



PRIME FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE TWELVE MONTHS ENDED 31st MARCH 2021



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STATEMENT OF COMPREHENSIVE INCOME

	FOR THE THREE MONTHS ENDED			FOR THE TWELVE MONTHS ENDED		
	31.03.2021 (Unaudited) Rs.	31.03.2020 (Unaudited) Rs.	Variance %	31.03.2021 (Unaudited) Rs.	31.03.2020 (Audited) Rs.	Variance %
Interest Income	179,225,374	286,560,405	-37%	919,081,539	1,095,008,764	-16%
Interest Expenses	(110,793,992)	(124,956,098)	11%	(493,374,516)	(510,766,755)	3%
Net Interest Income	68,431,381	161,604,307	-58%	425,707,023	584,242,009	-27%
Fee and Commission Income	3,854,056	2,531,592	52%	9,416,705	12,546,983	-25%
Net Fee and Commission Income	3,854,056	2,531,592	52%	9,416,705	12,546,983	-25%
Other Operating Income (net)	96,481,548	32,661,181	195%	227,309,824	145,938,325	56%
Total Operating Income	168,766,985	196,797,080	-14%	662,433,552	742,727,318	-11%
Impairment (Charges)/Reversals for Loans and Other Credit Losses	(9,437,257)	(81,105,185)	88%	(238,601,135)	(259,100,290)	8%
Net Operating Income	159,329,728	115,691,895	38%	423,832,417	483,627,029	-12%
Operating Expenses						
Personnel Costs	(49,762,915)	(26,528,354)	-88%	(157,771,662)	(126,051,810)	-25%
Depreciation of Property Plant & Equipment	(2,239,026)	(3,060,652)	27%	(10,471,624)	(12,723,392)	18%
Amortisation of Lease Assets	(3,723,249)	(14,805,297)	75%	(14,770,502)	(14,805,297)	0%
Amortisation of Intangible Assets	(205,130)	(207,409)	1%	(831,904)	(834,195)	0%
Other Operating Expenses	(47,764,578)	(21,036,976)	-127%	(152,605,850)	(148,250,711)	-3%
Profit/ (Loss) before VAT on financial services	55,634,830	50,053,207	11%	87,380,875	180,961,623	-52%
Value Added Tax on Financial Services	(5,808,031)	(8,817,733)	34%	(18,077,550)	(44,340,299)	59%
Profit/(Loss) from Operations before Taxation	49,826,799	41,235,474	21%	69,303,325	136,621,324	-49%
(Provision)/Reversal for Income Taxation	(14,022,410)	(17,113,690)	18%	(23,313,636)	(65,198,556)	64%
Profit/(Loss) for the Period	35,804,389	24,121,785	48%	45,989,689	71,422,768	-36%
Other Comprehensive Income / (Expenses)						
Other Comprehensive Income not to be reclassified to Profit or Loss						
Actuarial Gain / (Loss) on Retirement Benefit Obligations	(571,836)	(114,453)	-400%	(571,836)	(114,453)	-400%
Other Comprehensive Income/(Expense) for the Period, net of taxes	(571,836)	(114,453)	-400%	(571,836)	(114,453)	-400%
Total Comprehensive Income/(Expense) for the Period	35,232,553	24,007,332	47%	45,417,854	71,308,315	-36%
Earnings Per Share (Rs)	0.39	0.30		0.51	0.90	

Notes:

The above figures are provisional and subject to audit. Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

