



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

Inspired by Purpose

Financial Statements for the Six Months Ended 30th September 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 30th September	For the Quarter ended			For the Six months ended		
	2022	2021	Variance %	2022	2021	Variance %
	(unaudited) Rs.	(unaudited) Rs.		(unaudited) Rs.	(unaudited) Rs.	
Gross Income	3,180,734,073	1,949,138,703	63	5,902,224,588	3,715,157,486	59
Interest income	3,055,498,652	1,782,931,742	71	5,613,236,377	3,441,695,847	63
Interest expenses	(1,832,797,264)	(590,225,038)	(211)	(3,075,566,457)	(1,190,774,038)	(158)
Net Interest Income	1,222,701,388	1,192,706,704	3	2,537,669,920	2,250,921,809	13
Fee and commission income	53,172,257	66,021,290	(19)	99,624,803	100,849,600	(1)
Fee and commission expenses	(66,644,124)	(58,158,086)	(15)	(135,493,368)	(111,363,806)	(22)
Net Fee and Commission Income	(13,471,867)	7,863,204	(271)	(35,868,565)	(10,514,206)	(241)
Net gain/(loss) from trading	6,064,441	2,619,430	132	28,545,873	1,542,137	1,751
Other operating income (net)	65,998,723	97,566,241	(32)	160,817,535	171,069,902	(6)
Total Operating Income	1,281,292,685	1,300,755,579	(1)	2,691,164,763	2,413,019,642	12
Impairment (charges) / reversal for loans and other losses	(150,443,106)	109,894,728	(237)	(429,278,973)	(370,917,111)	(16)
Net Operating Income	1,130,849,579	1,410,650,307	(20)	2,261,885,790	2,042,102,531	11
Operating Expenses						
Personnel expenses	(296,271,482)	(284,337,645)	(4)	(598,333,528)	(488,664,936)	(22)
Other operating expenses	(473,086,999)	(467,983,379)	(1)	(934,293,973)	(765,967,060)	(22)
Depreciation and amortization	(40,940,716)	(30,507,659)	(34)	(79,329,977)	(60,299,991)	(32)
Total operating expenses	(810,299,197)	(782,828,683)	(4)	(1,611,957,478)	(1,314,931,987)	(23)
Operating Profit before Taxes on Financial Services	320,550,382	627,821,624	(49)	649,928,312	727,170,544	(11)
Taxes on financial services	(97,289,306)	(112,515,462)	14	(224,118,613)	(156,705,779)	(43)
Operating Profit after Taxes on Financial Services	223,261,076	515,306,162	(57)	425,809,699	570,464,765	(25)
Share of profit/(loss) from associates	11,934,497	1,065,349	1,020	21,735,867	126,955	17,021
Profit before Taxation from Operations	235,195,573	516,371,511	(54)	447,545,566	570,591,720	(22)
Provision for income taxation	(87,328,336)	(193,250,805)	55	(242,902,771)	(219,727,878)	(11)
Profit for the Period	147,867,237	323,120,706	(54)	204,642,795	350,863,842	(42)
Basic/ Diluted earnings per share (Annualised)	17.55	38.36		12.15	20.83	
Dividend Per Share paid (Rs./Cts.)	8.00	5.50		8.00	5.50	

