



Financial Statements
For the Three Months Ended 30th June 2016



The first company in the banking and non-banking sector of Sri Lanka to be certified with ISO 9001:2008 Quality Management system and ISO 22301:2012 for Business Continuity Management Systems

Alliance Finance Company PLC

STATEMENT OF PROFIT OR LOSS

Three months ended 30th June	Company			Group		
	2016	2015	Variance	2016	2015	Variance
	(Unaudited) Rs.	(Unaudited) Rs.	%	(Unaudited) Rs.	(Unaudited) Rs.	%
Gross Income	1,271,363,945	1,102,786,674	15	1,279,757,571	1,111,167,905	15
Interest income	1,157,673,097	973,403,270	19	1,159,790,756	975,318,065	19
Interest expenses	(551,134,099)	(442,134,124)	25	(551,134,099)	(442,143,024)	25
Net Interest Income	606,538,998	531,269,146	14	608,656,658	533,175,041	14
Fee and commission income	54,845,699	65,353,968	(16)	61,121,665	71,820,404	(15)
Fee and commission expenses	(19,632,583)	(28,655,515)	(31)	(19,632,583)	(28,689,484)	(32)
Net Fee and Commission Income	35,213,116	36,698,453	(4)	41,489,082	43,130,920	(4)
Net gain/(loss) from trading	25,345,105	26,375,686	(4)	25,345,105	26,375,686	(4)
Other operating income (net)	33,500,045	37,653,750	(11)	33,500,045	37,653,750	(11)
Total Operating Income	700,597,264	631,997,035	11	708,990,889	640,335,397	11
Impairment (charges) / reversal for loans and other losses	(54,507,909)	(104,508,429)	(48)	(54,507,909)	(104,508,429)	(48)
Gold Loan Auction Losses	(156,762)	(20,976,596)	(99)	(156,762)	(20,976,596)	(99)
Net Operating Income	645,932,592	506,512,010	28	654,326,218	514,850,372	27
Operating Expenses						
Personnel expenses	(222,965,758)	(165,924,488)	34	(225,319,595)	(168,468,530)	34
Other operating expenses	(205,375,703)	(162,825,309)	26	(207,248,368)	(166,365,923)	25
Depreciation of property & equipment	(35,074,491)	(23,225,452)	51	(35,339,466)	(23,411,648)	51
Total operating expenses	(463,415,953)	(351,975,249)		(467,907,430)	(358,246,101)	31
Operating Profit before Value Added Tax on Financial Services	182,516,640	154,536,761	18	186,418,788	156,604,271	19
Value added tax on financial services	(34,835,495)	(10,804,300)	222	(34,835,495)	(10,804,300)	222
Operating Profit after Value Added Tax on Financial Services	147,681,145	143,732,461	3	151,583,293	145,799,971	4
Share of profit from associates	6,034,731	4,716,050	28	6,034,731	4,716,050	28
Profit before Taxation from Operations	153,715,876	148,448,511	4	157,618,024	150,516,021	5
Provision for income taxation	(30,000,000)	(30,000,000)	-	(30,000,000)	(30,000,000)	-
Profit for the Period	123,715,876	118,448,511	4	127,618,024	120,516,021	6
Profit attributable to :						
Equity holders of the Company	-	-	-	126,210,909	119,770,477	5
Non controlling interest	-	-	-	1,407,115	745,544	89
Profit for the Period	123,715,876	118,448,511		127,618,024	120,516,021	6
Basic/ Diluted earnings per share	50.91	48.74		52.52	49.60	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

Alliance Finance Company PLC

STATEMENT OF COMPREHENSIVE INCOME

Three months ended 30th June	Company		Group	
	2016 Rs. (Unaudited)	2015 Rs. (Unaudited)	2016 Rs. (Unaudited)	2015 Rs. (Unaudited)
Profit for the period	123,715,876	118,448,511	127,618,024	120,516,021
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	9,850,000	13,579,363	9,850,000	13,579,363
Equity securities - Quoted	-	-	-	-
Equity securities - Un quoted	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-
Net Change in fair value of available for sale financial assets	-	-	-	-
Net Other comprehensive Income to reclassified to Profit or Loss	9,850,000	13,579,363	9,850,000	13,579,363
Net Other Comprehensive Income not be classified to profit or loss	-	-	-	-
Total Comprehensive Income for the Period	133,565,876	132,027,874	137,468,024	134,095,384
Attributable to:				
Equity holders of the Company	-	-	136,028,960	133,349,841
Non controlling interest	-	-	1,439,064	745,544
Total Comprehensive Income for the period	133,565,876	132,027,874	137,468,024	134,095,385