As at 31 St March 2021

	As At 31.03.2021	As At 31.03.2020
	Rs.	Rs.
	Unaudited	Audited
Assets		
Cash & Cash Equivalents	1,475,018,867	470,677,758
Financial Assets at Amortised Cost - Loans and Advances	3,364,699,835	3,918,070,185
Financial Assets at Amortised Cost - Lease Rentals Receivable & Stock Out on Hire	850,757,547	676,027,087
Financial Investments at Amortised Cost - Debt & Other Instruments	578,958,216	325,929,573
Financial Investments at Fair Value Through Other Comprehensive Income	56,300	56,300
Other Financial Assets	7,787,618	10,644,921
Inventories - Real Estate Stock	755,690,774	642,774,899
Other Non Financial Assets	71,456,885	26,693,890
Investment Property	-	106,000,000
Property, Plant & Equipment	20,270,574	23,785,274
Right of Use Asset	32,867,583	38,523,613
Intangible Assets	1,574,490	2,406,394
Deferred Tax Asset	730,942	-
Total Assets	7,159,869,628	6,241,589,894
Liabilities		
Due to Banks and Other Financial Institutions	1,506,846,950	1,408,313,371
Due to Customers	2,984,083,835	2,759,063,475
Other Financial Liabilities	9,129,845	6,542,484
Other Non-Financial Liabilities	365,108,179	341,159,345
Retirement Benefit Liability	9,472,564	6,283,068
Deferred Tax Liability	-	5,789,495
Income Tax Payable	21,042,720	22,350,974
Total Liabilities	4,895,684,093	4,549,502,214
Shareholders' Funds		
Stated Capital	1,899,180,000	1,372,500,000
Retained Earnings	341,511,432	298,393,062
Other Reserves	23,494,103	21,194,617
Total Shareholders' Funds	2,264,185,535	1,692,087,680
Total Liabilities and Shareholders' Funds	7,159,869,628	6,241,589,894
Commitments and Contingencies	440,705	135,209,219
Net Assets Per Share (Rs.)	18.71	21.36

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

Sgd.
K.D.P.C. Abeysekera
Dy. CEO/CFO

Sgd.
H.M.L.M.B. Heenkenda
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

25 th May 2021
Colombo

STATEMENT OF CHANGES IN EQUITY

Period ended 31st March 2021

	Stated Capital Rs.	Retained Earnings Rs.	Statutory Reserve Rs.	Total Rs.
Balances as at 01st April 2019	1,372,500,000	230,655,884	17,623,479	1,620,779,364
Net Profit for The Year	-	71,422,769	-	71,422,769
Other Comprehensive Income	-	(114,453)	-	(114,453)
Deferred Tax on Above	-	-	-	-
Transfer to Statutory Reserve	-	(3,571,138)	3,571,138	-
Balances as at 31st March 2020	<u>1,372,500,000</u>	<u>298,393,062</u>	<u>21,194,618</u>	<u>1,692,087,681</u>
Balances as at 01st April 2020	1,372,500,000	298,393,062	21,194,618	1,692,087,680
Net Profit for the Year	-	45,989,690	-	45,989,690
Other Comprehensive Income	-	(571,835)	-	(571,835)
Transfer to Statutory Reserve	-	(2,299,484)	2,299,484	-
Rights Issue	526,680,000	-	-	526,680,000
Balances as at 31st March 2021	<u>1,899,180,000</u>	<u>341,511,432</u>	<u>23,494,102</u>	<u>2,264,185,535</u>