Alliance Finance Company PLC
Statement of Profit or Loss - Group

For the period ended 30th September	For the Quarter ended			For the Six months ended		
	2022	2021	Variance %	2022	2021	Variance %
	(unaudited) Rs.	(unaudited) Rs.		(unaudited) Rs.	(unaudited) Rs.	
Gross Income	3,207,458,076	1,969,096,089	63	5,959,524,148	3,752,137,724	59
Interest income	3,057,289,288	1,784,058,370	71	5,616,889,384	3,443,628,755	63
Interest expenses	(1,826,653,445)	(590,225,038)	(209)	(3,069,422,638)	(1,190,774,038)	(158)
Net Interest Income	<u>1,230,635,843</u>	<u>1,193,833,332</u>	3	<u>2,547,466,746</u>	<u>2,252,854,717</u>	13
Fee and commission income	72,105,799	84,435,923	(15)	143,393,062	135,480,805	6
Fee and commission expenses	(66,644,124)	(58,158,086)	(15)	(135,493,368)	(111,363,800)	(22)
Net Fee and Commission Income	<u>5,461,675</u>	<u>26,277,837</u>	(79)	<u>7,899,694</u>	<u>24,117,005</u>	(67)
Net gain/(loss) from trading	6,212,491	2,619,430	137	30,409,668	1,542,137	1,872
Other operating income (net)	<u>71,850,498</u>	<u>97,982,366</u>	(27)	<u>168,832,034</u>	<u>171,486,027</u>	(2)
Total Operating Income	<u>1,314,160,507</u>	<u>1,320,712,965</u>	(0)	<u>2,754,608,142</u>	<u>2,449,999,886</u>	12
Impairment (charges) / reversal for loans and other losses	(150,443,105)	109,894,687	(237)	(429,278,973)	(370,917,152)	(16)
Net Operating Income	<u>1,163,717,402</u>	<u>1,430,607,652</u>	(19)	<u>2,325,329,169</u>	<u>2,079,082,734</u>	12
Operating Expenses						
Personnel expenses	(353,163,286)	(287,212,121)	(23)	(658,234,054)	(494,368,470)	(33)
Other operating expenses	(421,996,814)	(469,521,620)	10	(885,260,095)	(769,120,194)	(15)
Depreciation and amortization	<u>(41,111,403)</u>	<u>(30,556,133)</u>	(35)	<u>(79,671,350)</u>	<u>(60,393,363)</u>	(32)
Total operating expenses	<u>(816,271,503)</u>	<u>(787,289,874)</u>	(4)	<u>(1,623,165,499)</u>	<u>(1,323,882,027)</u>	(23)
Operating Profit before Taxes on Financial Services	<u>347,445,899</u>	<u>643,317,778</u>	(46)	<u>702,163,670</u>	<u>755,200,707</u>	(7)
Taxes on financial services	(97,289,306)	(112,515,462)	14	(224,118,613)	(156,705,779)	(43)
Operating Profit after Taxes on Financial Services	<u>250,156,593</u>	<u>530,802,316</u>	(53)	<u>478,045,057</u>	<u>598,494,928</u>	(20)
Share of profit/(loss) from associates	<u>11,934,497</u>	<u>1,065,349</u>	1,020	<u>21,735,867</u>	<u>126,955</u>	17,021
Profit before Taxation from Operations	<u>262,091,090</u>	<u>531,867,665</u>	(51)	<u>499,780,924</u>	<u>598,621,883</u>	(17)
Provision for income taxation	<u>(93,844,536)</u>	<u>(197,042,997)</u>	52	<u>(258,971,226)</u>	<u>(226,590,850)</u>	(14)
Profit for the Period	<u>168,246,554</u>	<u>334,824,668</u>	(50)	<u>240,809,698</u>	<u>372,031,033</u>	(35)
Profit attributable to :						
Equity holders of the Company	160,897,772	330,557,203	(51)	226,539,944	364,351,130	(38)
Non controlling interest	<u>7,348,782</u>	<u>4,267,465</u>	72	<u>14,269,754</u>	<u>7,679,903</u>	86
Profit for the Period	<u>168,246,554</u>	<u>334,824,668</u>	(50)	<u>240,809,698</u>	<u>372,031,033</u>	(35)
Basic/ Diluted earnings per share (Annualised)	19.97	39.75		13.45	21.63	
Dividend Per Share paid (Rs./Cts.)	8.00	5.50		8.00	5.50	

Alliance Finance Company PLC

Statement of Comprehensive Income - Company

For the period ended 30th September	For the Quarter ended			For the Six months ended		
	2022	2021	Variance %	2022	2021	Variance %
	(unaudited) Rs.	(unaudited) Rs.		(unaudited) Rs.	(unaudited) Rs.	
Profit for the period	<u>147,867,237</u>	<u>323,120,706</u>	(54)	<u>204,642,795</u>	<u>350,863,842</u>	(42)
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	68,826,213	13,368,189	415	24,560,351	1,540,072	1,495
Net Other Comprehensive Income not be Classified to Profit or Loss	<u>68,826,213</u>	<u>13,368,189</u>	415	<u>24,560,351</u>	<u>1,540,072</u>	1,495
Total Comprehensive Income for the period	<u>216,693,450</u>	<u>336,488,895</u>	(36)	<u>229,203,146</u>	<u>352,403,914</u>	(35)

