



PRIME FINANCE PLC

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31ST DECEMBER 2019



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STATEMENT OF COMPREHENSIVE INCOME

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31ST DECEMBER 2019

	FOR THE THREE MONTHS ENDED			FOR THE NINE MONTHS ENDED		
	31.12.2019 Unaudited	31.12.2018 Unaudited	Variance %	31.12.2019 Unaudited Rs.	31.12.2018 Unaudited Rs.	Variance %
Interest Income	278,580,365	256,840,762	8%	808,448,359	680,406,046	19%
Interest Expenses	(132,384,438)	(108,913,522)	-22%	(385,810,656)	(295,829,742)	-30%
Net Interest Income	146,195,926	147,927,240	-1%	422,637,702	384,576,304	10%
Fee and Commission Income	4,244,055	4,952,916	-14%	10,015,391	17,757,748	-44%
Fee and Commission Income	4,244,055	4,952,916	-14%	10,015,391	17,757,748	-44%
Other Operating Income (net)	41,753,688	35,562,539	17%	113,277,144	81,841,784	38%
Total Operating Income	192,193,669	188,442,695	2%	545,930,237	484,175,837	13%
Less: Impairment charges and other losses	(73,502,819)	(32,765,826)	-124%	(177,995,105)	(79,221,156)	-125%
Net Operating Income	118,690,849	155,676,869	-24%	367,935,131	404,954,681	-9%
Operating Expenses						
Personnel Costs	(34,301,167)	(27,068,726)	-27%	(99,523,456)	(86,258,840)	-15%
Depreciation of Property Plant & Equipment	(3,108,736)	(3,089,932)	-1%	(9,662,740)	(9,338,921)	-3%
Amortisation of Intangible Assets	(209,689)	(136,456)	-54%	(626,786)	(452,426)	-39%
Other Operating Expenses	(47,650,676)	(46,717,903)	-2%	(127,213,735)	(116,729,331)	-9%
Profit/ (Loss) before VAT on Financial Services, NBT & Debt Repayment Levy	33,420,581	78,663,852	-58%	130,908,414	192,175,163	-32%
VAT on Financial Services, NBT & Debt Repayment Levy	(10,696,028)	(15,346,133)	30%	(35,522,567)	(38,071,622)	7%
Profit/ (Loss) from Operations before Taxation	22,724,553	63,317,719	-64%	95,385,847	154,103,541	-38%
(Provision)/Reversal for Income Taxation	(15,747,063)	(19,929,004)	21%	(48,084,866)	(42,649,780)	-13%
Profit/(Loss) for the Year	6,977,491	43,388,715	-84%	47,300,982	111,453,761	-58%
Other Comprehensive Income / (Expenses)						
Other Comprehensive Income Not To Be Reclassified To Profit or Loss						
Actuarial Gain / (Loss) on Retirement Benefit Obligations	-	-	0%	-	-	0%
Deferred Tax on above	-	-	0%	-	-	0%
Other Comprehensive Income/(Expense) for the Period, Net of Taxes	-	-	0%	-	-	0%
Total Comprehensive Income/(Expense) for the Year	6,977,491	43,388,715	-84%	47,300,982	111,453,761	-58%
Earnings Per Share (Rs)	0.09	0.89		0.60	2.28	

The above figures are provisional and subject to audit.

