



PRIME FINANCE PLC

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018



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STATEMENT OF FINANCIAL POSITION

As at 30th September 2018

	As At 30.09.2018	As At 31.03.2018
	Rs.	Rs.
	Unaudited	Audited
Assets		
Cash & Cash Equivalents	97,254,290	417,958,339
Loans and Advances	2,989,824,042	2,184,713,733
Lease Rentals Receivable & Stock Out on Hire	853,626,324	496,020,155
Financial Investments - Available for Sale	56,300	56,300
Financial Investments - Held to Maturity	127,883,744	122,468,456
Other Financial Assets	206,079,446	153,375,687
Inventories - Real Estate Stock	152,114,200	129,266,607
Other Non Financial Assets	13,990,024	11,415,435
Investment Property	105,439,534	105,439,534
Property, Plant & Equipment	25,846,818	28,525,141
Intangible Assets	1,926,742	2,222,312
Deferred Tax Asset	19,913,159	19,913,154
Total Assets	4,593,954,623	3,671,374,853
Liabilities		
Due to Banks	237,355,510	192,350,891
Due to Customers	2,404,277,820	2,399,149,502
Other Financial Liabilities	275,071,870	240,422,196
Other Non-Financial Liabilities	127,903,138	223,210,024
Retirement Benefit Liability	4,206,410	3,167,412
Total liabilities	3,048,814,748	3,058,300,025
Shareholders' Funds		
Stated Capital	1,372,500,000	508,500,000
Retained Earnings	163,948,669	95,883,622
Other Reserves	8,691,206	8,691,206
Total Shareholders' Funds	1,545,139,875	613,074,827
Total Liabilities and Shareholders' Funds	4,593,954,623	3,671,374,853
Commitments and Contingencies	66,225,708	13,403,458
Net Assets Per Share (Rs.)	19.51	17.03

We 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. Hennayaka Bandara
Director

25th October 2018
Colombo

STATEMENT OF COMPREHENSIVE INCOME

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30th SEPTEMBER 2018

	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED		
	30.09.2018 (Unaudited) Rs.	30.09.2017 (Unaudited) Rs.	Variance %	30.09.2018 (Unaudited) Rs.	30.09.2017 (Unaudited) Rs.	Variance %
Interest Income	229,981,656	93,027,067	147%	423,565,284	168,589,438	151%
Interest Expenses	(94,775,890)	(28,643,860)	-231%	(186,916,220)	(66,906,051)	-179%
Net Interest Income	135,205,766	64,383,207	110%	236,649,064	101,683,387	133%
Fee and Commission Income	5,854,613	1,755,429	234%	12,804,832	3,129,970	309%
Net Fee and Commission Income	5,854,613	1,755,429	234%	12,804,832	3,129,970	309%
Net Gain/(Loss) from Trading	-	(90)	100%	-	(70)	100%
Other Operating Income (net)	25,989,783	6,353,044	309%	46,279,245	7,252,321	538%
Total Operating Income	167,050,162	72,491,589	130%	295,733,142	112,065,608	164%
Impairment (Charges)/Reversals for Loans and Other Credit Losses	(29,643,159)	(29,998,444)	1%	(46,455,330)	(71,530,551)	35%
Net Operating Income	137,407,003	42,493,145	223%	249,277,812	40,535,057	515%
Operating Expenses						
Personnel Costs	(29,531,006)	(18,774,565)	-57%	(59,190,114)	(37,073,862)	-60%
Depreciation of Property Plant & Equipment	(3,218,101)	(2,739,552)	-17%	(6,248,989)	(5,160,247)	-21%
Amortisation of Intangible Assets	(132,863)	(274,718)	52%	(315,969)	(546,450)	42%
Other Operating Expenses	(36,270,965)	(19,480,104)	-86%	(70,011,427)	(36,478,746)	-92%
Profit/ (Loss) before VAT on financial services	68,254,068	1,224,206	5475%	113,511,312	(38,724,248)	393%
Value Added Tax on Financial Services	(13,374,375)	(77,199)	-17225%	(22,725,490)	(77,199)	-29338%
Profit/ (Loss) from Operations before Taxation	54,879,693	1,147,007	4685%	90,785,823	(38,801,447)	334%
(Provision)/Reversal for Income Taxation	(16,498,414)	-	-100%	(22,720,776)	-	-100%
Profit/(Loss) for the Year	38,381,280	1,147,007	3246%	68,065,047	(38,801,447)	275%
Other Comprehensive Income / (Expenses)						
Other Comprehensive Income not to be reclassified to Profit or Loss						
Actuarial Gain / (Loss) on Retirement Benefit Obligations	-	-	-	-	-	-
Other Comprehensive Income to be reclassified to Profit or Loss						
Gain/ (Loss) on Available for Sale Financial Assets	-	-	-	-	-	-
Adjustment for impairment of Available for Sale Financial Assets	-	-	-	-	-	-
Other Comprehensive Income/(Expense) for the Year, net of taxes	-	-	-	-	-	-
Total Comprehensive Income/(Expense) for the Year	38,381,280	1,147,007	3246%	68,065,047	(38,801,447)	275%
Earnings Per Share (Rs)	1.01	0.03		1.78	(1.08)	

