



Financial Statements

For the nine months ended 31st December 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			Nine months ended		
	31.12.2019 (unaudited) Rs.	31.12.2018 (unaudited) Rs.	Variance %	31.12.2019 (unaudited) Rs.	31.12.2018 (unaudited) Rs.	Variance %
Gross Income	1,960,815,632	1,792,322,281	9	5,785,128,787	5,338,345,318	8
Interest income	1,818,662,094	1,695,662,242	7	5,437,816,586	5,125,065,247	6
Interest expenses	(826,920,671)	(806,994,349)	(2)	(2,479,512,011)	(2,434,311,451)	(2)
Net Interest Income	991,741,423	888,667,893	12	2,958,304,575	2,690,753,796	10
Fee and commission income	46,076,530	38,011,014	21	131,950,267	114,774,840	15
Fee and commission expenses	(43,121,704)	(56,965,875)	24	(122,909,631)	(137,415,830)	11
Net Fee and Commission Income	2,954,826	(18,954,861)	116	9,040,636	(22,640,990)	140
Net gain/(loss) from trading	39,515,672	1,960,597	1,915	64,796,887	(36,418,454)	278
Other operating income (net)	56,561,336	56,688,428	(0)	150,565,047	134,923,685	12
Total Operating Income	1,090,773,257	928,362,057	17	3,182,707,145	2,766,618,037	15
Impairment (charges) / reversal for loans and other losses	(270,854,245)	(256,533,245)	(6)	(849,871,723)	(769,214,059)	(10)
Net Operating Income	819,919,012	671,828,812	22	2,332,835,422	1,997,403,978	17
Operating Expenses						
Personnel expenses	(209,899,432)	(194,582,884)	(8)	(606,993,545)	(533,881,860)	(14)
Other operating expenses	(356,215,826)	(323,027,947)	(10)	(974,328,646)	(872,173,598)	(12)
Depreciation and amortization	(32,206,041)	(34,645,384)	7	(95,657,629)	(101,180,204)	5
Total operating expenses	(598,321,299)	(552,256,215)	(8)	(1,676,979,820)	(1,507,235,662)	(11)
Operating Profit before Taxes on Financial Services	221,597,713	119,572,597	85	655,855,602	490,168,316	34
Taxes on financial services	(57,075,568)	(28,355,844)	(101)	(159,495,123)	(112,788,152)	(41)
Debt repayment levy	(30,384,165)	(19,235,394)	(58)	(83,358,321)	(19,235,394)	(333)
Operating Profit after Taxes on Financial Services	134,137,980	71,981,359	86	413,002,158	358,144,770	15
Share of profit/(loss) from associates	651,777	(1,387,367)	147	1,691,038	(5,466,432)	131
Profit before Taxation from Operations	134,789,757	70,593,992	91	414,693,196	352,678,338	18
Provision for income taxation	(89,000,000)	(34,211,252)	(160)	(221,000,000)	(124,211,252)	(78)
Profit for the Period	45,789,757	36,382,740	26	193,693,196	228,467,086	(15)
Basic/ Diluted earnings per share	5.44	4.32		7.66	9.04	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

