



**Alliance Finance Co. PFC**

Make the world a better place through sustainable finance

A horizontal illustration showing a diverse group of people in various settings, including a family, a person working, and a group of people in a meeting, rendered in a light, sketchy style.

# POWERING

## THE SOCIO-ECONOMIC REVIVAL

**Financial Statements  
for the Six Months Ended  
30th September 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 30th September	For the Quarter ended			For the Six months ended		
	2023	2022	Variance %	2023	2022	Variance %
	(Unaudited) Rs.	(Unaudited) Rs.		(Unaudited) Rs.	(Unaudited) Rs.	
<b>Gross Income</b>	3,414,281,297	3,180,734,073	7	6,595,693,371	5,902,224,588	12
Interest income	3,226,251,410	3,055,498,652	6	6,291,289,728	5,613,236,377	12
Interest expenses	(1,879,869,781)	(1,832,797,264)	(3)	(3,919,456,641)	(3,075,566,457)	(27)
<b>Net Interest Income</b>	<u>1,346,381,629</u>	<u>1,222,701,388</u>	10	<u>2,371,833,087</u>	<u>2,537,669,920</u>	(7)
Fee and commission income	74,134,032	53,172,257	39	135,296,052	99,624,803	36
Fee and commission expenses	(58,886,704)	(66,644,124)	12	(108,863,271)	(135,493,368)	20
<b>Net Fee and Commission Income</b>	<u>15,247,328</u>	<u>(13,471,867)</u>	213	<u>26,432,781</u>	<u>(35,868,565)</u>	174
Net gain/(loss) from trading	5,673,022	6,064,441	(6)	10,860,859	28,545,873	(62)
Other operating income (net)	<u>108,222,833</u>	<u>65,998,723</u>	64	<u>158,246,732</u>	<u>160,817,535</u>	(2)
<b>Total Operating Income</b>	<u>1,475,524,812</u>	<u>1,281,292,685</u>	15	<u>2,567,373,459</u>	<u>2,691,164,763</u>	(5)
Impairment (charges) / reversal for loans and other losses	(146,453,907)	(150,443,106)	3	(288,033,105)	(429,278,973)	33
<b>Net Operating Income</b>	<u>1,329,070,905</u>	<u>1,130,849,579</u>	18	<u>2,279,340,354</u>	<u>2,261,885,790</u>	1
<b>Operating Expenses</b>						
Personnel expenses	(385,724,289)	(296,271,482)	(30)	(716,585,213)	(598,333,528)	(20)
Other operating expenses	(484,651,292)	(473,086,999)	(2)	(887,574,261)	(934,293,973)	5
Depreciation and amortization	(41,354,722)	(40,940,716)	(1)	(82,439,755)	(79,329,977)	(4)
<b>Total operating expenses</b>	<u>(911,730,303)</u>	<u>(810,299,197)</u>	(13)	<u>(1,686,599,229)</u>	<u>(1,611,957,478)</u>	(5)
<b>Operating Profit before Taxes on Financial Services</b>	<u>417,340,602</u>	<u>320,550,382</u>	30	<u>592,741,125</u>	<u>649,928,312</u>	(9)
Taxes on financial services	(153,072,416)	(97,289,306)	(57)	(216,261,135)	(224,118,613)	4
<b>Operating Profit after Taxes on Financial Services</b>	<u>264,268,186</u>	<u>223,261,076</u>	18	<u>376,479,990</u>	<u>425,809,699</u>	(12)
Share of profit/(loss) from associates	<u>5,214,510</u>	<u>11,934,497</u>	(56)	<u>9,735,718</u>	<u>21,735,867</u>	(55)
<b>Profit before Taxation from Operations</b>	<u>269,482,696</u>	<u>235,195,573</u>	15	<u>386,215,708</u>	<u>447,545,566</u>	(14)
Provision for income taxation	(126,041,797)	(87,328,336)	(44)	(177,659,226)	(242,902,771)	27
<b>Profit for the Period</b>	<u><u>143,440,899</u></u>	<u><u>147,867,237</u></u>	(3)	<u><u>208,556,482</u></u>	<u><u>204,642,795</u></u>	2
Basic/ Diluted earnings per share (Annualised)	17.03	17.55		12.38	12.15	
Dividend Per Share paid	5.00	8.00		5.00	8.00	

