



Financial Statements

For the six months ended 30th September 2019



The first company in the banking and non-banking sector of Sri Lanka to be certified with ISO 9001:2015 Quality Management system and ISO 22301:2012 for Business Continuity Management Systems

Alliance Finance Company PLC

STATEMENT OF PROFIT OR LOSS - COMPANY

	Quarter ended			Six months ended		
	30.09.2019 (Unaudited) Rs.	30.09.2018 (Unaudited) Rs.	Variance %	30.09.2019 (Unaudited) Rs.	30.09.2018 (Unaudited) Rs.	Variance %
Gross Income	1,945,619,689	1,771,467,151	10	3,824,313,155	3,546,023,037	8
Interest income	1,838,760,039	1,715,354,568	7	3,619,154,492	3,429,403,005	6
Interest expenses	(817,248,755)	(803,351,950)	(2)	(1,652,591,340)	(1,627,317,102)	(2)
Net Interest Income	1,021,511,284	912,002,618	12	1,966,563,152	1,802,085,903	9
Fee and commission income	44,257,353	35,054,821	26	85,873,737	76,763,826	12
Fee and commission expenses	(38,859,267)	(44,940,106)	14	(79,787,927)	(80,449,955)	1
Net Fee and Commission Income	5,398,086	(9,885,285)	(155)	6,085,810	(3,686,129)	(265)
Net gain/(loss) from trading	13,216,461	(25,351,038)	(152)	25,281,215	(38,379,051)	(166)
Other operating income (net)	49,385,836	46,408,800	6	94,003,711	78,235,257	20
Total Operating Income	1,089,511,667	923,175,095	18	2,091,933,888	1,838,255,980	14
Impairment (charges) / reversal for loans and other losses	(278,102,111)	(247,545,090)	(12)	(579,017,478)	(512,680,814)	(13)
Net Operating Income	811,409,556	675,630,005	20	1,512,916,410	1,325,575,166	14
Operating Expenses						
Personnel expenses	(188,957,862)	(199,218,528)	5	(397,094,113)	(339,298,976)	(17)
Other operating expenses	(348,517,396)	(291,763,431)	(19)	(618,112,820)	(549,145,651)	(13)
Depreciation and amortization	(31,795,595)	(33,621,977)	5	(63,451,588)	(66,534,820)	5
Total operating expenses	(569,270,853)	(524,603,936)	9	(1,078,658,521)	(954,979,447)	13
Operating Profit before Taxes on Financial Services	242,138,703	151,026,069	60	434,257,889	370,595,719	17
Taxes on financial services	(54,102,059)	(37,929,973)	(43)	(102,419,555)	(84,432,308)	(21)
Debt repayment levy	(28,278,036)	-	(100)	(52,974,156)	-	(100)
Operating Profit after Taxes on Financial Services	159,758,608	113,096,096	41	278,864,178	286,163,411	(3)
Share of profit/(loss) from associates	1,618,660	(246,509)	757	1,039,261	(4,079,065)	125
Profit before Taxation from Operations	161,377,268	112,849,587	43	279,903,439	282,084,346	(1)
Provision for income taxation	(72,000,000)	(50,000,000)	(44)	(132,000,000)	(90,000,000)	(47)
Profit for the Period	89,377,268	62,849,587	42	147,903,439	192,084,346	(23)
Basic/ Diluted earnings per share	10.61	7.46		8.78	11.40	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

