



Financial Statements

For the Six Months Ended 30th September 2017



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		
	30.09.2017	30.09.2016	Variance	30.09.2017	30.09.2016	Variance
	(Unaudited) Rs.	(Unaudited) Rs.	%	(Unaudited) Rs.	(Unaudited) Rs.	%
Gross Income	1,685,164,533	1,314,425,165	28	3,246,920,493	2,585,789,111	26
Interest income	1,605,758,206	1,204,193,340	33	3,064,274,299	2,361,866,437	30
Interest expenses	(835,530,713)	(597,228,457)	40	(1,568,495,790)	(1,148,362,556)	37
Net Interest Income	770,227,493	606,964,883	27	1,495,778,509	1,213,503,881	23
Fee and commission income	50,661,721	49,360,172	3	96,380,300	104,205,870	(8)
Fee and commission expenses	(26,358,804)	7,882,992	(434)	(41,988,660)	(11,749,590)	257
Net Fee and Commission Income	24,302,917	57,243,164	(58)	54,391,640	92,456,280	(41)
Net gain/(loss) from trading	(6,907,919)	11,859,509	(158)	12,320,954	37,204,614	(67)
Other operating income (net)	35,652,526	49,012,144	(27)	73,944,940	82,512,189	(10)
Total Operating Income	823,275,016	725,079,700	14	1,636,436,043	1,425,676,964	15
Impairment (charges) / reversal for loans and other losses	(34,037,085)	(5,888,712)	478	(168,605,349)	(60,396,621)	179
Net Operating Income	789,237,931	719,190,988	10	1,467,830,693	1,365,280,343	8
Operating Expenses						
Personnel expenses	(208,909,801)	(208,284,050)	0	(423,540,134)	(431,249,808)	(2)
Other operating expenses	(272,734,231)	(229,690,178)	19	(499,211,262)	(435,222,644)	15
Depreciation of property & equipment	(29,005,125)	(28,654,046)	1	(57,919,861)	(63,728,538)	(9)
Total operating expenses	(510,649,157)	(466,628,275)		(980,671,258)	(930,200,990)	5
Operating Profit before Value Added Tax on Financial Services	278,588,774	252,562,713	10	487,159,436	435,079,354	12
Value added tax on financial services	(54,639,452)	(31,207,777)	75	(105,673,368)	(66,043,272)	60
Operating Profit after Value Added Tax on Financial Services	223,949,322	221,354,936	1	381,486,068	369,036,082	3
Share of profit from associates	1,162,405	3,208,504	(64)	(177,860)	9,243,235	(102)
Profit before Taxation from Operations	225,111,727	224,563,440	0	381,308,208	378,279,317	1
Provision for income taxation	(29,000,000)	(39,000,000)	(26)	(71,000,000)	(69,000,000)	3
Profit for the Period	196,111,727	185,563,440	6	310,308,208	309,279,317	0
Basic/ Diluted earnings per share	5.82	76.36		9.21	127.28	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

