

Prime Finance & Investment Limited
Auditors' Report and Audited Financial Statements
As on and for the period ended 31 December 2023

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditor's Report

To the Shareholders of Prime Finance & Investment Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Prime Finance & Investment Limited and its subsidiaries (the "Group") as well as the separate financial statements of Prime Finance & Investment Limited (the "Company") which comprise the consolidated and separate financial position as at 31 December 2023 and the consolidated and separate statement of profit or loss accounts and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effect of the matter described in the basis for qualified opinion section of our report, the accompanying consolidated financial statements of the Group and separate financial statements present fairly, in all material respects, of the consolidated financial position of the Group and separate financial position of the Company as at 31 December 2023 and of its consolidated and separate statement of profit or loss accounts and other comprehensive income and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and comply with the Finance Company Act 2023, the rules and regulations issued by the Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable laws and regulations.

Basis for Qualified Opinion

As reported in the auditor's report of PFI Securities Ltd., amounts payable to general clients aggregated BDT 295,785,334 at the reporting date, whereas the balance held in the consolidated customer account was BDT 3,918,657, resulting in a shortfall of BDT 291,866,677.

Prime Finance and Investment Limited holds a 46.15% equity interest in PFI Securities Ltd. and accounts for this investment as an associate under the equity method. In view of the significance of this matter and the Group's interest therein, we consider the potential impact on the Group's share of the associate's net assets and results to be material to the consolidated financial statements.

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

1. We draw attention to Note 14.1, which describes the minimum capital requirement. The Company has not complied with the minimum capital requirements prescribed under Section 8 of the Finance Company Act, 2023 and DFIM Circular No. 5 dated 24 July 2011. As at 31 December 2023, against a required Minimum Capital Requirement of BDT 1,598.63 million, the Company maintained capital of only BDT 285 million, resulting in a shortfall of BDT 1,313 million. Consequently, the Company's Capital Adequacy Ratio was 1.78%, which is significantly below the regulatory requirement of 10%. Our opinion is not modified with respect to these matters.
2. As disclosed in Note 7, the Company has extended loans to its subsidiaries and associates amounting to BDT 2,490.85 million and BDT 6,053.12 million, respectively, representing 873% and 2,122% of its total eligible capital. This exceeds the limit prescribed under Section 25(1) of the Finance Company Act, 2023, which restricts such exposures to 30% of eligible capital. Additionally, loans disbursed to PFI Securities Ltd. and Prime Finance Capital Management Ltd. together account for 75.76% of the Company's total loan portfolio of BDT 11,277.8 million, resulting in a significant concentration of credit risk and non-compliance with prudential regulations. It is also noteworthy that the trading activities of PFI Securities Ltd. have been suspended by the BSEC due to misuse of CCA accounts, raising serious doubts about the recoverability of the loan extended to PFI Securities Ltd. Our opinion is not modified with respect to these matters.

Material Uncertainty Related to Going Concern

We draw attention to Notes 2.13, 9.1, 9.2, and 14.1, which describe certain financial matters related to going concern assumption. The Company is currently addressing liquidity challenges and has reported negative retained earnings since 2015. A portion of its loans, including those extended to subsidiaries and associates, are classified, for which the Company is availing deferred facility. Management is confident in the company's ability to continue as a going concern in short term. We have obtained sufficient appropriate audit evidence regarding the appropriateness of management's use of the going concern basis of accounting but a material uncertainty exists and disclosure is adequate in the financial statements as mentioned in the above notes 2.13, 9.1, 9.2 and 14.1.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to those matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the consolidated and separate financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
<p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>According to DFIM Circular Letter No. 33 dated 19 December 2021, NBFIs must keep an extra 2% (percent) special provision for the borrowers who have availed Payment by Deferral (PBD) facilities. The Company has kept a special provision of BDT 28,628,893 as of 31 December 2023 to comply with the circular.</p> <p>In Bangladesh, non-performing loans have been increasing day by day. NBFIs need to maintain provisions for additional non-performing loans in line with the Bangladesh Bank's guidelines. The Company identifies impaired loan accounts and calculates required provisions manually.</p> <p>Furthermore, management has incentive to maintain lower provisions for loans and advances to overstate profit. Considering these factors, we have considered measurement of provision for loans, advances and leases as significant risk as well as a key audit matter.</p> <p>As at 31 December 2023, the Group reported total gross loans, advances and leases of BDT 12,621,205,111 (31 December 2022: BDT 12,051,679,495) and provision for loans and</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and • Finally compared the amount of loan provision and loan classification disclosed in the consolidated and separate financial statements with the quick summary report prepared by Bangladesh Bank. <p>We have selected samples to check compliance of above Bangladesh Bank instructions. Recalculated the provision amount of leases, loans, and advances, and checked loan classification in line with the Bangladesh Bank Guidelines, and compared the amount of loan provision and loan classification disclosed in the consolidated and separate financial</p>



advances of BDT 2,073,370,298 (31 December 2022: BDT 998,007,764).

We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:

- For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows;
- The provision for identified non-performing leases, loans, and advances is impacted by classification of non-performing leases, loans, and advances, value of eligible collateral securities etc;
- The company is also required to apply its subjective judgment to determine the identification and provision required against non-performing leases, loans, and advances considering various quantitative as well as qualitative factors.
- Measurement for additional provision beyond the minimum regulatory prescribed is primarily dependent upon judgments and key assumptions relating to the probable financial position of default borrowers on a forward-looking basis reflecting a range of future economic conditions.
- Adequacy of provision and timing of recognition of loss events in accordance with criteria set out in DFIM Circular No 04 dated 26 July 2021.
- Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.

statements and with the quick summary report issued by Bangladesh Bank.

See note no 7 and 13 to the financial statements



Recognition of interest income on loans, advances and leases	
<p>Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income have involved complex IT environments.</p> <p>We identify recognition of interest income from loans, advances and leases as a key audit matter because this is one of the key performance indicators of the Company and therefore there is an inherent risk of fraud and error and overstatement in recognition of interest by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans, advances and leases focusing on the following:</p> <ul style="list-style-type: none"> • Reviewing transfer of interests to the income account in line with the Bangladesh Bank's guideline. • Reviewed the grounds for approval for the transfer of interest to the income account. <p>We performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately in line with time-to-time movement of rate published by Bangladesh Bank.</p>
<p>See note no 19 to the Financial Statements</p>	

Measurement of deferred tax assets	
<p>At year end of 2023, the Group reported total deferred tax liabilities of BDT 8,986,689. (2022: BDT 4,334,795) and deferred tax expenses of BDT 7,308,036 (2022: deferred tax expense BDT 7,582,796).</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Group's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimates of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's (Deferred tax assets).</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax including deduction of DTA on specific provision from regulatory capital.</p>
<p>See notes no 13.4.2 to the financial statements</p>	



Impairment assessment of unquoted investments	
<p>In the absence of a quoted price in an active market, any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process</p> <p>Moreover, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>See note no 6 to the financial statements</p>	

Adequacy of income tax provision	
<p>At the year-end of 2023, the Company reported a provision for income tax of BDT 491,680,383 (2022: BDT 484,467,931). The last settled assessment year was 2019-20 and since then, the financial institution has appealed against various tax assessments, with final settlements still pending. Given the complexity and the significant judgment required to assess the potential tax liability related to these unresolved assessments, we have identified this as a key audit matter.</p> <p>The uncertainty surrounding the outcome of these appeals may materially impact the company's financial position and tax provisions.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of income tax provision and the assumptions used in estimating various items to determine taxable income.</p> <p>We reviewed the company's tax provisions and contingent liabilities in relation to the pending assessments, including an evaluation of management's assumptions and judgments used in determining the provisions.</p>
<p>See note no 13.4.1 to the financial statements</p>	



Carrying value of investments in subsidiary(s) and associate(s) by the Company	
<p>The Company has invested in equity shares of its one subsidiary namely Prime Finance capital management Ltd. And three associates namely PFI Securities Ltd., Prime Finance Asset Management Company Ltd. And Prime Prudential Fund Limited. As at 31 December 2023 the carrying value of these investments were BDT 1,675,806,889.</p> <p>At the time of conducting our audit of the separate financial statements of the Company we have considered the recoverable value of the Company's investments in all the above subsidiaries and associates stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries and associates in accordance with IAS 36.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p>
<p>See note no 6 to the financial statements</p>	

IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment. The large volume of transactions processed in numerous locations daily and the reliance on automated and IT-dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p> <p>The IT infrastructure is critical for the smooth functioning of the Group's business operations as</p>	<p>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Group's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

<p>well as for timely and accurate financial accounting and reporting.</p> <p>Core Banking Solution (CBS) is primarily relevant for financial reporting. Due to the pervasive nature and complexity of the IT environment, we have ascertained Key Information technology (“IT”) systems and controls used for CBS as a key audit matter.</p>	<p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>
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<p>Legal and regulatory matters</p>	
<p>We focused on this area because the Company and its subsidiary (the “Group”) operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group’s best estimate for existing legal matters that have a probable and estimable impact on the Group’s financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group’s key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Group’s internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group’s provisions and contingent liabilities disclosure.</p>

Other Matter

A. Related to subsidiary

We did not audit the financial statements of Prime Finance Capital Management Limited, a subsidiary of the Group, whose financial statements, included in the consolidated financial statements, reflect total assets of BDT 3,690 million as at 31 December 2023 and total revenue of BDT 5.61 million for the year then ended.

These financial statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor



B. Related to Associates

We also did not audit the financial statements of PFI Securities Limited, an associate of PFIL, where the investment represents for 46.15% equity interest. The investment is recognized under the equity method in its separate and consolidated financial statements.

The respective auditor of the associate has issued the qualified report and the basis for qualification has been stated in the respective audit report.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditor's report thereon. Our opinion on the Consolidate and Separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Company in accordance with IFRSs and related Bangladesh bank guidelines as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of Consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these consolidated and separate financial statements, management is responsible for assessing the Groups' and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Finance Company Act, 2023 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the consolidated and separate financial position and consolidated and separate profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditures incurred were for the purpose of the Company's business for the year;
- (v) the financial statements of the Group and the Company have been drawn up in conformity with the Finance Company Act 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- (ix) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (x) taxes and other duties were collect to be and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- (xi) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xiv) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;



- (xv) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1,200 person hours for the audit of the books and accounts of the Company;
- (xvi) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvii) the Company has complied with the Finance Company Act 2023 and Bangladesh Bank guidelines in preparing these financial statements; and
- (xviii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dhaka, 20 January 2026

DVC: 2602151512AS892273

Shaikh Hasibur Rahman FCA

Enrolment no 1512

Hoda Vasi Chowdhury & Co

Chartered Accountants

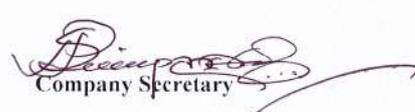


Prime Finance & Investment Limited and Its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2023

Particulars	Notes	Amount in Taka	
		31 December 2023	31 December 2022
PROPERTY AND ASSETS			
Cash			
Cash in hand (including foreign currencies)		68,320	73,247
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		70,333,673	70,332,540
Total cash	4.a	70,401,993	70,405,787
Balance with other banks and financial institutions			
In Bangladesh		359,139,944	474,413,080
Outside Bangladesh		-	-
Total balance with other banks and financial institutions	5.a	359,139,944	474,413,080
Money at call and on short notice			
		-	-
Investments			
Government		-	-
Others		850,420,833	864,669,635
Total Investments	6.a	850,420,833	864,669,635
Loans, advances and leases			
Loans, advances and leases etc.		12,621,205,111	12,051,679,495
Bills purchased and discounted		-	-
Total loans, advances and leases	7.a	12,621,205,111	12,051,679,495
Fixed assets including premises, furniture and fixtures	8.a	611,840,771	555,672,567
Other assets	9.a	2,208,815,769	2,127,651,449
Non - banking assets	10.0	383,636,118	415,013,780
Total assets		17,105,460,539	16,559,505,793
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.a	1,215,848,145	1,204,330,413
Deposits and other accounts			
Current and other accounts		-	-
Bills payable		-	-
Savings accounts		-	-
Term deposits	12.a	6,006,714,931	5,880,761,199
Bearer certificates of deposit		-	-
Other deposits		-	-
Total deposits and other accounts		6,006,714,931	5,880,761,199
Other liabilities	13.a	8,714,862,344	6,772,447,565
Total liabilities		15,937,425,420	13,857,539,177
Capital/ shareholders' equity			
Paid up capital	14.0	2,729,164,830	2,729,164,830
Statutory reserve	16.0	960,237,744	960,237,744
Share money deposit		-	-
Other reserves		-	-
Retained earnings		(3,977,347,954)	(2,467,921,087)
Revaluation reserve		686,740,320	687,015,979
Equity attributable to shareholders' of the company		398,794,941	1,908,497,466
Non-controlling interest	15.0	769,240,178	793,469,149
Total shareholders' equity		1,168,035,119	2,701,966,615
Total liabilities and shareholders' equity		17,105,460,539	16,559,505,793

PARTICULARS	Notes	Amount in Taka	
		31 December 2023	31 December 2022
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		-	-
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		-	-
Un-disbursed contracted loans, advances and leases	45.0	-	-
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		-	-
Net Asset Value per share (NAV)		1.46	6.99

The annexed notes from 1 to 58 and annexures A to D form an integral part of these consolidated financial statements.

 Chairman
  Director
  Director
  Managing Director (CC)
  Company Secretary

Signed in terms of our report of even date

Dhaka, 20 January 2026
DVC No: 2602151512AS892273

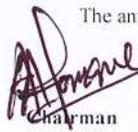

Shaikh Hasibur Rahman, FCA
 Enrolment No: 1512
 Hoda Vasi Chowdhury & Co
 Chartered Accountants



Prime Finance & Investment Limited and Its Subsidiaries
Consolidated Profit and Loss Account
For the period ended 31 December 2023

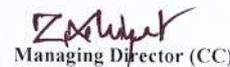
Particulars	Notes	Amount In Taka	
		01 January 2023 to 31 December 2023	01 January 2022 to 31 December 2022
Interest income	19.a	492,068,983	585,382,744
Interest paid on deposits, borrowings etc.	20.a	(636,879,416)	(687,624,685)
Net interest income		(144,810,433)	(102,241,941)
Investment income	21.a	9,405,915	28,470,799
Fees, commission, exchange and brokerage	22.a	7,932,870	8,527,780
Other operating income	23.a	26,155,389	7,203,982
		43,494,174	44,202,561
Total operating income (A)		(101,316,259)	(58,039,381)
Salaries and other employee benefits	24.a	123,359,865	127,532,361
Rent, taxes, insurance, electricity etc.	25.a	12,657,662	15,327,587
Legal expenses	26.a	4,941,125	4,187,500
Postage, stamp, telecommunication etc.	27.a	2,994,913	2,961,878
Stationery, printing, advertisements etc.	28.a	2,650,183	3,520,255
Managing director's salary and fees	29.0	10,120,000	10,120,000
Directors' fees	30.a	723,559	962,667
Auditors' fees	31.a	500,250	442,750
Charges on loan losses		-	-
Depreciation and repair of assets	32.a	12,506,088	12,246,141
Other expenses	33.a	10,949,870	11,621,823
Total operating expenses (B)		181,403,515	188,922,962
Profit before provision (C=A-B)		(282,719,774)	(246,962,342)
Provision for loans, advances and leases			
General provision	13.1	(9,378,922)	15,768,311
Specific provision	13.1	1,084,741,456	414,145,173
Provision for diminution in value of investment	13.2.a	121,419,425	148,281,299
Other provision		39,147,854	(6,353,997)
Total provision (D)		1,235,929,813	571,840,786
Total profit before tax (C-D)		(1,518,649,587)	(818,803,128)
Provision for taxation			
Current	13.4.1.a	7,698,214	11,630,820
Deferred	13.4.2.a	7,308,036	7,582,796
		15,006,250	19,213,616
Net profit after tax		(1,533,655,837)	(838,016,744)
Attributable to			
Shareholders of the company		(1,509,426,866)	(824,404,871)
Non-controlling interest		(24,228,971)	(13,611,873)
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Proposed cash dividend		-	-
Proposed stock dividend		-	-
Weighted average no. of outstanding shares		272,916,483	272,916,483
Earnings per share (EPS)	36.a	(5.53)	(3.02)

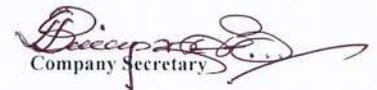
The annexed notes from 1 to 58 and annexures A to D form an integral part of these consolidated financial statements.


Chairman


Director


Director


Managing Director (CC)


Company Secretary

Signed in terms of our report of even date

Dhaka, 20 January 2026
DVC No: 2602151512A5892273

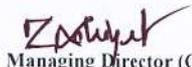
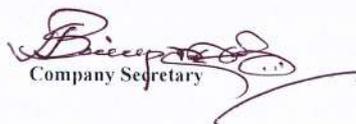

Shaikh Hasibur Rahman, FCA
Enrolment No: 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants



Prime Finance & Investment Limited and Its Subsidiaries
Consolidated Cash Flow Statement
For the period ended 31 December 2023

Particulars	Amount in Taka	
	01 January 2023 to 31 December 2023	01 January 2022 to 31 December 2022
A) Operating activities		
Interest receipts	243,219,808	605,285,469
Interest payments	(380,259,422)	(559,655,284)
Fees and commission receipts	3,051,683	3,595,758
Dividend & gain receipts	18,373,456	32,253,620
Cash payments to employees	(128,601,706)	(137,652,361)
Cash payments to suppliers and management expenses	(38,957,196)	(35,263,509)
Income taxes paid	(9,577,040)	(9,427,094)
Receipts from other operating activities	21,096,428	175,779,734
Payments for other operating activities	(3,739,009)	(119,444,637)
Cash generated before changes in operating assets and liabilities	(275,392,998)	(44,528,304)
Increase/ (decrease) in operating assets and liabilities		
Net loans and advances and other assets	(654,929,733)	(3,682,105,730)
Net loans and deposits from banks and other customers and trading liabilities	899,738,210	3,634,928,888
Cash generated from operating assets and liabilities	244,808,477	(47,176,842)
Net cash generated from operating activities	(30,584,521)	(91,705,146)
B) Investing activities		
Acquisition of fixed assets	(1,984,350)	(3,722,760)
Disposal of fixed assets	3,165,000	500,000
Sale of securities	-	-
Investment in securities	-	-
Net cash used in investing activities	1,180,650	(3,222,760)
C) Financing activities		
Dividend paid	-	-
Net received/(payment) for loans	(85,873,059)	(75,013,209)
Net cash used in financing activities	(85,873,059)	(75,013,209)
D) Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(115,276,930)	(169,941,114)
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the year	544,818,867	714,759,981
G) Cash and cash equivalents at end of the year (D+E+F)	429,541,937	544,818,867
Cash and cash equivalents at end of the year represents		
Cash in hand (including foreign currencies)	68,320	73,247
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	70,333,673	70,332,540
Balance with other banks and financial institutions	359,139,944	474,413,080
	429,541,937	544,818,867
Net operating cash flow per share (NOCFPS)	(0.11)	(0.34)

The annexed notes from I to 58 and annexures A to D form an integral part of these consolidated financial statements.

