



# PRIME FINANCE PLC

## INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30<sup>TH</sup> SEPTEMBER 2019



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## STATEMENT OF COMPREHENSIVE INCOME

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019

	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED		
	30.09.2019 Unaudited	30.09.2018 Unaudited	Variance %	30.09.2019 Unaudited Rs.	30.09.2018 Unaudited Rs.	Variance %
Interest Income	266,500,868	229,981,656	16%	529,867,994	423,565,284	25%
Interest Expenses	(123,371,047)	(94,775,890)	-30%	(253,426,218)	(186,916,220)	-36%
<b>Net Interest Income</b>	143,129,820	135,205,766	6%	276,441,775	236,649,064	17%
Fee and Commission Income	3,345,047	5,854,613	-43%	5,771,336	12,804,832	-55%
<b>Fee and Commission Income</b>	3,345,047	5,854,613	-43%	5,771,336	12,804,832	-55%
Other Operating Income (net)	34,353,889	25,989,783	32%	71,523,456	46,279,245	55%
<b>Total Operating Income</b>	180,828,755	167,050,162	8%	353,736,566	295,733,142	20%
Less: Impairment charges and other losses	(34,017,172)	(29,643,159)	-15%	(104,492,286)	(46,455,330)	-125%
<b>Net Operating Income</b>	146,811,583	137,407,003	7%	249,244,280	249,277,812	0%
<b>Operating Expenses</b>						
Personnel Costs	(34,024,770)	(29,531,006)	-15%	(65,222,289)	(59,190,114)	-10%
Depreciation of Property Plant & Equipment	(3,241,318)	(3,218,101)	-1%	(6,554,004)	(6,248,989)	-5%
Amortisation of Intangible Assets	(209,689)	(132,863)	-58%	(417,097)	(315,969)	-32%
Other Operating Expenses	(42,148,345)	(36,270,965)	-16%	(79,563,059)	(70,011,427)	-14%
<b>Profit/( Loss) before VAT on Financial Services, NBT &amp; Debt Repayment Levy</b>	67,187,460	68,254,068	-2%	97,487,830	113,511,313	-14%
VAT on Financial Services, NBT & Debt Repayment Levy	(15,398,072)	(13,374,375)	-15%	(24,826,539)	(22,725,490)	-9%
<b>Profit/( Loss) from Operations before Taxation</b>	51,789,388	54,879,693	-6%	72,661,291	90,785,823	-20%
(Provision)/Reversal for Income Taxation	(22,015,966)	(16,498,414)	-33%	(32,337,803)	(22,720,776)	-42%
<b>Profit/(Loss) for the Year</b>	29,773,422	38,381,279	-22%	40,323,488	68,065,047	-41%
<b>Other Comprehensive Income / (Expenses)</b>						
<b>Other Comprehensive Income Not To Be Reclassified To Profit or Loss</b>						
Actuarial Gain / ( Loss ) on Retirement Benefit Obligations	-	-	0%	-	-	0%
Deferred Tax on above	-	-	0%	-	-	0%
<b>Other Comprehensive Income/(Expense) for the Period, Net of Taxes</b>	-	-	0%	-	-	0%
<b>Total Comprehensive Income/(Expense) for the Year</b>	29,773,422	38,381,279	-22%	40,323,488	68,065,047	-41%
<b>Earnings Per Share (Rs)</b>	0.38	1.01		0.51	1.78	

The above figures are provisional and subject to audit.

