



Financial Statements

For the Six Months Ended 30th September 2015



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 | | | Six months ended | | |
|--|---------------|---------------|----------|------------------|---------------|----------|
| | 30.09.2015 | 30.09.2014 | Variance | 30.09.2015 | 30.09.2014 | Variance |
| | Rs. | Rs. | % | Rs. | Rs. | % |
| | (Unaudited) | (Unaudited) | | (Unaudited) | (Unaudited) | |
| Gross Income | 1,120,290,768 | 984,661,648 | 14 | 2,223,077,442 | 1,939,375,442 | 15 |
| Interest income | 998,690,873 | 856,603,044 | 17 | 1,972,094,144 | 1,734,548,052 | 14 |
| Interest expenses | (455,682,524) | (472,468,439) | (4) | (897,816,648) | (980,088,828) | (8) |
| Net Interest Income | 543,008,349 | 384,134,605 | 41 | 1,074,277,495 | 754,459,224 | 42 |
| Fee and commission income | 71,661,613 | 46,090,000 | 55 | 137,015,581 | 90,032,417 | 52 |
| Fee and commission expenses | (24,982,494) | (13,396,842) | 86 | (53,638,009) | (26,988,585) | 99 |
| Net Fee and Commission Income | 46,679,119 | 32,693,158 | 43 | 83,377,572 | 63,043,832 | 32 |
| Net gain/(loss) from trading | 17,419,702 | 32,163,098 | (46) | 43,795,388 | 39,458,477 | 11 |
| Other operating income (net) | 32,518,581 | 49,805,506 | (35) | 70,172,330 | 75,336,496 | (7) |
| Total Operating Income | 639,625,751 | 498,796,367 | 28 | 1,271,622,785 | 932,298,029 | 36 |
| Impairment (charges) / reversal for loans and other losses | (75,426,630) | (131,242,440) | (43) | (183,550,152) | (246,197,832) | (25) |
| Net Operating Income | 564,199,121 | 367,553,927 | 54 | 1,088,072,633 | 686,100,197 | 59 |
| Operating Expenses | | | | | | |
| Personnel expenses | (198,687,844) | (124,248,208) | 60 | (364,612,332) | (244,261,457) | 49 |
| Depreciation of property & equipment | (23,741,811) | (20,834,989) | 14 | (46,967,263) | (41,019,938) | 14 |
| Other operating expenses | (211,814,133) | (165,380,732) | 28 | (392,000,945) | (299,020,014) | 31 |
| Operating Profit before Value Added Tax on Financial Services | 129,955,333 | 57,089,998 | 128 | 284,492,094 | 101,798,788 | 179 |
| Value added tax on financial services | (17,117,363) | (3,449,698) | 396 | (27,921,663) | (6,839,534) | 308 |
| Operating Profit after Value Added Tax on Financial Services | 112,837,969 | 53,640,300 | 110 | 256,570,430 | 94,959,254 | 170 |
| Share of profit from associates | 4,226,243 | 6,830,257 | (38) | 8,942,293 | 10,830,070 | (17) |
| Profit before Taxation from Operations | 117,064,212 | 60,470,557 | 94 | 265,512,723 | 105,789,324 | 151 |
| Provision for income taxation | (25,000,000) | (12,000,000) | 108 | (55,000,000) | (24,000,000) | 129 |
| Profit for the Period | 92,064,212 | 48,470,557 | 90 | 210,512,723 | 81,789,324 | 157 |
| Basic/ Diluted earnings per share | 37.89 | 19.95 | | 86.63 | 33.66 | |
| Dividend Per Share (Rs./Cts.) | - | - | | - | - | |

Above figures are provisional and subject to audit.
Figures in brackets indicate deductions.