Alliance Finance Company PLC

STATEMENT OF PROFIT OR LOSS - GROUP

	Quarter ended			Six months ended		
	30.09.2017	30.09.2016	Variance	30.09.2017	30.09.2016	Variance
	(Unaudited) Rs.	(Unaudited) Rs.	%	(Unaudited) Rs.	(Unaudited) Rs.	%
Gross Income	1,695,257,279	1,322,446,478	28	3,267,077,806	2,602,204,049	26
Interest income	1,610,304,388	1,204,986,375	34	3,069,362,338	2,364,777,131	30
Interest expenses	(835,537,163)	(597,265,225)	40	(1,568,534,775)	(1,148,399,324)	37
Net Interest Income	774,767,225	607,721,149	27	1,500,827,563	1,216,377,807	23
Fee and commission income	57,970,394	54,687,711	6	111,449,574	115,809,376	(4)
Fee and commission expenses	(26,361,944)	7,877,892	(435)	(41,994,940)	(11,754,690)	257
Net Fee and Commission Income	31,608,450	62,565,604	(49)	69,454,634	104,054,686	(33)
Net gain/(loss) from trading	(8,670,028)	13,368,207	(165)	12,320,954	38,713,312	(68)
Other operating income (net)	35,652,526	49,404,184	(28)	73,944,940	82,904,229	(11)
Total Operating Income	833,358,172	733,059,144	14	1,656,548,091	1,442,050,034	15
Impairment (charges) / reversal for loans and other losses	(34,037,085)	(5,888,712)	478	(168,605,349)	(60,396,621)	179
Net Operating Income	799,321,087	727,170,432	10	1,487,942,742	1,381,653,413	8
Operating Expenses						
Personnel expenses	(211,343,091)	(212,327,444)	(0)	(428,521,458)	(437,647,039)	(2)
Other operating expenses	(274,589,500)	(231,227,483)	19	(502,857,532)	(438,632,613)	15
Depreciation of property & equipment	(29,067,570)	(28,919,021)	1	(58,068,893)	(64,258,488)	(10)
Total operating expenses	(515,000,161)	(472,473,948)		(989,447,884)	(940,538,140)	5
Operating Profit before Value Added Tax on Financial Services	284,320,926	254,696,484	12	498,494,858	441,115,272	13
Value added tax on financial services	(54,639,452)	(31,207,777)	75	(105,673,368)	(66,043,272)	60
Operating Profit after Value Added Tax on Financial Services	229,681,474	223,488,707	3	392,821,490	375,072,000	5
Share of profit from associates	1,162,405	3,208,504	(64)	(177,860)	9,243,235	(102)
Profit before Taxation from Operations	230,843,879	226,697,211	2	392,643,630	384,315,235	2
Provision for income taxation	(30,668,917)	(40,482,431)	(24)	(74,308,508)	(70,482,431)	5
Profit for the Period	200,174,962	186,214,780	7	318,335,122	313,832,804	1
Profit attributable to :						
Equity holders of the Company	198,709,760	185,979,907	7	315,440,617	312,190,816	1
Non controlling interest	1,465,203	234,873	524	2,894,505	1,641,988	76
Profit for the Period	200,174,963	186,214,780	7	318,335,122	313,832,804	1
Basic/ Diluted earnings per share	5.90	76.53		37	128.47	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

Alliance Finance Company PLC**STATEMENT OF COMPREHENSIVE INCOME - COMPANY**

	Quarter ended		Six months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	Rs.	Rs.	Rs.	Rs.
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	196,111,727	185,563,440	310,308,208	309,279,317
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	(11,171,801)	(9,848,823)	71,224	1,177
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	(11,171,801)	(9,848,823)	71,224	1,177
Net other comprehensive income not be classified to profit or loss	-	-	-	-
Total Comprehensive Income for the Period	184,939,926	175,714,617	310,379,432	309,280,493

Alliance Finance Company PLC

STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Quarter ended		Six months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	Rs.	Rs.	Rs.	Rs.
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	200,174,963	186,214,780	318,335,122	313,832,804
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	(11,171,801)	(9,848,823)	71,224	1,177
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	(11,171,801)	(9,848,823)	71,224	1,177
Net other comprehensive income not be classified to profit or loss	-	-	-	-
Total Comprehensive Income for the Period	189,003,162	176,365,957	318,406,346	313,833,981
Attributable to:				
Equityholders of the Company	187,579,734	176,163,032	315,511,841	312,191,993
Non controlling interest	1,423,428	202,925	2,894,505	1,641,988
Total Comprehensive Income for the Period	189,003,162	176,365,957	318,406,346	313,833,981