STATEMENT OF CASH FLOWS

INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31ST MARCH 2021

	31.03.2021 Rs. Unaudited	31.03.2020 Rs. Unaudited
Cash Flows from / (Used in) Operating Activities		
Profit/(Loss) before Income Tax Expense	69,303,326	136,621,324
Adjustments for		
Depreciation	10,471,624	12,723,392
Amortization of Intangible Assets	831,904	834,195
Impairment Provision	238,601,135	259,100,290
Amortization of Right of use Asset	14,770,501	-
Interest expense on Lease Liability	5,397,439	-
Loss/(Profit) from Sale of Investments	-	-
Diminution/(Appreciation) in Value of Investments	-	-
Loss/(Profit) on Disposal of Property & Equipment	(18,591)	(170,871)
Provision/(Reversal) for Defined Benefit Plans	3,167,165	2,147,006
Dividend Received	(320,000)	(240,800)
Fair Value - Investment Property	(500,000)	(560,466)
Operating Profit before Working Capital Changes	341,704,504	410,454,069
(Increase)/Decrease in Real Estate Stock	(123,069,174)	(256,028,253)
(Increase)/Decrease in Loans and Advances	317,499,390	(692,199,789)
(Increase)/Decrease in Right of Use Asset	(9,114,472)	(38,523,613)
(Increase)/Decrease in Lease Rentals Receivable & Stock Out on Hire	(167,217,335)	143,998,319
(Increase)/Decrease in Other Financial Assets	2,857,304	(1,708,336)
(Increase)/Decrease in Other Non Financial Assets	(44,762,997)	(10,098,101)
Increase/(Decrease) in Amounts Due to Customers	225,020,360	12,741,462
Increase/(Decrease) in Other Financial Liabilities	2,587,363	(33,373)
Increase/(Decrease) in Other Non Financial Liabilities	37,085,645	160,311,581
Cash Generated from/(Used in) Operations	582,590,587	(271,086,034)
Economic Service Charges Paid	-	(4,657,501)
Retirement Benefit Liabilities Paid	(549,504)	(296,624)
Income Tax Paid	(31,142,326)	(89,876,844)
Net Cash from/(Used in) Operating Activities	550,898,756	(365,917,003)
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(6,968,333)	(8,699,366)
Acquisition of Intangible Assets	-	-
(Acquisition)/Disposal of Investment Property	106,500,000	-
Proceeds from Sales of Property , Plant & Equipment	30,000	170,871
Net Investment in Government Bonds & Government Securities	(31,488,398)	(17,639,597)
Dividend Received	320,000	240,800
Net Cash Flows from/(Used in) Investing Activities	68,393,269	(25,927,291)
Cash Flows from / (Used in) Financing Activities		
Rights Issue	526,680,000	-
Repayment of Principal Portion of Lease Liabilities	(18,534,250)	-
Net Movement in the Bank Borrowings	(88,064,000)	532,041,382
Net Cash Flows from/(Used in) Financing Activities	420,081,750	532,041,382
Net Increase in Cash and Cash Equivalents	1,039,373,775	140,197,087
Net Cash and Cash Equivalents at The Beginning of The Year	565,144,324	424,947,236
Cash and Cash Equivalents at The End of The Period	1,604,518,099	565,144,323

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31st March 2021

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	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Interest Income	143,833,323	161,552,128	704,429,438	896,356,302	70,818,778	37,100,334	919,081,539	1,095,008,764
Interest Expenses	(77,211,535)	(75,355,978)	(378,146,571)	(418,105,329)	(38,016,410)	(17,305,448)	(493,374,516)	(510,766,755)
Net Interest Income/(Expenses)	<u>66,621,788</u>	<u>86,196,150</u>	<u>326,282,866</u>	<u>478,250,973</u>	<u>32,802,369</u>	<u>19,794,886</u>	<u>425,707,023</u>	<u>584,242,010</u>
Fee and Commission Income	1,473,684	1,851,119	7,217,427	10,270,756	725,593	425,108	9,416,705	12,546,983
Other Operating Income	-	-	-	-	227,309,824	145,938,325	227,309,824	145,938,325
Impairment (Charge)/Reversal for Loans and Other Credit Losses	7,513,126	(66,733,050)	(147,112,748)	(192,367,240)	(99,001,515)	-	(238,601,137)	(259,100,290)
Net Operating Income	<u>75,608,599</u>	<u>21,314,219</u>	<u>186,387,546</u>	<u>296,154,489</u>	<u>161,836,272</u>	<u>166,158,320</u>	<u>423,832,416</u>	<u>483,627,028</u>
Other Costs	50,884,625	42,653,525	249,209,480	236,658,941	25,053,909	9,795,352	325,148,014	289,107,819
Depreciation & Amortisation	1,768,966	2,000,219	8,663,582	11,098,019	870,980	459,349	11,303,528	13,557,587
Profit/ (Loss) before VAT on Financial Services	<u>22,955,008</u>	<u>(23,339,524)</u>	<u>(71,485,516)</u>	<u>48,397,528</u>	<u>135,911,382</u>	<u>155,903,619</u>	<u>87,380,874</u>	<u>180,961,622</u>
VAT on Financial Services, NBT & Debt Repayment Levy & Income Tax Profit/(Loss) for the Year							<u>(41,391,185)</u>	<u>(109,538,855)</u>
							<u>45,989,689</u>	<u>71,422,768</u>
Segmental Assets	<u>1,095,819,832</u>	<u>757,061,378</u>	<u>4,333,907,840</u>	<u>4,387,723,021</u>	<u>1,730,141,960</u>	<u>1,096,805,495</u>	<u>7,159,869,631</u>	<u>6,241,589,894</u>
Segmental Liabilities	<u>749,285,671</u>	<u>551,822,929</u>	<u>2,963,384,080</u>	<u>3,198,216,470</u>	<u>1,183,014,344</u>	<u>799,462,815</u>	<u>4,895,684,093</u>	<u>4,549,502,214</u>

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 2020. 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.
- 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 2020.