Alliance Finance Company PLC

STATEMENT OF PROFIT OR LOSS - GROUP

| | Quarter ended | | Six months ended | |
|--|---------------|-------------|------------------|-------------|
| | 30.09.2015 | 30.09.2014 | 30.09.2015 | 30.09.2014 |
| | Rs. | Rs. | Rs. | Rs. |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Gross Income | 1,128,293,328 | - | 2,239,461,232 | - |
| Interest income | 997,724,620 | - | 1,973,042,685 | - |
| Interest expenses | (455,714,866) | - | (897,857,890) | - |
| Net Interest Income | 542,009,754 | - | 1,075,184,794 | - |
| Fee and commission income | 77,773,868 | - | 149,594,273 | - |
| Fee and commission expenses | (24,951,389) | - | (53,640,874) | - |
| Net Fee and Commission Income | 52,822,479 | - | 95,953,399 | - |
| Net gain/(loss) from trading | 20,276,259 | - | 46,651,945 | - |
| Other operating income (net) | 32,518,581 | - | 70,172,330 | - |
| Total Operating Income | 647,627,072 | - | 1,287,962,468 | - |
| Impairment (charges) / reversal for loans and other losses | (75,426,630) | - | (183,550,152) | - |
| Net Operating Income | 572,200,443 | - | 1,104,412,317 | - |
| Operating Expenses | | | | |
| Personnel expenses | (202,809,054) | - | (371,277,584) | - |
| Depreciation of property & equipment | (23,928,007) | - | (47,339,655) | - |
| Other operating expenses | (212,485,166) | - | (396,212,591) | - |
| Operating Profit before Value Added Tax on Financial Services | 132,978,216 | - | 289,582,487 | - |
| Value added tax on financial services | (17,117,363) | - | (27,921,663) | - |
| Operating Profit after Value Added Tax on Financial Services | 115,860,852 | - | 261,660,824 | - |
| Share of profit from associates | 4,226,243 | - | 8,942,293 | - |
| Profit before Taxation from Operations | 120,087,095 | - | 270,603,117 | - |
| Provision for income taxation | (25,783,417) | - | (55,783,417) | - |
| Profit for the Period | 94,303,678 | - | 214,819,700 | - |
| Profit attributable to : | | | | |
| Equity holders of the Company | 94,303,678 | - | 213,249,025 | - |
| Non controlling interest | - | - | 1,570,675 | - |
| Profit for the Period | 94,303,678 | - | 214,819,700 | - |
| Basic/ Diluted earnings per share | 38.81 | - | 87.76 | - |
| Dividend per share (Rs./Cts.) | - | - | - | - |

Above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

Alliance Finance Company PLC

STATEMENT OF COMPREHENSIVE INCOME - COMPANY

| | Quarter ended | | Six months ended | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | 30.09.2015 (Unaudited) | 30.09.2014 (Unaudited) | 30.09.2015 (Unaudited) | 30.09.2014 (Unaudited) |
| | Rs. | Rs. | Rs. | Rs. |
| Profit for the period | 92,064,212 | 48,470,557 | 210,512,723 | 81,789,324 |
| 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 | (17,597,823) | 2,202,582 | (4,018,459) | 6,814,402 |
| Equity securities - Quoted | - | 97,342,826 | - | 131,630,747 |
| 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 | (17,597,823) | 99,545,408 | (4,018,459) | 138,445,149 |
| Net Other Comprehensive Income not be classified to profit or loss | - | - | - | - |
| Total Comprehensive Income for the Period | 74,466,390 | 148,015,965 | 206,494,264 | 220,234,473 |
| Attributable to: | | | | |
| Equity holders of the Company | 74,466,390 | 148,015,965 | 206,494,264 | 220,234,473 |
| Non controlling interest | - | - | - | - |
| Total Comprehensive Income for the period | 74,466,390 | 148,015,965 | 206,494,264 | 220,234,473 |

Alliance Finance Company PLC

STATEMENT OF COMPREHENSIVE INCOME - GROUP

| | Quarter ended | | Six months ended | |
|---|---------------------|-------------|--------------------|-------------|
| | 30.09.2015 | 30.09.2014 | 30.09.2015 | 30.09.2014 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | Rs. | Rs. | Rs. | Rs. |
| Profit for the period | 94,303,678 | - | 214,819,700 | - |
| 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 | (17,597,823) | - | (4,018,459) | - |
| 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 | (17,597,823) | - | (4,018,459) | - |
| Net Other Comprehensive Income not be classified to profit or loss | - | - | - | - |
| Total Comprehensive Income for the Period | 76,705,856 | - | 210,801,241 | - |
| Attributable to: | | | | |
| Equity holders of the Company | 76,705,856 | - | 209,230,566 | - |
| Non controlling Interest | - | - | 1,570,675 | - |
| Total Comprehensive Income for the period | 76,705,856 | - | 210,801,241 | - |

