



Alliance Finance Co. P.L.C.

Making the world a better place through sustainable finance

Green Bond Issue 2025

PROSPECTUS

People Planet Profit

MANAGERS & PLACEMENT AGENTS

CORPORATE TREASURY



ALLIANCE FINANCE COMPANY PLC



PROSPECTUS

**AN ISSUE OF UPTO TEN MILLION (10,000,000) LISTED, RATED, GUARANTEED, SENIOR, REDEEMABLE
GREEN BONDS AT THE PAR VALUE OF SRI LANKA RUPEES ONE HUNDRED (LKR 100/-) EACH TO RAISE
SRI LANKA RUPEES ONE BILLION (LKR 1,000,000,000/-)**

**MAXIMUM ISSUE WILL NOT EXCEED TEN MILLION (10,000,000) OF
SAID GREEN BONDS OF A VALUE OF NOT EXCEEDING SRI LANKA RUPEES ONE BILLION
(LKR 1,000,000,000/-)**

**TO BE LISTED ON THE
COLOMBO STOCK EXCHANGE**

Rated A- by Lanka Rating Agency Limited

ISSUE OPENS ON

17TH FEBRUARY 2025

Managers and Placement Agents to the Issue



Corporate Treasury



This Prospectus is dated 06th February 2025

The Colombo Stock Exchange (CSE) has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, CSE assumes no responsibility for accuracy of the statements made, opinions expressed, omitted statements or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of Green Bonds which is decided solely by the Issuer.

The delivery of this Prospectus shall not under any circumstance constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Company since the date of this Prospectus. If any material change in the affairs of the Company occurs subsequent to the Prospectus date and before the Issue opening, same will be notified by way of a market disclosure/an addendum.

We advise you to read the content of the Prospectus carefully prior to investment.

If you are in a doubt regarding the contents of this document or of you require any clarification or advice in this regard, you should consult the Manager to the Issue, your stockbroker, lawyer or any other professional advisor.

Responsibility for the Content of the Prospectus

This Prospectus has been prepared with available information.

The Directors of Alliance Finance Company PLC (the Company or the Issuer) have seen and approved this Prospectus and collectively and individually, accept full responsibility for the accuracy of the information given and confirm that after making all reasonable inquiries and to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Company have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that are considered to be reasonable at the present point in time in its best judgment.

The Company accepts responsibility for the information contained in this Prospectus. While the Company has taken reasonable care to ensure full and fair disclosure of pertinent information, it does not assume responsibility for any investment decisions made by the investors based on the information contained herein. In making such investment decisions, prospective investors are advised to read the Prospectus and rely on their own examination and assessment of the Company and the terms of the Green Bonds issued including the risks associated.

Registration of the Prospectus

A copy of the Prospectus has been delivered to the Registrar of Companies for registration in compliance with the provisions of Section 40 of the Companies Act No.7 of 2007. The following are the documents attached to the copy of the Prospectus delivered to the Registrar of Companies for registration pursuant to Section 40(1) of the Companies Act.

- a) The written consent of the Auditors and Reporting Accountants for the inclusion of their name in the Prospectus as Auditors and Reporting Accountants to the Issue and to the Company.
- b) The written consent of the Rating Agency for the inclusion of their name in the Prospectus as Rating Agency to the Issue and to the Company.
- c) The written consent of the Trustee to the Issue for the inclusion of their name in the Prospectus as Trustee to the Issue.
- d) The written consent of the Bankers to the Issue for the inclusion of their name in the Prospectus as Bankers to the Issue.
- e) The written consent of the Company Secretary of the Company for the inclusion of the name in the Prospectus as Company Secretary to the Company.
- f) The written consent of the Registrars to the Issue for the inclusion of their name in the Prospectus as Registrars to the Issue.
- g) The written consent of the Lawyers to the Issue for the inclusion of their name in the Prospectus as Lawyers to the Issue.
- h) The written consent of the Independent External Verifier to the Issue for the inclusion of their name in the Prospectus as Independent External Verifier to the Issue
- i) The written consent of the Managers and Placement Agents to the Issue for the inclusion of their names in the Prospectus as Managers and Placement Agents to the Issue.
- j) The written consent of the Guarantor to the Issue for the inclusion of their name in the Prospectus as Guarantor to the Issue.
- k) The declaration made and subscribed to, by each of the Directors of the Company herein named as a Director, jointly and severally confirming that each of them have read the provisions of the Companies Act and the CSE Listing Rules relating to the Issue of the Prospectus and that those provisions have been complied with.

The said Auditors and Reporting Accountants to the Issue and to the Company, Trustee to the Issue, Bankers to the Issue, Company Secretary, Managers and Placement Agents to the Issue, Guarantor to the Issue, Registrars to the Issue, Lawyers to the Issue, Independent External Verifier to the Issue, Rating Agency have not, before the delivery of a copy of the Prospectus for registration with the Registrar of Companies in Sri Lanka withdrawn such consent.

Registration of the Prospectus in Jurisdictions Outside of Sri Lanka

This Prospectus has not been registered with any authority outside of Sri Lanka. Non-Resident investors may be affected by the laws of the jurisdiction of their residence. Such investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

Representation

The Green Bonds are issued solely on the basis of the information contained and representations made in this Prospectus. No dealer, salesperson, individual or any other outside party has been authorized to give any information or to make any representation in this connection with the Issue other than the information and representations contained in this Prospectus and if given or made such information or representations must not be relied upon as having been authorized by the Company.

Forward Looking Statements

Any Statements included in this Prospectus that are not statements of historical fact constitute “Forward Looking Statements”. These can be identified by the use of forward looking terms such as “expect”, “anticipate”, “intend”, “may”, “plan to”, “believe”, “could” and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all or any statements pertaining to expected financial position, business strategy, plans and prospects of the Company are classified as Forward Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Company operates and its ability to respond to them, the Company’s ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, interest rate volatilities, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Company.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

Given the risk and uncertainties that may cause the Company’s actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking statements in this Prospectus, investors are advised not to place sole reliance on such statements.

Presentation of Currency Information and Other Numerical Data

The financial statements of the Company and currency values of economic data or industry data in a local context will be expressed in Sri Lanka Rupees. References in the Prospectus to “LKR”, “Rupees” or “Rs.” is the lawful currency of Sri Lanka. Certain numerical figures in the Prospectus have been subject to rounding adjustments, accordingly numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them. All numerical figures given under Section 7.0 of the Prospectus are audited figures unless otherwise stated.

IMPORTANT

All Applicants should indicate in the Application for Green Bonds, their Central Depository Systems (Private) Limited (CDS) account number.

In the event the name, address or NIC number/passport number/company number of the **Applicant** mentioned in the Application Form differs from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/ passport number/company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number/company number of such **Applicant**. Therefore, **Applicant** are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the Application Form tally with the name, address or NIC number/passport number/company number given in the CDS account as mentioned in the Application Form.

As per the directive of the Securities and Exchange Commission made under Circular No.08/2010 dated 22nd November 2010 and Circular No.13/2010 issued by the CDS dated 30th November 2010, all Green Bonds are required to be directly deposited into the CDS. To facilitate compliance with this directive, all **Applicant** are required to indicate their CDS account number.

In line with this directive, THE GREEN BONDS ALLOTTED TO AN **APPLICANT** WILL BE DIRECTLY DEPOSITED IN THE CDS ACCOUNT OF SUCH **APPLICANT**, the details of which is indicated in their Application Form. If the CDS account number indicated in the Application Form is found to be inaccurate /incorrect or there is no CDS number indicated, the Application will be rejected, and no allotments will be made. The Company may require an **Applicant** to provide such documentation as is reasonably necessary to satisfy itself that the investor is an **Applicant**.

PLEASE NOTE THAT GREEN BOND CERTIFICATES WILL NOT BE ISSUED, HOWEVER, PLEASE NOTE THAT UPON THE ALLOTMENT OF GREEN BONDS UNDER THIS ISSUE, THE ALLOTTED GREEN BONDS WOULD BE CREDITED TO THE APPLICANT’S CDS ACCOUNT INDICATED IN THE APPLICATION FORM.

Applicant who wishes to open a CDS account, may do so through a Trading Participants of the CSE as set out in Annexure IV or through any Custodian Bank as set out in Annexure V of this Prospectus.

ISSUE AT A GLANCE

Issuer	Alliance Finance Company PLC				
Instrument	Listed, Rated, Guaranteed, Senior, Redeemable Green Bonds				
Listing	The Green Bonds will be listed on the Colombo Stock Exchange				
Number of Green Bonds to be Issued	An Issue of upto Ten Million (10,000,000) Listed, Rated, Guaranteed, Senior, Redeemable Green Bonds				
Amount to be Raised	A sum of up to Sri Lanka Rupees One Billion (LKR 1,000,000,000/-)				
Entity Rating	BBB- by Lanka Rating Agency Limited				
Issue Rating	A- by Lanka Rating Agency Limited				
Guarantor	Seylan Bank PLC- Rated A+ (Ika) with a Stable Outlook by Fitch Ratings Lanka Limited, January 2025				
Issue Price	Rupees One Hundred (LKR 100/-) per each Green Bond				
Par Value	Rupees One Hundred (LKR 100/-) per each Green Bond				
Guaranteed Green Bonds	Pursuant to the Letter of Guarantee, an amount of a maximum of Rupees One Billion (LKR 1,000,000,000) on the maximum of Ten Million (10,000,000) Listed, Rated, Guaranteed, Senior, Redeemable Green Bonds to be issued by the Company at an Issue Price of LKR 100/- each on account of the principal and for up to two interest payments amounting to Rupees One Billion One Hundred Seven Million Five Hundred Thousand (LKR 1,107,500,000/-) have been guaranteed by Seylan Bank PLC.				
Details of Green Bonds					
	Listed, Rated, Guaranteed, Senior, Redeemable Green Bonds Type of Interest	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency
	Fixed Rate	3 years	10.75% p.a.	11.03%	Semi-annually
Minimum Number of Green Bonds to be Subscribed	The minimum subscription requirement applicable for an investor applying for Green Bonds shall be Rupees Ten Thousand (LKR 10,000/-). Any Application in excess of the minimum subscription requirement shall be in multiples of Rupees Ten Thousand (LKR 10,000/-).				
Interest Payment Date(s)	The dates on which payments of interest in respect of the Green Bonds shall fall due, which shall be six (06) months from the Date of Allotment and every six (06) months therefrom from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.				

Interest Period	The six (06) month period from an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).
Mode of Payment of Principal Sum and Interest	Through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS where accurate bank account details are provided by the Green Bond Holders subject to the prevalent limitation with regard to SLIPS and RTGS or by cheque marked "Account Payee Only".
Issue Opening Date	17 th February 2025
Date of Redemption/ Maturity Date	The date on which Redemption of the Green Bonds will take place as referred to in Section 5.6 of this Prospectus.
Date of Allotment	The date on which the Green Bonds will be allotted by the Company to Applicants subscribing thereto.
Closure Date of the Subscription List	<p>Subject to the provisions contained below, the subscription list for the Green Bonds will open at 9.30 a.m. on 17th February 2025 and will remain open for fourteen (14) Market Days including the Issue Opening Date until closure at 4.30 p.m. on 7th March 2025.</p> <p>However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the maximum of Ten Million (10,000,000) Green Bonds being fully subscribed</p> <p>In the event the Board of Directors of the Company decides to close the Green Bond Issue without the full subscription of the initial Ten Million (10,000,000) Green Bonds, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 pm (refer Section 5.2 of this Prospectus).</p>
Basis of Allotment	<p>In the event of an over subscription, the Board of Directors of the Company will endeavour to decide the basis of allotment of the Green Bonds in a fair manner within seven (07) Market days from the closure of the Issue.</p> <p>The Board however shall reserve the right to allocate up to a maximum of 75% of the Number of Green Bonds to be allotted under this Prospectus on a preferential basis, to identified institutional investor/s of strategic importance with whom the Company might have mutually beneficial relationships in the future as future investors.</p> <p>Number of Green Bonds to be allotted to identified institutional investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Green Bonds to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other investors (investors that do not fall under preferential category).</p>

TABLE OF CONTENTS

1	CORPORATE INFORMATION	1
2	RELEVANT PARTIES TO THE ISSUE	2
3	LIST OF ABBREVIATIONS	4
4	GLOSSARY OF TERMS RELATED TO THE ISSUE.....	5
5	PRINCIPAL FEATURES OF THE GREEN BONDS.....	7
5.1	INVITATION TO SUBSCRIBE	7
5.2	SUBSCRIPTION LIST	8
5.3	OBJECTIVES OF THE GREEN BOND ISSUE AND SPECIFIC RISK RELATING TO THE OBJECTIVES OF THE ISSUE	9
5.4	PAYMENT OF INTEREST	14
5.5	APPLICATION OF TAX ON INTEREST PAYMENTS.....	15
5.6	REDEMPTION OF GREEN BONDS	15
5.7	PAYMENT METHOD	15
5.8	TRUSTEE TO THE ISSUE	16
5.9	INDEPENDENT EXTERNAL VERIFIER	16
5.10	GUARANTOR	17
5.11	RATING OF THE GREEN BOND	17
5.12	RIGHTS AND OBLIGATIONS OF THE GREEN BOND HOLDERS	18
5.13	BENEFITS OF INVESTING IN GREEN BONDS	18
5.14	RISKS INVOLVED IN INVESTING IN GREEN BONDS.....	19
5.15	TRANSFER OF GREEN BONDS	21
5.16	LISTING	21
5.17	COST OF THE ISSUE	22
5.18	BROKERAGE FEE.....	22
5.19	UNDERWRITING.....	22
5.20	INSPECTION OF DOCUMENTS.....	22
6	PROCEDURE FOR APPLICATION	23
6.1	ELIGIBLE APPLICANTS	23
6.2	HOW TO APPLY	23
6.3	NUMBER OF GREEN BONDS TO BE SUBSCRIBED	26
6.4	MODE OF PAYMENT OF THE INVESTMENT BY THE APPLICANTS	26
6.5	REJECTION OF APPLICATIONS.....	28
6.6	BANKING OF PAYMENTS.....	29
6.7	BASIS OF ALLOTMENT OF GREEN BONDS.....	29
6.8	REFUNDS.....	29
6.9	CDS ACCOUNTS AND SECONDARY MARKET TRADING	30
7	THE COMPANY	31
7.1	OVERVIEW	31
7.2	FINANCIAL YEAR	31
7.3	STATED CAPITAL	31
7.4	MAJOR SHAREHOLDERS AS AT 30 TH SEPTEMBER 2024.....	31
7.5	DETAILS OF OTHER DEBT SECURITIES IN ISSUE	32
7.6	PARTICULARS OF LONG-TERM LOANS AND OTHER BORROWINGS OF THE COMPANY	32
7.7	DEBT SERVICING DETAILS OF THE COMPANY	33

7.8	CONTINGENT LIABILITIES OF THE COMPANY	34
7.9	LITIGATIONS AGAINST THE COMPANY	34
7.10	KEY FINANCIAL RATIOS	34
7.11	TAXATION	35
7.12	FINANCIAL STATEMENTS & FINANCIAL SUMMARY	35
8	BOARD OF DIRECTORS.....	36
8.1	DETAILS OF THE DIRECTORS	36
8.2	BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE	36
9	STATUTORY DECLARATIONS	38
9.1	STATUTORY DECLARATION BY THE DIRECTORS.....	38
9.2	STATUTORY DECLARATION BY THE MANAGERS AND PLACEMENT AGENTS TO THE ISSUE	39
10	FINANCIAL INFORMATION.....	40
10.1	ACCOUNTANTS' REPORT AND FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS.....	40
	ANNEXURE I - COPY OF THE RATING CERTIFICATE	56
	ANNEXURE II - COPY OF THE INDEPENDENT ASSURANCE STATEMENT	61
	ANNEXURE III – LETTER OF GUARANTEE	63
	ANNEXURE IV - COLLECTION POINTS	64
	ANNEXURE V - CUSTODIAN BANKS.....	68
	ANNEXURE VI – FATCA DECLARATION	69

1 CORPORATE INFORMATION

Name of the Company/Issuer	Alliance Finance Company PLC
Legal Status	The Company was incorporated as a public company on 18th July 1956 under the provisions of the Companies Ordinance No.51 of 1938 and re-registered under the Companies Act No.07 of 2007.
Regulatory License	The Company operates under the authority of the license issued by Monetary Board of Central Bank of Sri Lanka. The license issued is a continuous license and does not have an expiry date.
Company Number	PQ 93
Place of Incorporation	Colombo, Sri Lanka
Registered Address	Alliance Finance Company PLC Alliance House, No 84 Ward Place, Colombo 07 Tel: +94 11 2 673 673 / Fax: +94 11 2 697 205,
Company Secretary	Mrs. Priyanga P. Pieris Alliance Finance Company PLC Alliance House, No. 84, Ward Place, Colombo 07 Tel: +94 112 673 673
Rating Agency	Lanka Rating Agency Limited 145 Kynsey Road, Colombo 08 Tel: +94 114 500 099
Auditors	M/s Deloitte Associates Chartered Accountants, No.11, Castle Lane, Colombo 04. Tel: +94 112 580 409
Board of Directors	Mrs. G.S.T. Dharmakirti Herath-Chairperson Mr. R. K.E.P. de Silva- Deputy Chairman / Managing Director Mr. W.P.K. Jayawardana- Deputy Managing Director- Executive Mr. M.J. Benedict- Executive Director Recoveries Mrs. P. de Silva- Independent Non-Executive Director Mr. L.G.H. de Silva- Non-Independent Non-Executive Director Mr. D.L.I. Hettiarachchi- Independent Non-Executive Director Mr. D.F.W. Perera- Non-Independent Non-Executive Director Mr. S.L.N. Wickremasooriya- Non-Independent Non-Executive Director

2 RELEVANT PARTIES TO THE ISSUE

Managers and Placement Agents to the Issue	<p>NDB Investment Bank Limited Level 1, NDB Capital Building No. 135, Bauddhaloka Mawatha Colombo 04</p> <p>Tel: + 94 11 2 300 385-90 Fax: +94 11 2 300 393</p>
Guarantor	<p>Seylan Bank PLC Seylan Towers No 90, Galle Road Colombo 03</p> <p>Tel: +94-11-2 456 789 Fax +94-11-2 421 597</p>
Lawyers to the Issue	<p>Nithya Partners No. 97A, Galle Road Colombo 03</p> <p>Tel: +94 11 4 712 625 Fax: +94 11 2 328 817</p>
Registrars to the Issue	<p>S S P Corporate Services (Private) Limited 101, Inner Flower Road, Colombo 03, Sri Lanka.</p> <p>Tel: +94 11 2 573 894 Fax: +94 11 2 573 609</p>
Trustee to the Issue	<p>Hatton National Bank PLC HNB Towers, 479, T. B. Jayah Mawatha, Colombo 10</p> <p>Tel: +94 77 7 712 406</p>
Company Secretary	<p>Mrs. Priyanga P. Pieris Alliance Finance Company PLC Alliance House, No. 84, Ward Place, Colombo 07</p> <p>Tel: +94 112 673 673</p>
Rating Agency to the Issue	<p>Lanka Rating Agency Limited 145 Kynsey Road, Colombo 08</p> <p>Tel: +94 114 500 099</p>

Bankers to the Issue	<p>National Development Bank PLC No. 40, Navam Mawatha, Colombo 02</p> <p>Tel: +94 11 2 448 448 Fax: +94 11 2 341 044, +94 11 2 440 262</p>
Auditors and Reporting Accountants	<p>M/s Deloitte Associates Chartered Accountants, No.11, Castle Lane, Colombo 04.</p> <p>Tel: +94 112 580 409</p>
Independent External Verifier to the Issue	<p>Assurance Team M/s Deloitte Associates Chartered Accountants, No.11, Castle Lane, Colombo 04.</p> <p>Tel: +94 112 580 409</p>

3 LIST OF ABBREVIATIONS

AER	Annual Effective Rate
CBSL	Central Bank of Sri Lanka
CBI Standards	Climate Bonds Initiative Standards
CDS	Central Depository Systems (Private) Limited
CEB	Ceylon Electricity Board
CSE	Colombo Stock Exchange
EUGBS	European Green Bond Standard
GBF	Green Bond Framework
GBP	Green Bond Principles
ICMA	International Capital Markets Association
IIA	Inward Investment Account
Issuer/Company	Alliance Finance Company PLC
LECO	Lanka Electricity Company
NIC	National Identity Card
POA	Power of Attorney
RTGS	Real Time Gross Settlement
SEC	Securities and Exchange Commission of Sri Lanka
SLIPS	Sri Lanka Inter Bank Payment System
SLSEA	Sri Lanka Sustainable Energy Authority
UNSDG	United Nations Sustainable Development Goal

4 GLOSSARY OF TERMS RELATED TO THE ISSUE

Applicant	Any person identified as an investor who submits an Application Form under this Prospectus.
Application Form/Application	The Application Form that constitutes part of this Prospectus through which an Applicant may apply for the Green Bonds in Issue.
Company/ Issuer	Alliance Finance Company PLC
Closure Date	<p>Subject to the provisions contained below, the subscription list for the Green Bonds will open at 9.30 a.m. on 17th February 2025 and will remain open for fourteen (14) Market Days including the Issue Opening Date until closure at 4.30 p.m. on 7th March 2025.</p> <p>However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the maximum of Ten Million (10,000,000) Green Bonds being fully subscribed</p> <p>In the event the Board of Directors of the Company decides to close the Green Bond Issue without the full subscription of the initial Ten Million (10,000,000) Green Bonds, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 pm. (refer Section 5.2 of this Prospectus).</p>
Date of Allotment	The date on which the Green Bonds will be allotted by the Company to Applicants subscribing thereto.
Date of Redemption	The date on which Redemption of the Green Bonds will take place as referred to in Section 5.6 of this Prospectus.
Green Bonds	Listed, Rated, Guaranteed, Senior, Redeemable Green Bond Issue
Green Bond Holder(s)	Any person who is for the time being the holder of the Green Bonds and includes his/her respective successors in title.
Entitlement Date	The Market Day immediately preceding the respective Interest Payment Date or Date of Redemption on which a Green Bond Holder would need to be recorded as being a Green Bond Holder on the list of Green Bond Holders provided by the CDS to the Bank /in whose name the Green Bonds are registered in the Green Bond Holders' register of the Bank (where applicable), in order to qualify for the payment of any interest or any Redemption proceeds.
Guaranteed Green Bonds	Pursuant to the Letter of Guarantee, an amount of maximum of Rupees One Billion (LKR 1,000,000,000) on the maximum of Ten Million (10,000,000) Listed, Rated, Guaranteed, Senior, Redeemable Green Bonds to be issued by the Company at an Issue Price of LKR 100/- each on account of the principal and up to two interest payments amounting to Rupees One Billion One Hundred Seven Million Five Hundred Thousand (LKR 1,107,500,000/-) have been guaranteed by Seylan Bank PLC.

