



## **Financial Statements**

**For the Nine Months Ended 31st December 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 - COMPANY

	Quarter ended			Nine months ended		
	31.12.2016	31.12.2015	Variance	31.12.2016	31.12.2015	Variance
	(Unaudited) Rs.	(Unaudited) Rs.	%	(Unaudited) Rs.	(Unaudited) Rs.	%
<b>Gross Income</b>	1,336,132,363	1,166,257,992	15	3,921,921,473	3,389,335,434	16
Interest income	1,237,764,729	1,019,130,445	21	3,599,631,166	2,991,224,589	20
Interest expenses	(625,716,701)	(458,077,625)	37	(1,774,079,257)	(1,355,894,273)	31
<b>Net Interest Income</b>	612,048,028	561,052,821	9	1,825,551,909	1,635,330,316	12
Fee and commission income	64,029,853	77,950,612	(18)	168,235,724	214,966,193	(22)
Fee and commission expenses	(14,855,472)	(26,300,127)	(44)	(26,605,063)	(79,938,136)	(67)
<b>Net Fee and Commission Income</b>	49,174,381	51,650,485	(5)	141,630,661	135,028,057	5
Net gain/(loss) from trading	(12,724,523)	9,909,199	(228)	24,480,091	53,704,587	(54)
Other operating income (net)	47,062,304	59,267,735	(21)	129,574,493	129,440,065	0
<b>Total Operating Income</b>	695,560,189	681,880,240	2	2,121,237,154	1,953,503,025	9
Impairment (charges) / reversal for loans and other losses	(54,137,466)	(34,401,363)	57	(114,534,087)	(208,314,436)	(45)
Gold Loan Auction Losses	(268,156)	(68,851,088)	(100)	(410,280)	(93,983,504)	(100)
<b>Net Operating Income</b>	641,154,568	578,627,788	11	2,006,292,787	1,651,205,085	22
<b>Operating Expenses</b>						
Personnel expenses	(209,495,815)	(198,303,843)	6	(640,745,623)	(562,916,175)	14
Other operating expenses	(226,765,320)	(214,911,529)	6	(661,845,839)	(591,417,137)	12
Depreciation of property & equipment	(28,578,572)	(25,047,811)	14	(92,307,110)	(72,015,074)	28
<b>Total operating expenses</b>	(464,839,707)	(438,263,183)		(1,394,898,572)	(1,226,348,386)	14
<b>Operating Profit before Value Added Tax on Financial Services</b>	176,314,861	140,364,605	26	611,394,215	424,856,699	44
Value added tax on financial services	(33,923,863)	(17,983,701)	89	(99,967,135)	(45,905,364)	118
<b>Operating Profit after Value Added Tax on Financial Services</b>	142,390,998	122,380,904	16	511,427,080	378,951,335	35
Share of profit from associates	1,716,249	4,972,279	(65)	10,959,484	13,914,572	(21)
<b>Profit before Taxation from Operations</b>	144,107,247	127,353,183	13	522,386,564	392,865,907	33
Provision for income taxation	(41,000,000)	(31,227,399)	31	(110,000,000)	(86,227,399)	28
<b>Profit for the Period</b>	103,107,247	96,125,784	7	412,386,564	306,638,508	34
Basic/ Diluted earnings per share	3.06	39.56		12.24	126.19	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

