

Prime Finance PLC: Rating Withdrawal

June 28, 2022

Summary of rating action

Instrument	Rated Amount (LKR Mn)	Rating Action
Issuer rating	N/A	[SL]BBB- on watch with developing implications; Rating Withdrawn

ICRA Lanka has withdrawn the Issuer rating of [SL]BBB- (pronounced SL triple B minus) on watch with developing implications assigned to Prime Finance PLC (hereafter referred to as PRIM or the Company).

On December 20, 2021, it was announced that the majority stake of PRIM is to be acquired by HNB Finance PLC. HNB Finance PLC had entered into a trade to purchase from Prime Lands (Private) Limited, a total of 105,602,251 ordinary shares in PRIM, constituting 87.27% of the total number of shares in issue in the Company, at a price of LKR 20.10 per share. In May 2022, it was announced via a disclosure on the Colombo Stock Exchange (CSE) that PRIM was merged with HNB Finance PLC, with HNB Finance PLC being the surviving entity.

Accordingly, ICRA Lanka has withdrawn the issuer rating of Prime Finance PLC, as the entity is now merged with HNB Finance PLC. The withdrawal is in accordance with ICRA Lanka's Suspension and Withdrawal Policy.

Analytical approach: The withdrawal is based on ICRA Lanka's Policy on withdrawal and suspension of Credit Rating.

Links to applicable criteria: [ICRA Lanka's Suspension and Withdrawal Policy](#)

Company Profile:

Prime Finance PLC (PRIM), was a registered finance company, largely focusing on real estate backed loans and leasing. PRIM was established in 2004 as Asia Commerce Limited and was registered as a finance leasing establishment in 2005. In 2011, the Company was registered under the Finance Companies Act and was rebranded as Divasa Finance Limited. The Company went through a name change in 2012 as George Steuart Finance Limited and was listed on the Colombo Stock Exchange by way of an Introduction. Under the financial sector consolidation programme of the Central Bank of Sri Lanka, the Company was acquired by Sarvodaya Development Finance Limited (formerly known as Deshodaya Development Finance Company Ltd) in 2014 and changed the name of the Company to Summit Finance PLC in 2016. Prime Lands (Pvt) Ltd. acquired the Company in January 2017 and changed the name to Prime Finance PLC. PRIM made a disclosure to the Colombo Stock Exchange (CSE) on December 20, 2021, announcing that the majority stake of PRIM is to be acquired by HNB Finance PLC. In May 2022, it was announced via a disclosure on the CSE that PRIM was merged with HNB Finance PLC, with HNB Finance PLC being the surviving entity.

Rating history for last three years:

Instrument	Current Rating (FY23)			Chronology of Rating History for the past 3 years		
	Type	Amount Rated (LKR Mn)	Date & Rating	Date & Rating in FY22	Date & Rating in FY21	Date & Rating in FY20
			Jun-22	Dec-21	Sep-21	Mar-20
Issuer rating	N/A	N/A	Withdrawn	[SL]BBB-; On watch with developing implications	[SL]BBB- (Stable)	[SL]BBB- (Stable)



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