Alliance Finance Company PLC

STATEMENT OF PROFIT OR LOSS - GROUP

	Quarter ended			Nine months ended		
	31.12.2019 (unaudited) Rs.	31.12.2018 (unaudited) Rs.	Variance %	31.12.2019 (unaudited) Rs.	31.12.2018 (unaudited) Rs.	Variance %
Gross Income	1,974,514,204	1,803,575,232	9	5,833,943,948	5,380,108,348	8
Interest income	1,819,323,105	1,696,426,775	7	5,439,821,715	5,127,282,175	6
Interest expenses	(826,920,671)	(806,994,349)	(2)	(2,479,512,011)	(2,434,311,451)	(2)
Net Interest Income	992,402,434	889,432,426	12	2,960,309,704	2,692,970,724	10
Fee and commission income	59,114,091	48,499,432	22	178,760,299	154,320,942	16
Fee and commission expenses	(43,121,704)	(56,965,875)	24	(122,909,631)	(137,415,830)	11
Net Fee and Commission Income	15,992,387	(8,466,443)	289	55,850,668	16,905,112	230
Net gain/(loss) from trading	39,515,672	1,960,597	1,915	64,796,887	(36,418,454)	278
Other operating income (net)	56,561,336	56,688,428	(0)	150,565,047	134,923,685	12
Total Operating Income	1,104,471,829	939,615,007	18	3,231,522,306	2,808,381,067	15
Impairment (charges) / reversal for loans and other losses	(270,854,245)	(256,533,245)	(6)	(849,871,723)	(769,214,059)	(10)
Net Operating Income	833,617,584	683,081,762	22	2,381,650,583	2,039,167,008	17
Operating Expenses	-	0				
Personnel expenses	(212,614,325)	(197,231,756)	(8)	(615,094,146)	(541,787,631)	(14)
Other operating expenses	(357,765,877)	(325,971,280)	(10)	(978,787,610)	(878,281,149)	(11)
Depreciation and amortization	(32,227,526)	(34,676,817)	7	(95,752,630)	(101,274,502)	5
Total operating expenses	(602,607,728)	(557,879,852)	(8)	(1,689,634,386)	(1,521,343,282)	(11)
Operating Profit before Taxes on Financial Services	231,009,856	125,201,910	85	692,016,197	517,823,726	34
Taxes on financial services	(57,075,568)	(28,355,844)	(101)	(159,495,123)	(112,788,152)	(41)
Debt repayment levy	(30,384,165)	(19,235,394)	(58)	(83,358,321)	(19,235,394)	(333)
Operating Profit after Taxes on Financial Services	143,550,123	77,610,672	85	449,162,753	385,800,180	16
Share of profit/(loss) from associates	651,777	(1,387,367)	147	1,691,038	(5,466,432)	131
Profit before Taxation from Operations	144,201,900	76,223,305	89	450,853,791	380,333,748	19
Provision for income taxation	(91,715,201)	(35,815,686)	(156)	(231,372,938)	(132,276,743)	(75)
Profit for the Period	52,486,699	40,407,619	30	219,480,853	248,057,005	(12)
Profit attributable to :						
Equity holders of the Company	50,071,792	38,989,063	28	210,181,834	240,992,881	(13)
Non controlling interest	2,414,907	1,418,556	70	9,299,019	7,064,124	32
Profit for the Period	52,486,699	40,407,619	30	219,480,853	248,057,005	(12)
Basic/ Diluted earnings per share	6.23	4.80		8.32	9.54	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

Alliance Finance Company PLC

STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Quarter ended		Nine months ended	
	31.12.2019 (Unaudited) Rs.	31.12.2018 (Unaudited) Rs.	31.12.2019 (Unaudited) Rs.	31.12.2018 (Unaudited) Rs.
Profit for the period	<u>45,789,757</u>	<u>36,382,740</u>	<u>193,693,196</u>	<u>228,467,086</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	-	9,700,000	-	10,259,768
Net other comprehensive income to reclassified to profit or loss	-	9,700,000	-	10,259,768
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>45,789,757</u>	<u>46,082,740</u>	<u>193,693,196</u>	<u>238,726,853</u>
Attributable to:				
Equity holders of the company	45,789,757	46,082,740	193,693,196	238,726,853
Non controlling interest	-	-	-	-
Total Comprehensive Income for the period	<u>45,789,757</u>	<u>46,082,740</u>	<u>193,693,196</u>	<u>238,726,853</u>