Prime Finance PLC

STATEMENT OF CHANGES IN EQUITY

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30th SEPTEMBER 2018

	Stated Capital	Retained Earnings	Statutory Reserve	Total
	Rs.	Rs.	Rs.	Rs.
Balances as at 01st April 2017	225,000,000	83,402,419	8,036,670	316,439,089
Net Profit for first quarter of the Year	-	(38,801,447)	-	(38,801,447)
Other Comprehensive Income	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-
Rights Issue	283,500,000	-	-	283,500,000
Balances as at 30th September 2017	<u>508,500,000</u>	<u>44,600,973</u>	<u>8,036,670</u>	<u>561,137,643</u>
Balances as at 01st April 2018	508,500,000	95,883,622	8,691,206	613,074,828
Net Profit for first quarter of the Year	-	68,065,047	-	68,065,047
Other Comprehensive Income	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-
Rights Issue	864,000,000	-	-	864,000,000
Balances as at 30th September 2018	<u>1,372,500,000</u>	<u>163,948,669</u>	<u>8,691,206</u>	<u>1,545,139,875</u>

Prime Finance PLC

STATEMENT OF CASH FLOWS

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30th SEPTEMBER 2018

	30.09.2018	30.09.2017
	Rs.	Rs.
	Unaudited	Unaudited
Cash Flows From / (Used in) Operating Activities		
Profit/(Loss) before Income Tax Expense	90,785,823	(38,801,447)
Adjustments for		
Depreciation	6,248,989	5,160,247
Amortisation of Intangible Assets	315,969	546,450
Impairment Provision	46,455,330	71,530,551
Interest Cost on Finance Lease	17,494	94,552
Diminution/(Appreciation) in value of investments	-	70
Provision/(Reversal) for Defined Benefit Plans	1,497,698	1,257,361
Dividend Received	(206,400)	(180,000)
Operating Profit before Working Capital Changes	145,114,904	39,607,785
(Increase)/Decrease in Real Estate Stock	(22,847,594)	(79,188,139)
(Increase)/Decrease in Loans and Advances	(845,933,667)	(305,905,785)
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(363,238,142)	11,667,723
(Increase)/Decrease in Other Financial Assets(Excluding Investments in Banks & other financial Institutions)	(1,875,000)	(340,859)
(Increase)/Decrease in Other Non Financial Assets	(257,777)	2,142,647
Increase/(Decrease) in Amounts Due to Customers	5,128,318	(27,963,713)
Increase/(Decrease) in Other Financial Liabilities	(2,324,602)	(4,766,198)
Increase/(Decrease) in Other Non Financial Liabilities	(95,306,887)	13,373,433
Cash Generated from/(Used in) Operations	(1,181,540,446)	(351,373,106)
Economic Service Charges Paid	(2,325,393)	-
Retirement Benefit Liabilities Paid	(458,700)	(192,000)
Net Cash From/(Used in) Operating Activities	(1,184,324,544)	(351,565,106)
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(3,570,666)	(9,208,269)
Acquisition of Intangible Assets	(20,400)	-
Proceeds from Sales of Shares	-	450
Investments in Banks & Other Financial Institutions	(50,828,759)	115,016,935
Sale/(Purchase) of Financial Investments- Held to Maturity	(5,415,287)	(154,140)
Dividend Received	206,400	180,000
Net Cash Flows from/(Used in) Investing Activities	(59,628,712)	105,834,976
Cash Flows from / (Used in) Financing Activities		
Rights Issue	864,000,000	283,500,000
Payment under Finance Lease Liabilities	(275,166)	(458,610)
Net movement in the borrowings	(120,060)	-
Net Cash Flows from/(Used in) Financing Activities	863,604,774	283,041,390
Net Increase in Cash and Cash Equivalents	(380,348,482)	37,311,260
Net Cash and Cash Equivalents at the beginning of the Year	375,681,787	90,198,372
Cash and Cash Equivalents at the end of the year	(4,666,694)	127,509,632