Interest Payment Date(s)	The dates on which payments of interest in respect of the Green Bonds shall fall due, which shall be six (06) months from the Date of Allotment and every six (06) months therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.
Interest Period	The six (06) month period from an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).
Issue	The offer of Green Bonds to Investors pursuant to this Prospectus
Issue Price	Rupees One Hundred (LKR 100/-) per each Green Bond
Letter of Guarantee	Letter of Guarantee issued by Seylan Bank PLC on 29 th January 2025 (Annexure III). The Guarantee Letter is valid until the Redemption of the Green Bonds
Market Day	Any day on which trading takes place at the CSE.
Working Day	A day (other than a Saturday or Sunday or any statutory holiday) on which licensed commercial banks are open for business in Sri Lanka.
Non-Resident(s)	Foreign institutional investors including country funds, regional funds or mutual funds, corporate bodies incorporated outside Sri Lanka, citizens of foreign states whether resident in Sri Lanka or outside Sri Lanka and Sri Lankans resident outside Sri Lanka
Borrower(s)	The entity/person who the Green Bond Proceeds will be lent to
Par Value	LKR 100/- per each Green Bond
Principal Sum	The product of the number of Green Bonds allotted and the Par Value
Prospectus	This prospectus dated 6 th February 2025 issued by Alliance Finance Company PLC
Redemption	Repayment of the Principal Sum and unpaid and accrued interest (if any) with regard to a Green Bond to a Green Bond Holder by the Company
Registered Address	When used in relation to a Green Bond Holder means the address provided by the Green Bond Holders to the CDS
Trustee	Hatton National Bank PLC
Trust Deed	Trust Deed executed between the Company and Hatton National Bank PLC on 29 th January 2025.

5 PRINCIPAL FEATURES OF THE GREEN BONDS

5.1 INVITATION TO SUBSCRIBE

The Board of Directors of Alliance Finance Company PLC (hereinafter referred to as the “Board”) at the Board Meetings held on 19th September 2024, 07th November 2024 and 25th November 2024 resolved to raise a sum of Rupees One Billion (LKR 1,000,000,000/-) by an issue of up to Ten Million (10,000,000) Green Bonds, each with a Par Value of LKR 100/-

As such a maximum amount of Rupees One Billion (LKR 1,000,000,000) would be raised by the issue of a maximum of Ten Million (10,000,000) Bonds each with the Par Value of LKR 100/-.

The issue comprises a maximum of Ten Million (10,000,000) Listed, Rated, Guaranteed, Senior, Redeemable Green Bonds guaranteed by Seylan Bank PLC.

The rights of the Green Bond Holders with respect to payment of the Principal Sum and accrued interest due thereon upon a winding-up of the Company will rank after all the claims of secured creditors and preferential claims under any Statutes governing the Company but equal and pari passu with all other unsecured creditors of the Company, but in priority to and over the rights of any subordinated debt holders, preference and ordinary shareholders. However, provided further that the Green Bond Holders of the Guaranteed Green Bonds (unlike the other claimants referred to above) would be entitled to the benefit of the Guarantee which has been issued by the Guarantor.

The below mentioned Bonds will be offered to the public:

Tenure	Interest Rate Basis	Issue Price per Bond (LKR)	Description
3 Years	Fixed	100	10.75% p.a. payable semi-annually (AER 11.03%)

It is the intention of the Company to list the Green Bonds on the Colombo Stock Exchange. The CSE has given its in principle approval for the listing of the Bonds on the CSE. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the Listing Rules.

Listed, Rated, Guaranteed, Senior, Redeemable, Green Bonds issued under the Prospectus are not subject to an early redemption or have a “convertible option”. However, Green Bonds shall become immediately payable at the option of the Trustee on the occurrence of an event of default as specified in Clause 10 of the Trust Deed and individual Green Bond Holders could call for redemption of Green Bonds in the circumstances as set forth in Rule 7.12.3 (A) (II) (d) of CSE Listing Rules as provided under Clause 4.4 as the dissenting option in the Trust Deed. Clause 4 of the Trust Deed specifies instances where immediate payment can happen to the Green Bond Holders. This Green Bond is not collateralized by any asset of the Company. However, the Green Bonds are Guaranteed by Seylan Bank PLC, as more fully described under Section 5.2 of this Prospectus.

Subject to enforcement actions as per the CSE Listing Rules 7.12.3 (A) (II) (a), (b) and (c) if the Company fails to comply with the continuous listing requirements applicable for a sustainable bond,

- The Company shall pay the maturity proceeds relating to the Green Bonds held by such dissenting Green Bond Holders within seven (07) Market Days from the meeting of Green Bond Holders.

- CSE shall cease to recognize such Debt Securities of the Company as Sustainable Bonds (Green Bonds). Such non-recognition may lead the Company to effect changes to the existing features of the proposed Green Bonds (e.g. features, rights, interest rates, AER etc. along with any other benefits attached to the proposed Green Bond).
- The Company shall make an Immediate Market Announcement setting out the outcome of the meeting of the Green Bond Holders convened by the Company by Market Day immediately following the date of the meeting of the Green Bond Holders. Such announcement shall include any decisions/modifications made pertaining to the Green Bonds and/or its terms of issue (as applicable), and information relating to the dissenting Green Bond Holders (if any).

5.2 SUBSCRIPTION LIST

Subject to the provisions contained below, the subscription list for the Green Bonds will open at 9.30 a.m. on 17th February 2025 and will remain open for fourteen (14) Market Days including the Issue Opening Date until closure at 4.30 p.m. on 7th March 2025.

However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the maximum of Ten Million (10,000,000) Green Bonds being fully subscribed

In the event the Board of Directors of the Company decides to close the Green Bond Issue without the full subscription of the initial Ten Million (10,000,000) Green Bonds, such decision is to be notified to the CSE on the day such decision is made and subscription list will be closed on the following Market Day at 4.30 p.m.

The Green Bonds are pursuant to the Letter of Guarantee issued by Seylan Bank PLC to the Trustee, a maximum amount of Rupees One Billion (LKR 1,000,000,000) on the Ten Million (10,000,000) Listed, Rated, Guaranteed, Senior, Redeemable Green Bonds to be issued by the Company at an Issue Price of LKR 100/- each on account of the principal and corresponding two interest payments amounting to Rupees One Billion One Hundred Seven Million Five Hundred Thousand (LKR 1,107,500,000/-) have been guaranteed.

Accordingly, an amount not exceeding Sri Lanka Rupees One Billion (LKR 1,000,000,000/-) on account of the principal and corresponding two interest payments amounting to Sri Lankan Rupees One Billion One Hundred Seven Million Five Hundred Thousand (LKR 1,107,500,000/-) may be claimed by the Trustee for and on behalf of the Green Bond Holders from Seylan Bank PLC in the event the Company fails or neglects to redeem the said Green Bonds or pay the interest on the said Green Bonds in terms of Clause 4.1 (a) of the said Trust Deed or in the Event of Default as specified in Clause 10 of the said Trust Deed.

In the event the Trustee recovering or receiving any monies from the Guarantor or consequent to any action or proceedings taken by the Trustee against the Guarantor the Trustee shall apply such monies in the first place in or towards settling or providing for the payment of any interest which is payable by the Company to the Green Bond Holders and thereafter for the payment of principal sum which is payable by the Company to the Green Bond Holders in proportion to their investment respectively as specified in the Clause 12.2 of the Trust Deed.

5.3 OBJECTIVES OF THE GREEN BOND ISSUE AND SPECIFIC RISK RELATING TO THE OBJECTIVES OF THE ISSUE

The Company proposes to utilise the entirety of the funds raised through this Issue for the purpose of achieving the following objectives;

- 1) Financing rooftop solar energy installations to reduce greenhouse gas emissions and increase renewable energy in Sri Lanka's National grid. For this objective, the Company will allocate approximately 80% of the funds raised via the Green Bond Issue.
- 2) Financing solar equipment vendors and suppliers to strengthen the supply chain for renewable energy projects, ensuring efficient implementation and growth of solar initiatives. For this objective, the Company will allocate approximately 20% of the funds raised via the Green Bond Issue.

Target customers include individual borrowers adopting rooftop solar systems, and corporate/industrial borrowers transitioning to solar energy and solar equipment vendors. These funds will enable the efficient deployment of solar panels, inverters, and related infrastructure.

The financing of rooftop solar installations and solar equipment vendors aims to provide immediate benefits, such as reducing fossil fuel electricity usage and lowering consumer costs. In the long term, it will yield environmental benefits by cutting carbon emissions and boosting renewable energy's share in Sri Lanka's National grid. This initiative supports Sri Lanka's Nationally Determined Contributions under the Paris Agreement, targeting an additional 3,867 MW of renewable energy capacity, with 950 MW unconditional and 2,917MW conditional

(Source: <https://unfccc.int/sites/default/files/NDC/202206/Amendmend%20to%20the%20Updated%20Nationally%20Determined%20Contributions%20of%20Sri%20Lanka.pdf>, accessed on October 2024).

The projects will primarily use solar photovoltaic (PV) systems, known for their efficiency and sustainability.

Furthermore, the Company will not refinance existing projects, ensuring that all financing goes toward new renewable energy generation.

Any lending to/with related parties will be carried out in compliance with all applicable statutes, direction and regulations. The Company, as at the date of this Prospectus has not recognized related parties for the lending of the proceeds of the Issue. As such, the Company will disburse the proceeds of the Issue/s in the ordinary course of business. However, in the event, funds are lent to related parties in future, such lending will be done in accordance with Section 9 of the CSE Listing Rules. Please refer to Section 8.2 for the composition of the Related Party Transactions Review Committee as at the date of Prospectus.

The objectives of the Green Bond Issue do not fall within the definition of a major transaction in terms of Section 185 of the Companies Act no 7 of 2007.

The Company is required to obtain approval from the CBSL prior to issuing a debt instrument with maturities over one year. The Company has obtained such approval. Furthermore, the Company is required to obtain an Independent Assurance Statement of the Green Bond framework from the Independent External Verifier, confirming its alignment with the ICMA Green Bond Principles prior to the Green Bond issuance. The Company has obtained the same.

Company's Green Bond Framework (the Framework) which states the identified green projects, adheres to the Green Bond Principles (GBP) 2021 (with June 2022 Appendix) set by the International Capital Markets Association (ICMA), ensuring transparency and best practices in sustainable finance.

Principles Issued by the ICMA with Regard to Green Bonds

ICMA GBP are voluntary guidelines designed to enhance transparency and integrity in the green bond market. They provide issuers with a framework for launching credible green bonds, assist investors in assessing the environmental impact of their investments, and offer underwriters essential steps to ensure market integrity. It consists of four key components:

1. Use of Proceeds:

Green bond's core purpose is to use its proceeds for eligible green projects that deliver identifiable environmental benefits, which should be assessed and, when possible, quantified by issuers. Eligible projects fall into broad categories such as climate change mitigation and adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control

2. Process for Project Evaluation and Selection:

The issuer of a Green Bond should clearly inform investors about:

- The environmental sustainability objectives of the eligible green projects.
- The process for determining how projects align with the eligible green project categories.
- Additional information on how the issuer identifies and manages potential social and environmental risks related to the projects.

3. Management of Proceeds:

The GBP promote transparency and recommend that issuers enhance their management of proceeds by using an external auditor or third party to verify the internal tracking methods and the allocation of funds from green bond proceeds.

4. Reporting:

The GBP recommend using both qualitative performance indicators and, where possible, quantitative measures, along with disclosing the methodologies and assumptions used for these calculations. Issuers should adopt relevant guidance and impact reporting templates when possible.

The objectives of the Company's Green Bond will be fully dedicated to financing rooftop solar energy installations and financing solar equipment vendors and suppliers. This allocation aligns with the GBP established by the ICMA, as it directly contributes to climate change mitigation by promoting renewable energy. The process, management, and reporting outlined below are in accordance with the GBP, ensuring transparency and accountability in the allocation of funds towards these eligible Green Projects.

Factors Considered or to be Considered in Determining the Eligible Sustainable Projects.

1. The project should fall under at least one of the eligible green project categories given below;
 - i. Rooftop solar energy generation facilities
 - ii. Solar equipment vendors and suppliers in the value chain.

2. Use of proceeds and criteria for the Borrowers
 - i. Project scope: Financing for the development and implementation of rooftop solar electricity generation facilities.
 - ii. Energy source: At least 85% of the electricity generated must be derived from solar energy.
 - iii. Use of proceeds of Borrowers: Funds will be allocated for the purchase, installation, and integration of solar panels, as well as dedicated transmission and supporting infrastructure.
 - iv. Supply chain support: The program also includes financing solar equipment vendors to ensure the availability and supply of high-quality components essential for these solar energy projects.
3. Contribution to the United Nations Sustainable Development Goals (UNSDGs)
 - i. SDG 7: Affordable and Clean Energy
 - ii. SDG 12: Responsible Consumption and Production
 - iii. SDG 13: Climate Action

Evaluation and Selection of Green Bond Projects

1. Initial Inspection and Proposal Review:

- Branch-level officers conduct onsite inspections and recommend projects for consideration.
- The Solar Project Team assesses financing proposals, ensuring they meet the criteria outlined in the Framework.

2. Project Evaluation and Selection Task Force:

- A cross-functional task force, including ESG experts and the climate finance unit, oversees project evaluations. They conduct feasibility studies, technical analyses, and qualitative and quantitative assessments comparing the proposed solutions with conventional energy sources.
Company will ensure compliance with all regulatory requirements are accepted exclusively from installers approved by the Sri Lanka Sustainable Energy Authority (SLSEA). Additionally, clearance from the Ceylon Electricity Board (CEB) or Lanka Electricity Company (LECO) is mandatory for solar loan applications. All solar modules, inverters, and accessories must meet SLSEA standards and adhere to standard warranty requirements. Using advanced software, the solar generation potential of the project is meticulously estimated and actual generation data will be collected on an annual basis. All the above requirements are mandatory prerequisites for the project approval by the Company and disbursements are only done after the installation is completed.
- Eligible projects must meet Company's sustainability criteria, align with carbon reduction goals, and be viable in terms of energy efficiency and emissions reduction.

3. Approval by the Credit Committee:

- Projects recommended by the task force undergo a final review by the Credit Committee, which is chaired by the Head of Credit. The committee sets lending terms and assigns project ratings based on predefined financial and sustainability guidelines.

Management and Reporting on the Proceeds and Utilization of Proceeds

The Company will establish a robust governance framework to manage the proceeds from its Green Bonds. Funds will be deposited in a dedicated account, separate from other financial resources, and subject to regular monitoring. The Company's Finance Department will assign a dedicated internal team to oversee the supervision, tracking, and reporting of these proceeds, ensuring transparency and accountability throughout the process.

The proceeds will be managed on a portfolio basis, with clear records maintained for all allocations. Any unallocated funds will be temporarily invested in cash equivalents, treasury bills, treasury bonds, or fixed deposits (excluding investments linked to greenhouse gas-intensive activities) at the prevailing rates at the time of investments. The Company aims to deploy the proceeds promptly after raising the funds, with full utilization anticipated within two years.

To ensure compliance with the Green Bond Framework, an annual external verification will be conducted until the proceeds are fully utilized.

The Company is dedicated to transparency in its Green Bond Framework by disclosing the allocation of proceeds and the environmental impact of funded rooftop solar projects, including details on vendors and suppliers. This information will be included in the Company's annual report and interim report, covering project progress, energy savings, and greenhouse gas emission reductions.

Monitoring and Reporting

- Continuous monitoring: The Company will regularly assess project eligibility and compliance with the Framework, ensuring proceeds are used appropriately.
- Annual reporting in line with CSE Listing Rule 3.3.15.e.(vi) D: The annual report will feature a separate section detailing project performance, carbon emission reductions, and contributions to the UNSDGs, providing comprehensive insights.

Measuring Impact

The Company will measure the expected environmental impact of the financed rooftop solar projects and equipment vendors and suppliers based on ex-ante estimates.

- Energy generation (kWh): The energy generated by rooftop solar installations will be measured annually through meter readings to track productivity.
- CO₂ offset and coal savings: The reduction in carbon emissions and equivalent coal savings from using solar energy will be calculated.
- Support for suppliers and vendors: The Company will monitor the impact of working capital facilities on solar suppliers and vendors, including:
 - Proportional facilitation: Evaluating how financing helps scale solar solutions and makes them more accessible.
 - Supply chain impact: Assessing financing's role in maintaining a steady supply chain and accelerating rooftop solar adoption, with systems having a lifespan of 25 years.

Allocation Report

The Company will disclose details of solar project financing through its green financing instruments in the annual report, providing a breakdown of funds allocated, unallocated funds, and the environmental impact achieved on a portfolio basis. The report will cover key metrics such as installed solar capacity, renewable energy generated, and greenhouse gas reduction. The Company is committed to transparency, ensuring the report is accessible to stakeholders and updated annually, especially if material changes occur.

The Finance Department of the Company, supported by the Treasury and Climate Finance Unit, will produce an internal report listing financed solar projects, including project descriptions, allocated amounts, and unallocated funds.

Impact Report

The Company will use quantitative performance measures and disclose the key methodology and assumptions used. Where applicable, the Company will refer to the ICMA Harmonized Framework for Impact Reporting. The environmental impact of each funded solar project will be assessed annually, including:

1. Solar power capacity or additional capacity (kW/MW)
2. Annual electricity generation (kWh/MWh)
3. Annual reduction or avoidance of Greenhouse Gas (GHG) emissions (in tons of CO₂ equivalent).

Pre/Post Issuance Assurance

The Company will engage with an Independent External Verifier to review its Green Bond Framework (GBF) compliance, specifically for financing green solar projects, including solar suppliers and vendors. The Independent External Verifier has issued an Independent Assurance Statement confirming its alignment with the ICMA GBP.

Before issuing any Green Financing Instruments, the firm will verify adherence to GBF criteria. Additionally, quarterly and annual reviews (Post Issuance Assurance) will be conducted to ensure ongoing compliance with fund allocation and project performance. The external review process will be publicly disclosed on the Company website and in annual reports, ensuring transparency and reinforcing the credibility of Company's green financing efforts.

Specific Risks Relating to Objectives of the Green Bond Issue

The risk of undersubscription of the Green Bond Issue will be greatly mitigated through appointing experienced Managers to the Issue, pre-marketing and building a pipeline of potential investors.

The Company may not anticipate specific risks associated with financing solar energy installations and vendors who have failed to secure all necessary approvals as necessary prerequisites are in place as mentioned in the Evaluation and Selection of Green Bond Projects Section of this Prospectus.