Alliance Finance Company PLC

STATEMENT OF FINANCIAL POSITION

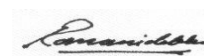
As at	Company		Group	
	30.09.2017	31.03.2017	30.09.2017	31.03.2017
	(Unaudited) Rs.	(Audited) Rs.	(Unaudited) Rs.	(Audited) Rs.
Assets				
Cash and cash equivalents	246,728,026	250,196,373	277,451,852	294,565,160
Repurchase agreements	9,895,857	175,849,048	9,895,857	175,849,048
Placements with banks & financial institutions	1,283,882,668	1,218,793,508	1,338,275,215	1,273,186,055
Financial investments - held for trading	1,396,326,741	1,251,615,776	1,396,326,741	1,251,615,776
Loans and advances	8,130,420,856	7,478,467,024	8,130,525,774	7,478,583,487
Lease rentals receivable & stock out on hire	17,402,356,618	15,837,430,513	17,402,356,619	15,837,430,513
Hire purchase rentals receivable & stock out on hire	95,133,341	167,597,495	95,133,341	167,597,495
Financial investments - available for sale	475,496,076	488,324,252	488,996,076	501,824,252
Other trading stocks	85,216,148	9,775,936	85,216,148	9,775,936
Other financial assets	300,953,393	255,578,986	330,891,044	291,358,203
Other non financial assets	114,886,793	118,339,278	114,886,793	118,358,589
Investments in associates	68,584,582	68,762,442	68,584,582	68,762,442
Investments in subsidiaries	16,924,038	16,924,038	-	-
Property, plant & equipment	2,049,592,782	2,122,913,196	2,049,767,228	2,123,236,674
Intangible assets	56,195,291	49,498,623	56,195,291	49,498,623
Deferred tax assets	511,884,241	511,884,241	512,240,973	512,240,973
Total Assets	32,244,477,451	30,021,950,728	32,356,743,534	30,153,883,226
Liabilities				
Due to banks	11,963,294,609	11,717,899,355	11,970,838,491	11,749,382,430
Due to customers	11,879,790,373	10,087,821,914	11,879,790,373	10,087,821,914
Debt instruments issued and other borrowed funds	2,595,438,536	2,548,225,806	2,595,438,536	2,548,225,806
Other financial liabilities	731,911,235	888,031,755	744,139,342	902,782,091
Other non financial liabilities	43,177,769	51,661,019	44,920,182	51,661,020
Derivative financial liabilities	72,837,257	17,736,580	72,837,257	17,736,580
Income tax liability	128,474,268	108,212,452	128,474,268	111,659,369
Retirement benefit liability	71,089,037	80,145,738	72,835,675	81,419,781
Deferred tax liabilities	457,419,662	457,419,634	457,460,621	457,460,593
Total liabilities	27,943,432,745	25,957,154,254	27,966,734,745	26,008,149,584
Shareholders' Funds				
Stated capital	613,980,000	613,980,000	613,980,000	613,980,000
Retained earnings	1,383,257,452	1,147,080,445	1,434,034,122	1,192,724,704
Reserves	2,303,807,254	2,303,736,029	2,303,807,253	2,303,736,029
Total Equity Attributable to Equity Holders of the Company	4,301,044,706	4,064,796,475	4,351,821,375	4,110,440,734
Non controlling interest	-	-	38,187,414	35,292,909
Total Equity	4,301,044,706	4,064,796,475	4,390,008,789	4,145,733,642
Total Liabilities and Shareholders' Funds	32,244,477,451	30,021,950,728	32,356,743,534	30,153,883,226
Net Assets Value Per Share (Rs.)	128	121	129	122



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 Six months ended 30th September 2017

