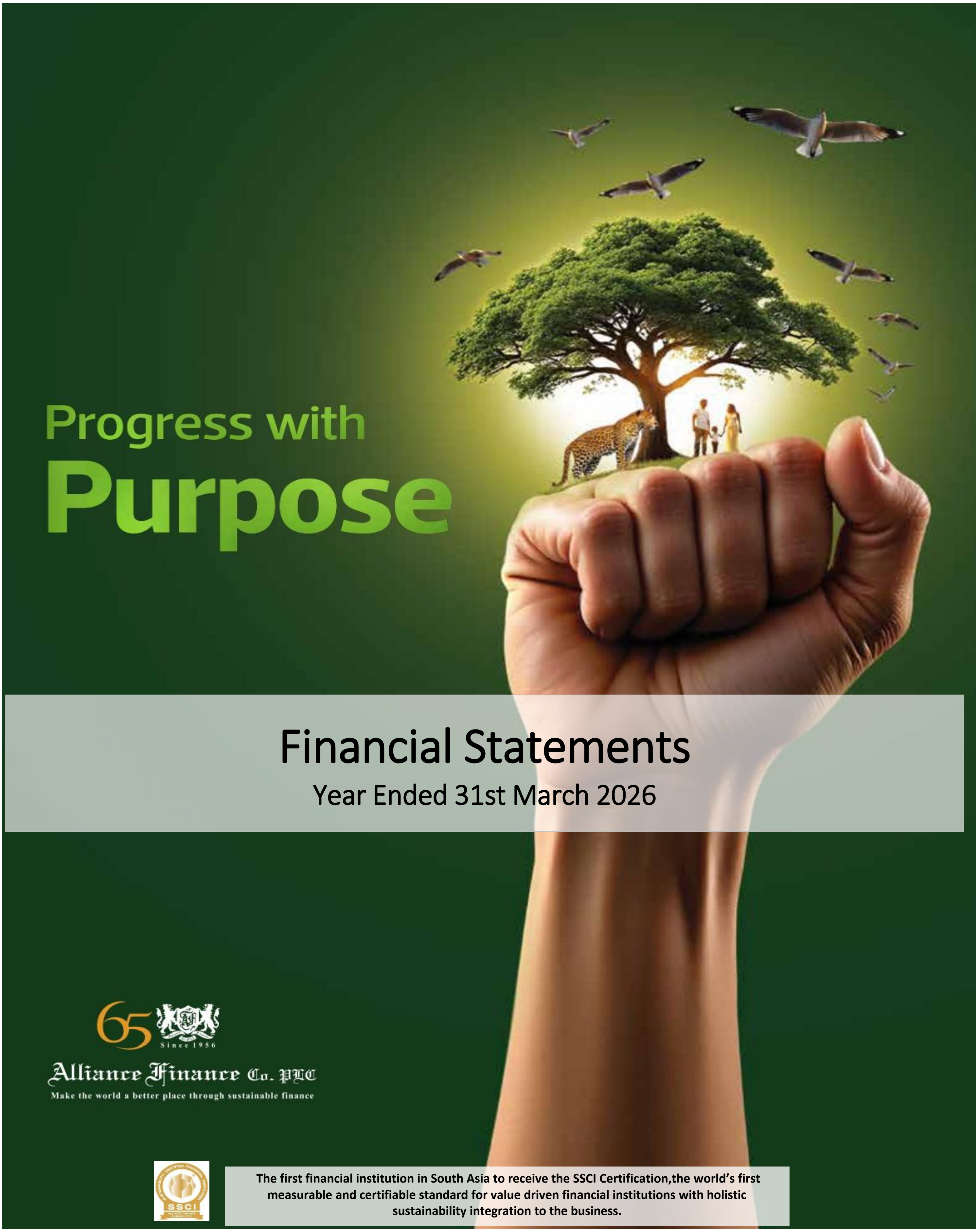

Financial Statements

Year Ended 31st March 2026

Since 1956

Alliance Finance Co. PLC

Make the world a better place through sustainable finance

The first financial institution in South Asia to receive the SSCI Certification,the world's first measurable and certifiable standard for value driven financial institutions with holistic sustainability integration to the business.

Alliance Finance Company PLC

Statement of Profit or Loss - Company

For the year ended 31st March

	For the Quarter ended			For the year ended		
	2026 (Unaudited) Rs.	2025 (Audited) Rs.	Variance %	2026 (Unaudited) Rs.	2025 (Audited) Rs.	Variance %
Gross Income	4,743,532,728	4,169,081,855	14	18,194,918,155	15,673,118,875	16
Interest income	4,266,284,103	3,735,991,032	14	16,610,825,123	14,236,339,058	17
Interest expenses	(2,018,613,878)	(1,657,052,675)	(22)	(7,579,964,991)	(6,472,265,408)	(17)
Net Interest Income	**2,247,670,225**	**2,078,938,357**	**8**	**9,030,860,132**	**7,764,073,650**	**16**
Fee and Commission Income	324,470,333	269,860,904	(20)	1,081,194,502	841,304,917	29
Net gain/(loss) from trading	7,885,314	37,591,375	(79)	73,121,729	80,517,660	(9)
Other operating income (net)	144,892,978	125,638,544	15	429,776,801	514,957,240	(17)
Total Operating Income	**2,724,918,850**	**2,512,029,180**	**8**	**10,614,953,164**	**9,200,853,467**	**15**
Impairment (charges) / reversal for loans and other losses	(129,173,659)	296,097,648	(144)	(544,741,097)	(233,790,064)	(133)
Net Operating Income	**2,595,745,191**	**2,808,126,828**	**(8)**	**10,070,212,067**	**8,967,063,403**	**12**
Operating Expenses						
Personnel expenses	(522,895,612)	(610,531,394)	14	(2,447,475,315)	(2,109,458,450)	(16)
Other operating expenses	(527,075,534)	(528,982,203)	0.36	(2,828,418,598)	(2,564,492,850)	(10)
Depreciation and amortization	(73,153,981)	(55,387,950)	(32)	(259,818,081)	(212,784,329)	(22)
Total operating expenses	**(1,123,125,127)**	**(1,194,901,547)**	**(6)**	**(5,535,711,994)**	**(4,886,735,629)**	**(13)**
Operating Profit before Taxes on Financial Services	**1,472,620,064**	**1,613,225,281**	**(9)**	**4,534,500,073**	**4,080,327,774**	**11**
Taxes on financial services	(355,548,917)	(361,486,932)	2	(1,146,224,523)	(1,012,264,791)	(13)
Operating Profit after Taxes on Financial Services	**1,117,071,147**	**1,251,738,349**	**(11)**	**3,388,275,550**	**3,068,062,983**	**10**
Share of profit/(loss) from associates	9,600,835	491,182	1,855	36,511,251	18,905,234	93
Profit before Taxation from Operations	**1,126,671,982**	**1,252,229,531**	**(10)**	**3,424,786,801**	**3,086,968,217**	**11**
Provision for income taxation	(406,498,406)	(510,927,362)	20	(1,366,926,188)	(1,352,135,165)	(1)
Profit for the Period	**720,173,576**	**741,302,169**	**(3)**	**2,057,860,613**	**1,734,833,052**	**19**
Basic/ Diluted earnings per share (Annualised)	85.49	88.00		61.07	51.48	
Dividend Per Share paid	-	8.40		17.20	16.40	