 Chairman
 Director
 Director
 Managing Director (CC)
 Company Secretary

Signed in terms of our report of even date





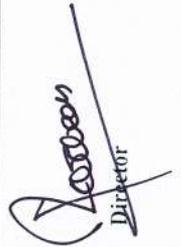
Prime Finance & Investment Limited and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the period ended 31 December 2023

Particulars	Attributable to Equity Holder of Prime Finance & Investment Ltd.				Non-controlling Interest	Total
	Paid up capital	Statutory reserve	Revaluation reserves	Retained earnings		
Balance as at 1 January 2023	2,729,164,830	960,237,744	687,015,979	(2,467,921,087)	793,469,149	2,701,966,615
Net profit for the year 2022	-	-	-	(1,509,426,866)	(24,228,971)	(1,533,655,837)
Transfer to statutory reserve	-	-	-	-	-	-
Issue of right share	-	-	-	-	-	-
Issue of bonus share	-	-	-	-	-	-
Payment of cash dividend (2020)	-	-	-	-	-	-
Revaluation reserve of PFI Securities Ltd (note 9.1.1)	-	-	(275,659)	-	-	(275,659)
Revaluation of land of the company (note 8.1)	-	-	-	-	-	-
Balance as at 31 December 2023	2,729,164,830	960,237,744	686,740,320	(3,977,347,954)	769,240,178	1,168,035,119

Prime Finance & Investment Limited and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the period ended 31 December 2022

Particulars	Attributable to Equity Holder of Prime Finance & Investment Ltd.				Non-controlling Interest	Total
	Paid up capital	Statutory reserve	Revaluation reserves	Retained earnings		
Balance as at 1 January 2022	2,729,164,830	960,237,744	721,800,493	(1,643,516,215)	807,081,022	3,574,767,874
Net profit for the year 2022	-	-	-	(824,404,871)	(13,611,873)	(838,016,744)
Transfer to statutory reserve	-	-	-	-	-	-
Issue of right share	-	-	-	-	-	-
Issue of bonus share	-	-	-	-	-	-
Payment of cash dividend (2019)	-	-	-	-	-	-
Revaluation reserve of PFI Securities Ltd (note 9.1.1)	-	-	(34,784,514)	-	-	(34,784,514)
Revaluation of land of the company (note 8.1)	-	-	-	-	-	-
Balance as at 31 December 2022	2,729,164,830	960,237,744	687,015,979	(2,467,921,087)	793,469,149	2,701,966,615


Chairman


Director


Managing Director (CC)


Company Secretary

Prime Finance & Investment Limited

Balance Sheet

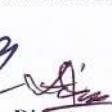
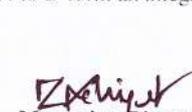
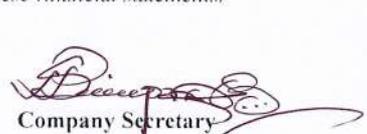
As at 31 December 2023

Particulars	Notes	Amount in Taka	
		31 December 2023	31 December 2022
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		60,000	60,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		70,333,673	70,332,540
Total cash	4.0	70,393,673	70,392,540
Balance with other banks and financial institutions			
In Bangladesh		326,400,812	446,897,561
Outside Bangladesh		-	-
Total balance with other banks and financial institutions	5.0	326,400,812	446,897,561
Money at call and on short notice		-	-
Investments			
Government		-	-
Others		193,147,452	195,460,580
Total investments	6.0	193,147,452	195,460,580
Loans, advances and leases			
Loans, advances and Leases etc.		11,277,785,668	10,662,346,319
Bills purchased and discounted		-	-
Total loans, advances and leases	7.0	11,277,785,668	10,662,346,319
Fixed assets including premises, furniture and fixtures	8.0	608,709,087	551,644,709
Other assets	9.0	2,615,780,383	2,553,410,246
Non - banking assets	10.0	383,636,118	415,013,780
Total assets		15,475,853,193	14,895,165,735
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.0	838,586,213	830,999,940
Deposits and other accounts			
Current and other accounts		-	-
Bills payable		-	-
Savings accounts		-	-
Term deposits	12.0	6,006,714,931	5,880,761,199
Bearer certificates of deposit		-	-
Other deposits		-	-
Total deposits and other accounts		6,006,714,931	5,880,761,199
Other liabilities	13.0	8,425,617,373	6,505,110,850
Total liabilities		15,270,918,517	13,216,871,989
Capital/ shareholders' equity			
Paid up capital	14.0	2,729,164,830	2,729,164,830
Statutory reserve	16.0	960,237,744	960,237,744
Other reserves		-	-
Retained earnings	17.0	(4,171,208,218)	(2,698,124,807)
Revaluation reserve	8.1	686,740,320	687,015,979
Total shareholders' equity		204,934,675	1,678,293,746
Total liabilities and shareholders' equity		15,475,853,193	14,895,165,735



Particulars	Notes	Amount in Taka	
		31 December 2023	31 December 2022
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		-	-
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		-	-
Un-disbursed contracted loans, advances and leases	45.0	-	-
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		-	-
Net Asset Value per share (NAV)		0.75	6.15

The annexed notes from 1 to 58 and annexures A to D form an integral part of these financial statements.

 Chairman
  Director
  Director
  Managing Director (CC)
  Company Secretary

Signed in terms of our report of even date

Dhaka, 20 January 2026
DVC No: 260 2151512AS892273


Shaikh Hasibur Rahman, FCA
 Enrolment No: 1512
 Hoda Vasi Chowdhury & Co
 Chartered Accountants



Prime Finance & Investment Limited
Profit and Loss Account
For the period ended 31 December 2023

Particulars	Notes	Amount in Taka	
		01 January 2023 to 31 December 2023	01 January 2022 to 31 December 2022
Interest income	19.0	463,385,699	574,172,750
Interest paid on deposits, borrowings etc.	20.0	(573,645,858)	(654,847,708)
Net interest income		(110,260,159)	(80,674,958)
Investment income	21.0	4,548,291	13,691,211
Fees, commission, exchange and brokerage	22.0	2,312,968	1,680,235
Other operating income	23.0	12,842,889	(9,808,475)
		19,704,148	5,562,971
Total operating income (A)		(90,556,011)	(75,111,987)
Salaries and other employee benefits	24.0	102,358,522	105,145,303
Rent, taxes, insurance, electricity etc.	25.0	9,715,423	11,920,048
Legal expenses	26.0	3,167,500	4,015,000
Postage, stamp, telecommunication etc.	27.0	2,848,125	2,825,178
Stationery, printing, advertisements etc.	28.0	2,350,664	2,487,775
Managing director's salary and fees	29.0	10,120,000	10,120,000
Directors' fees	30.0	448,000	696,000
Auditors' fees	31.0	402,500	345,000
Charges on loan losses		-	-
Depreciation and repair of assets	32.0	11,609,914	11,622,278
Other expenses	33.0	9,232,686	9,919,367
Total operating expenses (B)		152,253,334	159,095,949
Profit before provision (C=A-B)		(242,809,345)	(234,207,936)
Provision for loans, advances and leases			
General provision	13.1	(9,378,922)	15,768,311
Specific provision	13.1	1,084,741,456	414,145,173
Provision for diminution in value of investment	13.2	101,419,425	133,281,299
Other provision		39,147,854	(6,353,997)
Total provision (D)		1,215,929,813	556,840,786
Total profit before tax (C-D)		(1,458,739,158)	(791,048,722)
Provision for taxation			
Current tax expense	13.4.1	7,212,452	5,728,127
Deferred tax expense/(income)	13.4.2	7,131,801	7,210,212
		14,344,253	12,938,339
Net profit after tax		(1,473,083,411)	(803,987,060)
Appropriations			
Statutory reserve	16.0	-	-
General reserve		-	-
Proposed cash dividend		-	-
Proposed stock dividend		-	-
Weighted average no. of outstanding share		272,916,483	272,916,483
Earnings per share (EPS)	36.0	(5.40)	(2.95)

The annexed notes from 1 to 58 and annexures A to D form an integral part of these financial statements.

 Chairman
 Director
 Director
 Managing Director (CC)
 Company Secretary

Signed in terms of our report of even date

Dhaka, 20 January 2026

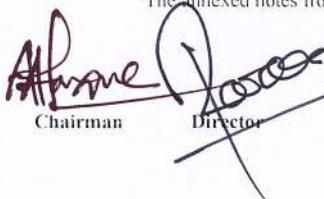
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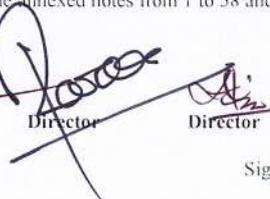

Shaikh Hasibur Rahman, FCA
 Enrolment No: 1512
 Hoda Vasi Chowdhury & Co
 Chartered Accountants

Prime Finance & Investment Limited
Statement of Cash Flows
For the period ended 31 December 2023

Particulars	Notes	Amount in Taka	
		01 January 2023 to 31 December 2023	01 January 2022 to 31 December 2022
A) Operating Activities			
Interest receipts		209,823,984	556,623,548
Interest payments		(379,327,828)	(557,231,038)
Fees and commission receipts		2,312,968	1,680,235
Dividend & gain receipts		6,110,476	15,298,635
Cash payments to employees		(112,478,522)	(115,265,303)
Cash payments to suppliers and management expenses		(28,104,399)	(30,850,985)
Income taxes paid		(7,209,802)	(5,728,127)
Receipts from other operating activities	34.0	12,842,889	145,084,140
Payments for other operating activities	35.0	(8,368,821)	(119,369,980)
Cash generated before changes in operating assets and liabilities		(304,399,054)	(109,758,875)
Increase/ (decrease) in operating assets and liabilities:			
Net loans and advances and other assets		(717,865,423)	(3,708,819,722)
Net loans and deposits from banks and other customers and trading liabilities		899,738,211	3,645,918,968
Cash generated from operating assets and liabilities		181,872,788	(62,900,754)
Net cash generated from operating activities		(122,526,266)	(172,659,629)
B) Investing Activities			
Acquisition of fixed assets		(1,134,350)	(631,870)
Disposal of fixed assets		3,165,000	500,000
Sale of land		-	-
Sale of securities		-	-
Investment in securities		-	-
Net cash used in investing activities		2,030,650	(131,870)
C) Financing Activities			
Cash dividend paid		-	-
Issuance of shares		-	-
Net cash used in financing activities		-	-
D) Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(120,495,616)	(172,791,499)
E) Effects of exchange rate changes on cash and cash equivalents		-	-
F) Cash and cash equivalents at beginning of the year		517,290,101	690,081,599
G) Cash and cash equivalents at end of the year (D+E+F)		396,794,485	517,290,101
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)		60,000	60,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		70,333,673	70,332,540
Balance with other banks and financial institutions		326,400,812	446,897,561
		396,794,485	517,290,101
Net operating cash flow per share (NOCFPS)	38.0	(0.45)	(0.63)

The annexed notes from 1 to 58 and annexures A to D form an integral part of these financial statements.


 Chairman


 Director


 Director


 Managing Director (CC)


 Company Secretary

Signed in terms of our report of even date



Prime Finance & Investment Limited
Statement of Changes in Equity
For the period ended 31 December 2023

Particulars	Amount in Taka				
	Paid up capital	Statutory reserve	Revaluation reserves	Retained earnings	Total
Balance as at 1 January 2023	2,729,164,830	960,237,744	687,015,979	(2,698,124,807)	1,678,293,746
Net profit for the year 2023	-	-	-	(1,473,083,411)	(1,473,083,411)
Transfer to statutory reserve	-	-	-	-	-
Revaluation reserve of PFI Securities Ltd (note 9.1.1)	-	-	(275,659)	-	(275,659)
Balance as at 31 December 2023	2,729,164,830	960,237,744	686,740,320	(4,171,208,218)	204,934,675

Prime Finance & Investment Limited
Statement of Changes in Equity
For the period ended 31 December 2022

Particulars	Amount in Taka				
	Paid up capital	Statutory reserve	Revaluation reserves	Retained earnings	Total
Balance as at 1 January 2022	2,729,164,830	960,237,744	721,800,493	(1,894,137,747)	2,517,065,320
Net profit for the year 2022	-	-	-	(803,987,060)	(803,987,060)
Transfer to statutory reserve	-	-	-	-	-
Revaluation reserve of PFI Securities Ltd (note 9.1.1)	-	-	(34,784,514)	-	(34,784,514)
Balance as at 31 December 2022	2,729,164,830	960,237,744	687,015,979	(2,698,124,807)	1,678,293,746


Chairman


Director


Managing Director (CC)


Company Secretary





Prime Finance & Investment Limited
Liquidity Statement (Assets and Liabilities maturity analysis)
As at 31 December 2023

Amount in Taka

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets						
Cash in hand and Balance with Bangladesh Bank and its agent bank	60,000	70,333,673	-	-	-	70,393,673
Balance with other banks and financial institutions	172,162,110	20,000,000	134,238,702	-	-	326,400,812
Money at call and on short notice	-	-	-	-	-	-
Investments	7,286,538	80,151,898	58,292,301	47,416,716	47,416,716	193,147,453
Loans, advances and leases	23,199,349	142,182,539	1,584,349,870	4,157,240,591	5,370,813,319	11,277,785,668
Fixed assets including premises, furniture and fixtures	950,849	2,823,094	8,423,026	22,645,079	573,867,038	608,709,087
Other assets	18,314,393	1,545,139	159,285	-	2,595,761,565	2,615,780,381
Non banking assets	-	-	-	-	383,636,118	383,636,118
Total assets (A)	221,973,240	317,036,343	1,785,463,184	4,179,885,670	8,971,494,756	15,475,853,193

Liabilities						
Borrowings from other banks, financial institutions and agents	7,001,793	72,277,858	44,363,420	591,976,778	122,966,364	838,586,213
Deposits	143,890,431	103,172,918	1,583,286,654	3,622,515,690	553,849,239	6,006,714,931
Provision and other liabilities	49,528,131	21,766,522	202,027,139	301,226,905	7,851,068,676	8,425,617,373
Total liabilities (B)	200,420,355	197,217,298	1,829,677,213	4,515,719,373	8,527,884,278	15,270,918,517

Net liquidity gap (A - B)	21,552,884	119,819,045	(44,214,028)	(335,833,703)	443,610,477	204,934,675
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Prime Finance & Investment Limited
Notes to the Financial Statements
As at and for the period ended 31 December 2023

1.0 Company and its activities

1.01 Domicile, legal form, country of incorporation and registered office

Prime Finance & Investment Limited ("The Company" or "Prime Finance") is a non-banking financial institution domiciled in Bangladesh. The Company was incorporated in Bangladesh in March 1996, as a public limited company under the Companies Act 1994 in Bangladesh, vide RJSC registration no. C-30384(1600)/96. Prime Finance started commercial operation in the year 1996, obtaining license from the Bangladesh Bank under the Financial Institutions Act, 1993, which has been re-enacted as the Finance Company Act, 2023. Prime Finance also obtained a license from the Bangladesh Securities & Exchange Commission (BSEC) in July 1999 to operate in the capital market as a full-fledged Merchant Bank. The Company was listed with the Stock Exchanges in 2005.

The registered office of the Company is located at PFI Tower 56-57, Dilkusha C.A., Dhaka-1000. The operations of the company are being carried out through its five offices located in Motijheel, Gulshan, Uttara, Chittagong and Rajshahi.

The Company does not have an identifiable parent on its own. Prime Finance is the parent of the Group.

1.02 Principal activities and nature of operations

The activities of the Company encompass a wide range of services, broadly classified as fund based activities, fee based activities, investments etc. The Company offers diversified deposit schemes as well.

Fund based activities

Fund based activities include lease finance, term finance, real estate finance, SME finance, Retail SME finance/ hire purchase, bridge finance, bill discounting, factoring, margin loan etc.

Fee based activities

Fee based activities include issue management, underwriting, portfolio management and corporate advisory services performed through its subsidiary company named Prime Finance Capital Management Limited and stock brokerage services performed through its associate company PFI Securities Limited.

Deposit schemes

Prime Finance offers various deposit schemes to cater the deposit from the valued customers. Deposit schemes include annual income deposit, double money deposit, triple money deposit, cumulative income deposit, monthly income deposit, earn ahead deposit, priority fixed deposit, doctor's fixed deposit, professional fixed deposit, housing deposit, fortune deposit, sonchey plus deposit etc.

Investments

Prime Finance is also involved in investment in both listed and non-listed securities. Another part of investment includes investment through treasury line both in short and long form.

1.03 Information regarding subsidiary and associate companies

As on 31 December 2023 Prime Finance has 01 (one) subsidiary company to include for preparation of consolidated financial statements as per International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements'. Besides, as on 31 December 2023 Prime Finance has 03 (three) associate companies. The results of operations of the associates have been included in these financial statements following the equity method of accounting as per International Accounting Standard (IAS) 28, 'Investment in associates'. A brief description of the associates, percentage of shareholding by Prime Finance and book value of shares in brief are given below:

Name of the company	Nature of relation	Type of shares held	% of share holding
Prime Finance Capital Management	Subsidiary	Ordinary	60.00
PFI Securities Limited	Associate	Ordinary	46.15
Prime Finance AMCL	Associate	Ordinary	49.00
Prime Prudential Fund Ltd.	Associate	Ordinary	40.00

1.04 Prime Finance Capital Management Limited (Subsidiary Company)

Pursuant to the letter issued by the Securities and Exchange Commission bearing reference no. SEC/Rep/MB/2009/452, dated 21 December 2009, Prime Finance Capital Management Limited is a public limited company incorporated on 18 March 2010 in Bangladesh under the Companies Act, 1994. The company has obtained Merchant Banking licence (registration certificate no. MB-50/2010) from Bangladesh Securities and Exchange Commission (BSEC) on 29 November 2010. The main objectives of the company are to carry on business of merchant banking in all its respect, including acting as services of issue management, portfolio management, underwriting of shares and securities advisory services fall under the purview of merchant banking operation. Prime Finance holds 60 percent shares in its subsidiary.

1.05 PFI Securities Limited (Associate Company)

PFI Securities Limited is a public limited company incorporated in Bangladesh on 6 August 1997 under the Companies Act 1994 as a private limited company bearing registration no. C-33546 (292)/97. The principal activities of the company is to carry on stock brokerage activities having DSE's TREC No. 079. The company has been operating in the Dhaka Stock Exchange Commission Limited and Chittagong Stock Exchange Commission Limited. Prime Finance holds 46.15 percent shares in PFI Securities Limited.

1.06 Prime Finance Asset Management Company Limited (Associate Company)

Prime Finance Asset Management Company Limited was incorporated in Bangladesh on 09 June 2008 as a public limited company incorporated under the Companies Act 1994, vide registration no. C-71596 and licensed under the BSEC. The main objective of the company



is to manage the assets of any Trust or Fund of any type and/or character and hold, acquire, sell or deal in such asset or any trust funds, take part in the management of any mutual fund operation. Prime Finance owns 49% shares in this company.

1.07 Prime Prudential Fund Limited (Associate Company)

Prime Prudential Fund Limited is a public limited company incorporated on 16 July 2009 in Bangladesh under the Companies Act 1994. The main objectives of the company are to manage funds of the company and its investors and provide other financial services including corporate advisory services, merger & acquisition, equity investment, joint venture sourcing and consummation, corporate restructuring, financial and socio-economic consultancy, corporate research and project studies, privatization and other related services. Prime Finance owns 40% shares in this company.

2 Basis of preparation and significant accounting policies

2.01 Statement of compliance

The consolidated financial statements and separate financial statements of the Company have been prepared to a common reporting year ended 31 December 2023 on a going concern basis following accrual basis of accounting except for cash flow statement which is stated at market value in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, except the circumstances where local regulations differ, and the Companies Act, 1994, the Financial Institutions Act, 1993 which has been re-enacted as the Finance Company Act, 2023, Securities and Exchange Rules, 2020 & the (Listing) Regulation, 2015 of Dhaka & Chittagong Stock Exchanges and other applicable laws and regulations. The Intra-company transactions, balances and intra-group gains on transactions between group companies are eliminated on consolidation.

The presentation of the financial statements has been made as per the requirements of DFIM Circular No. 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements. The financial statements are prepared on the historical cost basis and therefore, did not take into consideration the effect of inflation.

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail in note-2.3 & note-3.

However, this departure with IFRS has been made by following all of the relevant provisions of IAS-1 and the details disclosures are given in note-2.3 & 3 by following the provision of Para 20 of IAS-1 (Presentation of Financial Statements).

2.02 Basis of measurement

This financial statements have been prepared based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and no adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.03 Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Financial Institutions in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the company has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank, which are disclosed in **Note -3** along with financial impact where applicable.

2.04 Significant accounting policies

Same disclosed accounting policies and methods of computation have been followed in these Financial Statements as were applied in the preparation of the financial statements of Prime Finance & Investment Limited & Group as at and for the year ended 31 December 2021.