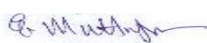
Alliance Finance Company PLC

STATEMENT OF FINANCIAL POSITION


| As at | 30.09.2015 (Un Audited) Rs. | Company 30.09.2014 (Un Audited) Rs. | 31.03.2015 (Audited) Rs. | Group 30.09.2015 (Un Audited) Rs. |
|---|-----------------------------------|--|--------------------------------|--|
| Assets | | | | |
| Cash and cash equivalents | 224,204,958 | 254,105,082 | 118,573,049 | 250,718,225 |
| Repurchase agreements | 400,433,829 | 20,389,872 | 602,960,253 | 400,433,829 |
| Placements with banks & financial institutions | 399,441,792 | 692,326,527 | 390,218,289 | 399,441,792 |
| Financial investments - held for trading | 1,876,337,790 | 1,026,521,703 | 1,360,730,696 | 1,951,624,179 |
| Loans and advances | 3,798,949,175 | 3,694,898,605 | 3,729,449,078 | 3,798,949,175 |
| Lease rentals receivable & stock out on hire | 11,532,279,222 | 8,311,132,338 | 10,069,293,475 | 11,532,279,222 |
| Hire purchase rentals receivable & stock out on hire | 730,840,917 | 1,466,110,716 | 1,124,197,171 | 730,840,917 |
| Financial investments - available for sale | 479,792,758 | 634,735,712 | 539,714,872 | 494,792,758 |
| Real estate & other trading stock | 758,776,148 | 227,121,481 | 290,921,018 | 769,528,528 |
| Other financial assets | 159,127,107 | 95,820,509 | 134,825,966 | 128,679,859 |
| Other non financial assets | 146,910,007 | 136,045,411 | 127,210,968 | 146,910,007 |
| Income tax refund due | 3,860,989 | - | 50,348,792 | 3,860,989 |
| Investments in associates | 78,817,657 | 134,272,549 | 69,875,364 | 78,817,657 |
| Investments in subsidiaries | 16,924,038 | - | 16,924,038 | - |
| Property, plant & equipment | 1,129,903,774 | 1,113,522,490 | 1,133,327,208 | 1,131,739,026 |
| Deferred tax assets | 151,123,290 | 194,820,518.00 | 151,123,290 | 151,398,850 |
| Total Assets | 21,887,723,450 | 18,001,823,513 | 19,909,693,527 | 21,970,015,012 |
| Liabilities | | | | |
| Due to banks | 4,016,728,563 | 1,492,747,276 | 2,929,071,347 | 4,017,327,115 |
| Due to customers | 10,916,231,016 | 11,120,411,278 | 10,344,065,933 | 10,916,231,016 |
| Debt instruments issued and other borrowed funds | 3,124,031,832 | 2,193,819,973 | 3,203,466,448 | 3,124,031,832 |
| Other financial liabilities | 957,152,989 | 430,872,546 | 700,836,812 | 974,881,942 |
| Other non financial liabilities | 25,366,576 | 23,273,531 | 39,590,147 | 25,693,016 |
| Retirement benefit liability | 104,719,371 | 71,452,907 | 99,773,999 | 106,046,009 |
| Deferred tax liabilities | 143,545,449 | 106,302,413 | 143,545,449 | 143,856,646 |
| Total liabilities | 19,287,775,796 | 15,438,879,923 | 17,460,350,135 | 19,308,067,576 |
| Shareholders' Funds | | | | |
| Stated capital | 24,300,000 | 24,300,000 | 24,300,000 | 24,300,000 |
| Retained earnings | 753,162,226 | 527,507,522 | 598,539,503 | 786,680,337 |
| Reserves | 1,822,485,429 | 2,011,136,068 | 1,826,503,889 | 1,822,485,429 |
| Total Equity Attributable to equity holders of the company | 2,599,947,655 | 2,562,943,590 | 2,449,343,392 | 2,633,465,766 |
| Non controlling interest | - | - | - | 28,481,670 |
| Total Equity | 2,599,947,655 | 2,562,943,590 | 2,449,343,392 | 2,661,947,436 |
| Total Liabilities and Shareholders' Funds | 21,887,723,450 | 18,001,823,513 | 19,909,693,527 | 21,970,015,012 |
| Net Assets Value Per Share (Rs.) | 1,070 | 1,055 | 1,008 | 1,095 |



