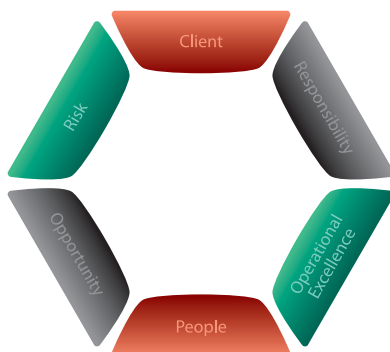




## 2013 Half Yearly Report



*promoting financial stability*  
*ensuring long-term sustainability*



Prime Finance is a diversified financial service provider that is known for its quality products and services, outstanding customer service, prudent risk management and its focus on the future. Prime Finance has also been recognized as one of the most respected and trusted companies of the country.

Since its inception, Prime Finance has been committed to a set of core values that were embodied by the Company's founders and remains the cornerstone of our philosophy. These values shape everything we do - from how we develop and market our products to how we serve our customers, employees, and communities. Our constant commitment to excellence has not only kept us at the pinnacle of the NBF's sector of the country but also earned us recognition at international level. With each passing year, we continue to expand and explore new horizons of success with a vision of rising higher and enhancing our expertise for serving you better.



# Contents

Consolidated Balance Sheet .....	02
Consolidated Profit and Loss Account .....	05
Consolidated Cash Flow Statement .....	07
Consolidated Statement of Changes in Equity .....	08
Balance Sheet .....	09
Profit and Loss Account .....	12
Cash Flow Statement .....	14
Statement of Changes in Equity .....	15
Selected Explanatory Notes .....	16
Shareholders' & Corporate Information .....	17

# Consolidated Balance Sheet

as at 30 June 2013

	(Figures in BDT)	
PROPERTY AND ASSETS	30 June 2013 (Un-audited)	31 Dec 2012
<u>Cash</u>		
In hand (including foreign currencies)	45,000	45,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	89,068,451	204,147,495
<b>Total Cash</b>	<b>89,113,451</b>	<b>204,192,495</b>
<u>Balance with other banks and financial institutions</u>		
In Bangladesh	800,433,431	781,230,612
Outside Bangladesh	-	-
<b>Total Balance with other banks and financial institutions</b>	<b>800,433,431</b>	<b>781,230,612</b>
 <u>Money at call and on short notice</u>	 -	 -
<u>Investments</u>		
Government	-	-
Others	1,043,429,175	1,193,609,479
<b>Total Investments</b>	<b>1,043,429,175</b>	<b>1,193,609,479</b>
<u>Loans, advances and Leases</u>		
Loans, advances and Leases	11,515,563,827	11,433,699,033
Bills purchased and discounted	-	-
<b>Total Loans, advances and leases</b>	<b>11,515,563,827</b>	<b>11,433,699,033</b>
 Fixed assets including premises, furniture and fixtures	 327,364,694	 327,619,010
Other assets	3,343,099,587	2,079,301,138
Non banking assets	-	-
<b>Total assets</b>	<b>17,119,004,165</b>	<b>16,019,651,768</b>

## Consolidated Balance Sheet - Continued

LIABILITIES AND CAPITAL	(Figures in BDT)	
	30 June 2013 (Un-audited)	31 Dec 2012
<b>Liabilities</b>		
Borrowings from other banks financial institutions and agents	3,352,840,379	2,795,522,546
<b>Deposits and other accounts</b>		
Current and other accounts	-	-
Bills payable	-	-
Savings account	-	-
Term Deposits	6,073,007,981	5,614,795,490
Bearer certificates of deposit	-	-
Other deposits	-	-
<b>Total Deposits and other accounts</b>	<b>6,073,007,981</b>	<b>5,614,795,490</b>
Other liabilities	2,713,521,100	2,502,746,513
<b>Total liabilities</b>	<b>12,139,369,461</b>	<b>10,913,064,549</b>
<b>Capital/shareholders' equity</b>		
Paid up capital	2,729,164,830	2,274,304,030
Statutory reserve	813,352,812	813,352,812
Other reserves	-	-
Share money deposit	-	-
Retained earnings	483,799,303	1,089,800,363
Minority interest	731,374,010	707,186,264
Revaluation reserve	221,943,750	221,943,750
<b>Total shareholders' equity</b>	<b>4,979,634,704</b>	<b>5,106,587,219</b>
<b>Total liabilities and shareholders' equity</b>	<b>17,119,004,165</b>	<b>16,019,651,768</b>