Alliance Finance Company PLC

Statement of Profit or Loss - Group

For the year ended 31st March

	For the Quarter ended			For the year ended		
	2026 (Unaudited) Rs.	2025 (Audited) Rs.	Variance %	2026 (Unaudited) Rs.	2025 (Audited) Rs.	Variance %
Gross Income	4,669,290,719	4,176,815,889	12	18,420,245,179	15,831,710,127	16
Interest income	4,264,622,228	3,731,445,698	14	16,637,095,233	14,255,430,311	17
Interest expenses	(2,018,616,771)	(1,657,096,472)	(22)	(7,579,977,409)	(6,472,368,820)	(17)
Net Interest Income	**2,246,005,457**	**2,074,349,226**	**8**	**9,057,117,824**	**7,783,061,491**	**16**
Fee and commission income	239,117,871	285,134,401	(16)	1,251,713,378	971,681,783	29
Net gain/(loss) from trading	20,570,379	31,807,213	(35)	88,217,054	80,256,913	10
Other operating income (net)	144,980,241	128,428,577	13	443,219,514	524,341,120	(15)
Total Operating Income	**2,650,673,948**	**2,519,719,417**	**5**	**10,840,267,770**	**9,359,341,307**	**16**
Impairment (charges) / reversal for loans and other losses	(129,173,659)	296,097,645	(144)	(544,741,098)	(233,790,064)	(133)
Net Operating Income	**2,521,500,289**	**2,815,817,062**	**(10)**	**10,295,526,672**	**9,125,551,243**	**13**
Operating Expenses						
Personnel expenses	(527,589,744)	(615,346,191)	14	(2,467,162,263)	(2,128,059,427)	(16)
Other operating expenses	(398,979,807)	(507,707,636)	21	(2,863,412,681)	(2,579,544,628)	(11)
Depreciation and amortization	(73,236,911)	(55,470,877)	(32)	(260,154,407)	(213,171,108)	(22)
Total operating expenses	**(999,806,462)**	**(1,178,524,704)**	**15**	**(5,590,729,351)**	**(4,920,775,163)**	**(14)**
Operating Profit before Taxes on Financial Services	**1,521,693,827**	**1,637,292,358**	**(7)**	**4,704,797,321**	**4,204,776,080**	**12**
Taxes on financial services	(355,548,917)	(361,486,932)	2	(1,146,224,523)	(1,012,264,791)	(13)
Operating Profit after Taxes on Financial Services	**1,166,144,910**	**1,275,805,426**	**(9)**	**3,558,572,798**	**3,192,511,289**	**11**
Share of profit/(loss) from associates	9,600,835	491,182	1,855	36,511,251	18,905,234	93
Profit before Taxation from Operations	**1,175,745,745**	**1,276,296,608**	**(8)**	**3,595,084,049**	**3,211,416,523**	**12**
Provision for income taxation	(406,498,029)	(523,800,147)	22	(1,400,439,842)	(1,394,595,018)	(0)
Profit for the Period	**769,247,716**	**752,496,461**	**2**	**2,194,644,207**	**1,816,821,505**	**21**
Profit attributable to :						
Equity holders of the Company	751,551,580	740,943,010	1	2,145,320,043	1,779,739,681	21
Non controlling interest	17,696,136	11,553,451	53	49,324,164	37,081,824	33
Profit for the Period	**769,247,716**	**752,496,461**	**2**	**2,194,644,207**	**1,816,821,505**	**21**
Basic/ Diluted earnings per share (Annualised)	89.22	87.96		63.67	52.82	
Dividend Per Share paid	-	8.40		17.20	16.40	

Alliance Finance Company PLC

Statement of Comprehensive Income-Company

For the year ended 31st March

	For the Quarter ended			For the year ended		
	2026 (Unaudited)	2025 (Audited)	Variance	2026 (Unaudited)	2025 (Audited)	Variance
	Rs.	Rs.	%	Rs.	Rs.	%
Profit for the period	720,173,576	741,302,169	(3)	2,057,860,613	1,734,833,052	19
Other Comprehensive Income						
Other Comprehensive Income not to be Reclassified to Profit or Loss						
Actuarial gains /(losses) on defined benefit plans	(235,846,718)	(52,834,494)	(346)	(235,846,718)	(52,834,494)	(346)
Deferred tax effect on above	70,754,015	15,850,348	346	70,754,015	15,850,348	346
Equity investments at FVOCI -net change in fair value & realized profit/ (loss) to retained earnings	(15,623,381)	(38,755,845)	(60)	92,560,527	100,607,514	(8)
Net Other Comprehensive Income not be Reclassified to Profit or Loss	(180,716,084)	(75,739,991)	139	(72,532,176)	63,623,368	(214)
Total Comprehensive Income for the period	539,457,492	665,562,178	(19)	1,985,328,437	1,798,456,420	10