Chamindra de Silva
Chief Financial Officer



E.C.S.R. Muttupulle
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 2015

| 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. |
|---|--------------------------|-----------------------------|---------------------------|--|--|---------------------------|-------------------------------|-----------------------------------|--------------------------------------|---------------------------------------|-----------------------------|----------------------|
| Balance as at 1 April 2014 | 24,300,000 | 377,657,400 | 479,906,644 | 7,000,000 | 255,000,000 | 453,300,000 | 108,141,275 | 83,216,780 | 108,517,572 | - | 494,269,442 | 2,391,309,113 |
| Profit for the period | - | - | - | - | - | - | - | - | - | - | 81,789,324 | 81,789,324 |
| Other comprehensive income, net of tax | - | - | - | - | - | - | - | - | 138,445,148 | - | - | 138,445,148 |
| Transfer to Statutory Reserve | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividend paid | - | - | - | - | - | - | - | - | - | - | (48,600,000) | (48,600,000) |
| Balances as at 30th September 2014 | 24,300,000 | 377,657,400 | 479,906,644 | 7,000,000 | 255,000,000 | 453,300,000 | 108,141,275 | 83,216,780 | 246,962,720 | - | 527,458,766 | 2,562,943,590 |
| Balance as at 1 April 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 | - | - | - | - | - | - | - | - | - | - | 210,512,723 | 210,512,723 |
| Other comprehensive income, net of tax | - | - | - | - | - | - | - | - | (4,018,459) | - | - | (4,018,459) |
| Transfer to General Reserve | - | - | - | (7,000,000) | (255,000,000) | 370,141,275 | (108,141,275) | - | - | - | - | - |
| Transfer to Statutory Reserve | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividend paid | - | - | - | - | - | - | - | - | - | - | (55,890,000) | (55,890,000) |
| Balances as at 30th September 2015 | 24,300,000 | 418,257,400 | 479,906,644 | - | - | 823,441,275 | - | 83,216,780 | 17,663,330 | - | 753,162,226 | 2,599,947,656 |
| Group | | | | | | | | | | | | |
| Balance as at 1 April 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 |
| Profit for the period | - | - | - | - | - | - | - | - | - | 1,570,675 | 213,249,025 | 214,819,700 |
| Other Comprehensive Income, net of tax | - | - | - | - | - | - | - | - | (4,018,459) | - | - | (4,018,459) |
| Transfer to Statutory Reserve | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to General Reserve | - | - | - | (7,000,000) | (255,000,000) | 370,141,275 | (108,141,275) | - | - | - | - | - |
| Transfer to Investment Fund Reserve | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividend paid | - | - | - | - | - | - | - | - | - | - | (55,890,000) | (55,889,999) |
| Balances as at 30th September 2015 | 24,300,000 | 418,257,400 | 479,906,644 | - | - | 823,441,275 | - | 83,216,780 | 17,663,330 | 28,481,670 | 786,680,338 | 2,661,947,439 |