2.05 Components of the financial statements

The financial statements comprise of (As per DFIM Circular No. 11, Dated 23 December 2009):

- (i) Consolidated and Separate Balance Sheet as at 31 December 2023;
- (ii) Consolidated and Separate Profit and Loss Account for the year ended 31 December 2023;
- (iii) Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2023;
- (iv) Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2023;
- (v) Liquidity Statement for the year ended 31 December 2023;
- (vi) Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2023.

2.06 Directors' responsibility statement

The Board of Directors' takes the responsibility for the preparation and presentation of these financial statements.

2.07 Date of authorisation

The Board of directors has authorised this financial statements for public issue on 20 January 2026.

2.08 Reporting period

The financial statements of the company covers one year period ranging from 1 January 2023 to 31 December 2023.

2.09 Directors' responsibility statement

The Board of Directors is responsible for presentation and overseeing of the company's reporting process of the financial statements under section 183 of the Companies Act 1994 and Amendment (2nd) upto 2020, and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements'.

2.10 Consistency

In accordance with the IFRS framework for the presentation of the financial statements together with IAS 1: Presentation of Financial Statements and IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors, the Company applies the disclosure principles consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies applied,



correction of errors, the amounts involved are accounted for and disclosed in accordance with the requirement of IAS 8. The Company has applied the same accounting and valuation principles for the year ended 31 December 2023 as in financial statements for 2023 as in financial statements for 2022.

2.11 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.

2.12 Going Concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason, the management continue to adopt going concern basis in preparing the financial statements, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

2.13 Key performance indicators.

Particulars	Prime Finance & Investment Ltd		Consolidated	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Net interest income	(110,260,159)	(80,674,958)	(144,810,433)	(102,241,941)
Net profit before provision	(242,809,345)	(234,207,935)	(282,719,774)	(246,962,342)
Profit before tax	(1,458,739,158)	(791,048,722)	(1,518,649,587)	(818,803,128)
NAV	0.75	6.15	1.46	6.99
EPS	(5.40)	(2.95)	(5.53)	(3.02)
Net cash generated from operating activities	(122,526,266)	(172,659,629)	(30,584,521)	(91,705,146)
Net operating cash flow per share (NOCFPS)	(0.45)	(0.63)	(0.11)	(0.34)

Particulars	Average of last five years (from 2019 to 2023)
Profit before provision	(71,857,158)
Profit after provision	(463,154,113)
Profit before income tax	(463,154,113)
Profit after income tax	(473,773,799)

The Non-Banking Financial Institution (NBFI) is experiencing a significant liquidity crisis. To address this, the NBFI has secured loans from various financial institutions through call money arrangements and short-term borrowings. However, there is substantial uncertainty regarding the NBFI's ability to meet its liquidity requirements in the near future.

As of 31 December 2023, the net cash generated from operating activities was negative, and the net liquidity position for both up to 1 month and 3-12 months was also negative. While the NBFI has maintained the Cash Reserve Requirement (CRR) up to October 2024, the excess margin over the requirement remains minimal, ranging between BDT 1,000,000 and BDT 3,000,000. Additionally, forecasted cash flows project continued negative net cash flow from operating activities and an overall net decrease in cash flow.

The NBFI is obligated to meet its financial commitments, including the repayment of interest and principal amounts on borrowings and clients' deposits. Given its current financial position, there is significant doubt about the NBFI's ability to fulfill these obligations. This situation raises substantial uncertainty about the NBFI's ability to continue as a going concern.

The Company has reported negative accumulated retained earnings in the consolidated statement of financial position since 2015. Additionally, the consolidated statement of profit and loss reflects a net loss after tax of BDT 1,533,655,837 for the year ended 31 December 2023, compared to a net loss of BDT 838,016,744 for the year ended 31 December 2022.

Over the last five years, the Company's average profitability before provisions has been negative at BDT 71,868,658. However, the average annual provision requirement as per deferral stands at BDT 243,574,525, significantly exceeding the profitability trend.

Even if the company manages to maintain these provisions in the future, the resulting losses will likely continue to increase significantly. The total profit after provision was negative BDT 791,048,722 as of 31 December 2022, deteriorating further to negative BDT 1,458,739,158 as of 31 December 2023 which represents a 84.41% increase in losses and gradual enhancement in the provision will result in accumulated negative retained earnings and make it non-compliant with the section 37 subsection 4 of financial institution act, 2023 which states the auditor have to inform Bangladesh Bank if the capital of the finance company has fallen below 50 (fifty) percent due to losses.

This persistent negative performance raises uncertainty about the Company's ability to meet its deferred installment obligations in future years, i.e. period of the next 12 month. These factors indicate the existence of material uncertainty, which may cast significant doubt on the Company's ability to continue as a going concern.

The NBFI's total loans and advances amounted to BDT 1127.78 crore, of which BDT 765.76 crore, representing 67.90% of the total loan portfolio, was classified. This marks a deterioration from 31 December 2022, BDT 726.64 crore, or 68.15% of the total loan portfolio was classified.

Under Basel II guidelines, the NBFI's eligible capital as of 31 December 2023 was BDT 28.53 crore. The ratio of total classified loans to Basel II eligible capital increased sharply to 2684.40% as of 31 December 2023, compared to 420% as of 31 December 2022.

The significant proportion of classified loans and the steep increase in the ratio of classified loans to eligible capital underscore critical risks to the NBFI's financial health. These factors raise substantial uncertainty about the NBFI's ability to continue as a going concern.



We draw attention to the outstanding loan balances provided by Prime Finance and Investment Limited (the Company) to its subsidiary, Prime Finance Capital Management Limited, and its associate, PFI Securities Limited, which amounted to BDT 854.40 crore as of 31 December 2023. This represents 75.76% of the Company's total loan portfolio.

It is a matter of concern that both entities have reported losses. The subsidiary incurred consecutive losses in 2018, 2019, 2020, 2022 and 2023 while the associate reported a loss in 2017, 2018 and 2022. These financial challenges raise significant doubt about their ability to bear the cost of funds associated with these loans.

Furthermore, the Company's classified loans already constituted 67.90% of the total loan portfolio as of 31 December 2023, up from 68.15% as of 31 December 2022. Should the newly revised outstanding loan amounts also become classified, the resulting impact on the Company's financial position and profitability could be severe and may pose substantial risks to its viability.

As of 31 December 2023, Prime Finance & Investment Ltd. had a total investment of BDT 167.58 crore in its subsidiary and associate companies. Of this, BDT 71.58 crore was invested in associates and BDT 96.00 crore in its subsidiary. This investment accounts for 587.46% of the company's total eligible capital under Basel guidelines. Notably, the associate companies have not shared any profits since 2007, and the subsidiary has not shared any profits since 2014.

Additionally, Prime Finance & Investment Ltd's loan to its associate, Prime Finance Securities Ltd's loan is classified. As of 31 December 2023, total outstanding loan amount stood at BDT 605.31 crore, representing 2121.95% of the company's eligible capital under Basel standards.

Furthermore, according to the BRPD Circular No. 01, dated 16 January 2023, subsidiaries and parent companies are considered related parties. This raises concerns that financial difficulties faced by the subsidiary could adversely impact the parent company.

PFI Securities Ltd, an associate of the (NBFI), has an outstanding loan balance of BDT 605.31 crore as of 31 December 2023 which has already been classified. Additionally, Bangladesh Bank revised the client's outstanding liability, increasing the balance by BDT 261.04 crore last year. Additionally, the investment in this associate shows a net asset value (NAV) that indicates potential impairment. Despite these indicators, the NBFI has not conducted any impairment testing or maintained a provision against this investment.

The associate reported a negative earnings per share (EPS) for the year ended 31 December 2022, has been incurring losses, and has not declared any dividends since 2007. Furthermore, the NBFI disbursed an additional BDT 76 lac to PFI Securities Ltd during the same year.

Given these circumstances, there is significant doubt about the recoverability of the outstanding loan and investment amount. The lack of impairment testing and provisions worsen the risks.

The financial statements, which describe the loans and advances as of 31 December 2023. As of that date, the total investment portfolio of loans and advances was BDT 1,127.78 crore, of which BDT 765.76 crore, representing 67.90% of the total portfolio, has defaulted. Additionally, the total loan given to associates and subsidiaries amounted to BDT 854.40 crore. These investee companies have been incurring losses for an extended period, casting significant doubt on the recoverability of these amounts. In addition Bangladesh Bank has imposed an additional charge of BDT 381.03 crore this year on the outstanding amounts as a cost of fund received from PFIL. Given the loss-making position of these subsidiaries and associates, there is significant uncertainty regarding their ability to bear this financial burden, which raises doubts about the recoverability of the associated investments.

Furthermore, the provision of such facilities to subsidiaries and associates contravenes Section 14(Ga) of the Financial Institutions Act 1993 and the Bangladesh Bank BRPD Circular No. 01, dated 16 January 2022, which limits single borrower exposure to 30% of eligible capital. The outstanding amount related to these entities, however, represents 2995.13% of the eligible capital of PFIL under Basel II guidelines.

2.14 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most critical estimates and judgments are applied to the following:

- (i) Provision of impairment loans and advances
- (ii) Gratuity
- (iii) Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognised in the period in which the estimates are revised. In accordance with the guidelines as prescribed by IAS 37: "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized in the following situations:

Provisions

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.



Contingent Assets:

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.

2.15 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by International Accounting Standard (IAS) 1, 'Presentation of Financial Statements'.

In addition to the above, listed companies are required to comply with Bangladesh Securities and Exchange Commission's accounting and disclosure requirements. The Rules 1987 as amended in 1997, requires listed companies to follow International Accounting Standards (IASs)/ International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The Bangladesh Securities and Exchange Rules, 1987 (as amended in 1997) requires the production of a Cash Flow Statement and Statement of Changes in Shareholders' Equity as a part of the Annual Report.

These financial statements have been prepared and presented in accordance with the approved accounting and reporting standards as applicable in Bangladesh. Approved accounting standards comprise of International Accounting standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as IAS & IFRS. As at 31 December 2023, status and applicability of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) in the case of Prime Finance are as under:

IASs	Title of the IASs	Applicability
IAS 1	Presentation of Financial Statements	Applied
IAS 2	Inventories	Not applicable
IAS 7	Statements of cash flows	Applied
IAS 8	Accounting Policies, Changes in Accounting Estimates & Errors	Applied
IAS 10	Events after the Reporting Period	Applied
IAS 12	Income Taxes	Applied
IAS 16	Property, Plant and Equipment	Applied
IAS 19	Employee Benefits	Applied
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Not applicable
IAS 21	The Effects of changes in Foreign Exchange Rates	Applied
IAS 23	Borrowing Costs	Applied
IAS 24	Related Party Disclosures	Applied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Applied
IAS 27	Separate Financial Statements	Applied
IAS 28	Investment in Associates and Joint Ventures	Applied
IAS 29	Financial Reporting in Hyperinflationary Economies	Not applicable
IAS 31	Interests in Joint Ventures	Applied
IAS 33	Earnings Per Share	Applied
IAS 34	Interim Financial Reporting	Applied
IAS 36	Impairment of Assets	Applied
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Applied
IAS 38	Intangible Assets	Applied
IAS 40	Investment Property	Not applicable
IAS 41	Agriculture	Not applicable

IFRSs	Title of the IFRSs	Applicability
IFRS 1	First-Time Adoption of International Financial Reporting	Not applicable
IFRS 2	Share Based Payment	Not applicable
IFRS 3	Business Combinations	Not applicable
IFRS 4	Insurance Contracts	Not applicable
IFRS 5	Non-current Assets Held for Sale & Discontinued Operations	Not applicable
IFRS 6	Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS 7	Financial Instruments: Disclosures	Applied
IFRS 8	Operating Segments	Applied
IFRS 9	Financial Instruments	Applied
IFRS 10	Consolidated Financial Statements	Applied
IFRS 11	Joint Arrangements	Not applicable
IFRS 12	Disclosure of Interests in Other Entities	Not applicable
IFRS 13	Fair Value Measurement	Not applicable
IFRS 15	Revenue from Contracts with customers	Applied
IFRS 16	Leases	Applied

As the regulatory requirements differ with the standards, relevant disclosures have been made in accordance with Bangladesh Bank's requirements (please see note 2.3 & 3).

2.16 Offsetting

Assets and Liabilities and income and expenses are not set-off unless permitted by the International Accounting Standards (IASs).

2.17 Basis of consolidation of operations of subsidiaries

The financial statements of the Company and its subsidiaries have been consolidated in accordance with International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements". The consolidation of the financial statements have been made after eliminating all material inter company balances, income and expenses arising from inter company transactions.



The total profits of the Company and its subsidiaries are shown in the consolidated profit and loss account with the proportion of profit after taxation pertaining to non-controlling shareholders being deducted as 'Non-controlling Interest'.

All assets and liabilities of the Company and of its subsidiaries are shown in the consolidated balance sheet. The interest of non-controlling shareholders of the subsidiary are shown separately in the consolidated balance sheet under the heading 'Non-controlling Interest'.

2.18 Minority interest in subsidiaries

A minority interest, which is also referred to as noncontrolling interest (NCI), is ownership of less than 50% of a company's equity by an investor or another company. For accounting purposes, minority interest is a fractional share of a company amounting to less than 50% of the voting shares. Minority interest shows up as a noncurrent liability on the balance sheet of companies with a majority interest in a company, representing the proportion of its subsidiaries owned by minority shareholders. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to minority shareholders.

2.19 Branch accounting

The Company has five branches, with no overseas branch as on December 31, 2023. Accounts of the branches are maintained at the head office from which these accounts are drawn up.

2.20 Accounting for term finance

Books of accounts for term finance operation are maintained based on the accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for short-term finance, and unrealised principal for long-term finance, real estate finance, car loans and other finances are accounted for as term finance assets of the Company. Interest earnings are recognised as operational revenue periodically.

2.21 Accounting policy for Leases (IFRS 16)

PFIL as a lessee

PFIL recognises a right of use asset and a lease liability from the beginning of 2019. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date (from the beginning of 2019) to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date (from the beginning of 2019), discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, PFIL's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in PFIL's estimate of the amount expected to be payable under a residual value guarantee, or if PFIL changes its assessment of whether it will exercise purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

PFIL presents right of use assets in **Annexure A** and lease liabilities in **note-13.6** separately.

PFIL as a lessor

When PFIL acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, PFIL makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, PFIL considers certain indicators such as whether the lease is for the major part of the economic life of the asset. If an arrangement contains lease and non-lease components, PFIL applies IFRS 15 to allocate the consideration in the contract. PFIL recognises lease payments received under operating leases as income over the lease term.

2.22 Segment reporting

In line with International Financial Reporting Standard (IFRS) 8, 'Operating Segments', an operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses relating to transactions with other components, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance for which discrete financial information is available.

The company's primary format for segment reporting is based on business segments. The business segments are determined based on the Company's management and internal reporting structure.

2.23 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balance with Bangladesh Bank and its agent bank and balance with other banks and financial institutions.

2.24 Cash flow statements:

Cash flow statement of the company is prepared and presented as per the requirement of International Accounting Standard (IAS) 7: 'Statement of cash flows', and DFIM Circular No. 11 dated 23 December 2009.

2.25 Accounting for margin loan

Margin Loan to Portfolio investors is given at an agreed ratio (not more than the ratio prescribed by BSEC) between investor's deposit and loan amount to purchase securities against respective investor account. The new investor are to maintain the margin as per set rules and regulations. The margin is monitored on daily basis as it changes due to changes in market price of share. If the margin falls below the minimum requirement, the investors are required to deposit additional fund to maintain the margin as per rules otherwise the securities are sold to bring the margin to the required level.

2.26 Investment in securities

Investment in marketable ordinary shares has been shown at cost, on an aggregate portfolio basis. Investment in non-marketable shares has



been valued at cost. Full provision for diminution in value of shares as on closing of the year on an aggregate portfolio basis is made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated January 31, 2012.

As per IFRS 9: "Financial Instruments", Financial Assets are classified as either: (i) Amortised cost, (ii) Fair value through profit or loss or (iii) Fair Value through other comprehensive income. In case of valuation of investment in government bonds (Note-6), we have followed amortised cost method, as it meets both of the following assessment criteria:

- i) Business model assessment: The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and
- ii) Contractual cash flow assessment: The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding on a specified date.

2.27 Investments in subsidiary and associates

A subsidiary is an entity in which the company has control as per as shareholding (more than 50 percent) or voting right is concerned. As on the reporting date Prime Finance has one subsidiary company named 'Prime Finance Capital Management Limited'. Consolidated financial statements have been prepared for investment in subsidiary as per International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements". Interest of the minority shown as 'non-controlling interest' as separate line item of the shareholders equity which includes share capital of non-controlling portion as well as profit earned that goes to the minority.

An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture. The Company's investment in associates is accounted for in the financial statements using the Equity Method in accordance with International Accounting Standard 28: Accounting for investment in associates and Joint Ventures. Such investments are classified as other assets in the balance sheet and the share of profit/ loss of such investment is classified under other operating income in the profit and loss account as guided by Bangladesh Bank.

2.28 Provision for loans and advances

Provision for investments and advances is an estimate of the losses that may be sustained in the investment portfolio. The provision is based on Bangladesh Bank guidelines.

PFIL's methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. Provision for loans and advances is made on the basis of periodical review by the management and of instructions of Bangladesh Bank. The Classification rates are given below:

Particulars	Classification	CMSMEF	Financing to the Subsidiaries and/or Sister	All Other Loans/Leases/ Housing Finances/ Staff Loans
Unclassified	STD	0.25%	2%	0.25%
	SMA	5%	5%	5%
Classified	SS	20%	20%	20%
	DF	50%	50%	50%
	BL	100%	100%	100%

2.29 Fixed assets including premises, furniture and fixtures

i) Recognition and measurement

Own assets

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Property, plant and equipment are stated at cost less accumulated depreciation in compliance with the International Accounting Standard (IAS) 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes, if any.

ii) Subsequent expenditure on fixed assets

Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit and loss account as expenses.

iii) Disposal

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

iv) Depreciation

Depreciation of an asset begins when the asset is available for use. Depreciation is provided for the period in use of the assets. Full month's depreciation has been charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. Depreciation is provided at the following rates on straight-line basis over the periods appropriate to the estimated useful lives of the different types of assets:

Motor vehicles	20% per annum
Electric equipment	20% per annum
Furniture & fixtures	15% -20% per annum
Office decoration	20% per annum
Right of use assets	Lease term

2.30 Intangible assets and amortisation of intangible assets

Components

The main item included in intangible asset is software.



Basis of recognition

An intangible asset shall only be recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably in accordance with IAS 38: Intangible Assets. Accordingly, these assets are stated in the Balance Sheet at cost less accumulated amortization.

Subsequent costs

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization

Intangible asset is valued at amortized cost and written down within 5 to 10 years.

2.31 Impairment of assets

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment in line with International Accounting Standard 36: Impairment of Assets. If any such indication exists, the recoverable amount of assets is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable impairment losses are recognized in the profit and loss account.

An impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the other standard. After the recognition of an impairment loss, the depreciation/amortization charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

2.32 Receivables

Accounts receivables

Accounts receivables include mainly rentals/ installments due from the clients but not received. No such receivables are accounted for if the loans are classified as bad and loss. Receivables carry interest for the periods for which the delay continues in payments of the amounts due from the clients continues. Such interest is not recognized as income until it is received in cash. Receivables from clients are stated at their nominal value.

Other receivables

Other receivables include mainly receivable from IDCP (Interest During Construction Period) and interest receivable. These receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

2.33 Bank loans, deposits etc.

Interest bearing bank loans are recorded at the proceeds received. Interest on bank loans is accounted for on an accrued basis to profit and loss account under the head of financial expense at the implicit rate of interest. The accrued expenses are not added to carrying amounts of the loans.

2.34 Financial instruments:

Financial instrument includes non-derivative financial instruments such as cash and equivalents, money at call and on short notice, investments in shares, loans, advances and leases, borrowing from other banks and financial institutions, deposits etc.

2.35 Employees benefit plans

Prime Finance offers a number of benefit plans which includes contributory provident fund, gratuity plan, pension scheme, death and disability plan, hospitalization benefit including annual health check-up and maternity benefit. The recognition and disclosure for employee benefits are made in accordance with International Accounting Standard 19: Employee Benefits.