Statement of Comprehensive Income - Group

For the year ended 31st March

	For the Quarter ended			For the year ended		
	2026 (Unaudited) Rs.	2025 (Audited) Rs.	Variance %	2026 (Unaudited) Rs.	2025 (Audited) Rs.	Variance %
Profit for the period	769,247,716	752,496,461	2	2,194,644,207	1,816,821,505	21
Other Comprehensive Income						
Other Comprehensive Income not to be Reclassified to Profit or Loss						
Deferred tax effect on Building						
Actuarial gains /(losses) on defined benefit plans	(235,846,718)	(53,539,039)	(341)	(235,846,718)	(53,539,039)	(341)
Deferred tax effect on above	70,754,015	16,061,712	341	70,754,015	16,061,712	341
Equity investments at FVOCI -net change in fair value & realized profit/ (loss) to retained earnings	(15,623,381)	(38,755,845)	(60)	92,560,527	100,607,514	(8)
Net Other Comprehensive Income not be Classified to Profit or Loss	(180,716,084)	(76,233,172)	(137)	(72,532,176)	63,130,187	(215)
Total Comprehensive Income for the period	588,531,632	676,263,289	(13)	2,122,112,031	1,879,951,692	13
Attributable to:						
Equity holders of the company	570,835,496	664,709,839	(14)	2,072,787,867	1,842,869,868	12
Non controlling interest	17,696,136	11,553,450	53	49,324,164	37,081,824	33
Total Comprehensive Income for the period	588,531,632	676,263,289	(13)	2,122,112,031	1,879,951,692	13

Alliance Finance Company PLC

Statement of Financial Position

As at	Company			Group		
	31.03.2026 (Unaudited) Rs.	31.03.2025 (Audited) Rs.	Variance %	31.03.2026 (Unaudited) Rs.	31.03.2025 (Audited) Rs.	Variance %
Assets						
Cash and cash equivalents	1,208,739,806	1,475,822,024	(18)	1,536,822,117	1,741,401,080	(12)
Repurchase agreements	3,250,812,471	1,834,618,154	77	3,250,812,471	1,834,617,974	77
Placements with banks & financial institutions	6,480,535,210	4,905,397,835	32	6,526,257,624	4,941,814,722	32
Financial assets recognised through profit or loss	1,688,230,066	5,271,089,167	(68)	1,829,735,368	5,400,608,853	(66)
Loans and advances - at amortised cost	54,400,096,263	38,342,731,995	42	54,400,096,263	38,342,731,995	42
Lease rentals receivable & stock out on hire - at amortised cost	23,099,811,895	24,173,323,963	(4)	23,099,811,895	24,173,323,963	(4)
Financial assets- fair value through other comprehensive income	222,859,889	175,800,654	27	222,859,889	175,800,654	27
Other trading stocks	174,438,189	67,495,284	158	174,438,189	67,495,284	158
Other financial assets	758,786,826	566,898,746	34	933,398,783	545,171,168	71
Other non financial assets	201,766,476	244,625,077	(18)	210,707,691	252,983,150	(17)
Investments in associates	163,013,865	126,502,614	29	174,828,109	138,316,858	26
Investments in subsidiaries	18,522,288	18,522,288	-	-	-	-
Investment property	204,000,000	187,680,000	9	320,155,694	302,680,000	6
Property, plant & equipment	3,459,234,760	3,390,971,504	2	3,460,138,489	3,391,875,272	2
Intangible assets	268,809,867	184,674,891	46	268,809,867	184,674,890	46
Right of use asset	476,622,787	463,824,482	3	476,622,788	463,824,482	3
Deferred tax assets	290,562,940	135,483,254	114	290,774,213	137,401,676	112
Total Assets	**96,366,843,598**	**81,565,461,932**	**18**	**97,176,269,450**	**82,094,722,021**	**18**
Liabilities						
Due to banks	40,245,642,097	30,341,711,845	33	40,313,160,762	30,397,669,512	33
Debt Securities Measured at amortised cost	3,149,107,433	1,012,406,801	211	3,149,107,433	1,012,406,801	211
Due to depositors - at amortised cost	37,766,387,023	36,524,836,317	3	37,765,505,135	36,523,989,296	3
Other financial liabilities	1,474,008,591	1,537,657,682	(4)	1,694,791,145	1,609,980,121	5
Other non financial liabilities	213,193,070	191,818,324	11	213,528,052	191,818,324	11
Derivative financial liabilities	14,073,854	-	100	14,073,854	-	100
Income tax liabilities	977,709,152	1,370,124,514	(29)	980,118,191	1,388,527,363	(29)
Retirement benefit liabilities	308,492,838	87,094,962	254	314,944,836	92,785,154	239
Deferred tax liabilities	709,613,244	704,224,787	1	715,305,796	711,624,397	1
Lease Liability	483,759,084	446,054,836	8	483,759,084	446,054,836	8
Total Liabilities	**85,341,986,386**	**72,215,930,068**	**18**	**85,644,294,288**	**72,374,855,804**	**18**
Shareholders' Funds						
Stated capital	613,980,000	613,980,000	-	613,980,000	613,980,000	-
Retained earnings	7,186,305,180	5,656,084,950	27	7,474,488,187	5,856,808,525	28
Reserves	3,224,572,032	3,079,466,914	5	3,224,572,033	3,079,466,914	5
Total Equity Attributable to Equity Holders of the Company	**11,024,857,212**	**9,349,531,864**	**18**	**11,313,040,220**	**9,550,255,439**	**18**
Non controlling interest	-	-		218,934,942	169,610,778	29
Total Equity	**11,024,857,212**	**9,349,531,864**	**18**	**11,531,975,162**	**9,719,866,217**	**19**
Total Liabilities and Shareholders' Funds	**96,366,843,598**	**81,565,461,932**	**18**	**97,176,269,450**	**82,094,722,021**	**18**
Contingent Liabilities and Commitments	1,015,670,263	1,507,878,412		1,015,670,263	1,507,878,412	
Net assets value per share (Rs.)	327	277		336	283	

Accounting policies & notes to the accounts form an integral part of these Financial Statements.

Certification

I certify that these Financial Statements are presented in compliance with the requirements of the Companies Act No. 07 of 2007.