Alliance Finance Company PLC

STATEMENT OF PROFIT OR LOSS - GROUP

	Quarter ended			Six months ended		
	30.09.2019 (Unaudited) Rs.	30.09.2018 (Unaudited) Rs.	Variance %	30.09.2019 (Unaudited) Rs.	30.09.2018 (Unaudited) Rs.	Variance %
Gross Income	1,958,947,012	1,784,700,765	10	3,859,429,744	3,576,533,116	8
Interest income	1,839,537,103	1,716,040,311	7	3,620,498,610	3,430,855,400	6
Interest expenses	(817,248,755)	(803,351,950)	(2)	(1,652,591,340)	(1,627,317,102)	2
Net Interest Income	1,022,288,348	912,688,361	12	1,967,907,270	1,803,538,298	9
Fee and commission income	56,807,612	47,602,692	19	119,646,208	105,821,510	13
Fee and commission expenses	(38,859,267)	(44,940,106)	14	(79,787,927)	(80,449,955)	(1)
Net Fee and Commission Income	17,948,345	2,662,586	574	39,858,281	25,371,555	57
Net gain/(loss) from trading	13,216,461	(25,351,038)	(152)	25,281,215	(38,379,051)	(166)
Other operating income (net)	49,385,836	46,408,800	6	94,003,711	78,235,257	20
Total Operating Income	1,102,838,990	936,408,710	18	2,127,050,477	1,868,766,060	14
Impairment (charges) / reversal for loans and other losses	(278,102,111)	(247,545,090)	(12)	(579,017,478)	(512,680,814)	13
Net Operating Income	824,736,879	688,863,620	20	1,548,032,999	1,356,085,246	14
Operating Expenses						
Personnel expenses	(191,761,131)	(201,983,440)	5	(402,479,821)	(344,555,875)	17
Other operating expenses	(350,063,559)	(293,094,717)	(19)	(621,021,733)	(552,309,869)	12
Depreciation and amortization	(31,830,178)	(33,653,409)	5	(63,525,104)	(66,597,685)	(5)
Total operating expenses	(573,654,868)	(528,731,566)	8	(1,087,026,657)	(963,463,430)	13
Operating Profit before Taxes on Financial Services	251,082,011	160,132,054	57	461,006,342	392,621,816	17
Taxes on financial services	(54,102,059)	(37,929,973)	(43)	(102,419,555)	(84,432,308)	21
Debt repayment levy	(28,278,036)	-	100	(52,974,156)	-	100
Operating Profit after Taxes on Financial Services	168,701,916	122,202,081	38	305,612,631	308,189,508	(1)
Share of profit/(loss) from associates	1,618,660	(246,509)	757	1,039,261	(4,079,065)	(125)
Profit before Taxation from Operations	170,320,576	121,955,572	40	306,651,892	304,110,443	1
Provision for income taxation	(74,587,602)	(52,657,003)	(42)	(139,657,737)	(96,461,057)	(45)
Profit for the Period	95,732,974	69,298,568	38	166,994,154	207,649,386	(20)
Profit attributable to :						
Equity holders of the Company	93,441,107	66,940,251	40	160,110,043	202,003,818	(21)
Non controlling interest	2,291,867	2,358,318	(3)	6,884,112	5,645,568	22
Profit for the Period	95,732,974	69,298,568	38	166,994,154	207,649,386	(20)
Basic/ Diluted earnings per share	11.36	8.23		9.50	11.99	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

Alliance Finance Company PLC

STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Quarter ended		Six months ended	
	30.09.2019 (Unaudited) Rs.	30.09.2018 (Unaudited) Rs.	30.09.2019 (Unaudited) Rs.	30.09.2018 (Unaudited) Rs.
Profit for the period	<u>89,377,268</u>	<u>62,849,587</u>	<u>147,903,439</u>	<u>192,084,346</u>
Other Comprehensive Income				
Other Comprehensive Income to be Reclassify to Profit or Loss				
<u>Net gains and losses on available-for-sale financial assets:</u>				
Sri Lanka government securities	-	(4,427,534)	-	559,768
Net other comprehensive income to reclassified to profit or loss	<u>-</u>	<u>(4,427,534)</u>	<u>-</u>	<u>559,768</u>
Other Comprehensive Income not to be Reclassified to Profit or Loss				
Actuarial gains /(losses) on defined benefit plans	-	-	-	-
Deferred tax effect on above	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Other Comprehensive Income not be Classified to Profit or Loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income for the period	<u>89,377,268</u>	<u>58,422,053</u>	<u>147,903,439</u>	<u>192,644,113</u>
Attributable to:				
Equity holders of the company	89,377,268	58,422,053	147,903,439	192,644,113
Non controlling interest	-	-	-	-
Total Comprehensive Income for the period	<u>89,377,268</u>	<u>58,422,053</u>	<u>147,903,439</u>	<u>192,644,113</u>