Alliance Finance Company PLC

STATEMENT OF CASH FLOWS

| For the Six months ended 30th September | Company | | Group |
|---|----------------------|----------------------|----------------------|
| | 2015 Rs. | 2014 Rs. | 2015 Rs. |
| Cash Flows From / (Used in) Operating Activities | | | |
| Profit before Income Tax Expense | 265,512,723 | 105,789,324 | 270,603,117 |
| Adjustments for; | | | |
| Depreciation of property, plant & equipment | 46,967,263 | 41,019,938 | 47,339,655 |
| Impairment provision | 183,550,152 | 246,197,832 | 183,550,152 |
| Interest on fixed deposits, commercial paper & treasury bills | (83,009,157) | (84,528,981) | (83,957,698) |
| Profit /(loss) on sale of securities | (5,513,585) | (9,486,744) | (5,513,585) |
| Fair value gain or loss on equity investments (FVTPL) | 447,912 | 364,252 | 447,912 |
| Profit /(loss) on AFS financial assets | - | - | - |
| Diminution/(appreciation) in value of investments | (16,214,861) | 30,335,985 | (16,214,861) |
| Loss/(Profit) on disposal of property & equipment | (15,128,318) | (1,514,666) | (15,128,318) |
| Provision/(reversal) for defined benefit plans | 23,500,000 | 9,000,000 | 23,911,000 |
| Dividend received | (7,167,450) | (7,778,402) | (7,167,450) |
| Share of profit from associates | (8,942,293) | (10,830,070) | (8,942,293) |
| Operating Profit before Working Capital Changes | 384,002,387 | 318,568,469 | 388,927,631 |
| | | | |
| (Increase)/decrease in real estate stock | (467,855,130) | (133,879,825) | (478,607,510) |
| (Increase)/decrease in loans and advances | (127,432,499) | (128,957,703) | (127,292,449) |
| (Increase)/decrease in lease rentals receivable & stock out on hire | (1,591,187,703) | 118,258,552 | (1,591,187,703) |
| (Increase)/decrease in hire purchase Rentals Receivable & Stock out on hire | 395,940,460 | 220,939,704 | 395,940,460 |
| (Increase)/decrease in fixed deposits & repurchase agreements | 193,302,922 | 397,953,462 | 193,302,922 |
| (Increase)/decrease in other financial assets | (24,301,141) | 67,047,108 | (50,378,925) |
| (Increase)/decrease in other non financial assets | (19,699,040) | (9,061,170) | (18,544,014) |
| Income tax refund due | - | 7,771,001 | - |
| Increase/(decrease) in amounts due to customers | 572,165,083 | (81,177,229) | 572,165,083 |
| Increase/(decrease) in other financial liabilities | 256,316,177 | 46,093,467 | 306,169,372 |
| Increase/(decrease) in other non financial liabilities | (14,223,572) | 5,028,258 | (16,132,195) |
| Cash (used in)/ generated from operations | (442,972,056) | 828,584,094 | (425,637,327) |
| | | | |
| Retirement benefit liabilities paid | (18,554,628) | (698,750) | (18,554,628) |
| Investment in gratuity fund | - | - | - |
| Taxes paid | - | - | - |
| Net cash used in operating activities | (461,526,684) | 827,885,344 | (444,191,955) |
| Cash Flows from / (Used in) Investing Activities | | | |
| Acquisition of property, plant & equipment | (68,878,638) | (37,559,249) | (69,251,031) |
| Proceeds from sales of property, plant & equipment | 40,463,127 | 4,885,795 | 40,463,127 |
| Net Sales/ (purchases) of financial investments held -for- trading | (506,857,216) | 420,447,431 | (519,465,968) |
| Net Sale/(purchase) of financial investments - available- for- sale | 59,922,114 | (244,269,365) | 53,822,394 |
| Dividend received | 7,167,450 | 7,778,402 | 7,167,450 |
| Interest on fixed deposits, commercial paper & treasury bills | 83,009,157 | 84,528,981 | 83,957,698 |
| Net cash flows from/(used in) investing activities | (385,174,006) | 235,811,995 | (403,306,331) |
| Cash Flows from / (Used in) Financing Activities | | | |
| Proceeds from debentures and increase in borrowed funds | (79,434,616) | (206,553,089) | (79,434,616) |
| Net increase /(decrease) in other borrowings | 1,087,657,215 | (691,969,208) | 1,065,293,510 |
| Dividends paid | (55,890,000) | (48,600,000) | (55,890,000) |
| Net cash flows from/(used in) financing activities | 952,332,600 | (947,122,297) | 929,968,894 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 105,631,909 | 116,575,042 | 82,470,608 |
| Cash and cash equivalents at the beginning of the period | 118,573,049 | 137,530,040 | 168,247,616 |
| Cash and cash equivalents at the end of the period | 224,204,958 | 254,105,082 | 250,718,225 |
| Movement in Cash and Cash Equivalent | 105,631,909 | 116,575,042 | 82,470,609 |

