



Prime Finance & Investment Limited

Financial Statements

for the year ended 31 December 2010

Consolidated Balance Sheet

as at 31 December

(Figures in BDT)	Notes	2010	2009
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		15,000	15,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		37,200,011	24,166,677
Total Cash	4	37,215,011	24,181,677
Balance with other banks and financial institutions			
In Bangladesh		715,956,397	297,795,284
Outside Bangladesh		-	-
Total Balance with other banks & financial institutions	5.a	715,956,397	297,795,284
Money at call and on short notice		-	-
Investments			
Government		-	-
Others		1,257,130,031	1,468,498,294
Total Investments	6	1,257,130,031	1,468,498,294
Loans, advances and leases			
Loans, advances and leases etc.		8,720,700,063	7,236,967,249
Bills purchased and discounted		-	-
Total Loans, advances and leases	7	8,720,700,063	7,236,967,249
Fixed assets including premises, furniture and fixtures	8	323,617,525	321,631,072
Other assets	9.a	1,857,327,845	1,024,106,939
Non - business assets		-	-
Total assets		12,911,946,872	10,373,180,515
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	10	3,645,457,340	2,726,810,593
Deposits and other accounts			
Current and other accounts		-	-
Bills payable		-	-
Savings account		-	-
Term deposits		3,760,306,212	4,632,592,827
Bearer certificates of deposit		-	-
Other deposits		-	-
Total Deposits and other accounts	11	3,760,306,212	4,632,592,827
Other liabilities	12.a	1,612,598,871	1,187,387,118
Total liabilities		9,018,362,423	8,546,790,538
Capital/shareholders' equity			
Paid up capital	13	902,501,600	644,644,000
Statutory reserve	14	651,297,442	306,013,615
Other reserve		-	-
Retained earnings	15.a	1,715,745,762	653,788,612
Minority interest	15.b	402,095,895	-
Revaluation reserve	9.1.1	221,943,750	221,943,750
Total shareholders' equity		3,893,584,449	1,826,389,977
Total liabilities and shareholders' equity		12,911,946,872	10,373,180,515
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee	34	150,000,000	200,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		150,000,000	200,000,000
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-Balance Sheet items including contingent liabilities		150,000,000	200,000,000
The annexed notes 01 to 56 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 24 February 2011 and were signed on its behalf by:			
sd/-	sd/-	sd/-	
Tauhidul Ashraf FCS Company Secretary	Md.Ahsan Kabir Khan Managing Director (Current Charge)	Md.Aminul Haque Chairman	
Signed in terms of our separate report of even date annexed			
	sd/-		
Dhaka, 07 March 2011		Howladar Yunus & Co. Chartered Accountants	

Consolidated Profit and Loss Account

for the year ended 31 December

(Figures in BDT)	Notes	2010	2009
Interest income	17	1,183,739,208	641,870,651
Interest paid on deposits, borrowings, etc.	18	(809,412,618)	(519,124,076)
Net interest income		374,326,590	122,746,575
Investment income	19	1,239,660,058	480,157,330
Fees, commission, exchange and brokerage	20	296,330,559	106,176,857
Other operating income	21.a	355,069,874	197,158,586
		1,891,060,491	783,492,773
Total operating income (A)		2,265,387,081	906,239,348
Salaries and other employee benefits	22.a	86,402,898	63,436,704
Rent, taxes, insurance, electricity etc.	23	6,747,441	5,769,824
Legal expenses		830,208	298,235
Postage, stamp, telecommunication etc.	24	28,209,889	14,258,012
Stationery, printing, advertisements etc.	25	6,196,180	3,469,196
Managing Director's salary and fees		7,023,779	7,052,850
Directors' fees	26	513,000	680,000
Auditors' fees	27.a	208,150	146,300
Charges on loan losses		-	-
Depreciation and repair of assets	28	9,097,637	9,022,156
Other expenses	29.a	19,942,253	10,558,865
Total operating expenses (B)		165,171,435	114,692,142
Profit before provision (C=A-B)		2,100,215,646	791,547,206
Provision for loans, advances and leases			
General provision	12.1	70,756,724	25,728,409
Specific provision		44,298,586	98,705,237
Provision for diminution in value of investments	12.2.1	(5,055,310)	(43,521,075)
Other provisions		-	-
Total provision (D)		110,000,000	80,912,571
Profit before tax (C-D)		1,990,215,646	710,634,635
Provision for tax			
Current	12.4	260,652,669	27,500,000
Deferred	12.4.a	280,152,669	27,500,000
		(19,500,000)	-
Net profit after tax		1,729,562,977	683,134,635
Appropriations			
Statutory reserve		345,283,827	136,626,927
General reserve		-	-
Proposed cash dividend		-	64,464,400
Proposed stock dividend		722,001,280	257,857,600
Retained surplus		662,277,870	224,185,708
Earnings per share (restated)	33.a	19.16	7.57
Weighted average no. of outstanding shares		90,250,160	90,250,160
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sd/-	sd/-	sd/-	
Tauhidul Ashraf FCS Company Secretary	Md.Ahsan Kabir Khan Managing Director (Current Charge)	Md.Aminul Haque Chairman	
Signed in terms of our separate report of even date annexed			
	sd/-		
Dhaka, 07 March 2011		Howladar Yunus & Co. Chartered Accountants	