Alliance Finance Company PLC

STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Quarter ended		Nine months ended	
	31.12.2019 (Unaudited) Rs.	31.12.2018 (Unaudited) Rs.	31.12.2019 (Unaudited) Rs.	31.12.2018 (Unaudited) Rs.
Profit for the period	<u>52,486,699</u>	<u>40,407,619</u>	<u>219,480,853</u>	<u>248,057,005</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	-	9,700,000	-	10,259,768
Net other comprehensive income to reclassified to profit or loss	-	9,700,000	-	10,259,768
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>52,486,699</u>	<u>50,107,619</u>	<u>219,480,853</u>	<u>258,316,773</u>
Attributable to:				
Equity holders of the company	50,071,792	48,689,063	210,181,834	251,252,648
Non controlling interest	2,414,907	1,418,556	9,299,019	7,064,124
Total Comprehensive Income for the period	<u>52,486,699</u>	<u>50,107,619</u>	<u>219,480,853</u>	<u>258,316,772</u>

Alliance Finance Company PLC

STATEMENT OF FINANCIAL POSITION

	Company		Group	
	31-12-19	31-03-19	31-12-19	31-03-19
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Rs.	Rs.	Rs.	Rs.
Assets				
Cash and cash equivalents	357,081,487	281,584,736	396,476,285	290,719,999
Repurchase agreements	-	210,053,286	-	210,053,286
Placements with banks & financial institutions	498,115,712	732,163,843	498,115,712	732,163,843
Financial assets recognised through profit or loss	1,887,849,339	1,807,179,087	1,887,849,339	1,807,179,087
Loans and advances - at amortised cost	6,323,527,980	6,512,027,536	6,323,790,160	6,512,165,856
Lease rentals receivable & stock out on hire - at amortised cost	19,958,171,430	18,842,072,665	19,958,171,430	18,842,072,665
Hire purchase rentals receivable & stock out on hire - at amortised cost	2,681,204	12,349,092	2,681,204	12,349,092
Financial assets- fair value through other comprehensive income	579,250	579,250	579,250	579,250
Other trading stocks	211,229,489	401,655,826	211,229,489	401,655,826
Other financial assets	402,629,720	405,850,825	484,597,390	446,862,407
Other non financial assets	260,344,946	217,705,371	261,294,256	217,705,362
Investments in associates	50,160,137	48,469,100	98,967,609	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	1,718,206,396	1,746,403,417	1,718,368,187	1,746,660,210
Intangible assets	49,446,122	56,523,495	49,446,122	56,523,495
Deferred tax assets	291,123,214	291,123,246	291,667,566	291,667,571
Total Assets	32,577,070,464	32,131,664,813	32,732,233,999	32,202,089,499
Liabilities				
Due to banks	13,976,247,401	12,589,469,582	13,987,851,485	12,589,469,582
Due to customers	12,386,292,198	12,493,682,808	12,386,292,198	12,493,682,808
Debt instruments issued and other borrowed funds	-	819,062,771	-	819,062,771
Other financial liabilities	726,819,191	781,933,239	771,759,124	781,537,579
Other non financial liabilities	37,589,717	56,531,752	37,589,717	56,531,752
Derivative financial liabilities	85,475,443	99,770,779	85,475,443	99,770,779
Income tax liabilities	49,335,109	142,874,259	53,665,245	145,940,743
Retirement benefit liabilities	37,673,835	30,699,249	40,365,713	32,643,265
Deferred tax liabilities	607,383,605	607,383,605	607,459,177	607,459,177
Total Liabilities	27,906,816,499	27,621,408,044	27,970,458,102	27,626,098,455
Shareholders' Funds				
Stated capital	613,980,000	613,980,000	613,980,000	613,980,000
Retained earnings	1,815,296,564	1,655,299,368	1,867,708,730	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	4,670,253,965	4,510,256,769	4,722,666,131	4,546,180,296
Non controlling interest	-	-	39,109,766	29,810,748
Total Equity	4,670,253,965	4,510,256,769	4,761,775,897	4,575,991,044
Total Liabilities and Shareholders' Funds	32,577,070,464	32,131,664,813	32,732,233,999	32,202,089,499
Contingent Liabilities and Commitments	346,535,981	-	346,535,981	-
Net assets value per share (Rs.)	139	134	140	134.92

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.