....
Dinuk Baig
Assistant General Manager -Finance

....
A.A.P. Rodrigo
Executive Director/COO

....
R.K.E.P. De Silva
Deputy Chairman/ Managing Director

29.05.2026
Colombo

Alliance Finance Company PLC

Statement of Changes in Equity

Company	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	General Reserve	FVOCI	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2024 (Audited)	613,980,000	1,048,326,205	1,593,798,551	388,258,055	(25,273,504)	-	4,509,940,679	8,129,029,986
Profit for the period	-	-	-	-	-	-	1,734,833,052	1,734,833,052
Other comprehensive income, net of tax								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	(36,984,146)	(36,984,146)
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	100,607,514	-	-	100,607,514
Transfer of realized profit /(loss) on equity instrument disposal to retained earning	-	-	-	-	(87,651,562)	-	87,651,562	-
Revaluation Surplus	-		(25,339,998)	-	-	-	-	(25,339,998)
Transfer to statutory reserve	-	86,741,653	-	-	-	-	(86,741,653)	
Dividend Paid	-	-	-	-	-	-	(552,614,544)	(552,614,544)
Balances as at 31st March 2025 (Audited)	**613,980,000**	**1,135,067,858**	**1,568,458,553**	**388,258,055**	**(12,317,552)**	**-**	**5,656,084,950**	**9,349,531,864**
Balance as at 1st April 2025 (Audited)	613,980,000	1,135,067,858	1,568,458,553	388,258,055	(12,317,552)	-	5,656,084,950	9,349,531,864
Profit for the period	-	-	-	-	-	-	2,057,860,613	2,057,860,613
Other comprehensive income, net of tax								-
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	(165,092,703)	(165,092,703)
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	92,560,526	-	-	92,560,526
Transfer of realized profit /(loss) on equity instrument disposal to retained earning	-	-	-	-	(50,348,439)	-	50,348,439	-
Revaluation Surplus		-	-	-	-	-	-	-
Transfer to statutory reserve	-	102,893,031	-	-	-	-	(102,893,031)	(0)
Dividend Paid	-	-	-	-	-	-	(310,003,086)	(310,003,086)
Balances as at 31st March 2026 (Unaudited)	**613,980,000**	**1,237,960,889**	**1,568,458,553**	**388,258,055**	**29,894,535**	**-**	**7,186,305,182**	**11,024,857,212**

Group	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	General Reserve	FVOCI	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2024 (Audited)	613,980,000	1,048,326,205	1,593,798,551	388,258,055	(25,273,504)	132,528,954	4,675,362,989	8,426,981,250
Profit for the period	-	-	-	-	-	37,081,824	1,779,739,681	1,816,821,505
Other comprehensive income, net of tax -								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	(37,477,326)	(37,477,326)
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	100,607,514	-	-	100,607,514
Transfer of realized profit /(loss) on equity instrument disposal to retained earning	-	-	-	-	(87,651,562)	-	87,651,562	-
Revaluation Surplus	-	-	(25,339,998)	-	-	-		(25,339,998)
Transfer to statutory reserve	-	86,741,653	-	-	-	-	(86,741,653)	
Dividend Paid	-	-	-	-	-	-	(561,726,728)	(561,726,728)
Balances as at 31st March 2025 (Audited)	**613,980,000**	**1,135,067,858**	**1,568,458,553**	**388,258,055**	**(12,317,552)**	**169,610,778**	**5,856,808,525**	**9,719,866,217**
Balance as at 1st April 2025 (Audited)	613,980,000	1,135,067,858	1,568,458,553	388,258,055	(12,317,552)	169,610,778	5,856,808,525	9,719,866,217
Profit for the period	-	-	-	-	-	49,324,164	2,145,320,043	2,194,644,207
Other comprehensive income, net of tax -								-
Net actuarial gain on defined benefit plan							(165,092,703)	(165,092,703)
Equity investments at FVOCI - net change in fair value & Disposal profit	-	-	-	-	92,560,526	-	-	92,560,526
Transfer of realized profit /(loss) on equity instrument disposal to retained earning					(50,348,439)		50,348,439	-
Revaluation Surplus								-
Transfer to statutory reserve		102,893,031					(102,893,031)	-
Dividend Paid	-	-	-	-	-	-	(310,003,086)	(310,003,086)
Balances as at 31st March 2026 (Unaudited)	**613,980,000**	**1,237,960,889**	**1,568,458,553**	**388,258,055**	**29,894,535**	**218,934,942**	**7,474,488,187**	**11,531,975,162**

Figures in brackets indicate deductions.

Accounting policies & notes to accounts form an integral part of these Financial Statements.