Alliance Finance Company PLC

Statement of Comprehensive Income - Group

For the period ended 30th September	For the Quarter ended			For the Six months ended		
	2022	2021	Variance %	2022	2021	Variance %
	(unaudited) Rs.	(unaudited) Rs.		(unaudited) Rs.	(unaudited) Rs.	
Profit for the period	<u>168,246,554</u>	<u>334,824,668</u>	(50)	<u>240,809,698</u>	<u>372,031,033</u>	(35)
Other Comprehensive Income						
Equity investments at FVOCI -net change in fair value & realized profit/ (loss) to retained earnings	68,826,213	13,368,189	415	24,560,351	1,540,072	1,495
Net Other Comprehensive Income not be Classified to Profit or Loss	<u>68,826,213</u>	<u>13,368,189</u>	415	<u>24,560,351</u>	<u>1,540,072</u>	1,495
Total Comprehensive Income for the period	<u>237,072,767</u>	<u>348,192,857</u>	(32)	<u>265,370,049</u>	<u>373,571,105</u>	(29)
Attributable to:						
Equity holders of the company	229,723,984	343,925,392	(33)	251,100,295	365,891,202	(31)
Non controlling interest	<u>7,348,783</u>	<u>4,267,465</u>	72	<u>14,269,754</u>	<u>7,679,903</u>	86
Total Comprehensive Income for the period	<u>237,072,767</u>	<u>348,192,857</u>	(32)	<u>265,370,049</u>	<u>373,571,105</u>	(29)


Alliance Finance Company PLC
Statement of Financial Position

As at	Company			Group		
	30.09.2022 Rs. (unaudited)	31.03.2022 Rs. (audited)	Variance %	30.09.2022 Rs. (unaudited)	31.03.2022 Rs. (audited)	Variance %
Assets						
Cash and cash equivalents	623,071,717	795,260,944	(22)	697,501,752	898,748,640	(22)
Repurchase agreements	-	250,000,000	(100)	-	250,000,000	(100)
Placements with banks & financial institutions	1,069,932,873	287,925,208	272	1,072,532,873	287,925,208	273
Financial assets recognised through profit or loss	2,170,355,143	1,502,280,225	44	2,170,355,143	1,502,280,225	44
Loans and advances - at amortised cost	17,745,334,305	14,797,772,357	20	17,745,334,305	14,797,772,357	20
Lease rentals receivable & stock out on hire - at amortised cost	24,926,888,942	25,503,747,256	(2)	24,926,888,942	25,503,747,256	(2)
Financial assets- fair value through other comprehensive income	205,004,055	184,720,884	11	205,004,055	184,720,884	11
Other trading stocks	209,738,669	392,525,744	(47)	209,738,669	392,525,744	(47)
Other financial assets	567,881,368	636,340,449	(11)	554,397,731	630,656,592	(12)
Other non financial assets	227,529,197	243,886,129	(7)	228,004,521	244,361,452	(7)
Derivative financial assets	-	82,923,194	(100)	-	82,923,194	(100)
Investments in associates	71,574,214	49,838,348	44	104,828,711	83,092,843	26
Investments in subsidiaries	16,924,038	16,924,038	-	-	-	-
Investment property	159,590,100	159,590,100	-	245,250,516	245,250,516	0
Property, plant & equipment	2,524,414,580	2,502,324,245	1	2,525,287,155	2,503,442,359	1
Intangible assets	136,468,015	126,715,431	8	136,837,248	127,180,497	8
Right of use asset	340,267,779	397,784,021	(14)	340,267,779	397,784,021	(14)
Deferred tax assets	209,679,475	209,679,475	-	210,485,254	210,485,254	-
Total Assets	51,204,654,470	48,140,238,048	6	51,372,714,654	48,342,897,042	6
Liabilities						
Due to banks	23,965,617,502	22,558,061,981	6	23,981,436,126	22,558,061,981	6
Due to depositors - at amortised cost	17,571,784,835	14,681,375,682	20	17,483,524,000	14,681,375,682	19
Debt instruments issued and other borrowed funds	550,000,000	867,759,553	(37)	550,000,000	867,759,553	(37)
Other financial liabilities	1,198,713,561	1,670,249,511	(28)	1,230,196,710	1,704,808,662	(28)
Other non financial liabilities	53,725,208	184,106,172	(71)	53,725,208	184,106,173	(71)
Derivative financial liabilities	15,233,399	-	100	15,233,399	-	100
Income tax liabilities	566,744,912	865,153,792	(34)	575,340,868	869,537,847	(34)
Retirement benefit liabilities	131,097,221	121,428,671	8	134,535,346	124,326,196	8
Deferred tax liabilities	510,728,430	510,728,430	-	510,728,430	510,728,430	-
Total Liabilities	44,563,645,068	41,458,863,792	7	44,534,720,087	41,500,704,524	7
Shareholders' Funds						
Stated capital	613,980,000	613,980,000	-	613,980,000	613,980,000	-
Retained earnings	3,438,151,875	3,500,238,368	(2)	3,548,388,478	3,588,577,822	(1)
Reserves	2,588,877,527	2,567,155,888	1	2,588,877,527	2,567,155,888	1
Total Equity Attributable to Equity Holders of the Company	6,641,009,402	6,681,374,256	(1)	6,751,246,005	6,769,713,710	(0)
Non controlling interest	-	-	-	86,748,562	72,478,808	20
Total Equity	6,641,009,402	6,681,374,256	(1)	6,837,994,567	6,842,192,518	(0)
Total Liabilities and Shareholders' Funds						
Funds	51,204,654,470	48,140,238,048	6	51,372,714,654	48,342,897,042	6
Contingent Liabilities and Commitments	824,535,999	38,415,571	-	824,535,999	38,415,571	-
Net assets value per share (Rs.)	197	198	-	200	201	-