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			
	2023		2022	2023		2022	Variance %
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)		
	Rs.	Rs.		Rs.	Rs.		
<b>Gross Income</b>	3,443,820,569	3,207,458,076	7	6,651,948,839	5,959,524,148	12	
Interest income	3,230,064,855	3,057,289,288	6	6,298,942,755	5,616,889,384	12	
Interest expenses	(1,875,442,457)	(1,826,653,445)	(3)	(3,909,496,730)	(3,069,422,638)	(27)	
<b>Net Interest Income</b>	<u>1,354,622,398</u>	<u>1,230,635,843</u>	10	<u>2,389,446,025</u>	<u>2,547,466,746</u>	(6)	
Fee and commission income	94,321,917	72,105,799	31	176,771,782	143,393,062	23	
Fee and commission expenses	(59,290,729)	(66,644,124)	11	(109,589,087)	(135,493,368)	19	
<b>Net Fee and Commission Income</b>	<u>35,031,188</u>	<u>5,461,675</u>	541	<u>67,182,695</u>	<u>7,899,694</u>	750	
Net gain/(loss) from trading	6,887,527	6,212,491	11	11,066,141	30,409,668	(64)	
Other operating income (net)	<u>112,546,270</u>	<u>71,850,498</u>	57	<u>165,168,161</u>	<u>168,832,034</u>	(2)	
<b>Total Operating Income</b>	<u>1,509,087,383</u>	<u>1,314,160,507</u>	15	<u>2,632,863,022</u>	<u>2,754,608,142</u>	(4)	
Impairment (charges) / reversal for loans and other losses	(146,453,907)	(150,443,105)	3	(288,033,105)	(429,278,973)	33	
<b>Net Operating Income</b>	<u>1,362,633,476</u>	<u>1,163,717,402</u>	17	<u>2,344,829,917</u>	<u>2,325,329,169</u>	1	
<b>Operating Expenses</b>							
Personnel expenses	(389,563,506)	(353,163,286)	(10)	(724,169,937)	(658,234,054)	(10)	
Other operating expenses	(487,110,543)	(421,996,814)	(15)	(892,229,781)	(885,260,095)	(1)	
Depreciation and amortization	(41,525,209)	(41,111,403)	(1)	(82,780,728)	(79,671,350)	(4)	
<b>Total operating expenses</b>	<u>(918,199,258)</u>	<u>(816,271,503)</u>	(12)	<u>(1,699,180,446)</u>	<u>(1,623,165,499)</u>	(5)	
<b>Operating Profit before Taxes on Financial Services</b>	<u>444,434,218</u>	<u>347,445,899</u>	28	<u>645,649,471</u>	<u>702,163,670</u>	(8)	
Taxes on financial services	(153,072,416)	(97,289,306)	(57)	(216,261,135)	(224,118,613)	4	
<b>Operating Profit after Taxes on Financial Services</b>	<u>291,361,802</u>	<u>250,156,593</u>	16	<u>429,388,336</u>	<u>478,045,057</u>	(10)	
Share of profit/(loss) from associates	<u>5,214,510</u>	<u>11,934,497</u>	(56)	<u>9,735,718</u>	<u>21,735,867</u>	(55)	
<b>Profit before Taxation from Operations</b>	<u>296,576,312</u>	<u>262,091,090</u>	13	<u>439,124,054</u>	<u>499,780,924</u>	(12)	
Provision for income taxation	(134,166,954)	(93,844,536)	(43)	(193,508,719)	(258,971,226)	25	
<b>Profit for the Period</b>	<u>162,409,358</u>	<u>168,246,554</u>	(3)	<u>245,615,335</u>	<u>240,809,698</u>	2	
Profit attributable to :							
Equity holders of the Company	155,569,331	160,897,772	(3)	232,251,912	226,539,944	3	
Non controlling interest	<u>6,840,027</u>	<u>7,348,782</u>	(7)	<u>13,363,423</u>	<u>14,269,754</u>	(6)	
<b>Profit for the Period</b>	<u>162,409,358</u>	<u>168,246,554</u>	(3)	<u>245,615,335</u>	<u>240,809,698</u>	2	
Basic/ Diluted earnings per share (Annualised)	18.47	19.10		13.79	13.45		
Dividend Per Share paid	5.00	8.00		5.00	8.00		