## Consolidated Balance Sheet - Continued

### OFF-BALANCE SHEET ITEMS

30 June 2013  
(Un-audited)

(Figures in BDT)  
31 Dec 2012

#### Contingent liabilities

Acceptances and endorsements	-	-
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
<b>Total Contingent liabilities</b>	<b>-</b>	<b>-</b>

#### 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	-	-
<b>Total Other commitments</b>	<b>-</b>	<b>-</b>

<b>Total off-Balance Sheet items including contingent liabilities</b>	<b>-</b>	<b>-</b>
---	----------	----------



**Lingkon Mondal, ACA**  
Chief Financial Officer (CC)



**Asad Khan**  
Managing Director

## Consolidated Profit and Loss Account

(Figures in BDT)	for the half year ended 30 June		for the 2nd quarter ended 30 June	
	2013	2012	2013	2012
Interest income	886,951,178	821,704,244	441,081,990	426,284,996
Interest paid on deposits and borrowings etc.	(715,888,993)	(644,205,021)	(396,268,524)	(325,735,645)
<b>Net interest income</b>	<b>171,062,186</b>	<b>177,499,223</b>	<b>44,813,467</b>	<b>100,549,350</b>
Investment income	28,903,100	55,791,098	5,120,820	56,747,446
Fees, Commission, exchange and brokerage	49,481,926	53,549,024	22,643,383	27,707,980
Other operating income	119,622,028	139,227,164	65,482,520	38,979,019
	198,007,054	248,567,286	93,246,723	123,434,445
<b>Total operating income (A)</b>	<b>369,069,240</b>	<b>426,066,509</b>	<b>138,060,190</b>	<b>223,983,795</b>
Salaries and other employee benefits	89,276,129	61,259,896	36,107,915	35,813,747
Rent, taxes, insurance, electricity etc.	7,431,266	8,097,309	4,575,242	3,891,176
Legal expenses	2,313,291	600,396	851,166	435,222
Postage, stamp, telecommunication etc.	1,309,787	1,043,581	881,018	441,709
Stationery, printing, advertisements etc.	6,529,609	5,094,195	5,348,998	3,004,296
Managing Director's salary and fees	4,800,000	4,800,000	2,400,000	3,096,230
Directors' fees	710,000	540,000	370,000	290,000
Auditors' fees	28,750	-	14,375	-
Depreciation and repair of assets	4,523,561	4,064,072	2,298,355	2,149,246
Other expenses	12,098,530	9,455,644	8,265,215	6,576,210
<b>Total operating expenses (B)</b>	<b>129,020,922</b>	<b>94,955,093</b>	<b>61,112,283</b>	<b>55,697,837</b>
<b>Profit before provision (C=A-B)</b>	<b>240,048,318</b>	<b>331,111,416</b>	<b>76,947,907</b>	<b>168,285,959</b>
<b>Provision for loans, advances and leases</b>				
General provision	(34,977,811)	(16,952,449)	(30,973,960)	(16,952,449)
Specific provision	97,891,331	84,109,795	84,833,416	84,109,795
Provision for diminution in value of investment	14,863,525	55,000,000	(70,453,740)	55,000,000
<b>Total provision (D)</b>	<b>77,777,044</b>	<b>122,157,346</b>	<b>(16,594,285)</b>	<b>122,157,346</b>
<b>Total profit before tax (C-D)</b>	<b>162,271,274</b>	<b>208,954,070</b>	<b>93,542,192</b>	<b>46,128,613</b>
<b>Provision for tax</b>				
Current	61,793,385	67,490,025	27,534,844	30,764,829
Deferred	-	-	-	-
<b>Total Provision for tax</b>	<b>61,793,385</b>	<b>67,490,025</b>	<b>27,534,844</b>	<b>30,764,829</b>
<b>Net profit after tax</b>	<b>100,477,889</b>	<b>141,464,045</b>	<b>66,007,348</b>	<b>15,363,784</b>