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

Certification

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



 Dimuthu Tillekeratne
 Head of Finance
 15-Nov-22
 Colombo



 Kusal Jayawardana
 Deputy Managing Director



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

Alliance Finance Company PLC
Statement of Changes in Equity

Company	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	General Reserve	FVOCI	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2021 (Audited)	613,980,000	904,081,009	1,556,017,602	388,258,055	58,527,420	-	2,295,549,890	5,816,413,976
Profit for the period	-	-	-	-	-	-	350,863,842	350,863,842
Other comprehensive income, net of tax								
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	1,540,073	-	-	1,540,073
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	19,761,547	-	(19,761,547)	-
Net asset adjustment - Associate Company	-	-	-	-	-	-	(3,864,484)	(3,864,484)
Dividend paid	-	-	-	-	-	-	(185,328,000)	(185,328,000)
Balances as at 30th September 2021	613,980,000	904,081,009	1,556,017,602	388,258,055	79,829,040	-	2,437,459,701	5,979,625,407
Balance as at 1st April 2022 (Audited)	613,980,000	977,236,040	1,223,390,151	388,258,055	(21,728,358)	-	3,500,238,368	6,681,374,256
Profit for the period	-	-	-	-	-	-	204,642,795	204,642,795
Other comprehensive income, net of tax								
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	24,560,351	-	-	24,560,351
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	(2,838,712)	-	2,838,712	-
Dividend paid	-	-	-	-	-	-	(269,568,000)	(269,568,000)
Balances as at 30th September 2022	613,980,000	977,236,040	1,223,390,151	388,258,055	(6,719)	-	3,438,151,875	6,641,009,402

Alliance Finance Company PLC
Statement of Changes in Equity

Group	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	General Reserve	FVOCI	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2021 (Audited)	613,980,000	904,081,009	1,556,017,602	388,258,055	58,527,421	53,955,005	2,374,274,468	5,949,093,560
Profit for the period	-	-	-	-	-	7,679,903	364,351,130	372,031,033
Other comprehensive income, net of tax -								
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	1,540,073	-	-	1,540,073
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	19,761,547	-	(19,761,547)	-
Net Asset adjustment - Associate Company	-	-	-	-	-	-	(20,372,400)	(20,372,400)
Dividend paid	-	-	-	-	-	-	(185,328,000)	(185,328,000)
Balances as at 30th September 2021	613,980,000	904,081,009	1,556,017,602	388,258,055	79,829,041	61,634,908	2,513,163,651	6,116,964,266
Balance as at 1st April 2022 (Audited)	613,980,000	977,236,040	1,223,390,151	388,258,055	(21,728,358)	72,478,808	3,588,577,822	6,842,192,518
Profit for the period	-	-	-	-	-	14,269,754	226,539,944	240,809,698
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	-	-	-	-	24,560,351	-	-	24,560,351
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	(2,838,712)	-	2,838,712	-
Dividend paid	-	-	-	-	-	-	(269,568,000)	(269,568,000)
Balances as at 30th September 2022	613,980,000	977,236,040	1,223,390,151	388,258,055	(6,719)	86,748,562	3,548,388,478	6,837,994,567