Alliance Finance Company PLC

Statement of Cash Flows

For the year ended 31st March

	Company		Group	
	2026 (Unaudited) Rs.	2025 (Audited) Rs.	2026 (Unaudited) Rs.	2025 (Audited) Rs.
Cash Flows From / (Used in) Operating Activities				
Profit before Income Tax Expense	3,424,786,801	3,086,968,217	3,595,084,049	3,211,416,523
Adjustments for;				
Depreciation of property, plant & equipment	240,665,318	201,382,217	241,001,644	201,687,261
Amortization of intangible assets	19,152,763	11,402,112	19,152,763	11,483,847
Interest Expenses of Bank Borrowings	3,238,956,136	2,575,098,535	3,238,956,136	2,575,098,535
Interest on debentures	246,674,973	12,406,801	246,674,973	12,406,801
Amortization of Right of use asset	167,957,803	153,917,919	167,957,803	153,917,919
Interest expense on lease liability	62,357,844	58,736,458	62,357,844	58,736,458
Impairment (reversal)/provision	272,012,490	24,288,889	272,012,490	24,288,888
Interest on fixed deposits, commercial paper & treasury bills	(491,465,759)	(301,472,480)	(517,735,869)	(320,563,733)
Fair value (gain)/loss on equity investments (FVTPL)	(36,689,145)	(57,989,735)	(36,689,145)	(57,989,735)
Fair value gain on investment property	(16,320,000)	-	(17,475,694)	(7,000,000)
Bad debt written-off	272,728,607	209,501,175	272,728,607	209,501,174
Loss/(profit) on disposal of property, plant & equipment	(7,562,527)	(13,373,265)	(7,562,527)	(13,373,265)
Profit from sale of vehicle	(16,454,973)	(54,149,174)	(16,454,973)	(54,149,174)
Provision/(reversal) for defined benefit plans	95,394,610	75,387,265	96,506,417	76,337,527
Dividend received	(10,395,698)	(38,436,201)	(19,516,287)	(51,000,290)
Share of loss/(profit) from associates	(36,511,251)	(18,905,234)	(36,511,251)	(18,905,234)
Operating Profit before Working Capital Changes	**7,425,287,992**	**5,924,763,499**	**7,560,486,980**	**6,011,893,502**
(Increase)/decrease in trading stock	(170,014,932)	55,295,393	(170,014,932)	55,295,393
(Increase)/decrease in loans and advances	(16,514,653,958)	(14,923,408,125)	(16,514,653,958)	(14,923,408,125)
(Increase)/decrease in lease rentals receivable & stock out on hire	986,060,662	(1,722,377,501)	986,060,663	(1,722,377,501)
(Increase)/decrease in fixed deposits & repurchase agreements	(2,991,331,692)	(2,531,056,090)	(3,000,637,399)	(2,546,883,392)
(Increase)/decrease in other financial assets	(191,888,080)	(108,267,205)	(388,227,617)	(95,018,319)
(Increase)/decrease in other non financial assets	232,117,519	190,497,580	231,534,378	189,799,140
Increase/(decrease) in derivative financial liabilities	14,073,854	(5,379,033)	14,073,854	(5,379,033)
Increase/(decrease) in amounts due to depositors	1,241,550,706	8,137,471,068	1,241,515,839	8,137,435,683
Increase/(decrease) in other financial liabilities	(88,302,687)	445,517,745	60,157,428	488,026,112
Increase/(decrease) in other non financial liabilities	21,374,673	(27,419,347)	21,709,654	(27,419,347)
Cash generated from/(used in) Operations	**(10,035,725,943)**	**(4,564,362,016)**	**(9,957,995,111)**	**(4,438,035,886)**
Retirement benefit liabilities paid	(22,748,490)	(41,126,797)	(23,098,490)	(41,326,797)
Investment in gratuity fund	(87,094,962)	(52,103,008)	(87,094,962)	(52,103,008)
Taxes paid	(1,838,278,644)	(840,044,008)	(1,887,786,012)	(872,877,284)
Net cash generated from/(used in) operating activities	**(11,983,848,039)**	**(5,497,635,829)**	**(11,955,974,575)**	**(5,404,342,975)**
Cash Flows from / (Used in) Investing Activities				
Acquisition of property, plant & equipment	(334,810,539)	(413,182,304)	(335,146,826)	(414,089,843)
Acquisition of right of use assets	(180,756,108)	(261,394,948)	(180,756,109)	(261,394,948)
Acquisition of Intangible Assets	(103,287,739)	(48,989,147)	(103,287,740)	(48,989,147)
Investment in associates	-	2,734,800	-	9,072,923
Proceeds from sales of property, plant & equipment	33,444,492	36,851,500	33,444,492	36,851,500
Proceeds from sales of vehicles	79,527,000	17,011,975	79,527,000	17,011,975
Net sales/ (purchases) of financial assets -FVTPL/FVTOCI	3,665,049,538	(1,461,620,121)	3,653,063,921	(1,474,184,209)
Dividend received	10,395,698	36,837,662	19,516,287	51,000,290
Interest on fixed deposits, commercial paper & treasury bills	491,465,759	301,472,480	517,735,869	320,563,733
Net Cash Generated from Investing Activities	**3,661,028,101**	**(1,790,278,103)**	**3,684,096,894**	**(1,764,157,726)**
Cash Flows from / (Used in) Financing Activities				
Settlement of operating lease liabilities	(189,258,919)	(177,585,303)	(189,258,919)	(177,585,303)
Loans Obtained	27,358,441,836	18,078,169,350	27,358,441,836	18,078,169,350
Loans Repayments	(17,450,660,870)	(12,879,727,934)	(17,450,660,870)	(12,879,727,934)
Loans Obtained-Debenture	2,000,000,000	1,000,000,000	2,000,000,000	1,000,000,000
Loans Repayment-Debenture	(97,567,540)	-	(97,567,540)	-
Dividend paid	(310,003,086)	(552,614,472)	(310,003,086)	(561,726,728)
Net Cash Generated from/(Used in) Financing Activities	**11,310,951,421**	**5,468,241,641**	**11,310,951,421**	**5,459,129,385**
Net Increase/(Decrease) in Cash and Cash Equivalents	**2,988,131,483**	**(1,819,672,291)**	**3,039,073,740**	**(1,709,371,316)**
Cash and cash equivalents at the beginning of the year	(2,102,843,801)	(283,171,510)	(1,893,222,412)	(183,851,096)
Cash and cash equivalents at the end of the period *	885,287,682	(2,102,843,801)	1,145,851,328	(1,893,222,412)
Movement in Cash and Cash Equivalent	**2,988,131,483**	**(1,819,672,291)**	**3,039,073,740**	**(1,709,371,316)**

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.

* Cash and cash equivalents at the end of the period include favourable cash balances and the Bank Overdraft balances.

Fair Value Hierarchy -Company

As at 31st March 2026

	Fair Value Measurement using			
	Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs	
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Financial Assets				
Financial assets - Fair value through profit and loss				
Government of Sri Lanka treasury bills	-	1,578,893,966	-	1,578,893,966
Government of Sri Lanka treasury bonds		109,336,100	-	109,336,100
Investments in Unit Trusts	-	-	-	-
Financial assets - Fair value through Other Comprehensive Income				
Quoted Investments	222,280,639	-	-	222,280,639
Unquoted Investments	-	-	579,250	579,250
	222,280,639	**1,688,230,066**	**579,250**	**1,911,089,955**
Financial Liabilities				
Due to Depositors	-	37,766,387,023	-	37,766,387,023
Due to Banks	-	40,245,642,097	-	40,245,642,097
Debt Securities Measured at amortised cost	-	3,149,107,433	-	3,149,107,433
Derivative financial liabilities	-	14,073,854	-	14,073,854
	-	**81,175,210,407**	**-**	**81,175,210,407**

	Fair Value Measurement using			
	Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs	
	Level 1	Level 2	Level 3	Total
As at 31st March 2025	Rs.	Rs.	Rs.	Rs.
Financial Assets				
Financial assets - Fair value through profit and loss				
Government of Sri Lanka treasury bills	-	3,730,914,157	-	3,730,914,157
Investments in Unit Trusts	1,540,175,010		-	1,540,175,010
Financial assets - Fair value through Other Comprehensive Income				
Quoted Investments	175,221,404	-	-	175,221,404
Unquoted Investments	-	-	579,250	579,250
	1,715,396,414	**3,730,914,157**	**579,250**	**5,446,889,821**
Financial Liabilities				
Due to Depositors	-	36,524,836,317	-	36,524,836,317
Due to Banks	-	30,341,711,845	-	30,341,711,845
Debt Securities Measured at amortised cost		1,012,406,801		1,012,406,801
Derivative financial liabilities	-	-		-
	-	**67,878,954,963**	**-**	**67,878,954,963**