Alliance Finance Company PLC

STATEMENT OF FINANCIAL POSITION

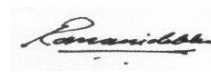
As at	Company		Group	
	30.06.2016 (Unaudited) Rs.	31.03.2016 (Audited) Rs.	30.06.2016 (Unaudited) Rs.	31.03.2016 (Audited) Rs.
Assets				
Cash and cash equivalents	302,187,325	143,982,481	357,567,579	177,180,931
Repurchase agreements	608,302,273	735,591,742	608,302,273	735,591,742
Placements with banks & financial institutions	1,884,177,043	1,834,356,115	1,934,333,293	1,834,356,115
Financial investments - held for trading	1,232,666,624	1,081,001,402	1,232,666,624	1,159,449,583
Loans and advances	5,564,133,989	5,603,981,321	5,564,133,989	5,604,087,836
Lease rentals receivable & stock out on hire	13,615,976,714	13,283,110,374	13,615,976,714	13,283,110,374
Hire purchase rentals receivable & stock out on hire	382,832,504	462,569,201	382,832,504	462,569,201
Financial investments - available for sale	617,002,347	450,254,097	630,502,347	463,754,097
Other trading stocks	241,589,258	207,857,305	241,589,258	207,857,305
Other financial assets	188,783,980	181,511,534	223,572,791	178,653,619
Other non financial assets	134,843,946	113,445,442	137,510,957	118,146,354
Investments in associates	74,193,410	68,158,680	74,193,410	68,158,680
Investments in subsidiaries	16,924,038	16,924,038	-	-
Property, plant & equipment	1,435,217,993	1,460,365,873	1,436,072,935	1,461,115,815
Deferred tax assets	213,869,894	213,869,894	214,166,914	214,166,914
Total Assets	26,512,701,337	25,856,979,499	26,653,421,588	25,968,198,566
Liabilities				
Due to banks	9,090,851,651	8,328,978,742	9,122,011,528	8,353,691,241
Due to customers	10,405,240,688	10,464,149,566	10,405,240,688	10,464,149,566
Debt instruments issued and other borrowed funds	3,001,392,905	3,062,414,964	3,001,392,905	3,062,414,964
Other financial liabilities	738,740,238	884,210,568	766,772,866	890,116,107
Other non financial liabilities	25,938,115	35,880,403	27,336,525	35,880,403
Income Tax liability	87,828,018	62,954,733	87,828,018	67,590,682
Retirement benefit liability	101,990,843	91,237,518	103,281,787	92,298,302
Deferred tax liabilities	192,818,369	192,818,369	192,934,106	192,934,106
Total liabilities	23,644,800,828	23,122,644,863	23,706,798,423	23,159,075,371
Shareholders' Funds				
Stated capital	24,300,000	24,300,000	24,300,000	24,300,000
Retained earnings	939,802,982	816,087,109	984,010,858	857,799,949
Reserves	1,903,797,528	1,893,947,527	1,903,797,524	1,893,947,526
Total Equity Attributable to equity holders of the company	2,867,900,509	2,734,334,636	2,912,108,382	2,776,047,475
Non controlling interest	-	-	34,514,783	33,075,720
Total Equity	2,867,900,509	2,734,334,636	2,946,623,166	2,809,123,195
Total Liabilities and Shareholders' Funds	26,512,701,337	25,856,979,499	26,653,421,588	25,968,198,566
Net Assets Value Per Share (Rs.)	1,126	1,008	1,143	1,021



Chamindra de Silva
Chief Financial Officer



Mahinda Gunasekara
Director



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

Alliance Finance Company PLC
STATEMENT OF CHANGES IN EQUITY
For the Three months ended 30th June 2016