## STATEMENT OF FINANCIAL POSITION

As at 30th September 2019

	<b>As At 30.09.2019</b>	<b>As At 31.03.2019</b>
	<b>Rs.</b>	<b>Rs.</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Assets</b>		
Cash & Cash Equivalents	181,398,928	469,366,656
Financial Assets at Amortised Cost - Loans and Advances	3,795,990,141	3,418,267,118
Financial Assets at Amortised Cost - Lease Rentals Receivable & Stock Out on Hire	792,325,778	886,748,708
Financial Investments at Amortised Cost - Debt & Other Instruments	341,493,346	387,329,553
Financial Investments at Fair Value Through Other Comprehensive Income	56,300	56,300
Other Financial Assets	9,433,027	8,936,585
Inventories - Real Estate Stock	509,383,463	386,746,646
Other Non Financial Assets	32,869,948	11,938,288
Investment Property	105,439,534	105,439,534
Property, Plant & Equipment	28,577,079	27,809,300
Intangible Assets	2,823,492	3,240,589
Deferred Tax Asset	-	-
<b>Total Assets</b>	<b>5,799,791,036</b>	<b>5,705,879,277</b>
<b>Liabilities</b>		
Due to Banks and Other Financial Institutions	1,057,306,925	1,094,217,290
Due to Customers	2,747,657,835	2,746,322,013
Other Financial Liabilities	4,170,550	6,575,856
Other Non-Financial Liabilities	306,270,067	180,847,764
Retirement Benefit Liability	5,519,306	4,318,233
Deferred Tax Liability	6,472,051	6,472,052
Income Tax Payable	11,291,447	46,346,706
<b>Total Liabilities</b>	<b>4,138,688,183</b>	<b>4,085,099,914</b>
<b>Shareholders' Funds</b>		
Stated Capital	1,372,500,000	1,372,500,000
Retained Earnings	270,979,373	230,655,884
Other Reserves	17,623,480	17,623,479
<b>Total Shareholders' Funds</b>	<b>1,661,102,853</b>	<b>1,620,779,363</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>5,799,791,036</b>	<b>5,705,879,277</b>
<b>Commitments and Contingencies</b>	<b>322,528,767</b>	<b>208,924,756</b>
<b>Net Assets Per Share (Rs.)</b>	<b>20.97</b>	<b>20.46</b>

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

Sgd  
T M M Tennakoon  
AGM - Finance

Sgd  
Rasika Kaluarachchi  
Chief Executive Officer

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by:

Sgd  
M. D. Saddha Mangala Goonetilleke  
Director

Sgd  
H. M. Hennayake Bandara  
Director

08th November 2019  
Colombo

## STATEMENT OF CHANGES IN EQUITY

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019

	<b>Stated Capital</b>	<b>Retained Earnings</b>	<b>Statutory Reserve</b>	<b>Total</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Balances as at 01st April 2018</b>	508,500,000	95,883,622	8,691,206	613,074,828
Net Profit for the 1st six months of the Year	-	68,065,047	-	68,065,047
Right Issue	864,000,000			864,000,000
<b>Balances as at 30th September 2018</b>	<u>1,372,500,000</u>	<u>163,948,669</u>	<u>8,691,206</u>	<u>1,545,139,875</u>
<b>Balances as at 01st April 2019</b>	1,372,500,000	230,655,884	17,623,479	1,620,779,364
Net Profit for the 1st six months of the Year	-	40,323,488	-	40,323,488
Other Comprehensive Income	-	-	-	-
Deferred Tax on above	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-
Transfers during the year	-	-	-	-
<b>Balances as at 30th September 2019</b>	<u>1,372,500,000</u>	<u>270,979,373</u>	<u>17,623,479</u>	<u>1,661,102,852</u>