Prime Finance PLC
STATEMENT OF FINANCIAL POSITION

As at 31st December 2019

	As At 31.12.2019 Rs. Unaudited	As At 31.03.2019 Rs. Audited
Assets		
Cash & Cash Equivalents	436,945,001	469,366,656
Financial Assets at Amortised Cost - Loans and Advances	4,108,666,917	3,418,267,118
Financial Assets at Amortised Cost - Lease Rentals Receivable & Stock Out on Hire	740,385,506	886,748,708
Financial Investments at Amortised Cost - Debt & Other Instruments	313,433,805	387,329,553
Financial Investments at Fair Value Through Other Comprehensive Income	56,300	56,300
Other Financial Assets	10,652,208	8,936,585
Inventories - Real Estate Stock	632,983,373	386,746,646
Other Non Financial Assets	12,525,441	11,938,288
Investment Property	105,439,534	105,439,534
Property, Plant & Equipment	26,177,910	27,809,300
Intangible Assets	2,613,803	3,240,589
Deferred Tax Asset	-	-
Total Assets	6,389,879,797	5,705,879,277
Liabilities		
Due to Banks and Other Financial Institutions	1,445,898,575	1,094,217,290
Due to Customers	2,985,687,054	2,746,322,013
Other Financial Liabilities	1,495,973	6,575,856
Other Non-Financial Liabilities	256,663,586	180,847,764
Retirement Benefit Liability	6,268,156	4,318,233
Deferred Tax Liability	6,472,051	6,472,052
Income Tax Payable	19,314,053	46,346,706
Total Liabilities	4,721,799,450	4,085,099,914
Shareholders' Funds		
Stated Capital	1,372,500,000	1,372,500,000
Retained Earnings	277,956,867	230,655,884
Other Reserves	17,623,480	17,623,479
Total Shareholders' Funds	1,668,080,347	1,620,779,363
Total Liabilities and Shareholders' Funds	6,389,879,797	5,705,879,277
Commitments and Contingencies	122,375,375	208,924,756
Net Assets Per Share (Rs.)	21.06	20.46

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.
H.K.S.R. Perera
Acting 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

10th February 2020
Colombo

STATEMENT OF CHANGES IN EQUITY

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31ST DECEMBER 2019

	Stated Capital	Retained Earnings	Statutory Reserve	Total
	Rs.	Rs.	Rs.	Rs.
Balances as at 01st April 2018	508,500,000	95,883,622	8,691,206	613,074,828
Net Profit for the 1st nine months of the Year	-	111,453,761	-	111,453,761
Right Issue	864,000,000			864,000,000
Balances as at 31st December 2018	<u>1,372,500,000</u>	<u>207,337,383</u>	<u>8,691,206</u>	<u>1,588,528,589</u>
Balances as at 01st April 2019	1,372,500,000	230,655,884	17,623,479	1,620,779,364
Net Profit for the 1st nine months of the Year	-	47,300,982	-	47,300,982
Other Comprehensive Income	-	-	-	-
Deferred Tax on above	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-
Transfers during the year	-	-	-	-
Balances as at 31st December 2019	<u>1,372,500,000</u>	<u>277,956,867</u>	<u>17,623,479</u>	<u>1,668,080,347</u>

