



Alliance Finance Co. PTE
Make the world a better place through sustainable finance



POWERING
THE SOCIO-ECONOMIC REVIVAL

**Financial Statements
for the Nine Months Ended
31st December 2023**



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

Alliance Finance Company PLC
Statement of Profit or Loss - Company

For the period ended 31st December 2023	For the Quarter ended			For the Nine months ended		
	2023	2022	Variance %	2023	2022	Variance %
	(Unaudited) Rs.	(Unaudited) Rs.		(Unaudited) Rs.	(Unaudited) Rs.	
Gross Income	3,545,467,348	3,251,173,097	9	10,141,160,719	9,153,397,685	11
Interest income	3,387,564,567	3,161,285,187	7	9,678,854,295	8,774,521,564	10
Interest expenses	(1,750,311,376)	(2,133,716,638)	18	(5,669,768,017)	(5,209,283,095)	(9)
Net Interest Income	1,637,253,191	1,027,568,549	59	4,009,086,278	3,565,238,469	12
Fee and commission income	80,934,742	27,888,642	190	216,230,794	127,513,445	70
Fee and commission expenses	(56,194,928)	(55,274,763)	(2)	(165,058,199)	(190,768,131)	13
Net Fee and Commission Income	24,739,814	(27,386,121)	190	51,172,595	(63,254,686)	181
Net gain/(loss) from trading	6,137,529	1,250,430	391	16,998,388	29,796,303	(43)
Other operating income (net)	70,830,510	60,748,838	17	229,077,242	221,566,373	3
Total Operating Income	1,738,961,044	1,062,181,696	64	4,306,334,503	3,753,346,459	15
Impairment (charges) / reversal for loans and other losses	(94,803,934)	(86,172,637)	(10)	(382,837,039)	(515,451,610)	26
Net Operating Income	1,644,157,110	976,009,059	68	3,923,497,464	3,237,894,849	21
Operating Expenses						
Personnel expenses	(394,831,155)	(279,530,190)	(41)	(1,111,416,368)	(877,863,718)	(27)
Other operating expenses	(456,876,124)	(471,372,799)	3	(1,344,450,385)	(1,405,666,772)	4
Depreciation and amortization	(42,106,958)	(40,930,471)	(3)	(124,546,713)	(120,260,448)	(4)
Total operating expenses	(893,814,237)	(791,833,460)	(13)	(2,580,413,466)	(2,403,790,938)	(7)
Operating Profit before Taxes on Financial Services	750,342,873	184,175,599	307	1,343,083,998	834,103,911	61
Taxes on financial services	(159,422,540)	(66,120,662)	(141)	(375,683,675)	(290,239,275)	(29)
Operating Profit after Taxes on Financial Services	590,920,333	118,054,937	401	967,400,323	543,864,636	78
Share of profit/(loss) from associates	11,228,094	8,182,833	37	20,963,812	29,918,700	(30)
Profit before Taxation from Operations	602,148,427	126,237,770	377	988,364,135	573,783,336	72
Provision for income taxation	(318,141,302)	(78,692,730)	(304)	(495,800,528)	(321,595,501)	(54)
Profit for the Period	284,007,125	47,545,040	497	492,563,607	252,187,835	95
Basic/ Diluted earnings per share (Annualised)	33.71	5.64		19.49	9.98	
Dividend Per Share paid	-	-		5.00	8.00	