Alliance Finance Company PLC

SEGMENTAL ANALYSIS - GROUP

| | Leasing | Hire Purchase & Consumer Durables | Loans | Pawning | Hire of vehicles | Investing in Shares | Investing in Government Securities | Collaboration Finance | Others | Total |
|--|----------------|---|---------------|---------------|---------------------|------------------------|--|--------------------------|---------------|----------------|
| For the six months ended 30th September 2015 | | | | | | | | | | |
| REVENUE | | | | | | | | | | |
| External Sales | 4,202,619,900 | 477,161,977 | 532,321,496 | 47,054,951 | 22,140,142 | 28,895,895 | 69,968,768 | 96,490,666 | 72,966,283 | 5,549,620,077 |
| Inter-segment sales | - | - | - | - | - | - | - | - | - | - |
| Total revenue | 4,202,619,900 | 477,161,977 | 532,321,496 | 47,054,951 | 22,140,142 | 28,895,895 | 69,968,768 | 96,490,666 | 72,966,283 | 5,549,620,077 |
| Total income | 1,324,590,127 | 117,866,662 | 541,008,617 | 47,054,951 | 22,140,142 | 28,895,895 | 95,340,179 | 14,969,788 | 47,594,872 | 2,239,461,232 |
| RESULTS | | | | | | | | | | |
| Segment results | 821,451,811 | 96,036,404 | 334,835,052 | (74,980,010) | 9,447,838 | 44,907,066 | 75,785,113 | 14,969,788 | 47,341,229 | 1,369,794,291 |
| Unallocated company expenses | | | | | | | | | | (210,275,577) |
| Operating profit | | | | | | | | | | 1,159,518,714 |
| Interest expense | (502,156,792) | (31,823,434) | (140,291,753) | (25,054,093) | (9,627,106) | (15,086,053) | (78,150,399) | (446,083) | (95,222,177) | (897,857,890) |
| Other income | | | | | | | | | | |
| Share of Profits of Associates before tax | | | | | | | | | | 8,942,293 |
| Income taxes | | | | | | | | | | (55,783,417) |
| Net Profit | | | | | | | | | | 214,819,700 |
| OTHER INFORMATION | | | | | | | | | | |
| Segment assets | 11,532,279,222 | 730,840,917 | 3,221,869,538 | 575,379,637 | 221,091,248 | 346,458,666 | 1,794,762,576 | 10,244,524 | 2,143,806,175 | 20,576,732,502 |
| Investment in Associates and Subsidiaries | | | | | | | | | | 78,817,657 |
| Unallocated company assets | | | | | | | | | | 1,314,464,853 |
| Total assets | | | | | | | | | | 21,970,015,012 |
| Segment liabilities | 10,147,730,678 | 636,259,703 | 2,804,913,774 | 500,917,325 | 192,478,894 | 301,621,985 | 1,562,494,761 | 8,918,736 | 1,866,367,151 | 18,021,703,008 |
| Unallocated company liabilities | | | | | | | | | | 1,286,364,568 |
| Total liabilities | | | | | | | | | | 19,308,067,576 |
| For the six months ended 30th September 2014 | | | | | | | | | | |
| REVENUE | | | | | | | | | | |
| External Sales | 3,351,865,001 | 744,959,199 | 297,250,129 | 26,283,220 | 55,695,460 | 107,204,686 | 56,931,586 | 1,836,135 | 43,472,266 | 4,685,497,682 |
| Inter-segment sales | - | - | - | - | - | - | - | - | - | - |
| Total revenue | 3,351,865,001 | 744,959,199 | 297,250,129 | 26,283,220 | 55,695,460 | 107,204,686 | 56,931,586 | 1,836,135 | 43,472,266 | 4,685,497,682 |
| Total income | 1,194,574,483 | 204,883,126 | 297,250,129 | 26,283,220 | 28,176,681 | 47,601,130 | 62,521,834 | 4,405,159 | 73,679,680 | 1,939,375,442 |
| RESULTS | | | | | | | | | | |
| Segment results | 749,364,668 | 140,878,012 | 202,536,103 | (129,345,924) | 9,900,930 | 47,453,996 | 61,812,436 | 4,405,159 | 72,854,137 | 1,159,859,517 |
| Unallocated company expenses | | | | | | | | | | (84,811,433) |
| Operating profit | | | | | | | | | | 1,075,048,084 |
| Interest expense | (559,182,783) | (99,752,821) | (100,928,758) | (137,984,039) | (15,800,575) | - | (61,125,505) | (27,326) | (5,287,022) | (980,088,829) |
| Share of Profits of Associates before tax | | | | | | | | | | 10,830,070 |
| Income taxes | | | | | | | | | | (24,000,000) |
| Net Profit | | | | | | | | | | 81,789,325 |
| OTHER INFORMATION | | | | | | | | | | |
| Segment assets | 8,311,132,338 | 1,466,110,716 | 1,845,313,385 | 1,849,585,220 | 246,352,960 | 444,703,726 | 1,236,943,562 | 35,614,141 | 900,027,633 | 16,335,783,681 |
| Investment in Associates | | | | | | | | | | 134,272,549 |
| Unallocated company assets | | | | | | | | | | 1,531,767,284 |
| Total assets | | | | | | | | | | 18,001,823,514 |
| Segment liabilities | 6,716,799,365 | 1,182,135,404 | 1,499,987,360 | 1,593,315,959 | 236,484,921 | 203,045,393 | 1,004,232,141 | 6,757,521 | 736,417,597 | 13,179,175,661 |
| Unallocated company liabilities | | | | | | | | | | 2,259,704,262 |
| Total liabilities | | | | | | | | | | 15,438,879,923 |