Company	Stated Capital Rs.	Statutory Reserve Rs.	Capital Reserve Rs.	Dividend Equalization Reserve Rs.	Diversification Risk Reserve Rs.	General Reserve Rs.	Development Reserve Rs.	Investment Fund Reserve Rs.	Available for Sale Reserve Rs.	Non Controlling Interest Rs.	Retained Earnings Rs.	Total Rs.
Balances as at 31st March 2015	24,300,000	418,257,400	479,906,644	7,000,000	255,000,000	453,300,000	108,141,275	83,216,780	21,681,789	-	598,539,503	2,449,343,392
Profit for the period	-	-	-	-	-	-	-	-	-	-	118,448,511	118,448,511
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	13,579,363	-	-	13,579,363
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-
Balances as at 30th June 2015	<u>24,300,000</u>	<u>418,257,400</u>	<u>479,906,644</u>	<u>7,000,000</u>	<u>255,000,000</u>	<u>453,300,000</u>	<u>108,141,275</u>	<u>83,216,780</u>	<u>35,261,152</u>	<u>-</u>	<u>716,988,014</u>	<u>2,581,371,267</u>
Balances as at 31st March 2016	24,300,000	501,317,400	479,906,644	-	-	823,441,275	-	83,216,780	6,065,427	-	816,087,109	2,734,334,634
Profit for the period	-	-	-	-	-	-	-	-	-	-	123,715,875	123,715,875
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	9,850,000	-	-	9,850,000
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-
Balances as at 30th June 2016	<u>24,300,000</u>	<u>501,317,400</u>	<u>479,906,644</u>	<u>-</u>	<u>-</u>	<u>823,441,275</u>	<u>-</u>	<u>83,216,780</u>	<u>15,915,427</u>	<u>-</u>	<u>939,802,984</u>	<u>2,867,900,510</u>
Group												
Balances as at 31st March 2015	24,300,000	418,257,400	479,906,644	7,000,000	255,000,000	453,300,000	108,141,275	83,216,780	21,681,789	26,910,995	629,321,313	2,507,036,197
Non controlling Interest arising from business combination	-	-	-	-	-	-	-	-	-	745,544	-	745,544
Profit for the period	-	-	-	-	-	-	-	-	-	-	119,770,477	119,770,477
Transfer of realized gain/(loss) on available for sale financial assets	-	-	-	-	-	-	-	-	13,579,363	-	-	13,579,363
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-
Balances as at 30th June 2015	<u>24,300,000</u>	<u>418,257,400</u>	<u>479,906,644</u>	<u>7,000,000</u>	<u>255,000,000</u>	<u>453,300,000</u>	<u>108,141,275</u>	<u>83,216,780</u>	<u>35,261,152</u>	<u>27,656,539</u>	<u>749,091,790</u>	<u>2,641,131,581</u>
Balances as at 31st March 2016	24,300,000	501,317,400	479,906,644	-	-	823,441,275	-	83,216,780	6,065,427	33,075,720	857,799,949	2,809,123,195
Non controlling Interest arising from business combination	-	-	-	-	-	-	-	-	-	1,439,064	-	1,439,063
Profit for the period	-	-	-	-	-	-	-	-	-	-	126,210,909	126,210,908
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	9,850,000	-	-	9,850,000
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-
Balances as at 30th June 2016	<u>24,300,000</u>	<u>501,317,400</u>	<u>479,906,644</u>	<u>-</u>	<u>-</u>	<u>823,441,275</u>	<u>-</u>	<u>83,216,780</u>	<u>15,915,427</u>	<u>34,514,784</u>	<u>984,010,858</u>	<u>2,946,623,166</u>