Alliance Finance Company PLC
Statement of Profit or Loss - Group

For the period ended 31st December 2023	For the Quarter ended			For the Nine months ended		
	2023	2022	Variance %	2023	2022	Variance %
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	Rs.	Rs.		Rs.	Rs.	
Gross Income	3,588,724,670	3,260,477,223	10	10,240,673,509	9,220,001,371	11
Interest income	3,394,472,545	3,164,587,452	7	9,693,415,300	8,781,476,836	10
Interest expenses	(1,748,983,624)	(2,129,456,226)	18	(5,658,480,354)	(5,198,878,864)	(9)
Net Interest Income	<u>1,645,488,921</u>	<u>1,035,131,226</u>	59	<u>4,034,934,946</u>	<u>3,582,597,972</u>	13
Fee and commission income	111,440,886	47,261,668	136	288,212,668	190,654,730	51
Fee and commission expenses	(63,497,540)	(55,274,763)	(15)	(173,086,627)	(190,768,131)	9
Net Fee and Commission Income	<u>47,943,346</u>	<u>(8,013,095)</u>	(698)	<u>115,126,041</u>	<u>(113,401)</u>	(101,621)
Net gain/(loss) from trading	6,204,307	1,299,119	378	17,270,448	31,708,787	(46)
Other operating income (net)	<u>76,606,932</u>	<u>47,328,984</u>	62	<u>241,775,093</u>	<u>216,161,018</u>	12
Total Operating Income	<u>1,776,243,506</u>	<u>1,075,746,234</u>	65	<u>4,409,106,528</u>	<u>3,830,354,376</u>	15
Impairment (charges) / reversal for loans and other losses	(94,803,933)	(86,172,637)	(10)	(382,837,038)	(515,451,610)	26
Net Operating Income	<u>1,681,439,573</u>	<u>989,573,597</u>	70	<u>4,026,269,490</u>	<u>3,314,902,766</u>	21
Operating Expenses						
Personnel expenses	(398,732,579)	(228,841,440)	(74)	(1,122,902,516)	(887,075,494)	(27)
Other operating expenses	(459,320,495)	(529,128,650)	13	(1,351,550,276)	(1,414,388,745)	4
Depreciation and amortization	<u>(42,277,444)</u>	<u>(41,101,155)</u>	(3)	<u>(125,058,172)</u>	<u>(120,772,505)</u>	(4)
Total operating expenses	<u>(900,330,518)</u>	<u>(799,071,245)</u>	(13)	<u>(2,599,510,964)</u>	<u>(2,422,236,744)</u>	(7)
Operating Profit before Taxes on Financial Services	781,109,055	190,502,352	310	1,426,758,526	892,666,022	60
Taxes on financial services	(159,422,540)	(66,120,662)	(141)	(375,683,675)	(290,239,275)	(29)
Operating Profit after Taxes on Financial Services	621,686,515	124,381,690	400	1,051,074,851	602,426,747	74
Share of profit/(loss) from associates	<u>11,228,094</u>	<u>8,182,833</u>	37	<u>20,963,812</u>	<u>29,918,700</u>	(30)
Profit before Taxation from Operations	<u>632,914,609</u>	<u>132,564,523</u>	377	<u>1,072,038,663</u>	<u>632,345,447</u>	70
Provision for income taxation	<u>(325,775,459)</u>	<u>(84,057,046)</u>	(288)	<u>(519,284,178)</u>	<u>(343,028,272)</u>	(51)
Profit for the Period	<u>307,139,150</u>	<u>48,507,477</u>	533	<u>552,754,485</u>	<u>289,317,175</u>	91
Profit attributable to :						
Equity holders of the Company	298,797,742	42,396,736	605	531,049,654	268,936,680	97
Non controlling interest	8,341,408	6,110,741	37	21,704,831	20,380,495	6
Profit for the Period	<u>307,139,150</u>	<u>48,507,477</u>	533	<u>552,754,485</u>	<u>289,317,175</u>	91
Basic/ Diluted earnings per share (Annualised)	35.47	5.03		21.01	10.64	
Dividend Per Share paid	-	-		5.00	-	

Alliance Finance Company PLC

Statement of Comprehensive Income - Company

For the period ended 31st December 2023	For the Quarter ended			For the Nine months ended		
	2023	2022	Variance %	2023	2022	Variance %
	(Unaudited) Rs.	(Unaudited) Rs.		(Unaudited) Rs.	(Unaudited) Rs.	
Profit for the period	<u>284,007,125</u>	<u>47,545,040</u>	497	<u>492,563,607</u>	<u>252,187,835</u>	95
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	476,107	(46,461,099)	(101)	19,530,440	(21,900,749)	(189)
Net Other Comprehensive Income not be Classified to Profit or Loss	<u>476,107</u>	<u>(46,461,099)</u>	(101)	<u>19,530,440</u>	<u>(21,900,749)</u>	(189)
Total Comprehensive Income for the period	<u>284,483,232</u>	<u>1,083,940</u>	26,145	<u>512,094,047</u>	<u>230,287,086</u>	122