STATEMENT OF CASH FLOWS

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31ST DECEMBER 2019

	31.12.2019 Rs. Unaudited	31.12.2018 Rs. Unaudited
Cash Flows from / (Used in) Operating Activities		
Profit/(Loss) before Income Tax Expense	95,385,847	154,103,541
Adjustments for		
Depreciation	9,662,740	9,338,921
Amortisation of Intangible Assets	626,786	452,426
Impairment Provision	177,995,105	79,221,156
Interest Cost on Finance Lease	-	17,494
Loss/(Profit) from Sale of Investments	-	
Diminution/(Appreciation) in Value of Investments	-	
Loss/(Profit) on Disposal of Property & Equipment	(170,871)	(111,626)
Provision/(Reversal) for Defined Benefit Plans	2,246,548	2,246,548
Dividend Received	(240,800)	(206,400)
Notional Tax Credit on Interest on Treasury Bills	-	
Fair Value - Investment Property	-	
Operating Profit before Working Capital Changes	285,505,355	245,062,059
(Increase)/Decrease in Real Estate Stock	(246,236,727)	(179,557,362)
(Increase)/Decrease in Loans and Advances	(820,967,294)	(1,133,998,100)
(Increase)/Decrease in Lease Rentals Receivable & Stock Out on Hire	98,935,592	(412,227,865)
(Increase)/Decrease in Other Financial Assets	(1,715,623)	(2,252,609)
(Increase)/Decrease in Other Non Financial Assets	2,510,389	(2,395,867)
Increase/(Decrease) in Amounts Due to Customers	239,365,041	260,667,086
Increase/(Decrease) in Other Financial Liabilities	(5,079,885)	(1,204,761)
Increase/(Decrease) in Other Non Financial Liabilities	75,815,822	18,974,880
Cash Generated from/(Used in) Operations	(371,867,329)	(1,206,932,540)
Economic Service Charges Paid	(3,097,542)	(3,903,628)
Retirement Benefit Liabilities Paid	(296,625)	(458,700)
Income Tax Paid	(75,117,519)	-
Net Cash From/(Used in) Operating Activities	(450,379,015)	(1,211,294,869)
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(8,031,350)	(5,230,217)
Acquisition of Intangible Assets	-	(1,218,437)
Acquisition of Investment Property	-	
Proceeds from Sales of Shares	-	
Proceeds from Sales of Property , Plant & Equipment	170,871	187,000
Net Investments in Banks & Other Financial Institutions	-	(35,628,770)
Net Investment in Government Bonds & Government Securities	(116,566,095)	(7,495,559)
Dividend Received	240,800	206,400
Net Cash Flows from/(Used in) Investing Activities	(124,185,774)	(49,179,583)
Cash Flows from / (Used in) Financing Activities		
Rights Issue	-	864,000,000
Payment under Finance Lease Liabilities	-	(275,166)
Net Movement in the Bank Borrowings	481,408,117	175,558,217
Net Cash Flows from/(Used in) Financing Activities	481,408,117	1,039,283,051
Net Increase in Cash and Cash Equivalents	(93,156,672)	(221,191,400)
Net Cash and Cash Equivalents at the beginning of the Year	424,947,236	375,681,787
Cash and Cash Equivalents at the end of the Period	331,790,564	154,490,387

Prime Finance PLC

NOTES TO THE FINANCIAL STATEMENTS

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31ST DECEMBER 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	126,090,956	120,669,331	654,238,867	528,905,321	28,118,535	30,831,394	808,448,358	680,406,046
Interest Expenses	(60,173,583)	(52,465,108)	(312,218,244)	(229,959,633)	(13,418,829)	(13,405,000)	(385,810,656)	(295,829,742)
Net Interest Income/(Expenses)	<u>65,917,373</u>	<u>68,204,222</u>	<u>342,020,623</u>	<u>298,945,688</u>	<u>14,699,706</u>	<u>17,426,394</u>	<u>422,637,702</u>	<u>384,576,304</u>
Fee and Commission Income	1,562,067	3,149,319	8,104,980	13,803,769	348,344	804,661	10,015,391	17,757,748
Other Operating Income	-	-	-	-	113,277,144	81,841,784	113,277,144	81,841,784
Impairment (Charge)/Reversal for Loans and Other Credit Losses	(35,127,085)	(14,703,181)	(142,868,020)	(64,517,975)	-	-	(177,995,105)	(79,221,156)
Net Operating Income	<u>32,352,354</u>	<u>56,650,360</u>	<u>207,257,583</u>	<u>248,231,482</u>	<u>128,325,194</u>	<u>100,072,838</u>	<u>367,935,132</u>	<u>404,954,681</u>
Other Costs	35,363,433	35,999,749	183,487,642	157,790,373	7,886,116	9,198,049	226,737,191	202,988,171
Depreciation & Amortisation	1,604,823	1,736,486	8,326,825	7,611,184	357,879	443,678	10,289,526	9,791,347
Profit/ (Loss) before VAT on Financial Services	<u>(4,615,901)</u>	<u>18,914,126</u>	<u>15,443,117</u>	<u>82,829,925</u>	<u>120,081,199</u>	<u>90,431,112</u>	<u>130,908,415</u>	<u>192,175,163</u>
VAT on Financial Services, NBT & Debt Repayment Levy & Income Tax							(83,607,432)	(80,721,402)
Profit/(Loss) for the Year							<u>47,300,982</u>	<u>111,453,761</u>
Segmental Assets	<u>814,817,303</u>	<u>962,724,917</u>	<u>4,521,715,875</u>	<u>3,506,140,233</u>	<u>1,053,346,620</u>	<u>792,487,972</u>	<u>6,389,879,797</u>	<u>5,261,353,122</u>
Segmental Liabilities	<u>602,108,962</u>	<u>672,055,194</u>	<u>3,341,320,371</u>	<u>2,447,552,477</u>	<u>778,370,118</u>	<u>553,216,862</u>	<u>4,721,799,450</u>	<u>3,672,824,534</u>