## STATEMENT OF CASH FLOWS

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019

	<b>30.09.2019</b> <b>Rs.</b> <b>Unaudited</b>	<b>30.09.2018</b> <b>Rs.</b> <b>Unaudited</b>
<b>Cash Flows From / (Used in) Operating Activities</b>		
Profit/( Loss) before Income Tax Expense	72,661,291	90,785,823
Adjustments for		
Depreciation	6,554,004	6,248,989
Amortisation of Intangible Assets	417,097	315,969
Impairment Provision	104,492,286	46,455,330
Interest Cost on Finance Lease	-	17,494
Loss/(Profit) on Disposal of Property & Equipment	(101,305)	-
Provision/(Reversal) for Defined Benefit Plans	1,497,698	1,497,698
Dividend Received	(240,800)	(206,400)
Operating Profit before Working Capital Changes	185,280,271	145,114,904
(Increase)/Decrease in Real Estate Stock	(122,636,816)	(22,847,594)
(Increase)/Decrease in Loans and Advances	(446,428,949)	(845,933,667)
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	58,636,570	(363,238,142)
(Increase)/Decrease in Other Financial Assets	(496,442)	(1,875,000)
(Increase)/Decrease in Other Non Financial Assets	(17,834,118)	(257,777)
Increase/(Decrease) in Amounts Due to Customers	1,335,822	5,128,318
Increase/(Decrease) in Other Financial Liabilities	(2,405,307)	(2,324,602)
Increase/(Decrease) in Other Non Financial Liabilities	125,422,303	(95,306,887)
Cash Generated from/( Used in) Operations	(219,126,666)	(1,181,540,446)
Economic Service Charges Paid	(3,097,542)	(2,325,393)
Retirement Benefit Liabilities Paid	(296,625)	(458,700)
Income Tax Paid	(67,393,063)	-
Net Cash From/(Used in) Operating Activities	(289,913,896)	(1,184,324,544)
<b>Cash Flows from / (Used in) Investing Activities</b>		
Acquisition of Property, Plant & Equipment	(7,321,783)	(3,570,666)
Acquisition of Intangible Assets	-	(20,400)
Acquisition of Investment Property	-	
Proceeds from Sales of Shares	-	
Proceeds from Sales of Property , Plant & Equipment	101,305	
Net investments in Banks & Other Financial Institutions	-	(50,828,759)
Net investment in government bonds & government securities	(8,825,103)	(5,415,287)
Dividend Received	240,800	206,400
Net Cash Flows from/(Used in) Investing Activities	(15,804,781)	(59,628,712)
<b>Cash Flows from / (Used in) Financing Activities</b>		
Rights Issue	-	864,000,000
Payment under Finance Lease Liabilities	-	(275,166)
Net movement in the bank borrowings	41,233,858	(120,060)
Net Cash Flows from/(Used in) Financing Activities	41,233,858	863,604,774
<b>Net Increase in Cash and Cash Equivalents</b>	(264,484,819)	(380,348,482)
<b>Net Cash and Cash Equivalents at the beginning of the Year</b>	424,947,236	375,681,787
<b>Cash and Cash Equivalents at the end of the Period</b>	160,462,417	(4,666,694)

NOTES TO THE FINANCIAL STATEMENTS

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019

SEGMENTAL INFORMATION

For management purposes, the Company is organised into three operating segments based on services offered to customers as follows.

The following table presents income and profit and certain asset and liability information regarding the Company's operating segments.

	Financial assets at amortised cost - Lease Rentals Receivable & Stock Out on Hire		Financial assets at amortised cost - Loans and Advances		Others		Total	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Interest Income	83,334,662	73,253,327	426,081,424	328,736,993	20,451,908	21,574,964	529,867,994	423,565,284
Interest Expenses	(39,857,452)	(32,326,150)	(203,786,991)	(145,069,198)	(9,781,775)	(9,520,871)	(253,426,218)	(186,916,220)
Net Interest Income/(Expenses)	43,477,210	40,927,177	222,294,433	183,667,795	10,670,133	12,054,092	276,441,775	236,649,064
Fee and Commission Income	907,683	2,214,527	4,640,890	9,938,071	222,763	652,234	5,771,336	12,804,832
Other Operating Income	-	-	-	-	71,523,456	46,279,245	71,523,456	46,279,245
Impairment (Charge)/Reversal for Loans and Other Credit Losses	(31,932,251)	(5,631,972)	(72,560,035)	(40,823,358)	-	-	(104,492,286)	(46,455,330)
Net Operating Income	12,452,642	37,509,731	154,375,288	152,782,509	82,416,351	58,985,572	249,244,281	249,277,812
Other Costs	22,771,026	22,344,708	116,425,880	100,275,749	5,588,442	6,581,084	144,785,349	129,201,541
Depreciation & Amortisation	1,096,376	1,135,374	5,605,654	5,095,188	269,071	334,396	6,971,101	6,564,959
Profit/ (Loss) before VAT on financial services	(11,414,760)	14,029,649	32,343,754	47,411,572	76,558,837	52,070,092	97,487,831	113,511,312
VAT on financial services, NBT & Debt Repayment Levy & Income Tax							(57,164,343)	(45,446,266)
Profit/(Loss) for the Year							40,323,489	68,065,047
Segmental Assets	843,382,656	884,216,401	4,040,600,896	3,096,965,709	915,807,484	612,772,512	5,799,791,036	4,593,954,622
Segmental Liabilities	601,831,654	586,817,290	2,883,343,051	2,055,326,076	653,513,478	406,671,382	4,138,688,183	3,048,814,748

## NOTES TO THE FINANCIAL STATEMENTS

- The Interim Financial Statements of the Company have been prepared based on the Sri Lanka Accounting Standards that came into effect from January 01, 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Audited Financial Statements for the Year Ended 31st March 2019. Further, these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard (LKAS 34) on Interim Financial Reporting and provide the information required by the Colombo Stock Exchange.