# Alliance Finance Company PLC

## STATEMENT OF PROFIT OR LOSS - GROUP

	Quarter ended			Nine months ended		
	31.12.2016	31.12.2015	Variance	31.12.2016	31.12.2015	Variance
	(Unaudited) Rs.	(Unaudited) Rs.	%	(Unaudited) Rs.	(Unaudited) Rs.	%
<b>Gross Income</b>	1,346,539,115	1,174,993,291	15	3,948,743,163	3,414,454,523	16
Interest income	1,240,051,099	1,019,555,046	22	3,604,828,231	2,992,597,731	20
Interest expenses	(625,722,601)	(458,084,024)	37	(1,774,121,926)	(1,355,941,914)	31
<b>Net Interest Income</b>	614,328,498	561,471,023	9	1,830,706,305	1,636,655,817	12
Fee and commission income	72,005,235	83,246,446	(14)	187,814,611	232,840,719	(19)
Fee and commission expenses	(14,859,672)	(26,302,290)	(44)	(26,614,363)	(79,943,164)	(67)
<b>Net Fee and Commission Income</b>	57,145,562	56,944,156	0	161,200,248	152,897,555	5
Net gain/(loss) from trading	(12,724,523)	12,924,063	(198)	25,988,789	59,576,008	(56)
Other operating income (net)	47,207,304	59,267,735	(20)	130,111,533	129,440,065	1
<b>Total Operating Income</b>	705,956,841	690,606,977	2	2,148,006,875	1,978,569,445	9
Impairment (charges) / reversal for loans and other losses	(54,137,466)	(34,401,363)	57	(114,534,087)	(208,314,436)	(45)
Gold Loan Auction Losses	(268,156)	(68,851,088)	(100)	(410,280)	(93,983,504)	(100)
<b>Net Operating Income</b>	651,551,219	587,354,525	11	2,033,062,508	1,676,271,505	21
<b>Operating Expenses</b>						
Personnel expenses	(210,337,393)	(200,799,196)	5	(647,984,432)	(572,076,780)	13
Other operating expenses	(230,409,544)	(216,957,719)	6	(668,900,033)	(597,674,973)	12
Depreciation of property & equipment	(28,843,549)	(25,234,007)	14	(93,102,037)	(72,573,662)	28
<b>Total operating expenses</b>	(469,590,486)	(442,990,922)		(1,409,986,502)	(1,242,325,415)	13
<b>Operating Profit before Value Added Tax on Financial Services</b>	181,960,733	144,363,603	26	623,076,006	433,946,090	44
Value added tax on financial services	(33,923,863)	(17,983,701)	89	(99,967,135)	(45,905,364)	118
<b>Operating Profit after Value Added Tax on Financial Services</b>	148,036,870	126,379,902	17	523,108,871	388,040,726	35
Share of profit from associates	1,716,249	4,972,279	(65)	10,959,484	13,914,572	(21)
<b>Profit before Taxation from Operations</b>	149,753,119	131,352,181	14	534,068,355	401,955,298	33
Provision for income taxation	(41,024,612)	(32,275,895)	27	(111,507,043)	(88,059,312)	-
<b>Profit for the Period</b>	108,728,507	99,076,286	10	422,561,312	313,895,986	35
Profit attributable to :						
Equity holders of the Company	106,701,481	98,029,913	9	418,892,297	311,278,938	35
Non controlling interest	2,027,026	1,046,371	94	3,669,015	2,617,046	40
<b>Profit for the Period</b>	108,728,507	99,076,284	10	422,561,311	313,895,984	35
Basic/ Diluted earnings per share	3.23	40.77		12.54	129.18	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

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

	Quarter ended		Nine months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	Rs.	Rs.	Rs.	Rs.
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Profit for the period</b>	103,107,247	96,125,784	412,386,564	306,638,508
<b>Other comprehensive income</b>				
<b>Other comprehensive income to be reclassify to Profit or Loss</b>				
<u>Net Gains and Losses on Available-for-Sale Financial Assets:</u>				
Sri Lanka government securities	9,850,000	7,050,000	9,851,177	3,031,541
Equity securities - Quoted	-	-	-	-
Equity securities - Un quoted	-	-	-	(14,369,928)
Share of other comprehensive income of associates	-	-	-	-
Net Change in fair value of available for sale financial assets	-	-	-	-
<b>Net Other comprehensive Income to reclassified to Profit or Loss</b>	<b>9,850,000</b>	<b>7,050,000</b>	<b>9,851,177</b>	<b>(11,338,387)</b>
<b>Net Other Comprehensive Income not be classified to profit or loss</b>	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<b>112,957,247</b>	<b>103,175,784</b>	<b>422,237,740</b>	<b>295,300,121</b>

