



Financial Statements

For the Nine Months Ended 31st December 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			Nine months ended		
	31.12.2017	31.12.2016	Variance	31.12.2017	31.12.2016	Variance
	(Unaudited) Rs.	(Unaudited) Rs.	%	(Unaudited) Rs.	(Unaudited) Rs.	%
Gross Income	1,773,535,769	1,336,132,363	33	5,020,456,262	3,921,921,474	28
Interest income	1,668,174,687	1,237,764,729	35	4,732,448,986	3,599,631,166	31
Interest expenses	(830,070,819)	(625,716,701)	33	(2,398,566,609)	(1,774,079,257)	35
Net Interest Income	838,103,869	612,048,028	37	2,333,882,377	1,825,551,909	28
Fee and commission income	52,102,927	64,029,854	(19)	148,483,227	168,235,724	(12)
Fee and commission expenses	(52,388,305)	(14,855,473)	253	(94,376,965)	(26,605,063)	255
Net Fee and Commission Income	(285,378)	49,174,381	(101)	54,106,262	141,630,661	(62)
Net gain/(loss) from trading	(9,978,994)	(12,724,523)	(22)	2,341,961	24,480,091	(90)
Other operating income (net)	63,237,148	47,062,304	34	137,182,088	129,574,493	6
Total Operating Income	891,076,645	695,560,189	28	2,527,512,688	2,121,237,154	19
Impairment (charges) / reversal for loans and other losses	(244,429,041)	(54,137,466)	351	(413,034,391)	(114,534,087)	261
Net Operating Income	646,647,603	641,422,723	1	2,114,478,297	2,006,703,067	5
Operating Expenses						
Personnel expenses	(209,289,665)	(209,495,815)	(0)	(632,829,799)	(640,745,623)	(1)
Other operating expenses	(248,792,646)	(227,033,475)	10	(748,003,908)	(662,256,119)	13
Depreciation of property & equipment	(28,583,976)	(28,578,572)	0	(86,503,837)	(92,307,110)	(6)
Total operating expenses	(486,666,286)	(465,107,862)	5	(1,467,337,544)	(1,395,308,852)	5
Operating Profit before Value Added Tax on Financial Services	159,981,318	176,314,861	(9)	647,140,753	611,394,215	6
Value added tax on financial services	(51,585,542)	(33,923,863)	52	(157,258,910)	(99,967,135)	57
Operating Profit after Value Added Tax on Financial Services	108,395,776	142,390,998	(24)	489,881,843	511,427,080	(4)
Share of profit from associates	3,689,920	1,716,249	115	3,512,060	10,959,484	(68)
Profit before Taxation from Operations	112,085,695	144,107,247	(22)	493,393,903	522,386,564	(6)
Provision for income taxation	23,402,223	(41,000,000)	(157)	(47,597,777)	(110,000,000)	(57)
Profit for the Period	135,487,918	103,107,247	31	445,796,126	412,386,564	8
Basic/ Diluted earnings per share	4.02	3.06		13.23	12.24	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