Alliance Finance Company PLC

STATEMENT OF CASH FLOWS

For the Three months ended 30th June 2016

	Company		Group	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	Rs.	Rs.	Rs.	Rs.
	Unaudited	Unaudited	Unaudited	Unaudited
Cash Flows From / (Used in) Operating Activities				
Profit before Income Tax Expense	153,715,876	148,448,511	157,618,024	150,516,021
Adjustments for;				
Depreciation of property, plant & equipment	35,074,491	23,225,452	35,339,466	23,411,648
Impairment provision	53,150,380	108,123,523	53,150,380	108,123,523
Interest on fixed deposits, commercial paper & treasury bills	(58,922,672)	(39,629,304)	(61,040,333)	(41,544,099)
Profit/(loss) on sale of securities	666,441	(3,774,579)	666,441	(3,774,579)
Fair value gain or loss on equity investments (FVTPL)	(1,731,649)	(2,762,179)	(1,731,649)	(2,762,179)
Diminution/(appreciation) in value of investments	(12,719,373)	(7,934,810)	(12,719,373)	(7,934,810)
Loss/(Profit) on disposal of property & equipment	(3,029,624)	(10,096,070)	(3,029,624)	(10,096,070)
Provision/(reversal) for defined benefit plans	12,900,000	10,600,000	13,130,160	10,805,500
Dividend received	(2,225,198)	(2,646,894)	(2,225,198)	(2,646,894)
Share of profit from associates	(6,034,731)	(4,716,050)	(6,034,731)	(4,716,050)
Operating Profit before Working Capital Changes	170,843,940	218,837,600	173,123,563	219,382,011
(Increase)/decrease in trading stock	(33,731,952)	(254,454,916)	(33,731,952)	(254,454,916)
(Increase)/decrease in loans and advances	3,766,307	(49,077,120)	3,797,969	(48,937,070)
(Increase)/decrease in lease rentals receivable & stock out on hire	(357,132,832)	(837,938,112)	(358,407,376)	(837,938,112)
(Increase)/decrease in hire purchase rentals Receivable & Stock out on hire	86,933,834	196,186,328	86,925,703	196,186,328
(Increase)/decrease in fixed deposits & repurchase agreements	77,468,541	(145,395,442)	27,312,291	(145,902,491)
(Increase)/decrease in other financial assets	(7,272,446)	(42,424,668)	(44,919,172)	(70,595,849)
(Increase)/decrease in other non financial assets	(21,398,504)	1,025,643	(19,364,603)	2,180,668
Increase/(decrease) in amounts due to customers	(58,908,878)	1,055,280,778	(58,908,878)	1,055,280,778
Increase/(decrease) in other financial liabilities	(145,470,330)	43,137,203	(123,343,241)	96,408,742
Increase/(decrease) in other non financial liabilities	(9,942,288)	(19,061,670)	(8,543,879)	(20,011,701)
Cash (used in)/ generated from operations	(294,844,607)	166,115,624	(356,059,575)	191,598,388
Retirement benefit liabilities paid	(2,150,424)	(18,173,150)	(2,150,424)	(18,173,150)
Taxes paid	(1,322,025)	-	(1,322,025)	-
Net cash used in operating activities	(298,317,056)	147,942,474	(359,532,024)	173,425,238
Cash Flows from / (Used in) Investing Activities				
Acquisition of property, plant & equipment	(17,901,553)	(43,598,437)	(18,271,527)	(47,357,344)
Proceeds from sales of property, plant & equipment	11,004,565	28,527,839	11,004,565	28,527,839
Net dividend and sales proceeds received from associates	-	(714,590,433)	-	(715,990,703)
Net Sales/ (purchases) of financial investments held -for- trading	(140,011,057)	-	(61,562,876)	-
Net Sale/(purchase) of financial investments - available- for- sale	(158,568,776)	(139,131,708)	(161,815,248)	(139,131,707)
Dividend received	2,225,198	2,646,894	2,225,198	2,646,894
Interest on fixed deposits, commercial paper & treasury bills	58,922,672	39,629,304	61,040,333	41,544,099
Net cash flows from/(used in) investing activities	(244,328,950)	(826,516,541)	(167,379,555)	(829,760,922)
Cash Flows from / (Used in) Financing Activities				
Proceeds from debentures and increase in borrowed funds	(61,022,059)	28,200,141	(61,022,059)	28,200,141
Net increase /(decrease) in other borrowings	761,872,909	730,474,542	768,320,287	710,394,702
Dividends paid	-	-	-	-
Net cash flows from/(used in) financing activities	700,850,851	758,674,683	707,298,228	738,594,843
Net Increase/(Decrease) in Cash and Cash Equivalents	158,204,844	80,100,616	180,386,649	82,259,159
Cash and cash equivalents at the beginning of the year	143,982,481	118,573,049	177,180,931	168,247,616
Cash and cash equivalents at the end of the year	302,187,325	198,673,665	357,567,579	250,506,775
Movement in Cash and Cash Equivalent	158,204,844	80,100,616	180,386,649	82,259,159

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.