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 September	Company		Group	
	2022	2021	2022	2021
Cash Flows From / (Used in) Operating Activities	Rs.	Rs.	Rs.	Rs.
Profit before Income Tax Expense	447,545,566	570,591,720	499,780,924	598,621,883
Adjustments for;				
Depreciation of property, plant & equipment	73,483,267	54,871,714	73,728,807	54,965,086
Amortization of intangible assets	5,846,710	5,428,277	5,942,543	5,428,277
Amortization of Right of use asset	57,516,242	40,677,690	57,516,242	40,677,690
Impairment (reversal)/provision	349,384,904	348,951,030	349,384,904	348,951,070
Interest on fixed deposits, commercial paper & treasury bills	(84,186,319)	(45,810,948)	(87,839,326)	(47,743,856)
(Profit) /loss on sale of securities		-		-
Fair value (gain)/loss on equity investments (FVTPL)		(275,394)		(275,394)
Bad debt written-off	79,894,069	21,966,082	79,894,069	21,966,082
Diminution/(appreciation) in value of treasury bonds	2,753,591	(20,017)	2,753,591	(20,017)
Loss/(profit) on disposal of property, plant & equipment	(8,240,496)	1,055,212	(8,240,496)	1,055,212
Profit from sale of vehicle	(13,204,352)		(13,204,352)	
Provision/(reversal) for defined benefit plans	27,000,000	15,000,000	27,540,601	15,482,680
Dividend received	(11,483,685)	(8,150,916)	(14,632,815)	(8,150,916)
Share of loss/(profit) from associates	(21,735,867)	(126,955)	(21,735,867)	(126,955)
Operating Profit before Working Capital Changes	904,573,630	1,004,157,495	950,888,825	1,030,830,842
(Increase)/decrease in trading stock	12,979,427	(141,447,960)	12,979,427	(141,447,960)
(Increase)/decrease in loans and advances	(3,250,154,967)	(3,895,780,360)	(3,250,154,967)	(3,895,812,210)
(Increase)/decrease in lease rentals receivable & stock out on hire	450,172,359	(1,067,589,884)	450,172,359	(1,067,589,884)
(Increase)/decrease in fixed deposits & repo	(532,007,665)	473,352,336	(534,607,665)	473,352,336
(Increase)/decrease in other financial assets	68,459,081	(123,931,988)	76,258,861	(131,948,853)
(Increase)/decrease in other non financial assets	85,730,371	(94,980,631)	85,730,370	(94,980,631)
Increase/(decrease) in derivative financial liabilities	98,156,593	(17,878,373)	98,156,593	(17,878,373)
Increase/(decrease) in amounts due to depositors	2,890,409,153	1,024,266,423	2,802,148,318	1,024,266,423
Increase/(decrease) in other financial liabilities	(471,535,946)	221,681,216	(474,611,952)	209,196,430
Increase/(decrease) in other non financial liabilities	(130,380,964)	(11,024,042)	(130,380,964)	(11,024,042)
Cash generated from/(used in) Operations	126,401,072	(2,629,175,768)	86,579,205	(2,623,035,922)
Retirement benefit liabilities paid	(17,331,450)	(3,190,644)	(17,331,450)	(3,190,644)
Taxes paid	(541,311,650)	(495,024,960)	(553,168,204)	(501,203,412)
Net cash generated from/(used in) operating activities	(432,242,028)	(3,127,391,372)	(483,920,449)	(3,127,429,978)
Cash Flows from / (Used in) Investing Activities				
Acquisition of property, plant & equipment	(100,736,456)	(33,456,803)	(100,736,457)	(35,860,106)
Acquisition of right of use assets	(5,816,000)	(22,215,000)	(5,816,000)	(22,215,000)
Acquisition of Intangible Assets	(15,599,294)	(4,154,903)	(15,599,294)	(4,729,900)
Investment in unquoted equities				(954,940)
Proceeds from sales of property, plant & equipment	13,403,350	296,500	13,403,350	296,500
Proceeds from sales of vehicles	183,012,000		183,012,000	
Net sales/ (purchases) of financial assets -FVTPL/FVTOCI	(666,551,329)	380,175,133	(666,551,329)	380,175,133
Dividend received	11,483,685	8,150,916	14,632,815	8,150,916
Interest on fixed deposits, commercial paper & treasury bills	84,186,319	45,810,948	87,839,326	47,743,856
Net Cash Generated from Investing Activities	(496,617,725)	374,606,791	(489,815,589)	372,606,459
Cash Flows from / (Used in) Financing Activities				
Settlement of operating lease liabilities	(63,557,439)	(44,021,331)	(63,557,439)	(44,021,331)
Increase in borrowed funds	(317,759,553)	-	(317,759,553)	-
Net increase /(decrease) in other borrowings	793,414,192	3,607,827,709	793,414,192	3,634,198,979
Net increase /(decrease) in finance lease		-		-
Dividend paid	(269,568,000)	(185,328,000)	(269,568,000)	(185,328,000)
Net Cash Generated from/(Used in) Financing Activities	142,529,200	3,378,478,378	142,529,200	3,404,849,648
Net Increase/(Decrease) in Cash and Cash Equivalents	(786,330,553)	625,693,797	(831,206,838)	650,026,129
Cash and cash equivalents at the beginning of the year	429,792,059	587,405,946	533,279,755	637,840,498
Cash and cash equivalents at the end of the year	(356,538,494)	1,213,099,743	(297,927,083)	1,287,866,627
Movement in Cash and Cash Equivalent	(786,330,553)	625,693,797	(831,206,838)	650,026,129