NOTES TO THE FINANCIAL STATEMENTS

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30th SEPTEMBER 2018

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.

	Leasing & Stock out on Hire		Loans & Receivables		Others		Total	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Interest Income	73,253,327	10,026,261	328,736,993	144,324,598	21,574,964	14,238,579	423,565,284	168,589,438
Interest Expenses	(32,326,150)	(3,979,001)	(145,069,198)	(57,276,357)	(9,520,871)	(5,650,693)	(186,916,220)	(66,906,051)
Net Interest Income/(Expenses)	40,927,177	6,047,260	183,667,795	87,048,241	12,054,092	8,587,886	236,649,064	101,683,387
Fee and Commission Income	2,214,527	186,144	9,938,071	2,679,478	652,234	264,348	12,804,832	3,129,970
Other Operating Income	-	-	-	-	46,279,245	7,252,251	46,279,245	7,252,251
Impairment (Charge)/Reversal for Loans and Other Credit Losses	(5,631,972)	21,966,237	(40,823,358)	(93,496,787)	-	-	(46,455,330)	(71,530,551)
Net Operating Income	37,509,731	28,199,641	152,782,509	(3,769,069)	58,985,572	16,104,485	249,277,812	40,535,057
Other Costs	22,344,708	4,374,281	100,275,749	62,966,285	6,581,084	6,212,042	129,201,541	73,552,608
Depreciation & Amortisation	1,135,374	339,386	5,095,188	4,885,340	334,396	481,971	6,564,959	5,706,697
Profit/ (Loss) before VAT on financial services	14,029,649	23,485,974	47,411,572	(71,620,694)	52,070,092	9,410,472	113,511,312	(38,724,248)
Value Added Tax on Financial Services & Income Tax Profit/(Loss) for the Year							(45,446,266)	(77,199)
							68,065,047	(38,801,447)
Segmental Assets	884,216,401	118,411,300	3,096,965,709	1,496,161,700	612,772,512	356,231,149	4,593,954,622	1,970,804,149
Segmental Liabilities	586,817,290	84,696,617	2,055,326,076	1,070,166,732	406,671,382	254,803,157	3,048,814,748	1,409,666,506

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 2018. 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.

The Sri Lanka Accounting Standard - SLFRS 9 (Financial Instruments) is effective for annual periods beginning on or after 01st January 2018. SLFRS 9 (Financial Instruments) replaces the existing standard LKAS 39. However, CA Sri Lanka has granted the option through the Statement of Alternative Treatment (SoAT) to prepare the interim financial statements continuing the application of LKAS 39 (Financial Instruments: Recognition and Measurement), with disclosures on impact to the Statement of Comprehensive Income for the period, if SLFRS 9 has been applied. Accordingly, as permitted by the above SoAT, the Company has prepared the Interim Financial Statements for the quarter ended 30th September 2018 based on LKAS 39. Based on the preliminary assessments undertaken to date which is yet to be audited, with the transition from LKAS 39 incurred loss method to SLFRS 9 expected credit loss method, it is expected 15% - 25% increase in overall impairment provision as at 31st March 2018. The Company is in the process of validating the impact of migration to SLFRS 9 as at 30th September 2018.

- 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 2018.