The risk of the Company being unable to utilize the proceeds to achieve the objectives i.e. to fund green projects (rooftop solar energy generation facilities and solar equipment vendors and suppliers in the value chain) is minimal, as the Company already has demand from their existing clientele as well as new inquiries for financing such initiatives. Furthermore, there is no specific risk factor that may lead to non-achievement of the objectives within the specified timeline via the proceeds of the Issue up to a maximum of Rupees One Billion (LKR 1,000,000,000/-).

However, in the highly unlikely event of the Company failing to lend these funds due to an unforeseen reason, these 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. It is expected that the Green Bond proceeds will be fully allocated within a period of 24 months from the date of allotment of Green Bonds

The utilization of the proceeds of the Green Bond Issue will be disclosed in the Annual Report and the Interim Financial Statements of the Company in the following format from the Issue Opening Date and until the objectives of the Green Bond Issue are achieved.

Green Bond Issue proceeds utilization as at (dd-mm-yyyy)

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 (e.g.: whether lent to related parties, etc.)
1	Financing rooftop solar energy installations	Maximum issue of LKR 1.0 Bn (Approximately 80% for the first Objective and 20% for the second Objective)	Over a period of 24 months from the Date of Allotment					
2	Financing solar equipment vendors and suppliers		Over a period of 24 months from the Date of Allotment	To be disclosed in the Annual Report and the Interim Financial Statements				

In the event the funds raised through the Green Bond Issue are fully utilized by the Company in terms of the objectives disclosed in the Prospectus between two financial periods, the Company to disclose such fact in the immediate succeeding Annual Report or the Interim Financial Statement, whichever is published first as per the above template.

The Company will make immediate disclosures in the instances which are specified under item 32 of Appendix 8A of Section 8 of the CSE listing Rules. The Company will comply with the requirements stipulated under continuous listing rules of the CSE specifically applicable to Green Bonds.

The Company will submit a report on the utilization of proceeds of the Green bond to the CSE as per the tracking done by the Company using the internal process duly signed by two directors of the Company for dissemination to the market on a quarterly basis along with the quarterly financial statements of the Company and within twelve (12) months from the date of issuance of the Green Bond and thereafter on an annual basis along with the Annual Report of the Company until the proceeds allocated to the Green Project/s are fully utilized.

5.4 PAYMENT OF INTEREST

The Green Bonds will carry a fixed rate of interest as described below, payable on the respective Interest Payment Dates:

Type of Interest	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency
Fixed Rate	3 years	10.75% p.a.	11.03%	Semi-annually

The interest rate has been determined giving consideration to the instrument rating, market conditions and features of the instrument.

Interest on the Green Bonds accruing on a daily basis will be paid semi-annually as applicable from the Date of Allotment until the Date of Redemption on the outstanding Principal Sum.

The interest due on the Green Bonds for a particular Interest Period will be calculated based on the actual number of days in such Interest Period (actual/actual) and will be paid not later than three [03] Working Days from each Interest Payment Date.

In order to accommodate the Green Bond interest cycles in the CDS System of the CSE, the payment of interest on a particular Interest Payment Date will include Green Bond Holders holding Green Bonds in the CDS as of the Entitlement Date.

Please refer Section 5.5 for details on taxes applicable for Green Bonds.

5.5 APPLICATION OF TAX ON INTEREST PAYMENTS

Interest on the Green Bonds will be paid after deducting any taxes and charges thereon (if any) as per the applicable laws prevalent at the time of interest payment to the Green Bonds Holders.

5.6 REDEMPTION OF GREEN BONDS

Redemption of the Green Bonds will take place on Three (03) years from the Date of Allotment in accordance with the provisions of the Trust Deed. The Principal Sum and unpaid and accrued interest (if any) payable on the Redemption of Green Bonds will be paid not later than three (03) Working Days from the Date of Redemption.

If the Date of Redemption falls on a day which is not a Market Day, then the Date of Redemption shall be the immediately succeeding Market Day and interest shall be paid for each calendar day up to the date immediately preceding such Market Day. It should be noted that no interest on interest would be payable for the aforesaid interim period.

These Green Bonds shall not be redeemed by the Company prior to maturity for any reason whatsoever except due to the occurrence of an Event of Default contemplated in Clause 10 and Enforcement Action in Clause 11 of the Trust Deed.

5.7 PAYMENT METHOD

Payment of principal and interest will be made after deducting taxes at source, (if applicable) in Sri Lanka Rupees to the registered Green Bond Holders only as of the Entitlement Date. In the case of joint Green Bond Holders, the payment of Principal Sum and interest will be made to the one whose name stands first in the register of Green Bond Holders on the date of payment.

In the event accurate bank account details are provided to the CDS by the Green Bond Holders, the payment of Principal Sum and interest shall be made to Green Bond Holders through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as RTGS (arranged only at the expense of the investor) or SLIPS. RTGS transfers however shall be accommodated only for amounts over and above the maximum value of Rupees Five Million (LKR 5,000,000/-) that can be accommodated via SLIPS transfers.

If the Green Bond Holder has not provided to the CDS accurate and correct details of his/her/its/their bank account for the payment of Principal Sum and interest, such payment to the Green Bond Holder will be posted to the address registered with the CDS through registered post to the Green Bond Holder, by crossed cheques marked "Account Payee Only". Interest payable will be made only by cheques within three (03) Market Days from the end of each period.

It is the responsibility of the Non-Resident and Foreign Investors to ensure that their IIA through which they invest for Green Bond is recorded correctly against the records in CDS to dispatch their Green Bond interest payments.

5.8 TRUSTEE TO THE ISSUE

Company has entered into an agreement with Hatton National Bank PLC who will act as Trustee to the Issue. Green Bond Holders in their Application Forms for subscription will be required to authorize the Trustee, to act as the agent in entering into such deeds, writings and instruments with the Company and to act as the Agent and Trustee for the Green Bond Holders.

The rights and obligations of the Trustee are set out in the Trust Deed and the Green Bonds will be subject to the terms and conditions incorporated in the said Trust Deed.

The fee payable to the Trustee will be Sri Lanka Rupees Forty Thousand [LKR 40,000/-] per month excluding government taxes and levies. Trustee/its directors have no conflict of interest with the Company.

In the event the Trustee subscribes to the Green Bond Issue, the Company will make an immediate announcement to the market giving out information on the number of Green Bonds acquired by the Trustee.

5.9 INDEPENDENT EXTERNAL VERIFIER

The Company has appointed Deloitte Associates Sri Lanka as the Independent External Verifier for the issuance. The Independent External Verifier has agreed to provide an Independent Assurance Statement (Annexure II) for Alliance Finance Company PLC's Green Bond Framework, in accordance with the Green Bond Principles – Voluntary Process Guidelines for Issuing Green Bonds (June 2021) (with June 2022 Appendix) issued by the International Capital Market Association (ICMA). The Independent External Verifier has no conflict of interest with the Company and remains fully independent until the Green Bonds reach maturity.

Key Personnel involved in the Independent External Verifier Report:

- Chathumin Gunarathne (Partner)
- Madura Gunasekara (Partner)
- Ruvini Subasinghe (Senior Manager)
- Vishwa Weerasekara (Deputy Manager)

Past Experience of the Independent External Verifier:

Deloitte Associates Sri Lanka is a member of Deloitte Touche Tohmatsu Limited. Deloitte member firms bring extensive experiences in delivering green bond verification services. Some of the engagements carried out by the Deloitte member firms are as follows.

- Limited assurance services on the green bond report of National Environment Agency -2022
- Limited assurance services on the green bond report of Fraser Logistic and Commercial Trust-2021
- Limited assurance services on the green bond report of Fraser Centrepont Trust-2021

- Limited assurance services on the green bond report of Frasers Property Australia Pty Limited (“FPA”) and Frasers Property Industrial Australia Pty Limited (“FPIA”)-2021
- Limited assurance services on the green bond report of Fraser Property Treasury Pte Ltd-2022
- Limited assurance services on the green bond report of KB Financial Group-2020
- Limited assurance services on the green bond report of Hyundai Capital-2020
- Limited assurance services on the green bond report of KB Kookmin Card-2020
- Limited assurance services on the green bond report of SpareBank 1 Boligkreditt-2019
- Limited assurance services on the green bond report of Swedbank-2019

Key members who have involved in the external verification for Alliance Finance Company PLC are having experiences in delivering external audit and sustainability assurance services for listed and multinational companies including non-banking financial institutions.

The pre-issuance assurance engagement covered key aspects of the Green Bond Framework, ensuring alignment with the ICMA Green Bond Principles (GBP) 2021 (with June 2022 Appendix) and its Pre-Issuance Requirements.

The scope of pre-issuance assurance engagement included information on material aspects of the Green Bond Framework which formed the basis for the proposed green bond based on the Pre-Issuance Requirements set out in the ICMA Green Bond Principles (GBP) 2021 (with June 2022 Appendix) as listed below:

- Use of Proceeds
- Process for Project Evaluation & Selection
- Management of Proceeds
- Reporting

5.10 GUARANTOR

Seylan Bank PLC (“Bank”), a commercial bank based in Sri Lanka, was incorporated on 28th August 1987 and commenced business on 24th March 1988. The Bank provides a wide range of products and services to corporate, SME, and retail customers. Its core activities include commercial banking and related financial services such as deposit acceptance, personal banking, trade finance, offshore banking, foreign currency operations, corporate and retail credit, margin trading, pawn broking, project and lease financing, credit cards, money remittance, factoring, and dealing in government securities and treasury products.

The Banks’ network comprises of 171 banking centres, 215 ATMs, 70 CDMs, 100 CDKs and 3 CRMs and has overseas banking partnerships in many countries in the Middle East, Asia, Australia, Europe and North America.

Seylan Bank PLC rated A+ (lka) with a Stable Outlook by Fitch Ratings Lanka Limited, January 2025.

All latest financial information of Seylan Bank PLC is available on the website of the CSE, www.cse.lk.

5.11 RATING OF THE GREEN BOND

Lanka Rating Agency Limited has assigned a credit rating of A-(Stable) to Listed, Rated, Guaranteed, Senior, Redeemable Green Bonds of up to Rupees One Billion (LKR 1,000,000,000/-). A copy of the rating certificate is given in Annexure I of this Prospectus.

The Company’s entity rating as issued by Lanka Rating Agency Limited is BBB- as per the rating action commentary dated 2nd April 2024.

The Company will undertake to keep the Trustee and the CSE informed and take steps to make an immediate market announcement on any change to the credit rating of Green Bonds.

5.12 RIGHTS AND OBLIGATIONS OF THE GREEN BOND HOLDERS

a) Green Bond Holders are entitled to the following rights:

- Receive the interest on the Interest Payment Dates at the interest rate set out in Section 5.4 of this Prospectus and the Principal Sum on the Date of Redemption as set out in Section 5.6 of this Prospectus.
- Ranking equal and *pari passu* with unsecured creditors in the event of liquidation of the Company and above the subordinated debt holders, preference shareholders and ordinary shareholders. However, provided further that the Green Bond Holders of the Guaranteed Green Bonds would be entitled to the benefit of the Guarantee which has been issued by the Guarantor.
- Call and attend meetings of Green Bond Holders as set out in the Trust Deed.
- Receive a copy of the Annual Report within five (05) months from the financial year end at the same time and in the same manner as an ordinary voting shareholder would receive the same.
- The other rights of the holders of these Green Bond as set out in the Trust Deed.
- In the event of any Green Bond Holders dissenting to the resolution/s passed at the meeting of the Green Bond Holders referred to in Listing Rule 7.12.3 (A) (II) (c) (iii), the Bank shall pay the maturity proceeds relating to the Green Bonds held by such dissenting Green Bond Holders within seven (07) Market Days from the meeting of the Sustainable Bond Holders.

b) Green Bond Holders do not have the following rights:

- Attend and vote at meetings of holders of shares.
- Share the profits of the Company.
- Participate in any surplus in the event of liquidation.
- Calling for Redemption before maturity, subject to the provisions stated in the Trust Deed.

c) Each Green Bond Holder must ensure that the information in respect of the securities account maintained with the CDS is up to date and accurate. Each Green Bond Holder shall absolve the Company from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS. Provided further that the Green Bond Holder shall absolve the CSE and the CDS from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS where such errors or inaccuracies or absence of changes are attributable to any act or omission of the Green Bond Holders.

5.13 BENEFITS OF INVESTING IN GREEN BONDS

- a) Provides an opportunity to diversify the investment portfolio of the Investor.
- b) Provides the Investor with a regular cash inflow of interest payments.
- c) Being listed on the CSE, the Green Bonds will have a secondary market thus providing the Investor with an opportunity to exit at the market price prevailing at the time of divestiture subject to market conditions.
- d) The Green Bonds may be used as collateral to obtain credit facilities from banks and financial institutions with the exception of the issuing Company.

- e) Green Bonds are specifically earmarked for projects that have positive environmental impacts, such as renewable energy, energy efficiency, and sustainable agriculture. Investing in them contributes to the fight against climate change and supports sustainable development.
- f) Investing in Green Bonds allows investors to align their investments with their values. It enables them to contribute to sustainable projects while potentially enhancing their reputation as socially responsible investors.

5.14 RISKS INVOLVED IN INVESTING IN GREEN BONDS

Subscribers to the Green Bonds could be exposed to the following risks.

(a) Interest Rate Risk

Provided all other factors are equal, the market price of the Green Bonds will generally fluctuate in the opposite direction to the fluctuation in market interest rates. Thus, the interest rate risk could be identified as the reduction in the market price of Green Bonds resulting from a rise in interest rates.

(b) Reinvestment Risk

Interest on the Green Bonds are payable semi-annually. An Investor may decide to reinvest these interest payments and earn interest from that point onwards. Depending on the prevailing interest rates at the point of reinvestment, the risk of returns generated by Green Bond Holders by reinvesting such interest received being higher or lower than the return offered by the Green Bonds is known as reinvestment risk.

(c) Duration Risk

Duration is a measure of the price sensitivity of fixed income investments to a change in interest rates based on the time to maturity of principal and coupon payments. The higher the duration, the greater the price volatility or duration risk, while a lower duration carries a lower risk.

(d) Credit Risk

Credit risk is also referred to as default risk. This is the risk that the issuer of a green bond may default, i.e. the issuer will not be able to pay interest and principal payments on a timely basis. This risk is gauged in terms of rating assigned by different rating agencies. However, this risk minimized due to the Green Bonds being guaranteed by Seylan Bank PLC for the amount of the principal payment and up to two interest payments. Lanka Rating Agency Limited has assigned a Rating of A-(Stable) to these Green Bonds and will be periodically reviewing the same.

(e) Liquidity Risk

Liquidity risk is associated with the ease in which an investment can be sold after the initial placement. In order to reduce the liquidity risk of the Green Bonds, the Company has applied for a listing of these Green Bonds on the CSE and has received in-principle approval for such listing whereby Green Bond Holders will be able to sell the Green Bonds through the CSE in order to convert the Green Bonds to cash and exit from the investment. Furthermore, it should be noted that the secondary debt market is not as developed as the secondary equity market in Sri Lanka.

(f) Sustainable Bond Risk

ICMA's GBP, the European Green Bond Standard (EUGBS), and the Climate Bonds Initiative Standards (CBI Standards) serve as key benchmarks for assessing the green credentials of bonds. When issuing a Green Bond on the CSE, issuers are required to obtain an Independent Assurance Statement from an external verifier to confirm that the Green Bonds meet at least one of these standards. However, there may be challenges in evaluating the actual environmental benefits claimed by green bond issuers. In the event, the external verifier cannot confirm that the funds have been utilized for intended objectives as per Rule 7.12.3 (A) (II) CSE Listing Rules, dissenting options will be provided to debt holders, allowing them to redeem their bonds early. As a result, the CSE will no longer recognize such Debt Securities as Sustainable Bonds. This non-recognition could lead the Company to modify the existing features of the proposed Green Bonds and any associated benefits.

(g) Generic Risks

(i) The ability to transfer the Green Bonds may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the Green Bonds

In Sri Lanka the secondary trading activity in the corporate debt market is limited. There can be no assurance that an active secondary trading market will develop. If the Green Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Company.

Even if an active secondary trading market does develop, it may not be liquid and may not continue. Therefore, Investors may not be able to sell their Green Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. If the secondary market for the Green Bonds is limited, there may be few buyers for the Green Bonds and this may significantly reduce the relevant market price of the Green Bonds.

(ii) Credit ratings may not reflect all risks associated with an investment in the Green Bonds

A credit rating reflects a relative ranking of credit risk and does not reflect the potential impact of all risks related to the structure, market, additional factors discussed herein, and other factors that may affect the value of the Green Bonds.

(iii) A Downgrade, suspension or withdrawal of the rating assigned by any rating agency to the Green Bonds could cause the liquidity or market value of the Green Bonds to decline

Rating initially assigned to the Green Bonds may be lowered or withdrawn entirely by the rating agency if, in the rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes to the Company's business, so warrant. If the rating agency lowers or withdraws its rating, such event could reduce the liquidity or market value of the Green Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

(iv) Changes in law, or changes in regulatory classification may affect the rights of holders as well as the market value of the Green Bonds

The regulatory regime in connection to these instruments is evolving. Changes in law may include change in statutory, tax and regulatory regimes during the life of the Green Bonds, which may have an adverse effect on the investment in the Green Bonds.

5.15 TRANSFER OF GREEN BONDS

The Green Bonds will be transferable and transmittable in the manner set out in the Trust Deed, which is reproduced below;

- (a) These Green Bonds shall be freely transferable amongst Investors and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements. Furthermore, Green Bonds are fully paid and issued only for cash.
- (b) The Green Bonds shall be transferable and transmittable through the CDS as long as the Green Bonds are listed in the CSE. Subject to the provisions contained in the Trust Deed and herein the Company may register without assuming any liability on any transfer of Green Bonds, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS.
- (c) In the case of death of a Green Bond Holder;
 - (i) The survivor where the deceased was a joint holder; and
 - (ii) The executors or administrators of the deceased or where the administration of the estate of the deceased is in law not compulsory the heirs of the deceased where such Green Bond Holder was the sole or only surviving holder;shall be the only persons recognized by the Company as having any title to his/her Green Bonds.
- (d) Any person becoming entitled to any Green Bonds in consequence of bankruptcy or winding up of any Green Bond Holder, upon producing proper evidence that he/she/it sustains the character in respect of which he/she/it proposes to act or his/her title as the Board of Directors of the Company thinks sufficient may in the discretion of the Board be substituted and accordingly registered as a Green Bond Holder in respect of such Green Bonds subject to the applicable laws, rules and regulations of the SEC, CSE and CDS and Articles of Association of the Company.
- (e) No change of ownership in contravention to these conditions will be recognized by the Company.

5.16 LISTING

An application has been made to the CSE for permission to obtain a listing for the Green Bonds and the CSE has granted its approval in-principle for the same. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the Listing Rules. It is the intention of the Company to list the Green Bonds on the CSE upon the allotment thereof. However, the Green Bonds will be listed, only if compliant with the CSE Listing Rules, at the time of listing.

The CSE however, assumes no responsibility for the correctness of the statements made or omitted statements or opinions expressed, or reports included in this Prospectus. If there is any inconsistency between the contents under the Prospectus and the CSE Listing Rules, the CSE Listing Rules will prevail. Admission to the official list is not to be taken as an indication of the merits of the Company or of its Green Bonds.

5.17 COST OF THE ISSUE

The Board of Directors estimates that the total cost of the Issue including fees to professionals, printing, advertising and other costs connected with the Issue will be approximately LKR 55 Million which would be approximately 5.50% of the amount raised if LKR 1.0 Billion is raised. Such costs will be financed by the internally generated funds of the Company.

5.18 BROKERAGE FEE

Brokerage fee of Fifteen Cents (LKR 0.15) per Green Bond shall be paid in respect of the number of Green Bonds allotted on Applications bearing the original seal of any bank operating in Sri Lanka or a trading participants of the CSE or any other party identified by the Company and/or Managers and Placement Agents as involved in the Issue.

5.19 UNDERWRITING

This Issue is not underwritten.

The offering is not conditional to any minimum amount to be raised through this Issue. In the event of an under subscription, the Company is confident that any short fall in the funds required to meet the objectives of the Issue can be financed through internally generated funds and other credit facilities that could be obtained by the Company, at its discretion depending on the situation.

5.20 INSPECTION OF DOCUMENTS

Articles of Association, the Trust Deed, Letter of Guarantee, Auditors' Report and Audited Financial Statements for the five (05) financial years ended 31st March 2024 (i.e. the five (05) financial years immediately preceding the date of this Prospectus), Interim Financial Statements and all other documents referred to in Rule 3.3.13 (a) of the CSE Listing Rules, including material contracts and management agreements entered or in the case of contracts not reduced into writing, a memorandum giving full particulars thereof by the Company if any, would be made available for inspection by the public during normal working hours, seven (07) Market Days prior to the date of opening of the subscription list at the registered office of the Company at Alliance House, No. 84, Ward Place, Colombo 07, Sri Lanka until the Date of Redemption of the Green Bonds.