Alliance Finance Company PLC

STATEMENT OF PROFIT OR LOSS - GROUP

	Quarter ended			Nine months ended		
	31.12.2017	31.12.2016	Variance	31.12.2017	31.12.2016	Variance
	(Unaudited) Rs.	(Unaudited) Rs.	%	(Unaudited) Rs.	(Unaudited) Rs.	%
Gross Income	1,784,521,695	1,346,539,115	33	5,051,599,502	3,948,743,164	28
Interest income	1,670,565,182	1,240,051,099	35	4,739,927,520	3,604,828,231	31
Interest expenses	(830,077,719)	(625,722,601)	33	(2,398,612,494)	(1,774,121,926)	35
Net Interest Income	840,487,463	614,328,498	37	2,341,315,026	1,830,706,305	28
Fee and commission income	60,698,359	72,005,235	(16)	172,147,933	187,814,611	(8)
Fee and commission expenses	(52,391,445)	(14,859,672)	253	(94,386,385)	(26,614,363)	255
Net Fee and Commission Income	8,306,914	57,145,563	(85)	77,761,548	161,200,248	(52)
Net gain/(loss) from trading	(9,978,994)	(12,724,523)	(22)	2,341,961	25,988,789	(91)
Other operating income (net)	63,237,148	47,207,304	34	137,182,088	130,111,533	5
Total Operating Income	902,052,531	705,956,842	28	2,558,600,623	2,148,006,875	19
Impairment (charges) / reversal for loans and other losses	(244,429,041)	(54,137,466)	351	(413,034,391)	(114,534,087)	261
Net Operating Income	657,623,490	651,819,376	1	2,145,566,232	2,033,472,788	6
Operating Expenses						
Personnel expenses	(211,785,995)	(210,337,393)	1	(640,307,453)	(647,984,432)	(1)
Other operating expenses	(253,864,574)	(230,409,544)	10	(756,722,106)	(669,310,313)	13
Depreciation of property & equipment	(28,615,975)	(29,211,705)	(2)	(86,684,868)	(93,102,037)	(7)
Total operating expenses	(494,266,543)	(469,958,642)	5	(1,483,714,427)	(1,410,396,782)	5
Operating Profit before Value Added Tax on Financial Services	163,356,947	181,860,734	(10)	661,851,805	623,076,006	6
Value added tax on financial services	(51,585,542)	(33,923,863)	52	(157,258,910)	(99,967,135)	57
Operating Profit after Value Added Tax on Financial Services	111,771,405	147,936,871	(24)	504,592,895	523,108,871	(4)
Share of profit from associates	3,689,920	1,716,249	115	3,512,060	10,959,484	(68)
Profit before Taxation from Operations	115,461,324	149,653,120	(23)	508,104,955	534,068,355	(5)
Provision for income taxation	21,505,656	(41,024,612)	(152)	(52,802,852)	(111,507,043)	(53)
Profit for the Period	136,966,980	108,628,508	26	455,302,103	422,561,312	8
Profit attributable to :						
Equity holders of the Company	198,709,760	106,701,481	86	451,874,248	418,892,297	8
Non controlling interest	533,350	2,027,026	(74)	3,427,855	3,669,015	(7)
Profit for the Period	136,966,980	108,628,508	26	455,302,103	422,561,312	8
Basic/ Diluted earnings per share	4.06	3.22		13.51	12.54	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

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

	Quarter ended		Nine months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	Rs.	Rs.	Rs.	Rs.
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	135,487,918	103,107,247	445,796,126	412,386,564
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	3,412,228	9,850,000	3,483,452	9,851,177
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	3,412,228	9,850,000	3,483,452	9,851,177
Net other comprehensive income not be classified to profit or loss	-	-	-	-
Total Comprehensive Income for the Period	138,900,147	112,957,247	449,279,579	422,237,741

Alliance Finance Company PLC

STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Quarter ended		Nine months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	Rs.	Rs.	Rs.	Rs.
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	136,966,980	108,628,508	455,302,103	422,561,312
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	3,412,228	9,850,000	3,483,452	9,851,177
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	3,412,228	9,850,000	3,483,452	9,851,177
Net other comprehensive income not be classified to profit or loss	-	-	-	-
Total Comprehensive Income for the Period	140,379,209	118,478,508	458,785,556	432,412,489
Attributable to:				
Equity holders of the Company	138,589,726	116,551,481	454,101,567	428,743,474
Non controlling interest	1,789,483	2,027,026	4,683,988	3,669,015
Total Comprehensive Income for the Period	140,379,209	118,478,508	458,785,556	432,412,489