Company	Stated Capital Rs.	Statutory Reserve Rs.	Capital Reserve Rs.	General Reserve Rs.	Investment Fund Reserve Rs.	Available for Sale Reserve Rs.	Non Controlling Interest Rs.	Retained Earnings Rs.	Total Rs.
Balances as at 01st April 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	-	-	-	-	-	-	-	309,279,317	309,279,317
Other comprehensive income, net of tax	-	-	-	-	-	1,177	-	-	1,177
Dividend paid	-	-	-	-	-	-	-	-	-
Balances as at 30th September 2016	<u>24,300,000</u>	<u>501,317,400</u>	<u>479,906,644</u>	<u>823,441,275</u>	<u>83,216,780</u>	<u>6,066,604</u>	<u>-</u>	<u>1,125,366,425</u>	<u>3,043,615,127</u>
Balances as at 01st April 2017	613,980,000	631,208,800	1,277,405,588	388,258,055	-	6,863,586	-	1,147,080,445	4,064,796,475
Profit for the period	-	-	-	-	-	-	-	310,308,208	310,308,208
Other comprehensive income, net of tax	-	-	-	-	-	71,224	-	-	71,224
Dividend paid	-	-	-	-	-	-	-	(74,131,200)	(74,131,200)
Balances as at 30th September 2017	<u>613,980,000</u>	<u>631,208,800</u>	<u>1,277,405,588</u>	<u>388,258,055</u>	<u>-</u>	<u>6,934,811</u>	<u>-</u>	<u>1,383,257,453</u>	<u>4,301,044,706</u>
Group									
Balances as at 01st April 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
Profit for the period	-	-	-	-	-	-	1,641,988	312,190,816	313,832,804
Other comprehensive income, net of tax	-	-	-	-	-	1,177	-	-	1,177
Dividend paid	-	-	-	-	-	-	-	(7,500,000)	(7,500,000)
Balances as at 30th September 2016	<u>24,300,000</u>	<u>501,317,400</u>	<u>479,906,644</u>	<u>823,441,275</u>	<u>83,216,780</u>	<u>6,066,603</u>	<u>34,717,708</u>	<u>1,162,490,765</u>	<u>3,115,457,175</u>
Balances as at 01st April 2017	613,980,000	631,208,800	1,277,405,588	388,258,055	-	6,863,586	35,292,909	1,192,724,704	4,145,733,642
Profit for the period	-	-	-	-	-	-	2,894,505	315,440,617	318,335,122
Other comprehensive income, net of tax	-	-	-	-	-	71,224	-	-	71,224
Dividend paid	-	-	-	-	-	-	-	(74,131,200)	(74,131,200)
Balances as at 30th September 2017	<u>613,980,000</u>	<u>631,208,800</u>	<u>1,277,405,588</u>	<u>388,258,055</u>	<u>-</u>	<u>6,934,811</u>	<u>38,187,414</u>	<u>1,434,034,121</u>	<u>4,390,008,789</u>

Alliance Finance Company PLC
STATEMENT OF CASH FLOWS
For the Six months ended 30th September 2017