SEGMENT REPORT

For the Three months ended 30th June 2016

	Leasing	Hire Purchase & Consuer Durables	Loans	Pawning	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
30th June 2016										
REVENUE										
External Sales	2,139,708,764	116,754,960	365,053,250	25,733,038	11,754,042	1,558,757	38,179,585	34,653,803	59,181,398	2,792,577,597
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total revenue	2,139,708,764	116,754,960	365,053,250	25,733,038	11,754,042	1,558,757	38,179,585	34,653,803	59,181,398	2,792,577,597
Total income	713,836,363	27,635,855	387,920,733	25,733,038	11,754,042	14,278,130	45,607,417	4,268,050	48,723,942	1,279,757,571
RESULTS										
Segment results	523,986,781	22,891,819	242,176,347	10,342,224	5,472,313	26,868,380	34,632,579	4,268,050	48,723,414	919,361,906
Unallocated company expenses										(216,644,514)
Operating profit										702,717,392
Interest expense	(303,377,116)	(8,529,878)	(116,520,702)	(7,426,692)	(3,685,992)	(5,191,539)	(38,039,465)	(38,111)	(68,324,604)	(551,134,099)
Share of Profits of Associates before tax										6,034,731
Income taxes										(30,000,000)
Net Profit										127,618,024
OTHER INFORMATION										
Segment assets	13,615,976,714	382,832,504	5,229,607,241	333,320,007	165,432,341	233,003,322	1,707,262,795	1,710,479	3,066,500,946	24,735,646,351
Investment in Associates										74,193,410
Unallocated company assets										1,843,581,827
Total assets										26,653,421,588
Segment liabilities	12,180,282,694	335,928,058	4,588,878,393	292,481,808	145,163,654	204,455,872	1,498,089,816	1,500,912	2,690,794,793	21,937,576,000
Unallocated company liabilities										1,769,222,422
Total liabilities										23,706,798,423
	Leasing	Hire Purchase & Consuer Durables	Loans	Pawning	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
30th June 2015										
REVENUE										
External Sales	1,976,046,366	229,671,004	254,306,301	24,013,174	11,305,483	14,356,283	37,320,577	92,251,510	35,363,306	2,674,634,004
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total revenue	1,976,046,366	229,671,004	254,306,301	24,013,174	11,305,483	14,356,283	37,320,577	92,251,510	35,363,306	2,674,634,004
Total income	656,256,326	65,529,002	255,313,505	24,013,174	11,305,483	14,356,283	49,224,695	11,710,249	23,459,188	1,111,167,905
RESULTS										
Segment results	417,557,418	43,835,503	167,697,586	(25,826,788)	4,892,067	22,182,982	39,593,116	11,710,249	22,738,782	704,380,915
Unallocated company expenses										(116,437,919)
Operating profit										587,942,996
Interest expense	(232,299,802)	(19,796,877)	(66,746,046)	(13,860,459)	(4,744,455)	(6,831,333)	(55,420,015)	(533,409)	(41,910,628)	(442,143,024)
Share of Profits of Associates before tax										4,716,050
Income taxes										(30,000,000)
Net Profit										120,516,022
OTHER INFORMATION										
Segment assets	10,825,154,522	922,533,084	3,110,361,068	645,896,433	221,091,248	318,339,653	2,582,568,799	24,856,820	1,953,032,330	20,603,833,957
Investment in Associates and Subsidiaries										74,748,664
Unallocated company assets										1,323,190,763
Total assets										22,001,773,384
Segment liabilities	9,548,922,672	804,576,293	2,712,664,533	563,310,917	192,822,111	277,636,154	2,252,356,762	21,678,581	1,703,313,994	18,077,282,017
Unallocated company liabilities										1,283,359,785
Total liabilities										19,360,641,802

Alliance Finance Company PLC

NOTES TO THE FINANCIAL STATEMENTS

- 1 The figures given in the statements for the three month ended 30th June 2016 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 2016 were consistently followed during the said period.
- 3 The Financial Statements for the three months ended 30th June 2016 have been presented in the same format adopted in the audited accounts as at 31st March 2016, and are in accordance with the Sri Lanka Accounting Standards, LKAS 34, and 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 All known expenses including management fees and other similar expenses have been provided for in full for the three months ended 30th June 2016.
- 5 The Board of Directors have recommended a Final Dividend of Rs.24/- per share for the financial year ended 31st March 2016 which is subject to approval by the shareholders at the Annual General Meeting of the Company to be held on 29th September 2016.
- 6 Mr.L.A.P. Medis was appointed to the Board of Directors on 9th August 2016.
- 7 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.
- 8 There has not been a significant change in the nature of the Contingent Liabilities which were disclosed in the three months period ended 30th June 2016.

