



2014 Half Yearly Report



fostering core areas
for a better tomorrow

Dear Shareholders,

In compliance with Rule 13 of Securities and Exchange Rules 1987, we are pleased to present the un-audited consolidated half-yearly Financial Statements of Prime Finance & Investment Limited as at and for the half-year ended on June 30, 2014.

The Details of the following financials will be available in the website of the Company at: www.primefinancebd.com.

Thank you for your continued support and confidence on us.

sd/-

Asad Khan
Managing Director

Consolidated Balance Sheet

as at 30 June 2014

(Figures in Taka)
30 June 2014 **31 December 2013**
(Un-audited)

PROPERTY AND ASSETS

Cash

In hand (including foreign currencies)	55,000	45,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	138,973,177	117,852,644
Total cash	139,028,177	117,897,644

Balance with other banks and financial institutions

In Bangladesh	563,932,542	500,200,526
Outside Bangladesh	-	-
Total balance with other banks and financial institutions	563,932,542	500,200,526

Money at call and on short notice

	-	-
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Investments

Government	-	-
Others	1,065,231,503	967,560,066
Total investments	1,065,231,503	967,560,066

Loans, advances and leases

Loans, advances and leases etc.	12,980,947,846	12,901,715,481
Bills purchased and discounted	-	-
Total loans, advances and leases	12,980,947,846	12,901,715,481

Fixed assets including premises, furniture and fixtures

Other assets	338,092,349	325,235,741
Non banking assets	2,976,077,868	2,527,205,504

Total assets	18,063,310,285	17,339,814,963
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LIABILITIES AND CAPITAL

Liabilities

Borrowings from other banks, financial institutions and agents	2,553,188,596	2,865,064,682
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Deposits and other accounts

Current and other accounts	-	-
Bills payable	-	-
Savings account	-	-
Term deposits	7,759,437,376	6,770,963,595
Bearer certificates of deposit	-	-
Other deposits	-	-
Total deposits and other accounts	7,759,437,377	6,770,963,595

Other liabilities	2,742,526,744	2,453,950,050
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Total liabilities	13,055,152,717	12,089,978,327
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Capital/shareholders' equity

Paid up capital	2,729,164,830	2,729,164,830
Statutory reserve	851,649,949	851,649,949
Other reserve	-	-
Share money deposit	-	-
Retained earnings	396,697,243	668,214,189
Revaluation reserve	221,943,750	221,943,750
Non-controlling interest	808,701,796	778,863,918
Total shareholders' equity	5,008,157,568	5,249,836,637

Total liabilities and shareholders' equity	18,063,310,285	17,339,814,963
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OFF-BALANCE SHEET ITEMS

Contingent liabilities	-	-
Other commitments	-	-
Total off-Balance Sheet items including contingent liabilities	-	-

sd/-

Mohammad Shahidul Islam
Chief Financial Officer

sd/-

Asad Khan
Managing Director

Consolidated Profit and Loss Account (Un-audited)

(Figures in Taka)	for the half year ended 30 June		for the 2nd quarter ended 30 June	
	2014	2013	2014	2013
Interest income	916,990,714	886,951,178	507,473,388	441,081,990
Interest paid on deposits, borrowings, etc.	(693,838,463)	(715,888,993)	(354,112,979)	(396,268,524)
Net interest income	223,152,251	171,062,186	153,360,409	44,813,467
Investment income	84,125,780	28,903,100	37,151,571	5,120,820
Fees, commission, exchange and brokerage	45,097,007	49,481,926	23,729,981	22,643,383
Other operating income	72,707,637	119,622,028	13,119,469	65,482,520
Other operating income	201,930,423	198,007,054	74,001,020	93,246,723
Total operating income (A)	425,082,674	369,069,240	227,361,430	138,060,190
Salaries and other employee benefits	86,172,799	89,276,129	30,416,513	36,107,915
Rent, taxes, insurance, electricity etc.	19,304,908	7,431,266	12,220,211	4,575,242
Legal expenses	432,177	2,313,291	223,172	851,166
Postage, stamp, telecommunication etc.	1,897,608	1,309,787	1,110,754	881,018
Stationery, printing, advertisements etc.	7,038,499	6,529,609	4,796,586	5,348,998
Managing Director's salary and fees	6,250,000	4,800,000	3,550,000	2,400,000
Directors' fees	640,000	710,000	445,000	370,000
Auditors' fees	28,750	28,750	14,375	14,375
Depreciation and repair of assets	5,533,511	4,523,561	3,018,335	2,298,355
Other expenses	9,392,086	12,098,530	3,745,115	8,265,215
Total operating expenses (B)	136,690,338	129,020,922	59,540,061	61,112,283
Profit before provision (C=A-B)	288,392,337	240,048,318	167,821,369	76,947,907
Provision for loans, advances and leases				
General provision	3,724,012	(34,977,811)	9,359,470	(30,973,960)
Specific provision	21,837,608	97,891,331	3,602,151	84,833,416
Provision for diminution in value of investments	25,895,921	14,863,525	21,321,501	(70,453,740)
Other provisions	-	-	-	-
Total provision (D)	51,457,541	77,777,044	34,283,121	(16,594,285)
Profit before tax (C-D)	236,934,796	162,271,274	133,538,247	93,542,192
Provision for tax				
Current	69,239,139	61,793,385	43,060,852	27,534,844
Deferred	-	-	-	-
Total provision for tax	69,239,139	61,793,385	43,060,852	27,534,844
Net profit after tax	167,695,657	100,477,889	90,477,395	66,007,348
Attributable to				
Shareholders of the company	137,857,779	76,290,143	74,641,016	54,511,393
Non-controlling interest	29,837,878	24,187,746	15,836,380	11,495,955
Retained surplus	167,695,657	100,477,889	90,477,395	66,007,348
Appropriations				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Proposed cash dividend	-	-	-	-
Proposed stock dividend	-	-	-	-
Retained surplus	167,695,657	100,477,889	90,477,395	66,007,348
Earnings per share	0.51	0.28	0.27	0.20
No. of outstanding shares	272,916,483	272,916,483	272,916,483	272,916,483