## Alliance Finance Company PLC

### Statement of Comprehensive Income - Company

For the period ended 30th September	For the Quarter ended			For the Six months ended		
	2023	2022	Variance	2023	2022	Variance
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Rs.	Rs.	%	Rs.	Rs.	%	
<b>Profit for the period</b>	<u>143,440,899</u>	<u>147,867,237</u>	(3)	<u>208,556,482</u>	<u>204,642,795</u>	2
<b>Other Comprehensive Income</b>						
<b>Other Comprehensive Income not to be Reclassified to Profit or Loss</b>						
Equity investments at FVOCI -net change in fair value & realized profit/ (loss) to retained earnings	7,217,828	68,826,213	(90)	19,054,333	24,560,351	(22)
<b>Net Other Comprehensive Income not be Classified to Profit or Loss</b>	<u>7,217,828</u>	<u>68,826,213</u>	(90)	<u>19,054,333</u>	<u>24,560,351</u>	(22)
<b>Total Comprehensive Income for the period</b>	<u>150,658,727</u>	<u>216,693,450</u>	(30)	<u>227,610,815</u>	<u>229,203,146</u>	(1)

Alliance Finance Company PLC  
Statement of Comprehensive Income - Group

For the period ended 30th September	For the Quarter ended			For the Six months ended		
	2023	2022	Variance %	2023	2022	Variance %
	(Unaudited) Rs.	(Unaudited) Rs.		(Unaudited) Rs.	(Unaudited) Rs.	
<b>Profit for the period</b>	<u>162,409,358</u>	<u>168,246,554</u>	(3)	<u>245,615,335</u>	<u>240,809,698</u>	2
<b>Other Comprehensive Income</b>						
<b>Other Comprehensive Income not to be Reclassified to Profit or Loss</b>						
Equity investments at FVOCI -net change in fair value & realized profit/ (loss) to retained earnings	7,217,828	68,826,213	(90)	19,054,333	24,560,351	(22)
<b>Net Other Comprehensive Income not be Classified to Profit or Loss</b>	<u>7,217,828</u>	<u>68,826,213</u>	(90)	<u>19,054,333</u>	<u>24,560,351</u>	(22)
<b>Total Comprehensive Income for the period</b>	<u>169,627,186</u>	<u>237,072,767</u>	(28)	<u>264,669,668</u>	<u>265,370,049</u>	(0)
Attributable to:						
Equity holders of the company	162,787,159	229,723,984	(29)	251,306,245	251,100,295	0
Non controlling interest	<u>6,840,027</u>	<u>7,348,783</u>	(7)	<u>13,363,423</u>	<u>14,269,754</u>	(6)
<b>Total Comprehensive Income for the period</b>	<u>169,627,186</u>	<u>237,072,767</u>	(28)	<u>264,669,668</u>	<u>265,370,049</u>	(0)

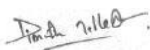
**Alliance Finance Company PLC**  
**Statement of Financial Position**