Alliance Finance Company PLC

STATEMENT OF FINANCIAL POSITION

As at	Company		Group	
	31.12.2017	31.03.2017	31.12.2017	31.03.2017
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Rs.	Rs.	Rs.	Rs.
Assets				
Cash and cash equivalents	1,013,969,631	250,196,373	1,053,303,566	294,565,160
Repurchase agreements	57,326,047	175,849,048	57,326,047	175,849,048
Placements with banks & financial institutions	472,271,280	1,218,793,508	472,271,280	1,273,186,055
Financial investments - held for trading	1,358,620,109	1,251,615,776	1,358,620,109	1,251,615,776
Loans and advances	8,015,356,524	7,478,467,024	8,015,572,836	7,478,583,487
Lease rentals receivable & stock out on hire	17,645,135,326	15,837,430,513	17,645,135,327	15,837,430,513
Hire purchase rentals receivable & stock out on hire	67,785,711	167,597,495	67,785,711	167,597,495
Financial investments - available for sale	323,495,204	488,324,252	339,870,844	501,824,252
Other trading stocks	66,607,814	9,775,936	66,607,814	9,775,936
Other financial assets	303,153,612	255,578,986	326,679,218	291,358,203
Other non financial assets	114,167,690	118,339,278	114,167,690	118,358,589
Investments in associates	72,274,502	68,762,442	72,274,502	68,762,442
Investments in subsidiaries	16,924,038	16,924,038	-	-
Property, plant & equipment	2,092,329,109	2,122,913,196	2,092,471,555	2,123,236,674
Intangible assets	54,723,061	49,498,623	54,723,061	49,498,623
Deferred tax assets	511,884,241	511,884,241	512,240,973	512,240,973
Total Assets	32,186,023,899	30,021,950,728	32,249,050,533	30,153,883,226
Liabilities				
Due to banks	11,506,430,662	11,717,899,355	11,524,534,914	11,749,382,430
Due to customers	13,176,558,978	10,087,821,914	13,176,558,978	10,087,821,914
Debt instruments issued and other borrowed funds	1,632,638,320	2,548,225,806	1,632,638,320	2,548,225,806
Other financial liabilities	681,546,266	888,031,755	691,772,240	902,782,091
Other non financial liabilities	26,043,843	51,661,019	28,273,212	51,661,020
Derivative financial liabilities	112,938,216	17,736,580	112,938,216	17,736,580
Income tax liability	76,126,754	108,212,452	76,126,754	111,659,369
Retirement benefit liability	76,376,351	80,145,738	78,359,288	81,419,781
Deferred tax liabilities	457,419,655	457,419,634	457,460,614	457,460,593
Total liabilities	27,746,079,047	25,957,154,254	27,778,662,535	26,008,149,584
Shareholders' Funds				
Stated capital	613,980,000	613,980,000	613,980,000	613,980,000
Retained earnings	1,518,745,370	1,147,080,445	1,532,103,753	1,192,724,704
Reserves	2,307,219,482	2,303,736,029	2,307,219,482	2,303,736,029
Total Equity Attributable to Equity Holders of the Company	4,439,944,852	4,064,796,475	4,453,303,235	4,110,440,734
Non controlling interest	-	-	17,084,764	35,292,909
Total Equity	4,439,944,852	4,064,796,475	4,470,387,998	4,145,733,642
Total Liabilities and Shareholders' Funds	32,186,023,899	30,021,950,728	32,249,050,533	30,153,883,226

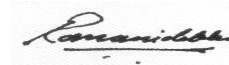
Net Assets Value Per Share (Rs.) 132 121 133 123



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Chamindra de Silva
Chief Financial Officer



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Kusal Jayawardana
Finance Director



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

14th February 2018
Colombo

Alliance Finance Company PLC
STATEMENT OF CHANGES IN EQUITY

For the Nine months ended 31st December 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	-	-	-	-	-	-	-	412,386,564	412,386,564
Other comprehensive income, net of tax	-	-	-	-	-	9,851,177	-	-	9,851,177
Reserve Capitalization	518,400,000	-	-	(518,400,000)	-	-	-	-	-
Right Issue	71,280,000	-	-	-	-	-	-	-	71,280,000
Dividend paid	-	-	-	-	-	-	-	(58,320,000)	(58,320,000)
Balances as at 31st December 2016	<u>613,980,000</u>	<u>501,317,400</u>	<u>479,906,644</u>	<u>305,041,275</u>	<u>83,216,780</u>	<u>15,916,604</u>	<u>-</u>	<u>1,170,153,673</u>	<u>3,169,532,375</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	-	-	-	-	-	-	-	445,796,126	445,796,126
Other comprehensive income, net of tax	-	-	-	-	-	3,483,452	-	-	3,483,452
Dividend paid	-	-	-	-	-	-	-	(74,131,200)	(74,131,200)
Balances as at 31st December 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>10,347,039</u>	<u>-</u>	<u>1,518,745,372</u>	<u>4,439,944,852</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	-	-	-	-	-	-	3,669,015	418,892,297	422,561,312
Other comprehensive income, net of tax	-	-	-	-	-	9,851,177	-	-	9,851,177
Reserve Capitalization	518,400,000	-	-	(518,400,000)	-	-	-	-	-
Right Issue	71,280,000	-	-	-	-	-	-	-	71,280,000
Dividend paid	-	-	-	-	-	-	-	(65,820,000)	(65,820,000)
Balances as at 31st December 2016	<u>613,980,000</u>	<u>501,317,400</u>	<u>479,906,644</u>	<u>305,041,275</u>	<u>83,216,780</u>	<u>15,916,604</u>	<u>36,744,735</u>	<u>1,210,872,246</u>	<u>3,246,995,684</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	-	-	-	-	-	-	3,427,855	451,874,248	455,302,103
Other comprehensive income, net of tax	-	-	-	-	-	3,483,452	-	-	3,483,452
Dividend paid	-	-	-	-	-	-	-	(134,131,200)	(134,131,200)
Balances as at 31st December 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>10,347,039</u>	<u>38,720,764</u>	<u>1,510,467,752</u>	<u>4,470,387,998</u>