NOTES TO THE FINANCIAL STATEMENTS

1. 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 31 December 2018 based on LKAS 39 (Financial Instruments: Recognition and Measurement). Accordingly, information for the quarter ended 31 December 2018 does not reflect the requirements of SLFRS 9 and therefore not comparable to the information presented for quarter ended 31 December 2019 under SLFRS 9.

2. 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.
3. Investor Information

3.1 Directors' and CEO's Shareholding as at 31st December 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 31st December 2019

	Name	No. of shares	% of holding
1	Seylan Bank Plc/Ms.Prime Lands (Pvt) Ltd	74,926,029	94.60%
2	Sampath Bank Plc/ Dr.T.Senthilvert	636,061	0.80%
3	Mr. Weerathunga Arachchige Sampath Palitha De Saram	446,386	0.56%
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	Mrs. Hena Kankanamge Sandamini Rukmal Perera	110,000	0.14%
7	Mr. Brahammanage Premalal	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	Mr. Ganegoda Hitiarachchige Sarath Kumara	75,000	0.09%
17	Bansei Securities Capital (Pvt) Ltd/M.A.Waas	73,036	0.09%
18	The Victoria International Private Limited	65,069	0.08%
19	Bansei Securities Capital (Pvt) Ltd/M.A.U. Gnanatilake	59,389	0.07%
20	Citizens Development Business Finance Plc/W.G.J.Banda	52,761	0.07%
		77,730,045	98.14%
	Others	1,469,955	1.86%
		79,200,000	100.00%

NOTES TO THE FINANCIAL STATEMENTS

3.3 Public Shareholding as at 31st December 2019

Percentage of Public Holding (Minimum Requirement - 10%)	4.61%
Number of Shares held by Public Shareholders	3,648,971
Number of Public Shareholders (Minimum Requirement - 200 Shareholders)	935
Number of Public and Non-Public Shareholders	945
Market Capitalization as at 31st December, 2019	Rs. 1,338,480,000
Float Adjusted Market Capitalization as at 31st December, 2019	Rs. 61,667,610

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 31st December, 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 31st December 2019

	No. of shares as at 31st December 2019	% of shares
<u>Parent, subsidiary or associate entities or any subsidiary or associates of its Parent Entity</u>		
Seylan Bank PLC/M/s Prime Lands (Pvt) Ltd	74,926,029	94.60%
<u>Directors of the entity, their spouses and children under 18 years of age</u>		
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. Ruminda Randeniya	152,000	0.19%
Mr. H. M. Hennyake Bandara	Nil	Nil
Mr. Dhammika Hemantha Kalapuge	Nil	Nil
Mrs. Konganege Dinusha Suraji Fernando	Nil	Nil
<u>Key Management personnel and their close family members</u>		
	Nil	Nil
<u>Other related entities/ parties</u>		
Mr. H.M.N.U. Kumara	50,000	0.06%
Miss. S.S.A.P. Brahamanage	110,000	0.14%
Total non-public share holding	75,551,029	95.39%
Public Share Holding	3,648,971	4.61%
Total Issued Share Capital	79,200,000	100.00%

3.4 Stated Capital

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

	No of Shares as at	
	31-Dec-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 31st December 2019

NOTES TO THE FINANCIAL STATEMENTS

3.6 Market value per share for the quarter ended	31-Dec-19	31-Dec-18
	Rs.	Rs.
Highest Price	19.80	22.00
Lowest Price	15.60	17.00
Last Traded	16.90	18.10

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 :

	31-Dec-19	31-Mar-19
	Rs.	Rs.
Commitment for Unutilized Facilities	<u>122,375,375</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 without any amendment.