Note : Reporting cash flows from operating activities

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

Alliance Finance Company PLC

Fair Value Hierarchy

Company

Financial assets

	Fair Value Measurement using			Total Rs.
	Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs	
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	
As at 30th September 2022				
Financial assets - Fair value through profit and loss				
Government of Sri Lanka treasury bills	-	2,170,355,143	-	2,170,355,143
Financial assets - Fair value through Other Comprehensive Income				
Quoted Investments	204,424,805	-	-	204,424,805
Unquoted Investments	-	-	579,250	579,250
	<u>204,424,805</u>	<u>2,170,355,143</u>	<u>579,250</u>	<u>2,375,359,198</u>
Liabilities				
Due to Depositors	-	17,571,784,835	-	17,571,784,835
Due to Banks	-	23,965,617,502	-	23,965,617,502
Derivative financial liabilities	-	15,233,399	-	15,233,399
	<u>-</u>	<u>41,552,635,736</u>	<u>-</u>	<u>41,552,635,736</u>

As at 30th September 2021

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

Government of Sri Lanka treasury bills	-	640,350,422	-	640,350,422
Government of Sri Lanka treasury bonds	-	108,665,985	-	108,665,985
Investments in Unit Trusts	-	-	-	-

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

Quoted Investments	253,249,488	-	-	253,249,488
Unquoted Investments	-	-	579,250	579,250
	<u>253,249,488</u>	<u>749,016,407</u>	<u>579,250</u>	<u>1,002,845,145</u>

Liabilities

Due to Depositors	-	13,943,052,901	-	13,943,052,901
Due to Banks	-	16,822,068,843	-	16,822,068,843
Derivative financial liabilities	-	-	-	-
	<u>-</u>	<u>30,765,121,744</u>	<u>-</u>	<u>30,765,121,744</u>

Alliance Finance Company PLC

ANALYSIS OF FINANCIAL STATEMENTS MEASUREMENT BASIS

Company

As at 30th September 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	-	623,071,717	-	623,071,717
Repurchase Agreements	-	-	-	-
Placement with banks and other financial institutions	-	1,069,932,873	-	1,069,932,873
Financial asset recognized through profit or loss	2,170,355,143	-	-	2,170,355,143
Loans and receivables-Amortized cost	-	17,745,334,305	-	17,745,334,305
Lease rental receivables at amortized cost	-	24,926,888,942	-	24,926,888,942
Financial asset recognized through other comprehensive income	-	-	205,004,055	205,004,055
Hire purchase and rental receivables amortized cost	-	-	-	-
Derivative financial assets	-	-	-	-
	<u>2,170,355,143</u>	<u>44,365,227,837</u>	<u>205,004,055</u>	<u>46,740,587,035</u>
Liabilities				
Due to Depositors	-	17,571,784,835	-	17,571,784,835
Due to Banks	-	23,965,617,502	-	23,965,617,502
Derivative financial liabilities	-	15,233,399	-	15,233,399
	-	<u>41,552,635,736</u>	-	<u>41,552,635,736</u>