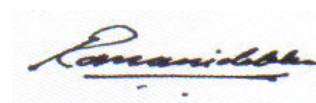


Thamara Rathnayake
AGM Finance and Compliance

14th February 2020
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	-	-	-	-	-	-	228,467,086	228,467,086
Other comprehensive income, net of tax	-	-	-	-	10,259,768	-	-	10,259,768
Dividend paid	-	-	-	-	-	-	(75,816,000)	(75,816,000)
Balances as at 31st December 2018	613,980,000	773,074,800	949,199,546	388,258,055	15,618,234	-	1,652,627,782	4,392,758,417
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	-	-	-	-	-	-	193,693,196	193,693,196
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(33,696,000)	(33,696,000)
Balances as at 31st December 2019	613,980,000	834,309,800	1,018,409,546	388,258,055	-	-	1,815,296,564	4,670,253,965

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	-	-	-	-	-	7,064,124	240,992,881	248,057,005
Other comprehensive income, net of tax	-	-	-	-	10,259,768	-	-	10,259,768
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(75,816,000)	(75,816,000)
Balances as at 31st December 2018	613,980,000	773,074,800	949,199,546	388,258,055	15,618,234	26,923,420	1,683,431,632	4,450,485,687
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	-	-	-	-	-	9,299,019	210,181,834	219,480,853
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(33,696,000)	(33,696,000)
Balances as at 31st December 2019	613,980,000	834,309,800	1,018,409,546	388,258,055	-	39,109,766	1,867,708,730	4,761,775,897