Alliance Finance Company PLC

STATEMENT OF CASH FLOWS

For the Nine months ended 31st December 2017

	Company		Group	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	Rs.	Rs.	Rs.	Rs.
	Unaudited	Unaudited	Unaudited	Unaudited
Cash Flows From / (Used in) Operating Activities				
Profit before Income Tax Expenses	493,393,903	522,386,564	508,104,955	534,068,355
Adjustments for;				
Depreciation of property, plant & equipment	86,503,837	92,307,110	86,684,868	93,102,037
Impairment provision	390,240,098	55,852,768	390,240,098	55,852,768
Interest on fixed deposits, commercial paper & treasury bills	(80,018,789)	(198,608,491)	(87,497,323)	(203,805,557)
Profit /(loss) on sale of securities	(4,623,657)	598,295	(4,623,657)	598,295
Fair value gain or loss on equity investments (FVTPL)	(2,672,616)	(6,651,742)	(2,672,616)	(6,651,742)
Diminution/(appreciation) in value of investments	3,299,151	(3,183,061)	3,299,151	(3,183,061)
Loss/(Profit) on disposal of property & equipment	(2,882,628)	(12,182,949)	(2,882,628)	(12,327,949)
Provision/(reversal) for defined benefit plans	18,000,000	22,900,000	18,708,894	23,513,760
Dividend received	(39,942,359)	(11,541,055)	(39,942,359)	(11,933,095)
Share of profit from associates	(3,512,060)	(10,959,484)	(3,512,060)	(10,959,484)
Operating Profit before Working Capital Changes	857,784,881	450,917,956	865,907,324	458,274,328
(Increase)/decrease in trading stock	(56,831,878)	(35,631,337)	(56,831,878)	(35,631,337)
(Increase)/decrease in loans and advances	(772,200,356)	(963,779,338)	(772,300,205)	(963,672,823)
(Increase)/decrease in lease rentals receivable & stock out on hire	(1,954,759,508)	(2,045,240,142)	(1,954,759,508)	(2,045,240,142)
(Increase)/decrease in hire purchase rentals Receivable & Stock out on hire	91,937,236	234,575,615	91,937,235	234,575,615
(Increase)/decrease in fixed deposits & repurchase agreements	865,045,229	880,660,987	919,437,776	830,660,987
(Increase)/decrease in other financial assets	(47,574,626)	(102,647,567)	(35,321,015)	(137,383,838)
(Increase)/decrease in other non financial assets	4,171,588	(10,159,498)	4,190,899	(5,458,586)
Increase/(decrease) in amounts due to customers	3,088,737,064	(370,415,573)	3,088,737,064	(370,415,573)
Increase/(decrease) in derivative financial liabilities	95,201,636	-	95,201,636	-
Increase/(decrease) in other financial liabilities	(206,485,489)	442,530,061	(211,009,866)	464,910,445
Increase/(decrease) in other non financial liabilities	(25,617,154)	435,327	(22,552,011)	530,512
Cash (used in)/ generated from operations	1,939,408,623	(1,518,753,509)	2,012,637,451	(1,568,850,413)
Retirement benefit liabilities paid	(21,769,387)	(4,627,624)	(21,769,387)	(4,893,478)
Taxes paid	(79,683,476)	(101,540,363)	(86,106,098)	(102,584,740)
Net cash used in operating activities	1,837,955,760	(1,624,921,498)	1,904,761,967	(1,676,328,631)
Cash Flows from / (Used in) Investing Activities				
Acquisition of property, plant & equipment	(99,559,778)	(45,887,904)	(102,624,908)	(46,090,403)
Proceeds from sales of property, plant & equipment	41,298,218	34,809,774	41,298,218	34,809,774
Net Sales/ (purchases) of financial investments held -for- trading	(107,004,332)	(227,359,933)	(107,004,332)	(148,911,752)
Net Sale/(purchase) of financial investments - available- for- sale	168,312,500	(1,732,085)	165,436,861	(1,732,085)
Dividend received	39,942,359	11,541,055	39,942,359	11,933,095
Interest on fixed deposits, commercial paper & treasury bills	84,015,911	198,608,491	91,494,445	203,805,557
Net cash flows from/(used in) investing activities	127,004,878	(30,020,602)	128,542,643	53,814,185
Cash Flows from / (Used in) Financing Activities				
Proceeds from debentures and increase in borrowed funds	(915,587,486)	(523,522,535)	(915,587,486)	(523,522,535)
Net increase /(decrease) in other borrowings	(211,468,693)	2,393,638,179	(224,847,516)	2,384,077,645
Proceeds from right issue	-	71,280,000	-	71,280,000
Dividends paid	(74,131,200)	(58,320,000)	(134,131,200)	(65,820,000)
Net cash flows from/(used in) financing activities	(1,201,187,379)	1,883,075,644	(1,274,566,202)	1,866,015,110
Net Increase/(Decrease) in Cash and Cash Equivalents	763,773,259	228,133,544	758,738,407	243,500,664
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	1,013,969,631	372,116,024	1,053,303,566	420,681,595
Movement in Cash and Cash Equivalents	763,773,259	228,133,544	758,738,407	243,500,664

