

# **Prime Finance & Investment Limited**

## **Un-audited Financial Statements** as at and for the half year ended 30 June 2020

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and (including foreign currencies) nce with Bangladesh Bank and its agent bank uding foreign currencies) al cash ance with other banks and financial institutions angladesh al balance with other banks and financial institutions are yet call and on short notice stments ernment	70,085,669 70,169,374 365,658,919	109,656,836
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al balance with other banks and financial institutions tey at call and on short notice stments ernment	365,658,919	
stments ernment	-	340,582,799
ernment		
43	602,209,251	700 626 390
l investments	602,209,251	790,626,389 <b>790,626,38</b> 9
ns, advances and leases		
ns, advances, leases etc.	8,955,718,274	9,046,121,790
purchased and discounted	-	, .,,,,
l loans, advances and leases	8,955,718,274	9,046,121,79
d assets including premises, furniture and fixtures	330,829,880	340,359,79
r assets	1,950,961,146	1,905,357,452
- banking assets	176,097,907 <b>12,451,644,751</b>	176,097,90° 12,708,877,04
BILITIES AND CAPITAL  oilities		
nnucs rowings from other banks, financial institutions and agents	1 202 100 000	1 252 (00 52)
osits and other accounts	s 1,302,189,006	1,373,688,53
ent and other accounts		
payable	_	
ngs account	-	
n deposits	5,384,795,054	5,510,070,060
er certificates of deposit er deposits	-	
Il deposits and other accounts	5,384,795,054	5,510,070,060
er liabilities	2,570,429,137	2,582,511,49
l liabilities	9,257,413,197	9,466,270,088
ital/Shareholders' equity	3,201,110,131	>,100,270,00
	2,729,164,830	2,729,164,83
atory reserve	951,634,282	951,634,282
re money deposit	-	, , ,
er reserve	-	
	221,943,750	221,943,750
ity attributable to shareholders' of the company	(1,488,108,663)	(1,462,611,523
-controlling interest	<b>2,414,634,199</b> 779,597,355	<b>2,440,131,33</b> 9 802,475,614
il shareholders' equity	3,194,231,554	3,242,606,953
	12 451 644 751	12 708 877 04
al liabilities and shareholders' equity	12,451,644,751	12,708,877,04
al liabilities  ital/Shareholders' equity  up capital utory reserve e money deposit er reserve aluation reserve ined earnings	2,72 95 2,72 95 22 (1,48	57,413,197 29,164,830 51,634,282 - 21,943,750 8,108,663)