Alliance Finance Company PLC

STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Quarter ended		Six months ended	
	30.09.2019 (Unaudited) Rs.	30.09.2018 (Unaudited) Rs.	30.09.2019 (Unaudited) Rs.	30.09.2018 (Unaudited) Rs.
Profit for the period	<u>95,732,974</u>	<u>69,298,568</u>	<u>166,994,154</u>	<u>207,649,386</u>
Other Comprehensive Income				
Other Comprehensive Income to be Reclassify to Profit or Loss				
<u>Net gains and losses on available-for-sale financial assets:</u>				
Sri Lanka government securities	-	(4,427,534)	-	559,768
Net other comprehensive income to reclassified to profit or loss	-	(4,427,534)	-	559,768
Other Comprehensive Income not to be Reclassified to Profit or Loss				
Actuarial gains /(losses) on defined benefit plans	-	-	-	-
Deferred tax effect on above	-	-	-	-
Net Other Comprehensive Income not be Classified to Profit or Loss	-	-	-	-
Total Comprehensive Income for the period	<u>95,732,974</u>	<u>64,871,034</u>	<u>166,994,154</u>	<u>208,209,153</u>
Attributable to:				
Equity holders of the company	93,441,107	62,512,716	160,110,043	202,563,585
Non controlling interest	2,291,867	2,358,318	6,884,112	5,645,568
Total Comprehensive Income for the period	<u>95,732,974</u>	<u>64,871,034</u>	<u>166,994,154</u>	<u>208,209,153</u>

Alliance Finance Company PLC

STATEMENT OF FINANCIAL POSITION

	Company		Group	
	30/09/2019	31/03/2019	30/09/2019	31/03/2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Rs.	Rs.	Rs.	Rs.
Assets				
Cash and cash equivalents	290,655,719	281,584,736	329,148,214	290,719,999
Repurchase agreements	107,987,925	210,053,286	107,987,925	210,053,286
Placements with banks & financial institutions	680,536,632	732,163,843	680,536,632	732,163,843
Financial assets recognised through profit or loss	2,717,025,876	1,807,179,087	2,717,025,876	1,807,179,087
Loans and advances - at amortised cost	6,231,950,986	6,512,027,536	6,232,092,446	6,512,165,856
Lease rentals receivable & stock out on hire - at amortised cost	19,782,155,225	18,842,072,665	19,782,155,225	18,842,072,665
Hire purchase rentals receivable & stock out on hire - at amortised cost	878,409	12,349,092	878,409	12,349,092
Financial assets- fair value through other comprehensive income	579,250	579,250	579,250	579,250
Other trading stocks	258,272,439	401,655,826	258,272,439	401,655,826
Other financial assets	374,058,415	405,850,825	451,269,993	446,862,407
Other non financial assets	226,901,093	217,705,371	226,901,084	217,705,362
Investments in associates	49,508,360	48,469,100	96,798,572	84,731,550
Investments in subsidiaries	16,924,038	16,924,038	-	-
Investment property	549,000,000	549,000,000	549,000,000	549,000,000
Property, plant & equipment	1,718,405,547	1,746,403,417	1,718,588,823	1,746,660,210
Intangible assets	51,969,808	56,523,495	51,969,808	56,523,495
Deferred tax assets	291,123,246	291,123,246	291,667,570	291,667,571
Total Assets	33,347,932,968	32,131,664,813	33,494,872,266	32,202,089,500
Liabilities				
Due to banks	13,657,811,706	12,589,469,582	13,679,816,674	12,589,469,582
Due to customers	12,468,398,798	12,493,682,808	12,468,398,798	12,493,682,808
Debt instruments issued and other borrowed funds	856,565,237	819,062,771	856,565,237	819,062,771
Other financial liabilities	807,070,701	781,933,239	840,107,074	781,537,579
Other non financial liabilities	40,706,454	56,531,752	40,706,454	56,531,752
Derivative financial liabilities	204,342,848	99,770,779	204,342,848	99,770,779
Income tax liabilities	45,467,171	142,874,259	50,058,609	145,940,743
Retirement benefit liabilities	35,722,240	30,699,249	38,128,197	32,643,265
Deferred tax liabilities	607,383,605	607,383,605	607,459,177	607,459,177
Total Liabilities	28,723,468,760	27,621,408,044	28,785,583,068	27,626,098,456
Shareholders' Funds				
Stated capital	613,980,000	613,980,000	613,980,000	613,980,000
Retained earnings	1,769,506,807	1,655,299,368	1,817,636,938	1,691,222,895
Reserves	2,240,977,401	2,240,977,401	2,240,977,401	2,240,977,401
Total Equity Attributable to Equity Holders of the Company	4,624,464,208	4,510,256,769	4,672,594,339	4,546,180,296
Non controlling interest	-	-	36,694,859	29,810,748
Total Equity	4,624,464,208	4,510,256,769	4,709,289,198	4,575,991,044
Total Liabilities and Shareholders' Funds	33,347,932,968	32,131,664,813	33,494,872,266	32,202,089,500
Contingent Liabilities and Commitments	331,990,000	-	331,990,000	-
Net assets value per share (Rs.)	137	134	139	135