Alliance Finance Company PLC

Statement of Comprehensive Income - Group

For the period ended 31st December 2023	For the Quarter ended			For the Nine months ended		
	2023	2022	Variance %	2023	2022	Variance %
	(Unaudited) Rs.	(Unaudited) Rs.		(Unaudited) Rs.	(Unaudited) Rs.	
Profit for the period	<u>307,139,150</u>	<u>48,507,477</u>	533	<u>552,754,485</u>	<u>289,317,175</u>	91
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	476,107	(46,461,099)	(101)	19,530,440	(21,900,749)	(189)
Net Other Comprehensive Income not be Classified to Profit or Loss	<u>476,107</u>	<u>(46,461,099)</u>	(101)	<u>19,530,440</u>	<u>(21,900,749)</u>	(189)
Total Comprehensive Income for the period	<u>307,615,257</u>	<u>2,046,378</u>	14,932	<u>572,284,925</u>	<u>267,416,426</u>	114
Attributable to:						
Equity holders of the company	299,273,849	(63,955,892)	(568)	550,580,094	187,144,402	194
Non controlling interest	<u>8,341,408</u>	<u>66,002,270</u>	(87)	<u>21,704,831</u>	<u>80,272,024</u>	(73)
Total Comprehensive Income for the period	<u>307,615,257</u>	<u>2,046,378</u>	14,932	<u>572,284,925</u>	<u>267,416,426</u>	114

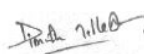
Alliance Finance Company PLC
Statement of Financial Position

As at	Company			Group		
	31.12.2023	31.03.2023	Variance	31.12.2023	31.03.2023	Variance
	Rs. (Unaudited)	Rs. (Audited)	%	Rs. (Unaudited)	Rs. (Audited)	%
Assets						
Cash and cash equivalents	1,124,677,952	566,946,383	98	1,255,046,414	624,723,130	101
Repurchase agreements	-	250,154,110	(100)	-	250,154,110	(100)
Placements with banks & financial institutions	4,897,397,452	4,905,611,281	(0)	5,035,253,325	4,919,075,748	2
Financial assets recognised through profit or loss	2,942,593,942	3,130,690,272	(6)	2,942,593,942	3,130,690,272	(6)
Loans and advances - at amortised cost	20,995,563,997	17,449,867,823	20	20,995,563,997	17,449,867,823	20
Lease rentals receivable & stock out on hire - at amortised cost	22,421,360,255	21,552,425,838	4	22,421,360,255	21,552,425,838	4
Financial assets- fair value through other comprehensive	218,880,838	182,705,621	20	218,880,838	182,705,621	20
Other trading stocks	63,835,956	59,653,942	7	63,835,956	59,653,942	7
Other financial assets	493,238,560	415,454,128	19	493,009,642	417,933,228	18
Other non financial assets	267,830,311	173,787,786	54	273,227,823	174,283,305	57
Investments in associates	116,870,658	70,906,846	65	143,376,193	97,412,381	47
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	2,599,083,960	2,595,446,980	0	2,599,343,488	2,596,074,215	0
Intangible assets	148,502,371	139,188,404	7	148,632,022	139,461,804	7
Right of use asset	336,923,660	365,346,690	(8)	336,923,660	365,346,690	(8)
Deferred tax assets	209,616,680	209,616,678	0	210,498,250	210,498,249	0
Total Assets	57,016,500,630	52,247,926,820	9	57,390,745,805	52,423,506,356	9
Liabilities						
Due to banks	23,647,454,156	22,571,002,700	5	23,709,554,129	22,571,002,700	5
Due to depositors - at amortised cost	23,441,193,458	20,475,847,835	14	23,440,390,412	20,390,703,071	15
Other financial liabilities	1,192,018,472	883,998,853	35	1,221,822,464	919,990,176	33
Other non financial liabilities	104,409,251	87,430,045	19	104,409,251	88,295,194	18
Derivative financial liabilities	-	36,175,016	(100)	-	36,175,016	(100)
Income tax liabilities	800,196,471	708,410,305	13	812,256,444	722,146,198	12
Retirement benefit liabilities	51,041,941	48,489,232	5	54,277,054	50,962,873	7
Deferred tax liabilities	478,434,653	478,434,654	(0)	478,434,653	478,434,654	(0)
Total Liabilities	49,714,748,402	45,289,788,640	10	49,821,144,407	45,257,709,882	10
Shareholders' Funds						
Stated capital	613,980,000	613,980,000	-	613,980,000	613,980,000	-
Retained earnings	4,059,383,922	3,761,997,661	8	4,206,059,893	3,870,187,587	9
Reserves	2,628,388,306	2,582,160,519	2	2,628,388,306	2,582,160,519	2
Total Equity Attributable to Equity Holders of the Company	7,301,752,228	6,958,138,180	5	7,448,428,199	7,066,328,106	5
Non controlling interest	-	-	-	121,173,199	99,468,368	22
Total Equity	7,301,752,228	6,958,138,180	5	7,569,601,398	7,165,796,474	6
Total Liabilities and Shareholders' Funds	57,016,500,630	52,247,926,820	9	57,390,745,805	52,423,506,356	9
Contingent Liabilities and Commitments	902,497,037	857,880,137		902,497,037	857,880,137	
Net assets value per share (Rs.)	217	206		221	210	