The Prospectus, Trust Deed, Letter of Guarantee and the Articles of Association of the Company, will be available on the website of the CSE, www.cse.lk and the website of the Company, www.alliancefinance.lk from seven (07) Market Days prior to the date of opening of the subscription list until the date of maturity of the Green Bonds as stipulated in Rule 3.3.13 (b) of the CSE Listing Rules.

Audited financial statements of Alliance Finance Company PLC made up to 31st March 2024, Interim Financials of Alliance Finance Company PLC made up to 30th September 2024, Accountants Report and the five year summary of financial statements will be available on the website of the CSE, www.cse.lk and the website of the Company, www.alliancefinance.lk

6 PROCEDURE FOR APPLICATION

6.1 ELIGIBLE APPLICANTS

Applications are invited for the subscription of Green Bonds from the following categories of Investors.

- Citizens of Sri Lanka who are resident in Sri Lanka and above 18 years of age; or
- Corporate bodies and societies incorporated or established within Sri Lanka; or
- Approved Unit Trusts licensed by the SEC; or
- Approved Provident Funds and contributory pension schemes registered/incorporated/established in Sri Lanka. (In this case, Applications should be in the name of the Trustee/Board of Management in order to facilitate the opening of the CDS account.)
- Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); or
- Global, regional and country funds approved by the SEC; or
- Non-residents: foreign institutional investors, corporate bodies incorporated or established outside Sri Lanka, citizens of foreign states whether resident in Sri Lanka or outside Sri Lanka and Sri Lankans resident outside Sri Lanka.

Please note that Applications made by **individuals less than 18 years of age** or those in the names of **sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies** will be rejected.

“Persons resident outside Sri Lanka” will have the same meaning as in the notice published under Section 31 (3) of the Foreign Exchange Act No. 12 of 2017 in Government Gazette (Extraordinary) No. 2045/56 dated 17th November 2017.

When permitting Non-Residents to invest in the Green Bonds, the Company will comply with the relevant Foreign Exchange Regulations including, the conditions stipulated in the notice under the Foreign Exchange Act with regard to the Issue and transfer of Green Bonds of companies incorporated in Sri Lanka to persons resident outside Sri Lanka as published in the Government Gazette (Extraordinary) No. 2045/56 dated 17th November 2017.

6.2 HOW TO APPLY

The terms and conditions applicable to the Applicants are as follows.

- (a) Applications should be made on the Application Forms, which accompany and constitute a part of this Prospectus (exact size photocopies of Application Forms will also be accepted). Care must be taken to follow the instructions given herein and in the Application Form. Applicants using photocopies are requested to inspect the Prospectus which is available for inspection at the Registered Office of the Company and also issued free of charge by the parties listed in Annexure IV of this Prospectus.

The Application Form can also be downloaded from the website of the CSE, www.cse.lk, the website of the Company, www.alliancefinance.lk and the web site of the Managers and Placement Agents to the Issue, www.ndbib.com until the Closure Date.

The Prospectus will be made available and can be downloaded from the website of the CSE, www.cse.lk, the website of the Company, www.alliancefinance.lk until the date of redemption of the Green Bonds and the web site of the Managers and Placement Agents to the Issue, www.ndbib.com until the Closure Date.

Applications which do not strictly conform to instructions and other conditions set out herein or which are incomplete or illegible may be rejected.

- (b) More than one Application submitted by an Applicant will not be accepted. If more than one Application Forms are submitted from a single Applicant, those would be construed as multiple Applications and the Company reserves the right to reject such multiple Applications or suspected multiple Applications.
- (c) If the ownership of the Green Bonds is desired in the name of one Applicant, full details should be given only under the heading SOLE/FIRST APPLICANT in the Application Form. In the case of joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.
- (d) An Applicant of a joint Application will not be eligible to apply for the Green Bonds through a separate Application Form either individually or jointly. Such Applicants are also deemed to have made multiple Applications and will be rejected.

In the case of joint Applications, the refunds (if any), interest payments and the Redemption will be remitted in favour of the first Applicant as identified in the Application Form.

The Company shall not be bound to register more than three (03) natural persons as joint holders of Green Bonds (except in the case of executors, administrators or heirs of a deceased member).

Joint Applicants should note that all parties should either be residents of Sri Lanka or Non-Residents.

- (e) Applications by companies, corporate bodies, incorporated societies, approved provident funds, trust funds and approved contributory pension schemes registered/incorporated/established in Sri Lanka should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Green Bonds and should be made under their respective common seals or in any other manner as provided by their Articles of Association or such other constitutional documents of such Applicant or as per the statutes governing them. In the case of approved provident funds, trust funds and approved contributory pension schemes, the Applications should be in the name of the Trustee/board of management.
- (f) All Applicants should indicate in the Application for Green Bonds, their CDS account number. In the event the name, address or NIC number/passport number/company number of the Applicant mentioned in the Application Form differ from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number company number of such Applicant. Therefore, Applicants are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the Application Form tally with the name, address or NIC number/passport number/company number given in the CDS account as mentioned in the Application Form.

In the case of joint Applicants, a joint CDS account in the name of the joint Applicants should be indicated.

Application Forms stating third party CDS accounts, instead of Applicants' own CDS account numbers, except in the case of margin trading, will be rejected.

- (g) Applicants who wish to apply through their margin trading accounts should submit the Application Forms in the name of the “Margin Provider / Applicant’s name” signed by the margin provider, requesting a direct deposit of the Green Bonds to the Applicant’s margin trading account in the CDS. The margin provider should indicate the relevant CDS account number relating to the margin trading account in the Application Form. A photocopy of the margin trading agreement must be submitted along with the Application.

Margin providers can, apply under their own name and such Applications will not be construed as multiple Applications.

- (h) Application Forms may be signed by a third party on behalf of the Applicant(s) provided that such person holds the Power of Attorney (POA) of the Applicant(s). A copy of such POA certified by a Notary Public as “True Copy” should be attached with the Application Form. **Original of the POA should not be attached.**

- (i) As per the Foreign Account Tax Compliance Act (FATCA) “US Persons” must provide the duly completed declaration as per the specimen given in Annexure VI together with the Application Form. Under the provisions of FATCA, “US Persons” include;

- US Citizens (including an individual born in U.S. but resident in another country who has not renounced U.S. citizenship)
- A lawful citizen of the U.S. (including Green card holders)
- A person residing in the U.S.
- A person who spends certain number of days in the U.S. each year
- U.S. Corporations, estates and trusts
- Any entity that has a linkage or ownership to U.S. or the U.S. territories
- Non U.S. entities that have at least one U.S. Person as a “substantial beneficial owner”

- (j) Funds for the investments in Green Bonds and the payment for Green Bonds by Non-Residents should be made only out of funds received as inward remittances or available to the credit of “Inward Investment Account” (IIA) of the Non-Residents opened and maintained in a licensed commercial bank in Sri Lanka in accordance with directions given by the Director of the Department of Foreign Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the IIA.

Applications not made in line with the instructions will be rejected.

- (k) Non-Residents should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Green Bonds and may be affected by the laws of the jurisdiction of their residence. If the Non-Resident Applicants wish to apply for the Green Bonds, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

Application Forms properly filled in accordance with the instructions thereof together with the remittance for the full amount payable on Application should be enclosed in an envelope Marked “**ALLIANCE FINANCE COMPANY PLC - GREEN BOND ISSUE 2025**” on the top left hand corner in capital letters and dispatched by post or courier or delivered by hand to Registrars to the Issue or collection points mentioned in Annexure IV of this Prospectus.

Applications sent by post or courier or delivered to any collection point set out in Annexure IV of this Prospectus should reach the office of the Registrar to the Issue, S S P Corporate Services (Private) Limited, 101, Inner Flower Road, Colombo 03, at least by 4.30 p.m. on the following Market Day immediately upon the Closure Date. Applications received after the said period will be rejected even though they have been delivered to any of the said collection points prior to the Closure Date or carry a postmark dated prior to the Closure Date.

Applications delivered by hand to the Registrars to the Issue after the Closure Date of the Issue will also be rejected.

Please note that Applicant information such as full name, address, NIC number/passport number/company number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information will take precedence over information provided in the Application Form.

Care must be taken to follow the instructions on the reverse of the Application Form.

Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

PLEASE NOTE THAT ALLOTMENT OF GREEN BONDS WILL ONLY BE MADE IF THE APPLICANT HAS A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF THE APPLICATION.

Please note that upon the allotment of Green Bonds under this Issue, the allotted Green Bonds would be credited to the Applicant's CDS account so indicated.

Hence, GREEN BOND CERTIFICATES SHALL NOT BE ISSUED.

6.3 NUMBER OF GREEN BONDS TO BE SUBSCRIBED

Applicants may invest in the Green Bonds subject to a minimum of One Hundred (100) Green Bonds Sri Lanka Rupees Ten Thousand (LKR 10,000/-) and in multiples of One Hundred (100) Green Bonds Sri Lanka Rupees Ten Thousand (LKR 10,000/-) thereafter.

6.4 MODE OF PAYMENT OF THE INVESTMENT BY THE APPLICANTS

- (a) Payment in full for the total value of Green Bonds applied for should be made separately in respect of each Application either by cheque/s, bank draft/s, bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka or RTGS transfer directed through any licensed commercial bank operating in Sri Lanka or an Internal Direct Transfer, as the case may be, subject to the following:
- (b) Payments for Applications for values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) should be supported by either a;

- Bank guarantee issued by a licensed commercial bank; or
- Multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka, each of which should be for a value less than LKR 100,000,000/-; or
- RTGS / Internal Direct transfer with value on the Issue Opening Date.

Multiple bank drafts/cheques, bank guarantees or RTGS transfers will not be accepted for Applications for values below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-). In the case of Application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka each of which should be for a value less than Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) will be accepted.

- (c) Cheques or bank drafts should be made payable to **“ALLIANCE FINANCE – GREEN BOND ISSUE”** and crossed **“Account Payee Only”** and must be honoured on the first presentation.
- (d) Cash and SLIPS/CEFTS transfers will not be accepted as a mode of payment to ensure the accuracy of the application submission process, bank reconciliation process and timely allocation of Green Bonds within the given timelines.
- (e) In case of bank guarantees, such bank guarantees should be issued by any licensed commercial bank in Sri Lanka in favour of **“ALLIANCE FINANCE – GREEN BOND ISSUE”** in a manner acceptable to the Company, and be valid for a minimum of one (01) month from the Issue Opening Date 17th February 2025.

Applicants are advised to ensure that sufficient funds are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue. It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

- (f) In case of RTGS and Internal Direct Transfers (only for application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), the transfers should be made to the credit of the following bank account with value on the Issue Opening Date (i.e. the funds to be made available to the above account on the Issue Opening Date).

Account Name	ALLIANCE FINANCE – GREEN BOND ISSUE
Account Number	111000229896
Bank	National Development Bank PLC (Bank Code - 7214)
Branch	Navam Mawatha (Branch Code - 001)

The Applicant should obtain a confirmation from the Applicant’s bank to the effect that arrangements have been made to transfer payment in full for the total value of Green Bonds applied for to the credit of the above bank account and should be attached with the Application Form.

It is mandatory to provide the CDS Account Number as the transaction reference for RTGS transfers.

For RTGS transfers/ Internal Direct transfers above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), the Applicants are entitled to an interest at the rate of Two Decimal Fifty per centum (2.50%) per annum from the date of such transfers up to the Date of Allotment. However, no interest will be paid if the RTGS transfers/ Internal Direct transfers are not realized before the end of the Closure Date. Furthermore, even if such RTGS transfers/ Internal Direct transfers are effected prior to the Issue Opening Date, no interest will be paid for the period prior to the Issue Opening Date.

- (g) Cash will not be accepted.
- (h) Payment for the Green Bonds by Non-Residents should be made only out of funds received as inward remittances or available to the credit of “Inward Investment Account” (IIA) maintained with any licensed commercial bank in Sri Lanka in accordance with directions given by the Director Department of Foreign Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the IIA.

- (i) In the event that cheques are not realized within two (02) Market Days of deposit, the monies will be refunded and no allotment of Green Bonds will be made. Cheques must be honoured on first presentation for the Application to be valid.
- (j) The amount payable should be calculated by multiplying the number of Green Bonds applied for by the Par Value Sri Lanka Rupees One Hundred (LKR 100/-). If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee or transferred via RTGS/ Internal Direct Transfer, the Application will be rejected.
- (k) All cheques/bank drafts received in respect of the Applications for Green Bonds will be banked commencing from the Working Day immediately following the Closure Date.

6.5 REJECTION OF APPLICATIONS

Application Forms and the accompanying cheques/bank drafts/bank guarantees RTGS/Internal Direct Transfer, which are illegible or incomplete in any way and/or not in accordance with the terms, conditions and instructions, set out in this Prospectus and in the Application Form will be rejected at the sole discretion of the Company.

Applications from individuals and Sri Lankans residing outside Sri Lanka who are under the age of eighteen (18) years or in the names of sole proprietorships, partnerships and unincorporated trusts will also be rejected.

Any Application Form, which does not state a valid CDS account number, will be rejected.

More than one Application Form submitted by an Applicant will not be accepted. If more than one Application Form is submitted by a single Applicant, those would be considered as multiple Applications and the Company reserves the right to reject such multiple Applications or suspected multiple Applications.

Any Application Form with more than three (03) natural persons as joint Applicants will be rejected.

Applications delivered by hand or via email to the Registrars to the Issue after the 'Closure Date' will be rejected. Applications received at the Registrar's office by post or courier after 4.30 p.m. on the Market Day immediately following the Closure Date, will also be rejected even if they carry a post mark dated prior to the Closure Date.

Applications delivered to any place mentioned in Annexure IV should also reach the office of the Registrars to the Issue at least by 4.30 p.m. on the Market Day immediately following the Closure Date. Applications received after the said duration will be rejected even though they have been delivered to any of the said collection points prior to the Closure Date.

In the event that cheques are not realized within two (02) Market Days of deposit and realized after such date, the monies will be refunded and no allotment of Green Bonds will be made. Cheques must be honoured on first presentation for the Application to be valid. In the event cheques are dishonoured/returned on first presentation, such Applications will be rejected.

6.6 BANKING OF PAYMENTS

All cheques or bank drafts or bank guarantees received in respect of Applications will not be banked or called on until the Working Day immediately after the Closure Date as set out in Section 5.2 of this Prospectus, in terms of the CSE Listing Rules.

6.7 BASIS OF ALLOTMENT OF GREEN BONDS

In the event of an over subscription, the Board of Directors of the Company will endeavour to decide the basis of allotment in a fair and equitable manner as soon as practicable so as to ensure compliance with the CSE Listing Rules. Upon the allotments being decided, an announcement will be made to the CSE, within seven (07) Market Days from the Closure Date. A written confirmation informing successful Applicants of the allotment of Green Bonds will be dispatched within ten (10) Market Days from the Closure Date as required by the CSE.

The Board however shall reserve the right to allocate up to a maximum of 75% of the number of Green Bonds to be allotted under this Issue to institutional and or identified investor/s of strategic importance with whom the Company might have mutually beneficial relationships in the future.

Number of Green Bonds to be allotted to identified institutional investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Green Bonds to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other investors (investors that do not fall under preferential category).

The Company reserves the right to reject any Application or to accept any Application in part only, without assigning any reason therefor.

6.8 REFUNDS

Monies will be refunded where;

- an Application is rejected for reasons given in Section 6.5 of this Prospectus; or
- the Application is accepted only in part.

The Applicants may indicate the preferred mode of refund payments in the Application Form (i.e. direct transfer via SLIPS/RTGS or cheque).

If the Applicant has provided accurate and complete details of his/her/its bank account in the Application, the Bankers to the Issue will make refund payments up to and inclusive of Rupees Five Million (LKR 5,000,000/-) to the bank account specified by the Applicant, through SLIPS and a payment will be sent through RTGS in the event of refunds over Rupees Five Million (LKR 5,000,000/-).

If the Applicant has provided accurate and correct details of his/her bank account refunds will be made via Slips /RTGS or if the Applicant has not provided accurate and correct details of his/her bank account in the Application Form, the Company will make such refund payments to the Applicant by way of a cheque and sent by post at the risk of the Applicant.

In the case of joint Applications, the cheques will be drawn in favour of the Applicant's name appearing first in the Application Form.

It is the responsibility of Non-Residents/Foreign Investors to ensure that their IIA details are accurately provided on the Application Form to forward the refund to IIA through which the Application was made.

Applicants can obtain details on bank and branch codes required for providing instructions on SLIPS/RTGS transfers at the following website;

<https://www.lankapay.net/downloads/bank-branch-directory/>

Refunds on Applications rejected or partly allotted Green Bonds would be made within eight (08) Market Days excluding the Closure Date. Applicants would be entitled to receive interest at the rate of the last quoted Average Weighted Prime Lending Rate (AWPLR) published in the immediately preceding week by the Central Bank of Sri Lanka or any other authority (in the event that the Central Bank of Sri Lanka ceases to publish the AWPLR) plus five per centum (5.00%) for the delayed period on any refunds not made within this period.

6.9 CDS ACCOUNTS AND SECONDARY MARKET TRADING

Green Bonds allotted will be directly deposited to the respective CDS accounts given in the Application Forms before the expiry of twelve (12) Market Days, from the Closure Date. A written confirmation of the credit will be sent to the Applicants within two (02) Market Days of crediting the CDS account, by ordinary post to the address provided by each Applicant.

The Company will submit to the CSE a 'Declaration' on direct upload to CDS on the Market Day immediately following the day on which the Applicants' CDS accounts are credited with the Green Bonds.

Trading of Green Bonds on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.

7 THE COMPANY

7.1 OVERVIEW

Alliance Finance Company PLC, has a history of over 65 years, dedicated to serving its loyal customers while promoting financial inclusion and sustainability. The Company which was established in 1956 as a licensed finance company registered under the Central Bank of Sri Lanka and approved and registered under the Finance Companies Act No 07 of 2007 currently operates through a network of 90 locations. The main product portfolio of the Company includes Leasing, Vehicle Loans and Gold Loans.

Environmental and sustainability initiatives are central to the Company's sustainability strategy, reflecting the company's commitment to advancing both local and global sustainability goals. The Company is committed to advancing the United Nations Sustainable Development Goals by fully integrating them across the Company, ensuring value creation for all stakeholders. The Company has consistently prioritized climate-conscious lending, with a particular focus on financing environmentally sustainable projects. The Company's Climate Finance portfolio that was launched in 2022 highlights its commitment to supporting projects focused on renewable energy, climate-friendly agriculture, and solid waste management solutions.

The Company operates under the authority of the license issued by Monetary Board of Central Bank of Sri Lanka. The license issued is a continuous license and does not have an expiry date. However, the licenses should be renewed annually by the payment of a license fee. The Company has paid the annual license fee up to date.

7.2 FINANCIAL YEAR

The financial year of the Company commences on 01st April and ends on 31st March.

7.3 STATED CAPITAL

The stated capital of the Company represents ordinary shares as given below.

Stated Capital	As at 31 st March 2023	As at 31 st March 2024	As at 30 th September 2024*
Balance (LKR)	613,980,000	613,980,000	613,980,000
Number of Shares	33,696,000	33,696,000	33,696,000

* Unaudited

7.4 MAJOR SHAREHOLDERS AS AT 30TH SEPTEMBER 2024

Twenty (20) largest shareholders of the Company as at 30th September 2024 are given below:

No	Name	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	2,564,862	7.61
4	MR.D.F.W.S.K. PERERA & MR.D.F.W. PERERA	1,483,984	4.40

5	ORIENT HOTELS LTD	1,358,323	4.03
6	MRS.S.E. CANEKERATNE	612,268	1.82
7	MR.D.L.S.R. PERERA	553,556	1.64
8	MRS.C.R. DE SILVA	374,400	1.11
9	MR. D.F.W. PERERA	363,243	1.08
10	MS.D.C.M.A. PERERA	361,042	1.07
11	J B COCOSHELL (PVT) LTD	358,547	1.06
12	HATTON NATIONAL BANK PLC/ MR. K.K. SHUJEEVAN	334,434	0.99
13	MS.D.D.P.T. PERERA	319,384	0.95
14	MRS.P.N. WETHTHASINGHE	299,975	0.89
15	MRS.A.S. WIJEWARDENA	259,200	0.77
16	MR.G.P. KAPILASENA	201,180	0.60
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
20	MR. K. KRISHNASAMY	138,240	0.41
		27,182,692	80.67
	Balance held by Other Shareholders	6,513,308	19.33
	Total number of shares in issue	33,696,000	100

7.5 DETAILS OF OTHER DEBT SECURITIES IN ISSUE

The Company doesn't have any outstanding debt securities as at Date of the Prospectus.