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.

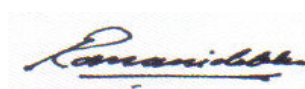


Chamindra de Silva
Chief Financial Officer

14th November 2019
Colombo



Kusal Jayawardana
Director Finance & Operations



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

Alliance Finance Company PLC

STATEMENT OF CHANGES IN EQUITY

Company	Stated Capital	Statutory Reserve	Capital Reserve	General Reserve	Available for Sale Reserve	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Restated Rs.	Restated Rs.
Balances as at 1st April 2018	613,980,000	773,074,800	949,199,546	388,258,055	5,358,466	-	1,499,976,696	4,229,847,563
Impact of adopting SLFRS 9 (note 06)	-	-	-	-	-	-	-	-
Restated opening balance under SLFRS 9	613,980,000	773,074,800	949,199,546	388,258,055	5,358,466	-	1,499,976,696	4,229,847,563
Profit for the period	-	-	-	-	-	-	192,084,346	192,084,346
Other comprehensive income, net of tax	-	-	-	-	559,768	-	-	559,768
Dividend paid	-	-	-	-	-	-	(75,816,000)	(75,816,000)
Balances as at 30th September 2018	613,980,000	773,074,800	949,199,546	388,258,055	5,918,234	-	1,616,245,042	4,346,675,677
Balance as at 1st April 2019	613,980,000	834,309,800	1,018,409,546	388,258,055	-	-	1,655,299,368	4,510,256,769
Profit for the period	-	-	-	-	-	-	147,903,439	147,903,439
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(33,696,000)	(33,696,000)
Balances as at 30th September 2019	613,980,000	834,309,800	1,018,409,546	388,258,055	-	-	1,769,506,807	4,624,464,208

Group	Stated Capital	Statutory Reserve	Capital Reserve	General Reserve	Available for Sale Reserve	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Restated Rs.	Restated Rs.
Balances as at 31st March 2018	613,980,000	773,074,800	949,199,546	388,258,055	5,358,466.28	19,859,296	1,518,254,751	4,267,984,914
Impact of adopting SLFRS 9 (note 06)	-	-	-	-	-	-	-	-
Restated opening balance under SLFRS 9	613,980,000	773,074,800	949,199,546	388,258,055	5,358,466	19,859,296	1,518,254,751	4,267,984,914
Profit for the period - Restated	-	-	-	-	-	5,645,568	202,003,818	207,649,386
Other comprehensive income, net of tax	-	-	-	-	559,768	-	-	559,768
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(75,816,000)	(75,816,000)
Balances as at 30th September 2018	613,980,000	773,074,800	949,199,546	388,258,055	5,918,234	25,504,864	1,644,442,569	4,400,378,068
Balance as at 1st April 2019	613,980,000	834,309,800	1,018,409,546	388,258,055	-	29,810,748	1,691,222,896	4,575,991,044
Profit for the period	-	-	-	-	-	-	166,994,154	166,994,154
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(33,696,000)	(33,696,000)
Balances as at 30th September 2019	613,980,000	834,309,800	1,018,409,546	388,258,055	-	29,810,748	1,824,521,050	4,709,289,199