# Alliance Finance Company PLC

## STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Quarter ended		Nine months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	Rs.	Rs.	Rs.	Rs.
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Profit for the period</b>	108,728,507	99,076,284	422,561,311	313,895,984
<b>Other comprehensive income</b>				
<b>Other comprehensive income to be reclassify to Profit or Loss</b>				
<u>Net Gains and Losses on Available-for-Sale Financial Assets:</u>				
Sri Lanka government securities	9,850,000	7,050,000	9,851,177	3,031,541
Equity securities - Quoted	-	-	-	-
Equity securities - Un quoted	-	(14,369,929)	-	(14,369,929)
Share of other comprehensive income of associates	-	-	-	-
Net Change in fair value of available for sale financial assets	-	-	-	-
<b>Net Other comprehensive Income to reclassified to Profit or Loss</b>	<b>9,850,000</b>	<b>(7,319,929)</b>	<b>9,851,177</b>	<b>(11,338,388)</b>
<b>Net Other Comprehensive Income not be classified to profit or loss</b>	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<b>118,578,507</b>	<b>91,756,355</b>	<b>432,412,488</b>	<b>302,557,596</b>
Attributable to:				
Equity holders of the Company	116,551,481	90,709,984	428,743,474	299,940,550
Non controlling interest	2,027,026	1,046,371	3,669,015	2,617,046
<b>Total Comprehensive Income for the period</b>	<b>118,578,507</b>	<b>91,756,355</b>	<b>432,412,488</b>	<b>302,557,596</b>

# Alliance Finance Company PLC

## STATEMENT OF FINANCIAL POSITION

As at	Company		Group	
	31.12.2016 (Unaudited) Rs.	31.03.2016 (Audited) Rs.	31.12.2016 (Unaudited) Rs.	31.03.2016 (Audited) Rs.
<b>Assets</b>				
Cash and cash equivalents	372,116,024	143,982,481	420,681,595	177,180,931
Repurchase agreements	427,610,024	735,591,742	427,610,024	735,591,742
Placements with banks & financial institutions	1,261,676,846	1,834,356,115	1,311,676,846	1,834,356,115
Financial investments - held for trading	1,317,597,843	1,081,001,402	1,317,597,843	1,159,449,583
Loans and advances	6,546,371,866	5,603,981,321	6,546,371,866	5,604,087,836
Lease rentals receivable & stock out on hire	15,289,488,568	13,283,110,374	15,289,488,568	13,283,110,374
Hire purchase rentals receivable & stock out on hire	232,391,560	462,569,201	232,391,560	462,569,201
Financial investments - available for sale	451,986,183	450,254,097	465,486,183	463,754,097
Other trading stocks	243,488,643	207,857,305	243,488,643	207,857,305
Other financial assets	284,159,101	181,511,534	316,037,459	178,653,619
Other non financial assets	123,604,940	113,445,442	123,604,940	118,146,354
Investments in associates	79,118,163	68,158,680	79,118,163	68,158,680
Investments in subsidiaries	16,924,038	16,924,038	-	-
Property, plant & equipment	1,391,319,842	1,460,365,873	1,391,622,356	1,461,115,815
Deferred tax assets	213,869,894	213,869,894	214,166,914	214,166,914
<b>Total Assets</b>	<b>28,251,723,533</b>	<b>25,856,979,499</b>	<b>28,379,342,958</b>	<b>25,968,198,566</b>
<b>Liabilities</b>				
Due to banks	10,722,616,921	8,328,978,742	10,737,768,886	8,353,691,241
Due to customers	10,093,733,993	10,464,149,566	10,093,733,993	10,464,149,566
Debt instruments issued and other borrowed funds	2,538,892,429	3,062,414,964	2,538,892,429	3,062,414,964
Other financial liabilities	1,326,740,629	884,210,568	1,359,859,314	890,116,107
Other non financial liabilities	36,315,730	35,880,403	36,410,915	35,880,403
Income Tax liability	61,563,195	62,954,733	61,563,195	67,590,682
Retirement benefit liability	109,509,893	91,237,518	111,184,437	92,298,302
Deferred tax liabilities	192,818,369	192,818,369	192,934,106	192,934,106
<b>Total liabilities</b>	<b>25,082,191,159</b>	<b>23,122,644,863</b>	<b>25,132,347,275</b>	<b>23,159,075,371</b>
<b>Shareholders' Funds</b>				
Stated capital	613,980,000	24,300,000	613,980,000	24,300,000
Retained earnings	1,170,153,669	816,087,109	1,210,872,247	857,799,949
Reserves	1,385,398,704	1,893,947,527	1,385,398,700	1,893,947,526
<b>Total Equity Attributable to equity holders of the company</b>	<b>3,169,532,374</b>	<b>2,734,334,636</b>	<b>3,210,250,948</b>	<b>2,776,047,475</b>
Non controlling interest	-	-	36,744,734	33,075,720
<b>Total Equity</b>	<b>3,169,532,374</b>	<b>2,734,334,636</b>	<b>3,246,995,683</b>	<b>2,809,123,195</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>28,251,723,533</b>	<b>25,856,979,499</b>	<b>28,379,342,958</b>	<b>25,968,198,566</b>
Net Assets Value Per Share (Rs.)	94	1,125	95	1,156