As at	Company			Group		
	30.09.2023 Rs. (Unaudited)	31.03.2023 Rs. (Audited)	Variance %	30.09.2023 Rs. (Unaudited)	31.03.2023 Rs. (Audited)	Variance %
<b>Assets</b>						
Cash and cash equivalents	1,066,594,597	566,946,383	88	1,213,644,063	624,723,130	94
Repurchase agreements	-	250,154,110	(100)	-	250,154,110	(100)
Placements with banks & financial institutions	4,478,019,684	4,905,611,281	(9)	4,502,326,064	4,919,075,748	(8)
Financial assets recognised through profit or loss	3,852,048,463	3,130,690,272	23	3,852,048,463	3,130,690,272	23
Loans and advances - at amortised cost	18,506,778,566	17,449,867,823	6	18,506,778,566	17,449,867,823	6
Lease rentals receivable & stock out on hire - at amortised cost	21,985,737,984	21,552,425,838	2	21,985,737,983	21,552,425,838	2
Financial assets- fair value through other comprehensive income	172,254,446	182,705,621	(6)	172,254,446	182,705,621	(6)
Other trading stocks	56,360,033	59,653,942	(6)	56,360,033	59,653,942	(6)
Other financial assets	422,445,259	415,454,128	2	406,418,085	417,933,228	(3)
Other non financial assets	180,297,350	173,787,786	4	183,805,916	174,283,305	5
Investments in associates	105,642,564	70,906,846	49	132,148,099	97,412,381	36
Investments in subsidiaries	16,924,038	16,924,038	-	-	-	-
Investment property	163,200,000	163,200,000	-	253,200,000	253,200,000	-
Property, plant & equipment	2,562,214,641	2,595,446,980	(1)	2,562,596,739	2,596,074,215	(1)
Intangible assets	149,785,561	139,188,404	8	149,963,128	139,461,804	8
Right of use asset	336,137,238	365,346,690	(8)	336,137,238	365,346,690	(8)
Deferred tax assets	209,616,679	209,616,678	0	210,498,250	210,498,249	0
<b>Total Assets</b>	<b>54,264,057,103</b>	<b>52,247,926,820</b>	<b>4</b>	<b>54,523,917,073</b>	<b>52,423,506,356</b>	<b>4</b>
<b>Liabilities</b>						
Due to banks	22,490,214,313	22,571,002,700	(0)	22,555,002,942	22,571,002,700	(0)
Due to depositors - at amortised cost	22,320,638,527	20,475,847,835	9	22,220,535,379	20,390,703,071	9
Other financial liabilities	1,292,821,427	883,998,853	46	1,330,024,459	919,990,176	45
Other non financial liabilities	96,495,595	87,430,045	10	96,495,595	88,295,194	9
Derivative financial liabilities	2,449,590	36,175,016	(93)	2,449,590	36,175,016	(93)
Income tax liabilities	517,177,062	708,410,305	(27)	527,450,085	722,146,198	(27)
Retirement benefit liabilities	48,556,941	48,489,232	0	51,538,229	50,962,873	1
Deferred tax liabilities	478,434,653	478,434,654	(0)	478,434,653	478,434,654	(0)
<b>Total Liabilities</b>	<b>47,246,788,108</b>	<b>45,289,788,640</b>	<b>4</b>	<b>47,261,930,932</b>	<b>45,257,709,882</b>	<b>4</b>
<b>Shareholders' Funds</b>						
Stated capital	613,980,000	613,980,000	-	613,980,000	613,980,000	-
Retained earnings	3,789,836,396	3,761,997,661	1	3,921,721,751	3,870,187,587	1
Reserves	2,613,452,599	2,582,160,519	1	2,613,452,599	2,582,160,519	1
<b>Total Equity Attributable to Equity Holders of the Company</b>	<b>7,017,268,995</b>	<b>6,958,138,180</b>	<b>1</b>	<b>7,149,154,350</b>	<b>7,066,328,106</b>	<b>1</b>
Non controlling interest	-	-	-	112,831,791	99,468,368	13
<b>Total Equity</b>	<b>7,017,268,995</b>	<b>6,958,138,180</b>	<b>1</b>	<b>7,261,986,141</b>	<b>7,165,796,474</b>	<b>1</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>54,264,057,103</b>	<b>52,247,926,820</b>	<b>4</b>	<b>54,523,917,073</b>	<b>52,423,506,356</b>	<b>4</b>
Contingent Liabilities and Commitments	813,334,890	857,880,137		813,334,890	857,880,137	
Net assets value per share (Rs.)	208	206		212	210	

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

**Certification**

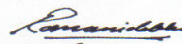
I certify that these Financial Statements are presented in compliance with the requirements of the Companies Act No. 07 of 2007.