## Consolidated Profit and Loss Account - Continued

(Figures in BDT)	for the half-year ended 30 June		for the 2nd quarter ended 30 June	
	2013	2012	2013	2012
<b>Attributable to</b>				
Shareholders of the company	76,290,143	106,470,695	54,511,393	(146,103)
Minority interest	24,187,746	34,993,350	11,495,955	15,509,887
Retained surplus	100,477,889	141,464,045	66,007,348	15,363,784
<b>Appropriations</b>				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Proposed cash dividend	-	-	-	-
Proposed stock dividend	-	-	-	-
Retained surplus	100,477,889	141,464,045	66,007,348	15,363,784
Weighted average no. of outstanding share	272,916,484	272,916,484	272,916,484	272,916,484
Earnings per share (restated)	0.28	0.39	0.20	0.00



**Lingkon Mondal, ACA**  
Chief Financial Officer (CC)



**Asad Khan**  
Managing Director

# Consolidated Cash Flow Statement

for the half-year ended 30 June

	2013	2012
(Figures in BDT)		
<b>OPERATING ACTIVITIES (A)</b>		
Interest receipts	790,540,781	755,983,020
Interest payments	(631,835,843)	(777,650,785)
Fees and commission receipts	65,085,178	574,215
Dividend receipts	23,172,250	4,439,889
Capital gains from sale of listed shares	13,952,179	11,554,554
Cash payments to employees	(57,057,486)	(56,080,224)
Cash payments to suppliers and management expenses	(55,422,391)	(86,210,658)
Income taxes paid	(225,940,169)	(150,000,000)
Receipts from other operating activities	254,041,702	1,249,750,399
Payments for other operating activities	(84,396,927)	(599,728,936)
Cash generated from operating activities before changes in operating assets and liabilities	92,139,275	352,631,474
<b>Increase/(decrease) in operating assets and liabilities</b>		
Net loans and advances to customers	(628,705,368)	(460,243,170)
Loans and deposits from banks and other customers	550,938,161	113,698,021
Cash generated from operating assets and liabilities	(77,767,207)	(346,545,149)
Net cash generated from operating activities	14,372,068	6,086,325
<b>INVESTMENT ACTIVITIES (B)</b>		
Acquisition of Property, plant and equipment	(10,331,097)	(7,719,161)
Sale of securities	482,889,733	447,412,578
Investment in securities	(99,750,000)	(294,791,619)
Investment in PFI Securities Ltd.	(351,113,712)	(10,000,000)
Net cash used in investing activities	21,694,924	134,901,798
<b>FINANCING ACTIVITIES (C)</b>		
Dividend paid	(227,430,403)	(100,000,000)
Issuance of shares	-	(86,750,000)
Employers contribution to the provident fund	(3,075,314)	-
Term loan received	100,000,000	-
Principal payment of term loan	(1,437,500)	-
Net cash used in financing activities	(131,943,217)	(186,750,000)
Net increase in cash and cash equivalents (D=A+ B + C)	(95,876,225)	(45,761,877)
Effects of exchange rate changes on cash and cash equivalents (E)	-	-
Cash and cash equivalents at beginning of the period (F)	985,423,107	604,286,087
Cash and cash equivalents at end of the period (D+E+F)	889,546,882	558,524,210
<b>Cash and cash equivalents represents</b>		
Cash in hand (including foreign currencies)	45,000	40,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	89,068,451	93,126,451
Balance with other banks and financial institutions	800,433,431	465,357,759
Total Cash and cash equivalents	889,546,882	558,524,210

# Consolidated Statement of Changes in Equity

for the half year ended 30 June 2013

(Figures in BDT)	Paid up Capital	Statutory Reserve	Other reserve	Retained Earnings	Minority Interest	Total
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	100,477,889
Transfer to statutory reserve	-	-	-	-	-	-
Issue of bonus share (2012)	454,860,800	-	-	(454,860,800)	-	-
Payment of dividend	-	-	-	(227,430,403)	-	(227,430,403)
<b>Balance as at 30 June 2013</b>	<b>2,729,164,830</b>	<b>813,352,812</b>	<b>221,943,750</b>	<b>483,799,303</b>	<b>731,374,010</b>	<b>4,979,634,704</b>

Balance as at 1 January 2012	1,624,502,880	755,711,970	221,943,750	1,561,846,536	502,391,856	4,666,396,992
------------------------------	---------------	-------------	-------------	---------------	-------------	---------------

