	72,237,395
(Increase)/decrease in other financial assets	(143,407,123)	(30,248,360)	(150,177,101)	(25,594,154)
(Increase)/decrease in other non financial assets	(222,002,021)	78,542,359	(222,002,021)	78,542,351
Increase/(decrease) in amounts due to depositors	1,762,589,204	571,489,629	1,762,589,204	571,489,629
Increase/(decrease) in derivative financial liabilities	(96,468,744)	(46,290,727)	(96,468,744)	(46,290,727)
Increase/(decrease) in other financial liabilities	786,371,811	92,173,788	805,114,882	89,339,863
Increase/(decrease) in other non financial liabilities	142,276,144	48,712,361	142,276,144	48,712,361
Cash generated from/(used in) Operations	(8,503,060,195)	1,682,496,677	(8,431,369,581)	1,728,787,228
Retirement benefit liabilities paid	(10,155,107)	(11,433,290)	(10,155,107)	(11,433,290)
Investment in gratuity fund	(39,309,174)	(31,486,681)	(39,309,174)	(31,486,681)
Taxes paid	(766,142,556)	(243,453,026)	(783,212,369)	(254,286,674)
Net cash generated from/(used in) operating activities	(9,318,667,032)	1,396,123,680	(9,264,046,231)	1,431,580,583
Cash Flows from Investing Activities				
Acquisition of property, plant & equipment	(239,149,849)	(116,837,204)	(240,620,688)	(117,093,104)
Acquisition of ROU	(60,536,000)	6,434,908	(60,536,000)	6,434,908
Acquisition of Intangible Assets	(79,249,360)	(12,230,194)	(79,824,357)	(12,230,194)
Investment in unquoted equities	-	-	(954,940)	-
Proceeds from sales of property, plant & equipment	21,352,700	61,048,800	21,352,700	61,048,800
Proceeds from sales of investment property	508,813,500	-	508,813,500	-
Purchase of Equipment relating to the investment property	-	-	(1,807,034)	-
Net sales/ (purchases) of financial investments -FVTPL/FVTOCI	(408,694,798)	424,735,963	(408,214,496)	424,735,963
Dividend received	16,809,063	6,825,336	16,809,063	6,825,336
Interest on fixed deposits, commercial paper & treasury bills	67,058,063	123,297,343	73,627,310	126,035,075
Net cash generated from investing activities	(173,596,680)	493,274,953	(171,354,942)	495,756,785
Cash flows from / (used in) financing activities				
Settlement of operating Lease liabilities	(107,109,688)	(77,981,423)	(107,109,688)	(77,981,423)
Increase in borrowed funds	867,759,553	-	867,759,553	-
Net increase /(decrease) in other borrowings	9,343,820,844	(2,210,564,922)	9,343,820,878	(2,238,840,061)
Dividend paid	(404,352,000)	-	(408,161,429)	-
Net cash generated from/(used in) financing activities	9,700,118,709	(2,288,546,345)	9,696,309,314	(2,316,821,484)
Net increase/(decrease) in cash and cash equivalents	207,854,997	(399,147,712)	260,908,141	(389,484,115)
Cash and cash equivalents at the beginning of the year	587,405,947	986,553,659	637,840,499	1,027,324,614
Cash and cash equivalents at the end of the year	795,260,944	587,405,947	898,748,640	637,840,499
Movement in Cash and Cash Equivalent	207,854,997	(399,147,712)	260,908,141	(389,484,115)

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			
	Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs	Total Rs.
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	
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	184,141,560	-	-	184,141,560
Unquoted Investments	-	-	579,250	579,250
	<u>184,141,560</u>	<u>1,502,280,225</u>	<u>579,250</u>	<u>1,687,001,035</u>
Liabilities				
Due to Depositors	-	14,681,375,682	-	14,681,375,682
Due to Banks	-	22,558,061,979	-	22,558,061,979
Debt instruments issued and other borrowed funds	-	867,759,553	-	867,759,553
	<u>-</u>	<u>38,107,197,214</u>	<u>-</u>	<u>38,107,197,214</u>
As at 31st March 2021				
Financial assets - Fair value through profit and loss				
Government of Sri Lanka treasury bills	-	905,162,506	-	905,162,506
Government of Sri Lanka treasury bonds	-	272,297,487	-	272,297,487
Financial assets - Fair value through Other Comprehensive Income				
Quoted Investments	203,145,552	-	-	203,145,552
Unquoted Investments	-	-	579,250	579,250
	<u>203,145,552</u>	<u>1,177,459,993</u>	<u>579,250</u>	<u>1,381,184,795</u>
Liabilities				
Due to Depositors	-	12,918,786,478	-	12,918,786,478
Due to Banks	-	13,214,241,102	-	13,214,241,102
Derivative financial liabilities	-	13,545,550	-	13,545,550
	<u>-</u>	<u>26,146,573,130</u>	<u>-</u>	<u>26,146,573,130</u>