3. Investor Information

3.1 Directors' and CEO's Shareholding as at 31st March 2021

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	60,000	0.05%
Mrs. H. K. Sadamini Rukmal Perera	168,055	0.14%
Mr. B. Premalal	168,055	0.14%
Mr. Pathirage Anura W. Perera	101,388	0.08%
Mr. Mahinda Perera	51,527	0.04%
Mr. R. Randeniya	202,000	0.17%
Mr. H. M. Hennyake Bandara	25,000	0.02%
Mr. Dhammika Hemantha Kalapuge	25,000	0.02%
Mrs. K. D. S. Fernando	25,000	0.02%
Mrs. L.L.C.C. Thambiah	Nil	N/A
Mr. H. M. Lucksri Maduranga Bandara Heenkenda (CEO)	Nil	N/A

3.2 Twenty largest shareholders as at 31st March 2021

	Name	No. of shares	% of holding
1	Seylan Bank Plc/Ms.Prime Lands (Pvt) Ltd	105,602,251	87.27%
2	Mr. Nuwandika Ayesh Shehan Brahmanage	4,628,117	3.82%
3	Mr. Banmunauchchi Mangedarage Don Sanmith Thaaruna	4,528,006	3.74%
4	Mr. Weerathunga Arachchige Sampath Palitha De Saram	1,243,899	1.03%
5	Sampath Bank PLC/ Dr. T. Senthilvel	636,061	0.53%
6	Seylan Bank PLC /F. J. P. Raj	315,231	0.26%
7	Mr. Ruminda Randeniya	202,000	0.17%
8	Mrs. Hene Kankanamge Sandamini Rukmal Perera	168,055	0.14%
8	Mr. Brahmanage Premalal	168,055	0.14%
8	Miss. Shehana Sonali Ann Piumi Brahmanage	168,055	0.14%
11	Mr. Suppiapillai Karunamoorthy	155,000	0.13%
12	Mrs. Weerathunga Arachchige Nayana Manohari De Saram	154,798	0.13%
13	Miss. Don Anusha Sanjeevani Weerasinghe	143,474	0.12%
14	Mr. Lalith Rukman Jayaweera	113,795	0.09%
15	Bansea Securities Capital (Pvt) Ltd/M.A.U. Gnanatilake	113,523	0.09%
16	Mr. Premadasa Manamperi	105,088	0.09%
17	MR. Pathirage Anura Wijesiri Perera	101,388	0.08%
18	Mr. Ranasinghe Halnetti Padmaperuma Dushantha Rangana	100,100	0.08%
18	Mrs. Deyalage Janitha Shamali	100,100	0.08%
20	The Victoria International Private Limited	91,458	0.08%
		118,838,454	98.21%
	Others	2,161,546	1.79%
		121,000,000	100.00%

NOTES TO THE FINANCIAL STATEMENTS

3.3 Public Shareholding as at 31st March 2021

Percentage of Public Holding (Minimum Requirement - 10%)		11.86%
Number of Shares held by Public Shareholders		14,346,169
Number of Public Shareholders (Minimum Requirement - 200 Shareholders)		970
Number of Public and Non-Public Shareholders		982
Market Capitalization as at 31st March 2021	Rs.	1,548,800,000
Float Adjusted Market Capitalization as at 31st March 2021	Rs.	183,630,963

The Company is Compliant with option 2 of the Rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange.