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

Certification

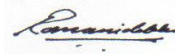
I certify that these Financial Statements are presented in compliance with the requirements of the Companies Act No. 07 of 2007.



W.A.D.D. Tillekeratne
AGM Finance



W.P.K. Jayawardana
Deputy Managing Director



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

15/2/2024
Colombo

Alliance Finance Company PLC

Statement of Changes in Equity

Company	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	General Reserve	FVOCI	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2022 (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	-	-	-	-	-	-	252,187,835	252,187,835
Other comprehensive income, net of tax								
Equity investments at FVOCI - net change in fair value &								
Disposal profit	-	-	-	-	(21,900,749)	-	-	(21,900,749)
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	(3,136,236)	-	3,136,236	-
Net asset adjustment - Associate Company	-	-	-	-	-	-	-	-
Transfer of realized profit on investment property disposal to retained earnings	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(269,568,000)	(269,568,000)
Balances as at 31st December 2022	613,980,000	977,236,040	1,223,390,151	388,258,055	(46,765,343)	-	3,485,994,439	6,642,093,342
Balance as at 1st April 2023 (Audited)	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	-	-	-	-	-	-	492,563,607	492,563,607
Other comprehensive income, net of tax								
Equity investments at FVOCI - net change in fair value &								
Disposal profit	-	-	-	-	19,530,440	-	-	19,530,440
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	26,697,347	-	(26,697,347)	-
Dividend paid	-	-	-	-	-	-	(168,480,000)	(168,480,000)
Balances as at 31st December 2023	613,980,000	1,002,482,237	1,223,390,151	388,258,055	14,257,863	-	4,059,383,921	7,301,752,228

Alliance Finance Company PLC

Statement of Changes in Equity

Group	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	General Reserve	FVOCI	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2022 (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	-	-	-	-	-	20,380,495	268,936,680	289,317,175
Other comprehensive income, net of tax -								
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	(21,900,749)	-	-	(21,900,749)
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	(3,136,236)	-	3,136,236	-
Net Asset adjustment - Associate Company	-	-	-	-	-	-	-	-
Transfer of realized profit on investment property disposal to retained earnings	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(278,584,400)	(278,584,400)
Balances as at 31st December 2022	613,980,000	977,236,040	1,223,390,151	388,258,055	(46,765,343)	92,859,303	3,582,066,338	6,831,024,544
Balance as at 1st April 2023 (Audited)	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	-	-	-	-	-	21,704,831	531,049,654	552,754,485
Other comprehensive income, net of tax -								
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	19,530,440	-	-	19,530,440
Transfer of realized profit on equity instrument disposal to retained earning	-	-	-	-	26,697,347	-	(26,697,347)	-
Dividend paid	-	-	-	-	-	-	(168,480,000)	(168,480,000)
Balances as at 31st December 2023	613,980,000	1,002,482,237	1,223,390,151	388,258,055	14,257,863	121,173,199	4,206,059,893	7,569,601,398