2.36 Statutory reserve

As per clause no. 06 of Financial Institutions Regulations, 1994, financial institution is required to transfer at least 20% of its profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of share premium account (if any) and statutory reserves is less than the required paid up capital of that financial institution. As per DFIM Circular No. 05, dated July 24, 2011, required capital for financial institution should not be less than BDT 100 crore or minimum capital required based on risk-weighted asset.

2.37 Guarantee, commitments and contingencies

Corporate guarantee represents irrevocable assurance that the Company will make payments in the event that a client cannot meet its obligation to third parties. The term of this guarantee is for one year and renewable at the expiry of the term.

In the normal course of operations, the Company provides indemnifications, which are often standard contractual terms to counter parties in transactions such as purchase agreements, service agreements, contract with employees and leasing transactions. This indemnification clause may require us to compensate the counter parties for cost incurred as a result of charges in laws and regulations or litigation claims that may be suffered by the counter party as a consequence of the transaction. The terms of these indemnifications clause vary based upon the contract.

2.38 Litigation

The Company is not a party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in loans/leases repayment and against various level of tax authority regarding some disputed tax issues. The Company, however, provides adequate provisions as per guidelines of International Accounting Standard (IAS) 37: Provisions, contingent liabilities and contingent assets. About 579 nos of litigations are pending in various court.



2.39 Revenue recognition

Revenue is only recognised when it meets the following five steps model framework as per IFRS 15: "Revenue from Contracts with Customers"

- a) identify the contract (s) with a customers;
- b) identify the performance obligations in the contract;
- c) determine the transaction price;
- d) allocate the transaction price to the performance obligations in the contract;
- e) recognise revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognised on an accrual basis of accounting and where applicable, on the basis of instruction from Bangladesh Bank considering on the future risk of recovery.

Lease income

The excess of gross lease rentals receivable over the cost of the leased assets constitutes the total unearned income at the commencement of the execution of lease. This income is allocated over the period of lease that reflects a constant periodic return on the net investment. The pattern of the periodic return, however, differs in case of structured lease finance depending on the structure of the particular lease contract. Income is recognized when it is earned, i.e. income on due installments on unclassified leases irrespective of whether received or not. Income is not taken into profit and loss account when a lease is classified as SMA and above and kept in interest suspense account. Interest on classified lease is accounted for on cash basis.

Income from term finance

Interest income on term finance is recognized on accrual basis. Installment comprises both interest and principal. Interest part of the installments that become receivable is recognized as income in the financial statements. Interest on term finance ceases to be taken into income when such term finance are classified as SMA and above and kept in interest suspense account. Interest on classified term finances is accounted for on cash basis.

Income from stock on hire

This consists of interest accrued on investment made under stock on hire scheme (hire purchase investment). Income is recognized when the income is earned, i.e. interest on due installments on unclassified advances irrespective of whether received or not. Interest ceases to be taken into income when such investments are classified as SMA and above, and kept in interest suspense account. Interest on classified investment is accounted for on cash basis.

Income from real estate finance

Interest income from real estate finance is recognized on accrual basis. Interest portion of the installments that become receivable is recognized as income in the financial statements. Interest on such finance ceases to be taken into income when such finance is classified as SMA and above and kept in interest suspense account. Interest on classified finance is accounted for on cash basis.

Income from secured term finance

Income from secured term finance is recognized on accrual basis.

Dividend income

Dividend income from ordinary shares is recognized when the shareholders' legal rights to receive payments have been established i.e. during the period in which dividend is declared in the Annual General Meeting. Dividend declared but not received is recognized as deemed dividend. Dividend from preference shares is recognized on cash basis.

Share of Income from associates and subsidiary

In accordance with International Accounting Standard (IAS) 28, equity method has been followed to recognize share of income from associates and is presented as a separate item in the Profit & Loss Account of the Company. Any distribution received from the associate reduces the carrying amount of investment. However, consolidated financial statements has been prepared for the subsidiary.

Fee based income

Fee based income is recognized on cash basis.

Gain on sale of securities

Capital gain on disposal of securities listed in the stock exchanges is recorded on realized basis. i.e. only when the securities are sold in the market. Unrealized capital gains are not accounted for in the profit and loss account.

Mutual fund management

As per the Securities and Exchange Commission (Mutual Fund) Rules, 2001, the Fund shall pay a management fee based on following

- i. 2.50 percent per annum of the weekly average NAV up to BDT 5.00 crore (Five crore BDT),
- ii. 2.00 percent per annum for additional amount of the weekly average NAV up to BDT 25.00 crore (Twenty Five crore BDT) over BDT
- iii. 1.50 percent per annum for additional amount of the weekly average NAV up to BDT 50.00 crore (Fifty crore BDT) over BDT 25.00
- iv. 1.00 percent per annum for additional amount of the weekly average NAV over BDT 50.00 crore (Fifty crore BDT), accrued and payable quarterly at the end of the period.

Mutual fund formation fee

As per the Securities and Exchange Commission (Mutual Fund) Rules, 2001, the fund shall pay mutual fund formation fee to the asset management company as mentioned in the published prospectus of the fund approved by Bangladesh Securities and Exchange Commission.

Mutual fund Pre-scheme

As per BSEC Directive vide ref no.: SEC/CMRRCD/2009 – 193/ 160 dated 28 May 2014, Asset Manager can accrue management fees from scheme of the Mutual Fund for the period starting from the registration date of the scheme to pre-trade period according to the Rule 65(2).

2.40 Borrowing costs

In line with International Accounting Standard (IAS) 23: Borrowing Costs, all borrowing costs are recognized in the profit and loss account in

the period in which they are incurred. Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. Prime Finance capitalize borrowing costs that are directly attributable to the acquisition of a qualifying asset as part of the cost of the asset and recognize other borrowing costs as an expense in the period in which it incurs them.

2.41 Provision for doubtful losses

The provision for doubtful losses is maintained at a level that management considers adequate to absorb identified credit related losses in the portfolio as well as losses that have been incurred but are not yet identifiable. The provision is increased by the provision for doubtful losses, which is charged to profit and loss account, and decreased by the amount of write-offs, net of reverses.

The provision is determined based on management's identification and evaluation of problem accounts, estimated probable losses that exist on the remaining portfolio and on other factors including the composition and quality of the portfolio and changes in economic condition.

The provision is estimated based on two principles: (1) International Accounting Standard (IAS) 37: Provisions, contingent liabilities and contingent assets, and (2) Bangladesh Bank guidelines. Methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. FID circular 08 dated August 03, 2002 and subsequent updated by Bangladesh Bank in this regard is the basis for calculating the provision for doubtful losses.

2.42 Income tax

Income tax expense represents the sum of current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years or are never taxable or deductible. Company's liability for current tax is calculated using, the tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12: "Income Taxes". Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements.

The Company provides disclosures based on the classes of assets and liabilities related to the temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognized for all taxable temporary differences and it is probable that temporary differences will not reverse in the foreseeable future. Both the Deferred tax assets and liabilities are reviewed at each reporting date considering the probability of benefit or detriment realizable. Deferred tax assets and liabilities are not offset and are presented separately as per Bangladesh Bank directive.

2.43 Dividend to company's shareholders

Dividend is proposed, paid and recorded in line with all regulatory guidelines and on company policy. DFIM Circular no.01, dated February 24, 2021, and DFIM Circular Letter No. 04, dated March 22, 2021, and BSEC Directive no. BSEC/CMRRCD/2021-386/03, dated January 14, 2021

Interim dividends are recognized when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders.

The proposed cash dividend is not recognized as a liability in the balance sheet in accordance with the International Accounting Standard (IAS) 10: 'Events After the Reporting Period'. Dividend payable to the Company's shareholders are recognized as a liability and deducted from shareholders equity in the period in which the shareholders right to receive payment is established.

International Accounting Standard (IAS) 1: 'Presentation of Financial Statements', also requires the dividend proposed after the balance sheet date but before the financial statements are authorized for issue, be disclosed in the notes to the financial statements. Accordingly, the Company has disclosed the same in the notes to the financial statements.

2.44 Earnings per share

The Company calculates Earnings Per Share (EPS) in accordance with International Accounting Standard (IAS) 33: 'Earnings Per Share', which has been shown on the face of Profit and Loss account, and the computation of EPS is stated in the notes to the financial statements.

Basic earnings per share

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Diluted earnings per share

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares are assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in future, to the extent such entitlement is not subject to unresolved contingencies.

Effect of dilution to weighted average number of ordinary shares is given for potential ordinary shares. At 31 December 2023, there was no scope for dilution and hence no diluted EPS is required to be calculated.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the numbers of days the specific shares were outstanding as a proportion of the total number of days in the year.

2.45 Liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

- (i) Balances with other banks and financial institutions are on the basis of their maturity term.
- (ii) Investments are on the basis of their expected liquidation & residual maturity term.
- (iii) Loans, advances and leases are on the basis of their repayment schedule.



- (iv) Fixed assets are on the basis of their useful lives.
- (v) Other assets are on the basis of their adjustment terms.
- (vi) Borrowings from other banks and financial institutions as per their maturity/repayment terms.
- (vii) Deposits and other accounts are on the basis of their maturity term and behavioral past trends.
- (viii) Other long term liabilities are on the basis of their maturity terms.
- (ix) Other liabilities are on the basis of their settlement terms.

2.46 Accrued expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

2.47 Employee benefits

2.48 Defined contribution plan

Contributory provident fund

The Company operates a contributory provident fund for its permanent employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustees and is funded by equal contribution from the Company and the employees. This fund is invested separately from the Company's assets.

2.49 Defined benefit plan

Gratuity scheme

Prime Finance has a funded gratuity for all eligible employees who completed minimum 5 (five) years of continuous service with the Company. This scheme was approved by the National Board of Revenue (NBR) and is administered by an independent Board of Trustee. This fund is invested separately from the Company's assets. Required amount of gratuity is calculated on the basis of last basic depending on the length of service for every completed year as well as proportionate to the fraction period of service as of the end of the respective financial year.

Superannuation scheme

Prime Finance has a pension scheme for employees who complete 10 years of service length. Obligation for contribution is recognized as expenses in the profit and loss account as incurred.

2.50 Interest suspense account

Accrued interest on lease, term finance, real estate finance, hire purchase agreement classified as Special Mentioned Account, Sub-Standard, Doubtful and Bad loan are not recognized as income rather transferred to interest suspense account as complied with Bangladesh Bank guidelines. Recovery of overdue credited to interest suspense account is recognized as income on cash basis.

2.51 Related party transactions

Related parties are identified and disclosed as per International Accounting Standard (IAS) 24: 'Related Party Disclosure'. related parties are considers the person or entity that is related to the reporting entity through control, joint control, significant influence, or close family relationships. This includes entities that are part of the same group, associates, joint ventures, key management personnel of the entity or its parent, and any person having control or significant influence over the entity

Related party disclosures have been given in note 41.

2.52 Interim financial reporting

In accordance with International Accounting Standard (IAS) 34: 'Interim Financial Reporting', publicly traded entities encourages to provide interim financial reports that conform to the recognition, measurement and disclosure principles set out in this standard. Timely and reliable interim financial reporting improves the ability of investors, creditors, and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity.

Prime Finance apply the same accounting policies in its interim financial statements as are applied in its annual financial statements.

2.53 Uniform accounting policies

The financial statements of Prime Finance & Investment Limited, PFI Securities Limited, Prime Finance Asset Management Company Limited, Prime Prudential Fund Limited and Prime Finance Capital Management Limited have been prepared in accordance with the uniform accounting principles.

2.54 BASEL II & its implementation

To cope with the international best practices and to make the capital more risks sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' were introduced on January 01, 2011 on test basis by the Bangladesh Bank. At the end of test run period, Basel Accord regime started and the guidelines namely "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)" came fully into force from January 01, 2012 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital, and Disclosure requirement as stated in these guidelines have to be followed by all FIs for the purpose of statutory compliance. As per CAMD guidelines, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10%. In line with CAMD guideline's requirement, PFIL has already formed BASEL Implementation Unit (BIU) to ensure timely implementation of BASEL II accord. Latest status of Capital Adequacy Ratio (CAR) has been shown in note - 14.1

2.55 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and equity risk), liquidity risk and operational risk. The overall risk management strategy of the Company seeks to minimize potential adverse effects on the financial performance. Risk Management Forum (RMF) and Risk Analysis Unit (RAU) of the Company take care of the financial risks and the appropriate financial risk governance framework for the Company. The RMF and RAU provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the policies and risk objectives of the Company. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:



Credit Risk

Credit risk is the likelihood that a borrower or counterparty will not honor its obligations in accordance with the terms of agreement, i.e. the risk of default which is one of the most vulnerable risk faced by any financial institution. Credit Risk is inherent to all financial institutions where the main business is lending. The main aim of the Credit Risk Management is to minimize the risk and to maximize the risk adjusted rate of return of the Company.

As part of credit risk management the Credit Risk Management (CRM) department of the Company performs thorough assessment and due diligence before sanction of any credit facility. The risk assessment includes borrower risk analysis, financial analysis, industrial analysis, historical performance of the customer, security of the proposed customer and various critical risk factors.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise two types of risk; interest rate risk and equity price risk since these are related with the Company. Financial instruments affected by market risk include loans, advances and leases, borrowings, deposits and investment in shares.

In order to limit interest rate risk the Board has set limits with respect to maximum and weighted average maturity. Management of equity price risks is done by ongoing monitoring of the values with respect to any impairment and appropriate risk-based capital allocation. Besides, to mitigate market risk management of the Company prepared var modeling, sensitivity analysis and stress testing, including an assessment of concentration risk and the assessment of illiquidity under stressful market scenarios.

Liquidity risk

Liquidity risk occurs when the Company is unable to fulfill its commitments in time when payment falls due. Liquidity risks can be classified into four categories: Term liquidity risk, withdrawal/call risk, structural liquidity risk and market liquidity risk.

The Company monitors its risk to a shortage of funds using the liquidity planning tool. In this regard the Company implements prudent liquidity risk management which includes the maintenance of sufficient cash reserves and marketable securities in addition to regular forward planning and forecasting of liquidity requirements.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.

To mitigate operational risk of the Company, a separate independent internal control and compliance department was established. Customer complaint cell monitors and mediates the complaint. Customer feedback system was developed to assess level of customer satisfaction on the Company.

2.56 Money Laundering and Terrorist Financing Risk

In PFIL, money laundering and terrorist financing risk takes two broad dimensions:

- a) Business risk which is the risk that PFIL may be used for money laundering or for the financing of terrorism and
- b) Regulatory risk which is the risk that PFIL fails to meet regulatory obligations under the Money Laundering Prevention Act 2012 (subsequently amended in 2015) and the Anti-Terrorism Act 2009 (subsequently amended in 2012 and 2013).

To mitigate the risks, PFIL, while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), has in place a strict compliance program consisting of the following components:

- a) Internal policies, procedures and controls, which are continually updated as and when required, to identify and report instances of money laundering and terrorism financing;
- b) A dedicated structure and sub-structure within the organisation, headed by a Central Compliance Unit (CCU), for proactively managing AML and CFT compliance;
- c) Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMLCO), to lead AML/CFT efforts throughout the company;
- d) Independent audit functions, including internal and external audit, to test the programs;
- e) Ongoing employee training programs.

2.57 Additional risks required to be addressed under regulatory requirements

DFIM Circular No.03 of 2016, introduced the Integrated Risk Management Guidelines for Financial Institutions ("the guidelines"). These guidelines supplement, and do not replace, existing risk management guidelines.

The Integrated Risk Management Guidelines for Financial Institutions specify a number of additional risks that financial institutions are now required to manage in a more structured manner. Key among these are:

Strategic Risk

Strategic risk has been defined as the risk of possible losses that might arise from adverse business decisions, substandard execution and failure to respond properly to changes in the business environment. The guidelines set out the respective roles of the board of the directors, senior management and business units in managing strategic risks, identify the steps to be followed in the strategic risk management process and also suggest measures for strategic risk control.

PFIL has been managing strategic risks ever since its inception. This is evident from the constantly evolving business model of the company over the years. The company has a clear strategic vision as to what it wants to be and a mission statement that states what it will do to achieve its vision. Strategic issues are discussed at a variety of forums including meetings of the Management Committee and of the PFIL Board.

Compliance Risk

Compliance risk is defined as the current or prospective risk of legal sanction and/or material financial loss that an organisation may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best practice as well as from the possibility of incorrect interpretation of laws or regulations. The guidelines set out the respective roles of the board, senior management and compliance



function units in managing compliance risks and also require formulation of a written compliance risk management policy. Historically, PFIL has always fostered a compliance oriented culture. This has been reinforced in a variety of ways, ranging from formal requirements to sign declarations of compliance with the PFIL code of conduct (which requires compliance with the law & regulations) to repeated communications from senior management stressing the need to do business in a compliant manner. In general, compliance risk management is embedded in the day to day to business processes and practices of the company. Concerned departments are kept informed of latest legal and regulatory requirements by the ICC and Corporate Affairs departments. A consideration of compliance (or any potential non-compliance) with laws and regulations is a standard part of the company's regular decision making processes. Wherever deemed necessary, appropriate legal advice is sought from qualified internal and/or external legal counsel.

Reputation Risk

Reputation risk may be defined as the risk of loss arising from damage to an organization's reputation. The guidelines set out the respective roles of the Board and senior management in managing reputation risk and also require financial institutions to implement a sound and comprehensive risk management process to identify, monitor, control and report all reputational risks.

PFIL has already established a set of non-financial reputational risk indicators and put in place a process for monitoring these and any other matters that might give rise to potential reputational risk issues. Till date, no material reputational risk issue involving the company has been identified.

Environmental & Social Risk

PFIL have adopted Environmental & Social Risk Management System (ESMS) as one of its integral parts of Credit Risk Assessment to compute environmental & social risks from its financial footprints. PFIL has been vigilant in forming commendable framework for incorporating environmental and social factors in financing decisions.

2.58 Events after the reporting date

Subsequent to the reporting period, as on 05 January 2026, Bangladesh Bank, through a public announcement, stated that a final decision had been taken to initiate the legal process to declare Prime Finance & Investment Limited as non-functional, along with eight other financial institutions.

However, as of 15 February 2025, Bangladesh Bank approved the Company to continue its operations. Management has assessed the impact of this subsequent event and concluded that it does not have a material effect on the financial statements for the year ended 31 December 2023.

Accordingly, Management is of the opinion that the above event does not cast significant doubt on the Company's ability to continue as a going concern as at the reporting date, and the financial statements have not been prepared on a break-up basis.





Note 3: Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's

Sl. No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Departure	Effect of the
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).	As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006, FID circular No. 03, dated 29 April 2013 and DFIM circular No. 04, dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.	In financial statements, an amount of Taka 9.37 million has been decreased against general provision for leases, loans and advances for the year end 31.12.2023.	
2	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	Investment in shares falls either under at "fair value through profit/loss (FVTPL)" or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value at the year-end is taken to profit of loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year, total market value of investment in Quoted shares of Prime Finance & Investment Limited is less than its cost price. As on December 31, 2023 there was BDT 33.81 million unrealized loss on investment in quoted shares.	



3	Recognition of interest income for SMA and classified lease, loans and advances.	IFRS 9 "Financial Instruments"	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized as profit and loss account on the same basis based on revised carrying amount.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	Prime Finance & Investment Limited maintained interest suspense accordingly.
4	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
5	Measurement of deferred tax asset	IAS 12 "Income Tax"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against the provision for lease, loans and advances.	During this year there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against the provision for leases, loans and advances.



6	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosure"	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
7	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
8	Current/Non-current distinction	IAS 1 "Presentation of Financial Statement"	As per Para 60 of IAS 1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained.



9	Off-balance sheet items	IAS 1 "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure but there is a disclosure in the financial statements.
10	Impairment of Margin Loan (Loans and receivables)	IFRS 9 "Financial Instruments"	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan shall be kept at 20% on each quarter for the five quarters starting from December 2016.	There is no such impact for this.
11	Complete set of financial statements	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) cash flow statement, iv) statement of changes in equity, v) liquidity statement, vi) notes, comprising significant accounting policies and other explanatory information.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.