## Changes during the period

Net profit for the period 2012	-	-	-	106,470,695	34,993,350	141,464,045
Transfer to statutory reserve	-	-	-	-	-	-
Issue of bonus share (2011)	649,801,150	-	-	(649,801,150)	-	-
Payment of Dividend	-	-	-	-	(100,000,000)	(100,000,000)
<b>Balance as at 30 June 2012</b>	<b>2,274,304,030</b>	<b>755,711,970</b>	<b>221,943,750</b>	<b>1,018,516,081</b>	<b>437,385,206</b>	<b>4,707,861,037</b>

# Balance Sheet

as at 30 June 2013

PROPERTY AND ASSETS	(Figures in BDT)	
	30 June 2013 (Un-audited)	31 Dec 2012
<b>Cash</b>		
In hand (including foreign currencies)	40,000	40,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	89,068,451	204,147,495
<b>Total Cash</b>	<b>89,108,451</b>	<b>204,187,495</b>
<b>Balance with other banks and financial institutions</b>		
In Bangladesh	789,116,709	743,337,530
Outside Bangladesh	-	-
<b>Total balance with other banks and financial institutions</b>	<b>789,116,709</b>	<b>743,337,530</b>
<b>Money at call and on short notice</b>	<b>-</b>	<b>-</b>
<b>Investments</b>		
Government	-	-
Others	706,994,953	819,270,974
<b>Total Investments</b>	<b>706,994,953</b>	<b>819,270,974</b>
<b>Loans, advances and leases</b>		
Loans, advances and leases	9,510,435,926	9,751,352,472
Bills purchased and discounted	-	-
<b>Total Loans, advances and leases</b>	<b>9,510,435,926</b>	<b>9,751,352,472</b>
<b>Fixed assets including premises</b>		
Furniture and fixtures	322,035,227	324,157,058
Other assets	3,968,836,359	2,779,745,191
Non banking assets	-	-
<b>Total assets</b>	<b>15,386,527,625</b>	<b>14,622,050,721</b>

## Balance Sheet - Continued

LIABILITIES AND CAPITAL	(Figures in BDT)	
	30 June 2013 (Un-audited)	31 Dec 2012
<u>Liabilities</u>		
Borrowings from other banks, financial institutions and agents	3,254,277,879	2,795,522,546
<u>Deposits and other accounts</u>		
Current and other accounts	-	-
Bills payable	-	-
Savings accounts	-	-
Term Deposits	6,073,007,981	5,614,795,490
Bearer certificates of deposit	-	-
Other deposits	-	-
<b>Total Deposits and other accounts</b>	<b>6,073,007,981</b>	<b>5,614,795,490</b>
Other liabilities	1,948,042,084	1,913,111,126
<b>Total liabilities</b>	<b>11,275,327,945</b>	<b>10,323,429,162</b>
<u>Capital/shareholders' equity</u>		
Paid up capital	2,729,164,830	2,274,304,030
Statutory reserve	813,352,812	813,352,812
Other reserves	-	-
Retained earnings	346,738,288	989,020,968
Revaluation reserve	221,943,750	221,943,750
<b>Total shareholders' equity</b>	<b>4,111,199,680</b>	<b>4,298,621,559</b>
<b>Total liabilities and shareholders' equity</b>	<b>15,386,527,625</b>	<b>14,622,050,721</b>

## Balance Sheet - Continued

### OFF-BALANCE SHEET ITEMS

30 June 2013  
(Un-audited)

(Figures in BDT)  
31 Dec 2012

#### Contingent liabilities

Acceptances and endorsements	-	-
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
<b>Total Contingent liabilities</b>	<b>-</b>	<b>-</b>

#### 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	-	-
<b>Total Other commitments</b>	<b>-</b>	<b>-</b>

<b>Total off-Balance Sheet items including contingent liabilities</b>	<b>-</b>	<b>-</b>
---	----------	----------