SUBDIVISION OF SHARES / CAPITALIZATION OF RESERVES / RIGHTS ISSUE OF SHARES

Further to the market announcement of 10th August 2016 as resolved by the Board of Directors of the Company at a Board Meeting held on 9th August 2016, which was pursuant to the approvals received from the Central Bank of Sri Lanka, to give effect to the following which is subject to the approval of the Colombo Stock Exchange in principle and the Shareholders approving it at an Extraordinary General Meeting. The prices decided upon are in the opinion of the Directors fair and reasonable to the Company and to all the existing Shareholders.

1 Subdivision of Shares

The Articles of Association of the Company will be amended at the forthcoming Extraordinary General Meeting (EGM) to facilitate the Company to subdivide Shares.

Subdivision of shares – to subdivide One (1) existing share to a in to Ten (10) shares. Thereby the existing number of shares will increase to 24,300,000 shares but there will be no change to the Stated Capital.

2 Capitalization [post Subdivision of Shares as set out in (1)]

8,100,000 shares will be issued in the proportion of One (1) Ordinary Share for every Three (3) shares held, the consideration for capitalization is Rs.64/- per share and the Reserve to be capitalized and the Value of Capitalization – a sum of Rs.518,400,000/- from and out of the General Reserve.

3 Rights Issue (on the number of Shares post Subdivision and Capitalization of Reserves as set out in (a) & (b)

1,296,000 Ordinary Shares will be issued which shall rank pari passu with the existing Ordinary Shares will be issued in the proportion of One (1) new Ordinary Share for every Twenty Five (25) Ordinary Shares held at the relevant date and the consideration for which shares are to be issued is at Rs.55/- per share.

4 Capital Structure

The current Stated Capital of the Company – Rs.24,300,000/- represented by 2,430,000, Ordinary shares, which post subdivision as aforesaid would be Rs.24,300,000/- represented by 24,300,000 Ordinary shares, which post Capitalization of General Reserves would increase to Rs.542,700,000/- represented by 32,400,000 shares. If the Rights Issue is fully subscribed the Stated Capital will increase by a further Rs.71,280,000/-, thereby increasing the Stated Capital to Rs.613,980,000/-, and the number of shares to 33,696,000. The proceeds of the Rights Issue will be utilized for working capital of the Company.

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INFORMATION ON ORDINARY SHARES

Market Price per share

	Quarter ended 01st April – 30th June 2016	Quarter ended 01st April – 30th June 2015
Highest Price	830	999
Lowest Price	740	760
Last Traded	760	878

Issued Capital

As at 30th June 2016 the Stated Capital was Rs. 24,300,000/- of 2,430,000 Ordinary shares were issued.

INFORMATION ON DEBENTURE

Debenture Investor Indicators

	30.06.2016
Debt/equity ratio times	7.85
Interest cover times	2.10
Liquid assets ratio (%)	28.11%

Debenture 2012-2017 Market Price (Rs.)

	Lowest	Highest	Last Traded
5 Years - 20.0% p.a payable monthly	Has not been traded		

Debenture 2013-2018 Market Price (Rs.)

	Lowest	Highest	Last Traded
3 Years - 15.5% p.a payable semi annually	Has not been traded		
4 Years - 16.00% p.a payable semi annually	Has not been traded		
5 Years - 16.5% p.a payable semi annually	Has not been traded		
5 Years - 16.5% p.a payable at maturity	Has not been traded		

Debenture 2014-2019 Market Price (Rs.)

	Lowest	Highest	Last Traded
4 Years - 9% p.a payable annually	Has not been traded		
5 Years - 9.35% p.a payable annually	Has not been traded		

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

There were no trades during the quarter ended 30th June 2016.

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

There were no trades during the quarter ended 30th June 2016.