3.3.1 Computation of Public Share Holding as at 31st March 2021

	No. of shares as at 31st March 2021	% of shares as at 31st March 2021
<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	105,602,251	87.27%
<u>Directors of the entity, their spouses and children under 18 years of age</u>		
Mr. M. D. Saddha Mangala Goonetilleke	60,000	0.05%
Mrs. H. K. Sadamini Rukmal Perera	168,055	0.14%
Mr. B. Premalal	168,055	0.14%
Mr. Pathirage Anura W. Perera	101,388	0.08%
Mr. Mahinda Perera	51,527	0.04%
Mr. Ruminda Randeniya	202,000	0.17%
Mr. H. M. Hennyake Bandara	25,000	0.02%
Mr. Dhammika Hemantha Kalapuge	25,000	0.02%
Mrs. Konganeege Dinusha Suraji Fernando	25,000	0.02%
Mrs. L.L.C.C. Thambiah	Nil	N/A
<u>Key Management personnel and their close family members</u>		
	Nil	Nil
<u>Other related entities/ parties</u>		
Mr. H.M.N.U. Kumara	57,500	0.05%
Miss. S.S.A.P. Brahamanage	168,055	0.14%
Total non-public share holding	106,653,831	88.14%
Public Share Holding	14,346,169	11.86%
Total Issued Share Capital	121,000,000	100.00%

NOTES TO THE FINANCIAL STATEMENTS

3.4 Continuous Disclosure regarding status of utilisation of funds raised via Rights Issue
Rights Issue Proceeds Utilisation as at 31st March 2021

Objective Number	Objective as per Circular	Amount Allocated as per Circular Rs.Mn	Proposed Date of Utilization as per Circular	Amount Allocated from Proceeds Rs.Mn (A)	% of Total Proceeds	Amount Utilized Rs.Mn (B)	% of Utilization against Allocation (B/A)	Clarification if not fully utilized including where the fund are invested (eg: whether lent to related party/s etc)
1	Expanding the Loans and Advances Portfolio	526.68	Six months from the date of allotment (i.e. on or before 30th June 2021)	526.68	100%	526.68	100%	Not Applicable

3.5 Stated Capital

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

	No of Shares as at	
	31-Mar-21	31-Mar-20
Ordinary Shares	121,000,000	79,200,000

3.6 Core Capital and Capital Adequacy Ratios as at 31st March 2021

Core (Tire - I) Capital (Minimum Requirement - Rs. 2,000 Mn.) - Unaudited	Rs.Mn 2,217
Core (Tire - I) Capital Ratio (Minimum Requirement - 7.0%) - Unaudited	32.58%
Total Capital Ratio (Minimum Requirement - 11.0%) - Unaudited	33.66%

3.7 Earning per share

Earning per share has been calculated, for all periods, based on the number of shares in issue as at 31 March 2021

3.8 Market value per share for the quarter ended	31-Mar-21	31-Mar-20
	Rs.	Rs.
Highest Price	14.00	18.00
Lowest Price	12.10	12.20
Last Traded	12.80	13.80

4 Commitments and Contingencies

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

	31-Mar-21	31-Mar-20
	Rs.	Rs.
Commitment for Unutilized Facilities	440,705	139,978,049

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 March 2021	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Financial Assets				
Financial investments at fair value through other comprehensive income				
Unquoted Equities			56,300	56,300
Total Assets Recorded at Fair Value			<u>56,300</u>	<u>56,300</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.

	2021			
	Fair Value Measurement Using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Carrying value at amortised Cost
Level 1	Level 2	Level 3	Total Fair Value	
			Rs.	Rs.
Financial Assets				
Financial assets at amortised cost - Loans and Advances			3,288,286,778	3,364,699,835
Financial assets at amortised cost - Lease Rentals Receivable & Stock Out on Hire			842,283,957	850,757,548
Financial investments at amortised Cost - Debt & other instruments	243,329,885		335,628,331	578,958,216
Total Financial Assets	<u>243,329,885</u>	<u>-</u>	<u>4,466,199,065</u>	<u>4,709,528,950</u>
Financial Liabilities				
Due to Customers			2,984,083,835	2,984,083,835
Total Financial Liabilities	<u>-</u>	<u>-</u>	<u>2,984,083,835</u>	<u>2,984,083,835</u>