Alliance Finance Company PLC

ANALYSIS OF FINANCIAL STATEMENTS MEASUREMENT BASIS

Company

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.
Asset				
Cash and cash equivalents	-	795,260,944	-	795,260,944
Repurchase agreements	-	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 cost	-	25,503,747,257	-	25,503,747,257
Financial asset recognized through other comprehensive income	-	-	184,720,810	184,720,810
Other financial assets	-	636,338,351	-	636,338,351
	<u>1,502,280,225</u>	<u>42,271,044,117</u>	<u>184,720,810</u>	<u>43,708,045,152</u>
Liabilities				
Due to Depositors	-	14,681,375,682	-	14,681,375,682
Due to Banks	-	22,558,061,979	-	22,558,061,979
Debt instruments issued and other borrowed	-	867,759,553	-	867,759,553
	-	<u>38,107,197,214</u>	-	<u>38,107,197,214</u>

As at 31st March 2021

	Financial assets recognized through profit or loss (FVTPL)	Financial assets at amortized cost (AC)	Financial assets at fair value through other comprehensive income(FVOCI)	Total
	Rs.	Rs.	Rs.	Rs.
Asset				
Cash and cash equivalents	-	587,405,947	-	587,405,947
Placement with banks and other financial institutions	-	793,564,909	-	793,564,909
Financial asset recognized through profit or loss	1,177,459,993	-	-	1,177,459,993
Loans and receivables-Amortized cost	-	6,630,287,692	-	6,630,287,692
Lease rental receivables at amortized cost	-	19,978,211,851	-	19,978,211,851
Financial asset recognized through other comprehensive income	-	-	203,724,802	203,724,802
Hire purchase and rental receivables amortized cost	-	5,542,117	-	5,542,117
	<u>1,177,459,993</u>	<u>27,995,012,516</u>	<u>203,724,802</u>	<u>29,376,197,311</u>
Liabilities				
Due to Depositors	-	12,918,786,478	-	12,918,786,478
Due to Banks	-	13,214,241,102	-	13,214,241,102
Derivative financial liabilities	-	13,545,550	-	13,545,550
	-	<u>26,146,573,130</u>	-	<u>26,146,573,130</u>

Alliance Finance Company PLC

NOTES TO THE FINANCIAL STATEMENTS

SEGMENT REPORT

31st March 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	15,944,852,757	908,727,080	1,080,178,697	29,510,470	12,090,928	84,956,822	13,832,166	547,570,541	18,621,719,461
Total revenue	15,944,852,757	908,727,080	1,080,178,697	29,510,470	12,090,928	84,956,822	13,832,166	547,570,541	18,621,719,461
Total income	6,114,485,663	893,399,856	1,076,701,562	29,510,470	12,090,928	96,323,315	17,986,459	536,204,048	8,776,702,301
RESULTS									
Segment results	4,522,527,283	360,037,731	771,076,098	4,564,381	11,672,187	92,262,791	17,986,459	487,607,484	6,267,734,414
Unallocated company expenses									(1,214,890,645)
Operating profit									5,052,843,769
Interest expenses	(1,537,507,800)	(509,905,336)	(385,162,615)	(8,059,887)	(11,135,998)	(105,637,202)	(3,523,170)	(90,249,030)	(2,651,181,038)
Share of profits of associates before tax									5,946,770
Income taxes									(900,197,005)
Net Profit									1,507,412,496
OTHER INFORMATION									
Segment assets	25,503,747,257	8,458,166,393	6,388,969,206	133,695,138	184,720,810	1,752,280,225	58,441,360	1,497,025,538	43,977,045,926
Investment in associates									83,092,842
Unallocated company assets									4,286,951,778
Total assets									48,347,090,546
Segment liabilities	22,409,657,498	7,014,113,261	5,298,187,757	110,869,519	153,183,636	1,453,115,415	48,463,733	1,241,440,068	37,729,030,887
Unallocated company liabilities									3,779,223,376
Total liabilities									41,508,254,263