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 Nine months ended 31st December 2017

	<i>Leasing</i>	<i>Hire Purchase & Consumer Durables</i>	<i>Loans</i>	<i>Pawning</i>	<i>Hire of vehicles</i>	<i>Investing in Shares</i>	<i>Investing in Government Securities</i>	<i>Collaboration Finance</i>	<i>Others</i>	<i>Total</i>
31st December 2017										
REVENUE										
External Sales	8,426,876,452	114,590,217	1,545,731,858	163,892,390	27,996,392	44,566,016	115,371,245	3,201,012	103,862,059	10,546,087,641
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
<i>Total revenue</i>	<u>8,426,876,452</u>	<u>114,590,217</u>	<u>1,545,731,858</u>	<u>163,892,390</u>	<u>27,996,392</u>	<u>44,566,016</u>	<u>115,371,245</u>	<u>3,201,012</u>	<u>103,862,059</u>	<u>10,546,087,641</u>
 <i>Total income</i>	 <u>3,025,942,444</u>	 <u>24,552,636</u>	 <u>1,545,514,458</u>	 <u>163,892,390</u>	 <u>27,996,392</u>	 <u>41,266,865</u>	 <u>115,371,245</u>	 <u>3,201,012</u>	 <u>103,862,059</u>	 <u>5,051,599,502</u>
RESULTS										
<i>Segment results</i>	2,262,967,532	12,941,131	828,492,810	92,979,823	10,636,383	37,537,962	75,862,096	3,201,012	103,862,059	3,428,480,809
Unallocated company expenses										(525,275,420)
<i>Operating profit</i>										2,903,205,389
Interest expense	(1,443,048,231)	(5,543,627)	(626,819,067)	(86,053,716)	(13,430,640)	(17,464,753)	(126,128,853)	(375,372)	(79,748,234)	(2,398,612,494)
Share of Profits of Associates before tax										3,512,060
Income taxes										(52,802,852)
<i>Net Profit</i>										455,302,103

OTHER INFORMATION

[illegible]