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Chamindra de Silva  
Chief Financial Officer

.....  
Mahinda Gunasekara  
Director

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

15th February 2017  
Colombo

**Alliance Finance Company PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
For the Nine months ended 31st December 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.
<b>Balances as at 31st March 2015</b>	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	-	-	-	-	-	-	-	-	-	-	306,638,508	306,638,508
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	(11,338,387)	-	-	(11,338,387)
Transfer to General Reserve	-	-	-	(7,000,000)	(255,000,000)	370,141,275	(108,141,275)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances as at 31st December 2015</b>	<u>24,300,000</u>	<u>418,257,400</u>	<u>479,906,644</u>	<u>-</u>	<u>-</u>	<u>823,441,275</u>	<u>-</u>	<u>83,216,780</u>	<u>10,343,402</u>	<u>-</u>	<u>905,178,011</u>	<u>2,744,643,514</u>
<b>Balances as at 31st March 2016</b>	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	-	-	-	-	-	-	-	-	-	-	412,386,564	412,386,564
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	9,851,177	-	-	9,851,177
Reserves Capitalization	518,400,000	-	-	-	-	(518,400,000)	-	-	-	-	-	-
Right Issue	71,280,000	-	-	-	-	-	-	-	-	-	-	71,280,000
Dividend paid	-	-	-	-	-	-	-	-	-	-	(58,320,000)	(58,320,000)
<b>Balances as at 31st December 2016</b>	<u>613,980,000</u>	<u>501,317,400</u>	<u>479,906,644</u>	<u>-</u>	<u>-</u>	<u>305,041,275</u>	<u>-</u>	<u>83,216,780</u>	<u>15,916,604</u>	<u>-</u>	<u>1,170,153,672</u>	<u>3,169,532,374</u>
<b>Group</b>												
<b>Balances as at 31st March 2015</b>	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	-	-	-	-	-	-	-	-	-	2,617,046	-	2,617,046
Profit for the period	-	-	-	-	-	-	-	-	-	-	299,940,550	299,940,550
Transfer of realized gain/(loss) on available for sale financial assets	-	-	-	-	-	-	-	-	(11,338,388)	-	-	(11,338,388)
Other comprehensive Income, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances as at 31st December 2016</b>	<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>10,343,401</u>	<u>29,528,041</u>	<u>929,261,863</u>	<u>2,798,255,405</u>
<b>Balances as at 31st March 2016</b>	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	-	-	-	-	-	-	-	-	-	3,669,015	-	3,669,014
Profit for the period	-	-	-	-	-	-	-	-	-	-	418,892,297	418,892,296
Other comprehensive Income, net of tax	-	-	-	-	-	-	-	-	9,851,177	-	-	9,851,176
Reserves Capitalization	518,400,000	-	-	-	-	(518,400,000)	-	-	-	-	-	-
Right Issue	71,280,000	-	-	-	-	-	-	-	-	-	-	71,280,000
Dividend paid	-	-	-	-	-	-	-	-	-	-	(65,820,000)	(65,820,000)
<b>Balances as at 31st December 2016</b>	<u>613,980,000</u>	<u>501,317,400</u>	<u>479,906,644</u>	<u>-</u>	<u>-</u>	<u>305,041,275</u>	<u>-</u>	<u>83,216,780</u>	<u>15,916,603</u>	<u>36,744,735</u>	<u>1,210,872,246</u>	<u>3,246,995,681</u>