As at 30th September 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	-	1,213,099,743	-	1,213,099,743
Repurchase agreements	428,248,827	-	-	428,248,827
Placement with banks and other financial institutions	-	292,167,461	-	292,167,461
Financial asset recognized through profit or loss	749,016,407	-	-	749,016,407
Loans and receivables-Amortized cost	-	10,215,765,056	-	10,215,765,056
Lease rental receivables at amortized cost	-	20,985,186,180	-	20,985,186,180
Financial asset recognized through other comprehensive income	-	-	253,828,738	253,828,738
Hire purchase and rental receivables amortized cost	-	5,543,557	-	5,543,557
Derivative financial assets	-	4,332,823	-	4,332,823
	<u>1,177,265,234</u>	<u>32,716,094,820</u>	<u>253,828,738</u>	<u>34,147,188,792</u>
Liabilities				
Due to Depositors	-	13,943,052,901	-	13,943,052,901
Due to Banks	-	16,822,068,851	-	16,822,068,851
Derivative financial liabilities	-	-	-	-
	-	<u>30,765,121,752</u>	-	<u>30,765,121,752</u>

Alliance Finance Company PLC

Notes to the Financial Statements

For Six Month Ended 30th September 2022

SEGMENT REPORT

30th September 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	8,260,295,430	1,446,695,080	1,223,380,160	17,622,965	14,632,815	230,881,011	11,437,697	182,366,080	11,387,311,238
Total revenue	8,260,295,430	1,446,695,080	1,223,380,160	17,622,965	14,632,815	230,881,011	11,437,697	182,366,080	11,387,311,238
Total income	3,541,374,831	732,412,461	1,223,380,160	17,622,965	14,632,815	239,778,732	11,437,697	178,884,487	5,959,524,148
RESULTS									
Segment results	2,625,748,787	404,770,835	1,054,304,452	1,393,144	14,414,884	236,612,685	11,437,697	145,854,128	4,494,536,612
Unallocated company expenses									(947,068,917)
Operating profit									3,547,467,695
Interest expenses	(1,611,807,956)	(534,816,563)	(625,823,497)	(9,875,806)	(13,255,853)	(140,338,238)	(2,840,975)	(130,663,750)	(3,069,422,638)
Share of profits of associates before tax									21,735,867
Income taxes									(258,971,226)
Net Profit									240,809,698
OTHER INFORMATION									
Segment assets	24,926,889,006	8,271,030,702	9,678,468,697	152,731,055	205,004,055	2,170,355,141	43,936,232	2,020,737,499	47,469,152,387
Investment in associates									104,828,711
Unallocated company assets									3,798,733,556
Total assets									51,372,714,654
Segment liabilities	21,934,550,515	6,960,134,128	8,144,503,715	128,524,324	172,512,444	1,826,370,067	36,972,619	1,700,465,702	40,904,033,514
Unallocated company liabilities									3,630,686,573
Total liabilities									44,534,720,087

Alliance Finance Company PLC

Notes to the Financial Statements

For Six Month Ended 30th September 2021

SEGMENT REPORT

30th September 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	6,503,283,435	342,561,523	436,190,276	14,431,607	8,150,916	32,136,824	5,920,575	191,449,286	7,534,124,442
Total revenue	6,503,283,435	342,561,523	436,190,276	14,431,607	8,150,916	32,136,824	5,920,575	191,449,286	7,534,124,442
Total income	2,735,637,686	326,532,254	436,190,276	14,431,607	8,150,916	32,863,599	7,561,875	190,769,511	3,752,137,724
RESULTS									
Segment results	2,007,856,904	(228,696,129)	393,140,709	2,379,787	7,934,971	30,985,842	7,561,875	171,628,175	2,392,792,134
Unallocated company expenses									(603,523,167)
Operating profit									1,789,268,967
Interest expenses	(727,303,395)	(205,959,185)	(148,017,244)	(3,366,937)	(8,794,859)	(40,790,816)	(3,728,440)	(52,813,163)	(1,190,774,039)
Share of profits of associates before tax									126,955
Income taxes									(226,590,850)
Net Profit									372,031,033
OTHER INFORMATION									
Segment assets	20,990,729,737	5,944,195,518	4,271,931,049	97,173,304	253,828,738	1,177,265,234	107,606,645	1,524,242,581	34,366,972,806
Investment in associates									77,273,026
Unallocated company assets									4,581,454,954
Total assets									39,025,700,786
Segment liabilities	18,014,421,862	4,875,949,588	3,504,211,861	79,710,051	208,212,554	965,696,016	88,268,392	1,250,317,215	28,986,787,539
Unallocated company liabilities									3,921,948,981
Total liabilities									32,908,736,520

Alliance Finance Company PLC

Explanatory Notes

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

3 Expected Credit Loss Computation

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

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

4 Going Concern

In determining the basis of preparing the financial statements for the quarter ended 30th September 2022, the management has assessed the existing and anticipated effects of macro economic factor fluctuations on the Company and the management is in the view of appropriateness of the use of the going concern basis.