	Leasing	Hire Purchase & Consumer Durables	Loans	Pawning	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
31st December 2016										
REVENUE										
External Sales	6,765,432,945	281,562,884	1,196,321,174	81,635,757	35,838,620	16,074,958	118,169,911	21,044,396	183,969,365	8,700,050,010
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
<i>Total revenue</i>	<u>6,765,432,945</u>	<u>281,562,884</u>	<u>1,196,321,174</u>	<u>81,635,757</u>	<u>35,838,620</u>	<u>16,074,958</u>	<u>118,169,911</u>	<u>21,044,396</u>	<u>183,969,365</u>	<u>8,700,050,010</u>
 <i>Total income</i>	 <u>2,224,400,962</u>	 <u>64,777,860</u>	 <u>1,219,279,440</u>	 <u>81,635,757</u>	 <u>35,838,620</u>	 <u>14,517,861</u>	 <u>135,366,565</u>	 <u>6,153,387</u>	 <u>166,772,711</u>	 <u>3,948,743,163</u>
RESULTS										
<i>Segment results</i>	1,654,790,209	57,743,649	717,589,111	29,858,605	18,322,314	17,174,960	100,313,607	6,153,387	166,772,183	<u>2,768,718,025</u>
Unallocated company expenses										(471,487,229)
<i>Operating profit</i>										2,297,230,796
Interest expense	(1,026,001,888)	(15,594,647)	(412,828,400)	(26,384,559)	(11,102,016)	(16,145,938)	(132,202,795)	(446,444)	(133,415,238)	(1,774,121,925)
Share of Profits of Associates before tax										10,959,484
Income taxes										(111,507,043)
<i>Net Profit</i>										<u>422,561,312</u>

OTHER INFORMATION

Segment assets	15,289,488,568	232,391,560	6,151,972,211	393,182,915	165,442,341	240,606,902	1,970,087,139	6,652,912	1,988,154,974	26,437,979,522
Investment in associates										79,118,163
Unallocated company assets										<u>1,862,245,274</u>
Total assets										<u>28,379,342,959</u>
Segment liabilities	13,586,710,484	203,375,206	5,383,838,443	344,090,191	144,785,250	210,564,782	1,724,102,533	5,822,231	1,739,914,423	23,343,203,543
Unallocated company liabilities										<u>1,789,143,732</u>
Total liabilities										<u>25,132,347,275</u>

Alliance Finance Company PLC

NOTES TO THE FINANCIAL STATEMENTS

- 1 The figures given in the statements for the nine months ended 31st December 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 nine months ended 31st December 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 nine months ended 31st December 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 nine months period ended 31st December 2017.

INFORMATION ON ORDINARY SHARES

Market price per share

	Quarter ended 01st October – 31st December 2017	Quarter ended 01st October – 31st December 2016
Highest Price	64.70	1,055.00
Lowest Price	52.30	60.50
Last Traded	55.00	64.70

Issued capital

As at 31st December 2017 the Stated Capital was Rs. 613,980,000/- of 33,696,000 Ordinary shares were issued.

Alliance Finance Company PLC

INFORMATION ON DEBENTURE

Debenture Investor Indicators

31.12.2017

Debt/equity ratio times	5.95
Interest cover times	1.97
Liquid assets ratio (%)	17.20%

Debenture 2012-2017 Market Price (Rs.)

Lowest Highest Last Traded

5 Years - 20.0% p.a payable monthly	Has not been traded		
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Debenture 2013-2018 Market Price (Rs.)

Lowest Highest Last Traded

5 Years - 16.5% p.a payable semi annually	99.50	99.50	99.50
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	17.28%
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	16.64%
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 (%)

31.12.2017

03 years treasury bonds	9.51%
04 years treasury bonds	9.74%
05 years treasury bonds	10.03%

SHAREHOLDERS' INFORMATION

Directors Shareholding as at 31st December 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 October 2017	

Twenty Largest Ordinary Shareholders as at 31st December 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. Canekeratne	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. Abdul Hussein	253,000	0.75
18	Mr.Y.H. Abdul Hussein	250,458	0.74
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 2017

<u>No of Shares</u>	<u>%</u>
18,099,971	53.72

No of Shareholders

The percentage of ordinary shares held by the public as at 31st December 2017 was 53.72% and the number of shareholders representing the public holding was 1,192

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