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

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	Rs.	Rs.	Rs.	Rs.
Cash Flows From / (Used in) Operating Activities	Unaudited	Unaudited	Unaudited	Unaudited
Profit before Income Tax Expense	414,693,196	352,678,338	450,853,791	380,333,748
Adjustments for;				
Depreciation of property, plant & equipment	88,945,959	94,432,794	89,040,960	94,527,092
Amortization of intangible assets	6,711,670	6,747,410	6,711,670	6,747,410
Impairment (reversal)/provision	564,502,418	541,946,344	564,502,418	541,946,344
Interest on fixed deposits & treasury bills	(85,939,826)	(80,465,234)	(87,944,955)	(82,682,162)
(Profit) /loss on sale of securities	(7,386,085)	4,076,301	(7,386,085)	4,076,301
Fair value (gain)/loss on equity investments (FVTPL)	(3,229,919)	4,374,294	(3,229,919)	4,374,294
Bad debt written-off	285,369,305	227,267,715	285,369,305	227,267,715
Diminution/(appreciation) in value of investments	(14,108,468)	33,204,050	(14,108,468)	33,204,050
Diminution/(appreciation) in value of treasury bonds	(4,484,143)	-	(4,484,143)	-
Loss/(profit) on disposal of property, plant & equipment	164,924	(1,310,279)	164,924	(1,310,279)
Provision/(reversal) for defined benefit plans	18,000,000	18,000,000	18,857,762	18,779,783
Dividend received	(3,269,379)	(3,300,208)	(3,269,379)	(3,300,208)
Share of loss/(profit) from associates	(1,691,038)	5,466,432	(1,691,038)	5,466,432
Operating Profit before Working Capital Changes	1,258,278,614	1,203,117,956	1,293,386,844	1,229,430,521
(Increase)/decrease in trading stock	190,426,337	(306,627,539)	190,426,337	(306,627,539)
(Increase)/decrease in loans and advances	35,466,719	580,629,101	35,342,859	580,505,238
(Increase)/decrease in lease rentals receivable & stock out on hire	(1,814,343,406)	(745,319,244)	(1,814,343,406)	(745,308,364)
(Increase)/decrease in hire purchase rentals receivable & stock out on hire	11,073,642	31,787,263	11,073,642	31,787,264
(Increase)/decrease in fixed deposits & repurchase agreements	444,101,417	422,674,837	444,101,417	422,674,837
(Increase)/decrease in other financial assets	3,221,105	(760,076)	(37,734,983)	(48,176,183)
(Increase)/decrease in other non financial assets	(42,639,575)	(46,277,161)	(43,588,894)	(46,411,414)
Increase/(decrease) in amounts due to customers	(107,390,610)	(650,714,831)	(107,390,610)	(650,714,831)
Increase/(decrease) in derivative financial liabilities	(14,295,336)	47,919,131	(14,295,336)	47,919,131
Increase/(decrease) in other financial liabilities	(55,114,048)	46,389,833	(9,778,455)	72,735,383
Increase/(decrease) in other non financial liabilities	(18,942,035)	(13,184,973)	(18,942,035)	(13,184,973)
Cash generated from/(used in) operations	(110,157,177)	569,634,297	(71,742,621)	574,629,070
Retirement benefit liabilities paid	(11,025,414)	(15,886,074)	(11,135,314)	(15,886,074)
Taxes paid	(314,173,412)	(93,523,778)	(323,282,721)	(101,545,580)
Net cash generated from/(used in) operating activities	(435,356,003)	460,224,445	(406,160,656)	457,197,415
Cash Flows from Investing Activities				
Acquisition of property, plant & equipment	(63,866,862)	(136,980,517)	(63,866,862)	(136,980,517)
Acquisition of intangible assets	-	(5,691,666)	-	(5,691,666)
Investment in unquoted equities	-	-	(12,545,022)	-
Proceeds from sales of property, plant & equipment	2,953,000	7,874,940	2,953,000	7,874,940
Net sales/ (purchases) of financial investments -FVTPL/FVOCI	(51,461,637)	(666,380,469)	(51,461,637)	(666,380,469)
Net sale/(purchase) of- available- for- sale financial asset	-	(24,690,149)	-	(30,786,789)
Dividend received	3,269,379	3,300,208	3,269,379	3,300,208
Interest on fixed deposits, commercial paper & treasury bills	85,939,826	80,465,234	87,944,955	82,682,162
Net cash generated from investing activities	(23,166,294)	(742,102,419)	(33,706,187)	(745,982,132)
Cash flows from / (used in) financing activities				
Increase in borrowed funds	(819,062,771)	(830,979,864)	(819,062,771)	(830,979,867)
Net increase /(decrease) in other borrowings	1,388,695,030	1,251,507,082	1,400,299,112	1,254,868,526
Net increase /(decrease) in finance lease	(1,917,211)	(5,371,252)	(1,917,211)	(5,371,252)
Dividend paid	(33,696,000)	(75,816,000)	(33,696,000)	(75,816,000)
Net cash generated from/(used in) financing activities	534,019,048	339,339,966	545,623,130	342,701,407
Net increase/(decrease) in cash and cash equivalents	75,496,751	57,461,991	105,756,286	53,916,689
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	357,081,487	567,826,182	396,476,285	605,469,507
Movement in Cash and Cash Equivalents	75,496,751	57,461,991	105,756,286	53,916,692