12 Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" para 54; the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
13 Other comprehensive income	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.
14 Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

		Amount in Taka	
		2023	2022
4.0 Cash			
Cash in hand:			
Local currency		60,000	60,000
Foreign currencies		-	-
		<u>60,000</u>	<u>60,000</u>
Balance with Bangladesh Bank:			
Local currency		70,333,673	70,332,540
Foreign currencies		-	-
		<u>70,333,673</u>	<u>70,332,540</u>
		<u>70,393,673</u>	<u>70,392,540</u>
4.a Cash (consolidated)			
Prime Finance & Investment Limited		60,000	60,000
Prime Finance Capital Management Limited		8,320	13,247
		<u>68,320</u>	<u>73,247</u>
Balance with Bangladesh Bank:			
Prime Finance & Investment Limited		70,333,673	70,332,540
Prime Finance Capital Management Limited		-	-
		<u>70,401,993</u>	<u>70,405,787</u>
4.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR)			
Cash Reserve Requirement and Statutory Liquidity Requirement have been calculated and maintained in accordance with the Finance Companies Act - 2023, Financial Institutions Regulations 1994, FID circular no. 06 dated 6 November 2003, FID Circular no. 02 dated 10 November, 2004, DFIM circular no. 03 dated 21 June, 2020 and DFIM circular no. 27 dated 23 August, 2021.			
As per revised circular Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% instead of 2.5% on total term deposits which is preserved in current account maintained with Bangladesh Bank.			
Statutory Liquidity Requirement (SLR) has been calculated at the rate of 5.0% on total liabilities, including CRR of 1.5% on total term deposit. SLR is maintained in liquid assets in the form of cash in hand (notes and coin in BDT), balance with Bangladesh Bank, other banks and financial institutions, investment at call, prize bond, savings certificate and any other assets approved by Bangladesh Bank.			
4.1.1 Cash Reserve Requirement (CRR)			
1.5% of average balance of term deposits			
Required reserve		69,183,502	67,630,355
Actual reserve held		70,743,711	71,058,646
Surplus/ (deficit)		<u>1,560,209</u>	<u>3,428,291</u>
4.1.2 Statutory Liquidity Requirement (SLR)			
5.0% of average liabilities excluding fund from Banks & FIs			
Required reserve		287,105,990	289,736,566
Actual reserve held (note 4.1.4)		396,794,485	517,290,101
Surplus/ (deficit)		<u>109,688,495</u>	<u>227,553,535</u>
As per the report submitted to Bangladesh Bank, the total minimum liquid asset is BDT 369,868,180 during the month of December 2023. However, as per accounts the actual reserve held as on 31 December 2023 was BDT 396,794,486. The surplus reported to Bangladesh Bank was BDT 82,762,000 compared to accounts which is BDT 109,688,496.			
4.1.3 Held for Cash Reserve Requirement (CRR)			
Balance with Bangladesh Bank and its agent bank		<u>70,333,673</u>	<u>70,332,540</u>
		<u>70,333,673</u>	<u>70,332,540</u>
4.1.4 Held for Statutory Liquidity Requirement (SLR)			
Cash in hand		60,000	60,000
Balance with Bangladesh Bank and its agent bank		70,333,673	70,332,540
Balance with other banks and financial institutions (note 5.0)		326,400,812	446,897,561
		<u>396,794,485</u>	<u>517,290,101</u>
4.1.5 Cash in hand			
Cash in hand represents the amount under imprest system of petty cash to meet petty cash expenses both for head office and branch offices. As per Bangladesh Bank guidelines, NIBFI cannot make any cash transaction except petty cash.			

Amount in Taka	
2023	2022

4.1.6 Balance with Bangladesh Bank & its agent bank

Deposit with Bangladesh Bank is non-interest bearing and maintained to meet the Cash Reserve Requirement (CRR). As per Bangladesh Bank, CRR @ 1.5% is required to maintain with Bangladesh Bank current account on all deposits taken from depositors other than Banks and Financial Institutions. As on 31 December 2023, CRR has been maintained according to Bangladesh Bank Guideline.

5.0 Balance with other banks and financial institutions

This represents balance with various banks and financial institutions in Bangladesh.

Fixed deposit account

Dhaka Bank Limited	100,000,000	200,000,000
Agrani Bank Limited	-	7,000,000
Modhumoti Bank Limited	9,790,732	9,500,000
Industrial and Infrastructure Development Finance Company Limited	90,000,000	90,000,000
	199,790,732	306,500,000

Current account

Southeast Bank Limited	1,660,140	1,278,930
	1,660,140	1,278,930

Short term deposit account

BASIC Bank Limited	-	1,031
Dutch Bangla Bank Limited	6,400,116	5,700,133
Jamuna Bank Limited	130,228	130,365
Mercantile Bank Limited	2,113,986	953,927
Meghna Bank Ltd	10,699	25,511
Modhumoti Bank Ltd	886,092	2,052,752
One Bank Limited	30,515	31,884
Pubali Bank Limited	1,333,156	1,406,957
Prime Bank Limited	10,486,056	22,765,527
SBAC Bank Limited	672,185	665,889
Shahajalal Islami Bank Limited	2,002,584	6,873,755
Southeast Bank Limited	100,026,503	97,464,170
Standard Bank Ltd	2,243	177,599
United Commercial Bank Limited	404	-
Prime Bank Limited (dividend accounts)*	855,173	869,131
	124,949,940	139,118,631
	326,400,812	446,897,561

Fixed deposits are maintained with commercial banks and non-banking financial institutions for maintaining Statutory Liquidity Requirement as required by Bangladesh Bank. Bangladesh Bank regulations require to maintain Statutory Liquidity Requirement (SLR) @ 5% including the CRR of 1.5% on total time and demand liabilities, excluding loans from banks and financial institutions. Prime Finance maintained these reserve mostly in the form of deposits.

Maturity wise grouping

Up to 1 month	172,162,110	64,452,590
1 month to 3 months	20,000,000	105,000,000
3 months to 1 year	134,238,701	277,444,971
1 year to 5 years	-	-
More than 5 years	-	-
	326,400,812	446,897,561

5.a Balance with other banks and financial institutions (consolidated)

Prime Finance & Investment Limited	326,400,812	446,897,561
Prime Finance Capital Management Limited	32,739,132	27,515,519
	359,139,944	474,413,080



Amount in Taka	
2023	2022

6.0 Investment

This represents investment made by the Company both in listed and unlisted securities. The investment is made up as under

	2023	2022
Government securities	-	-
Other investments (note 6.1)	193,147,452	195,460,580
	193,147,452	195,460,580

6.1 Other investments

Ordinary share

Listed securities (note 6.1.1)

Unlisted securities (note 6.1.2)

Unit fund (note 6.1.3)

No. of Company	Market Value	Cost	
		2023	2022
23	111,878,137	145,730,752	148,043,880
4	44,416,700	44,416,700	44,416,700
1	3,000,000	3,000,000	3,000,000
28	159,294,837	193,147,452	195,460,580

6.1.1 Listed securities:

Details of listed securities (Sector-wise):

	No. of shares	As at 31 December 2023	
		Cost price	Market price
Banking companies	1,553,699	20,105,897	16,966,449
Investment companies	560,000	5,686,990	14,034,000
Insurance sector	477,545	37,596,363	23,893,218
IT Sector	-	-	-
Fuel & power sector	221,100	10,598,223	6,711,120
Manufacturing sector and others	1,058,500	71,743,279	50,273,350
	3,870,844	145,730,752	111,878,137

Investments have been recorded at cost and adequate provision for probable future losses as per Bangladesh Bank guidelines has been made. Market value of securities has been determined on the basis of the value of securities at the last trading date of the year (Last trading date for 2023 was 28 December).

6.1.2 Unlisted securities

Details of unlisted securities:

Central Depository Bangladesh Limited

LankaBangla Securities Limited

PFI 2nd Mutual Fund

Ananda Shipyard and Slipways Limited

	Cost price	
	2023	2022
	4,416,700	4,416,700
	5,000,000	5,000,000
	20,000,000	20,000,000
	15,000,000	15,000,000
	44,416,700	44,416,700

The management have tested impairment of unlisted securities. Net Assets Value (NAV) of Impairment exist on these investment and adequate provision have been maintained and shown in Note 13.2.1

6.1.3 Unit fund

Prime Finance 1st Unit Fund

	Cost price	
	2023	2022
	3,000,000	3,000,000
	3,000,000	3,000,000

The Prime Finance 1st Unit Fund was established under a trust deed executed between Prime Finance and Investment Limited, as the sponsor, and Bangladesh General Insurance Company Limited, as the trustee. The PFIL purchased 30,000 units of the fund on 25 November 2019 at a nominal value of BDT 100 per unit. As of 31 December 2023, the Net Asset Value (NAV) of the fund was BDT 102.04 per unit at market value.

6.1.4 Sector wise investments (at cost price)

Banking sector

Investment companies

Insurance sector

IT Sector

Fuel & power sector

Manufacturing sector and others

	Cost price	
	2023	2022
	20,105,897	21,958,905
	5,686,990	5,686,990
	37,596,363	37,596,362
	-	-
	10,598,223	10,598,223
	71,743,279	72,203,400
	145,730,752	148,043,880

All investments in marketable securities are valued on an aggregate portfolio basis, at cost value, at the balance sheet date. Market price for securities not listed as on reporting date, has been shown at cost.

Maturity wise grouping

Up to 1 month

1 month to 3 months

3 months to 1 year

1 year to 5 years

More than 5 years

	Cost price	
	2023	2022
	7,286,538	37,038,045
	80,151,898	74,003,875
	58,292,300	37,001,945
	-	-
	47,416,716	47,416,716
	193,147,452	195,460,580



		Amount in Taka	
		2023	2022
6.a	Investments (consolidated)		
	Prime Finance & Investment Limited	193,147,452	195,460,580
	Prime Finance Capital Management Limited	657,273,381	669,209,055
		850,420,833	864,669,635
7.0	Loans, advances and leases		
	Inside Bangladesh:		
	Lease finance (note 7.1)	104,421,843	132,160,930
	Advance against lease finance (note 7.2)	3,258,928	3,258,928
	Term finance (note 7.3)	10,984,563,665	10,311,923,149
	Real estate finance (note 7.4)	49,134,974	75,487,899
	Housing finance (note 7.5)	89,501,077	80,263,012
	Loan against deposits (note 7.6)	35,328,195	46,700,051
	Staff loan (note 7.7)	11,040,661	12,016,025
	Factoring Finance (note 7.8)	536,325	536,325
		11,277,785,668	10,662,346,319
	Outside Bangladesh	-	-
		11,277,785,668	10,662,346,319

Loans, advances and leases include SME Finance amounting to Tk. 594,966,107 as at 31 December 2023 (2022: Tk. 663,623,994).

"Prime Finance and Investment Limited has provided loans to its subsidiary, Prime Finance Capital Management Limited, and its associate, PFI Securities Limited. As per the findings of a special audit conducted by special audit report of Prime Finance and Investment Limited., examination of the loan disbursement procedure. Interest Accrued, and loan status of Prime Finance Capital Management Limited and PFI Securities Limited for the period from August 04, 2004, to June 30, 2015 and July 01, 2015 to June 30, 2024; representative of Bangladesh Bank, the outstanding balance of loans and advances to these entities increased by BDT 381 crore. This increase has been reflected under Term Finance in the above note.

The PFI has adequately maintained the required provisions for the increased loans and advances in accordance with regulatory requirements."

		2023	2022
7.1	Lease finance		
	Principal outstanding (note 7.1.1)	52,977,080	74,131,446
	Accounts receivable	51,444,763	58,029,484
		104,421,843	132,160,930

		2023	2022
7.1.1	Principal outstanding		
	Gross rental receivables	68,138,974	77,966,785
	Unearned lease income	(15,161,894)	(3,835,339)
	Net investment	52,977,080	74,131,446

Movement of lease finance:

		2023	2022
	Cost of lease assets (A)		
	Balance at 1 January	433,660,323	485,550,222
	Addition during the year	-	-
	Disposal during the year	(299,217)	(51,889,899)
	Balance at 31 December	433,361,105	433,660,323

		2023	2022
	Accumulated depreciation (B)		
	Balance at 1 January	359,528,877	374,230,832
	Addition during the year	97,405,847	106,917,977
	Adjustment due to disposal	(76,550,698)	(121,619,932)
	Balance at 31 December	380,384,025	359,528,877
	Written down value of lease assets (A-B)	52,977,080	74,131,446

		2023	2022
7.1.2	Aging analysis of lease receivable		
	Up to one year	55,854,910	67,499,175
	Above one year to three years	31,808,741	52,690,038
	Above three years to five years	16,758,191	11,971,716
	More than five years	-	-
		104,421,843	132,160,930

		2023	2022
7.2	Advance against lease finance		
	Advance against lease finance	3,258,928	3,258,928
		3,258,928	3,258,928

These represent amount paid for procurement of lease assets, which are yet to be executed. On execution of lease, advances will be transferred to lease finance.

		2023	2022
7.3	Term finance		
	Principal outstanding	9,985,328,435	9,403,536,579
	Accounts receivable	999,235,230	908,386,570
		10,984,563,665	10,311,923,149

Term finance includes finance already executed and advance to be executed on later date as per terms of agreement. Such advances carry interest at an agreed rate until the advances are executed.



		Amount in Taka	
		2023	2022
Movement of term finance (Principal outstanding):			
Balance at 1 January		9,403,536,579	5,627,042,074
Inves Investment/ capitalized during the year		892,564,500	4,014,862,656
Recovery/ adjustment during the year		(310,772,644)	(238,368,151)
Balance at 31 December		9,985,328,435	9,403,536,579
7.3.1	Aging analysis of term finance		
Up to one year		4,677,215,384	3,573,245,271
Above one year to three years		5,944,167,104	4,769,886,360
Above three years to five years		354,563,430	1,968,791,518
More than five years		8,617,748	-
		10,984,563,665	10,311,923,149
7.4	Real estate finance		
This represents disbursement made to the real estate developers usually for a period not exceeding 60 (sixty) months. Details are as under:			
Principal outstanding		48,671,055	16,012,509
Accounts receivable		463,919	59,475,390
		49,134,974	75,487,899
Real estate finance includes finance already executed and advance to be executed on later date as per terms of agreement. Such advances carry interest at an agreed rate until the advances are executed.			
Movement of real estate finance (Principal outstanding):			
Balance at 1 January		16,012,509	43,584,022
Investment/ capitalized during the year		48,671,058	-
Recovery/ adjustment during the year		(16,012,512)	(27,571,513)
Balance at 31 December		48,671,055	16,012,509
7.4.1	Aging analysis of real estate finance		
Up to one year		49,134,974	72,991,092
Above one year to three years		-	2,496,808
Above three years to five years		-	-
More than five years		-	-
		49,134,974	75,487,899
7.5	Housing finance		
This includes disbursement made against Bangladesh Bank Housing refinancing scheme and also includes housing finance to individuals. The usual term of the finance is matched with the facilities provided by the Bangladesh Bank. Details are as under:			
Principal outstanding		81,063,824	80,253,907
Accounts receivable		8,437,253	9,105
		89,501,077	80,263,012
Housing finance includes finance already executed and advance to be executed on later date as per terms of agreement. Such advances carry interest at an agreed rate until the advances are executed.			
Movement of housing finance (Principal outstanding):			
Balance at 1 January		80,253,907	52,904,188
Investment/ capitalized during the year		74,427,170	73,352,854
Recovery/ adjustment during the year		(73,617,253)	(46,003,135)
Balance at 31 December		81,063,824	80,253,907
7.5.1	Aging analysis of Housing Finance		
Up to one year		17,586,518	15,635,019
Above one year to three years		35,173,037	31,270,038
Above three years to five years		35,173,037	31,270,038
More than five years		1,568,486	2,087,917
		89,501,077	80,263,012
7.6	Loan against deposits		
This represents outstanding loans given to depositors against term deposits. As per company's policy, Prime Finance provides finance facilities to depositors based on the agreement done with the depositors on TDR value.			
Principal outstanding		35,328,195	46,700,051
		35,328,195	46,700,051
7.6.1	Movement of loan against term deposit:		
Balance at 1 January		46,700,051	27,840,744
Investment during the year		63,881,486	44,110,214
Recovery/adjustment during the year		(75,253,342)	(25,250,907)
Balance at 31 December		35,328,195	46,700,051



		Amount in Taka	
		2023	2022
7.7	Staff loan		
	Staff loan includes loan provided to the eligible employees as per company's approved policy.		
	Employee's home loan	6,150,336	5,864,584
	Employee's car loan	4,890,325	6,151,441
		11,040,661	12,016,025
7.8	Factoring finance		
	This represents disbursement made to borrowers usually for a period not exceeding 90 days. Details are as under:		
	Principal outstanding	-	-
	Accounts receivable	536,325	536,325
		536,325	536,325
7.8.1	Movement of factoring finance (Principal outstanding):		
	Balance at 1 January	536,325	536,325
	Investment during the year	-	-
	Recovery/adjustment during the year	-	-
	Balance at 31 December	536,325	536,325
7.8.2	Aging analysis of factoring finance		
	Up to one year	536,325	536,325
	Above one year to three years	-	-
	Above three years to five years	-	-
	More than five years	-	-
		536,325	536,325
7.9	Classification wise loans, advances and leases		
	Unclassified:		
	Standard (SME)	225,108,698	235,433,431
	Standard (other than SME)	3,327,041,389	3,143,007,639
	Special Mention Account (SMA)	68,047,154	17,457,511
		3,620,197,241	3,395,898,581
	Classified:		
	Sub-standard	7,931,067	5,502,877,164
	Doubtful	6,078,933,739	134,949,841
	Bad/loss	1,570,723,621	1,628,620,733
		7,657,588,427	7,266,447,738
		11,277,785,668	10,662,346,319
7.10	Geographical location wise loans, advances and leases		
	Dhaka Division	9,656,474,645	8,971,666,670
	Chattogram Division	1,282,190,129	1,345,751,260
	Rajshahi Division	55,420,531	59,126,015
	Khulna Division	11,500,950	22,203,853
	Rangpur Division	271,908,876	262,400,414
	Sylhet Division	100,913	263,837
	Barishal Division	189,625	934,270
	Mymensingh Division	-	-
		11,277,785,668	10,662,346,319
7.11	Sector wise loans, advances and leases		
	As per Bangladesh Bank circular, sector wise loans and advances are as follows:		
	Sectors		
	Trade and Commerce Industry	6,417,126,886	5,839,368,370
	Garments and knitwear	209,811,487	192,578,168
	Textile	5,002,453	5,421,665
	Jute and jute products	113,829,401	118,583,431
	Food products and processing industry	355,890,735	398,800,581
	Plastic industry	47,962,145	47,389,235
	Leather and leather-goods	-	-
	Iron, still and engineering	556,418,709	524,441,849
	Pharmaceuticals and chemicals	78,815,580	73,067,632
	Cement and allied industry	-	-
	Telecommunication and information technology	828,007	1,070,725
	Paper, printing and packaging	85,575,239	195,908,387
	Glass, glassware and ceramic industry	-	-
	Ship manufacturing industry	-	-
	Electronics and electrical products	-	-



Power, gas, water and sanitary service
Transport and aviation
Agriculture
Housing
Others:
Merchant banking
Margin loan
Others
Grand Total

Amount in Taka	
2023	2022
554,517	554,517
36,428,647	41,818,448
227,392,985	276,560,934
138,636,051	155,750,911
2,490,849,113	2,252,594,725
-	-
512,663,714	538,436,741
11,277,785,668	10,662,346,319

7. 12 Significant concentration wise loans, advances and leases

Loans, advances and leases to-
Directors and their concerns
Chief executive and other senior executives
Customer groups

82,613,505	73,352,854
11,040,661	12,016,025
11,184,131,503	10,576,977,440
11,277,785,668	10,662,346,319

7. 13 Details of large loans, advances and leases

Loan sanctioned to any individual or enterprise or any organization of a group amounting to 15% or more of the company's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under (as per the instruction of DFIM, Bangladesh Bank Prime Finance has reported large loan amounting to 15% or more based on paid up capital and statutory reserves). Total capital of the company excluding retain earnings as at 31 December 2023 was taka 437.61 crore.