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 December 2023	Company		Group	
	2023	2022	2023	2022
Cash Flows From / (Used in) Operating Activities	Rs.	Rs.	Rs.	Rs.
Profit before Income Tax Expense	988,364,135	573,783,336	1,072,038,663	632,345,447
Adjustments for;				
Depreciation of property, plant & equipment	116,402,846	111,657,818	116,770,556	112,026,126
Amortization of intangible assets	8,143,867	8,602,630	8,287,616	8,746,379
Amortization of Right of use asset	96,256,629	87,328,432	96,256,629	87,328,432
Interest expense on lease liability	31,213,940	-	31,213,940	-
Impairment (reversal)/provision	361,844,587	426,376,329	361,844,587	426,376,329
Interest on fixed deposits, commercial paper & treasury bills	(318,553,180)	(139,701,810)	(333,114,185)	(146,657,082)
Fair value (gain)/loss on equity investments (FVTPL)	4,833,564	-	4,833,564	-
Bad debt written-off	20,992,452	89,075,281	20,992,452	89,075,281
Diminution/(appreciation) in value of treasury bonds	-	2,753,591	-	2,753,591
Loss/(profit) on disposal of property, plant & equipment	(23,231,167)	(12,456,358)	(23,231,167)	(12,456,358)
Profit from sale of vehicle	(23,840,111)	(9,215,534)	(23,840,111)	(9,215,534)
Loss/(profit) on disposal of real estates	(4,503,313)	-	(4,503,313)	-
Provision/(reversal) for defined benefit plans	40,500,000	40,500,000	41,261,473	41,310,902
Dividend received	(11,210,455)	(28,076,885)	(16,932,704)	(15,242,415)
Share of loss/(profit) from associates	(20,963,812)	(29,918,700)	(20,963,812)	(29,918,700)
Operating Profit before Working Capital Changes	1,266,249,982	1,120,708,130	1,330,914,188	1,186,472,398
(Increase)/decrease in trading stock	(14,085,752)	30,991,036	(14,085,752)	30,991,036
(Increase)/decrease in loans and advances	(3,851,522,711)	(2,907,944,798)	(3,851,522,711)	(2,907,944,798)
(Increase)/decrease in lease rentals receivable & stock out on hire	(999,044,918)	2,216,570,865	(999,044,917)	2,216,570,865
(Increase)/decrease in fixed deposits & repo	258,367,940	(561,522,936)	133,976,535	(577,284,325)
(Increase)/decrease in other financial assets	(77,784,432)	172,321,102	(75,076,415)	177,371,634
(Increase)/decrease in other non financial assets	(16,636,342)	87,394,910	(52,752,277)	87,328,743
Increase/(decrease) in derivative financial liabilities	(36,175,016)	152,907,121	(36,175,016)	152,907,121
Increase/(decrease) in amounts due to depositors	2,965,345,623	4,423,516,459	3,049,687,341	4,346,343,711
Increase/(decrease) in other financial liabilities	329,905,679	(802,490,929)	354,932,288	(800,443,489)
Increase/(decrease) in other non financial liabilities	16,979,206	(168,689,786)	16,114,057	(168,689,787)
Cash generated from/(used in) Operations	(158,400,743)	3,763,761,173	(143,032,681)	3,743,623,111
Retirement benefit liabilities paid	(37,947,291)	(19,255,123)	(37,947,291)	(19,255,123)
Taxes paid	(404,014,362)	(576,193,621)	(429,173,932)	(592,117,328)
Net cash generated from/(used in) operating activities	(600,362,396)	3,168,312,429	(610,153,904)	3,132,250,660
Cash Flows from / (Used in) Investing Activities				
Acquisition of property, plant & equipment	(139,063,659)	(135,864,486)	(139,063,662)	(135,864,487)
Acquisition of right of use assets	(17,307,900)	(7,666,000)	(17,307,900)	(7,666,000)
Acquisition of Intangible Assets	(17,457,834)	(18,487,361)	(17,457,834)	(18,487,361)
Investment in unquoted equities	(25,000,000)	-	(25,000,000)	-
Proceeds from sales of property, plant & equipment	42,255,000	17,621,350	42,255,000	17,621,350
Proceeds from sales of vehicles	38,247,162	212,957,000	38,247,162	212,957,000
Net sales/ (purchases) of financial assets -FVTPL/FVTOCI	166,617,989	(641,763,758)	166,617,989	(641,763,758)
Dividend received	11,210,455	28,076,885	16,932,704	15,242,415
Interest on fixed deposits, commercial paper & treasury bills	318,553,176	139,701,810	333,114,181	146,657,082
Net Cash Generated from Investing Activities	378,054,389	(405,424,560)	398,337,640	(411,303,759)
Cash Flows from / (Used in) Financing Activities				
Settlement of operating lease liabilities	(127,931,882)	(97,340,289)	(127,931,882)	(97,340,289)
Increase in borrowed funds	-	(867,759,553)	-	(867,759,553)
Net increase / (decrease) in other borrowings	616,611,637	(1,086,996,465)	616,611,637	(1,086,996,465)
Dividend paid	(168,480,000)	(269,568,000)	(168,480,000)	(278,584,400)
Net Cash Generated from/(Used in) Financing Activities	320,199,755	(2,321,664,307)	320,199,755	(2,330,680,707)
Net Increase/(Decrease) in Cash and Cash Equivalents	97,891,749	441,223,563	108,383,491	390,266,194
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	(2,854,244,485)	871,015,622	(2,785,975,996)	923,545,949
Movement in Cash and Cash Equivalent	97,891,749	441,223,563	108,383,491	390,266,194