W.A.D.D. Tillekeratne  
 AGM Finance  
 14-Nov-23  
 Colombo



W.P.K. 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 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	-	-	-	-	-	-	204,642,795	204,642,795
<b>Other comprehensive income, net of tax</b>								
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	-
Net asset adjustment - Associate Company	-	-	-	-	-	-	-	-
Transfer of realized profit on investment property disposal to retained earnings	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(269,568,000)	(269,568,000)
<b>Balances as at 30th September 2022</b>	<b>613,980,000</b>	<b>977,236,040</b>	<b>1,223,390,151</b>	<b>388,258,055</b>	<b>(6,719)</b>	<b>-</b>	<b>3,438,151,875</b>	<b>6,641,009,402</b>
<b>Balance as at 1st April 2023 (Audited)</b>	613,980,000	1,002,482,237	1,223,390,151	388,258,055	(31,969,924)	-	3,761,997,661	6,958,138,180
Profit for the period	-	-	-	-	-	-	208,556,482	208,556,482
<b>Other comprehensive income, net of tax</b>								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	-	-
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	19,054,333	-	-	19,054,333
Transfer of realized profit on equity instrument disposal to retained earnings	-	-	-	-	12,237,747	-	(12,237,747)	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(168,480,000)	(168,480,000)
<b>Balances as at 30th September 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>(677,844)</b>	<b>-</b>	<b>3,789,836,396</b>	<b>7,017,268,995</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 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	-	-	-	-	-	14,269,754	226,539,944	240,809,698
<b>Other comprehensive income, net of tax -</b>								
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	-
Net Asset adjustment - Associate Company	-	-	-	-	-	-	-	-
Transfer of realized profit on investment property disposal to retained earnings	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(269,568,000)	(269,568,000)
<b>Balances as at 30th September 2022</b>	<b>613,980,000</b>	<b>977,236,040</b>	<b>1,223,390,151</b>	<b>388,258,055</b>	<b>(6,719)</b>	<b>86,748,562</b>	<b>3,548,388,478</b>	<b>6,837,994,567</b>
<b>Balance as at 1st April 2023 (Audited)</b>	613,980,000	1,002,482,237	1,223,390,151	388,258,055	(31,969,924)	99,468,368	3,870,187,587	7,165,796,474
Profit for the period	-	-	-	-	-	13,363,423	232,251,912	245,615,335
<b>Other comprehensive income, net of tax -</b>								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	-	-
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	19,054,333	-	-	19,054,333
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	12,237,747	-	(12,237,747)	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(168,480,000)	(168,480,000)
<b>Balances as at 30th September 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>(677,844)</b>	<b>112,831,791</b>	<b>3,921,721,751</b>	<b>7,261,986,141</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 30th September	Company		Group	
	2023	2022	2023	2022
Cash Flows From / (Used in) Operating Activities	Rs.	Rs.	Rs.	Rs.
Profit before Income Tax Expense	386,215,708	447,545,566	439,124,054	499,780,924
<b>Adjustments for;</b>				
Depreciation of property, plant & equipment	76,982,584	73,483,267	77,227,724	73,728,807
Amortization of intangible assets	5,457,171	5,846,710	5,553,004	5,942,543
Amortization of Right of use asset	63,241,742	57,516,242	63,241,742	57,516,242
Interest expense on lease liability	19,269,248	-	19,269,248	-
Impairment (reversal)/provision	273,507,146	349,384,904	273,507,146	349,384,904
Interest on fixed deposits, commercial paper & treasury bills	(216,804,170)	(84,186,319)	(224,457,197)	(87,839,326)
Fair value (gain)/loss on equity investments (FVTPL)	(27,227,415)	-	(27,227,415)	-
Bad debt written-off	14,525,959	79,894,069	14,525,959	79,894,069
Diminution/(appreciation) in value of treasury bonds	-	2,753,591	-	2,753,591
Loss/(profit) on disposal of property, plant & equipment	(9,271,000)	(8,240,496)	(9,271,000)	(8,240,496)
Profit from sale of vehicle	(11,041,260)	(13,204,352)	(11,041,260)	(13,204,352)
Loss/(profit) on disposal of real estates	(3,665,871)	-	(3,665,871)	-
Provision/(reversal) for defined benefit plans	27,000,000	27,000,000	27,507,649	27,540,601
Dividend received	(4,215,247)	(11,483,685)	(6,349,879)	(14,632,815)
Share of loss/(profit) from associates	(9,735,718)	(21,735,867)	(9,735,718)	(21,735,867)
<b>Operating Profit before Working Capital Changes</b>	<b>584,238,877</b>	<b>904,573,630</b>	<b>628,208,186</b>	<b>950,888,825</b>
(Increase)/decrease in trading stock	(331,122)	12,979,427	(331,122)	12,979,427
(Increase)/decrease in loans and advances	(1,209,228,238)	(3,250,154,967)	(1,209,228,238)	(3,250,154,967)
(Increase)/decrease in lease rentals receivable & stock out on hire	(569,979,662)	450,172,359	(569,979,661)	450,172,359
(Increase)/decrease in hire purchase rentals receivable & stock out on hire	951,905	-	951,906	-
(Increase)/decrease in fixed deposits & repo	677,745,707	(532,007,665)	666,903,793	(534,607,665)
(Increase)/decrease in other financial assets	(6,991,132)	68,459,081	11,515,142	76,258,861
(Increase)/decrease in other non financial assets	50,200,757	85,730,371	27,918,460	85,730,370
Increase/(decrease) in derivative financial liabilities	(33,725,426)	98,156,593	(33,725,426)	98,156,593
Increase/(decrease) in amounts due to depositors	1,844,790,692	2,890,409,153	1,829,832,308	2,802,148,318
Increase/(decrease) in other financial liabilities	389,553,326	(471,535,946)	410,034,283	(474,611,952)
Increase/(decrease) in other non financial liabilities	9,065,550	(130,380,964)	8,200,401	(130,380,964)
<b>Cash generated from/(used in) Operations</b>	<b>1,736,291,234</b>	<b>126,401,072</b>	<b>1,770,300,032</b>	<b>86,579,205</b>
Retirement benefit liabilities paid	(26,932,291)	(17,331,450)	(26,932,291)	(17,331,450)
Taxes paid	(368,892,469)	(541,311,650)	(388,204,833)	(553,168,204)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,340,466,474</b>	<b>(432,242,028)</b>	<b>1,355,162,908</b>	<b>(483,920,449)</b>
<b>Cash Flows from / (Used in) Investing Activities</b>				
Acquisition of property, plant & equipment	(54,329,245)	(100,736,456)	(54,329,248)	(100,736,457)
Acquisition of right of use assets	(7,030,000)	(5,816,000)	(7,030,000)	(5,816,000)
Acquisition of Intangible Assets	(16,054,328)	(15,599,294)	(16,054,328)	(15,599,294)
Investment in associates	(25,000,000)	-	(25,000,000)	-
Proceeds from sales of property, plant & equipment	19,850,000	13,403,350	19,850,000	13,403,350
Proceeds from sales of vehicles	18,332,162	183,012,000	18,332,162	183,012,000
Net sales/ (purchases) of financial assets -FVTPL/FVTOCI	(664,625,268)	(666,551,329)	(664,625,268)	(666,551,329)
Dividend received	4,215,247	11,483,685	6,349,879	14,632,815
Interest on fixed deposits, commercial paper & treasury bills	216,804,170	84,186,319	224,457,197	87,839,326
<b>Net Cash Generated from Investing Activities</b>	<b>(507,837,262)</b>	<b>(496,617,725)</b>	<b>(498,049,606)</b>	<b>(489,815,589)</b>
<b>Cash Flows from / (Used in) Financing Activities</b>				
Settlement of operating lease liabilities	(83,712,611)	(63,557,439)	(83,712,611)	(63,557,439)
Increase in borrowed funds	-	(317,759,553)	-	(317,759,553)
Net increase / (decrease) in other borrowings	242,253,635	793,414,192	242,253,635	793,414,192
Dividend paid	(168,480,000)	(269,568,000)	(168,480,000)	(269,568,000)
<b>Net Cash Generated from/(Used in) Financing Activities</b>	<b>(9,938,976)</b>	<b>142,529,200</b>	<b>(9,938,976)</b>	<b>142,529,200</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>822,690,236</b>	<b>(786,330,553)</b>	<b>847,174,326</b>	<b>(831,206,838)</b>
Cash and cash equivalents at the beginning of the year	(2,952,136,234)	429,792,059	(2,894,359,487)	533,279,755
Cash and cash equivalents at the end of the year	(2,129,445,998)	(356,538,494)	(2,047,185,161)	(297,927,083)
<b>Movement in Cash and Cash Equivalent</b>	<b>822,690,236</b>	<b>(786,330,553)</b>	<b>847,174,326</b>	<b>(831,206,838)</b>