Number of Clients:
Amount of outstanding advances:
Amount of classified advances:
Measures taken for recovery (for the amount as mentioned above)

5	4
8,543,973,096	8,275,631,769
6,053,123,983	5,757,651,738
-	-

7. 14 Particulars of loans, advances and leases

SL	Particulars	2023	2022
I.	Loans considered good in respect of which the Company is fully secured	11,197,985,416	10,581,682,784
II.	Loans considered good against which the Company holds no other security than the debtors' personal guarantee	984,672	1,911,860
III.	Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor	78,815,580	78,751,675
IV.	Loans/leases adversely classified, provision not maintained there-against	-	-
	Total	11,277,785,668	10,662,346,319
V.	Loans due by directors or officers of the Company or any of them either severally or jointly with any other persons	11,040,661	12,016,025
VI.	Loans due by companies or firms in which the directors or officers of the Company are interested as directors, partners or managing agents or, in case of private companies, as members	78,815,580	73,352,854
VII.	Maximum total amount of advances, including temporary advances made any time during the year to directors or managers or officers of the company or any of them either severally or jointly with any other persons	-	-
VIII.	Maximum total amount of advances, including temporary advances granted during the year to companies or firms in which the directors of the company are interested as directors, partners or managing agents or, in case of private companies, as members	-	-
IX.	Due from banking companies/financial institutions	-	-
X.	Classified loan for which interest not charged	7,657,588,427	7,266,447,738
A.	Increase/decrease of provision (specific)	1,084,741,456	414,145,173
	Amount of debts written off	-	-
	Amount realized against the debts previously written off	5,009,237	40,099,653
B.	Provision kept against the debt classified as bad/loss at the date of balance sheet	195,760,509	57,316,050
C.	Amount of interest creditable to the interest suspense account	4,594,504,231	3,961,082,327
XI.	Cumulative amount of the written off loans/leases:		
	Opening balance	812,543,573	812,543,573
	Amount written off during the year	-	-
	Cumulative to date	812,543,573	812,543,573
	The amount of written off loans for which law suit filed	812,543,573	812,543,573

7. 15 Write-off of loans, advances and leases

As per DFIM Circular no. 02 dated 01 April 2019 of Bangladesh Bank, a financial institution should write-off its loans/ leases to clean-up its financial statements subject to fulfillment of the following criteria:

- Loans/ leases classified as Bad and Losses against which 100% provision has been made.
- Approval from the Board of Directors is required.
- Best endeavors shall be made to recover the written-off loans/ leases and legal process should be initiated if not started before.

As per Bangladesh Bank guidelines, Prime Finance has written-off its loans/ leases as under:

During 2023	Cumulative	
	31-Dec-23	31-Dec-22
Cumulative amount of loans/ leases written-off	812,543,573	812,543,573
No. of agreements written-off	63	63
No. of clients written-off	48	48
Interest suspense against written-off loans/ leases	(141,389,222)	(141,389,222)
Provision adjusted against written-off loans/ leases	(651,055,147)	(651,055,147)

	Amount in Taka	
	2023	2022
Recovery against write-off loans/ leases	5,384,237	427,704,973
		382,221,083

7.16 Particulars of required provision for loans, advances and leases

Required provision has been made as per Bangladesh Bank guidelines. As per BB guidelines, provisions at the following rates have been made in the financial statements depending on the status of classification.

Investment up to 5 years term	Classification status	Provision (%)
Up to 2 months*	UC (SME)	0.25
Up to 2 months	UC (other than SME)	1
3 to 5 months	SMA	5
6 to 11 months	SS	20
12 to 17 months	DF	50
18 months and above	BL	100

Investment exceeding 5 years	Classification status	Provision (%)
Up to 5 months*	UC (SME)	0.25
Up to 5 months	UC (other than SME)	1
Subsidiary & associates	UC	2
6 to 11 months	SMA	5
12 to 17 months	SS	20
18 to 23 months	DF	50
24 months and above	BL	100

Required provision according to classification status is mentioned below:

	Base for provision	Rate	Provision 2023	Provision 2022
Unclassified - General provision				
Standard (SME)*	225,108,698	0.25%	562,772	588,584
Standard (Other than SME)	836,192,276	1%	8,361,923	8,904,129
Loan/lease to the Subsidiaries/Sister Concerns, Brokerage House, Merchant Banks, Stock Dealers	2,490,849,113	2%	49,816,982	45,051,895
Special Mention Account (SMA)	62,666,425	5%	3,133,321	835,846
Extra provision for providing COVID related circular	1,431,444,654	2%	28,628,893	52,796,974
Provision for rescheduled Loan/lease	-	-	89,045,642	13,466,383
	5,046,261,166		179,549,533	121,643,810

Classified - Specific provision

Sub-standard	3,897,157	20%	779,431	576,790,084
Doubtful	3,031,032,497	50%	1,515,516,249	27,082,483
Bad/loss	978,802,544	100%	978,802,544	978,270,124
	4,013,732,199		2,495,098,224	1,582,142,690

Required provision for loans, advances and leases

Total provision maintained for loans, advances and leases

Provision to be maintained

- | | | |
|--|---------------|---------------|
| | 2,674,647,757 | 1,703,786,500 |
| | 2,073,370,298 | 998,007,764 |
| | 601,277,459 | 705,778,737 |
- * DFIM, Bangladesh Bank, vide letter no. DFIM© 1054/24/2023/235 dated January 18, 2023 permitted 8 (eight) years to build up provision against classified loans, advances and leases of Tk. 962.04 million upon application by Prime Finance & Investment Limited (PFIL). PFIL maintained provision Tk. 1,135.05 million up to the year end 2023 and rest of the amount of Tk. 601.28 million has to be maintained in the year 2024 to 2028 equally. Per year provision requirement stands Tk. 120.26 million. Details are shown in Annexure C.
 - * As per DFIM circular letter no. 03, dated 29 April 2013 of Bangladesh Bank general provision of 0.25% is required to be maintained for standard SME loans, advances and leases.
 - * As per DFIM circular letter no 33 dated 19 December 2021 and FFID Letter: (1-26/02)/2024-270 dated 24 March 2024, 2% additional provision has been reserved against accounts availing deferral facility amounting BDT 2,639,848,683 on which 2% provision of BDT 52,796,974 were kept in addition to specific and general provision.
 - * As per FFID Letter: (1-26/02)/2024-270 dated 24 March 2024 of Bangladesh Bank, Prime Finance and Investment Limited has maintained an additional provision of BDT 13.47 million for rescheduled loans and leases.
 - * As per DFIM circular letter no. 03, dated 29 April 2013 of Bangladesh Bank general provision of 0.25% is required to be maintained for standard SME loans, advances and leases.

7.17 Maturity wise grouping

Repayable on demand

Not more than 3 months

3 months to 1 year

1 year to 5 years

More than 5 years

	165,381,888	151,386,498
	1,584,349,870	981,988,597
	4,157,240,591	4,587,292,168
	5,370,813,319	4,941,679,056
	11,277,785,668	10,662,346,319

7.18 Loan to associates and subsidiary

PFI Securities Limited

Prime Finance Capital Management Limited

	6,053,123,983	5,475,625,848
	2,490,849,113	2,252,594,725
	8,543,973,096	7,728,220,573



7.a **Loans, advances and leases (consolidated)**

Prime Finance & Investment Limited
Prime Finance Capital Management Limited
Adjustment for dealing with subsidiary

Amount in Taka	
2023	2022
11,277,785,668	10,662,346,319
2,443,829,042	2,441,969,039
(1,100,409,599)	(1,052,635,863)
12,621,205,111	12,051,679,495

The total outstanding loan amount provided by Prime Finance and Investment Limited to its subsidiary, Prime Finance Capital Management Limited, as of 31 December 2023, was initially reported as BDT 1,100,409,599. However, as per Bangladesh Bank's letter no. DFIM(S)/1055/59(PFIL)/2024-2490 dated 11 August 2024, referencing the report titled "Special Audit Report of Prime Finance and Investment Ltd., Examination of the Loan Disbursement Procedure, Interest Accrued, and Loan Status of Prime Finance Capital Management Ltd. and PFI Securities Ltd. for the Period from August 4, 2004, to June 30, 2015, and July 1, 2015, to June 30, 2024," the outstanding amount was revised to BDT 2,490,849,113 as of the same date.

In the consolidated financial statements, Prime Finance and Investment Limited has reflected the revised outstanding balance of BDT 2,490,849,113. However, as the financial statements of Prime Finance Capital Management Limited for the year ended 31 December 2023 were finalized prior to the revised figure being available, it was not feasible to incorporate this adjustment for intercompany balances within the current year's consolidated financial statements.

The subsidiary is expected to revise the outstanding amount in its subsequent financial statements, and the adjustment will be reflected in future consolidated financial statements accordingly.

8.0 **Fixed assets including premises, furniture and fixtures**

Cost:

Land & Land Development (revalued)

Right-of-use-Asset

Furniture and fixtures

Office decoration

Electric equipment

Owned vehicles

Leased vehicles

Intangible assets (software)

Total cost

Less: Accumulated depreciation / amortization / impairment

Written down value at the end of the year

582,058,751	516,091,089
46,618,872	45,988,220
13,668,511	14,976,215
41,863,915	41,778,067
33,516,587	33,916,384
15,450,684	22,511,234
9,717,341	9,717,341
3,661,211	3,661,211
746,555,872	688,639,761
137,846,786	136,995,053
608,709,087	551,644,709

In accordance of DFIM Circular No. 11, dated 23 December 2009 any asset achieved against loans/receivable shown in the non-banking asset of Balance Sheet. Prime Finance & Investment Limited obtained ownership 4.21 decimal land against loan receivable of PFI Securities Limited and as per the circular it has been shown in the non-banking asset of Balance Sheet as at 31 December 2023. DFIM of Bangladesh Bank informed through their letter No. DFIM(C)1054/24/2025-2674 dated 21 August 2025 that there has been no way to show this asset in the non-banking asset of Balance Sheet. So this land value has been transferred to Fixed asset from non-banking asset of Balance Sheet.

Details are shown in Annexure - A.

8.1 **Revaluation reserve**

To disclose the land at fair market value, the company have revalued the land in accordance with the BSEC Notification no SEC/CMRCD/2009-193/150/Admin/ dated August 18, 2013 and as per provisions of International Accounting Standards (IAS) and International Financial Reporting Standard (IFRS). In this respect the Company has appointed Malek Siddiqui Wali, Chartered Accountants, having address at 9-G, Mothijee C/A, 2nd Floor, Dhaka-1000, Bangladesh as valuer of the land of the 10 Panthapath, Dhaka. Accordingly Malek Siddiqui Wali, Chartered Accountants has submitted their valuation report as per which the present valuation has been assessed as under:

Revaluation reserve 2022	687,015,979
Revaluation reserve 2023	686,740,320

8.a **Fixed assets including premises, furniture and fixtures (consolidated)**

Prime Finance & Investment Limited
Prime Finance Capital Management Limited

608,709,087	551,644,709
3,131,684	4,027,858
611,840,771	555,672,567

9.0 **Other assets**

Income generating other assets:

Investment in associates (note 9.1)

Investment in subsidiary (note 9.2)

Accrued interest

715,806,889	711,979,185
960,000,000	960,000,000
28,041,713	38,765,192
1,703,848,602	1,710,744,377

Non income generating other assets:

Advance office rent

Deposits with T & T, Petroleum Corporation etc

Advance corporate tax

Deferred tax assets (note 13.4.2)

Receivable from brokerage houses against sale of shares

Accounts Receivable- Others

Accounts Receivable- Dividend

Others

454,100	454,100
633,897,949	626,688,146
(5,979,965)	1,151,836
55,874,812	28,523,748
218,996,741	177,148,639
4,867,227	6,413,204
3,820,917	2,286,197
911,931,781	842,665,869
2,615,780,383	2,553,410,246

Amount in Taka	
2023	2022

9.1 Investment in associates

Investment in associates are recorded under the equity method as per the International Accounting Standard (IAS) 28, 'Investment in Associates'. Under the equity method, the investments in the associates are carried in the Balance sheet at cost plus post-acquisition changes in the company's share of net assets of the associates. Losses in excess of the cost of the investment in an associate are recognized when the company has incurred obligations on its behalf. Profit and loss account reflects the Company's share of the results of operations of the associates. Where there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. Prime Finance has three associate companies on reporting date.

Movement of investment in associates

Particulars	Balance as at January 01, 2023	Investment/ (Adjustment)	Revaluation reserve	Profit/(loss) under equity method	Balance as at December 31, 2023
PFI Securities Limited	664,543,436	-	(275,659)	6,547,686	670,815,463
Prime Finance AMCL	40,052,996	-	-	(2,888,800)	37,164,195
Prime Prudential Fund Limited	7,382,753	-	-	444,478	7,827,231
	711,979,185	-	(275,659)	4,103,363	715,806,889

A brief description of the associates, percentage of shareholding by Prime Finance and book value of shares in brief are given below:

Name of the company	Nature of the business	Type of shares held	% of share holding	Face value of shares	Book value per share
PFI Securities Limited	Stock brokerage	Ordinary	46.15	10	7.50
Prime Finance AMCL	Asset management	Ordinary	49.00	100	92.59
Prime Prudential Fund Ltd.	Investment in securities, debentures, bonds etc.	Ordinary	40.00	10	7.95

The book value per share is calculated based on audited financial statements of respective company.

9.1.1 Revaluation reserve

Revaluation reserve adjustments of proportionate revaluation reserve of PFI Securities Limited Tk. 2,75,659. In 2021 PFI Securities Limited, one of the associates of Prime Finance & Investment Limited, revalued its membership of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange, Land & Land Development and Building based on the prevailing market price Tk. 381,075,625.

9.2 Investment in subsidiary

Prime Finance has one subsidiary company as on the reporting date. Consolidated financial statements has been prepared for subsidiary following the requirements of International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements'.

Prime Finance Capital Management Limited	960,000,000	960,000,000
	960,000,000	960,000,000

The subsidiary company engaged in merchant banking activities having paid-up capital of Tk. 2,032.80 million. Prime Finance holds 60% of ordinary shares of this company.

9.a Other assets (consolidated)

Prime Finance & Investment Limited	2,615,780,383	2,553,410,246
Prime Finance Capital Management Limited	553,035,386	534,241,203
Adjustment for dealing with subsidiary	(960,000,000)	(960,000,000)
	2,208,815,769	2,127,651,449

10.0 Non - banking assets

Non - banking assets (Land)	383,636,118	415,013,780
	383,636,118	415,013,780

This represents assets owned under the 'Certificate of Ownership' given by the competent court under section 33(7) of Artha Rin Adalat Ain 2003 and assets owned against loan/lease receivables.

In accordance of DFIM Circular No. 11, dated 23 December 2009 any asset achieved against loans/receivable shown in the non-banking asset of Balance Sheet. Prime Finance & Investment Limited obtained ownership 4.21 decimal land against loan receivable of PFI Securities Limited and as per the circular it has been shown in the non-banking asset of Balance Sheet. DFIM of Bangladesh Bank informed through their letter No. DFIM(C)1054/24/2025-2674 dated 21 August 2025 that there has been no way to show this asset in the non-banking asset of Balance Sheet. So this land value has been transferred to Fixed asset from non-banking asset of Balance Sheet.

Maturity wise grouping

Up to one year	-	-
Above one year to three years	-	-
Above three years to five years	-	-
More than five years	383,636,118	415,013,780
	383,636,118	415,013,780

In accordance of DFIM Circular No. 11, dated 23 December 2009 any asset achieved against loans/receivable shown in the non-banking asset of Balance Sheet. Prime Finance & Investment Limited obtained ownership 4.21 decimal land against loan receivable of PFI Securities Limited and as per the circular it has been shown in the non-banking asset of Balance Sheet as at 31 December 2023. DFIM of Bangladesh Bank informed through their letter No. DFIM(C)1054/24/2025-2674 dated 21 August 2025 that there has been no way to show this asset in the non-banking asset of Balance Sheet. So this land value has been transferred to Fixed asset from non-banking asset of Balance Sheet.



		Amount in Taka	
		2023	2022
11.0	Borrowings from other banks, financial institutions and agents		
	<u>In Bangladesh</u>		
	Secured	-	-
	Un-secured		
	Bank loan (note 11.1)	493,561,098	462,033,133
	ADB fund under refinancing scheme (note 11.2)	-	-
	Fund from Bangladesh Bank under refinancing scheme (note 11.3)	442,787	1,774,838
	Short term borrowing (note 11.4)	344,582,328	367,191,969
		838,586,213	830,999,940
	<u>Outside Bangladesh</u>	-	-
	Total	838,586,213	830,999,940
11.1	Bank loan		
	This represents long term loan taken from different commercial banks and its movement is as under:		
	Balance at 1 January	462,033,133	421,573,147
	Received/renewed during the year	218,631,944	302,775,299
	Repayment during the year	(187,103,979)	(262,315,313)
	Balance at 31 December	493,561,098	462,033,133
	Break up of bank loan		
	Meghna Bank Limited	252,282,260	192,968,593
	United Commercial Bank Limited	142,690,359	158,373,898
	Standard Bank Limited	98,588,478	110,690,642
		493,561,098	462,033,133
	Bank Loans are secured by way of first charge on all fixed and floating assets of the Company, ranking pari passu among all the lenders. The period of such loans ranges from one year to five years.		
11.2	ADB fund under refinancing scheme		
	Fund received from Asian Development Bank (ADB) through Rupantarita Prakritik Gas Company Limited (RPGCL) & refinancing scheme. Details are as under:		
	Balance at 1 January	-	-
	Received during the year	-	-
	Repayment during the year	-	-
	Balance at 31 December	-	-
11.3	Fund from Bangladesh Bank under refinancing scheme		
	This fund was reimbursed from Bangladesh Bank under refinancing scheme against financing to small & medium enterprises as well as agricultural projects. The period of loan ranges from one to five years, matching the terms of respective projects. Details are as under:		
	Balance at 1 January	1,774,838	6,354,755
	Received during the year	-	-
	Repayment during the year	(1,332,051)	(4,579,917)
	Balance at 31 December	442,787	1,774,838
11.4	Short-term borrowings		
	This represents money at call and on short notice and bank overdraft and short term borrowing availed to meet short-term fund requirements.		
	NRB Bank Limited (Short term borrowing)	1,900,000	18,300,000
	Agrani Bank Limited (Call Money))	60,000,000	60,000,000
	Sonali Bank Limited (Call Money))	74,500,000	84,800,000
	Pubali Bank Limited (OD A/C))	154,002,479	153,131,574
	Standard Bank Limited (OD A/C))	50,000	-
	Meghna Bank Limited (OD A/C))	54,129,850	50,960,395
		344,582,328	367,191,969
	Money at call and on short notice		
	As on the reporting date Taka 134.50 million was outstanding as money at call and short notice. According to DFIM circular letter no. 12, dated 05 August 2019, non-banking financial institution can avail Call Money facility maximum up to 40% of its equity. Based on the circular mentioned above, the maximum limit of call money for the company was Taka 1,109.68 million only (calculated based on the yearly report of 2022 of the Company).		
	Bank overdraft		
	This represents Taka 208,182,328 received as bank overdraft from various commercial banks.		
11.5	Maturity wise grouping		
	Repayable on demand	-	-
	Up to 1 month	7,001,793	16,374,438
	1 month to 3 months	72,277,858	18,747,886
	3 months to 1 year	44,363,420	75,828,315
	1 year to 5 years	591,976,778	612,740,235
	More than 5 years	122,966,364	107,309,066
		838,586,213	830,999,940