**Sri Lanka Accounting Standard – SLFRS 9 (Financial Instruments)**

The Sri Lanka Accounting Standard - SLFRS 9 (Financial Instruments) was effective for annual periods beginning on or after 01st January 2018. However, as permitted by the 'Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements' issued by CA Sri Lanka, Company had prepared the Interim Financial Statements for the quarter ended 30 September 2018 based on LKAS 39 (Financial Instruments: Recognition and Measurement). Accordingly, information for the quarter ended 30 September 2018 does not reflect the requirements of SLFRS 9 and therefore not comparable to the information presented for quarter ended 30 September 2019 under SLFRS 9.

- There were no significant changes in the nature of contingent liabilities which were disclosed in the Audited Financial statements for the year ended 31st March 2019.
- Investor Information**

**3.1 Directors' and CEO's Shareholding as at 30th September 2019**

The number of shares held by the Board of Directors and the CEO are as follows;

Name of the director	No. of shares	( % )
Mr. M. D. Saddha Mangala Goonetilleke	22,000	0.03%
Mrs. H. K. Sadamini Rukmal Perera	110,000	0.14%
Mr. B. Premalal	110,000	0.14%
Mr. Nandana A. Wickramage	20,000	0.03%
Mr. Pathirage Anura W. Perera	50,000	0.06%
Mr. Mahinda Perera	1,000	0.00%
Mr. R. Randeniya	152,000	0.19%
Mr. H. M. Hennayake Bandara	Nil	N/A
Mr. Dhammika Hemantha Kalapuge	Nil	N/A
Mrs. K. D. S. Fernando	Nil	N/A
Mr. Rasika Kaluarachchi (CEO)	Nil	N/A

**3.2 Twenty largest shareholders as at 30th September 2019**

	Name	No. of shares	% of holding
1	Seylan Bank Plc/Ms.Prime Lands (Pvt) Ltd	74,926,029	94.60%
2	Mr. Peramuna Gamaethige Kumaradasa	725,613	0.92%
3	Mr. Weerathunga Arachchige Sampath Palitha De Saram	438,528	0.55%
4	Seylan Bank Plc /F.J.P.Raj	240,225	0.30%
5	Mr. Ruminda Randeniya	152,000	0.19%
6	Mr. Lalith Rukman Jayaweera	113,795	0.14%
7	Mr. Brahammanage Premalal	110,000	0.14%
7	Mrs. Hena Kankanamge Sandamini Rukmal Perera	110,000	0.14%
7	Miss. Shehana Sonali Ann Piumi Brahamanage	110,000	0.14%
10	Mr. Premadasa Manamperi	105,088	0.13%
11	Mr. Ranasinghe Halnetti Padmaperuma Dushantha Rangana	100,100	0.13%
11	Mrs. Deyalage Janitha Shamali	100,100	0.13%
13	Mr. Suppiapillai Karunamoorthy	100,000	0.13%
14	Mr. Mallikage Adeesha Sagara Wijeyeratne	80,000	0.10%
15	Mr. Francis Jayarupan Pradeep Raj	75,006	0.09%
16	Banasei Securities Capital (Pvt) Ltd/M.A.Waas	73,036	0.09%
17	The Victoria International Private Limited	65,069	0.08%
18	Banasei Securities Capital (Pvt) Ltd/M.A.U. Gnanatilake	59,389	0.07%
19	Mr Owitgala Vithanage Randika Ayesh Abeyrathna	50,383	0.06%
20	Mr. Heenatigala Mudiyanseelage Nalinda Udesh Kumara	50,000	0.06%
20	Mr. Herath Mudiyanseelage Prabath Krishantha Bandara	50,000	0.06%
20	Mr. Pathirage Anura Wijesiri Perera	50,000	0.06%
		77,884,361	98.34%
	Others	1,315,639	1.66%
		<b>79,200,000</b>	<b>100.00%</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 3.3 Public Shareholding as at 30th September 2019