**Note : Reporting cash flows from operating activities**

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

## Alliance Finance Company PLC

### Fair Value Hierarchy

Company

Financial assets

	Fair Value Measurement using			Total Rs.
	Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs	
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	
<b>As at 30th September 2023</b>				
<b>Financial assets - Fair value through profit and loss</b>				
Government of Sri Lanka treasury bills	-	3,416,864,188	-	3,416,864,188
Government of Sri Lanka treasury bonds	-	51,330,770	-	51,330,770
Quoted Investments	-	383,853,505	-	383,853,505
<b>Financial assets - Fair value through Other Comprehensive Income</b>				
Quoted Investments	171,675,196	-	-	171,675,196
Unquoted Investments	-	-	579,250	579,250
	<u>171,675,196</u>	<u>3,852,048,463</u>	<u>579,250</u>	<u>4,024,302,909</u>
<b>Liabilities</b>				
Due to Depositors	-	22,320,638,527	-	22,320,638,527
Due to Banks	-	22,490,214,313	-	22,490,214,313
Derivative financial liabilities	-	2,449,590	-	2,449,590
	-	<u>44,813,302,430</u>	-	<u>44,813,302,430</u>
<b>As at 30th September 2022</b>				
<b>Financial assets - Fair value through profit and loss</b>				
Government of Sri Lanka treasury bills	-	2,170,355,143	-	2,170,355,143
<b>Financial assets - Fair value through Other Comprehensive Income</b>				
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>
<b>Liabilities</b>				
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>