**Lingkon Mondal, ACA**  
Chief Financial Officer (CC)



**Asad Khan**  
Managing Director

## Profit and Loss Account

(Figures in BDT)	for the half year ended 30 June		for the 2nd quarter ended 30 June	
	2013	2012	2013	2012
Interest income	713,654,246	679,145,765	356,035,272	342,232,477
Interest paid on deposits and borrowings etc.	(642,282,737)	(632,495,753)	(332,563,983)	(313,866,158)
<b>Net interest income</b>	<b>71,371,509</b>	<b>46,650,013</b>	<b>23,471,289</b>	<b>28,366,319</b>
Investment income	34,949,321	178,678,099	13,856,225	179,634,447
Fees, Commission, exchange and brokerage	4,002,002	574,215	627,082	301,057
Other operating income	116,434,137	138,748,164	64,247,571	39,357,768
	155,385,460	318,000,478	78,730,878	219,293,272
<b>Total operating income (A)</b>	<b>226,756,969</b>	<b>364,650,490</b>	<b>102,202,167</b>	<b>247,659,591</b>
Salaries and other employee benefits	73,687,038	51,038,282	30,200,554	29,559,593
Rent, taxes, insurance, electricity etc.	5,530,986	5,335,846	3,729,990	2,591,635
Legal expenses	2,156,641	571,646	737,441	406,472
Postage, stamp, telecommunication etc.	1,206,048	954,147	828,770	400,555
Stationery, printing, advertisements etc.	6,333,844	4,907,079	5,293,852	2,881,324
Managing Director's salary and fees	2,700,000	2,700,000	1,350,000	2,046,230
Directors' fees	470,000	335,000	325,000	210,000
Auditors' fees	-	-	-	-
Depreciation and repair of assets	3,771,577	3,544,757	1,899,488	1,869,355
Other expenses	11,384,146	9,125,718	8,092,616	6,448,012
<b>Total operating expenses (B)</b>	<b>107,240,279</b>	<b>78,512,475</b>	<b>52,457,711</b>	<b>46,413,176</b>
<b>Profit before provision (C=A-B)</b>	<b>119,516,690</b>	<b>286,138,015</b>	<b>49,744,456</b>	<b>201,246,415</b>
<b>Provision for loans, advances and leases</b>				
General provision	(34,977,811)	(16,952,449)	(30,973,960)	(16,952,449)
Specific provision	97,891,331	84,109,795	84,833,416	84,109,795
Provision for diminution in value of investment	-	-	(57,977,105)	-
<b>Total provision (D)</b>	<b>62,913,520</b>	<b>67,157,346</b>	<b>(4,117,649)</b>	<b>67,157,346</b>
<b>Total profit before tax (C-D)</b>	<b>56,603,170</b>	<b>218,980,669</b>	<b>53,862,105</b>	<b>134,089,069</b>

## Profit and Loss Account - Continued

(Figures in BDT)	for the half-year ended 30 June		for the 2nd quarter ended 30 June	
	2013	2012	2013	2012
Provision for tax				
Current	16,594,646	15,000,000	16,594,646	7,500,000
Deferred	-	-	-	-
<b>Total Provision for tax</b>	<b>16,594,646</b>	<b>15,000,000</b>	<b>16,594,646</b>	<b>7,500,000</b>
Net profit after tax	40,008,524	203,980,669	37,267,459	126,589,069
<b>Appropriations</b>				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Proposed cash dividend	-	-	-	-
Proposed stock dividend	-	-	-	-
<b>Retained surplus</b>	<b>40,008,524</b>	<b>203,980,669</b>	<b>37,267,459</b>	<b>126,589,069</b>
Weighted average no. of outstanding share	272,916,484	272,916,484	272,916,484	272,916,484
<b>Earnings per share (restated)</b>	<b>0.15</b>	<b>0.75</b>	<b>0.14</b>	<b>0.46</b>



**Lingkon Mondal, ACA**  
Chief Financial Officer (CC)



**Asad Khan**  
Managing Director

## Profit and Loss Account - Continued

(Figures in BDT)	for the half-year ended 30 June		for the 2nd quarter ended 30 June	
	2013	2012	2013	2012
Provision for tax				
Current	16,594,646	15,000,000	16,594,646	7,500,000
Deferred	-	-	-	-
<b>Total Provision for tax</b>	<b>16,594,646</b>	<b>15,000,000</b>	<b>16,594,646</b>	<b>7,500,000</b>
Net profit after tax	40,008,524	203,980,669	37,267,459	126,589,069
<b>Appropriations</b>				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Proposed cash dividend	-	-	-	-
Proposed stock dividend	-	-	-	-
<b>Retained surplus</b>	<b>40,008,524</b>	<b>203,980,669</b>	<b>37,267,459</b>	<b>126,589,069</b>
Weighted average no. of outstanding share	272,916,484	272,916,484	272,916,484	272,916,484
<b>Earnings per share (restated)</b>	<b>0.15</b>	<b>0.75</b>	<b>0.14</b>	<b>0.46</b>