5 Commitments & Contingencies

	30th Sep 2022	31st March 2022
	Rs.	Rs.
Commitments & Contingencies	824,535,999	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 30th September 2022, that require disclosure in these Interim Financial Statements other than mentioned above.
- 7 During the quarter, there were no material changes in the composition of assets, liabilities and/or contingent liabilities, other than those disclosed above.
- 8 All known expenses including management fees and other similar expenses have been provided for the six months ended 30th September 2022.

Alliance Finance Company PLC
 Explanatory Notes (Continued.)

Selected Performance Indicators			
	30-09-22	30-09-21	
Capital Adequacy (%)			
Tier 1 Capital Adequacy Ratio (minimum 8.5% [7%- 2021])	11.37%	9.95%	
Total Capital Adequacy Ratio (minimum 12.5% [11%-2021])	14.62%	14.95%	
Capital Funds to Deposit Liabilities Ratio	32.23%	36.40%	
Profitability (%)			
Return on average shareholders funds (before tax) - Annualised	13.44%	19.35%	
Return on average assets (before tax) - Annualised	1.80%	3.13%	
Liquidity ('000)			
Required Minimum Amount of Liquid Assets	1,933,200	1,534,529	
Available Amount of Liquid Assets	2,488,355	2,558,385	
Required Minimum Amount of Government Securities	1,162,842	991,519	
Available Amount of Government Securities	1,574,582	1,167,057	
Quality of Loan Portfolio (%)			
	90 DPD	90 DPD	180 DPD
Gross Non-Performing Loans Ratio	15.66%	22.68%	7.12%
Net-Non-Performing Loans Ratio	11.52%	16.60%	1.42%

Alliance Finance Company PLC

Shareholders' Information

Market price per share

Quarter ended 01st July to 30th September	2022	2021
Highest Price	92.00	80.00
Lowest Price	47.50	59.10
Last Traded	72.90	65.20

Stated capital

As at 30th September 2022, the Stated Capital was Rs. 613,980,000/- comprising of 33,696,000 ordinary shares issued.

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

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

Twenty Largest Ordinary Shareholders as at 30th September 2022

No.	Name of Shareholder	No. of Shares	%
1	Mr.R.K.E.P. de Silva	11,635,291	34.53
2	Motor Service Station (Pvt) Ltd.,	4,576,553	13.58
3	Mrs D.M.E.P. Perera	2,501,443	7.42
4	Mr.D.F.W.S.K. Perera & Mr.D.F.W. Perera	1,381,536	4.10
5	Orient Hotels Ltd.,	1,358,323	4.03
6	Mrs.S.E. Canekeratne	612,268	1.82
7	Mr.D.L.S.R. Perera	553,556	1.64
8	Hatton National Bank PLC/Mr.K.R.E.M.Y.D.M.B. Jayasundara	486,687	1.44
9	Mrs.P.N. Weththasinghe	401,051	1.19
10	Mrs.C.R. de Silva	374,400	1.11
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	Hatton National Bank PLC/Mr.K.K. Shujeevan	282,565	0.84
15	Mrs.A.S. Wijewardena	259,200	0.77
16	Mr.G.P. Kapilasena	201,180	0.60
17	Mrs.K.G.G.S.L. Perera	201,066	0.60
18	Mrs.N.U. Silva	172,105	0.51
19	Mrs.C. Yogagopalakrishnan & Mrs.Y. Thirukumar	155,920	0.46
20	Mr.S.B.O. Illangakoon (Deceased)	145,560	0.43

Alliance Finance Company PLC

Shareholders' Information

Public Shareholding as at 30th September 2022

No of Shares	%
17,399,792	51.64

No of Shareholders

The percentage of ordinary shares held by the public as at 30th September 2022 was 51.64 and the number of shareholders representing the public holding was 1977.

Float Adjusted Market Capitalization

The Float adjusted market capitalization as at 30th September 2022 - Rs. 1,268,444,837- 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