Percentage of Public Holding (Minimum Requirement - 10%)		4.61%
Number of Shares hold by Public Shareholders		3,648,971
Number of Public Shareholders (Minimum Requirement - 200 Shareholders)		948
Number of Public and Non-Public Shareholders		958
Market Capitalization as at 30th September, 2019	Rs.	1,227,600,000
Float Adjusted Market Capitalization as at 30th September, 2019	Rs.	56,559,051

Pursuant to Rule 7.13.2 (a) of the Listing Rules of Colombo Stock Exchange (CSE), we write to inform you the status of compliance with Rule 7.13.1 (b) of the Listing rules as of 30th September 2019, as detailed below;

The Company is not in compliance with the Option Two of the Minimum Public Holding requirement specified in Rule 7.13.1 (b). The reason for the aforesaid non-compliance is that the Company has issued 43,200,000 Ordinary Shares in the proportion of Six (06) new Ordinary Shares for every (05) Ordinary Shares in the Capital of the Company by way of a Rights Issue amounting to Rs. 864,000,000/-, to the holders of the issued Ordinary Shares of the Company at the price of Rs. 20/- per share in order to comply with the Minimum Core Capital requirements specified in the Finance Business Act (Minimum Core Capital) Direction No. 02 of 2017 issued by the Monetary Board of Central Bank of Sri Lanka. The majority shareholder, Prime Lands (Private) Limited, undertook to subscribe all remaining unsubscribed shares to enable the Company to meet the regulatory Minimum Core Capital requirements and subscribed 4,128,194 Ordinary Shares as Additional Shares (in addition to the subscription of 38,630,113 provisionally allotted Ordinary Shares) and the Rights Issue was concluded on 26th July, 2018. With the conclusion of the said Rights Issue, the Shareholding of Prime Lands (Private) Limited increased to 94.63% compared to Pre-Rights Issue holding of 89.42%.

To enable the Company to comply with the Minimum Public Holding requirements in terms of Rule 7.13.1 (b) of the Listing Rule of the CSE, the majority shareholder, Prime Lands (Private) Limited have agreed to divest their holding.

Further, pursuant to the request made by the Company by letter dated 22 February 2019, the CSE has by their letter dated 19 March 2019, granted a waiver in terms of 7.13.3(iii) for a period of One year from the date of non-compliance. Subsequently, in terms of Rule 7.13.2 (d), the CSE, with the concurrence of the SEC, has granted further extension up to 19 March 2020 by their letter dated 3 July 2019 subject to the Company making the appropriate disclosures to the market in this regard.

## 3.3.1 Computation of Public Share Holding as at 30th September 2019

	No. of shares	% of shares
	as at 30th September 2019	
<b><u>Parent, subsidiary or associate entities or any subsidiary or associates of its Parent Entity</u></b>		
Seylan Bank PLC/M/s Prime Lands (Pvt) Ltd	74,926,029	94.60%
<b><u>Directors of the entity, their spouses and children under 18 years of age</u></b>		
Mr. M. D. Saddha Mangala Goonetilleke	22,000	0.03%
Ms. H. K. Sadamini Rukmal Perera	110,000	0.14%
Mr. B. Premalal	110,000	0.14%
Mr. Nandana A. Wickramage	20,000	0.03%
Mr. Pathirage Anura W. Perera	50,000	0.06%
Mr. Mahinda Perera	1,000	0.00%
Mr. Ruminda Randeniya	152,000	0.19%
Mr. H. M. Hennayake Bandara	Nil	Nil
Mr. Dhammika Hemantha Kalapuge	Nil	Nil
Mrs. Konganeege Dinusha Suraji Fernando	Nil	Nil
<b><u>Key Management personnel and their close family members</u></b>		
	Nil	Nil
<b><u>Other related entities/ parties</u></b>		
Mr. H.M.N.U. Kumara	50,000	0.06%
Miss. S.S.A.P. Brahamanage	110,000	0.14%
<b>Total non-public share holding</b>	<b>75,551,029</b>	<b>95.39%</b>
<b>Public Share Holding</b>	<b>3,648,971</b>	<b>4.61%</b>
<b>Total Issued Share Capital</b>	<b>79,200,000</b>	<b>100.00%</b>