**Lingkon Mondal, ACA**  
Chief Financial Officer (CC)



**Asad Khan**  
Managing Director

# Cash Flow Statement

for the half-year ended 30 June

	(Figures in BDT)	
	2013	2012
<b>OPERATING ACTIVITIES (A)</b>		
Interest receipts	790,540,781	685,570,521
Interest payments	(613,241,513)	(777,454,529)
Fee and commission receipts	4,002,002	574,215
Dividend receipts	20,997,142	154,255,489
Capital gains from sale of listed shares	13,952,179	11,554,554
Cash payments to employees	(57,057,486)	(48,580,224)
Cash payments to suppliers and management expenses	(34,010,690)	(63,658,909)
Income taxes paid	(113,235,858)	(150,000,000)
Receipts from other operating activities	118,652,454	422,220,307
Payments for other operating activities	(21,579,728)	(4,849,292)
Cash generated from operating activities before changes in Operating assets and liabilities	109,019,284	229,632,132
<b>Increase/(decrease) in operating assets and liabilities</b>		
Net loans and advances to customers	(608,891,043)	(460,243,170)
Loans and deposits from banks and other customers	550,938,161	292,629,937
Cash generated from operating assets and liabilities	(57,952,882)	(167,613,233)
Net cash generated from operating activities	51,066,402	62,018,899
<b>INVESTMENT ACTIVITIES (B)</b>		
Acquisition of Property, plant and equipment	(7,711,885)	(7,373,365)
Sale of securities	440,889,733	517,412,578
Investment in securities	(351,113,712)	(244,995,310)
Investment in PFI Securities Ltd.	-	(10,000,000)
Investment in Prime Finance Capital Management Ltd.	25,000,000	(137,500,000)
Net cash used in investing activities	107,064,136	117,543,903
<b>FINANCING ACTIVITIES (C)</b>		
Dividend paid	(227,430,403)	-
Issuance of shares	-	-
Net cash used in financing activities	(227,430,403)	-
Net (decrease)/increase in cash and cash equivalents (D=A+ B + C)	(69,299,865)	179,562,802
Effects of exchange rate changes on cash and cash equivalents (E)	-	-
Cash and cash equivalents at beginning of the period (F)	947,525,025	583,075,393
Cash and cash equivalents at end of the period (D+E+F)	878,225,160	762,638,195
<b>Cash and cash equivalents represents</b>		
Cash in hand (including foreign currencies)	40,000	40,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	89,068,451	93,126,451
Balance with other banks and financial institutions	789,116,709	669,471,744
Total cash and cash equivalents	878,225,160	762,638,195

# Statement of Changes in Equity

for the half year ended 30 June 2013

(Figures in BDT)	Paid up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total
Balance as at 1 January 2013	2,274,304,030	813,352,812	221,943,750	989,020,968	4,298,621,560
<a href="#">Changes during the period</a>					
Net profit for the period 2013	-	-	-	40,008,524	40,008,524
Transfer to statutory reserve	-	-	-	-	-
Issue of bonus share (2012)	454,860,800	-	-	(454,860,800)	-
Payment of Dividend	-	-	-	(227,430,403)	(227,430,403)
<b>Balance as at 30 June 2013</b>	<b>2,729,164,830</b>	<b>813,352,812</b>	<b>221,943,750</b>	<b>346,738,288</b>	<b>4,111,199,680</b>

(Figures in BDT)	Paid up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total
Balance as at 1 January 2012	1,624,502,880	755,711,970	221,943,750	1,408,258,753	4,010,417,353
<a href="#">Changes during the period</a>					
Net profit for the period 2012	-	-	-	203,980,669	203,980,669
Transfer to statutory reserve	-	-	-	-	-
Issuance of bonus shares (FY-2011)	649,801,150	-	-	(649,801,150)	-
<b>Balance as on 30 June 2012</b>	<b>2,274,304,030</b>	<b>755,711,970</b>	<b>221,943,750</b>	<b>962,438,272</b>	<b>4,214,398,022</b>