Alliance Finance Company PLC

NOTES TO THE FINANCIAL STATEMENTS

SEGMENT REPORT

31st December 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	11,442,735,492	7,948,161	898,168,463	342,295,158	23,466,597	68,066,266	123,461,195	8,494,608	219,663,470	13,134,299,410
Total revenue	11,442,735,492	7,948,161	898,168,463	342,295,158	23,466,597	68,066,266	123,461,195	8,494,608	219,663,470	13,134,299,410
Total income	4,189,834,021	(1,373,162)	897,677,415	342,295,158	23,466,597	24,763,932	151,376,529	14,155,323	191,748,136	5,833,943,948
RESULTS										
Segment results	2,506,903,553	(1,465,603)	117,817,846	262,563,833	6,862,261	38,078,608	111,601,159	14,155,323	115,942,629	3,172,459,610
Unallocated expenses										(243,784,846)
Operating profit										2,928,674,764
Interest expenses	(1,670,247,328)	(224,383)	(367,986,346)	(161,235,164)	(8,559,548)	(16,683,169)	(132,791,097)	(120,266)	(121,664,712)	(2,479,512,011)
Share of profits of associates before tax										1,691,038
Income taxes										(231,372,938)
Net Profit										219,480,853
OTHER INFORMATION										
Segment assets	19,958,171,430	2,681,204	4,397,153,911	1,926,636,249	102,280,019	199,351,039	1,586,751,512	1,437,083	1,453,799,764	29,628,262,211
Investment in associates										98,967,609
Unallocated assets										3,005,004,179
Total assets										32,732,233,999
Segment liabilities	17,526,323,991	2,286,092	3,749,173,684	1,642,720,285	87,207,672	169,973,961	1,352,922,170	1,225,310	1,239,562,664	25,771,395,829
Unallocated liabilities										2,199,062,273
Total liabilities										27,970,458,102
31st December 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	10,131,353,787	32,853,168	1,379,993,521	275,743,002	27,187,128	9,466,501	92,439,044	6,861,231	133,803,668	12,089,701,050
Total revenue	10,131,353,787	32,853,168	1,379,993,521	275,743,002	27,187,128	9,466,501	92,439,044	6,861,231	133,803,668	12,089,701,050
Total income	3,495,852,345	2,547,256	1,379,654,817	275,743,002	27,187,128	(33,980,143)	92,439,044	6,861,231	133,803,668	5,380,108,348
RESULTS										
Segment results	2,389,134,633	(12,299,720)	611,661,891	193,502,278	14,654,147	(67,375,779)	56,313,445	6,861,231	68,256,555	3,260,708,681
Unallocated expenses										(440,597,051)
Operating profit										2,820,111,630
Interest expenses	(1,528,125,303)	(1,448,420)	(489,697,696)	(104,776,017)	(9,658,385)	(16,710,494)	(151,359,371)	(379,000)	(132,156,764)	(2,434,311,450)
Share of profits of associates before tax										(5,466,432)
Income taxes										(132,276,743)
Net Profit										248,057,005
OTHER INFORMATION										
Segment assets	17,883,148,892	16,950,388	5,730,401,632	1,227,038,778	113,028,906	195,557,428	1,771,309,041	4,435,313	1,546,587,239	28,488,457,617
Investment in associates										51,896,471
Unallocated assets										3,400,327,509
Total assets										31,940,681,597
Segment liabilities	14,999,202,598	56,010,584	6,333,128,380	869,452,222	135,697,800	176,456,857	1,274,355,332	3,792,605	805,744,167	24,653,840,545
Unallocated liabilities										3,124,821,989
Total liabilities										27,778,662,534

Alliance Finance Company PLC

EXPLANATORY NOTES

- 1 The figures given in the statements for the nine months ended 31st December 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 nine months ended 31st December 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 31st December 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 nine months ended 31st December 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 31st December 2019	
	Financial guarantees	34,435,981
	Tax assessments	312,100,000
		<u>346,535,981</u>

There has not been a significant change in the nature of the Contingent Liabilities which were disclosed in the nine months ended 31st December 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 October to 31st December	2019	2018
Highest Price	53.90	68.50
Lowest Price	42.80	56.50
Last Traded	51.40	57.70

Issued capital

As at 31st December 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 31st December 2019

No	Name of Director	No of Shares
1	Mrs.R.N. Ponnambalam	2,712
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 31st December 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.K.G.G.S.L. Perera	201,066	0.60

Alliance Finance Company PLC

SHAREHOLDERS' INFORMATION

Public Shareholding as at 31st December 2019

No of Shares	%
18,089,299	53.68

No of Shareholders

The percentage of ordinary shares held by the public as at 31st December 2019 was 53.68 and the number of shareholders representing the public holding was 1,372.

Float Adjusted Market Capitalization

The Float adjusted market capitalization as at 31st December 2019 - Rs. 929,723,858/- 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

31.12.2019

Debt/equity ratio times	5.66
Interest cover times	2.19
Liquid assets ratio (%)	15.64%

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 (%)

31.12.2019

05 years treasury bonds 9.71%

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
K. Kanag Isvaran LLB (London) of
Lincoln's Inn Barrister (President's
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