**Alliance Finance Company PLC**
**ANALYSIS OF FINANCIAL STATEMENTS MEASUREMENT BASIS**
**Company**
**As at 30th September 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	-	1,066,594,597	-	1,066,594,597
Repurchase Agreements	-	-	-	-
Placement with banks and other financial institutions	-	4,478,019,684	-	4,478,019,684
Financial asset recognized through profit or loss	3,852,048,463	-	-	3,852,048,463
Loans and receivables-Amortized cost	-	18,506,778,566	-	18,506,778,566
Lease rental receivables at amortized	-	21,985,737,984	-	21,985,737,984
Financial asset recognized through other comprehensive income	-	-	172,254,446	172,254,446
Derivative financial assets	-	-	-	-
	<u>3,852,048,463</u>	<u>46,037,130,831</u>	<u>172,254,446</u>	<u>50,061,433,740</u>
<b>Liabilities</b>				
Due to Depositors	-	22,320,638,527	-	22,320,638,527
Due to Banks	-	22,490,214,313	-	22,490,214,313
Derivative Financial Liabilities	-	2,449,590	-	2,449,590
	-	<u>44,813,302,430</u>	-	<u>44,813,302,430</u>

**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.
<b>Asset</b>				
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	-	24,926,888,942	-	24,926,888,942
Financial asset recognized through other comprehensive income	-	-	205,004,055	205,004,055
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>
<b>Liabilities</b>				
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>

## Alliance Finance Company PLC

### SEGMENT REPORT

30th September 2023 - Group	Leasing & Hire Purchase	Loans	Gold Loans	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>									
External sales	8,138,792,449	2,066,593,508	1,656,789,296	19,637,552	6,349,879	350,136,892	9,669,103	288,535,660	12,536,504,339
<b>Total revenue</b>	<b>8,138,792,449</b>	<b>2,066,593,508</b>	<b>1,656,789,296</b>	<b>19,637,552</b>	<b>6,349,879</b>	<b>350,136,892</b>	<b>9,669,103</b>	<b>288,535,660</b>	<b>12,536,504,339</b>
Total income	3,265,829,885	1,051,492,412	1,656,789,296	19,637,552	6,349,879	358,074,207	9,669,103	284,106,505	6,651,948,839
<b>RESULTS</b>									
<b>Segment results</b>	<b>2,569,301,346</b>	<b>788,301,275</b>	<b>1,433,803,661</b>	<b>1,548,472</b>	<b>6,099,576</b>	<b>354,132,296</b>	<b>9,669,103</b>	<b>269,633,343</b>	<b>5,432,489,072</b>
Unallocated company expenses									(1,093,604,006)
Operating profit									4,338,885,066
Interest expenses	(1,719,367,425)	(742,293,643)	(718,501,784)	(11,954,122)	(43,489,730)	(271,225,891)	(3,013,669)	(399,650,466)	(3,909,496,730)
Share of profits of associates before tax									9,735,718
Income taxes									(193,508,719)
<b>Net Profit</b>									<b>245,615,335</b>
<b>OTHER INFORMATION</b>									
Segment assets	21,985,738,042	9,491,789,404	9,187,560,368	152,858,667	556,107,951	3,468,194,958	38,536,095	5,110,373,944	49,991,159,429
Investment in associates									132,148,099
Unallocated company assets									4,400,609,545
<b>Total assets</b>									<b>54,523,917,073</b>
Segment liabilities	19,503,567,263	8,037,547,201	7,779,929,258	129,439,107	470,906,350	2,936,830,927	32,631,959	4,327,410,729	43,218,262,794
Unallocated company liabilities									4,043,668,138
<b>Total liabilities</b>									<b>47,261,930,932</b>

## Alliance Finance Company PLC

### 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.
<b>REVENUE</b>									
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
<b>Total revenue</b>	<b>8,260,295,430</b>	<b>1,446,695,080</b>	<b>1,223,380,160</b>	<b>17,622,965</b>	<b>14,632,815</b>	<b>230,881,011</b>	<b>11,437,697</b>	<b>182,366,080</b>	<b>11,387,311,238</b>
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
<b>RESULTS</b>									
<b>Segment results</b>	<b>2,625,748,787</b>	<b>404,770,835</b>	<b>1,054,304,452</b>	<b>1,393,144</b>	<b>14,414,884</b>	<b>236,612,685</b>	<b>11,437,697</b>	<b>145,854,128</b>	<b>4,494,536,612</b>
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)
<b>Net Profit</b>									<b>240,809,698</b>
<b>OTHER INFORMATION</b>									
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
<b>Total assets</b>									<b>51,372,714,654</b>
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
<b>Total liabilities</b>									<b>44,534,720,087</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 these 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.