Analysis Of Financial Statements Measurement Basis - Company

As at 31st March 2026

	Financial assets recognized through profit or loss (FVTPL)	Financial assets at amortized cost (AC)	Financial assets at fair value through other comprehensive income (FVOCI)	Total
	Rs.	Rs.	Rs.	Rs.
Asset				
Cash and cash equivalents	-	1,208,739,806	-	1,208,739,806
Repurchase Agreements	3,250,812,471	-	-	3,250,812,471
Placement with banks and other financial institutions	-	6,480,535,210	-	6,480,535,210
Financial asset recognized through profit or loss	1,688,230,066	-	-	1,688,230,066
Loans and receivables-Amortized cost	-	54,400,096,263	-	54,400,096,263
Lease rental receivables at amortized cost	-	23,099,811,895	-	23,099,811,895
Financial asset recognized through other comprehensive income	-	-	222,859,889	222,859,889
Other financial assets	-	758,786,826	-	758,786,826
	4,939,042,537	**85,947,970,000**	**222,859,889**	**91,109,872,426**
Liabilities				
Due to Depositors	-	37,766,387,023	-	37,766,387,023
Due to Banks	-	40,245,642,097	-	40,245,642,097
Debt Securities Measured at amortised cost	-	3,149,107,433	-	3,149,107,433
Derivative financial liabilities	-	14,073,854	-	14,073,854
Other financial liabilities	-	1,474,008,591	-	1,474,008,591
	-	**82,649,218,998**	**-**	**82,649,218,998**

	Financial assets recognized through profit or loss (FVTPL)	Financial assets at amortized cost (AC)	Financial assets at fair value through other comprehensive income (FVOCI)	Total
As at 31st March 2025	Rs.	Rs.	Rs.	Rs.
Asset				
Cash and cash equivalents	-	1,475,822,024	-	1,475,822,024
Repurchase agreements	1,834,618,154	-	-	1,834,618,154
Placement with banks and other financial institutions		4,905,397,835	-	4,905,397,835
Financial asset recognized through profit or loss	5,271,089,167	-	-	5,271,089,167
Loans and receivables-Amortized cost	-	38,342,731,995	-	38,342,731,995
Lease rental receivables at amortized cost	-	24,173,323,963	-	24,173,323,963
Financial asset recognized through other comprehensive income	-	-	175,800,654	175,800,654
Other financial assets	-	566,898,746	-	566,898,746
	7,105,707,321	**69,464,174,563**	**175,800,654**	**76,745,682,538**
Liabilities				
Due to Depositors	-	36,524,836,317	-	36,524,836,317
Due to Banks	-	30,341,711,845	-	30,341,711,845
Debt Securities Measured at amortised cost	-	1,012,406,801	-	1,012,406,801
Derivative financial liabilities	-	-	-	-
Other financial liabilities	-	1,537,657,682	-	1,537,657,682
	-	**69,416,612,645**	**-**	**69,416,612,645**

Alliance Finance Company PLC

SEGMENT REPORT - GROUP

For the Period ended 31st March

	Leasing and Hire Purchase and Consumer Durable Rs.		Loans Rs.		Gold Loans Rs.		Other Rs.		Total Rs.	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Revenue	7,927,475,828	8,132,507,976	5,207,800,812	3,487,060,793	3,744,425,942	2,906,987,523	1,540,542,597	1,305,153,834	18,420,245,179	15,831,710,127
Segment results	**6,612,823,262**	**6,905,808,438**	**4,846,169,388**	**3,193,258,384**	**3,346,976,828**	**2,563,209,202**	**1,480,725,376**	**1,257,375,726**	**16,286,694,854**	**13,919,651,750**
Unallocated company expenses									(4,001,920,123)	(3,242,506,848)
Operating profit									12,284,774,731	10,677,144,901
Interest expenses	(1,919,755,096)	(2,056,617,656)	(2,584,957,808)	(1,959,767,944)	(1,928,747,699)	(1,302,354,374)	(1,146,516,806)	(1,153,628,836)	(7,579,977,409)	(6,472,368,820)
Share of profits of associates before tax									36,511,251	18,905,234
Taxes on financial services									(1,146,224,523)	(1,012,264,791)
Income tax expenses									(1,400,439,842)	(1,394,595,018)
Profit for the year									**2,194,644,207**	**1,816,821,506**
As at 31st March										
Segment assets	23,099,811,907	24,173,323,963	31,192,079,009	23,034,959,985	23,208,017,086	15,307,772,010	13,488,355,699	13,559,663,723	90,988,263,701	76,075,719,681
Investment in associates									174,828,109	138,316,858
Other assets									6,013,177,641	5,880,685,482
Total assets									**97,176,269,450**	**82,094,722,021**
Segment liabilities	21,317,882,750	22,192,465,996	26,738,020,833	19,315,660,377	19,894,039,257	12,836,129,321	11,562,292,233	12,382,683,037	79,512,235,073	66,726,938,731
Other liabilities									6,132,059,215	5,647,917,073
Total liabilities									**85,644,294,288**	**72,374,855,804**

Explanatory Notes

1 These Interim Financial Statements have been prepared in accordance with the requirements of Sri Lanka Accounting Standard -LKAS 34 on'Interim Financial Reporting'.

2 The accounting policies adopted in the preparation of these Interim Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Company's Annual Consolidated Financial Statements for the year ended 31 March 2025.

3 Expected Credit Loss Computation

The Company's estimated Expected Credit Loss (ECL) was based on the Probability of Default (PD), Loss Given Default (LGD) and Economic Factor Adjustment (EFA) applying a range of forecasted economic conditions prevailed as at that date.
Given the uncertainty in the macroeconomic environment, an additional ECL impairment was made using a management overlay, alongside the modeled ECL impairment, to ensure that the overall ECL impairment is adequate to cover unforeseen risk factors in this volatile environment. The company will continue to monitor external developments and make further necessary adjustments to the management overlays in the future.