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

<u>Items in Statement of Financial Position</u>	<u>Reported under</u>	Quarter Ended 31st March 2021 Rs.
<u>Assets</u>		
Loans given to Prime Lands Residencies (Pvt) Ltd	Loans and Advances	35,644,900
Loans given to Prime Lands Residencies (Pvt) Ltd	Lease Rentals Receivable & Stock Out on Hire	54,941,496
Loans given to Bhoomi Realty Holdings (Pvt) Ltd	Loans and Advances	371,184
Loans given to Bhoomi Realty Holdings (Pvt) Ltd	Lease Rentals Receivable & Stock Out on Hire	1,625,408
		<u>92,582,987</u>
<u>Liabilities</u>		
Deposits made by Prime Lands (Pvt) Ltd	Due to Customers	31,068,573
		<u>31,068,573</u>
<u>Items in Statement of Comprehensive Income</u>		
Interest Income from Prime Lands Residencies (Pvt) Ltd	Interest Income	4,383,882
Interest Income from Bhoomi Realty (Pvt) Ltd	Interest Income	118,063
Interest Expense for Prime Lands (Pvt) Ltd	Interest Expense	511,276
		<u>5,013,222</u>

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

<u>Items in Statement of Financial Position</u>	<u>Reported under</u>	Quarter Ended 31st March 2021 Rs.
Balance as at 31st March 2021.		5,794,672
<u>Items in Statement of Financial Position</u>		
Net Deposits made during the quarter ended 31.03.2021	Due to Customers	8,086,049
Interest Expense	Interest Expenses	226,003
Interest Paid		(187,182)
Balance as at 31.03.2021		<u>13,919,542</u>
<u>Items in Statement of Comprehensive Income</u>		
Interest Expense on Deposits for the quarter ended 31.03.2021	Interest Expenses	226,003

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. | Mrs. L.L.C.C. Thambiah | - Independent Non Executive Director |
| 5. | Mr. Pathirige 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 | - Non Independent Non Executive Director |
| 9. | Mrs. Konganege 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
Fax No :- (+94) 112 679 284 email:info@primefinance.lk
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
Cargils Bank

Auditors

Messrs Ernst & Young Chartered Accountants
No. 201, De Saram Place, 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.

Selected Key Performance Indicators

Item	31.03.2021		31.03.2020	
	Actual	Required	Actual	Required
Regulatory Capital Adequacy(%)				
Tier 1 Capital Adequacy Ratio	32.58%	7.00%	23.76%	6.50%
Total Capital Adequacy Ratio	33.66%	11.00%	24.87%	10.50%
Capital Funds to Deposit Liabilities Ratio	75.88%	10.00%	60.26%	10.00%
Quality of Loan Portfolio(%)				
Gross Non-Performing Loans Ratio	20.11%		21.17%	
Net Non Performing Loans Ratio	6.69%		10.96%	
Net Non Performing Loans to Core capital Ratio	14.97%		31.71%	
Provision Coverage Ratio,	43.99%		32.99%	
Profitability(%)				
Net Interest Margin	6.65%		10.76%	
Return on Assets	0.69%		1.21%	
Return on Equity	2.32%		4.31%	
Cost to Income Ratio	50.79%		40.80%	
Liquidity(%)				
Available Liquid Assest to Required Liquid Assets(Minimum 100%)	1053%		404%	
Liquid Assets to External Funds	44.76%		18.33%	
Memorandum Information				
No of Branches	7		7	
External Credit Rating	[SL]BBB- (Stable)		[SL]BBB- (Stable)	

We the undersigned, being the Chief Executive Officer, the Chief Financial Officer and the Compliance Officer of Prime Finance PLC certify jointly that;

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

(b) The information contained in these statements have been extracted from the unaudited financial statements of the licenced finance company unless indicated as audited

Sgd
H.M.L.M.B.Heenkenda
Chief Executive Officer
25 th May 2021

Sgd
K.D.P.C.Abeyssekera
Chief Financial Officer
25 th May 2021

Sgd
Ramesh Fonseka
Compliance Officer
25 th May 2021