**Alliance Finance Company PLC**  
**STATEMENT OF CASH FLOWS**  
**For the Nine months ended 31st December 2016**

	<b>Company</b>		<b>Group</b>	
<b>Cash Flows From / (Used in) Operating Activities</b>	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
Profit before Income Tax Expense	522,386,564	392,865,907	534,068,355	401,955,298
Adjustments for;				
Depreciation of property, plant & equipment	92,307,110	72,015,074	93,102,037	72,573,662
Impairment provision	55,852,768	247,368,730	55,852,768	247,368,730
Interest on fixed deposits, commercial paper & treasury bills	(198,608,491)	(126,467,912)	(203,805,557)	(127,841,054)
Profit /(loss) on sale of securities	598,295	(11,386,057)	598,295	(11,386,057)
Fair value gain or loss on equity investments (FVTPL)	(6,651,742)	(2,169,014)	(6,651,742)	(2,169,014)
Profit /(loss) on AFS financial assets	-	(28,155,635)	-	(28,155,635)
Diminution/(appreciation) in value of investments	(3,183,061)	(5,649,947)	(3,183,061)	(5,649,947)
Loss/(Profit) on disposal of property & equipment	(12,182,949)	(16,445,535)	(12,327,949)	(16,445,535)
Provision/(reversal) for defined benefit plans	22,900,000	36,400,000	23,513,760	37,016,500
Dividend received	(11,541,055)	(9,680,028)	(11,933,095)	(9,680,028)
Share of profit from associates	(10,959,484)	(13,914,572)	(10,959,484)	(13,914,572)
<b>Operating Profit before Working Capital Changes</b>	<b>450,917,956</b>	<b>534,781,011</b>	<b>458,274,328</b>	<b>543,672,348</b>
(Increase)/decrease in trading stock	(35,631,337)	(481,409,839)	(35,631,337)	(492,162,219)
(Increase)/decrease in loans and advances	(963,779,338)	(768,508,880)	(963,672,823)	(768,368,830)
(Increase)/decrease in lease rentals receivable & stock out on hire	(2,045,240,142)	(2,906,265,923)	(2,045,240,142)	(2,906,265,923)
(Increase)/decrease in hire purchase rentals Receivable & Stock out on hire	234,575,615	545,822,275	234,575,615	545,822,275
(Increase)/decrease in fixed deposits & repurchase agreements	880,660,987	(1,129,848,985)	830,660,987	(1,129,848,985)
(Increase)/decrease in other financial assets	(102,647,567)	(28,192,558)	(137,383,838)	(30,455,087)
(Increase)/decrease in other non financial assets	(10,159,498)	(29,252,412)	(5,458,586)	(28,097,387)
Increase/(decrease) in amounts due to customers	(370,415,573)	314,467,084	(370,415,573)	314,467,084