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 31st December 2023				
Financial assets - Fair value through profit and loss				
Government of Sri Lanka treasury bills	-	2,282,730,456	-	2,282,730,456
Government of Sri Lanka treasury bonds	-	511,175,994	-	511,175,994
Quoted Investments	-	148,687,492	-	148,687,492
Financial assets - Fair value through Other Comprehensive Income				
Quoted Investments	218,301,588	-	-	218,301,588
Unquoted Investments	-	-	579,250	579,250
	<u>218,301,588</u>	<u>2,942,593,942</u>	<u>579,250</u>	<u>3,161,474,780</u>
Liabilities				
Due to Depositors	-	23,441,193,458	-	23,441,193,458
Due to Banks	-	23,647,454,156	-	23,647,454,156
Derivative financial liabilities	-	-	-	-
	<u>-</u>	<u>47,088,647,614</u>	<u>-</u>	<u>47,088,647,614</u>
As at 31st December 2022				
Financial assets - Fair value through profit and loss				
Government of Sri Lanka treasury bills	-	2,146,320,325	-	2,146,320,325
Financial assets - Fair value through Other Comprehensive Income				
Quoted Investments	157,210,952	-	-	157,210,952
Unquoted Investments	-	-	579,250	579,250
	<u>157,210,952</u>	<u>2,146,320,325</u>	<u>579,250</u>	<u>2,304,110,527</u>
Liabilities				
Due to Depositors	-	19,104,892,141	-	19,104,892,141
Due to Banks	-	21,113,472,999	-	21,113,472,999
Derivative financial liabilities	-	69,983,927	-	69,983,927
	<u>-</u>	<u>40,288,349,067</u>	<u>-</u>	<u>40,288,349,067</u>

Alliance Finance Company PLC
ANALYSIS OF FINANCIAL STATEMENTS MEASUREMENT BASIS
Company
As at 31st December 2023

	Financial assets recognized through profit or loss (FVTPL)	Financial assets at amortized cost (AC)	Financial assets at fair value through other comprehensive income(FVOCI)	Total
	Rs.	Rs.	Rs.	Rs.
Asset				
Cash and cash equivalents	-	1,124,677,952	-	1,124,677,952
Repurchase Agreements	-	-	-	-
Placement with banks and other financial institutions	-	4,897,397,452	-	4,897,397,452
Financial asset recognized through profit or loss	2,942,593,942	-	-	2,942,593,942
Loans and receivables-Amortized cost	-	20,995,563,997	-	20,995,563,997
Lease rental receivables at amortized Financial asset recognized through other comprehensive income	-	22,421,360,255	-	22,421,360,255
Derivative financial assets	-	-	218,880,838	218,880,838
	-	-	-	-
	<u>2,942,593,942</u>	<u>49,438,999,656</u>	<u>218,880,838</u>	<u>52,600,474,436</u>
Liabilities				
Due to Depositors	-	23,441,193,458	-	23,441,193,458
Due to Banks	-	23,647,454,156	-	23,647,454,156
Derivative Financial Liabilities	-	-	-	-
	-	47,088,647,614	-	47,088,647,614