## 3.4 Stated Capital

Stated Capital is represented by number of shares in issue as given below:

	No of Shares as at	
	30-Sep-19	31-Mar-19
Ordinary Shares	79,200,000	79,200,000

## 3.5 Earning per share

Earning per share has been calculated, for all periods, based on the number of shares in issue as at 30th September 2019



## NOTES TO THE FINANCIAL STATEMENTS

3.6 Market value per share for the quarter ended	30-Sep-19	30-Sep-18
	Rs.	Rs.
Highest Price	17.50	21.50
Lowest Price	15.50	14.40
Last Traded	15.50	18.00

**4 Commitments and Contingencies**

There were no material contingent liabilities and /or capital commitments as at reporting date except for the undrawn loan commitment as follows :

	30-Sep-19	31-Mar-19
	Rs.	Rs.
Commitment for Unutilized Facilities	<u>322,528,767</u>	<u>208,924,756</u>

**5 Events occurring after Balance Sheet date**

There were no material events that have taken place subsequent to the balance sheet date, which require adjustments to or disclosure in the Financial Statements except as explained above.

**6 Comparative figures**

Comparative period's figures have been presented with out any amendment.

## 7 RELATED PARTY DISCLOSURES

## Transactions with Affiliated Companies

<u>Items in statement of Financial Position</u>	<u>Reported under</u>	<b>Quarter Ended 30th September 2019 Rs.</b>
<u>Assets</u>		
Loans given to Prime Lands Residencies (Pvt) Ltd	Loans and Advances	46,926,219
Loans given to Prime Lands Residencies (Pvt) Ltd	Lease Rentals Receivable & Stock Out on Hire	43,443,400
Loans given to Bhoomi Realty Holdings (Pvt) Ltd	Loans and Advances	2,236,066
Loans given to Bhoomi Realty Holdings (Pvt) Ltd	Lease Rentals Receivable & Stock Out on Hire	3,133,126
		<b><u>95,738,811</u></b>
<u>Items in statement of Comprehensive Income</u>		
Interest Income from Prime Lands Residencies (Pvt) Ltd	Interest Income	3,897,386
Interest Income from Bhoomi Realty Holdings (Pvt) Ltd	Interest Income	281,943
		<b><u>4,179,328</u></b>

## Transactions with Directors' and other KMPs' of the Company and their spouses

<u>Items in statement of Financial Position</u>	<u>Reported under</u>	<b>Quarter Ended 30th September 2019 Rs.</b>
Balance as at 30th June 2019.		5,262,631
<u>Items in statement of Financial Position</u>		
Net Deposits made during the quarter ended 30.09.2019	Due to Customers	(1,847)
Interest Expense	Interest Expenses	177,881
Interest Paid		(144,537)
WHT deduction		(412)
Balance as at 30.09.2019		<b><u>5,293,716</u></b>
<u>Items in Statement of Comprehensive Income</u>		
Interest Expense on Deposits for the quarter ended 30.09.2019	Interest Expenses	177,881

**Name of the Company**

Prime Finance PLC

**Legal Form**

Public Limited Liability Company domiciled in Sri Lanka and incorporated on 10<sup>th</sup> September 2004 under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007.

The Company is licensed under the Finance Business Act, No. 42 of 2011.

A registered Finance Leasing Establishment in terms of Finance Leasing Act No. 56 of 2000.

Company registration number is PB 351 PQ

VAT registration No. 134011947 - 7000

**Stock Exchange Listing**

The Company was listed on the Diri Savi Board of the Colombo Stock Exchange on 12th September 2012.