	Company		Group	
Cash Flows From / (Used in) Operating Activities	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	Rs.	Rs.	Rs.	Rs.
	Unaudited	Unaudited	Unaudited	Unaudited
Profit before Income Tax Expense	381,308,208	378,279,317	392,643,630	384,315,235
Adjustments for;				
Depreciation of property, plant & equipment	57,919,861	63,728,538	58,068,893	64,258,488
Impairment provision	146,751,443	23,329,128	146,751,443	23,329,128
Interest on fixed deposits, commercial paper & treasury bills	(85,651,371)	(132,259,058)	(90,739,410)	(135,169,753)
Profit /(loss) on sale of securities	(4,622,670)	598,295	(4,622,670)	598,295
Fair value gain or loss on equity investments (FVTPL)	(2,547,221)	(6,550,773)	(2,547,221)	(6,550,773)
Diminution/(appreciation) in value of investments	(6,124,943)	(16,945,039)	(6,124,943)	(16,945,039)
Loss/(Profit) on disposal of property & equipment	(3,081,212)	(6,703,000)	(3,226,212)	(6,703,000)
Provision/(reversal) for defined benefit plans	12,000,000	16,900,000	12,472,596	17,283,600
Dividend received	(4,513,074)	(10,640,509)	(5,409,114)	(11,032,549)
Share of profit from associates	177,860	(9,243,235)	177,860	(9,243,235)
Operating Profit before Working Capital Changes	491,616,881	300,493,663	497,444,852	304,140,397
(Increase)/decrease in trading stock	(75,440,212)	12,111,018	(75,440,212)	12,111,018
(Increase)/decrease in loans and advances	(742,875,937)	(229,494,388)	(742,864,391)	(229,387,873)
(Increase)/decrease in lease rentals receivable & stock out on hire	(1,618,327,783)	(851,422,708)	(1,618,327,783)	(851,422,708)
(Increase)/decrease in hire purchase rentals Receivable & Stock out on hire	70,036,492	169,970,922	70,036,492	169,970,922
(Increase)/decrease in fixed deposits & repurchase agreements	100,864,030	310,208,535	100,864,031	260,208,535
(Increase)/decrease in other financial assets	(45,374,407)	(13,623,592)	(39,532,841)	(32,323,438)
(Increase)/decrease in other non financial assets	3,452,485	(8,240,523)	3,471,796	(3,876,683)
Increase/(decrease) in amounts due to customers	1,791,968,459	71,895,626	1,791,968,459	71,895,626
Increase/(decrease) in derivative financial liabilities	55,100,677		55,100,677	
Increase/(decrease) in other financial liabilities	(156,120,520)	434,509,855	(158,642,763)	441,997,518
Increase/(decrease) in other non financial liabilities	(8,483,250)	(10,082,992)	(6,740,838)	(9,318,498)
Cash (used in)/ generated from operations	(133,583,084)	186,325,415	(122,662,521)	133,994,816
Retirement benefit liabilities paid	(21,056,702)	(3,786,299)	(21,056,702)	(4,052,153)
Taxes paid	(50,738,157)	(92,509,824)	(57,493,568)	(93,554,201)
Net cash used in operating activities	(205,377,942)	90,029,292	(201,212,791)	36,388,462
Cash Flows from / (Used in) Investing Activities				
Acquisition of property, plant & equipment	(29,421,975)	(33,441,063)	(29,276,974)	(34,093,512)
Proceeds from sales of property, plant & equipment	41,207,072	22,720,781	41,207,072	22,720,781
Net Sales/ (purchases) of financial investments held -for- trading	(144,710,965)	(434,465,864)	(144,710,965)	(360,825,834)
Net Sale/(purchase) of financial investments - available- for- sale	12,899,400	(146,826,135)	12,899,400	(146,826,135)
Dividend received	4,513,074	10,640,509	5,409,114	11,032,549
Interest on fixed deposits, commercial paper & treasury bills	98,946,205	132,259,058	104,034,244	135,169,753
Net cash flows from/(used in) investing activities	(16,567,189)	(449,112,714)	(10,438,108)	(372,822,398)
Cash Flows from / (Used in) Financing Activities				
Proceeds from debentures and increase in borrowed funds	47,212,730	(468,068,796)	47,212,730	(468,068,796)
Net increase /(decrease) in other borrowings	245,395,254	1,070,913,575	221,456,061	1,059,852,174
Dividends paid	(74,131,200)	-	(74,131,200)	(7,500,000)
Net cash flows from/(used in) financing activities	218,476,784	602,844,779	194,537,591	584,283,378
Net Increase/(Decrease) in Cash and Cash Equivalents	(3,468,347)	243,761,357	(17,113,308)	247,849,442
Cash and cash equivalents at the beginning of the period	250,196,373	143,982,481	294,565,160	177,180,931
Cash and cash equivalents at the end of the period	246,728,026	387,743,838	277,451,852	425,030,373
Movement in Cash and Cash Equivalents	(3,468,347)	243,761,357	(17,113,308)	247,849,442

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 Six months ended 30th September 2017