Consolidated Profit and Loss Account					
for the period ended 30 June 2020	for the half	andad	for the 2nd	(Figures in BDT) for the 2nd quarter ended	
	30-June-2020	30-June-2019	30-June-2020	30-June-2019	
Interest income	359,396,096	549,979,456	186,974,866	241,898,955	
Interest paid on deposits, borrowings, etc.	(334,062,347)	(440,670,352)	(171,896,160)	(233,591,158)	
Net interest income	25,333,749	109,309,104	15,078,706	8,307,797	
Investment income	(5,790,746)	(40,470,769)	-	(22,760,638)	
Fees, commission, exchange and brokerage	1,318,040	17,933,355	466,060	7,999,740	
Other operating income Other operating income	7,110,918	52,401,645 <b>29.864.231</b>	1,469,748 1,935,808	16,783,419 2,022,521	
Total operating income (A)	32,444,667	139,173,335	17,014,514	10,330,318	
Salaries and other employee benefits					
Rent, taxes, insurance, electricity etc.	57,645,435 5,988,616	58,123,143 19,613,402	25,941,190 1,413,555	29,797,763 10,182,009	
Legal expenses	64,489	22,250	23,000	22,250	
Postage, stamp, telecommunication etc.	684,244	1,451,853	267,981	647,271	
Stationery, printing, advertisements etc.	928,050	1,576,176	32,457	843,215	
Managing Director's salary and fees	4,530,000	4,530,000	2,265,000	2,265,000	
Directors' fees	64,000	547,558	64,000	239,112	
Auditors' fees Depreciation and repair of assets	37,374 12,184,281	37,374 7,763,278	18,687 5,963,156	18,687 3,562,212	
Other expenses	4,614,529	7,197,210	1,821,711	2,955,892	
Total operating expenses (B)	86,741,018	100,862,244	37,810,737	50,533,411	
Profit before provision (C=A-B)	(54,296,351)	38,311,091	(20,796,223)	(40,203,093)	
Provision for loans, advances and leases	(34,270,331)	30,311,071	(20,770,223)	(40,203,073)	
General provision	(52,417)	22,183,203	1,313,270	(10,919,667)	
Specific provision	(11,509,645)	1,714,988	1,171,425	(30,852,432)	
Provision for diminution in value of investments	1,717,102	888,001	285,777	(1,802,678)	
Other Provision	3,256,500	<u>-</u>	1,628,250	-	
Total provision (D)	(6,588,460)	24,786,192	4,398,722	(43,574,777)	
Profit before tax (C-D)	(47,707,891)	13,524,899	(25,194,945)	3,371,684	
Total provision for tax	667,508	1,763,356	(2,138,250)	733,055	
Net profit after tax	(48,375,399)	11,761,543	(23,056,695)	2,638,629	
Net profit attributable to					
Shareholders of the company	(25,497,140)	15,097,761	(12,369,500)	4,036,527	
Non-controlling interest	(22,878,259)	(3,336,218)	(10,687,195)	(1,397,898)	
Earnings per share (EPS)	(0.09)	0.06	(0.05)	0.01	
No. of outstanding shares	272,916,483	272,916,483	272,916,483	272,916,483	
sd/- sd/-	sd/-		1/-	sd/-	
Company Secretary Chief Financial Officer	Managing Director	Dir	ector	Chairman	
Consolidated Cash Fl	low State	ement			
for the period ended 30 June 2020				(Figures in BDT)	
A) OPERATING ACTIVITIES			30-June-2020	30-June-2019	
Interest receipts Interest payments		(	407,093,125 333,664,288) 63,532 4,446,522	522,979,924 (505,267,109) 3,074,101 25,910,007	
Fees and commission receipts		(	63,532	3,074,101	
Dividend and gain receipts  Cash payments to employees			(3/,918,113)	(64,803,669) (34,346,022)	
Cash payments for operational expenses Income taxes paid			(10.160.758)	(34,346,022)	
Receipts from other operating activities			(3,486,212) 6,525,122	(6,406,251) 41,567,440 (4,121,589)	
Payments for other operating activities	4	11 - 1- 11141	(7,409,013)	(4,121,589) (21,413,168)	
Cash generated before changes in opera Increase/(decrease) in operating assets :		nabinties	5,489,915	(21,413,108)	
Net loans and advances and other asset			202,409,662	386,017,007	
Net loans and deposits from banks and o and trading Liabilities	ther customers	(	189 456 618)	(371,459,840)	
Cash generated from operating assets	and liabilities		12,953,044	14,557,167	
Net cash from operating activities			18,442,959	(6,856,001)	
B) INVESTING ACTIVITIES Acquisition of fixed assets			(2,697,902)	30,160,493	
Sale of securities			(2,097,902)	15,436,701	
Investment in securities			-	16,398,269	
Net cash from investing activities			(2.697,902)	61,995,463	
C) FINANCINGACTIVITIES  Cash dividend paid					
Net receipts/ (payments) for loan			(30,230,463)	(34,021,398)	
Net cash from financing activities			(30,230,463)	(34,021,398)	
D) Net increase/(decrease) in cash and ca	-		(14,485,406)	21,118,064	
E) Effects of exchange rate changes on c		luivalents	450 212 600	520 201 206	
F) Cash and cash equivalents at beginning	- 1	+E+E)	450,313,699	530,381,206	

Consolidated Statement of Changes in Equity for the period ended 30 June 2020 (Figures in BDT)						
1	Paid up	Statutory	Revaluation	Retained	Non-controlling	(Figures in BBT)
Particulars	capital	reserve	reserve	earnings	Interest	Total
Balance as at 1 January 2020	2,729,164,830	951,634,282	221,943,750	(1,462,611,523)	802,475,614	3,242,606,953
Net profit/(loss) for the period (2020)	-	-	-	(25,497,140)	(22,878,259)	(48,375,399)
Transfer to statutory reserve	-	-	-	-	-	-
Payment of cash dividend	-	-	-	-	-	-
Balance as at 30 June 2020	2,729,164,830	951,634,282	221,943,750	(1,488,108,663)	779,597,355	3,194,231,554
Balance as at 1 January 2019	2,729,164,830	939,728,546	221,943,750	(1,503,911,533)	806,690,902	3,193,616,495
Net profit/(loss) for the period (2019)	-	-	-	15,097,758	(3,336,218)	11,761,543
Transfer to statutory reserve	-	4,020,417	-	(4,020,417)	-	-
Payment of cash dividend	-	-	-	-	-	-
Balance as at 30 June 2019	2,729,164,830	943,748,963	221,943,750	(1,492,834,192)	803,354,684	3,205,378,037

## **Selected Explanatory Notes**

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.

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

### 3. Accounting policies

The Accounting policies and method of computation adopted for the preparation of these interim financial statements are the same a those applied in preparation of annual financial statements for the year ended 31 December 2019.