# 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" and Rule 13 of the Securities and Exchange Rules 1987. These financial statements are un-audited and are being submitted to the shareholders. In the opinion of the management of the Company, the half-yearly financial statements presented herein fairly represent the financial position, results of the operation, and cash flows of the Company for the relevant period in accordance with Bangladesh Accounting Standards (BAS), Financial Institutions Act, 1993, the Companies Act, 1994, the Securities and Exchange Rules 1987, the rules and 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 accounts are the same as those applied in preparation of accounts for the preceding year ended 31 December 2012.

## Capitalization of Bonus shares

The shareholders approved 20 percent stock dividend and 10 percent cash dividend in the 17th Annual General Meeting of the Company held on 27 March 2013. As per the decision of the shareholders, 20 percent stock dividend has been capitalized on that date and Company's paid up capital increased to Tk. 2,729 million from Tk. 2,274 million.

## Commencement of business by Prime Finance Capital Management Limited

Prime Finance Capital Management Limited, a 60 percent owned subsidiary of Prime Finance & Investment Limited started its commercial operation from 01 January 2011. The half yearly performance of the above company was taken into consideration for the purpose of preparing consolidated financial statements.

## Approval of half-yearly report

The half-yearly financial statements for the period ended 30 June 2013 were approved on 29 July 2013.

## General

The half yearly financial statements for the period ended 30 June 2013 are un-audited. The comparative figures have been restated and rearranged whenever considered necessary to ensure comparability with the current financial statements.

## Copies of the half-yearly report

The Company will send its half-yearly report to the shareholders and will make copies available from the registered office of the company at 63 Dilkusha C.A., Dhaka and on the Company's website at [www.primefinancebd.com](http://www.primefinancebd.com)

# Shareholders' & Corporate Information

## Registration number

C-30384 (1600)/96

## Registered Office

63 Dilkusha Commercial Area  
Dhaka-1000

Phone: 88-02- 9563883

Fax: 88-02-9653692

E-mail: [info@primefinancebd.com](mailto:info@primefinancebd.com)

## Chittagong Branch

C&F Tower (2nd floor)

1712 (New), Sk. Mujib Road  
Agrabad C.A., Chittagong 4100

Phone: +88 031 2522663

Fax: +88 031 2522664

E-mail: [ctg@primefinancebd.com](mailto:ctg@primefinancebd.com)

## Rajshahi Branch

Zodiac Palace

88 Shaheb Bazar, Rajshahi

Phone: 88-0721-774801

Fax: 88-0721-774803

E-mail: [raj@primefinancebd.com](mailto:raj@primefinancebd.com)

## Statutory Auditors

A Qasem & Co.

Chartered Accountants

Gulshan Pink City

Suites - 1-3, Level -7, Plot -15

Road 103, Gulshan Avenue, Dhaka-1212

## Legal House

A Hossain & Associates

3/B Outer circular Road

Moghbazar, Dhaka.

## Hasan & Associates

65-66 Motijheel C/A

Dhaka-1000.

## Tax Consultant

A. Hossain & Co.

Chartered Accountants

Paramount Heights (Level-7)

65/2/1 Box Culvert Road

Purana Paltan, Dhaka-1000

## Stock Listing

<i>Bourse</i>	<i>Symbol</i>	<i>Date of listing</i>
DSE	Primefin	4 October 2005
CSE	Primefin	2 October 2005

## Principal Bankers

Shahjalal Islami Bank Ltd.

Dutch Bangla Bank Ltd.

Prime Bank Ltd.

One Bank Ltd.

Al-Arafah Islami Bank Ltd.

United Commercial Bank Ltd.

Southeast Bank Ltd.

## Corporate website & e-mail

[www.primefinancebd.com](http://www.primefinancebd.com)

[info@primefinancebd.com](mailto:info@primefinancebd.com)

## Investors inquiries

Department of Corporate Affairs

Phone: 02-9563883

E mail: [corporateaffairs@primefinancebd.com](mailto:corporateaffairs@primefinancebd.com)

## Company Secretary

Syed Moniruzzaman, ACS