Consolidated Cash Flow Statement

as at 31 December

(Figures in BDT)	Notes	2010	2009
A. OPERATING ACTIVITIES			
Interest receipts		878,619,526	588,033,218
Interest payments		(775,533,030)	(491,570,839)
Fees and commissions receipts		296,330,559	106,176,857
Dividend receipts		5,435,717	14,275,481
Capital gain from sale of listed shares		1,224,224,341	465,881,849
Cash payments to employees		(75,893,680)	(57,707,408)
Cash payment to suppliers and management expenses		(69,972,742)	(45,072,879)
Income tax paid		(21,821,092)	(43,099,511)
Receipts from other operating activities		31708,768,765	111,285,154
Payments for other operating activities	32	(1,743,174)	(930,883)
Cash generated before changes in Operating assets & liabilities		2,178,415,190	647,271,039
Increase/(decrease) in operating assets and liabilities			
Net Loans and advances to customers		(1,487,018,409)	(3,256,867,327)
Loans and deposits from banks and other customers		(611,132,130)	3,488,150,276
Cash generated from operating assets and liabilities		(2,098,150,539)	231,282,949
Net cash generated from operating activities		80,264,651	878,553,988
B) INVESTMENT ACTIVITIES			
Acquisition of property, plant and equipment		(9,605,257)	(313,409,930)
Disposal of fixed assets		-	2,777,700
Advance for Purchase of Vehicles		-	(5,834,571)
Sale of securities		1,470,854,894	1,168,888,246
Investment in securities		(1,368,269,361)	(1,686,399,049)
Investment in Prime Finance 1st Mutual Fund		-	-
Investment in Prime Finance AMCL		(22,050,000)	-
Investment in PFI Securities Ltd.		(120,000,480)	(75,000,300)
Investment in Prime Finance Capital Management Ltd.		(600,000,000)	-
Investment in Prime Properties Ltd.		-	(20,000,000)
Investment in Prime Prudential Fund Ltd.		-	(8,000,000)
Net cash used in investing activities		(649,070,204)	(936,977,904)
C) FINANCING ACTIVITIES			
Dividend paid		-	-
Issuance of shares		1,000,000,000	-
Net cash used in financing activities		1,000,000,000	-
D) Net increase in cash and cash equivalents (A+ B + C)		431,194,447	(58,423,916)
E) Effects of exchange rate changes on cash and cash equivalents		-	-
F) Cash and cash equivalents at beginning of the year		321,976,961	380,400,877
G) Cash and cash equivalents at end of the year (D+E+F)		753,171,408	321,976,961
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)		15,000	15,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		37,200,011	24,166,677
Balance with other banks and financial institutions		715,956,397	297,795,284
		753,171,408	321,976,961
Supplemental schedule for non-cash financing activities:			
Bonus shares issued		257,857,600	184,184,000

Consolidated Statement of Changes in Equity

for the year ended 31 December

(Figures in BDT)	Paid up capital	Statutory reserve	Other reserve	Retained earnings	Minority interest	Total
Balance as at 1 January 2010	644,644,000	306,013,615	221,943,750	653,788,612	-	1,826,389,977
Net profit for the year 2010	-	-	-	1,729,562,977	-	1,729,562,977
Minority interest	-	-	-	-	402,095,895	402,095,895
Transfer to statutory reserve	-	345,283,827	-	(345,283,827)	-	-
Issuance of bonus shares (year 2009)	257,857,600	-	-	(257,857,600)	-	-
Payment of cash dividend (year 2009)	-	-	-	(64,464,400)	-	(64,464,400)
Revaluation of PFI Securities Ltd (note:9.1.1)	-	-	-	-	-	-
Balance as at 31 December 2010	902,501,600	651,297,442	221,943,750	1,715,745,762	402,095,895	3,893,584,449
Balance as at 1 January 2009	460,460,000	169,386,688	-	291,464,904	-	921,311,592
Net profit for the year 2009	-	-	-	683,134,635	-	683,134,635
Transfer to statutory reserve	-	136,626,927	-	(136,626,927)	-	-
Issuance of bonus shares (year 2008)	184,184,000	-	-	(184,184,000)	-	-
Revaluation of PFI Securities Ltd (note:9.1.1)	-	-	221,943,750	-	-	221,943,750
Balance as at 31 December 2009	644,644,000	306,013,615	221,943,750	653,788,612	-	1,826,389,977

Balance Sheet

as at 31 December

(Figures in BDT)	Notes	2010	2009
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		15,000	15,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		37,200,011	24,166,677
Total Cash	4	37,215,011	24,181,677
Balance with other banks and financial institutions			
In Bangladesh		405,768,755	297,795,284
Outside Bangladesh		-	-
Total Balance with other banks & financial institutions	5.a	405,768,755	297,795,284
Money at call and on short notice		-	-
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Others		1,257,130,031	1,468,498,294
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Total assets		13,200,826,066	10,373,180,515

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Other liabilities	12.a	2,306,717,803	1,187,387,118
Total liabilities		9,712,481,355	8,546,790,538
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Total liabilities and shareholders' equity		13,200,826,066	10,373,180,515

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Signed in terms of our separate report of even date annexed			
sd/-			
Howladar Yunus & Co.			
Chartered Accountants			
Dhaka, 07 March 2011			