7.6 PARTICULARS OF LONG-TERM LOANS AND OTHER BORROWINGS OF THE COMPANY

As at 31st March 2024 and 30th September 2024 the outstanding balances are given in the table below;

	LKR
Balance as at 31 st March 2023	22,571,002,700
New borrowings / (settlements)	(2,260,817,309)
Balance as at 31 st March 2024	20,310,185,391

	LKR
Balance as at 31 st March 2024	20,310,185,391
New borrowings / (settlements)	6,919,930,839
Balance as at 30 th September 2024	27,230,116,230 *

*Unaudited

Borrowings of the Company as at 31st March 2024 and 30th September 2024 comprise of the following;

	As at 31 st March 2024 LKR	As at 30 th September 2024 LKR*
Due to banks		
Bank Overdrafts	1,320,679,267	2,427,794,548
Securitized Borrowing	4,407,829,885	5,543,428,749
Direct Bank Borrowings-Term Loan	10,071,128,604	15,981,662,199
Direct Bank Borrowings-Syndication 02-Sub Debt	1,043,866,047	1,007,044,660
Foreign Currency Borrowings	3,466,681,588	2,270,186,073
Total	20,310,185,391	27,230,116,229

*Unaudited

7.7 DEBT SERVICING DETAILS OF THE COMPANY

The Company doesn't have any debt servicing details for the past five financial years.

7.8 CONTINGENT LIABILITIES OF THE COMPANY

The details of the contingent liabilities as at 31st March 2024 and 30th September 2024 are given below;

Commitments and Contingencies	As at 31 st March 2024	As at 30 th September 2024**
Contingencies		
Department of Inland Revenue *	820,316,741	875,608,150
Financial guarantees		
Tax Appeal Commission	-	-
Hotel Developers (Lanka) Ltd	-	-
Central Engineering Services (Private) Limited	350,000	800,000
Sri Lankan Air Lines	-	1,512,000
Total	820,666,741	877,920,150

* The above represents the tax assessments issued by the Department of Inland Revenue. The Company has formally objected to the tax assessments stating the reasons on which the Company believes that assessments are arbitrary and excessive. Company has also actively engaged with the Department of Inland Revenue to conclude these pending assessments.

** Unaudited

7.9 LITIGATIONS AGAINST THE COMPANY

In the normal course of business, the Company is a party to various types of litigation, including litigation with borrowers who are in default in terms of their facility agreements. As of the date of the Statement of Financial Position 30th September 2024, seventeen (17) clients have filed cases against the company. The Company's legal counsel is of the opinion that litigation which is currently pending will not have a material impact on the reported financial results or future operations of the Company

7.10 KEY FINANCIAL RATIOS

Capital Adequacy Ratio (CAR)

	31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.03.2024	30.09.2024**
Capital adequacy - Tier 1 Capital Ratio % *	9.86	11.38	11.67	12.42	12.07	10.55
Capital adequacy - Total capital ratio % *	12.97	14.00	15.07	16.55	14.38	13.74

**Unaudited

Interest Cover and Debt to Equity Ratio

	31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.03.2024	30.09.2024***
Debt / Equity Ratio (Times) *	6.02	4.49	5.70	6.24	6.03	6.96
Interest Cover Ratio (Times) **	1.21	0.86	0.20	0.93	0.84	0.81

* Debt/ Equity Ratio = $\frac{\text{Borrowings of the Company including customer deposits}}{\text{Shareholder Funds}}$

** Interest Cover Ratio = $\frac{\text{Profit before Tax + Depreciation + Amortization + Impairment + Interest Expense}}{\text{Interest Expense}}$

(A deviation from the standard formula (EBIT divided by interest charges) is seen here owing to the fact that company's main income and expense sources are interest income and interest expense respectively.)

***Unaudited

7.11 TAXATION

The Company is not enjoying any tax exemptions as at the date of the Prospectus.

7.12 FINANCIAL STATEMENTS & FINANCIAL SUMMARY

The following financial information is hosted on the Company's website, www.alliancefinance.lk and, the CSE website www.cse.lk;

- Audited financial statements of Alliance Finance Company PLC as at 31st March 2024
- Interim financial statements of Alliance Finance Company PLC as at 30th September 2024
- Summarized financial statement for the five years ended 31st March 2019 to 31st March 2024 preceding the date of the Application stating the accounting policies adopted by the Company certified by the Auditors and Qualifications carried in any of the Auditors Reports covering the period in question and any material changes in accounting policies during the relevant period.

8 BOARD OF DIRECTORS

8.1 DETAILS OF THE DIRECTORS

The details of the Board of Directors of Alliance Finance Company PLC as at the date of this Prospectus are given below:

Name of Director	Executive / Non- Executive/ Independent/ Non-Independent
Mrs. G.S.T. Dharmakirti Herath	Chairperson – Non-Executive / Independent
Mr. R.K.E.P. de Silva - F.I.C.M.(SL)	Deputy Chairman / Managing Director
Mr. W.P.K. Jayawardana - CFA, MBA, ACMA. CGMA	Deputy Managing Director- Executive
Mr. M.J Benedict - MBA, CMA, CMSLIM	Executive Director – Recoveries
Mrs. P. de Silva - FCMA, CGMA, FCPA	Non-Executive /Independent
Mr. L.J.H. de Silva	Non-Executive /Non-Independent
Dr. D.L.I. Hettiarachchi	Non-Executive / Independent
Mr. D.F.W. Perera	Non-Executive /Non-Independent
Dr. S.L.N. Wickremasooriya	Non-Executive / Non-Independent

8.2 BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The primary objective of the Committee is to assess and consider all transactions with related parties of the Company in line with Section 9 of the Listing Rules.

The Committee shall have authority :-

1. to review, to evaluate and to determine the advisability of any Related Party Transactions except for transactions set out in Rule 9.14.10 of the CSE Listing Rules, that require consideration by the Committee under the Related Party Policy of the Company and taking into consideration, Rule 9.14.5 of the Listing Rules of the CSE;
2. to approve or reject the Related Party Transaction upon the required internal approvals being obtained;
3. to determine whether the relevant Related Party Transaction is fair to, and in the best interests of, the Company and its stakeholders; and
4. to recommend to the full Board what action, if any, should be taken by the Board with respect to any Related Party Transaction. In such an instance, approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction.
5. to recommend to the full Board where necessary that the approval of the shareholders of the Company be obtained by way of a Special Resolution prior to the concerned transaction being entered into as specified in Section 9.14.6 and 9.14.9 of the Listing Rules.
6. in respect of transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of the Company or its subsidiaries, to determine if the terms of a transaction with a Related Party is not favourable to the Related Party than those generally available to the public.

Composition of the Related Party Transactions Review Committee is as follows;

Name of the Board Subcommittee Member	Membership Status	Directorship Status
Dr. D.L.I. Hettiarachchi	Chairman	Independent Non-Executive
Mrs. G.S.T. Dharmakirti-Herath	Member	Independent Non-Executive
Mr.L.J.H. de Silva	Member	Non-Independent Non-Executive

9 STATUTORY DECLARATIONS

9.1 STATUTORY DECLARATION BY THE DIRECTORS

We, the undersigned who are named herein as Directors of Alliance Finance Company PLC (Company) hereby declare and confirm that we have read the provisions of the Colombo Stock Exchange (CSE) Listing Rules and of the Companies Act No.7 of 2007 and any amendments thereto relating to the issue of the Prospectus and those provisions have been complied with.

This Prospectus has been seen and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of our knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Company have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that are considered to be reasonable at the present point in time in our best judgment.

The parties to the Green Bond Issue including Lawyers, Auditors, Guarantor, Rating Company, Independent External Verifier and Managers and Placement Agents have submitted declarations to the Company declaring that they have complied with all regulatory requirements applicable to such parties, and that such parties have no conflict of interest with the Company. Further, the Company Secretaries to the said Issue has also submitted declarations to the Company declaring that they have complied with all regulatory requirements applicable to them.

An application has been made to the CSE for permission to deal in and for a listing of Green Bonds issued by the Company and those Green Bonds which are the subject of this Issue. Such permission will be granted when Green Bonds are listed on the CSE. The CSE assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the CSE is not to be taken as an indication of the merits of the Company or of the Green Bonds issued.

Name of Directors	Designation	Signature
Mrs. G.S.T. Dharmakirti Herath	Chairperson – Non-Executive / Independent	Sgd.
Mr. R.K.E.P. de Silva - F.I.C.M.(SL)	Deputy Chairman / Managing Director	Sgd.
Mr W.P.K. Jayawardana - CFA, MBA, ACMA. CGMA	Deputy Managing Director- Executive	Sgd.
Mr. M.J. Benedict - MBA, CMA, CMSLIM	Executive Director- Recoveries	Sgd.
Mrs. P.de Silva - FCMA, CGMA, FCPA	Non-Executive /Independent	Sgd.
Mr. L.J.H. de Silva	Non-Executive /Non-Independent	Sgd.
Dr. D.L.I. Hettiarachchi	Non-Executive / Independent	Sgd.
Mr. .D.F.W. Perera	Non-Executive /Non- Independent	Sgd.
Dr. S.L.N. Wickremasooriya	Non-Executive / Non-Independent	Sgd.

9.2 STATUTORY DECLARATION BY THE MANAGERS AND PLACEMENT AGENTS TO THE ISSUE

We, NDB Investment Bank Limited of No 135, Bauddhaloka Mawatha, Colombo 04, who are named in the Prospectus as the Managers and Placement Agents to the Issue hereby declare and confirm that to the best of our knowledge and belief, the Prospectus constitutes full and true disclosure of all material facts about the Issue and Alliance Finance Company PLC whose Green Bonds are being listed.

Signed by two Directors of NDB Investment Bank Limited, being duly authorised thereto, at Colombo on this 3rd February 2025.

Sgd.
Director

Sgd.
Director

10.1 ACCOUNTANTS' REPORT AND FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS



Deloitte Associates
No 100, Braybrooke Place
Colombo 02
Sri Lanka

Tel: +94 11 5444400, +94 11 2580409,
+94 11 2503262,
Fax: +94 11 2582452
www.deloitte.com

05 November 2024

The Board of Directors
Alliance Finance Company PLC
No. 84, Ward Place
Colombo 7

Dear Sirs/Mesdames,

Accountants' report for inclusion in the prospectus of Alliance Finance Company PLC

Introduction

This report has been prepared for the inclusion in the prospectus issued in connection with the proposed transfer of Ten Million (10,000,000) green bonds at rupees one hundred (LKR 100.00) to raise rupees one billion (LKR 1,000,000,000) by way of an offer for sale. The tenor of the instrument will be 2 years and it is annually couponed. This instrument will be listed in the CSE and rated by Fitch rating. The proceeds of the proposed green bond will be used specifically for financing:

- A. The rooftop solar energy installations to reduce greenhouse gas emissions and increase renewable energy in Sri Lanka's grid.
- B. The solar equipment vendors and suppliers to strengthen the supply chain for renewable energy projects, ensuring efficient implementation and growth of solar initiatives.

We have examined the financial statements of Alliance Finance Company PLC (the "Company") and the consolidated financial statements of the Company and its subsidiaries ("Group") for the financial years ended 31 March 2020 to 31 March 2024 ("period"), and report as follows.

1. Incorporation

Alliance Finance Company PLC is a limited liability company incorporated and domiciled in Sri Lanka in 1956. The registered office of the company and the principal place of business are situated at No. 84, Ward Place, Colombo 7.

Alliance Finance Company PLC offers a range of financial services to both individuals and businesses. These services encompass leasing, gold loans, term loans, gold investment solutions, as well as savings and deposits. Additionally, their Commercial Division conducts vehicle trade-in services and provides Ezy drive vehicle hiring services.

G J David FCA, T U Jayasinghe FCA, P D R Bharatha FCA, W A D Gayan ACA, H A C H Gunaratne FCA, M P M T Gunasekera FCA, M S J Henry FCA,
M M R Hilmy FCA, S Y Kodagoda ACA, M M M Manzeer FCA

2. Financial Information

2.1. Five Year Summary of Audited Financial Statements

A summary of statement of profit and loss and other comprehensive income, statement of financial position, statement of cash flow and statement of changes in equity of the company for the financial year ended 31 March 2020 to 31 March 2024, based on the audited financial statements of the company and group are set out in Annexure 1.

Summaries presented for operating results, assets, liabilities and shareholders' fund for financial year ended 31 March 2020 to 31 March 2024 are based on the financial statement prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS), effective from 1 January 2012 in the annual reports of the respective years.

2.2. Audit Reports

We have only audited the financial statements of the company and the consolidated financial statements of the group for the year ended 31 March 2024 and previous four years financial statements for 31 March 2020 to 31 March 2023 were audited by the predecessor auditor Baker Tilly Edirisinghe & Co.

Unqualified audit opinions have been issued for the said financial years by audit reports dated 29 June 2020, 13 May 2021, 08 June 2022, 27 June 2023, and 31 May 2024 respectively.

2.3. Application of Accounting Standards and Accounting Policies

The financial statements of the company and the group for the years ended 31 March 2020 to 31 March 2024 comply with Sri Lanka Accounting Standards (commonly referred as "SLFRS"/"LKAS") laid down by the Institute of Chartered Accountant of Sri Lanka (CA Sri Lanka) and comply with the requirements of Companies Act No 7 of 2007.

The accounting policies and changes in the accounting policies of the company and group are stated in detail in the audited financial statements of the company and group for the years ended 31 March 2020 to 31 March 2024.

The adoption of revised/ new accounting standards and a summary of related amendments to the accounting policies of the company and group for the financial years ended 31 March 2020 to 31 March 2024 are set out in Annexure 2.

2.4. Dividends

The company has paid the following dividends in respect of ordinary shares for the year ended 31 March 2020 to 31 March 2024.

Year/Period Ended	Dividend Paid (Rs. Mn)	Dividend Declared Per Share
31 March 2024	283.04	8.40
31 March 2023	168.48	5
31 March 2022	488.59	14.5
31 March 2021	185.33	5.5
31 March 2020	-	-

2.5. Events after Reporting Date (31 March 2024)

- **First and Final Dividend**

The Board of Directors of the Company on 28th May 2024 declared a final cash dividend of LKR 8.40 per share for the financial year ended 31 March 2024 subject to the approval of the shareholders at the Annual General Meeting. Further company received the central bank approval for the above proposed dividends.

- **Proposed Green Bonds Issue**

The Board of Directors approved to issue Ten Million (10 Million) green bonds up to an initial issue of LKR 1Billion. The tenor of the instrument will be 2 years and it is annually couponed. This instrument will be listed in the CSE and rated by Fitch rating. The proceeds of the proposed green bond will be used specifically for financing:

- A. The rooftop solar energy installations to reduce greenhouse gas emissions and increase renewable energy in Sri Lanka's grid
- B. The solar equipment vendors and suppliers to strengthen the supply chain for renewable energy projects, ensuring efficient implementation and growth of solar initiatives.

2.6. Restriction on Use

This report is made solely for the purpose of the Board of Directors of Alliance Finance Company PLC for the inclusion in the prospectus issued in connection with the proposed issue of green bond of Rupees one billion (LKR 1,000,000,000) for Ten Million (10,000,000) green bonds offered for sale.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the addressee, for our audit work for the year ended 31 March 2024, for the report, or for the opinion we have formed for the financial statements for the year ended 31 March 2024. This report should not be used, circulated, quoted, or otherwise referred to any other purpose.

Yours faithfully,



Deloitte Associates
Chartered Accountants
Colombo

05 November 2024

Annexure 1

Alliance Finance Company PLC
Statements of Profit or Loss
For the year ended 31 March

	2024	2023	2022	2021	2020
Interest income	13,184,634,453	11,946,843,634	7,852,033,338	7,172,427,543	7,212,017,278
Interest expenses	(7,297,688,560)	(7,411,342,695)	(2,651,181,039)	(2,912,756,756)	(3,321,169,317)
Net Interest Income	5,886,945,893	4,535,500,939	5,200,852,299	4,259,670,787	3,890,847,961
Non-Interest income	741,459,797	473,724,489	845,430,411	627,035,731	467,200,383
Impairment charges for loans and other losses	(335,708,297)	(274,638,036)	(102,890,184)	(752,126,049)	(1,112,357,328)
Total operating expenses	(3,944,258,126)	(3,385,497,175)	(3,030,858,742)	(2,532,885,714)	(2,415,074,199)
Operating Profit before Taxes on Financial Services	2,348,439,267	1,349,090,217	2,912,533,784	1,601,694,755	830,616,817
Operating Profit after Taxes on Financial Services	1,679,835,662	929,657,331	2,357,984,428	1,293,823,257	534,475,981
Profit before Taxation from Operations	1,697,866,760	950,725,829	2,363,931,198	1,295,952,601	531,633,599
Profit for the year	916,879,352	504,923,947	1,463,100,626	560,889,794	208,633,599

Certification

This is the extraction of Audited Financial Statements covering a period of five years



Annexure 1

Alliance Finance Company PLC
Statement of Financial Position
As at 31 March

	2024	2023	2022	2021	2020
Assets					
Cash and cash equivalents	1,037,507,757	566,946,383	795,260,944	587,405,947	986,553,659
Repurchase agreements	962,606,909	250,154,110	250,000,000	400,203,715	350,388,985
Placements with banks & financial institutions	3,246,352,935	4,905,611,281	287,925,208	793,564,909	915,617,034
Financial assets recognised through profit or loss	3,508,968,758	3,130,690,272	1,502,280,225	1,177,459,993	1,550,282,902
Loans and advances - at amortised cost	23,506,870,064	17,449,867,823	14,797,772,357	6,630,287,692	6,184,304,979
Lease rentals receivable & stock out on hire - at amortised cost	22,597,190,332	21,552,425,839	25,503,747,256	19,978,211,851	20,055,543,842
Hire purchase rentals receivable & stock out on hire - at amortised cost	-	-	-	5,542,117	4,527,976
Financial assets- fair value through other comprehensive income	317,703,694	182,705,521	184,720,884	203,724,802	137,940,332
Other trading stocks	85,653,478	59,653,942	392,525,744	279,566,570	207,388,189
Other financial assets	458,631,541	415,454,128	636,340,449	489,616,233	459,367,873
Other non financial assets	257,537,354	173,787,786	243,886,129	163,285,409	176,524,163
Derivative financial assets	-	-	82,923,194	-	-
Investments in associates	110,332,180	70,906,846	49,838,348	47,756,062	45,626,718
Investments in subsidiaries	16,924,038	16,924,038	16,924,038	16,924,038	16,924,038
Investment property	187,680,000	163,200,000	159,590,100	574,254,000	549,000,000
Property, plant & equipment	3,202,649,652	2,595,446,980	2,502,324,245	2,377,684,658	1,694,020,530
Intangible assets	147,087,856	139,188,404	126,715,431	58,497,170	55,957,723
Right of use asset	356,347,453	365,346,690	397,784,021	193,321,481	259,039,810
Retirement benefit Assets	-	-	-	-	1,046,687
Deferred tax assets	174,526,137	209,616,678	209,679,475	144,831,784	295,240,407
Total Assets	60,174,570,138	52,247,926,821	48,140,238,048	34,122,138,431	33,945,295,847
Liabilities					
Due to banks	20,310,185,391	22,571,002,700	22,558,061,981	13,214,241,102	15,424,806,028
Due to depositors - at amortised cost	28,387,365,249	20,475,847,835	14,681,375,682	12,918,786,478	12,347,296,849
Debt instruments issued and other borrowed funds	-	-	867,759,553	-	-
Other financial liabilities	1,129,788,584	522,582,852	1,670,249,511	883,877,701	791,703,913
Other non financial liabilities	219,237,671	87,430,046	184,106,172	60,188,110	26,266,583
Derivative financial liabilities	5,379,033	36,175,016	-	13,545,550	59,836,277
Income tax liabilities	928,513,196	708,410,305	865,153,792	646,313,080	152,139,514
Retirement benefit obligations	52,203,008	48,489,232	121,428,671	12,924,029	-
Deferred tax liabilities	663,298,289	478,434,654	510,728,430	555,848,404	530,275,377
Lease liability	349,669,731	361,416,001	-	-	-
Total Liabilities	52,045,540,152	45,289,788,641	41,458,863,792	28,305,724,454	29,332,324,541
Shareholders' Funds					
Stated capital	613,980,000	613,980,000	613,980,000	613,980,000	613,980,000
Retained earnings	4,509,940,679	3,761,987,661	3,500,238,368	2,295,549,890	1,777,742,345
Reserves	3,005,109,367	2,582,160,519	2,567,155,888	2,906,884,087	2,221,248,961
Total Equity Attributable to Equity Holders of the Company	8,129,029,986	6,958,138,180	6,681,374,256	5,816,413,977	4,612,971,306
Total Liabilities and Shareholders' Funds	60,174,570,138	52,247,926,821	48,140,238,048	34,122,138,431	33,945,295,847
Contingent liabilities and commitments	820,666,741	857,880,137	38,415,571	261,333,077	273,286,699

Certification

This is the extraction of audited Financial Statements covering a period of five years.