4 Going Concern

In determining the basis of preparing the Financial Statements for the quarter ended 31st March 2026, the management has assessed the existing and anticipated impact of macroeconomic fluctuations on the Company and is of the view that the use of the going concern basis is appropriate. .

5 Contingent Liabilities and Commitements

a. Financial guarantees Issued :

As at 31st March 2026, the Company has provided financial guarantees totalling to LKR 20.9Mn.

b.Tax assessments issued by the Commissioner General of Inland Revenue:

For the taxable period 2018/19 the Commissioner General has determined the decision of Administrative Review on 24th Feb 2026 with the Tax liability of Rs.159Mn and 31Mn Penalty.The Company has made adequate provision for the settled tax liability with the minimum penalty within next financial year. For the taxable period 2020/21, the Commissioner General of Inland Revenue has issued an additional tax assessment amounting to Rs. 45 Mn, together with a penalty liability of Rs. 22.9 Mn. The Company has lodged an appeal against the assessment, and the matter is currently under administrative review

Furthermore, an additional surcharge tax assessment has been issued for the 2020/21 period, amounting to LKR 892.64 Mn, comprising LKR 628.6 Mn in surcharge tax and LKR 264.02 Mn in interest.

Following a detailed assessment of the applicable tax legislation, management has lodged an appeal based on valid grounds to reconsider the assessment.
The appeal is currently under administrative review by the relevent authorities.

6 There have been no material events occurring after the Reporting date which require adjustments to or disclosure in the financial statements.

7 During the quarter, there were no material changes in the composition of assets, liabilities and/or contingent liabilities, other than those disclosed above.

8 All known expenses including management fees and other similar expenses have been provided for the period ended 31st March 2026.

9 Disclosure Regarding the utilization of fund as per the objectives stated the Green bond and Social bond issue prospectus

9.1 **Objectives Stated in the Green Bond Issue Prospectus**

Objective Number	Objective as per Prospectus	Amount allocated as per Prospectus (LKR)	Proposed Date of allocation as per Prospectus	Amount allocated from proceeds (LKR) (A)	% of Total Proceeds	Amount utilized (LKR) (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1	Financing rooftop solar energy installations to reduce greenhouse gas emissions and increase renewable energy in Sri Lanka's National grid.	1,000 Mn (Maximum Issuance)	Over a period of 24 months from the Date of Allotment	800 Mn	Approximately 80%	488.68 Mn	61.08%	Funds would be invested in cash equivalents, T-bills, T-bonds, or FDs (excluding greenhouse gas-intensive activities) at the prevailing rates at the time of investments.
2	Financing solar equipment vendors and suppliers to strengthen the supply chain for renewable energy projects, ensuring efficient implementation and growth of solar initiatives.		Over a period of 24 months from the Date of Allotment	200 Mn	Approximately 20%	20 Mn	10%	

9.2 **Objectives Stated in the Social Bond Issue Prospectus**

Objective Number	Objective as per Prospectus	Amount allocated as per Prospectus (LKR)	Proposed Date of allocation as per Prospectus	Amount allocated from proceeds (LKR) (A)	% of Total Proceeds	Amount utilized (LKR) (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1	Promoting Micro, Small, and Medium Enterprises (MSMEs) and rural entrepreneurs through value chain financing to stimulate economic growth and create employment opportunities.	Maximum issue of LKR 2.0 Bn (Approximately 75% for the first Objective and 25% for the second Objective)	Over a period of 24 months from the Date of Allotment	1,500 Mn	Approximately 75%	1,500 Mn	100%	Funds would be invested in cash equivalents, T-bills, T-bonds, or FDs
2	Providing microfinance to marginalized and underserved communities who lack access to traditional financial services, empowering them to improve their livelihoods and financial stability. This product is exclusively offered to women borrowers.		Over a period of 24 months from the Date of Allotment	500 Mn	Approximately 25%	500 Mn	100%	

Selected Performance Indicators

	31-Mar-26	31-Mar-25
Capital Adequacy (%)		
Tier 1 Capital Adequacy Ratio (minimum 8.5%)	10.44%	11.60%
Total Capital Adequacy Ratio (minimum 12.5%)	15.38%	16.06%
Capital Funds to Deposit Liabilities Ratio	25.33%	25.33%
Profitability (%)		
Return on average shareholders funds (before tax)	33.62%	35.32%
Return on average assets (before tax)	3.85%	4.36%
Liquidity ('000)		
Required Minimum Amount of Liquid Assets	4,140,025	3,806,919
Available Amount of Liquid Assets	6,357,896	6,687,674
Required Minimum Amount of Approved Securities	2,437,124	1,779,355
Available Amount of Approved Securities	4,888,134	5,565,572
Quality of Loan Portfolio (%)		
Gross Non-Performing Loans Ratio	5.66%	4.70%
Net-Non-Performing Loans Ratio	2.97%	1.71%
Other Ratios		
Debt to equity ratio (times)	7.41	7.31
Interest cover (times)	1.73	1.63
Liquid Asset Ratio (%)	15.44%	17.66%

Explanatory Notes (Continued.)

* Information on -Listed Debentures- Green Bond

Debenture Category	Interest Payable frequency	Effective Rate	Applicable Interest Rate	Interest Rate of comparative government securities (Gross) p.a%	Balance as at 31st March 2026	Market Price (LKR)			Yield Last Traded %
		%	%	%		Highest	Lowest	Last Traded	
Listed, Rated, Guaranteed, Senior, Redeemable Green Bonds	Semi-annually	11.03%	10.75% p.a	9.20%	1,012,369,863	N/T	N/T	N/T	N/T

* Information on -Listed Debentures - Social Bond

Debenture Category	Interest Payable frequency	Effective Rate	Applicable Interest Rate	Interest Rate of comparative government securities (Gross) p.a%	Balance as at 31st March 2026	Market Price (LKR)			Yield Last Traded %
		%	%	%		Highest	Lowest	Last Traded	
Type A	Annually	11.15%	11.15% p.a.	9.75%	2,136,737,570	N/T	N/T	N/T	N/T
Type B	Annually	11.40%	11.40% p.a.	9.80%					

*N/T=Not Traded

Shareholder's Information

Market price per share

Quarter ended 01st January to 31st March

	2026	2025
Highest Price	394.00	215.00
Lowest Price	296.00	156.50
Last Traded	315.00	180.50

Stated capital

As at 31st March 2026 the Stated Capital was Rs. 613,980,000/- comprising of 33,696,000 ordinary shares issued.