		Amount in Taka	
		2023	2022
11.a	Borrowings from other Banks, Financial Institutions and agents (consolidated)		
	Prime Finance & Investment Limited	838,586,213	830,999,940
	Prime Finance Capital Management Limited	1,477,671,531	1,425,966,336
	Adjustment for dealing with subsidiary	(1,100,409,599)	(1,052,635,863)
		1,215,848,145	1,204,330,413
	The total outstanding loan amount provided by Prime Finance and Investment Limited to its subsidiary, Prime Finance Capital Management Limited, as of 31 December 2023, was initially reported as BDT 1,100,409,599. However, as per Bangladesh Bank's letter no. DFIM(S)/1055/59(PFIL)/2024-2490 dated 11 August 2024, referencing the report titled "Special Audit Report of Prime Finance and Investment Ltd., Examination of the Loan Disbursement Procedure, Interest Accrued, and Loan Status of Prime Finance Capital Management Ltd. for the Period from August 4, 2004, to June 30, 2015, and July 1, 2015, to June 30, 2024," the outstanding amount was revised to BDT 2,490,849,113 as of the same date.		
	In the consolidated financial statements, Prime Finance and Investment Limited has reflected the revised outstanding balance of BDT 2,252,594,725. However, as the financial statements of Prime Finance Capital Management Limited for the year ended 31 December 2023 were finalized prior to the revised figure being available, it was not feasible to incorporate this adjustment for intercompany balances within the current year's consolidated financial statements.		
	The subsidiary is expected to revise the outstanding amount in its subsequent financial statements, and the adjustment will be reflected in future consolidated financial statements accordingly.		
12.0	Deposits and other accounts		
	This comprises interest bearing deposits from individuals and organizations for period ranging from 3 months to 12 years		
	Banks and other financial institutions		
	Term Deposit	1,385,827,228	1,488,839,272
	Other Institutions		
	Term Deposit	1,412,484,761	1,601,159,014
	Monthly Income Deposit	108,512,184	88,830
		1,520,996,945	1,601,247,844
	Individuals		
	Term Deposit	1,091,458,806	1,057,848,275
	Housing Deposit	1,640,000	4,140,000
	Fortune DPS	85,945,500	88,300,000
	Sonchoy DPS	45,341,458	39,733,148
	Monthly Income Deposit	1,875,504,994	1,600,652,661
		3,099,890,758	2,790,674,084
		6,006,714,931	5,880,761,199
12.1	Movements of deposits:		
	Balance at 1 January	5,880,754,199	5,868,114,146
	Received/ renewed during the year	1,885,232,693	1,899,959,790
	Repayment during the year	(1,759,271,960)	(1,887,319,737)
	Balance at 31 December	6,006,714,931	5,880,754,199
12.2	Maturity wise grouping		
	Repayable on demand	-	-
	Repayable within 1 month	143,890,431	200,377,993
	1 month to 3 months	103,172,918	161,719,686
	3 months to 1 year	1,583,286,654	1,291,594,192
	1 year to 5 years	3,622,515,690	3,358,343,390
	5 years to 10 years	553,849,239	868,725,938
	More than 10 years	-	-
		6,006,714,931	5,880,761,199
12.a	Deposits and other accounts (consolidated)		
	Prime Finance & Investment Limited	6,006,714,931	5,880,761,199
	Prime Finance Capital Management Limited	-	-
		6,006,714,931	5,880,761,199
13.0	Other liabilities		
	Provision for loans, advances and leases (note 13.1)	2,073,370,298	998,007,764
	Provision for diminution in value of investments (note 13.2)	365,153,310	263,733,885
	Provision for other asset	95,638,857	56,511,003
	Interest suspense (note 13.3)	4,594,504,232	3,961,082,327
	Provision for tax (note 13.4)	491,680,383	484,467,931
	Financial expenses payable	405,851,399	388,161,718
	Advance and security deposit (note 13.5)	45,264,658	56,074,737
	Excise duty payable	-	-
	Withholding tax payable	-	-
	Accrued expenses and other payables (note 13.6)	353,276,397	296,202,354
	Unclaimed dividend account (note 13.7)	857,839	869,131
		8,425,617,373	6,505,110,850
13.1	Provision for loans, advances and leases		
	Management, on the basis of guidelines issued by Bangladesh Bank has computed provisions for loans, advances and leases. Adequate provision has been kept as per BB circular to cover possible future losses.		



	Amount in Taka	
	2023	2022
General provision on unclassified loans, advances and leases	61,874,998	71,253,920
Specific provision on classified loans, advances and leases	2,011,495,300	926,753,844
Provision as on 31 December	2,073,370,298	998,007,764
Movement in general provision on unclassified loans/ leases:		
Provision as on 1 January	71,253,920	55,485,609
Add: Provision made/ (released) during the year	(9,378,922)	15,768,311
Provision as on 31 December	61,874,998	71,253,920
Movement in specific provision on classified loans/ leases:		
Provision as on 1 January	926,753,844	512,608,671
Less: Adjustment for write off	-	-
Add: Provision made/ (released) during the year	1,084,741,456	414,145,173
Provision as on 31 December	2,011,495,300	926,753,844
	2,073,370,298	998,007,764

**DFIM, Bangladesh Bank, vide letter no. DFIM© 1054/24/2023/235 dated January 18, 2023 permitted 8 (eight) years to build up provision against loans advances and leases of Tk. 962.04 million upon application by Prime Finance & Investment Limited (PFIL). Per year provision requirement stands Tk. 120.26 million. Details are shown in Annexure C.

13.2 Provision for diminution in value of investments

Provision as on 1 January	263,733,885	130,452,586
Add: Provision made/ (adjusted) during the year: Listed securities	(9,196,408)	27,171,868
Equity investment	110,615,832	106,109,431
Provision as on 31 December	365,153,310	263,733,885

*The Financial Institutions Inspection Department (FIID) of Bangladesh Bank vide letter no. FIID (1-26(2)/2022-495 dated 12 June, 2022 made provision of Tk. 884.93 million arising on 50% Equity Investment of Prime Finance Capital Management Limited, PFI Securities Limited, Prime Finance Asset Management Company Limited, Prime Prudential Fund Limited due to non payment of dividend for last few years.

**DFIM, Bangladesh Bank, vide letter no. DFIM© 1054/24/2023/235 dated January 18, 2023 permitted 8 (eight) years to build up provision against equity investment of Tk. 884.92 million upon application by Prime Finance & Investment Limited (PFIL). Per year provision requirement stands Tk. 106.11 million. Details are shown in Annexure C.

13.2.1 Allocation of provision

Listed securities	33,811,214	43,007,622
Equity investment	327,341,095	216,725,263
Unlisted securities	4,001,000	4,001,000
	365,153,310	263,733,885

13.2.a Provision made during the year (consolidated)

Prime Finance & Investment Limited	101,419,425	133,281,299
Prime Finance Capital Management Limited	20,000,000	15,000,000
	121,419,425	148,281,299

13.3 Interest suspense

Balance as on 1 January	3,961,082,327	183,260,128
Add: Transferred during the year	639,342,005	3,829,778,820
Less:		
Amount of interest suspense recovered	(5,920,101)	(51,956,621)
Write off during the year	-	-
Balance as on 31 December	4,594,504,232	3,961,082,327

As per Bangladesh Bank's letter no. DFIM(S)/1055/59(PFIL)/2024-2490 dated 11 August 2024, referencing the report titled "Special Audit Report of Prime Finance and Investment Ltd., Examination of the Loan Disbursement Procedure, Interest Accrued, and Loan Status of Prime Finance Capital Management Ltd. and PFI Securities Ltd. for the Period from August 4, 2004, to June 30, 2015, and July 1, 2015, to June 30, 2024," the outstanding loan amount has been revised to BDT 381.03 crore as of 31 December 2022. This revised amount has been duly incorporated into the current year's interest suspense balance.

*DFIM, Bangladesh Bank, vide letter no. DFIM© 1054/24/2023/235 dated January 18, 2023 permitted 8 (eight) years to build up provision against interest suspenses of Tk. 101.63 million upon application by Prime Finance & Investment Limited (PFIL). No per year provision requirement. Details are shown in Annexure C.

**Bangladesh Bank FID circular no. 3 of 2006 requires that interest on loans/ leases classified as SMA and above will be credited to interest suspense account, instead of crediting the same to income account. In accordance with the above circular interest on various facilities classified as SMA, SS, DF and BL has been set-aside in this interest suspense account.

13.4 Provision for tax

Provision for tax comprises provision for current tax and provision for deferred tax.

13.4.1 Provision for current tax made during the year

The Company calculated taxable profit/ losses based on Income Tax Ordinance 1984 and determined current tax liability as per applicable rate enacted through Finance Act 2023.

Balance at 1 January	484,467,931	478,739,805
Provision made during the year	7,212,452	5,728,127
Balance at 31 December	491,680,383	484,467,931



Amount in Taka	
2023	2022

13.4.1.1 Reconciliation of current tax

Particular	2023		2022	
	%	TAKA	%	TAKA
Profit Before income tax as per profit and loss account		(1,458,739,158)		(791,048,722)
Income Tax using the domestic corporate tax rate	37.5%	(547,027,184)	37.5%	(296,643,271)
Factors affecting the tax charge for current year				
Non deductible expenses		463,027,811		210,673,160
Non taxable income		(1,538,761)		19,436,886
Under/Over provision		28,465,048		28,465,048
Unrecognised tax loss		83,447,991		63,588,963
Tax savings from reduced tax rates from dividend		977,404		1,432,934
Total income tax expenses (Effective tax rate)	15.5%	27,352,309	15.5%	26,953,720

13.4.1.a Provision for current tax (consolidated)

Prime Finance & Investment Limited	7,212,452	5,728,127
Prime Finance Capital Management Limited	485,762	5,902,694
	7,698,214	11,630,820

13.4.2 Provision for deferred tax

Provision for deferred tax has been kept in the financial statements as per the requirement of International Accounting Standard (IAS) 12, 'Income Taxes'. Deferred tax asset is arrived at as follows:

	Carrying amount	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
Year: 2023			
Fixed assets including premises, furniture and fixtures	26,650,335	10,703,760	15,946,574
	26,650,335	10,703,760	15,946,574
Applicable tax rate			37.50%
Deferred tax assets (A)			5,979,965
Year: 2022 (B)			(1,151,836)
Deferred tax expense (A-B)			7,131,801

Previous year figure has been restated due to changes of depreciation rate for deferred tax calculation.

13.4.2.a Provision for deferred tax (consolidated)

Prime Finance & Investment Limited	7,131,801	7,210,212
Prime Finance Capital Management Limited	176,235	372,584
	7,308,036	7,582,796

No deferred tax liability has been recognised on land revaluation reserve due to the fact that taxes paid at the time of land registration are final discharge of related tax liability. There is no other material temporary timing difference in classified assets / liabilities for which deferred tax asset/liability needed to be accounted for in the year.

13.5 Advance and cash security deposit

The amount received from clients as advance against finance and cash security deposit on the stipulation that the amount will be either adjusted with the outstanding rentals/ installments or repaid at the end of term. This is made up as under:

Balance at 1 January	56,074,737	100,364,652
Received during the year	22,472,154	45,550,823
Adjusted during the year	(33,282,233)	(89,840,738)
Balance at 31 December	45,264,658	56,074,737

Breakup of advances and cash security deposits on the basis of category of finance is as under:

Lease advance	3,380,672	3,380,672
Term finance advance	12,017,285	12,720,445
Stock on hire advance	8,000	8,000
Cash security deposit	29,858,701	39,965,620
	45,264,658	56,074,737

Advance and cash security deposit reduce the exposure with the clients and thereby reduce the risks. No interest is payable on advances while cash security deposits are interest bearing.

13.6 Accrued expenses and other payables

Suspense receipts	102,420,063	73,529,532
Lease Liability	24,830,908	31,230,042
Other payables	226,025,426	191,442,781
	353,276,397	296,202,354

Suspense receipts represent amount received from clients for various reasons such as rentals adjustment, transfer price, advance rentals, IDCP and other advances. When combined cheques are given by the clients that also initially posted into suspense receipts account.

13.7 Unclaimed dividend account (note 13.7)

Aging of unclaimed dividend		
Dividend before 2011	-	-
Dividend in 2012	-	-
Dividend in 2013	-	-

Dividend in 2014
Dividend in 2019

Amount in Taka	
2023	2022
-	-
857,839	869,131
857,839	869,131

As per the Directive No. BSEC/CMRRCD/2021-386/03, dated January 14, 2021, and the Capital Market Stabilization Fund (CMSF) Rules, 2021, dated June 01, 2021, of Bangladesh Securities and Exchange Commission (BSEC) any entitlement dividend which remains unclaimed for a period of 3 (three) years from the date of approval or date of subscription, shall be transferred to the fund named "Capital Market Stabilization Fund" within such time as directed by the Commission or the Fund from time to time.

13.a Other Liabilities(consolidated)

Prime Finance & Investment Limited
Prime Finance Capital Management Limited
Adjustment for dealing with subsidiary

8,425,617,373	6,505,110,850
289,244,970	267,336,715
-	-
8,714,862,344	6,772,447,565

14.0 Share Capital

As at 31 December 2023, a total of 272,916,483 (FY 2022: 272,916,483) ordinary shares of Taka 10 each were issued, subscribed and fully paid up. Details are as follows:

Authorized capital

300,000,000 Ordinary shares of Taka 10 each

3,000,000,000	3,000,000,000
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Issued, subscribed, called up and paid up capital:

Total ordinary shares 272,916,483 of Taka 10 each

Total bonus shares of Taka 10 each

2,729,164,830	2,729,164,830
-	-
2,729,164,830	2,729,164,830

Details of sponsors/ Director shareholding

Sponsor/ Director Shareholders
East Coast Shipping Lines Limited
Acorn Limited
Pedrollo Nk. Limited
Mawsons Limited
GQ Enterprise Limited
Khaled Textile Mills Limited
Agami apparels limited
Abeeco Industries Ltd.
Mr. Tauseef Iqbal Ali
Mr. Md. Aliuzzaman

No. of shares held	Percentage
24,407,338	8.94
24,920,420	9.13
26,768,991	9.81
5,654,752	2.07
23,222,142	8.51
22,382,420	8.20
23,088,632	8.46
5,508,634	2.02
5,458,363	2.00
2,427	0.001

Composition of shareholdings as on 31 December 2023 and 2022 was as under:

Group	No. of Shareholders		No. of Shares		Percentage	
	2023	2022	2023	2022	2023	2022
Sponsors/ Director (Institutions)	8	8	155,953,329	155,953,329	57.14	57.14
Sponsors/ Director (Individuals)	2	2	5,460,790	5,460,790	2.00	2.00
General Public (Institutions)	129	129	21,232,330	21,232,330	7.79	7.79
General Public (Individuals)	12,889	12,889	90,270,034	90,270,034	33.07	33.07
	13,028	13,028	272,916,483	272,916,483	100.00	100.00

14.1 Capital Adequacy Ratio (CAR)

As per section 4(Gha) of the Financial Institutions Regulations 1994, which has been re-enacted as the Finance Company Act, 2023 section 8, the minimum paid-up capital of the Financial Institution shall be Taka 100 crore. Provided that the sum of paid up capital and reserves shall not be less than the minimum capital determined under the Risk Based Assets of the Company. The shortage eligible capital of the Company as on December 31, 2023, on consolidation basis, were Taka 1313.36 million and capital adequacy ratio was 1.78%.

Details of Capital Adequacy Ratio (CAR):

Tier-1 (Core capital)

Fully paid-up capital

Statutory reserve

General reserve

Retained earnings

Non-controlling interests

Deductions from Tier -1

Total eligible Tier-1 capital

2,729,164,830	2,729,164,830
960,237,744	960,237,744
-	-
(3,977,347,954)	(2,467,921,086)
769,240,178	793,469,149
(601,277,459)	(705,778,737)
(119,982,660)	1,309,171,900

Tier-2 (Supplementary capital)

General provision (Unclassified loans up to specified limit + SMA+ off

Balance Sheet exposure)

Assets revaluation reserves up to 50%

Total eligible Tier-2 capital

61,874,998	71,253,920
343,370,160	343,507,990
405,245,158	414,761,910

(i) Total eligible capital

285,262,498	1,723,933,809
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		Amount in Taka	
		2023	2022
	(ii) Total Risk Weighted Assets (RWA)	15,986,300,000	13,888,400,000
	(iii) Minimum Capital Requirement (MCR) (10% of RWA)	1,598,630,000	1,388,840,000
	(iv) Excess [(i) - (iii)]	(1,313,367,502)	335,093,809
	Capital Adequacy Ratio (CAR) [(i) / (iii)] [%]	1.78%	12.41%
15.0	Non-controlling interest		
	Pursuant to the International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements', non-controlling interest has been presented in the consolidated Balance Sheet within equity, separately from the equity of the owners of the parent. Non-controlling interest is made up as follows:		
	Balance as on 1 January	793,469,149	807,081,022
	Profit/(loss) after tax for the year	(24,228,971)	(13,611,873)
	Balance as on 31 December	769,240,178	793,469,149
16.0	Statutory reserve		
	Balance as on 1 January	960,237,744	960,237,744
	Add: Transferred during the year	-	-
	Balance as on 31 December	960,237,744	960,237,744
17.0	Retained earnings		
	Balance as on 1 January	(2,698,124,807)	(1,894,137,747)
	Payment of cash dividend	-	-
	Profit/(loss) after tax for the year	(1,473,083,411)	(803,987,060)
	Transferred to statutory reserve	-	-
	Balance as on 31 December	(4,171,208,218)	(2,698,124,807)
18.0	Income Statement		
	Income:		
	Interest, discount and similar income (note 19)	463,385,699	574,172,750
	Dividend income (note 21)	4,887,019	7,164,670
	Gains less losses arising from dealing in securities	-	-
	Fees, commission, exchange and brokerage (note 22)	2,312,968	1,680,235
	Gains less losses arising from investment in securities (note 21.1)	(338,728)	6,526,541
	Gains less losses arising from dealing in foreign currencies	-	-
	Income from non-banking assets	-	-
	Other operating income (note 23)	12,842,889	(9,808,475)
	Profit less losses on interest rate changes	-	-
	Nominal value of bonus share received	-	-
	Total income (A)	483,089,847	579,735,722
	Expenses:		
	Interest paid on deposits, borrowings etc. (Note 20)	573,645,858	654,847,708
	Administrative expenses	131,410,734	137,554,304
	Depreciation and impairment on banking assets	11,609,914	11,622,278
	Other operating expenses	9,232,686	9,919,367
	Total expenses (B)	725,899,192	813,943,658
	Operating surplus (A-B)	(242,809,345)	(234,207,936)



		Amount in Taka	
		2023	2022
19.0 Interest income			
	Income from lease finance	(5,691,777)	21,374,215
	Income from term finance	372,041,174	478,236,250
	Income from real estate finance	864,155	1,773,239
	Income from other finance	96,172,146	72,789,046
		463,385,699	574,172,750
19.a Interest income (consolidated)			
	Prime Finance & Investment Limited	463,385,699	574,172,750
	Prime Finance Capital Management Limited	32,851,013	44,339,874
	Adjustment for dealing with subsidiary	(4,167,729)	(33,129,880)
		492,068,983	585,382,744
20.0 Interest paid on deposits, borrowings etc.			
	Interest on bank loan	56,387,408	40,076,752
	Interest on IDA and ADB fund under re-financing scheme of Bangladesh Bank	-	-
	Interest on fund from Bangladesh Bank under re-financing schemes	36,285	44,800
	Interest on term deposits	449,359,766	578,520,956
	Interest on money at call and on short notice	11,511,679	10,941,091
	Interest on cash security deposit	33,131,373	2,626,742
	Interest on overdraft facility	19,810,418	18,658,152
	Interest on lease rent	3,408,930	3,979,215
		573,645,858	654,847,708
20.a Interest paid on deposits, borrowings etc. (consolidated)			
	Prime Finance & Investment Limited	573,645,858	654,847,708
	Prime Finance Capital Management Limited	67,401,287	65,906,856
	Adjustment for dealing with subsidiary	(4,167,729)	(33,129,880)
		636,879,416	687,624,685
21.0 Investment income			
	Capital gain on sale of securities (note 21.1)	(338,728)	6,526,541
	Dividend income	4,887,019	7,164,670
		4,548,291	13,691,211
21.1 Capital gain on sale of securities			
	Gain on sales of securities	-	6,526,541
	Loss on sales of securities	(338,728)	-
	Net gain from sale of securities	(338,728)	6,526,541
21.a Investment income (consolidated)			
	Prime Finance & Investment Limited	4,548,291	13,691,211
	Prime Finance Capital Management Limited	4,857,624	14,779,588
		9,405,915	28,470,799
22.0 Fees, commission, exchange and brokerage			
	Service charge, factoring charge etc.	2,312,968	1,680,235
		2,312,968	1,680,235
22.a Fees, commission, exchange and brokerage (consolidated)			
	Prime Finance & Investment Limited	2,312,968	1,680,235
	Prime Finance Capital Management Limited	5,619,902	6,847,545
		7,932,870	8,527,780
23.0 Other operating income			
	Income from associates (note 9.1)	4,103,363	(51,831,695)
	Delinquent Interest, IDCP etc.	-	-
	Renewals and proceeds	-	502,278
	Write-off & others	8,739,526	41,520,942
		12,842,889	(9,808,475)

Write-off & others included amount received from write-off clients and prepayment charges for early settlement of loan etc. Which are recognised as income as per DFIM Circular no. 02 dated 01 April 2019 of Bangladesh Bank.