Alliance Finance Company PLC

NOTES TO THE FINANCIAL STATEMENTS

- 1 The figures given in the statements for the Six months ended 30th September 2015 are provisional and subject to audit.
- 2 The Accounting Policies and methods of computation disclosed in the Annual Report for the year ended 31st March 2015 were consistently followed during the said period.
- 3 The Financial Statements for the six months ended 30th September 2015 have been presented in the same format adopted in the audited accounts as at 31st March 2015, 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 As at 30th September 2015 the Stated Capital was Rs. 24,300,000/- of 2,430,000 Ordinary shares were issued.
- 5 The liability as to management fees and other similar expenditure are provided for in full for the six months ended 30th September 2015.
- 6 The Board decided to transfer the amount lying in the Dividend Equalization Reserve of Rs. 7,000,000/- Diversification Risk Reserve of Rs. 255,000,000/- and Development Reserve of Rs. 108,141,275/- to the General Reserve.
- 7 There has not been a significant change in the nature of the Contingent Liabilities which were disclosed in the six months ended 30th September 2015.

8 Market Price per share

| | Quarter ended 01st July – 30th September 2015 | Quarter ended 01st July – 30th September 2014 |
|---------------|--|--|
| Highest Price | 1,000.00 | 840.00 |
| Lowest Price | 806.00 | 709.00 |
| Last Traded | 900.00 | 834.90 |

9 Debenture Investor Indicators

| | 30.09.2015 | 30.09.2014 |
|-------------------------|-------------------|-------------------|
| Debt/equity ratio times | N/A | 6.95 |
| Interest cover times | N/A | 2.20 |
| Liquid assets ratio (%) | N/A | 23.93% |

Debenture 2012-2017 Market Price (Rs.)

| | Min | Max | Last Traded |
|---------------------------------------|------------|------------|--------------------|
| 3 Years - 18.5% p.a payable quarterly | N/A | N/A | N/A |
| 5 Years - 20.0% p.a payable monthly | 117.5 | 117.5 | 117.5 |

Debenture 2013-2018 Market Price (Rs.)

| | Min | Max | Last Traded |
|--|------------|------------|--------------------|
| 3 Years - 15.5% p.a payable semi annually | N/A | N/A | N/A |
| 4 Years - 16.00% p.a payable semi annually | N/A | N/A | N/A |
| 5 Years - 16.5% p.a payable semi annually | N/A | N/A | N/A |
| 5 Years - 16.5% p.a payable at maturity | N/A | N/A | N/A |

Debenture 2014-2019 Market Price (Rs.)

| | Min | Max | Last Traded |
|--------------------------------------|------------|------------|--------------------|
| 4 Years - 9% p.a payable annually | N/A | N/A | N/A |
| 5 Years - 9.35% p.a payable annually | N/A | N/A | N/A |

10. Directors Shareholding as at 30th September 2015

| No | Name of Director | No of Shares |
|-----------|--|---------------------|
| 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.E.C.S.R. Muttupulle | - |
| 6 | Mr.J.M. Gunasekera | - |
| | * Jt Holding with Mr.J.E.P.A. de Silva | 151,530 |

11. Twenty Largest Ordinary Shareholders as at 30th September 2015

| 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 Ltd., 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. | 30,020 | 1.24 |
| 13 | Seylan Bank PLC/Janashakthi Ltd., | 27,287 | 1.12 |
| 14 | Mrs.C.R. Cooray | 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 |

12. Public Shareholding as at 30th September 2015

| No of Shares | % |
|---------------------|----------|
| 1,305,573 | 53.73 |

| | | |
|------|---------------------------|------------|
| 13 . | No of Shareholders | 667 |
|------|---------------------------|------------|

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

E. C. S. R. Muttupulle

J.M. Gunasekera

Advisory Council

Pratapkumar 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.

Internal Auditors

KPMG & Co., Chartered Accountants,

32A, Sir Mohamed Maker Mawatha

P.O. Box. 186.

Colombo.

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.

Standard Chartered Bank Ltd.

Public Bank Berhad

Peoples Bank

Hatton National Bank PLC

Commercial Bank PLC.

Bank of Ceylon

Pan Asia Banking Corporation PLC

Nations Trust Bank PLC

Axis Bank

Union Bank PLC

ALLIANCE FINANCE COMPANY PLC