Directors'/ CEO's Holding in Shares as at 31st March 2026

No	Name of Director	No. of Shares
1	Mrs.G.S.T. Dharmakirti-Herath	100
2	Mr.R.K.E.P. de Silva	12,423,830
3	Mr.W.P.K. Jayawardana (Resigned w.e.f. 31.03.2026)	42,750
4	Mr.M.J. Benedict	1,000
5	Mrs.P. De Silva	100
6	Mr.L.J.H. De Silva	3,052
7	Dr.D.L.I. Hettiarachchi	100
8	Mr.D.F.W. Perera	363,243
9	Mrs.D.M.S.D.De Z.S. Ellepola (Appointed w.e.f. 16.01.2026)	1,000
10	Mr.A.A.P. Rodrigo (Appointed w.e.f. 01/04/2026)	1,000

Twenty Largest Ordinary Shareholders as at 31st March 2026

No.	Name of Shareholder	No. of Shares	%
1	Mr.R.K.E.P. de Silva	12,423,830	36.87
2	Motor Service Station (Pvt) Ltd	4,647,133	13.79
3	Mrs D.M.E.P. Perera	2,583,862	7.67
4	Mr.D.F.W.S.K. Perera & Mr.D.F.W. Perera (Joint)	1,483,984	4.40
5	Orient Hotels Ltd.,	1,358,323	4.03
6	Mrs.S.E. Canekeratne	612,268	1.82
7	J B Cocoshell (Pvt) Ltd.	475,309	1.41
8	Mr.D.L.S.R. Perera	412,266	1.22
9	Mrs.P.N. Weththasinghe & Mrs.A.S. Weththasinghe	401,051	1.19
10	Ms.D.C.M.A. Perera	374,542	1.11
11	Mrs.C.R. de Silva	374,400	1.11
12	Mr. D.F.W. Perera	363,243	1.08
13	People Leasing and Finance PLC/Mr.K.K. Shujeevan	336,976	1.00
15	Ms.D.D.P.T. Perera	326,884	0.97
14	Mr.W.G.D.C. Ranaweera	254,891	0.76
17	Mrs.K.G.G.S.L. Perera	201,066	0.60
18	Mrs.N.U. Silva	172,105	0.51
19	Mrs.C. Yogagopalakrishnan & Mrs.Y. Thirukumar	155,920	0.46
16	Mr.G.P. Kapilasena	201,180	0.60
20	Mr.D.L.S.R. Perera & Mrs. D.C.M.A Perera	146,290	0.43

Public Shareholding as at 31st March 2026

No of Shares	%
11,882,575	35.26

No of Shareholders

The percentage of ordinary shares held by the public as at 31st March 2026 was 35.26% and the number of shareholders representing the public holding was 2,296.

Float Adjusted Market Capitalization

The Float adjusted market capitalization as at 31st March 2026 Rs. 4,200,490,262.50 and the Company falls under Option 5 of Rule 7.13.1 (a), of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

Corporate Information

Name of the 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.06 of 1949 and the Trust receipt Ordinance No.12 of 1947.

Company Registration
Registered under the Companies Act No.07 of 2007.
Company Registration number PQ 93.

Registered Office
Alliance House, No.84, Ward Place, Colombo 07.
Tel : 011 2673673 Fax: 011 2697205
e mail : info@alliancefinance.lk

Board of Directors
Mrs.Tamara Dharmakirti Herath - *Chairperson*
Mr. Romani de Silva - F.I.C.M.(SL) - *Deputy Chairman / Managing Director*
Mr.Kusal Jayawardana - CFA, MBA, ACMA. CGMA - Deputy Managing Director (Resigned w.e.f. 31.03.2026)
Mr. Michael Joseph Benedict - MBA, CMA, CMSLIM - *Executive Director Recoveries*
Mr.A.A.P. Rodrigo - MBA, DiPM, AIB, Executive Director, Chief Operating Officer (Appointed w.e.f. 01/04/2026)
Mrs. Priyanthi de Silva - FCMA, CGMA, FCPA - *Independent Non Executive Director*
Mr.Hiran de Silva -Non *Independent Non Executive Director*
Dr. Lasantha Ivers Hettiarachchi - LLM,DCL, Attorney at Law -*Independent Non Executive Director*
Mr. Wiyan Perera - Bsc. (Econ) - *Non Independent Non Executive Director*
Mrs.Devika Ellepola, LLB, UoC -Non Independent Non Executive Director (Appointed w.e.f. on 16.01.2026)

Company Secretary
Mrs.Priyanga P. Peiris
No. 84, Ward Place
Colombo 07.

Legal Consultants
Gunawardene Associates
Sudath Perera Associates

Board Audit Committee
Mrs. Priyanthi de Silva - *Chairperson*
Mrs.Tamara Dharmakirti Herath
Mr.Hiran de Silva

Human Resources & Remuneration Committee
Dr.Lasantha Hettiarachchi - Chairman
Mrs.Tamara Dharmakirti Herath
Mr.Hiran de Silva

Related Party Transaction Review Committee
Dr.Lasantha Hettiarachchi - Chairman
Mrs.Tamara Dharmakirti Herath
Mr.Hiran de Silva

Board Integrated Risk Management Committee
Mrs. Priyanthi de Silva - Chairperson
Mrs.Tamara Dharmakirti Herath
Mr.Hiran de Silva

Nominations & Governance Committee
Dr.Lasantha Hettiarachchi - Chairman
Mrs.Tamara Dharmakirti Herath
Mr.Hiran de Silva

Board Sustainability Committee
Mrs.Tamara Dharmakirti Herath - Chairperson
Mr. Romani De Silva
Mr. Kusal Jayawardana (Ressigned w.e.f. 31/03/2026)

Auditors
M/s Deloitte Associates
Chartered Accountants,
No.100, Braybrooke Place
Colombo 02.

Bankers
Sampath Bank PLC
Seylan Bank PLC
Public Bank Berhad
People's Bank
Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Bank of Ceylon
Nations Trust Bank PLC
Union Bank of Colombo PLC
DFCC Bank PLC
NDB Bank PLC
Cargills Bank