#### 4 Going Concern

In determining the basis of preparing the Financial Statements for the quarter ended 30th September 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

	30th Sep 2023	31st March 2023
	Rs.	Rs.
Commitments & Contingencies	813,334,890	857,880,137

Commitments & Contingencies represent the financial guarantees issued by the company and the value of the tax assessments issued by the Department of Inland Revenue. The Company has formally objected to 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 Changes in Board of Directors

##### Appointment of Directors

Mr. Michael Joseph Benedict, Executive Director - Recoveries appointed to the Board with effect from 01st September 2023.

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

Alliance Finance Company PLC  
 Explanatory Notes (Continued.)

Selected Performance Indicators		
	9/30/2023	9/30/2022
<b>Capital Adequacy (%)</b>		
Tier 1 Capital Adequacy Ratio (minimum 8.5%)	11.08%	11.37%
Total Capital Adequacy Ratio (minimum 12.5%)	14.56%	14.62%
Capital Funds to Deposit Liabilities Ratio	26.95%	32.23%
<b>Profitability (%)</b>		
Return on average shareholders funds (before tax)	11.05%	13.44%
Return on average assets (before tax)	1.45%	1.80%
<b>Liquidity ('000)</b>		
Required Minimum Amount of Liquid Assets	2,295,058	1,933,200
Available Amount of Liquid Assets	3,975,104	2,488,355
Required Minimum Amount of Government Securities	1,455,886	1,162,842
Available Amount of Government Securities	3,414,669	1,574,582
<b>Quality of Loan Portfolio (%)</b>		
	<u>90 DPD</u>	<u>90 DPD</u>
Gross Non-Performing Loans Ratio	17.16%	15.66%
Net-Non-Performing Loans Ratio	12.84%	11.52%

## Alliance Finance Company PLC

### Shareholders' Information

#### Market price per share

Quarter ended 01st July to 30th September	2023	2022
Highest Price	120.00	92.00
Lowest Price	67.60	47.50
Last Traded	86.90	72.90

#### Stated capital

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

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

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

#### Twenty Largest Ordinary Shareholders as at 30th September 2023

No.	Name of Shareholder	No. of Shares	%
1	Mr.R.K.E.P. de Silva	11,780,851	34.96
2	Motor Service Station (Pvt) Ltd.,	4,576,553	13.58
3	Mrs D.M.E.P. Perera	2,544,909	7.55
4	Mr.D.F.W.S.K. Perera & Mr.D.F.W. Perera	1,416,095	4.20
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	Mrs.C.R. de Silva	374,400	1.11
10	Ms.D.C.M.A. Perera	338,310	1.00
11	Hatton National Bank PLC/Mr.K.K. Shujeevan	335,204	0.99
12	Ms.D.D.P.T. Perera	319,384	0.95
13	Mr. D.F.W. Perera	310,560	0.92
14	Mrs.A.S. Wijewardena	259,200	0.77
15	Peoples Leasing Finance PLC/Mr.K.R.E.M.D.M.B. Jayasundara	242,187	0.72
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.R.K. Modder	141,902	0.42



## Alliance Finance Company PLC

### Shareholders' Information

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#### Public Shareholding as at 30th September 2023

No of Shares	%
17,265,732	51.24

#### No of Shareholders

The percentage of ordinary shares held by the public as at 30th September 2023 was 51.24 and the number of shareholders representing the public holding was 2074.

#### Float Adjusted Market Capitalization

The Float adjusted market capitalization as at 30th September 2023 - Rs. 1,500,392,111- 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. Michael Joseph Benedict - MBA, CMA, CMSLIM - *Executive Director*  
*Recoveries*  
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

### Board 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.Kusal Jayawardana  
Mr. Michael Joseph Benedict

### Auditors

M/s Deloitte Associates  
Chartered Accountants,  
No.11, Castle Lane,  
Colombo 04.

### 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