Consolidated Statement of Changes in Equity (Un-audited)
for the half year ended 30 June 2014

(Figures in Taka)	Paid up capital	Statutory reserve	Revaluation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 1 January 2014	2,729,164,830	851,649,949	221,943,750	668,214,189	778,863,918	5,249,836,636
Changes during the period						
Net profit for the period (2014)	-	-	-	137,857,779	29,837,878	167,695,657
Transfer to statutory reserve	-	-	-	-	-	-
Issue of bonus share	-	-	-	-	-	-
Payment of cash dividend (2013)	-	-	-	(409,374,725)	-	(409,374,725)
Balance as at 30 June 2014	2,729,164,830	851,649,949	221,943,750	396,697,243	808,701,796	5,008,157,568
Balance as at 1 January 2013	2,274,304,030	813,352,812	221,943,750	1,089,800,363	707,186,264	5,106,587,219
Changes during the period						
Net profit for the period (2013)	-	-	-	76,290,143	24,187,746	100,477,888
Transfer to statutory reserve	-	-	-	-	-	-
Issue of bonus share (2012)	454,860,800	-	-	(454,860,800)	-	-
Payment of cash dividend (2012)	-	-	-	(227,430,403)	-	(227,430,403)
Balance as at 30 June 2013	2,729,164,830	813,352,812	221,943,750	483,799,303	731,374,010	4,979,634,704

Consolidated Cash Flow Statement (Un-audited)

for the half year ended 30 June

(Figures in Taka)

	2014	2013
A) OPERATING ACTIVITIES		
Interest receipts	999,241,271	790,540,781
Interest payments	(713,557,795)	(631,835,843)
Fees and commission receipts	5,630,127	65,085,178
Dividend receipts	5,209,855	23,172,250
Capital gain from sale of listed shares	53,962,530	13,952,179
Cash payments to employees	(55,309,905)	(57,057,486)
Cash payment to suppliers and management expenses	(76,846,229)	(55,422,391)
Income taxes paid	(84,741,240)	(225,940,169)
Receipts from other operating activities	98,844,501	254,041,702
Payments for other operating activities	(5,180,918)	(84,396,927)
Cash generated before changes in operating assets and liabilities	227,252,197	92,139,275
Increase/(decrease) in operating assets and liabilities		
Net loans and advances to customers	(381,503,503)	(628,705,368)
Net loans and deposits from banks and other depositors	280,213,956	550,938,161
Cash generated from operating assets and liabilities	(101,289,548)	(77,767,207)
Net cash from operating activities	125,962,649	14,372,068
B) INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(18,490,083)	(10,331,097)
Advance for purchase of fixed assets	(10,869,388)	-
Sale of invested securities	615,495,714	482,889,733
Investment in securities	(685,595,853)	(99,750,000)
Investment in PFI Securities Ltd.	-	(351,113,712)
Net cash from investing activities	(99,459,610)	21,694,924
C) FINANCING ACTIVITIES		
Cash dividend paid	(409,374,725)	(227,430,403)
Net receipt/ (payment) for loan	467,734,235	95,487,186
Net cash from financing activities	58,359,510	(131,943,217)
D) Net increase/ (decrease) in cash and cash equivalents (A + B + C)	84,862,549	(95,876,225)
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the period	618,098,170	985,423,107
G) Cash and cash equivalents at end of the period (D+E+F)	702,960,719	889,546,882
Cash and cash equivalents represents		
Cash in hand	55,000	45,000
Balance with Bangladesh Bank and its agent bank	138,973,177	89,068,451
Balance with other banks and financial institutions	563,932,542	800,433,431
Total Cash and cash equivalents	702,960,719	889,546,882

Selected Explanatory Notes

Legal Framework

Prime Finance & Investment Limited is one of the leading Non Banking Financial Institutions, known for its diversified financial services. The company was incorporated in the year 1996 as a Public Limited Company under the Companies Act, 1994 and licensed by Bangladesh Bank under the Financial Institutions Act, 1993.

Basis of Preparation

These half yearly financial statements are being prepared in condensed form in accordance with the requirements of Bangladesh Accounting Standard (BAS-34) 'Interim Financial Reporting', Securities and Exchange Rules 1987, Regulations issued by Bangladesh Bank and other applicable laws and regulations.

Accounting Policies

The Accounting policies and method of computation adopted for the preparation of these interim financial statements are the same as those applied in preparation of annual financial statements for the year ended 31 December 2013.

Approval of half-yearly report

These half-yearly financial statements for the period ended 30 June 2014 were approved by the Board of Directors on 20 July, 2014.

General

The half-yearly financial statements for the period ended 30 June 2014 are un-audited. The comparative figures have been restated and rearranged whenever considered necessary to ensure comparability with the current financial statements. Figures are rounded-off to the nearest integer.