Alliance Finance Company PLC

STATEMENT OF CASH FLOWS

	Company		Group	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	Rs.	Rs.	Rs.	Rs.
Cash Flows From / (Used in) Operating Activities				
Profit before Income Tax Expense	279,903,439	282,084,346	306,651,892	304,110,443
Adjustments for;				
Depreciation of property, plant & equipment	58,897,902	62,105,583	58,971,418	62,168,448
Amortization of intangible assets	4,553,686	4,429,237	4,553,686	4,429,237
Impairment (reversal)/provision	403,548,719	342,129,322	403,548,719	342,129,322
Interest on fixed deposits & treasury bills	(57,153,381)	(59,049,545)	(58,497,498)	(60,501,940)
(Profit) /loss on sale of securities	(7,308,645)	4,076,301	(7,308,645)	4,076,301
Fair value (gain)/loss on equity investments (FVTPL)	(6,921,074)	(1,124,829)	(6,921,074)	(1,124,829)
Bad debt written-off	175,468,759	170,551,491	175,468,759	170,551,492
Diminution/(appreciation) in value of investments	(3,368,180)	36,713,136	(3,368,180)	36,713,136
Diminution/(appreciation) in value of treasury bonds	2,565,857	-	2,565,857	
Loss/(profit) on disposal of property, plant & equipment	42,684	(3,106,391)	42,684	(3,106,391)
Provision/(reversal) for defined benefit plans	12,000,000	12,000,000	12,571,841	12,519,856
Dividend received	(3,256,080)	(2,838,374)	(3,256,080)	(2,838,374)
Share of loss/(profit) from associates	(1,039,261)	4,079,065	(1,039,261)	4,079,065
Operating Profit before Working Capital Changes	857,934,425	852,049,342	883,984,117	873,205,765
(Increase)/decrease in trading stock	143,383,387	(164,126,734)	143,383,387	(164,126,734)
(Increase)/decrease in loans and advances	192,962,300	470,944,907	192,959,160	470,948,306
(Increase)/decrease in lease rentals receivable & stock out on hire	(1,429,590,156)	(94,474,581)	(1,429,590,156)	(94,474,581)
(Increase)/decrease in hire purchase rentals receivable & stock out on hire	9,075,048	25,789,736	9,075,048	25,789,736
(Increase)/decrease in fixed deposits & repurchase agreements	153,692,572	583,008,162	153,692,572	583,008,162
(Increase)/decrease in other financial assets	31,792,410	6,299,470	(4,407,586)	(41,569,513)
(Increase)/decrease in other non financial assets	(9,195,722)	(97,732,470)	(9,195,722)	(97,507,195)
Increase/(decrease) in amounts due to customers	(25,284,010)	(333,124,028)	(25,284,010)	(333,124,028)
Increase/(decrease) in derivative financial liabilities	104,572,069	90,792,152	104,572,069	90,792,152
Increase/(decrease) in other financial liabilities	25,137,462	(8,488,626)	58,569,494	13,485,205
Increase/(decrease) in other non financial liabilities	(15,825,298)	(17,349,454)	(15,825,298)	(17,349,471)
Cash generated from/(used in) operations	38,654,487	1,313,587,876	61,933,075	1,309,077,804
Retirement benefit liabilities paid	(6,977,009)	(10,700,850)	(7,086,909)	(10,700,850)
Taxes paid	(229,407,083)	(65,636,271)	(235,539,860)	(70,922,081)
Net cash generated from/(used in) operating activities	(197,729,605)	1,237,250,754	(180,693,694)	1,227,454,872
Cash Flows from Investing Activities				
Acquisition of property, plant & equipment	(31,067,716)	(35,142,432)	(31,067,716)	(35,142,432)
Acquisition of intangible assets	-	(4,349,473)	-	(4,349,473)
Investment in unquoted equities	-	-	(11,027,762)	-
Proceeds from sales of property, plant & equipment	125,000	7,608,940	125,000	7,608,940
Net sales/ (purchases) of financial investments -FVTPL/FVOCI	(894,814,747)	(639,488,190)	(894,814,747)	(639,488,190)
Net sale/(purchase) of- available- for- sale financial asset	-	(19,252,249)	-	(25,348,889)
Dividend received	3,256,080	2,838,374	3,256,080	2,838,374
Interest on fixed deposits, commercial paper & treasury bills	57,153,381	59,049,545	58,497,498	60,501,940
Net cash generated from investing activities	(865,348,002)	(628,735,485)	(875,031,647)	(633,379,730)
Cash flows from / (used in) financing activities				
Increase in borrowed funds	37,502,466	67,126,413	37,502,466	67,126,410
Net increase /(decrease) in other borrowings	1,070,259,335	(139,614,117)	1,092,264,301	(134,526,568)
Net increase /(decrease) in finance lease	(1,917,211)	(3,541,001)	(1,917,211)	(3,541,001)
Dividend paid	(33,696,000)	(75,816,000)	(33,696,000)	(75,816,000)
Net cash generated from/(used in) financing activities	1,072,148,590	(151,844,705)	1,094,153,556	(146,757,159)
Net increase/(decrease) in cash and cash equivalents	9,070,983	456,670,564	38,428,215	447,317,983
Cash and cash equivalents at the beginning of the period	281,584,736	510,364,191	290,719,999	551,552,815
Cash and cash equivalents at the end of the period	290,655,719	967,034,755	329,148,214	998,870,798
Movement in Cash and Cash Equivalents	9,070,983	456,670,564	38,428,215	447,317,983