	Leasing	Hire Purchase & Consuer Durables	Loans	Pawning	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
30th September 2017										
REVENUE										
External Sales	4,511,238,622	81,705,800	1,020,255,652	92,641,283	20,705,564	9,135,744	76,356,909	1,737,878	77,574,809	5,891,352,261
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total revenue	4,511,238,622	81,705,800	1,020,255,652	92,641,283	20,705,564	9,135,744	76,356,909	1,737,878	77,574,809	5,891,352,261
Total income	1,940,169,232	22,375,792	1,020,255,652	92,641,283	20,705,564	15,260,687	76,356,909	1,737,878	77,574,809	3,267,077,806
RESULTS										
Segment results	1,491,819,780	17,401,722	613,380,899	40,138,162	6,867,836	21,033,430	49,959,711	1,737,878	77,574,809	2,319,914,228
Unallocated company expenses										(358,557,962)
Operating profit										1,961,356,265
Interest expense	(923,519,018)	(5,048,595)	(391,608,489)	(39,866,788)	(8,715,716)	(11,702,633)	(88,874,003)	(356,491)	(98,843,043)	(1,568,534,775)
Share of Profits of Associates before tax										(177,860)
Income taxes										(74,308,509)
Net Profit										318,335,122
OTHER INFORMATION										
Segment assets	17,402,356,619	95,133,341	7,379,285,594	751,230,940	164,234,841	220,518,896	1,674,699,778	6,717,545	1,862,551,656	29,556,729,209
Investment in associates										68,584,582
Unallocated company assets										2,731,429,743
Total assets										32,356,743,534
Segment liabilities	15,189,749,606	80,459,771	6,241,088,784	635,359,471	138,902,907	186,505,589	1,416,390,499	5,681,416	1,575,267,700	25,469,405,744
Unallocated company liabilities										2,497,329,001
Total liabilities										27,966,734,745
30th September 2016										
REVENUE										
External Sales	4,384,329,045	203,953,846	800,500,349	52,769,039	23,707,994	10,434,254	83,631,461	36,371,462	120,997,661	5,716,695,109
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total revenue	4,384,329,045	203,953,846	800,500,349	52,769,039	23,707,994	10,434,254	83,631,461	36,371,462	120,997,661	5,716,695,109
Total income	1,443,545,603	47,431,219	799,595,824	52,769,039	23,707,994	27,379,293	99,450,884	9,848,955	98,475,237	2,602,204,049
RESULTS										
Segment results	1,079,951,026	42,839,319	460,475,234	19,297,711	10,800,690	44,087,162	76,461,571	9,848,955	98,474,709	1,842,236,377
Unallocated company expenses										(318,765,052)
Operating profit										1,523,471,325
Interest expense	(638,570,140)	(13,372,082)	(246,933,491)	(16,334,054)	(7,480,492)	(10,730,282)	(75,720,529)	(248,639)	(139,009,615)	(1,148,399,324)
Share of Profits of Associates before tax										9,243,235
Income taxes										(70,482,431)
Net Profit										313,832,805
OTHER INFORMATION										
Segment assets	14,119,354,608	295,668,654	5,459,919,451	361,160,489	165,400,341	237,256,090	1,674,248,340	5,497,624	3,073,626,400	25,392,131,998
Investment in associates										77,401,914
Unallocated company assets										1,889,904,753
Total assets										27,359,438,664
Segment liabilities	12,557,731,929	259,044,172	4,783,599,119	316,423,532	144,912,197	207,867,173	1,466,859,165	4,816,634	2,692,896,236	22,434,150,157
Unallocated company liabilities										1,809,831,333
Total liabilities										24,243,981,490

Alliance Finance Company PLC

NOTES TO THE FINANCIAL STATEMENTS

- 1 The figures given in the statements for the six month ended 30th September 2017 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 2017 were consistently followed during the said period.
- 3 The Financial Statements for the six months ended 30th September 2017 have been presented in the same format adopted in the audited accounts as at 31st March 2017, 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 six months ended 30th September 2017.
- 5 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.
- 6 There has not been a significant change in the nature of the Contingent Liabilities which were disclosed in the six months period ended 30th September 2017.

INFORMATION ON ORDINARY SHARES

Market price per share

	Quarter ended 01st July – 30th September 2017	Quarter ended 01st July – 30th September 2016
Highest Price	79.40	1,300
Lowest Price	64.10	725
Last Traded	64.30	1,043

Issued capital

As at 30th September 2017 the Stated Capital was Rs. 613,980,000/- (30th September 2016, Rs. 24,300,000) of 33,696,000 (September 2016, 2,430,000) Ordinary shares were issued.