3. Investor Information

3.1 Directors' and CEO's Shareholding as at 30th September 2018

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. H. M. Hennyayaka Bandara	Nil	N/A
Mr. Dhammika Hemantha Kalapuge	Nil	N/A
Mr. Rasika Kaluarachchi (CEO)	Nil	N/A

3.2 Twenty largest shareholders as at 30th September 2018

	Name	No. of shares	% of holding
1	Seylan Bank PLC/M/s Prime Lands (Pvt) Ltd	74,950,068	94.63%
2	Mr. Peramuna Gamaethige Kumaradasa	1,227,403	1.55%
3	Mr. Francis Jayarupan Pradeep Raj	285,231	0.36%
4	Mr. Ruminda Randeniya	152,000	0.19%
5	Mr. Lalith Rukman Jayaweera	113,795	0.14%
6	Mrs. Hena Kankanamge Sandamini Rukmal Perera	110,000	0.14%
6	Mr. Brahmanage Premalal	110,000	0.14%
6	Ms. Shehana Sonali Ann Piumi Brahmanage	110,000	0.14%
9	Mr. Premadasa Manamperi	103,888	0.13%
10	Mrs. Deyalage Janitha Shamali	100,100	0.13%
10	Mr. Ranasinghe Halnetti Padmaperuma Dushantha Rangana	100,100	0.13%
12	Mr. Suppiapillai Karunamoorthy	100,000	0.13%
13	Mr. Mallikage Adisha Sagara Wijerathne	80,000	0.10%
14	Bansei Securities Capital (Pvt) Ltd/M.A. Waas	70,000	0.09%
15	The Victoria International Private Limited	65,096	0.08%
16	Bansei Securities Capital (Pvt) Ltd/M.A.U. Gnanatilake	59,389	0.07%
17	Mr. Heenatigala Mudiyanse Nalinda Udesh Kumara	50,000	0.06%
17	Mr. Pathirage Anura Wijesiri Perera	50,000	0.06%
17	Mr. Herath Mudiyanse Prabath Krishantha Bandara	50,000	0.06%
20	Citizens Development Business Finance PLC/W.G.J. Banda	48,331	0.06%
		77,935,401	98.40%
	Others	1,264,599	1.60%
		79,200,000	100.00%

NOTES TO THE FINANCIAL STATEMENTS

3.3 Public Shareholding as at 30th September 2018

Percentage of Public Holding (Minimum Requirement - 10%)		4.91%
Number of Shares hold by Public Shareholders		3,886,932
Number of Public Shareholders (Minimum Requirement - 200 Shareholders)		915
Number of Public and Non-Public Shareholders		923
Market Capitalization as at 30th September, 2018	Rs.	1,425,600,000
Float Adjusted Market Capitalization as at 30th September, 2018	Rs.	69,964,776

The Company is not in compliance with the Minimum Public Holding requirement specified in Option two (which requires to maintain a minimum of 10% Public Shareholding for Companies with less than Rs. 1,000 Mn. Float Adjusted Market Capitalization) of the Rule 7.13.1 (b) after the issue of 43,200,000 Ordinary Shares by way of a Rights Issue to raise Rs. 864,000,000/= to comply with the Minimum Core Capital requirements specified in the Finance Business Act Direction No. 02 of 2017 (Minimum Core Capital) 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%.

3.3.1 Computation of Public Share Holding as at 30th September 2018

	No. of shares as at 30th September 2018	% 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	74,950,068	94.63%
<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%
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. H. M. Hennayaka Bandara	Nil	Nil
Mr. Dhammika Hemantha Kalapuge	Nil	Nil
<u>Key Management personnel and their close family members</u>		
	Nil	Nil
<u>Other related entites/ parties</u>		
Mr. H.M.N.U. Kumara	50,000	0.06%
Total non-public share holding	75,313,068	95.09%
Public Share Holding	3,886,932	4.91%
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	
	30-Sep-18	31-Mar-18
Ordinary Shares	79,200,000	36,000,000

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 2018

3.6 Market value per share for the quarter ended

	30-Sep-18	30-Sep-17
	Rs.	Rs.
Highest Price	21.50	29.50
Lowest Price	14.40	19.50
Last Traded	18.00	20.80

NOTES TO THE FINANCIAL STATEMENTS

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-18	31-Mar-18
	Rs.	Rs.
Commitment for Unutilized Facilities	66,225,708	13,403,458