Alliance Finance Company PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31st March

SEGMENT REPORT

31st March 2021- Group	Leasing & Hire Purchase	Loans	Gold Loans	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
REVENUE									
External sales	18,428,346,046	705,904,625	625,829,719	27,621,688	6,825,336	100,630,750	9,088,795	505,868,096	20,410,115,055
Total revenue	18,428,346,046	705,904,625	625,829,719	27,621,688	6,825,336	100,630,750	9,088,795	505,868,096	20,410,115,055
Total income	5,876,541,499	706,144,970	625,829,719	27,621,688	6,825,336	113,029,684	13,711,680	493,469,162	7,863,173,738
RESULTS									
Segment results	4,525,494,816	197,257,696	510,031,077	9,876,396	6,109,349	101,913,579	13,711,680	457,672,983	5,822,067,576
Unallocated company expenses									(1,569,156,732)
Operating profit									4,252,910,844
Interest expenses	(1,921,671,743)	(354,135,052)	(283,459,051)	(9,337,117)	(19,590,523)	(151,710,823)	(4,701,332)	(168,151,120)	(2,912,756,761)
Share of profits of associates before tax									2,129,346
Income taxes									(746,181,730)
Net Profit									596,101,699
OTHER INFORMATION									
Segment assets	19,983,753,968	3,682,703,763	2,947,733,379	97,098,082	203,724,803	1,577,663,708	48,889,857	1,748,628,779	30,290,196,339
Investment in associates									96,563,532
Unallocated company assets									3,890,338,571
Total assets									34,277,098,442
Segment liabilities	16,914,468,639	2,920,523,162	2,337,663,892	77,002,446	161,561,462	1,251,146,901	38,771,504	1,386,728,658	25,087,866,664
Unallocated company liabilities									3,240,138,218
Total liabilities									28,328,004,882

Alliance Finance Company PLC

EXPLANATORY NOTES

- 1 The figures given in the financial statements for the quarter ended 31st March 2022 are provisional and subjected to the audit and External auditors are in the process of finalizing the statutory audit for the year ended 31st March 2022.
- 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 2021.

- 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 , 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.

- 4 **Going Concern**

In determining the basis of preparing the financial statements for the quarter ended 31st March 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 31st March 2022	As at 31st March 2021
	Rs.	Rs.
Financial guarantees	4,759,721	102,810,381
Tax assessments	362,667,198	362,667,198
Provision already make	(234,144,503)	(204,144,502)
	<u>133,282,416</u>	<u>261,333,077</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 31st March 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 twelve months ended 31st March 2022.

Alliance Finance Company PLC

EXPLANATORY NOTES (Continued.)

Selected Performance Indicators		
	31-03-22	31-03-21
Capital Adequacy (%)		
Tier 1 Capital Adequacy Ratio (minimum 7%)	8.68%	9.90%
Total Capital Adequacy Ratio (minimum (11%))	12.90%	12.54%
Capital Funds to Deposit Liabilities Ratio	34.67%	33.27%
Profitability (%)		
Return on average shareholders funds (before tax)	37.56%	24.85%
Return on average assets (before tax)	5.71%	3.81%
Quality of Loan Portfolio (%)		
Gross Non-Performing Loans Ratio	3.64%	8.45%
Net-Non-Performing Loans Ratio	1.02%	1.44%
Liquidity ('000)		
Required Minimum Amount of Liquid Assets	1,682,186	824,386
Available Amount of Liquid Assets	2,641,940	1,845,285
Required Minimum Amount of Government Securities	991,519	726,836
Available Amount of Government Securities	1,737,660	1,461,832

Alliance Finance Company PLC

SHAREHOLDERS' INFORMATION

Market price per share

Quarter ended 01st January to 31st March	2022	2021
Highest Price	116.50	52.50
Lowest Price	69.00	48.00
Last Traded	70.40	49.50

Issued capital

As at 31st March 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 31st March 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 31st March 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

Public Shareholding as at 31st March 2022

No of Shares	%
17,399,792	51.64

No of Shareholders

The percentage of ordinary shares held by the public as at 31st March 2022 was 51.64% and the number of shareholders representing the public holding was 1566.

Float Adjusted Market Capitalization

The Float adjusted market capitalization as at 31st March 2022 - Rs. 1,225,003,254/- 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