Yield of comparable government securities (%)

	30.06.2016
03 year treasury bonds	11.58%
04 year treasury bonds	11.93%
05 year treasury bonds	11.89%

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SHAREHOLDERS' INFORMATION

Directors Shareholding as at 30th June 2016

<u>No</u>	<u>Name of Director</u>	<u>No of Shares</u>
1	Mr.S. Karunanayake	119
2	Mr.R.K.E.P. de Silva *	644,068
3	Mrs.R.N. Ponnambalam	200
4	Mr.A.R. Samarasinghe	100
5	Mr.J.M. Gunasekera	-
	* Jt Holding with Mr.J.E.P.A. de Silva	151,530

Twenty Largest Ordinary Shareholders as at 30th June 2016

No.	Name of Shareholder	No. of Shares	%
1	Mr.R.K.E.P. de Silva	644,068	26.50
2	Motor Service Station (Pvt) Ltd.,	327,564	13.48
3	Miss D.M.E.P. Perera	182,181	7.50
4	Mr.R.K.E.P. de Silva & Mr.J.E.P.A. de Silva	151,530	6.24
5	Mr.D.F.W.S.K. Perera & Mr.D.F.W. Perera	99,630	4.10
6	Orient Hotels Ltd.,	97,956	4.03
7	Mr.N. Amarasinghe	74,340	3.06
8	Janashakthi PLC A/c No. 1	50,551	2.08
9	Mrs.S.E. Canekaratne	44,154	1.82
10	Mr.D.L.S.R. Perera	39,920	1.64
11	Mrs.S.R.L. Marcelline	36,936	1.52
12	Trading Partners (Pvt) Ltd.	31,709	1.30
13	Seylan Bank PLC/Janashakthi Ltd.,	27,287	1.12
14	Mrs.C.R. de Silva	27,000	1.11
15	Mr. D.F.W. Perera	23,292	0.96
16	Ms.D.D.P.T. Perera	21,460	0.88
17	Mrs.P. Weththasinghe	21,397	0.88
18	Mrs.A.S. Wijewardena	19,440	0.80
19	Mrs.L.S. Semage	17,958	0.74
20	Ms.D.C.M.A. Perera	17,000	0.70

Public Shareholding as at 30th June 2016

No of Shares	%
1,305,573	53.73

No of Shareholders

The percentage of ordinary shares held by the public as at 30th June 2016 was 53.73% and the number of shareholders representing the public holding was 679

CORPORATE INFORMATION

Name of 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.6 of 1949 and the Trust Receipt Ordinance No. 12 of 1947.

Company Registration

Registered under the companies Act No 7 of 2007.

Company registration number is PQ 93

Registered Office

Alliance House, No.84, Ward Place, Colombo 7

Tel: 2673673 Fax: 2697205

E-mail: info@alliancefinance.lk

Board of Directors

Sunil Karunanayake – F.C.A, FCMA(UK), MBA
- *Chairman*

Romani de Silva – *Deputy Chairman & Managing Director*

Lt. Col (Retd) A.R. Samarasinghe

R.N. Ponnambalam

J.M. Gunasekera

Advisory Council

Pratap Kumar de Silva – FICM (SL) FICM (Eng.)
JP

B. Ponnambalam

Abbas Akbarally – Chairman, Akbar Brother Group of Companies

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

S.P. Morawake – Former Registrar of Companies

Audit Committee

Mr. Sunil Karunanayaka – Chairman

Lt. Col (Retd) A.R. Samarasinghe

Remuneration Committee

Mrs. R.N. Ponnambalam – Chairperson

Mr. Athula Samarasinghe

Auditors

M/s Baker Tilly, Edirisinghe & Co.

Chartered Accountants,

No.45, (2nd Floor), Braybrooke Street,

Colombo 2.

Legal Consultants

Gunawardene Ranasinghe Associates

Sudath Perera Associates

Secretaries

Alliance Management Services (Pvt) Ltd.,

No. 84, Ward Place,

Colombo 7

Bankers

Sampath Bank PLC.

Seylan Bank PLC.

Public Bank Berhad

Peoples Bank

Hatton National Bank PLC

Commercial Bank of Ceylon PLC.

Bank of Ceylon

Pan Asia Banking Corporation PLC

Nations Trust Bank PLC

Union Bank of Colombo PLC

ALLIANCE FINANCE COMPANY PLC