Alliance Finance Company PLC

INFORMATION ON DEBENTURE

Debenture Investor Indicators

30.09.2017

Debt/equity ratio times	6.13
Interest cover times	1.95
Liquid assets ratio (%)	18.50%

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

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 (%)

5 Years - 20.0% p.a payable monthly	N/A
4 Years - 16.00% p.a payable semi annually	N/A
5 Years - 16.5% p.a payable semi annually	N/A
5 Years - 16.5% p.a payable at maturity	N/A
4 Years - 9% p.a payable annually	N/A
5 Years - 9.35% p.a payable annually	N/A

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

5 Years - 20.0% p.a payable monthly	N/A
4 Years - 16.00% p.a payable semi annually	N/A
5 Years - 16.5% p.a payable semi annually	N/A
5 Years - 16.5% p.a payable at maturity	N/A
4 Years - 9% p.a payable annually	N/A
5 Years - 9.35% p.a payable annually	N/A

Yield of comparable government securities (%)

30.09.2017

03 years treasury bonds	9.70%
04 years treasury bonds	9.89%
05 years treasury bonds	9.89%

Alliance Finance Company PLC

SHAREHOLDERS' INFORMATION

Directors Shareholding as at 30th September 2017

<u>No</u>	<u>Name of Director</u>	<u>No of Shares</u>
1	Mr.S. Karunanayake	1,586
2	Mr.R.K.E.P. de Silva *	8,934,075
3	Mrs.R.N. Ponnambalam	2,666
4	Mr.A.R. Samarasinghe	1,386
5	Mr.J.M. Gunasekera	1,500
6	Dr.L.A.P. Medis	-
7	Mr.W.P.K. Jayawardana **	100
	* Jt Holding with Mr.J.E.P.A. de Silva	2,101,216
	** Purchased 16th October 2017	

Twenty Largest Ordinary Shareholders as at 30th September 2017

<u>No.</u>	<u>Name of Shareholder</u>	<u>No. of Shares</u>	<u>%</u>
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	Miss 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.J. Amarasinghe	951,040	2.82
8	Mrs.S.E. Canekaratne	612,268	1.82
9	Mr.D.L.S.R. Perera	553,556	1.64
10	Mrs.S.R.L. Marcelline	492,480	1.46
11	Mrs.C.R. de Silva	374,400	1.11
12	Elgin Investments Ltd.	324,335	0.96
13	Mr. D.F.W. Perera	310,560	0.92
14	Ms.D.D.P.T. Perera	309,384	0.92
15	Mrs.P. Weththasinghe	299,975	0.89
16	Mrs.A.S. Wijewardena	259,200	0.77
17	Miss R.H. Abdulhussein	250,000	0.74
18	Mrs.L.S. Semage	249,016	0.74
19	Mr.Y.H. Abdulhussein	248,458	0.74
20	Ms.D.C.M.A. Perera	236,632	0.70

Public Shareholding as at 30th September 2017

<u>No of Shares</u>	<u>%</u>
18,100,071	53.72

No of Shareholders

The percentage of ordinary shares held by the public as at 30th September 2017 was 53.72% and the number of shareholders representing the public holding was 1,144

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 - FCA, FCMA (UK), MBA - *Chairman*
Romani de Silva, F.I.C.M. (SL), *Deputy Chairman & Managing Director*
Lt. Col (Retd) A.R. Samarasinghe, MSc, CS (Security), BIT.
R.N. Ponnambalam
J.M. Gunasekara, B. Sc (Agri), MBA, *Executive Director Sustainability*
L. A. P. Medis, PhD, MBA, B.Com (Sp), MCIM, CMA, Consultant Director Marketing
W.P. Kusal Jayawardana - CFA, MBA, ACMA, CGMA, ACCA - *Finance Director*

Secretaries

Alliance Management Services (Pvt) Ltd.,
No.84, Ward Place
Colombo 7.

Audit Committee

Mr. Sunil Karunanayake - 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, Bray Brooke Street,
Colombo 2.

Legal Consultants

Gunawardene Ranasinghe Associates
Sudath Perera Associates

Advisory Council

Pratap Kumar de Silva - FICM (SL) FICM (Eng.), JP
B. Pannambalam
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
Peoples Bank
Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Bank of Ceylon
Nations Trust Bank PLC
Union Bank of Colombo PLC

ALLIANCE FINANCE COMPANY PLC