Increase/(decrease) in other financial liabilities	442,530,061	469,420,545	464,910,445	480,950,016
Increase/(decrease) in other non financial liabilities	435,327	(16,869,872)	530,512	(18,805,166)
Cash (used in)/ generated from operations	<b>(1,518,753,510)</b>	<b>(3,495,857,553)</b>	<b>(1,568,850,413)</b>	<b>(3,489,091,874)</b>
Retirement benefit liabilities paid	(4,627,624)	(20,923,114)	(4,893,478)	(20,991,614)
Taxes paid	(101,540,363)	-	(102,584,740)	-
Net cash used in operating activities	<b>(1,624,921,497)</b>	<b>(3,516,780,667)</b>	<b>(1,676,328,631)</b>	<b>(3,510,083,488)</b>
<b>Cash Flows from / (Used in) Investing Activities</b>				
Acquisition of property, plant & equipment	(45,887,904)	(130,809,710)	(46,090,403)	(131,368,294)
Proceeds from sales of property, plant & equipment	34,809,774	49,484,789	34,809,774	49,484,789
Proceeds from disposal of AFS financial assets	-	44,351,336	-	44,351,336
Net Sales/ (purchases) of financial investments held -for- trading	(227,359,933)	(333,565,567)	(148,911,752)	(337,936,990)
Net Sale/(purchase) of financial investments - available- for- sale	(1,732,085)	60,072,183	(1,732,085)	45,072,183
Dividend received	11,541,055	9,680,028	11,933,095	9,680,028
Interest on fixed deposits, commercial paper & treasury bills	198,608,491	126,467,912	203,805,557	127,841,054
Net cash flows from/(used in) investing activities	<b>(30,020,602)</b>	<b>(174,319,029)</b>	<b>53,814,185</b>	<b>(192,875,895)</b>
<b>Cash Flows from / (Used in) Financing Activities</b>				
Proceeds from debentures and increase in borrowed funds	(523,522,535)	(259,110,969)	(523,522,535)	(259,110,969)
Net increase /(decrease) in other borrowings	2,393,638,179	3,993,311,878	2,384,077,645	3,983,808,434
Proceeds from right issue	71,280,000	-	71,280,000	-
Dividends paid	(58,320,000)	(55,890,000)	(65,820,000)	(55,890,000)
Net cash flows from/(used in) financing activities	<b>1,883,075,644</b>	<b>3,678,310,909</b>	<b>1,866,015,110</b>	<b>3,668,807,465</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>228,133,545</b>	<b>(12,788,787)</b>	<b>243,500,665</b>	<b>(34,151,918)</b>
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	372,116,024	105,784,262	420,681,595	134,095,698
<b>Movement in Cash and Cash Equivalent</b>	<b>228,133,543</b>	<b>(12,788,787)</b>	<b>243,500,664</b>	<b>(34,151,918)</b>