Alliance Finance Company PLC

NOTES TO THE FINANCIAL STATEMENTS

SEGMENT REPORT

30th September 2019	Leasing	Hire Purchase & Consumer Durables	Loans	Gold Loan	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
REVENUE										
External sales	7,406,178,454	5,782,755	644,601,157	211,822,395	15,190,367	28,537,295	80,657,443	5,721,559	126,076,676	8,524,568,102
Total revenue	7,406,178,454	5,782,755	644,601,157	211,822,395	15,190,367	28,537,295	80,657,443	5,721,559	126,076,676	8,524,568,102
Total income	2,762,335,874	(2,488,958)	644,269,905	211,822,395	15,190,367	13,932,905	90,906,616	7,633,137	115,827,503	3,859,429,744
RESULTS										
Segment results	1,390,802,008	(5,687,530)	(107,398,919)	137,372,853	1,028,739	5,378,935	51,935,184	7,633,137	42,504,235	1,523,568,641
Unallocated expenses										434,635,330
Operating profit										1,958,203,971
Interest expenses	(1,095,951,363)	(48,665)	(251,732,514)	(93,531,697)	(5,937,610)	(7,617,854)	(108,189,307)	(219,157)	(89,363,175)	(1,652,591,340)
Share of profits of associates before tax										1,039,261
Income taxes										(139,657,737)
Net Profit										166,994,155
OTHER INFORMATION										
Segment assets	19,782,155,225	878,409	4,543,825,423	1,688,267,023	107,175,122	137,503,881	1,952,839,997	3,955,835	1,613,024,313	29,829,625,228
Investment in associates										96,798,572
Unallocated assets										3,568,448,467
Total assets										33,494,872,266
Segment liabilities	17,809,088,630	768,344	3,974,480,529	1,476,725,839	93,745,995	120,274,537	1,708,147,612	3,460,166	1,410,911,100	26,597,602,749
Unallocated liabilities										2,187,980,319
Total liabilities										28,785,583,068
30th September 2018	Leasing	Hire Purchase & Consumer Durables	Loans	Gold Loan	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
REVENUE										
External sales	6,707,217,926	25,997,484	965,911,690	184,298,864	17,560,117	9,004,667	70,334,669	4,281,916	75,589,462	8,060,196,795
Total revenue	6,707,217,926	25,997,484	965,911,690	184,298,864	17,560,117	9,004,667	70,334,669	4,281,916	75,589,462	8,060,196,795
Total income	2,295,972,763	726,487	965,719,902	184,298,864	17,560,117	(37,951,063)	70,334,669	4,281,916	75,589,462	3,576,533,117
RESULTS										
Segment results	1,570,058,575	(13,911,099)	468,260,148	134,081,901	9,140,907	(74,856,227)	44,684,358	4,281,916	53,209,495	2,194,949,975
Unallocated expenses										(259,443,366)
Operating profit										1,935,506,610
Interest expenses	(1,011,907,293)	(1,338,002)	(351,317,218)	(68,401,171)	(6,653,640)	(11,196,579)	(92,437,084)	(41,229)	(84,024,885)	(1,627,317,102)
Share of profits of associates before tax										(4,079,065)
Income taxes										(96,461,057)
Net Profit										207,649,386
OTHER INFORMATION										
Segment assets	17,356,650,488	22,949,967	6,025,937,552	1,173,245,052	114,125,972	192,048,341	1,585,518,926	707,175	1,441,229,419	27,912,412,892
Investment in associates										53,283,839
Unallocated assets										3,726,190,384
Total assets										31,691,887,115
Segment liabilities	15,155,874,741	18,997,269	4,988,083,681	971,175,762	94,469,930	158,971,643	1,312,443,253	585,377	1,193,004,886	23,893,606,543
Unallocated liabilities										3,397,902,507
Total liabilities										27,291,509,050