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 Continuous Disclosure regarding status of utilisation of funds raised via Rights Issue

Rights Issue Proceeds Utilisation as at 30-09-2018

Objective Number	Objective as per Circular	Amount Allocated as per Circular in Rs.	Proposed Date of Utilisation as per Circular	Amount Allocated from Proceeds in Rs. (A)	% of Total Proceeds	Amounts Utilised in Rs. (B)	% of Utilisation Against Allocation (B/A)	Clarification if not fully utilised including where the funds are invested (eg: whether lent to related party/s etc)
1	Expanding loans & Advances portfolio	864 Mn.	3 Months from the date of allotment	864 Mn.	100%	864 Mn.	100%	N/A

8 RELATED PARTY DISCLOSURES	Quarter Ended 30th September 2018 Rs.
8.1 Transactions with Parent's Company (Prime Lands Private Limited)	
i) Saving Deposit Balance as at 30.06.2018	458,885,280
Interest Expense on Deposits	678,905
Closing Fee	(100)
WHT on Deposits for the quarter ended 30.09.2018	(33,945)
Cash Withdrawn and utilized for Right issue on 17th July 2018.	<u>459,530,139</u>
ii) Land Sold to Parent Company (Prime Lands Private Limited)	<u>39,462,836</u>
<u>Items in Statement of Financial Position</u>	<u>Reported under</u>
Nil	
<u>Items in Statement of Comprehensive Income</u>	<u>Reported under</u>
Interest Expense on Deposits for the quarter ended 30.09.2018	Interest Expenses 678,905
Net gain From Land Sale	Net Gain/(Loss) from Real Estate 2,201,599
8.2 Transactions with Directors' and other KMPs' of the Company and their spouses	
	Quarter Ended 30th September 2018 Rs.
Deposits made by directors, their spouses as at 30th June 2018.	47,875,918
Deposits made by KMPs', their spouses as at 30th June 2018.	4,919,453
<u>Items in statement of Financial Position</u>	<u>Reported under</u>
Net Deposits made during the quarter ended 30.09.2018	Due to Customers 3,908,255
Interest Expense	Interest Expenses 1,852,297
Interest Paid	(273,540)
WHT deduction	(146,575)
Balance as at 30.09.2018	<u>58,135,807</u>
<u>Items in Statement of Comprehensive Income</u>	
Interest Expense on Deposits for the quarter ended 30.09.2018	Interest Expenses 1,852,297

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.

Company registration number is PB 351 PQ

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 - Non Independent Non Executive Director
5. Mr. Pathirage Anura W. Perera - Non Independent Non Executive Director
6. Mr. H. M. Hennayaka Bandara - Independent Non Executive Director
7. Mr. Mahinda Perera - Non Independent Non Executive Director
8. Mr. Dhammika Hemantha Kalapuge - Independent Non 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

Auditors

Messrs Ernst & Young
No. 201, De Saram Place, P.O.Box 101,Colombo.10,Sri Lanka

PRIME FINANCE PLC

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

AS AT 30TH SEPTEMBER 2018

Item	As at	As at
	30.09.2018	30.09.2017
	(Unaudited)	(Unaudited)
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital) Rs. '000	1,426,309	561,138
Total Capital Base, Rs. '000	1,476,108	561,138
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 6% W.E.F. 01/07/2018)	29.33%	39.29%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 10%)	30.36%	39.29%
Capital Funds to Deposit Liabilities Ratio (Minimum requirement, 10%)	60.23%	43.73%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Accommodation, Rs. '000	239,216	316,851
Gross Non-Performing Accommodation Ratio, %	5.95	20.06
Net-Non Performing Accommodation Ratio, %	1.90	7.99
Profitability (%)		
Interest Margin (Annualized)	11.81	8.84
Return on Assets (before Tax) (Annualized)	4.39	(4.44)
Return on Equity (after Tax) (Annualized)	12.58	(23.73)
Regulatory Liquidity (Rs. '000)		
Required minimum amount of Liquid Assets	244,360	130,103
Available amount of Liquid Assets	342,499	315,618
Required minimum amount of Government Securities	119,132	84,283
Available amount of Government Securities	127,034	88,575
Memorandum information		
Number of employees	123	86
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.