Annexure 1

Alliance Finance Company PLC
Statements of Changes in Equity
for the year ended 31st March

	2024	2023	2022	2021	2020
Balance as at the beginning of the year	6,958,138,180	6,681,374,256	5,816,413,977	4,612,971,306	4,510,256,769
Impact on adoption of SLFRS 16	-	-	-	-	(19,953,757)
Profit for the year	916,873,352	504,923,947	1,463,100,626	560,883,794	208,633,599
Other comprehensive income, net of tax	-	-	-	-	-
Reclassified to profit or loss as per SLFRS 09	-	-	-	-	-
Net actuarial gain on defined benefit plan	10,863,465	48,513,307	(86,765,866)	(19,051,824)	9,185,855
Equity investments at FVOCI - net change in fair value	41,220,588	(7,105,330)	(103,157,997)	123,995,645	(61,455,160)
Transfer of realized profit/(loss) on equity instrument disposal to retained earning	-	-	-	-	-
Net asset adjustment - Associate Company	-	-	(3,864,484)	-	-
Revaluation Surplus	370,408,400	-	-	537,908,056	-
Transfer to statutory reserve	-	-	-	-	-
Dividend paid	(168,480,000)	(269,568,000)	(404,352,000)	-	(33,696,000)
Balances as at the end of the year	8,129,029,986	6,958,138,180	6,681,374,256	5,816,413,977	4,612,971,306



Annexure 1

Alliance Finance Company PLC
Statements of Cash Flows
For the year ended 31 March



	2024	2023	2022	2021	2020
Cash Flows From / (Used In) Operating Activities					
Profit before Income Tax Expense	1,697,866,760	950,725,829	2,363,931,198	1,295,952,601	531,633,599
Adjustments for:					
Depreciation of property, plant & equipment	358,683,135	150,711,093	116,431,961	123,282,161	122,791,253
Amortization of intangible assets	10,766,544	11,358,550	11,031,096	8,988,531	8,855,402
Intangible asset write-off	-	-	1,014,204	(753,265)	-
Depreciation adjustment	-	-	(10,505,851)	-	-
Amortization of right of use asset	128,590,164	127,702,817	204,588,448	71,961,239	75,954,501
Interest expense on lease liability	45,325,284	44,022,441	40,649,243	-	-
Impairment provision / (reversal)	106,846,334	40,334,082	(133,250,305)	279,399,091	651,044,667
Interest on fixed deposits, commercial paper & treasury bills	(406,647,590)	(243,766,340)	(67,058,063)	(123,297,343)	(138,916,904)
(Profit) / loss on sale of securities	-	-	-	-	(7,416,395)
Fair value gain on investments (FVTPL)	(7,172,338)	-	(275,394)	2,031,684	(939,142)
Fair value gain on investment property	(24,480,000)	(3,609,900)	(27,009,600)	(25,254,000)	-
Previous year WHT written-off	-	-	-	-	-
Bad debt written-off	228,861,663	234,303,354	236,140,489	472,726,958	461,312,561
Diminution/(appreciation) in value of investments	-	-	-	-	(14,108,468)
Diminution/(appreciation) in value of treasury bonds	-	2,753,591	[4,043]	4,222,979	2,566,899
Loss/(profit) on disposal of property, plant & equipment	(78,395,610)	(12,652,649)	(13,729,654)	(42,278,926)	(21,293,820)
Loss/(profit) on disposal of investment property	-	-	(67,140,000)	-	-
Loss/(profit) from sale of vehicle	(43,035,311)	3,122,258	(111,492,609)	(42,430,107)	-
Loss/(profit) on disposal of real estates	(4,508,313)	(9,105,101)	-	-	-
Provision for defined benefit plans	59,869,319	64,321,756	43,803,310	31,822,498	28,944,650
Dividend received	(12,264,186)	(29,789,738)	(16,809,063)	(6,825,336)	(4,317,948)
Share of (profit) from associates	(18,031,098)	(21,068,498)	(5,946,770)	(2,129,344)	2,812,382
Operating Profit before Working Capital Changes	1,843,484,657	1,309,364,105	2,464,364,597	2,047,419,421	1,718,893,137
(Increase)/decrease in trading stock	21,539,088	53,647,645	(1,043,219,266)	(642,769,279)	194,830,180
(Increase)/decrease in loans and advances	(6,123,554,884)	(2,602,720,732)	(8,268,070,660)	(772,080,576)	118,483,740
(Increase)/decrease in lease rentals receivable	(1,314,894,397)	3,627,297,790	(5,531,357,034)	(348,913,589)	(2,116,276,583)
(Increase)/decrease in hire purchase rentals receivable	974,249	10,858	5,744,562	(796,750)	7,508,010
(Increase)/decrease in fixed deposits & repurchase agreement	946,805,547	(4,617,840,183)	655,843,416	72,237,395	(323,788,890)
(Increase)/decrease in other financial assets	(43,177,413)	220,886,321	(143,409,221)	(30,248,360)	(53,517,048)
(Increase)/decrease in other non financial assets	65,518,509	133,102,711	(222,002,000)	78,542,350	(219,182,358)
(Increase)/decrease in derivative financial liabilities	(30,795,983)	119,098,210	(96,468,744)	(46,290,727)	(39,934,502)
(Increase)/decrease in amounts due to depositors	7,911,517,414	5,794,472,153	1,762,589,204	571,489,629	(146,385,959)
(Increase)/decrease in other financial liabilities	550,334,179	(830,273,099)	745,722,568	92,173,788	9,770,675
(Increase)/decrease in other non financial liabilities	131,807,625	(96,676,127)	142,278,241	48,712,361	(30,295,169)
Cash generated from/(used In) Operations	3,959,358,591	3,110,369,652	(9,527,984,357)	1,269,484,672	(879,854,767)
Retirement benefit liabilities paid	(40,736,908)	(27,744,250)	(10,155,107)	(11,433,290)	(14,889,015)
Investment in gratuity fund	-	(40,212,220)	(35,309,174)	(31,486,681)	(43,714,921)
Taxes paid	(504,332,568)	(655,567,767)	(782,917,956)	(243,453,026)	(397,860,929)
Net cash generated from/(used In) operating activities	3,414,289,115	2,386,845,415	(10,360,366,594)	983,113,675	(1,326,325,632)
Cash Flows from Investing Activities					
Acquisition of property, plant & equipment	(305,167,340)	(249,592,489)	(238,188,743)	(116,837,204)	(78,139,072)
Acquisition of right of use assets	(119,500,927)	(17,326,000)	(60,536,000)	6,434,908	(12,180,000)
Acquisition of Intangible Assets	(18,665,996)	(23,831,523)	(80,263,551)	(12,230,194)	(8,289,630)
Investment in associates	(21,394,236)	-	-	-	-
Proceeds from sales of property, plant & equipment	146,828,000	18,411,350	21,352,700	61,048,800	29,024,526
Proceeds from sales of investment property	-	-	508,813,500	-	-
Proceeds from sales of vehicles	-	262,252,000	1,041,752,701	413,012,005	-
Proceeds from sales of real estates	-	22,955,000	-	-	-
Net sales/ (purchases) of financial investments - FVTPL/FVOCI	(464,883,633)	(1,636,253,705)	(408,694,873)	424,735,963	78,007,252
Dividend received	32,264,186	29,789,738	16,809,063	6,825,336	4,317,948
Interest on fixed deposits, commercial paper & treasury bills	406,647,590	243,766,340	67,058,063	123,297,343	118,946,904
Net cash generated from / (used In) investing activities	(365,162,356)	(1,349,829,289)	868,102,850	906,286,957	131,687,928
Cash flows from / (used In) financing activities					
Settlement of operating lease liabilities	(149,268,076)	(140,943,853)	(107,109,688)	(77,981,423)	(82,567,050)
(Increase)/decrease in borrowed funds	-	(867,258,553)	867,259,550	-	(819,062,771)
Net increase / (decrease) in other borrowings	(62,413,959)	(1,140,673,013)	9,087,499,254	(2,045,470,065)	2,837,253,658
Net increase / (decrease) in finance lease	-	-	-	-	(1,917,211)
Dividend paid	(168,480,000)	(269,568,000)	(404,352,000)	-	(33,696,000)
Net cash generated from/(used In) financing activities	(380,162,035)	(4,418,944,419)	9,443,797,116	(2,123,451,488)	1,899,610,625
Net increase/(decrease) in cash and cash equivalents	2,668,964,724	(3,381,928,293)	(48,466,628)	(234,052,856)	704,968,923
Cash and cash equivalents at the beginning of the year	(2,952,136,234)	429,792,059	478,258,687	712,311,542	281,584,736
Cash and cash equivalents at the end of the year	(283,171,510)	(2,952,136,234)	429,792,059	478,258,687	986,553,659
Movement in Cash and Cash Equivalent	2,668,964,724	(3,381,928,293)	(48,466,628)	(234,052,856)	704,968,923

Annexure 1

Alliance Finance Company PLC Key Financial Ratios

	2023-24	2022-23	2021-22	2020-21	2019-20
Debt / Equity Ratio (Times)	6.03	6.24	5.70	4.49	6.02
Interest Cover Ratio (Times)	0.84	0.93	0.20	0.86	1.21
Capital Adequacy - Core Capital Ratio %	12.07	12.42	11.67	11.38	9.86
Capital Adequacy - Total Capital Ratio %	14.38	16.55	15.07	14.00	12.97

Debt/ Equity Ratio = Total Debt / Total Equity

Interest Cover Ratio = Profit before Tax + Depreciation + Amortization + Impairment + Interest Expense / Interest Expense



Annexure 1

Alliance Finance Company PLC Statements of Profit or Loss For the year ended 31 March

	2024	2023	Group		
	2022	2021	2020		
Interest Income	13,200,296,688	11,959,844,851	7,858,602,585	7,175,165,275	7,214,750,962
Interest expenses	(7,286,440,505)	(7,395,214,020)	(2,651,181,039)	(2,912,756,756)	(3,321,169,317)
Net Interest Income	5,913,856,183	4,564,630,831	5,207,421,546	4,262,408,519	3,893,581,645
Non-Interest Income	863,578,780	565,251,582	918,099,756	688,008,463	524,013,414
Impairment charges for loans and other losses	(335,708,297)	(274,638,036)	(102,890,184)	(752,126,049)	(1,112,357,328)
Total operating expenses	(3,969,304,614)	(3,414,689,355)	(3,049,643,599)	(2,550,265,349)	(2,431,077,551)
Operating Profit before Taxes on Financial Services	2,472,422,052	1,440,555,032	2,972,987,519	1,648,025,584	874,160,180
Operating Profit after Taxes on Financial Services	1,803,818,447	1,021,127,146	2,418,438,163	1,340,154,086	578,019,344
Profit before Taxation from Operations	1,821,849,545	1,042,190,644	2,424,384,933	1,342,283,430	575,176,962
Profit for the year	1,008,561,512	559,449,979	1,510,768,703	596,101,699	240,379,468

Certification

This is the extraction of Audited Financial Statements covering a period of five years.



Annexure 1

Alliance Finance Company PLC
Statement of Financial Position
As at 31 March

	2024	2023	Group 2022	2021	2020
Assets					
Cash and cash equivalents	1,136,828,171	624,723,130	898,748,640	637,840,499	1,027,324,614
Repurchase agreements	962,606,009	250,154,110	250,000,000	400,203,715	350,388,965
Placements with banks & financial institutions	3,383,898,083	4,919,075,748	287,925,208	793,564,909	915,617,034
Financial assets recognised through profit or loss	3,508,968,758	3,130,690,272	1,502,280,225	1,177,459,998	1,550,282,902
Loans and advances - at amortised cost	23,506,870,064	17,449,867,823	14,797,772,357	6,626,972,697	6,184,454,429
Lease rentals receivable & stock out on hire - at amortised cost	22,597,190,332	21,552,425,839	25,503,747,256	19,978,211,851	20,055,543,842
Hire purchase rentals receivable & stock out on hire - at amortised cost	-	-	-	5,542,117	4,527,976
Financial assets - fair value through other comprehensive income	317,703,691	182,705,621	184,720,884	203,724,802	137,940,332
Other trading stocks	85,653,478	59,653,942	392,525,744	279,566,570	207,368,189
Other financial assets	450,152,949	417,933,228	630,656,592	564,090,869	535,032,270
Other non financial assets	265,196,987	174,283,305	244,361,452	163,760,732	176,999,477
Derivative financial assets	-	-	82,923,194	-	-
Investments in associates	128,484,547	97,412,383	83,092,843	96,563,532	94,434,188
Investment property	295,680,000	253,200,000	245,250,516	574,254,000	549,000,000
Property, plant & equipment	3,202,950,925	2,595,074,215	2,503,442,359	2,377,956,161	1,894,141,728
Intangible assets	147,169,590	139,461,804	127,180,497	58,497,170	55,957,723
Right of use asset	356,347,453	365,346,690	397,784,021	193,321,481	259,639,810
Deferred tax assets	175,796,752	210,498,249	210,485,254	145,567,344	295,790,313
Total Assets	60,521,498,592	52,423,506,357	48,342,897,042	34,277,098,442	34,093,863,812
Liabilities					
Due to banks	20,310,185,391	22,521,002,700	22,558,061,981	13,214,241,102	15,453,681,166
Due to depositors - at amortised cost	28,386,553,634	20,390,703,071	14,681,375,682	12,918,786,478	12,347,296,849
Debt instruments issued and other borrowed funds	-	-	867,759,553	-	-
Other financial liabilities	1,159,602,656	558,574,175	1,704,808,662	899,693,781	810,353,917
Other non financial liabilities	719,237,671	88,295,195	184,106,173	60,188,110	26,166,583
Derivative financial liabilities	5,379,033	36,175,016	-	13,545,550	59,836,277
Income tax liabilities	938,772,455	722,146,198	869,537,847	649,705,208	155,059,678
Retirement benefit obligations	56,338,393	50,962,873	124,326,196	15,988,862	1,244,584
Deferred tax liabilities	688,778,368	478,414,654	510,728,430	555,855,791	530,283,797
Lease liability	349,669,731	361,416,001	-	-	-
Total Liabilities	52,094,517,342	45,257,709,883	41,500,704,524	28,328,004,882	29,383,422,851
Shareholders' Funds					
Stated capital	613,980,000	613,980,000	613,980,000	613,980,000	613,980,000
Retained earnings	4,675,362,589	3,870,187,587	3,588,577,822	2,374,274,468	1,833,953,692
Reserves	3,005,109,307	2,582,160,519	2,567,155,888	2,906,884,087	2,271,248,961
Total Equity Attributable to Equity Holders of the Company	8,294,452,296	7,066,328,106	6,769,713,710	5,895,138,555	4,669,182,653
Non controlling interest	132,528,954	99,468,368	72,478,808	53,955,005	41,258,308
Total Equity	8,426,981,250	7,165,796,474	6,842,192,518	5,949,093,560	4,710,440,961
Total Liabilities and Shareholders' Funds	60,521,498,592	52,423,506,357	48,342,897,042	34,277,098,442	34,093,863,812
Contingent liabilities and commitments	820,666,741	857,880,187	38,415,571	261,333,077	273,286,699

Certification

This is the extraction of audited Financial Statements covering a period of five years.



Annexure 1

Alliance Finance Company PLC
Statements of Changes in Equity
For the year ended 31 March

	Group				
	2024	2023	2022	2021	2020
Balance as at the beginning of the year	7,165,796,474	6,842,192,518	5,949,093,560	4,710,440,961	4,575,991,044
Impact on adoption of SLFRS 16	-	-	-	-	(19,953,757)
Profit for the year	1,008,561,512	559,449,979	1,510,768,703	596,101,699	240,379,468
Other comprehensive income, net of tax	-	-	-	-	-
Reclassified to profit or loss as per SLFRS 09	-	-	-	-	-
Net actuarial gain on defined benefit plan	9,474,276	49,843,707	(85,977,920)	(19,053,801)	9,175,356
Equity investments at FVOCI - net change in fair value	41,220,588	(7,105,330)	(103,157,936)	123,996,645	(61,455,160)
Transfer of realized profit/(loss) on equity instrument disposal to retained earning	-	-	-	-	-
Net asset adjustment - Associate Company	-	-	(20,372,399)	-	-
Revaluation Surplus	370,406,400	-	-	537,608,056	-
Transfer to statutory reserve	-	-	-	-	-
Dividend paid	(168,480,000)	(278,584,400)	(408,161,429)	-	(33,696,000)
Balances as at the end of the year	8,426,981,250	7,165,796,474	6,842,192,518	5,949,093,560	4,710,440,961





Annexure 1

Alliance Finance Company PLC
Statements of Cash Flows
For the year ended 31 March