Alliance Finance Company PLC

EXPLANATORY NOTES

- 1 The figures given in the statements for the six months ended 30th September 2019 are provisional and subject to audit.
- 2 The accounting policies and methods of computation disclosed in the financial statements for the year ended 31st March 2019 were consistently followed during the said period.
- 3 The financial statements for the six months ended 30th September 2019 have been presented in the same format adopted in the audited financial statements as at 31st March 2019, and are in accordance with the Sri Lanka Accounting Standards, LKAS 34; Interim Financial Reporting and the provisions of the Companies Act No. 7 of 2007 and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
- 4 Interim Financial Statements as at 30th September 2019 have been prepared in accordance with the SLFRS 9- Financial Instruments. The Company complied with LKAS 39 - Financial Instruments: recognition and measurements up to 31st March 2018 in preparation of Financial Statements.

As permitted by transitional provision issued by CA Sri Lanka, the impact of adopting SLFRS 9 is recognised as adjustment to the equity balance on 01st April 2018, without restating the comparative information.

- 5 All known expenses including management fees and other similar expenses have been provided for in full for the six months ended 30th September 2019.
- 6 Dr. L.A.P Medis - Non Executive Director has resigned from the Board of Directors of the Company with effect from 22nd July 2019.
Mr. L.J.H. de Silva - Independent Non Executive Director appointed to the Board on 16th October 2019.
- 7 On 9th July 2019, the Company paid a first and final dividend of Rs. 1/- per share totaling to Rs. 33,696,000 for the financial year 2018/19.

8	Contingent Liabilities as at 30th September 2019	
	Financial guarantees	19,890,000
	Tax assessments	312,100,000
		<u>331,990,000</u>

There has not been a significant change in the nature of the Contingent Liabilities which were disclosed in the six months ended 30th September 2019.

- 9 Except for notes disclosed above there have been no significant events subsequent to the reporting date, which requires adjustments to or disclosures in the interim financial statements.

Alliance Finance Company PLC

SHAREHOLDERS' INFORMATION

Market price per share

Quarter ended 01st July to 30th September	2019	2018
Highest Price	51.80	67.40
Lowest Price	40.00	62.00
Last Traded	43.20	62.60

Issued capital

As at 30th September 2019 the Stated Capital was Rs. 613,980,000/- of 33,696,000 Ordinary shares were issued.

Directors'/ CEO's Holding in Shares as at 30th September 2019

No	Name of Director	No of Shares
1	Mrs.R.N. Ponnambalam	2,772
2	Mr.R.K.E.P. de Silva *	8,934,075
3	Mr.A.R. Samarasinghe	1,386
4	Mr.J.M. Gunasekera	1,500
5	Mr.W.P.K. Jayawardana	100
6	Mrs.P. De Silva	100
7	Mr.R.E. Rambukwelle	10,000
8	Mr.L.J.H. De Silva (Apptd. 16th Oct 2019)	3,052
	* Jt Holding with Mr.J.E.P.A. de Silva	2,101,216