7 Determination of Fair Value and Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by Valuation techniques.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table shows an analysis of assets recorded at fair value by level of the fair value hierarchy.

As at 31st December 2019	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Non-Financial Assets				
Investment Property			105,439,534	105,439,534
Financial Assets				
Financial investments at fair value through other comprehensive income				
Unquoted Equities			56,300	56,300
Total Assets recorded at fair value			<u>105,495,834</u>	<u>105,495,834</u>

Set out below is the comparison, by class, of the carrying amounts and fair values of the company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non- financial assets and non- financial liabilities.

	2019				Carrying Value at amortised Cost Rs.
	Fair Value Measurement using				
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total Fair Value Rs.	
Financial Assets					
Financial assets at amortised cost - Loans and Advances			4,085,721,363	4,085,721,363	4,108,666,917
Financial assets at amortised cost - Lease Rentals Receivable & Stock Out on Hire			715,700,824	715,700,824	740,385,506
Financial investments at amortised Cost - Debt & other instruments	200,635,458			200,635,458	313,433,805
Total Financial Assets	<u>200,635,458</u>	<u>-</u>	<u>4,801,422,187</u>	<u>5,002,057,645</u>	<u>5,162,486,228</u>
Financial Liabilities					
Due to Customers			2,985,644,537	2,985,644,537	2,985,687,054
Total Financial Liabilities	<u>-</u>	<u>-</u>	<u>2,985,644,537</u>	<u>2,985,644,537</u>	<u>2,985,687,054</u>

8 RELATED PARTY DISCLOSURES**Transactions with Affiliated Companies**

<u>Items in Statement of Financial Position</u>	<u>Reported under</u>	Quarter Ended 31st December 2019 Rs.
<u>Assets</u>		
Loans given to Prime Lands Residencies (Pvt) Ltd	Loans and Advances	45,271,162
Loans given to Prime Lands Residencies (Pvt) Ltd	Lease Rentals Receivable & Stock Out on Hire	50,055,245
Loans given to Bhoomi Realty Holdings (Pvt) Ltd	Loans and Advances	1,964,486
Loans given to Bhoomi Realty Holdings (Pvt) Ltd	Lease Rentals Receivable & Stock Out on Hire	2,910,713
		<u>100,201,606</u>
<u>Liabilities</u>		
Deposits made by Prime Lands (Pvt) Ltd	Due to Customers	125,000,000
Deposits made by Bhoomi Realty Holdings (Pvt) Ltd	Due to Customers	25,000,000
		<u>150,000,000</u>
<u>Items in statement of Comprehensive Income</u>		
Interest Income from Prime Lands Residencies (Pvt) Ltd	Interest Income	4,467,496
Interest Income from Bhoomi Realty Holdings (Pvt) Ltd	Interest Income	257,924
		<u>4,725,420</u>
Transactions with Directors' and other KMPs' of the Company and their spouses		
		Quarter Ended 31st December 2019 Rs.
Balance as at 30th September 2019.		5,293,716
<u>Items in statement of Financial Position</u>		
Net Deposits made during the quarter ended 31.12.2019	Due to Customers	23,611
Interest Expense	Interest Expenses	177,646
Interest Paid		(179,491)
WHT deduction		(2,259)
Balance as at 31.12.2019		<u>5,313,224</u>
<u>Items in Statement of Comprehensive Income</u>		
Interest Expense on Deposits for the quarter ended 31.12.2019	Interest Expenses	177,646

Name of the Company

Prime Finance PLC

Legal Form

Public Limited Liability Company domiciled in Sri Lanka and incorporated on 10th 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

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

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.