**Board of Directors**

1. Mr. M. D. Saddha Mangala Goonetilleke - Chairman/Independent Non Executive Director
2. Mrs. H. K. Sadamini Rukmal Perera - Executive Director
3. Mr. B. Premalal - Non Independent Non Executive Director
4. Mr. Nandana A. Wickramage - Independent Non - Executive Director
5. Mr. Pathirage Anura W. Perera - Non Independent Non Executive Director
6. Mr. H. M. Hennayake Bandara - Independent Non Executive Director
7. Mr. Mahinda Perera - Non Independent Non Executive Director
8. Mr. Dhammika Hemantha Kalapuge - Independent Non Executive Director
9. Mrs. Konganeege Dinusha Suraji Fernando - Executive Director
10. Mr. Ruminda Randeniya - Executive Director

**Credit Rating (Issuer Rating)**

[SL] BBB- (Stable) From ICRA Lanka Ltd.

**Secretaries to the Company**

S S P Corporate Services (Private) Limited  
No 101, Inner Flower Road, Colombo 03

**Head office & registered office of the company**

Registered Office :- No.61 ,D.S Senanayake Mawatha, Colombo 08.

Head Office :- No.61 ,D.S Senanayake Mawatha, Colombo 08.

Telephone No :- (+94) 112 679 280 - 82 / (+94) 112 679 285 - 87 / (+94) 112 679 289 - 90 / (+94) 112 473 473 / (+94)117 777 222

Fax No :- (+94) 112 679 284

Corporate Website :- [www.primefinance.lk](http://www.primefinance.lk)

**Bankers of the Company**

National Development Bank PLC

Hatton National Bank PLC

Seylan Bank PLC

Commercial Bank PLC

DFCC Bank PLC

Bank of Ceylon

People's Bank

Sampath Bank PLC

Nations Trust Bank PLC

Pan Asia Bank Corporation

Union Bank

**Auditors**

**Messrs Ernst & Young Chartered Accountants**

No. 201, De Saram Place, P.O.Box 101, Colombo.10, Sri Lanka  
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**Lawyers**

**Paul Ratnayake Associates**

No. 59 Gregory Road, Colombo 07.

**De Livera Associates**

Shrubbery Garden Road, Colombo 04.

**Sudath Perera Associates**

No.05, 9th Lane , Nawala Road, Nawala 10107.

PRIME FINANCE PLC

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

AS AT 30TH SEPTEMBER 2019

Item	As at	As at
	30.09.2019	30.09.2018
	(Unaudited)	(Unaudited)
<b>Regulatory Capital Adequacy</b>		
Core Capital (Tier 1 Capital) Rs. '000	1,589,030	1,426,309
Total Capital Base, Rs. '000	1,661,154	1,476,108
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 6% W.E.F. 01/07/2018)	24.82%	29.33%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 10%)	25.94%	30.36%
Capital Funds to Deposit Liabilities Ratio (Minimum requirement, 10%)	57.93%	60.23%
<b>Assets Quality (Quality of Loan Portfolio)</b>		
Gross Non-Performing Accommodation, Rs. '000	489,567	239,216
Gross Non-Performing Accommodation Ratio, %	9.88	5.95
Net-Non Performing Accommodation Ratio, %	2.52	1.90
<b>Profitability (%)</b>		
Interest Margin (Annualized)	10.66	11.81
Return on Assets (before Tax) (Annualized)	2.58	4.39
Return on Equity (after Tax) (Annualized)	4.93	12.58
<b>Regulatory Liquidity (Rs. '000)</b>		
Required minimum amount of Liquid Assets	280,492	244,360
Available amount of Liquid Assets	412,077	342,499
Required minimum amount of Government Securities	191,353	119,132
Available amount of Government Securities	200,894	127,034
<b>Memorandum information</b>		
Number of employees	136	123
Number of branches	7	7
Number of service centers	NIL	NIL
Number of pawning centers	NIL	NIL

**CERTIFICATION:**

We, the undersigned, being the Chief Executive Officer and the AGM Finance of Prime Finance PLC certify jointly that:

(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;

(b) the information contained in these statements have been extracted from the unaudited financial statements of the Licensed Finance Company unless indicated as audited.

Sgd  
Rasika Kaluarachchi  
Chief Executive Officer

8-Nov-19

Sgd  
T M M Tennakoon  
AGM - Finance

8-Nov-19