Twenty Largest Ordinary Shareholders as at 30th September 2019

No.	Name of Shareholder	No. of Shares	%
1	Mr.R.K.E.P. de Silva	8,934,075	26.51
2	Motor Service Station (Pvt) Ltd.,	4,542,220	13.48
3	Mrs D.M.E.P. Perera	2,501,443	7.42
4	Mr.R.K.E.P. de Silva & Mr.J.E.P.A. de Silva	2,101,216	6.24
5	Mr.D.F.W.S.K. Perera & Mr.D.F.W. Perera	1,381,536	4.10
6	Orient Hotels Ltd.,	1,358,323	4.03
7	Mrs.S.E. Canekaratne	612,268	1.82
8	Mr.D.L.S.R. Perera	553,556	1.64
9	Mr. S. Vasudevan	480,000	1.42
10	Mrs.C.R. de Silva	374,400	1.11
11	Elgin Investments Ltd.	311,877	0.93
12	Mr. D.F.W. Perera	310,560	0.92
13	Ms.D.D.P.T. Perera	309,384	0.92
14	Mrs.S.J. Amarasinghe	300,000	2.39
15	Mrs.P. Weththasinghe	299,975	0.89
16	Mrs.A.S. Wijewardena	259,200	0.77
17	Miss S. Marcelline	246,240	0.73
18	Miss Z. Marcelline	246,240	0.73
19	Ms.D.C.M.A. Perera	236,632	0.70
20	Mrs.L.S. Semage	232,560	0.69

Alliance Finance Company PLC

SHAREHOLDERS' INFORMATION

Public Shareholding as at 30th September 2019

No of Shares	%
18,089,299	53.68

No of Shareholders

The percentage of ordinary shares held by the public as at 30th September 2019 was 53.68 and the number of shareholders representing the public holding was 1,338.

Float Adjusted Market Capitalization

The Float adjusted market capitalization as at 30th September 2019 - Rs. 781,402,153/- 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

INFORMATION ON DEBENTURE

Debenture Investor Indicators

30.09.2019

Debt/equity ratio times	5.90
Interest cover times	2.19
Liquid assets ratio (%)	19.04%

Debenture 2014-2019 Market Price (Rs.)

Lowest Highest Last Traded

5 Years - 9.35% p.a payable annually Has not been traded

Interest yield as at last trade done during the quarter (%)

5 Years - 9.35% p.a payable annually Not Traded

Yield to maturity of last trade done during the quarter (%)

5 Years - 9.35% p.a payable annually Not Traded

Yield of comparable government securities (%)

30.09.2019

05 years treasury bonds 10.58%

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

R.N Ponnambalam - *Chairperson*
Romani de Silva - F.I.C.M.(SL) - *Deputy Chairman / Managing*
J.M. Gunasekara, B.Sc. (Agri), MBA, *Executive Director*
Sustainability
W.P. Kusal Jayawardana - CFA, MBA, ACMA. CGMA - *Executive*
Director Finance and Operations
Ravi Rambukwelle - BA, MCIM(UK), ACI (UK), *Executive*
Director - Credit Operations and Marketing
Lt. Col (Retd) A.R. Samarasinghe, MSc, CS (Security), BIT-
Independent Non Executive Director
Priyanthi de Silva - FCMA, CGMA, FCPA - *Independent Non*
Executive Director
L.J.H. de Silva - *Independent Non Executive Director*

Secretaries

Alliance Management Services (Pvt) Ltd.
No. 84, Ward Place
Colombo 07.

Audit Committee

Mrs. P. de Silva *Chairperson*
Lt.Col (Retd.) A.R. Samarasinghe

Remuneration Committee

Lt.Col (Retd.) A.R. Samarasinghe - *Chairman*
Mrs. P. de Silva
Mrs. R.N. Ponnamlalam

Auditors

M/s Baker Tilly Edirisinghe & Co.
Chartered Accountants,
No.45, 2nd Floor, Bray Brooke Street,
Colombo 02.

Legal Consultants

Gunawardene Ranasinghe Associates
Sudath Perera Associates

Advisory Council

K.S.K. de Silva
B. Ponnambalam
Abbas Akbarally - Chairman, Akbar Brother Group of Companies
K. Kanag Isvaran LLB (London) of Lincoln's Inn Barrister
(President's Counsel)
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
Lankaputhra Development Bank Limited
Deutsche Bank