	2024	2023	Group 2022	2021	2020
Cash Flows From / (Used In) Operating Activities					
Profit before Income Tax Expense	1,821,849,545	1,042,190,644	2,424,384,932	1,342,283,430	575,176,962
Adjustments for:					
Depreciation of property, plant & equipment	159,178,329	151,201,931	116,816,283	123,387,757	122,926,845
Amortization of intangible assets	10,958,210	11,560,216	11,141,027	8,988,531	8,855,402
Intangible asset write-off	-	-	1,014,204	(753,265)	-
Depreciation adjustment	-	-	(10,505,851)	-	-
Amortization of right of use asset	128,590,164	127,702,817	104,584,448	71,961,239	75,954,501
Interest expense on lease liability	45,325,284	44,022,641	40,649,243	-	-
Impairment provision / (reversal)	106,846,334	40,334,682	(133,250,305)	279,399,091	551,044,667
Interest on fixed deposits, commercial paper & treasury bills	(421,109,825)	(256,767,567)	(73,627,310)	(126,035,075)	(121,580,588)
(Profit) / loss on sale of securities	-	-	-	-	(7,446,395)
Fair value gain on investments (FVTPL)	(7,172,318)	-	(275,394)	2,031,684	(939,142)
Fair value gain on investment property	(42,480,000)	(7,949,484)	(27,009,600)	(25,254,000)	-
Bad debt written-off	228,861,963	234,303,354	236,140,489	472,726,958	461,312,661
Diminution/(appreciation) in value of investments	-	-	-	-	(14,108,465)
Diminution/(appreciation) in value of treasury bonds	-	2,753,591	(4,003)	6,222,079	2,566,639
Loss/(profit) on disposal of property, plant & equipment	(78,391,610)	(12,652,649)	(13,729,654)	(42,278,926)	(21,293,820)
Loss/(profit) on disposal of investment property	-	-	(57,140,000)	-	-
(Profit) from disposal of financial instrument (Quoted Shares)	-	-	(480,302)	-	-
Loss/(profit) from sale of vehicle	(43,035,311)	3,122,258	(111,492,609)	(42,430,107)	-
Loss/(profit) on disposal of real estates	(4,503,313)	(9,105,101)	-	-	-
Provision for defined benefit plans	60,563,055	65,228,272	44,423,948	32,594,083	29,391,316
Dividend received	(19,219,784)	(20,174,158)	(11,610,626)	(6,625,336)	(4,317,948)
Share of (profit) from associates	(18,031,068)	(21,068,498)	(5,946,770)	(2,120,444)	2,842,382
Operating Profit before Working Capital Changes	1,928,229,605	1,394,692,745	2,524,082,110	2,091,689,699	1,760,285,074
(Increase)/decrease in trading stock	21,539,088	53,647,645	(1,043,219,266)	(442,760,279)	194,830,180
(Increase)/decrease in loans and advances	(6,123,554,884)	(2,602,720,732)	(8,268,070,660)	(772,080,576)	118,422,611
(Increase)/decrease in lease rentals receivable	(1,314,894,397)	3,617,297,790	(5,531,357,034)	(348,913,589)	(2,116,276,583)
(Increase)/decrease in hire purchase rentals receivable	974,249	10,858	3,744,562	(796,756)	7,508,010
(Increase)/decrease in fixed deposits & repurchase agreements	822,724,866	(4,631,304,650)	655,843,416	72,237,395	(323,788,890)
(Increase)/decrease in other financial assets	(32,219,621)	212,723,365	(150,179,199)	(25,594,154)	(88,169,863)
(Increase)/decrease in other non financial assets	58,354,394	89,060,073	(272,002,000)	78,542,351	(219,657,677)
(Increase)/decrease in derivative financial liabilities	(30,795,983)	110,038,210	(66,468,744)	(46,200,727)	(30,934,502)
Increase/(decrease) in amounts due to depositors	7,995,850,543	5,709,327,389	3,762,589,204	571,489,629	(146,385,959)
Increase/(decrease) in other financial liabilities	543,956,927	(784,818,486)	764,465,640	89,333,863	28,816,338
Increase/(decrease) in other non financial liabilities	130,942,477	(95,810,979)	142,378,241	48,712,361	(30,265,169)
Cash generated from/(used in) Operations	4,001,107,264	3,091,203,232	(9,456,293,759)	1,315,775,224	(854,566,430)
Retirement benefit liabilities paid	(40,736,908)	(27,744,230)	(10,125,107)	(11,433,250)	(14,958,515)
Investment in gratuity fund	-	(40,212,220)	(39,309,174)	(31,486,681)	(33,714,921)
Taxes paid	(535,339,343)	(676,481,543)	(794,789,292)	(254,286,674)	(409,877,470)
Net cash generated from/(used in) operating activities	3,425,031,013	2,346,765,218	(10,300,517,323)	1,018,558,579	(1,313,157,736)
Cash Flows from Investing Activities					
Acquisition of property, plant & equipment	(305,336,572)	(249,592,489)	(239,655,582)	(117,093,104)	(78,139,072)
Acquisition of right of use assets	(119,560,927)	(17,326,000)	(60,536,000)	6,434,908	(12,180,000)
Acquisition of Intangible Assets	(18,665,996)	(23,831,523)	(80,838,558)	(12,230,194)	(8,289,630)
Investment in unquoted equities	-	-	(354,940)	-	(12,545,070)
Investment in associates	(13,041,068)	-	-	-	-
Proceeds from sales of property, plant & equipment	146,828,000	18,411,350	21,352,700	61,048,800	29,024,526
Proceeds from sales of investment property	-	-	508,813,500	-	-
Proceeds from sales of vehicles	-	262,252,000	1,041,752,761	413,012,005	-
Proceeds from sales of real estates	-	22,955,000	-	-	-
Purchase of equipment relating to the investment property	-	-	(1,807,634)	-	-
Net sales/(purchases) of financial investments -FVTPL/BVOCI	(464,883,618)	(3,636,253,705)	(408,214,571)	424,735,963	78,007,252
Dividend received	19,219,784	20,174,158	11,610,626	6,825,336	4,317,948
Interest on fixed deposits, commercial paper & treasury bills	421,109,825	256,767,567	73,627,310	126,035,075	121,680,588
Net cash generated from / (used in) investing activities	(334,360,587)	(3,346,443,642)	865,146,152	908,768,789	121,876,592
Cash flows from / (used in) financing activities					
Settlement of operating lease liabilities	(149,268,076)	(140,943,853)	(107,109,688)	(77,981,423)	(82,967,010)
Increase/(decrease) in borrowed funds	-	(867,759,553)	867,759,550	-	(819,062,771)
Net increase/(decrease) in other borrowings	(62,413,959)	(3,140,673,013)	9,087,499,254	(2,045,470,056)	2,865,528,792
Net increase/(decrease) in finance lease	-	-	-	-	(1,917,211)
Dividend paid	(168,480,000)	(278,581,400)	(408,161,429)	-	(33,696,000)
Net cash generated from/(used in) financing activities	(380,162,035)	(4,427,960,819)	9,439,987,887	(2,123,451,489)	1,927,885,760
Net increase/(decrease) in cash and cash equivalents	2,710,508,391	(3,427,635,242)	4,586,516	(196,114,120)	736,604,616
Cash and cash equivalents at the beginning of the year	(2,894,359,487)	533,279,755	528,693,239	774,807,359	290,215,999
Cash and cash equivalents at the end of the year	(183,851,096)	(2,894,359,487)	533,279,755	578,693,239	1,027,324,614
Movement in Cash and Cash Equivalent	2,710,508,391	(3,427,635,242)	4,586,516	(196,114,120)	736,604,616

Annexure 1

Alliance Finance Company PLC Key Financial Ratios

	2023-24	2022-23	2021-22	2020-21	2019-20
Debt / Equity Ratio (Times)	5.91	6.13	5.63	4.43	5.95
Interest Cover Ratio (Times)	0.82	0.92	0.17	0.84	1.20
*Capital Adequacy - Core Capital Ratio %	12.07	12.42	11.67	11.38	9.86
*Capital Adequacy - Total Capital Ratio %	14.38	16.55	15.07	14.00	12.97

Debt/ Equity Ratio = Total Debt / Total Equity

Interest Cover Ratio = Profit before Tax + Depreciation + Amortization + Impairment + Interest Expense / Interest Expense

* Please note that these Capital Adequacy Ratios are based on the company's individual accounts, not on the consolidated accounts



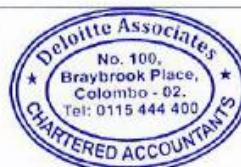
Annexure 2

Financial Year Ended	Accounting policy changes.
31 March 2020	<p>Adoption of revised accounting standards and related changes in accounting policies</p> <p>The Group adopted SLFRS 16 using the modified retrospective method of adoption with the date of initial application being April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially identified in the statement of changes in equity. Accordingly the comparative information has not been restated and continued to be reported under LKAS 17.</p> <p>Policy Applicable After 01 April 2019</p> <p>With effect from April 1, 2019, the Group applies this standard to contracts that were previously identified as leases applying LKAS 17 and IFRIC 4. For the contracts entered on or after the effective date of transition, the Group assesses at the inception of a contract, whether a contract contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration as per the guidelines of SLFRS 16. This assessment considers whether, throughout the period of use, the lessee has both the right to obtain all of the economic benefits from the use of the identified asset and the right to direct how and for what purpose the identified asset is used. After the assessment of whether a contract is, or contains, a lease, the Group determines whether it contains additional lease or non-lease (service) components based on the detailed guidance provided in SLFRS 16.</p> <p>As a Lessor</p> <p>Lessor Accounting under SLFRS 16 is substantially unchanged from LKAS 17. Lessor will continue to classify leases as either operating lease or finance leases using similar approach as in LKAS 17. Therefore SLFRS 16 does not have an impact for leases where Group is the lessor.</p> <p>As a Lessee</p> <p>As a lessee Group previously classified operating lease and the finance lease based on its assessment of whether the assessment lease transferred significantly all risk and rewards incidental to ownership of the underlying assets to the Group. Under SLFRS 16, The Group determines whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.</p> <p>The Group adopted SLFRS 16 using the modified retrospective method of adoption with the date of initial application being April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially identified in the statement of changes in equity. Accordingly the comparative information has not been restated and continued to be reported under LKAS 17.</p>



Annexure 2

Financial Year Ended	Accounting policy changes.
31 March 2020	<p>The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group recognises a lease liability at the date of initial application for leases previously classified as operating leases applying LKAS 17. The lessee shall measure that lease liability at the present value of the lease payments, discounted using the Company's cost of fund rate at the date of initial application date. The Group recognises as right-of-use asset at the date of initial application for leases previously classified as operating leases applying LKAS 17. The Group selected to measure the right-of-use asset at an amount equal to the lease liability, on a lease-by-lease basis, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position immediately before the date of initial application. The Group used a number of practical expedients when applying SLFRS 16 to leases previously classified as operating leases under LKAS 17. In particular, the Group:</p> <p>did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months.</p> <ul style="list-style-type: none"> ▪ did not recognize right-of-use assets and liabilities for leases of low-value assets ▪ excluded initial direct costs from measuring the right-of-use asset at the date of initial application ▪ Applied a single discount rate to a portfolio of leases with similar characteristics ▪ Used hindsight when determining the lease term if the contract contains option to extend or terminate the lease <p>The Group presents right-of-use assets and lease liabilities separately in the Statement of Financial Position.</p> <p>The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.</p> <p>Policy Applied Before 1 April 2019</p> <p>Finance and operating leases</p> <p>The determination of whether an arrangement is a lease or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.</p>



Annexure 2

Financial Year Ended	Accounting policy changes.
31 March 2020	<p>Finance lease</p> <p>Agreements which transfer to counter parties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as Finance Leases. When the Group is a lessor under finance leases the amounts due under the leases after deduction of unearned charges, are included in 'Lease Receivables to Group's or 'Loans and advances to customers', as appropriate.</p> <p>The finance income receivable is recognised in 'Net Interest Income' over the periods of the leases so as to give a constant rate of return on the net investment in the leases. When the Group is a lessee under finance leases, the leased assets are capitalised and included in 'Property, Plant and Equipment' and the corresponding liability to the lessor is included in 'Other Liabilities'. A finance lease and its corresponding liability are recognised initially at the fair value of the asset or, if lower, the present value of the minimum lease payments. Finance charges payable are recognised in 'Net Interest Income' over the period of the lease based on the interest rate implicit in the lease so as to give a constant rate of interest on the remaining balance of the liability.</p> <p>Operating lease</p> <p>All other leases are classified as an operating leases. When acting as lessor, the Group includes the assets subject to operating leases in 'Property, plant and equipment' and accounts for them accordingly. Impairment losses are recognised to the extent that residual values are not fully recoverable and the carrying value of the assets is thereby impaired. When the Group is the lessee, leased assets are not recognised on the Statement of Financial Position. Rentals payable and receivable under operating leases are accounted for on a straight-line basis over the periods of the leases and are included in 'Interest expenses and 'Other operating income', respectively.</p>
31 March 2024	<p>Amendments to LKAS 1 Presentation of Financial Statements and SLFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies.</p> <p>The Group also adopted disclosure of accounting policies amendment to LKAS 1 and SLFRS practice statement 2) the amendment did not result in any changes to the accounting policies themselves.</p>





Lanka Rating Agency

CERTIFIED TRUE COPY
 ALLIANCE FINANCE CO. PLC

 Mrs. Priyanga P. Peiris
 Company Secretary

25/11/2024

Rating Report

Alliance Finance Company PLC - Green Bond

Report Contents

1. Rating Analysis
2. Financial Information
3. Rating Scale
4. Regulatory and Supplementary Disclosure

Rating History

Dissemination Date	Long Term Rating	Outlook	Action	Rating Watch
20-Nov-2024	A-	Stable	Preliminary	-

Rating Rationale and Key Rating Drivers

Alliance Finance Company PLC ("AFC" or "the Company") is a Licensed Finance Company (LFC) listed on the Colombo Stock Exchange since 1959. It is a mid-sized player in the LFC industry with assets comprising ~3.4% of total industry. AFC adopted the Triple Bottom Line (TBL) philosophy in 2012 and plans to develop its products in line with these values driven to a sustainable business mandate. AFC's Net Interest Income (NIM) increased to LKR~1.8bln in 3MFY25 compared to LKR~1.0bln in 3MFY24, a growth of ~79.7% YoY. Similarly, AFC's net profit stood at LKR~917mln in FY24 and LKR~247mln in 3MFY25.

AFC plans to issue its first 3-year Green Bond (Up to maximum of LKR~1000mln face value), with proceeds exclusively funding eligible green projects focused on rooftop solar installations and financing solar equipment vendors in Sri Lanka. Deloitte Associates Sri Lanka will serve as the Independent External Verifier for this issuance. Seylan Bank PLC (SEYB), a Licensed Commercial Bank Rated "A-" (single A minus), is providing the financial guarantee that will cover the entire face value and two interest payments (up to maximum of LKR~1.135bln). The rating reflects the irrevocable and unconditional guarantee structure in place with bond holders having recourse to both AFC and SEYB in case of non-payment of interest or principal.

The Company has designed a mechanism to identify Solar Power and green projects. A cross-functional task force, including ESG and climate finance experts, oversees evaluations through feasibility studies and technical assessments. The Company will implement a governance framework to manage Green Bond proceeds, depositing funds in a separate account monitored periodically.

The rating depends on AFC's continued ability to achieve its strategic objectives while maintaining strong asset quality, sound financial management, sustainable leveraging and diversified funding base. Meanwhile, effectively managing Green Bond proceeds and implementing a strong framework will be critical from bond holder's perspective. Compliance with applicable guidelines and regulatory requirements for Green Bonds is important.

Disclosure

Name of Rated Entity	Alliance Finance Company PLC - Green Bond
Type of Relationship	Solicited
Purpose of the Rating	Debt Instrument Rating
Applicable Criteria	Methodology Debt Instrument Rating(Aug-24)
Related Research	Sector Study Leasing & Finance Companies(Aug-24)
Rating Analysts	Gayani Randima Ariyawansa gayani@lra.com.lk +94 114 500099

Profile Alliance Finance Company PLC ("AFC" or "the Company") was incorporated as a public company in 1956 under the provisions of the Companies Ordinance No. 51 of 1938 and re-registered under the Companies Act No. 07 of 2007. It was listed on the Colombo Stock Exchange (CSE) in 1959. AFC is the oldest Finance Company in Sri Lanka, with 68 years in the industry. The Company formally adopted the Triple Bottom Line ("TBL") philosophy in 2012. The principal business activities include acceptance of fixed and savings deposits and granting term loans, gold loans, and other credit facilities, leasing, vehicle trading, and hiring services.

Ownership The largest shareholder of the Company is Mr. R K E P De Silva, with an ownership of ~36.87%. He is also the Deputy Chairman (DC) and Managing Director (MD) of the Company. Mr. R K E P De Silva was appointed to the Board of Directors (BoD) in 1990 and serves as a non-executive director in AFC's associate and subsidiaries. Mr. De Silva is a Fellow of the Institute of Credit Management. He also holds directorships in many companies. AFC currently does not require capital infusion. However, the sponsors are willing and able to provide financial support, if need be.

Governance The BoD has nine directors, out of which two are Independent Directors, one is Non Independent Non Executive and three are Executive directors. Mrs. Dharmakirti Herath has led the Board members since 2020. The Executive directors have experience in Non-Banking Financial Institutions (NBFI), investment banking, and marketing, both locally and internationally. The Non-executive directors possess a wealth of experience in sectors such as financial services, brand building, strategic planning, marketing and law. The Company has formed five Board sub-committees, namely, Board Audit Committee (BAC), Board Integrated Risk Management Committee (BIRMC), Related Party Transactions Review Committee (RPTRC), Human Resources and Remuneration Committee (HRRC), and Nomination & Governance Committee (NGC). The external auditors of the company, Deloitte, issued an unqualified audit opinion on the annual financial statements for FY24.

Management The BoD remains the head of the organization. Four divisions in the Company report directly to Mr. De Silva. Other departments report to Mr. De Silva through the relevant Executive Directors. The management team is headed by Mr. De Silva. The Managing Director is supported by a team of executive directors, Chief Executive Officers (CEOs), assistant general managers, and a team of managers for different functions and areas. The Company has a large corporate and middle management. They have acquired decades of experience in their respective careers. AFC has formed seven management committees to run the operations smoothly. The Company is planning to move into a new core banking system, i.e., Finsale core banking solution, Lime front-end workflow engine, and the Microsoft Dynamics system for the general ledger by FY25. The internal audit department follows a comprehensive audit plan where all branches are audited at least once a year, while the gold loan divisions are audited twice a year. The risk management division focuses mainly on credit risk, market risk, and liquidity risk.

Business Risk There are ~36 Licensed Finance Companies (LFCs) in Sri Lanka, out of which ~27 are listed on the CSE. The Profit After Tax (PAT) of LFC and Specialized Leasing Companies sector for 3MFY25 stood at LKR~11.3bln. The total asset base of the LFC sector stood at LKR~1.6tn and LKR~1.3tn in FY24 and 3MFY25, respectively. AFC is considered a medium-sized Licensed Finance Company and accounts for ~3.4% of the asset base and ~2.9% of the deposit base in the sector, as of FY24. AFC's net loans and advances account for ~3.8% of the loans and advances in the sector in FY24. AFC earned a net interest income of LKR~1.8bln (FY24: LKR~5.9bln), in 3MFY25, which is a ~79.7% increase since the same quarter of the previous financial year. Interest income improved by ~12.2% to LKR~3.4bln (FY24: LKR~13.2bln) in 3MFY25 compared to 3MFY24. Interest expense decreased by ~21.7% to LKR~1.6bln (FY24: LKR~7.3bln) in 3MFY25 compared to 3MFY24. The core spread was maintained at ~18.0% in 3MFY25 and ~16.7% in FY24 however it was at ~4.2% in FY23. The Company's PAT increased by ~279% to LKR~247.1mln in 3MFY25 from LKR~65.1mln in 3MFY24. This increase is due to growth in interest income and net fee and commission income. The PAT in FY24 improved by ~81.6% to LKR~916.9mln from LKR~505mln in FY23. The significant growth was due to the favorable external environment and the successful implementation of strategic initiatives. ROE and ROA as at 3MFY25 stood at ~12.2% and ~1.6% respectively. AFC is deeply committed to sustainability, reflected in its diverse product portfolio, which includes climate financing initiatives like Cinnamon Cultivators Development and Rooftop Solar Loans.

Financial Risk The Company has maintained a gross and net NPL of ~9.42% (FY24: ~9.38%) and ~5.49% (FY24: ~5.48%) respectively in 3MFY25. It has maintained gross and net NPL below industry levels over the periods. The Company increased its investments by ~12.1% in FY24 by increasing the investments in government securities. The Company is dependent more on deposits as it constitutes ~54% of its funding in 3MFY25. The Company's total borrowings include both local and foreign borrowings which consist of securitized borrowings and other facilities and bank overdrafts. Local borrowings accounted for ~82% of the total borrowings while foreign borrowings accounted for ~18%. The Capital Adequacy Ratio (CAR) of the Company stood at ~13.97% as of 3MFY25 (FY24: ~14.38%) which is above the regulatory requirement of the Central Bank of Sri Lanka (CBSL).

Instrument Rating Considerations

About The Instrument AFC intends to issue a 3-year Green Bond (Up to a maximum of LKR~1000mln face value). The discount rate will be determined based on the Sri Lankan Government Security (3-year Bond) Rate Plus Premium. The Green Bond is fully secured by Seylan Bank's (SEYB) Financial Guarantee and will cover the entire Face Value and two interest payments (Up to a maximum of LKR~1,135mln).

Relative Seniority/Subordination Of Instrument The claims of the Green Bond Holders shall in the event of winding up of the Company, rank after all the claims of secured creditors and preferential claims under any Statutes governing the Company but *Pari Passu* to the claims of unsecured creditors of the Company, however that the Green Bond Holders unlike the other unsecured creditors would be entitled to the benefit of the Guarantee which has been issued by the Guarantor and shall rank in priority to and over any subordinated debt of the Company and the ordinary and preference shareholders of the Company.

Credit Enhancement SEYB is providing unconditional and irrevocable Financial Guarantee in favor of the Trustee for the benefit of the Green Bond Holders, guaranteeing both interest and principal payments for up to two Interest Periods (Up to a maximum of LKR~1,135mln).



Lanka Rating Agency

Alliance Finance Company PLC	Jun-24	Mar-24	Mar-23	Mar-22
#	3M	12M	12M	12M
A BALANCE SHEET				
1 Total Finance-net	46,038	43,471	35,400	40,472
2 Investments	4,844	4,142	3,564	1,913
3 Other Earning Assets	8,293	5,024	5,572	1,201
4 Non-Earning Assets	5,016	4,905	4,109	4,724
5 Non-Performing Finances-net	2,741	2,633	3,603	(171)
Total Assets	66,932	60,175	52,248	48,140
6 Funding	55,082	48,698	43,047	38,107
7 Other Liabilities	3,774	3,348	2,243	3,352
Total Liabilities	58,856	52,046	45,290	41,459
Equity	8,077	8,129	6,958	6,681
B INCOME STATEMENT				
1 Mark Up Earned	3,440	13,185	11,947	7,852
2 Mark Up Expensed	(1,597)	(7,298)	(7,411)	(2,651)
3 Non Mark Up Income	216	712	422	518
Total Income	2,059	6,599	4,957	5,719
4 Non-Mark Up Expenses	(1,189)	(3,944)	(3,385)	(2,776)
5 Provisions/Write offs	(212)	(336)	(275)	(103)
6 Reversals	12	47	73	78
Pre-Tax Profit	670	2,366	1,370	2,918
7 Taxes on Financial Services	(203)	(669)	(419)	(555)
Profit Before Income Taxes	466	1,698	951	2,364
8 Income Taxes	(219)	(781)	(446)	(901)
Profit After Tax	247	917	505	1,463
C RATIO ANALYSIS				
1 PERFORMANCE				
a Non-Mark Up Expenses / Total Income	57.8%	59.8%	68.3%	48.5%
b ROE	12.2%	12.2%	7.4%	23.4%
2 CREDIT RISK				
a Gross Finances (Total Finance-net + Non-Performing Advances + Non-Performing Debt Instruments) / Funding	92.3%	98.5%	94.7%	110.2%
b Accumulated Provisions / Non-Performing Advances	42.7%	41.5%	32.6%	111.2%
3 FUNDING & LIQUIDITY				
a Liquid Assets / Funding	22.9%	16.6%	21.0%	7.9%
b Borrowings from Banks and Other Financial Institutions / Funding	44.4%	41.7%	52.4%	59.2%
4 MARKET RISK				
a Investments / Equity	60.0%	50.9%	51.2%	28.6%
b (Equity Investments + Related Party) / Equity	6.9%	7.0%	3.9%	3.8%
5 CAPITALIZATION				
a Equity / Total Assets (D+E+F)	12.1%	13.5%	13.3%	13.9%
b Capital formation rate (Profit After Tax - Cash Dividend) / Equity	12.2%	9.1%	5.0%	20.5%

Credit Rating	
Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.	
Long-term Rating	Short-term Rating
Scale	Scale
AAA Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments	A1+ The highest capacity for timely repayment.
AA+ Very high credit quality. Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	A1 A strong capacity for timely repayment.
AA An adequate capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.	A2 A satisfactory capacity for timely repayment.
AA- An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.	A3 An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
A+ High credit quality. Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.	A4 The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.
A A	
A- A	
BBB+ Good credit quality. Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.	
BBB BBB	
BBB- BBB	
BB+ Moderate risk. Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.	
BB BB	
BB- BB	
B+ High credit risk. A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.	
B B	
B- B	
CCC Very high credit risk. Substantial credit risk "CCC" Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. "CC" Rating indicates that default of some kind appears probable. "C" Ratings signal imminent default.	
CC CC	
C C	
D Obligations are currently in default.	