As at 31st December 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	-	878,891,990	-	878,891,990
Repurchase agreements	-	-	-	-
Placement with banks and other financial institutions	-	1,099,448,144	-	1,099,448,144
Financial asset recognized through profit or loss	2,146,320,325	-	-	2,146,320,325
Loans and receivables-Amortized cost	-	17,349,513,052	-	17,349,513,052
Lease rental receivables at amortized Financial asset recognized through other comprehensive income	-	23,127,928,883	-	23,127,928,883
Derivative financial assets	-	-	157,790,202	157,790,202
	-	-	-	-
	<u>2,146,320,325</u>	<u>42,455,782,069</u>	<u>157,790,202</u>	<u>44,759,892,596</u>
Liabilities				
Due to Depositors	-	19,104,892,141	-	19,104,892,141
Due to Banks	-	21,113,472,999	-	21,113,472,999
Derivative Financial Liabilities	-	69,983,927	-	69,983,927
	-	40,288,349,067	-	40,288,349,067

Alliance Finance Company PLC

SEGMENT REPORT

31st December 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.
REVENUE									
External sales	12,839,428,995	3,272,607,814	2,468,982,457	29,189,035	16,932,704	441,077,692	13,342,035	467,980,380	19,549,541,112
Total revenue	12,839,428,995	3,272,607,814	2,468,982,457	29,189,035	16,932,704	441,077,692	13,342,035	467,980,380	19,549,541,112
Total income	5,131,638,571	1,663,885,739	2,468,982,457	29,189,035	16,932,704	456,478,357	13,342,035	460,224,610	10,240,673,509
RESULTS									
Segment results	4,049,648,548	1,236,237,428	2,111,307,182	3,801,661	16,573,697	450,720,447	13,342,035	437,902,381	8,319,533,379
Unallocated company expenses									(1,609,978,176)
Operating profit									6,709,555,203
Interest expenses	(2,391,502,683)	(1,165,324,163)	(1,092,298,110)	(19,078,995)	(39,205,496)	(325,464,598)	(4,455,069)	(621,151,241)	(5,658,480,354)
Share of profits of associates before tax									20,963,812
Income taxes									(519,284,178)
Net Profit									552,754,485
OTHER INFORMATION									
Segment assets	22,421,360,313	10,925,412,320	10,240,761,871	178,873,750	367,568,330	3,051,369,800	41,768,165	5,823,558,521	53,050,673,070
Investment in associates									143,376,193
Unallocated company assets									4,196,696,539
Total assets									57,390,745,805
Segment liabilities	20,016,222,691	9,182,802,679	8,607,354,375	150,343,282	308,940,967	2,564,674,536	35,106,119	4,894,697,487	45,760,142,136
Unallocated company liabilities									4,061,002,271
Total liabilities									49,821,144,407

Alliance Finance Company PLC

SEGMENT REPORT

31st December 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	12,063,206,952	2,320,870,908	2,074,174,506	27,569,344	15,242,415	362,020,717	13,108,033	252,378,792	17,129,330,411
Total revenue	12,063,206,952	2,320,870,908	2,074,174,506	27,569,344	15,242,415	362,020,717	13,108,033	252,378,792	17,129,330,411
Total income	5,294,920,986	1,173,663,768	2,074,174,506	27,569,344	15,242,415	370,918,438	13,108,033	249,662,619	9,220,001,371
RESULTS									
Segment results	4,010,398,407	726,067,588	1,824,006,283	3,163,306	14,911,452	366,308,275	13,108,033	201,744,581	7,160,108,634
Unallocated company expenses									(1,358,803,023)
Operating profit									5,801,305,611
Interest expenses	(2,661,003,822)	(881,204,022)	(1,145,639,334)	(17,166,067)	(18,154,525)	(246,944,517)	(3,941,842)	(224,824,735)	(5,198,878,864)
Share of profits of associates before tax									29,918,700
Income taxes									(343,028,272)
Net Profit									289,317,175
OTHER INFORMATION									
Segment assets	23,128,136,843	7,658,992,083	9,957,333,792	149,199,014	157,790,202	2,146,320,325	34,260,554	1,954,066,107	45,186,098,920
Investment in associates									113,011,543
Unallocated company assets									3,968,179,880
Total assets									49,267,290,343
Segment liabilities	20,264,910,922	6,378,509,095	8,292,598,225	124,254,896	131,409,750	1,787,483,727	28,532,639	1,627,371,893	38,635,071,147
Unallocated company liabilities									3,801,194,653
Total liabilities									42,436,265,800

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 except as mentioned in Note 3 below.