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.



**For the Nine months ended 31st December 2016**[illegible]

OTHER INFORMATION										
Segment assets	12,821,228,781	575,519,789	3,936,264,398	469,803,624	221,098,178	274,493,000	1,527,195,426	7,785,062	3,673,624,444	23,507,012,702
Investment in Associates and Subsidiaries										83,664,936
Unallocated company assets										<u>1,227,021,143</u>
<i>Total assets</i>										<u><b>24,817,698,780</b></u>
Segment liabilities	11,421,144,400	506,787,617	3,466,171,093	413,696,738	194,693,251	241,711,330	1,344,808,200	6,855,321	3,234,897,244	20,830,765,194
Unallocated company liabilities										<u>1,233,229,794</u>
<i>Total liabilities</i>										<u><b>22,063,994,987</b></u>

## **Alliance Finance Company PLC**

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### **NOTES TO THE FINANCIAL STATEMENTS**

- 1 The figures given in the statements for the nine months ended 31st December 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 nine months ended 31st December 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 nine months ended 31st December 2016.
- 5 During the quarter ended 31st December 2016, the Company raised foreign funds amounting of USD 1 Mn. from Triodos and USD 10 Mn. from Symbiotic SA.
- 7 During the quarter ended 31st December 2016 the shares subdivided 1:10, increasing the Shares in Issue to 24,300,000, whilst the Stated Capital remained unchanged. Thereafter on 24,300,000 shares there was a Capitalization 1:3 at Rs.64/- utilizing the General Reserve. Thus the Shares in Issue increased to 32,400,000 and the Stated Capital increased to Rs.542,700,000/-. On the increased base there was Rights Issue 1:25, thereby the Shares in Issue increased to 33,696,000 and the Stated Capital increased to Rs.613,980,000/-. The monies raised from the Rights Issue amounting to Rs.71,280,000/- has been utilized for the lending operations of the Company in the succeeding quarter.
- 6 There has not been a significant change in the nature of the Contingent Liabilities which were disclosed in the nine months period ended 31st December 2016.
- 8 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

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### INFORMATION ON ORDINARY SHARES

#### Market Price per share

	Quarter ended 01st October – 31st December <b>2016</b>	Quarter ended 01st October – 31st December <b>2015</b>
Highest Price	1,055.00	940.00
Lowest Price	60.50	840.00
Last Traded	64.70	843.50

#### Issued Capital

As at 31st December 2016 the Stated Capital was Rs. 613,980,000/- of 33,696,000 Ordinary shares were issued.

### INFORMATION ON DEBENTURE

#### Debenture Investor Indicators

	<b>31.12.2016</b>
Debt/equity ratio times	7.37
Interest cover times	2.03
Liquid assets ratio (%)	24.19%

#### **Debenture 2012-2017 Market Price (Rs.)**

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

#### **Debenture 2013-2018 Market Price (Rs.)**

	<b>Lowest</b>	<b>Highest</b>	<b>Last Traded</b>
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.)**

	<b>Lowest</b>	<b>Highest</b>	<b>Last Traded</b>
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% p.a payable monthly	N/A
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#### **Yield to maturity of last trade done during the quarter (%)**

5 Years - 20% p.a payable monthly	N/A
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#### **Yield of comparable government securities (%)**

	<b>31.12.2016</b>
03 year treasury bonds	11.95%
04 year treasury bonds	11.69%
05 year treasury bonds	12.04%

## Alliance Finance Company PLC

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### SHAREHOLDERS' INFORMATION

#### Directors Shareholding as at 31st December 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 *	8,934,075
3	Mrs.R.N. Ponnambalam	200
4	Mr.A.R. Samarasinghe	100
5	Mr.J.M. Gunasekera	-
6	Mr.L.A.P. Medis	-
	* Jt Holding with Mr.J.E.P.A. de Silva	2,101,216

#### Twenty Largest Ordinary Shareholders as at 31st December 2016

<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	Mr.N. Amarasinghe	889,360	2.64
8	Janashakthi PLC A/c No. 1	504,663	1.50
9	Mrs.S.E. Canekeratne	612,268	1.82
10	Mr.D.L.S.R. Perera	553,556	1.64
11	Mrs.S.R.L. Marcelline	492,480	1.46
12	Trading Partners (Pvt) Ltd.	422,475	1.25
13	Mrs.C.R. de Silva	374,400	1.11
14	Mr. D.F.W. Perera	310,560	0.92
15	Seylan Bank PLC/Janashakthi Ltd.,	317,879	0.94
16	Ms.D.D.P.T. Perera	309,384	0.92
17	Mrs.P. Weththasinghe	299,975	0.89
18	Mrs.A.S. Wijewardena	259,200	0.77
19	Mrs.L.S. Semage	249,016	0.74
20	Ms.D.C.M.A. Perera	236,632	0.70

#### Public Shareholding as at 31st December 2016

<u>No of Shares</u>	<u>%</u>
18,100,071	53.73

#### No of Shareholders

The percentage of ordinary shares held by the public as at 31st December 2016 was 53.73% and the number of shareholders representing the public holding was 1101

## **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

### **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**

Pratapkumar 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**