Long-term Rating	Short-term Rating
AAA	A1+
AA+	A1
AA	A2
AA-	A3
A+	A4
A	
A-	
BBB+	
BBB	
BBB-	
BB+	
BB	
BB-	
B+	
B	
B-	
CCC	
CC	
C	

*The correlation shown is indicative and, in certain cases, may not hold.

Outlook (Stable, Positive, Negative, Developing) Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business/financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.	Rating Watch Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.	Suspension It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.	Withdrawn A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults, or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.	Harmonization A change in rating due to revision in applicable methodology or underlying scale.
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------

Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening.

Note. This scale is applicable to the following methodology(s):

a) Broker Entity Rating	e) Holding Company Rating
b) Corporate Rating	f) Independent Power Producer Rating
c) Debt Instrument Rating	g) Microfinance Institution Rating
d) Financial Institution Rating	h) Non-Banking Finance Companies Rating

Disclaimer: LRA has used due care in preparation of this document. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. LRA shall owe no liability whatsoever to any loss or damage caused by or resulting from any error in such information. Contents of LRA documents may be used, with due care and in the right context, with credit to LRA. Our reports and ratings constitute opinions, not recommendations to buy or to sell.

Nature of Instrument	Size of Issue (LKR)	Tenor	Security	Quantum of Security	Nature of Assets	Treasury	Book Value of Assets as at 30/01/25 (LKR)
LISTED, RATED, GUARANTEED SENIOR REDEEMABLE GREEN BONDS	1090MN	3 YEARS	GUARANTEED BY SEYLAN BANK	100%	N/A	HNB	66,932MN

Name of Issuer	ALLIANCE FINANCE COMPANY PLC
Issue Date	TBD
Maturity	3 YEARS
Coupon Basis (Tentative)	3-year T. Bond Rate Plus Premium*
Repayment	AT MATURITY
Option	N/A

Alliance Finance PLC - Green Bond

Due Date Principal	Opening Principal	Principal Repayment	Coupon Due Date	Fixed Rate	Coupon	Principal Outstanding
	LKR				YYYY-MM-DD	LKR
Type A					Fixed	
PROPOSED	1 BILLION	AFTER 3 YEARS	TBD/ TBD		TBD	



Deloitte Associates

No. 11, Castle Lane
Colombo 04
Sri Lanka

Tel: +94 11 2580409, 5444400
Fax: +94 11 2582452
www.deloitte.com

INDEPENDENT ASSURANCE REPORT TO THE BOARD OF THE DIRECTORS OF ALLIANCE FINANCE COMPANY PLC ON THE INFORMATION MENTIONING IN THE AFC GREEN BOND FRAMEWORK PERTAINING TO THE USE OF PROCEEDS, PROCESS FOR PROJECT EVALUATION AND SELECTION, MANAGEMENT OF PROCEED, AND REPORTING OF THE ALLIANCE FINANCE COMPANY PLC'S 2024 GREEN BOND ISSUANCE

SCOPE

We have been engaged by Alliance Finance Company PLC to perform a limited assurance engagement, as defined by Sri Lanka Standard on Assurance Engagements, to report on the Alliance Finance Company PLC's (AFC) (the "Company") Green Bond Framework pertaining to the use of proceeds, process for project evaluation and selection, management of proceeds, and reporting of the Alliance Finance Company PLC's 2024 Green Bond issuance (the "Subject Matter").

CRITERIA APPLIED BY THE COMPANY

In preparing the AFC Green Bond Framework pertaining to the use of proceeds, process for project evaluation and selection, management of proceeds, and reporting of the Alliance Finance Company PLC's 2024 Green Bond issuance, the company applied the Green Bond Principles 2021 published by International Capital Market Association (with June 2022 Appendix) (the "Criteria").

MANAGEMENT'S RESPONSIBILITY

The Company's management is responsible for selecting the Criteria, and for presenting the AFC Green Bond Framework pertaining to the use of proceeds, process for project evaluation and selection, management of proceeds, and reporting of the 2024 Green Bond issuance in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

OUR RESPONSIBILITY

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained. We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka. The standard require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies Sri Lanka Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

G J David FCA, T U Jayasinghe FCA, P D R Bharatha FCA, W A D Gayan ACA, H A C H Gunaratne FCA, M P M T Gunasekara FCA, M S J Henry FCA,
M M R Hilmy FCA, S Y Kodagoda ACA, M M M Manzeer FCA



DESCRIPTION OF PROCEDURES PERFORMED

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing AFC Green Bond Framework pertaining to the use of proceeds, process for project evaluation and selection, management of proceeds, reporting of the 2024 Green Bond issuance and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with personnel to understand the business and reporting process.
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Information containing in the Subject Matter.
- Checked the eligibility of the nominated projects of 2024 Green Bond issuance in accordance with the principles in the Criteria.
- Undertook analytical review procedures to support the reasonableness of the data.
- Identified and testing assumptions supporting calculations.
- Tested, on a sample basis, underlying source information to check the accuracy of the data.

We also performed such other procedures as we considered necessary in the circumstances.

CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the subject matter has not been presented, in all material respects, fairly and in accordance with the criteria defined.

Deloitte Associates

Deloitte Associates
Chartered Accountants
Colombo

22 October 2024

ANNEXURE III – LETTER OF GUARANTEE

CERTIFIED TRUE COPY
ALLIANCE FINANCE CO. PLC

ORIGINAL

Mrs. Priyanga P. Peiris
Company Secretary

SEYLAN BANK PLC
The bank with a heart
Private & Confidential

29th January 2025

Hutton National Bank PLC
HNB Towers, 479,
T.S. Jayah Mawatha,
Colombo 10.

Exports Department - Guarantee Unit
Seylan Bank PLC
Level 1, Seylan Towers, Head Office,
No. 90, Galle Road, Colombo 03, Sri Lanka.
Phone : (011)-2456447
Fax : (011)-2452548
E-mail : ge@seylan.lk
Co. Reg. No.: PQ 9

Your ref :
Our ref :

LETTER OF GUARANTEE NO: OGT/CBG/2025/0119 FOR LKR 1,107,500,000/-

WHEREAS at the request of **Alliance Finance Company PLC** (hereinafter referred to as the Applicant) a Company incorporated in the Republic of Sri Lanka and having its registered office at **Alliance House, 84, Ward Place, Colombo 07**, we **Seylan Bank PLC** a Banking company duly incorporated under the Companies Act No.17 of 1982 and re-registered under Act No 7 of 2007, bearing registration No PQ9 and having its Registered Office and/or principal place of business at **Seylan Towers, No 90, Galle Road, Colombo 03**, and Branch office at **Millennium Branch, Seylan Towers, No 90, Galle Road, Colombo 03** (hereinafter referred to as "the Bank") do hereby irrevocably and unconditionally guarantee undertake bind and oblige ourselves to pay you on demand a sum of money not exceeding **Sri Lankan Rupees One Billion One Hundred Seven Million Five Hundred Thousand Only (LKR 1,107,500,000/-)** that may be claimed by you in respect of **Issuance of Listed, Rated, Guaranteed, Senior Redeemable Green Bonds**.

Any demand hereunder shall be in writing and shall precisely specify the amount demanded and we will pay the amount demanded but not exceeding an aggregate sum of **Sri Lankan Rupees One Billion One Hundred Seven Million Five Hundred Thousand Only (LKR 1,107,500,000/-)** aforesaid.

Every payment made hereunder by the Bank shall be a Pro-tanto discharge of the total liability of the Bank. The benefits accruing under this guarantee shall not be assigned by the Beneficiary in favor of any other party.

This guarantee shall be effective from **29/01/2025** upto **20/03/2028**.

All claims if any, under this Guarantee must be lodged with us in writing by close of business hours on **20/03/2028** failing which this Guarantee shall become null and void and of no force or avail in law whether returned or not returned to us for cancellation and we shall be released and discharged from any and all liabilities and obligations hereunder.

However, that in case we shall have before the said date of expiry extended the validity period of this guarantee to any date subsequent to the said date of expiry, then the preceding provisions of this clause shall stand amended and read as if the date to which this guarantee is so extended had been inserted wherever in the preceding provisions of this clause the said date of expiry appears.

Your written demand should be addressed and delivered to the **Seylan Bank PLC at Millennium Branch, Seylan Towers, No 90, Galle Road, Colombo 03** not later than the said expiry date given or any other and further dates given as per extensions issued by the Bank after which date/dates this Guarantee becomes automatically null and void and of no force or avail in law and our liability extinguishes completely whether the original of this Guarantee is returned or retained by you.

This Guarantee is subject to the Uniform Rules of Demand Guarantees (URDG) Revision 2010, ICC Publication No.758.

You are encouraged to verify the authenticity of the above Guarantee by calling our Guarantee Unit on 011 2456437, 011 2456447 or 011 2456448 between 8.30 am and 5.00 pm local time on working days in Sri Lanka.

Yours faithfully,
SEYLAN BANK PLC

Authorized Officer
SEYLAN BANK PLC

Authorized Officer
SEYLAN BANK PLC

ANNEXURE IV - COLLECTION POINTS

Copies of the Prospectus and the Application Form can be obtained free of charge from the following collection points.

Issuer Alliance Finance Company PLC Alliance House, No 84 Ward Place, Colombo 07 Tel: +94 11 2 673 673 Fax: +94 11 2 697 205	Managers and Placement Agents to the Issue NDB Investment Bank Limited Level 1, NDB Capital Building No. 135, Bauddhaloka Mawatha Colombo 04 Tel: + 94 11 2 300 385-90 Fax: +94 11 2 300 393
Registrars to the Issue S S P Corporate Services (Private) Limited 101, Inner Flower Road, Colombo 03, Sri Lanka. Tel: +94 11 2 573 894 Fax: +94 11 2 573 609	Bankers to the Issue National Development Bank PLC No. 40, Navam Mawatha, Colombo 02 Tel: +94 11 2 448 448 Fax: +94 11 2 341 044, +94 11 2 440 262

Branch Network of Alliance Finance Company PLC

Copies of the Application Form can be obtained free of charge from all branches/customer centres of Alliance Finance Company PLC.

Trading Participants of the CSE

Acuity Stockbrokers (Private) Limited No. 53, Dharmapala Mawatha, Colombo 03. Tel: +94 11 2 206 206 Fax: +94 11 2 206 298/9 E-mail: sales@acuitystockbrokers.com	Asha Securities Limited No.60, 5 th Lane, Colombo 03. Tel: +94 11 2 429 100 Fax: +94 11 2 429 199 E-mail: asl@ashasecurities.net
Asia Securities (Private) Limited 4 th Floor, Lee Hedges Tower, No.349, Galle Road, Colombo 03. Tel: +94 11 7 722 000 Fax: +94 11 237 2280 E-mail: marketinfo@asiasecurities.lk	ACS Capital (Private) Limited No.44, Guilford Crescent, Colombo 07. Tel: +94 11 789 8302/ 11 488 9061-3/11 268 8899 Fax: E-mail: info@acscapial.lk
Asia Capital Stock Brokers (Private) Limited No. 46/46, Greenlanka Building, 6th Floor, Nawam Mawatha, Colombo 02. Tel: +94 117 564 000 Fax: +94 112 331 756 E-mail: info@acapstockbrokers.lk	Almas Equities (Private) Limited Westin Tower, 5th Level, No 2 - 4/1, Lake Drive, Colombo 8. Tel: +94 11 707 1445 51 Fax: E-mail: info@almasequities.com
Ambeon Securities (Private) Limited No.100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08. Tel: +94 11 5 328 200 / 100 Fax: +94 11 5 328 177 E-mail: info@ambeonsecurities.lk	Bartleet Religare Securities (Private) Limited Level “G”, “Bartleet House” 65, Braybrooke Place, Colombo 02. Tel: +94 11 4 221 000 Fax: +94 11 2 434 985 E-mail: info@bartleetstock.com
Capital Alliance Securities (Private) Limited Level 5, “Millennium House” 46/58, Navam Mawatha, Colombo 02. Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 Email: info@cal.lk	Capital Trust Securities (Private) Limited 42, Mohamed Macan Markar Mawatha, Colombo 03. Tel: +94 11 2 174 174/ +94 11 2 174 175 Fax: +94 11 2 174 173 E-mail: inquiries@capitaltrust.lk

CT CLSA Securities (Private) Limited 4-14, Majestic City, 10, Station Road, Colombo 04. Tel: +94 11 2 552 290-4 Fax: +94 11 2 552 289 E-mail: info@ctclsa.lk	Capital Alliance PLC Level 5, "Millenium House" 46/58, Nawam Mawatha, Colombo 02. Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 E-Mail: info@cal.lk
Enterprise Ceylon Capital (Private) Limited No. 3/1B, Liberty Arcade, 282, R. A. De Mel Mawatha, Colombo 3 Tel: +94 112 445 644, 112 301 861/ 11 230 1862 Fax: +94 11 237 2541 E-mail: info@ecc.lk	First Capital Equities (Pvt) Limited Level 12, No. 480, Galle Road, Colombo 03. Tel: +94 11 2 123 901 Fax: E-mail: equity@firstcapital.lk
First Guardian Equities (Private) Limited 32 nd Floor, East Tower, World Trade Centre, Colombo 01. Tel: +94 11 5 884 400 Fax: +94 11 5 884 401 E-mail: info@fge.lk	J B Securities (Private) Limited No. 150, St. Joseph Street, Colombo 14. Tel: +94 11 2 490 900 Fax: +94 11 2 430 070 E-mail: jbs@jb.lk
John Keells Stockbrokers (Private) Limited 186, Vauxhall Street, Colombo 02. Tel: +94 11 2 306 250/ +94 11 2 342 066-7 Fax: +94 11 2 342 068 E-mail: jkstock@keells.com	Lanka Securities (Private) Limited 3rd Floor, "M2M Veranda Offices", No34, W.A.D. Ramanayeke Mawatha, Colombo 2. Tel: +94 11 4 706 757, +94 11 2 554 942 Fax: +94 11 4 706 767 E-mail: info@lankasec.com
LOLC Securities (Private) Limited No.481, T.B. Jayah Mawatha, Colombo 10. Tel: +94 11 758 2000 Fax: +94 11 2 662 883 E-mail: info@lolcsecurities.com	Nestor Stock Brokers (Private) Limited No. 02, Gower Street, Colombo 05 Tel: +94 11 5 388 138 Fax: +94 11 2 550 100 E-mail: info@nestorstockbrokers.lk

NDB Securities (Private) Limited Level 2, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 04. Tel: +94 11 2 131 000 Fax: +94 11 2 314 181 E-mail: mail@ndbs.lk	Richard Pieris Securities (Pvt) Limited No. 310, Highlevel Road, Nawinna, Maharagama. Tel: +94 11 4 310 500 Fax: +94 11 2 330 711 E-mail: rpfs1@rpsecurities.com
TKS Securities (Pvt) Ltd 4 th Floor, 245, Dharmapala Mawatha, Colombo 07 T: +94 11 7 857 799 Fax: +94 11 7 857 857 Email: info@tks.lk	Senfin Securities Limited 4th Floor, No.180, Bauddhaloka Mawatha, Colombo 04. Tel: +94 11 2 359 100 Fax: +94 11 2 305 522 E-mail: info@senfinsecurities.com
Softlogic Stockbrokers (Private) Limited Level 16, One Galle Face Tower, Colombo 02. Tel: +94 11 7 277 000 Fax: +94 11 7 277 099 Email:info@softlogicstockbrokers.lk	S C Securities (Private) Limited 5th Floor, No. 26 B, Alwis Place, Colombo 03. Tel: +94 11 4 711 000 / +94 11 4 711 001 Fax: +94 11 2 394 405 E-mail: itdivision@sampathsecurities.lk
Somerville Stockbrokers (Private) Limited 1A, Park Way Park Road, Colombo 05. Tel: +94-11 2 502 852/ 54/ 58/ 62 Fax: +94 11 2 502 852 E-mail: contact@somerville.lk	Wealthtrust Securities Limited No. 102/1, Dr. N.M. Perera Mawatha, Colombo 3. Tel: +94 11 2 675 091 – 4 Fax: +94 11 2 689 605 E-Mail: info@wealthtrust.lk
NSB Fund Management Company Limited No. 400, Galle Road, Colombo 03 Tel: +94-11 2564601 Fax: +94 11 2574387	

ANNEXURE V - CUSTODIAN BANKS

Bank of Ceylon¹ (Head Office) 11th Floor, 04, Bank of Ceylon Mawatha, Colombo 01 T: +94 11 2 204 064	Citi Bank, N A 65 C, Dharmapala Mawatha, Colombo 07 T: +94 11 4 794 733
Commercial Bank of Ceylon PLC Commercial House, 21, Bristol Street, Colombo 01 T: +94 11 2 440010-15	Deutsche Bank AG 86, Galle Road, Colombo 03 T: +94 11 2 447 062, 2 438 057
Hatton National Bank PLC HNB Towers, 479, T. B. Jayah Mawatha, Colombo 10 T: +94 77 7 712 406	The Hong Kong and Shanghai Banking Corporation Limited 24, Sir Baron Jayathilake Mawatha, Colombo 01 T: +94 11 2325435, 2446591, 2446303
People's Bank (Head Office) Treasury, 5th Floor, Sir Chittampalam A Gardiner Mawatha, Colombo 02 T: +94 11 2 206 782	Standard Chartered Bank 37, York Street, Colombo 01 T: +94 11 2 480 450
Sampath Bank PLC 110, Sir James Peiris Mawatha, Colombo 02 T: +94 11 5 331 458, +94 11 4 730 662	State Bank of India 16, Sir Baron Jayathilake Mawatha, Colombo 01 T: +94 11 4 622 350
Seylan Bank PLC Level 8, Ceylinco Seylan Towers, 90, Galle Road, Colombo 03 T: +94 11 4 701 812, +94 11 4 701 819	Union Bank of Colombo PLC 64, Galle Road, Colombo 03 T: +94 11 2 374 205
Nations Trust Bank PLC 256, Sri Ramanathan Mawatha, Colombo 15 T: +94 11 4 313 131	Pan Asia Bank 450, Galle Road, Colombo 03 T: +94 11 2 565 565
National Development Bank PLC No.40, Navam Mawatha, Colombo 02 T: +94 (0) 11 2 448 448	DFCC Bank PLC No.73/5, Galle Road, Colombo 03. T: +94 112 442 031

ANNEXURE VI – FATCA DECLARATION

Manager

Alliance Finance Company PLC

.....

I/We.....

.....and.....

.....of.....

(address).....holder/s of Passport Number/

NIC Number..... who fall under definition of a US Persons under the provision of the Foreign Account

Tax Compliance Act (“FATCA”) which is a US legislation aimed at preventing tax evasion by US persons through

overseas assets. I/We confirm that I/We understand FATCA is extraterritorial by design and requires “US

Persons” to report their financial assets held overseas.

I/We hereby request Alliance Finance Company PLC which is recognized as a Foreign Financial Institutions (FFIs)

in terms of the FATCA to report all information pertaining to the accounts and investments held by me/us in the

Alliance Finance Company PLC and to remit any tax payable to the Internal Revenue Services (IRS) of the United

States of America. I/We further confirm that this request is made by me/us with full knowledge and

understanding of FATCA.

Date:.....

Signature/s of Applicants