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.

There is a net reversal of Rs.269 mn accounted for during the quarter ended 31 December 2023 resulting from an estimation change in the Expected Credit Loss computation on Individual impairment. However , The Company's Impairment provision (Expected Credit Loss allowance) is greater than the required provision as per the Central Bank Directions.

4 Going Concern

In determining the basis of preparing the Financial Statements for the quarter ended 31st December 2023, the management has assessed the existing and anticipated effects of macro economic factor fluctuations on the Company and the management is in the view of appropriateness of the use of the going concern basis.

5 Commitments & Contingencies

	31st Decemebr 2023	31st March 2023
	Rs.	Rs.
Commitments & Contingencies	902,497,037	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 There were no other material events that took place since 31st December 2023, that require disclosure in these Interim Financial Statements other than mentioned above.

7 During the quarter, there were no material changes in the composition of assets, liabilities and/or contingent liabilities, other than those disclosed above.

8 All known expenses including management fees and other similar expenses have been provided for the nine months ended 31st December 2023.

Alliance Finance Company PLC
Explanatory Notes (Continued.)

Selected Performance Indicators		
	12/31/2023	12/31/2022
Capital Adequacy (%)		
Tier 1 Capital Adequacy Ratio (minimum 8.5%)	10.88%	11.95%
Total Capital Adequacy Ratio (minimum 12.5%)	13.66%	15.30%
Capital Funds to Deposit Liabilities Ratio	26.87%	29.65%
Profitability (%)		
Return on average shareholders funds (before tax)	18.48%	11.48%
Return on average assets (before tax)	2.41%	1.57%
Liquidity ('000)		
Required Minimum Amount of Liquid Assets	2,386,644	2,016,042
Available Amount of Liquid Assets	3,536,608	3,167,813
Required Minimum Amount of Government Securities	1,455,886	1,913,055
Available Amount of Government Securities	2,691,569	1,162,842
Quality of Loan Portfolio (%)		
	<u>90 DPD</u>	<u>90 DPD</u>
Gross Non-Performing Loans Ratio	15.29%	18.36%
Net-Non-Performing Loans Ratio	10.77%	13.57%

Alliance Finance Company PLC

Shareholders' Information

Market price per share

Quarter ended 01st October to 31st December	2023	2022
Highest Price	88.00	73.40
Lowest Price	73.00	50.00
Last Traded	80.00	57.00

Stated capital

As at 31st December 2023, the Stated Capital was Rs. 613,980,000/- comprising of 33,696,000 ordinary shares issued.

Directors'/ CEO's Holding in Shares as at 31st December 2023

No	Name of Director	No. of Shares
1	Mrs.G.S.T. Dharmakirti-Herath	100
2	Mr.R.K.E.P. de Silva	11,867,851
3	Mr.W.P.K. Jayawardana	42,750
4	Mr.M.J. Benedict	1,000
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 31st December 2023

No.	Name of Shareholder	No. of Shares	%
1	Mr.R.K.E.P. de Silva	11,867,851	35.22
2	Motor Service Station (Pvt) Ltd.,	4,594,842	13.64
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	1,427,102	4.24
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	343,004	1.02
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	314,315	0.93
14	Mrs.A.S. Wijewardena	259,200	0.77
15	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.A.J.M. Jinadasan	140,000	0.42

Alliance Finance Company PLC

Shareholders' Information

Public Shareholding as at 31st December 2023

No of Shares	%
17,264,732	51.24

No of Shareholders

The percentage of ordinary shares held by the public as at 31st December 2023 was 51.24 and the number of shareholders representing the public holding was 2023.

Float Adjusted Market Capitalization

The Float adjusted market capitalization as at 31st December 2023 - Rs. 1,381,178,560- 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