4. Provision for loans, advances and leases, other assets

Total provision has been maintained as per DFIM letter ref no. DFIM(C)1054/24/2020-1321, DFIM(C)1054/24/2020-1467 & DFIM(C)1054/24/2020-1493 dated 12 August 2020 31 August 2020 & 03 September 2020 respectively.

	DFIM(C)1054/24/2020-1493 dated 12 August 2020, 31 August 2020 & 03 September 2020 respectively.					
5.	NET ASSET VALUE (NAV) PER SHARE:	30-Jun -20	31-Dec-19			
	TET TESET THEE (THE) TEN SHIRE	(Un-audited)	(Audited)			
	Total shareholders' equity (A)	2,205,238,166	2,196,417,917			
	Number of shares outstanding (B)	272,916,483	272,916,483			
	Net Asset Value (NAV) per share (A÷B)	8.08	8.05			
5.a	Net Asset Value (NAV) per share (consolidated):					
	Total shareholders' equity (A)	2,414,634,199	2,440,131,339			
	Number of shares outstanding (B)	272,916,483	272,916,483			
	Net Asset Value (NAV) per share (A÷B)	8.85	8.94			
	* **					
6.	EARNINGS PER SHARE:	30-Jun-20	30-Jun-19			
	Profits attributable to ordinary shareholders of the Company	(Un-audited)	(Un-audited)			
	Net profit for the year (A)	8,820,249	20,102,085			
	Weighted average number of ordinary shares (B)	272,916,483	272,916,483			
	Earnings per share (consolidated) (A÷B)	0.03	0.07			
6.a	EARNINGS PER SHARE (consolidated):					
	Profits attributable to ordinary shareholders of the Company	(25, 107, 140)	15,097,761			
	Net profit for the year (A)	(25,497,140) 272,916,483	272,916,483			
	Weighted average number of ordinary shares (B)  Earnings per share (consolidated) (A÷B)	(0.09)	0.06			
		(0,03)				
7.	Net operating cash flow per share (NOCFPS):	(11 505 050)				
	Net cash flow from operating activities (A)	(11,726,269)	59,803,066			
	Number of shares outstanding (B)  Net operating cash flow per share (NOCFPS) (A÷B)	272,916,483	272,916,483 0.22			
		(0.04)	0.22			
7.a	Net operating cash flow per share (NOCFPS) (consolidated):					
	Net cash flow from operating activities (A)	18,442,959	(6,856,001)			
	Number of shares outstanding (B)  Net operating cash flow per share (NOCFPS) (A÷B)	272,916,483	272,916,483			
	Net operating cash flow per share (NOCFPS) (A+B)	0.07	(0.03)			
8.	Reconciliation of Net Profit with Cash Flows from Operating Activities:	Separate (30-Jun-20)	Consolidated (30-Jun-20)			
		(Un-audited)	(Un-audited)			
	Net profit after tax	8,820,249	(48,375,399)			
	Add: Adjustments for non-cash items:					
	Depreciation of company's assets Provisions for loans, advances and leases	9,536,284	12,184,281			
	General provision	(52,417)	(52,417)			
	Specific provision	(11,509,645)	(11,509,645)			
	Other provision	3,256,500	3,256,500			
	Provisions for the diminution in the value of investments	64,233	1,717,102			
	Provision for taxation	(481,698)	667,508			
	(Increase)/decrease in operating assets	(137,481)	44,799,828			
	(Increase)/decrease in trading securities	186,402,702	188,417,138			
	Increase/(decrease) in operating liabilities and accruals	(207,624,996)	(172,661,937)			
	Net cash flows from / (used in) operating activities	(11,726,269)	18,442,959			
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The main reason for significant deviation in net profit/ (loss), Net asset and Net Operating Cash Flow between two quarters is decrease in revenue income due to slow recovery and loss incurred for capital market operation of the company.

## 10. Approval of half yearly report

These half yearly financial statements for the period ended 30 June 2020 were approved by the Board of Directors on 30 September

## 11. General

435,828,293 551,499,270

70,085,669 140,320,551 365,658,919 411,095,930

435,828,293 551,499,270

The half yearly financial statements for the period ended 30 June 2020 are un-audited. The comparative figures have been re-stated and re-arranged whenever considered necessary to ensure comparability with the current financial statements. Figures are rounded-of

These un-audited Financial Statements of the Company for the half year ended on 30 June 2020 are published as per BSEC's Notification No.BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 and Regulation 17 of DSE & CSE (Listing) Regulations, 2015.

Total cash and cash equivalents

G) Cash and cash equivalents at end of the period (D+E+F)

Cash in hand (including foreign currencies)
Balance with Bangladesh Bank and its agent bank (including foreign currencies)

Cash and cash equivalents at end of the period represents

Balance with other banks and financial institutions

Net operating cash flow per share (NOCFPS)