		Amount in Taka	
		2023	2022
23.a Other operating income (consolidated)			
	Prime Finance & Investment Limited	12,842,889	(9,808,475)
	Prime Finance Capital Management Limited	13,312,500	17,012,457
		<u>26,155,389</u>	<u>7,203,982</u>
24.0 Salaries and other employee benefits			
	Salaries & allowances	99,707,223	103,143,314
	Medical & employee welfare	2,651,299	2,001,989
		<u>102,358,522</u>	<u>105,145,303</u>
	Medical and employee welfare includes, among others, provision for retirement benefits, death and disability benefits and hospitalization benefits. The funds are managed separately by a board of trustee and management believes that company's contribution to these funds are adequate.		
24.a Salaries and other employee benefits (consolidated)			
	Prime Finance & Investment Limited	102,358,522	105,145,303
	Prime Finance Capital Management Limited	21,001,343	22,387,058
		<u>123,359,865</u>	<u>127,532,361</u>
25.0 Rent, taxes, insurance, electricity etc.			
	Office rent & maintenance	8,249,332	10,444,283
	Electricity bill	1,466,091	1,475,765
		<u>9,715,423</u>	<u>11,920,048</u>
25.1 Disclosure related to Rent, rate and taxes:			
	Actual rent expenses	19,703,736	22,374,831
	Less: Reclassification of rent expenses (as per IFRS 16: Leases)	(11,454,404)	(11,930,548)
	Rent expenses as reported	<u>8,249,332</u>	<u>10,444,283</u>
	In addition the above mentioned change in rent expense, implementation of IFRS 16 has resulted in charging of depreciation against Right-of-use asset as disclosed in Annexure A and of Interest expense on lease rent, as disclosed in Note 20. Office rent & maintenance represents cost of service charge & others.		
25.a Rent, taxes, insurance, electricity etc.(consolidated)			
	Prime Finance & Investment Limited	9,715,423	11,920,048
	Prime Finance Capital Management Limited	2,942,239	3,407,539
		<u>12,657,662</u>	<u>15,327,587</u>
26.0 Legal expenses			
	Legal expense	3,167,500	4,015,000
	Legal expenses include fees for professional services for tax consultancy, credit rating, RJSC consultancy, recovery agent fee, corporate governance certification etc.		
26.a Legal expenses (consolidated)			
	Prime Finance & Investment Limited	3,167,500	4,015,000
	Prime Finance Capital Management Limited	1,773,625	172,500
		<u>4,941,125</u>	<u>4,187,500</u>
27.0 Postage, stamp, telecommunication etc.			
	Postage, telephone and fax	1,756,780	1,798,997
	Charges, levies, stamps and duties	1,091,345	1,026,180
		<u>2,848,125</u>	<u>2,825,178</u>
27.a Postage,stamp,telecommunication etc.(consolidated)			
	Prime Finance & Investment Limited	2,848,125	2,825,178
	Prime Finance Capital Management Limited	146,788	136,700
		<u>2,994,913</u>	<u>2,961,878</u>
28.0 Stationery, printing, advertisements etc.			
	Printing and stationery	1,828,885	1,473,724
	Books and periodicals	48,938	35,766
	Advertisement and publicity	472,841	978,285
		<u>2,350,664</u>	<u>2,487,775</u>
28.a Stationery, printing, advertisements etc. (consolidated)			
	Prime Finance & Investment Limited	2,350,664	2,487,775
	Prime Finance Capital Management Limited	299,519	1,032,480
		<u>2,650,183</u>	<u>3,520,255</u>

		Amount in Taka	
		2023	2022
29.0	Managing director's salary and fees		
		10,120,000	10,120,000
	Managing Director's salary includes basic salary, house rent allowance, house maintenance allowance, medical allowance, entertainment allowance, recreation allowance and fuel bill up to a certain limit.		
30.0	Directors' fees		
	Directors' fees	448,000	696,000
	During the year, a Director, in accordance with the Bangladesh Bank, DFIM Circular No. 13 dated 30 November 2015, was entitled to receive a fee of Tk. 8,000 for attending each meeting of the Board and its Committee. Detail of the fees paid to the Directors in the year 2023 was as under:		
	Total board meetings (nos.)	8	8
	Total board audit committee meetings (nos.)	4	4
	Total board executive committee meetings (nos.)	-	-
	Total fees paid	448,000	696,000
	No. of members in the Board	9	9
	No. of members in the Audit Committee	4	4
	No. of members in the Executive Committee	5	5
30.a	Directors' fees (consolidated)		
	Prime Finance & Investment Limited	448,000	696,000
	Prime Finance Capital Management Limited	275,559	266,667
		723,559	962,667
31.0	Auditors' fees		
	Auditors' fees	350,000	300,000
	VAT on audit fees	52,500	45,000
		402,500	345,000
31.a	Auditors' fees (consolidated)		
	Prime Finance & Investment Limited	402,500	345,000
	Prime Finance Capital Management Limited	97,750	97,750
		500,250	442,750
32.0	Depreciation and repair of assets		
	Depreciation of fixed assets - freehold	11,368,794	11,384,491
	Amortization of intangible assets	241,120	237,788
		11,609,914	11,622,278
	As on 31 December 2023, the company assesses the indication of impairment of assets and as per the assessment no such indication of an impairment loss present.		
32.a	Depreciation and repair of assets (consolidated)		
	Prime Finance & Investment Limited	11,609,914	11,622,278
	Prime Finance Capital Management Limited	896,174	623,863
		12,506,088	12,246,141
33.0	Other expenses		
	HR development	337,943	70,721
	Travelling and conveyance	1,941,275	2,628,040
	Motor vehicle expenses	2,018,603	1,984,183
	Subscription and fees	2,074,989	1,815,609
	Meeting expenses	49,200	90,000
	AGM expenses (note 33.1)	350,989	332,989
	Entertainment, public relation etc.	55,702	944,767
	Others	2,403,985	2,053,058
		9,232,686	9,919,367
33.1	AGM expenses		
	Rent for AGM venue, virtual arrangement expense etc.	172,000	172,000
	Printing, database management etc.	83,985	65,985
	Publication of notice	65,004	65,004
	Entertainment	30,000	30,000
	Others	-	-
		350,989	332,989



		Amount in Taka	
		2023	2022
33.a Other expenses (consolidated)			
	Prime Finance & Investment Limited	9,232,686	9,919,367
	Prime Finance Capital Management Limited	1,717,184	1,702,456
		<u>10,949,870</u>	<u>11,621,823</u>
34.0 Receipts from other operating activities			
	IDCP etc.	-	-
	Renewals and proceeds	-	502,278
	Write-off & others	12,842,889	41,520,942
	Net proceeds from sale/surrendered of shares & unit fund	-	103,060,920
		<u>12,842,889</u>	<u>145,084,140</u>
35.0 Payment for other operating activities			
	Advance against office rent, renovation & decoration	(8,368,821)	(119,369,980)
	Advance against advertisement	-	-
		<u>(8,368,821)</u>	<u>(119,369,980)</u>
36.0 Earnings per share			
	Earnings per share (EPS) is calculated in accordance with International Accounting Standard (IAS) 33, 'Earnings per share', which has been shown on the face of profit and loss account.		
	Basic earnings per share		
	The calculation of basic earnings per share at 31 December 2023 was based on the profit/(loss) attributable to ordinary shareholders of Tk. (1,473,083,411) (2022: Tk. (803,987,060) and a weighted average number of ordinary shares outstanding as at 31 December 2023 of 272,916,483 (2022: 272,916,483).		
	Profits attributable to ordinary shareholders		
	Net profit for the year	<u>(1,473,083,411)</u>	<u>(803,987,060)</u>
	Weighted average number of ordinary shares		
	Ordinary shares at 1 January	272,916,483	272,916,483
	Weighted average number of ordinary shares at 31 December 2023	272,916,483	272,916,483
	Earnings per share (EPS)	<u>(5.40)</u>	<u>(2.95)</u>
	Diluted earnings per share		
	The dilutive effect relates to the average number of potential ordinary share held under option of convertibility. There was no such dilutive potential ordinary share during the year 2023 and hence no diluted earnings per share is required to be calculated.		
36.a Earnings per share (consolidated)			
	Profits attributable to ordinary shareholders of the Company		
	Net profit for the year	<u>(1,509,426,866)</u>	<u>(824,404,871)</u>
	Weighted average number of ordinary shares		
	Ordinary shares at 1 January	272,916,483	272,916,483
	Weighted average number of ordinary shares at 31 December	272,916,483	272,916,483
	Earnings per share (consolidated)	<u>(5.53)</u>	<u>(3.02)</u>
37.0 Net Asset Value per share (NAV)			
	Total shareholders' equity (A)	204,934,675	1,678,293,746
	Number of shares outstanding (B)	272,916,483	272,916,483
	Net Asset Value (NAV) per share (A÷B)	<u>0.75</u>	<u>6.15</u>
37.a Net Asset Value (NAV) per share (consolidated):			
	Equity attributable to shareholders' of the company (A)	398,794,941	1,908,497,467
	Number of shares outstanding (B)	272,916,483	272,916,483
	Net Asset Value (NAV) per share (A÷B)	<u>1.46</u>	<u>6.99</u>
38.0 Net operating cash flow per share (NOCFPS):			
	Net cash flow from operating activities (A)	(122,526,266)	(172,659,629)
	Number of shares outstanding (B)	272,916,483	272,916,483
	Net operating cash flow per share (NOCFPS) (A÷B)	<u>(0.45)</u>	<u>(0.63)</u>
38.a Net operating cash flow per share (NOCFPS) (consolidated):			
	Net cash flow from operating activities (A)	(30,584,521)	(91,705,146)
	Number of shares outstanding (B)	272,916,483	272,916,483
	Net operating cash flow per share (NOCFPS) (A÷B)	<u>(0.11)</u>	<u>(0.34)</u>

39.0 Reconciliation of Net Profit with Cash Flows from Operating Activities:

Particulars	Amount in Taka	
	2023	2022
Net profit after tax	(1,473,083,411)	(1,533,655,837)
Add: Adjustments for non-cash items:		
Depreciation of company's assets	11,609,914	12,506,088
Provisions for loans, advances and leases		
General provision	(9,378,922)	(9,378,922)
Specific provision	1,084,741,456	1,084,741,456
Other provision	39,147,854	39,147,854
Provisions for the diminution in the value of investments	101,419,425	121,419,425
Provision for taxation	14,344,253	15,006,250
(Increase)/decrease in operating assets	(717,865,424)	(654,929,733)
(Increase)/decrease in trading securities	2,313,127	14,248,801
Increase/(decrease) in operating liabilities and accruals	824,225,461	880,310,096
Net cash flows from / (used in) operating activities	(122,526,266)	(30,584,521)

40.0 Market capitalisation and share price

Market Capitalization of the Company, which is the number of ordinary shares in issued, multiplied by the market value of a share. Total number of ordinary shares outstanding as at 31 December 2023 was 272,916,483 and the market value per share of last trading day (28 December 2023) was Tk. 11.50 in DSE. Thus market capitalization based on DSE value was Tk. 3,138.54 million.

Market for Prime Finance's ordinary shares

Prime Finance's ordinary shares are traded on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) under the symbol of 'PRIMEFIN' and 'PFIL' respectively. The following table indicated the high and low prices for shares of Prime Finance, as reported by DSE and CSE sets forth for each quarter in the year 2023.

High low share price	Quarters	DSE		CSE	
		High	Low	High	Low
		First quarter	11.50	11.50	11.50
Second quarter	11.50	11.50	11.50	11.50	
Third quarter	11.80	11.50	11.90	11.50	
Fourth quarter	11.50	11.50	11.50	11.50	

No. of shareholders

There were 13,028 shareholders as per Share Register as on 31 December 2023.

41.0 Related party transactions

Prime Finance in normal course of business carried out a number of transactions with other entities that fall within the definition of related party mentioned in International Accounting Standard 24: Related Party Disclosures.

Total on-balance sheet exposure with the related parties as at 31 December 2023 was as under:

Name of the related party	Relationship	Nature of transaction	Outstanding receivable/ (payable) 2023
PFI Properties Limited	Common Directors	Term finance	82,613,505
PFI Securities Limited	Associate Company	Term finance	6,053,123,983
Prime Finance Capital Management Ltd.	Subsidiary Company	Term finance	2,490,849,113
Radiant Alliance Limited	Common Directors	Term deposit	-
Clean Fuel Filling Station Ltd.	Common Directors	Term deposit	(8,997,275)
Bangladesh Trade Syndicate Limited	Common Directors	Term deposit	(8,168,376)
Prime Prudential Fund Limited	Associate Company	Receivable	380,079
Prime Prudential Fund Limited	Associate Company	Term deposit	(18,909,319)
Total			8,590,891,710

Key management personnel

Managing Director's salary and allowance is Tk. 10,120,000

41.1 Significant contract where Prime Finance is party and wherein Directors have interest

As on 31 December 2023 no such contract exists.

41.2 Share issued to Directors and executives without consideration or exercisable at a discount

As on 31 December 2023 no share issue exists.

41.3 Lending policy to related parties

Loans, advances and leases extended to related parties were as per the credit policy of the company.

41.4 Investment in the securities of directors and their related concern

As on 31 December 2023 no such investments exists.

42.0 Particulars of the directors

Sl. No.	Directors	Nominated by	Designation	Address	% of shares as at 31 December 2023
1.	Mr. Mohammad Masudur Rahim	East Coast Shipping Lines Ltd.	Chairman	East Coast Centre, SW(G), 8 Gulshan Avenue, Gulshan-1, Dhaka-1212	8.94
2.	Engr. Salah Uddin Ahmed	East Coast Shipping Lines Ltd.	Director	Mobil House, CWS (A) 13/A, Gulshan Avenue, Bir Uttam Mir Skawkat Sarak, Dhaka-1212	
3.	Mr. Md. Aminul Haque	Acorn Limited	Director	Acorn Limited, Plot-68, Block-H, Road-11, Level-5, Banani, Dhaka	9.13
4.	Mr. Tauseef Iqbal Ali	N/A	Director	House # CEN-C2, Road # 95, Gulshan-2, Dhaka-1212.	2.00
5.	Dr. Shamim Khan	Pedrollo NK Limited	Director	Pedrollo Plaza", 5, Jubilee Road, Chittagong-4000	9.81
6.	Mr. Waheed Mahmud Khaled	Mawsons Limited	Director	House # 63, Avenue # 5, Block # A, Section # 6, Mirpur, Dhaka-1216.	2.07
7.	Mr. Uzzal Kumar Saha	GQ Enterprise Ltd.	Director	331/2 Tajuddin Ahmed Swaroni, Bara Maghbazar, Dhaka-1217	8.51
8.	Mr. Manzur Ahmed	Agami Apparels	Director	Flat # 1/D, House # 28, Road # 9/A, Dhanmondi R/A, Dhaka -1209	8.46
9.	Mr. Ahmed Kamal Khan Chowdhury	N/A	Independent Director	House 277, Road 18, New DOHS, Mohakhali, Dhaka-1206	NIL

43.0 Directors and their entities in which they have interest

Sl. No	Name of the Directors	Designation	Entities where they have interest
1	Mr. Mohammad Masudur Rahim	Chairman	1 Radiant Alliance Ltd. 2 Bangladesh Trade Syndicate Ltd. 3 Prime Finance Capital Management Limited
2	Mr. Md. Aminul Haque	Director	1 Acorn Limited 2 Asia Gate Ltd. 3 B-Trac Engineering Ltd. 4 Bangla Trac Ltd. 5 THANE Technology 6 Bangla Trac Power Unit-1 Ltd. 7 Bangla Trac Power Unit-2 Ltd.
3	Mr. Tauseef Iqbal Ali	Director	1 Prime Finance Capital Management Limited
4	Dr. Shamim Khan	Director	1 Progressive Trading 2 Orko Health Ltd. 3 Halda Valley Food & Beverage Ltd. 4 Pedrollo nk Ltd. 5 Halda Valley Tea Co. Ltd. 6 PNL Holdings Ltd. 7 Polyexprint Ltd. 8 Halda Fisheries Ltd. 9 Pedrollo Dairy & Horticulture Ltd. 10 Poly Tape Ltd. 11 PNL Water Management Ltd. 12 NUOVO Renewable Energy Ltd.
5	Mr. Waheed Mahmud Khaled	Director	1 Mawsons Limited 2 Prime Finance Capital Management Limited 3 Everest Homes Ltd
6	Engr. Salah Uddin Ahmed	Director	-



7	Mr. Uzzal Kumar Saha	Director	1 Prime Finance Capital Management Limited 2 PFI Securities Limited
8	Mr. Manzur Ahmed	Director	1 PFI Securities Limited
9	Mr. Ahmed Kamal Khan Chowdhury	Independent Director	1 Prime Finance Capital Management Limited

44.0 Disclosures on the board audit committee

Composition and qualification:

The Audit Committee consists of the following directors of the Board:

Name	Status with the Company	Status with the Committee	Educational Qualification
Mr. Ahmed Kamal Khan Chowdhury	Independent	Chairman	Masters in Economics
Mr. Tauseef Iqbal Ali	Director	Member	MBA
Mr. Uzzal Kumar Saha	Director	Member	M.Com (Accounting)
Eng. Salah Uddin Ahmed	Director	Member	
Dr. Shamim Khan	Director	Member	

Audit Committee meetings held during the year 2023:

SL.	Meeting no.	Meeting date
1	93 no. Audit Committee Meeting	22-Mar-2023
2	94 no. Audit Committee Meeting	26-Jun-2023
3	95 no. Audit Committee Meeting	8-Aug-2023
4	96 no. Audit Committee Meeting	30-Nov-2023
5	97 no. Audit Committee Meeting	31-Dec-2023

Major issues discussed in the Audit Committee Meeting during the year 2023 were as under:

- Reviewed the draft financial statements of the Company and its Subsidiary.
- Recommended the Board for appointment of statutory auditors and fixation of their remuneration.
- Reviewed the effectiveness of external audit process.
- Reviewed the Internal Audit Plan.
- Reviewed the Core Risk Management Policies of the Company.
- Reviewed and approved the 'Audit Committee Report'.
- Reviewed the quarterly financial statements.
- Reviewed the quarterly report on compliance of internal policy and operations report.

45.0 Contingent liabilities & other commitments

Contingent liabilities:

Other commitments:

Un-disbursed contracted loans, advances and leases

Amount in Taka	
2023	2022
-	-
-	-
-	-

This represents loans, advances and leases sanctioned during the year but not yet disbursed.

46.0 Legal proceedings

The Company is not currently a defendant or a plaintiff in any material lawsuits or arbitration. From time to time, however, the Company is involved as a plaintiff in some actions taken against the default clients in the ordinary course of business for non-payment of rentals/installments. We believe that the ultimate dispositions of those matters will be favorable and will have no material adverse effect on business, financial conditions or results of operations.

47.0 Board meetings and number of directors

During the year 2023, 12 (Twelve) Board Meetings were held. As on 31 December 2023, there were 08 members in the Board, which include one Independent Director. As per FID circular no. 09 dated 11 September 2002, a non-banking financial institution shall have maximum 11 (eleven) Directors in the Board. The Managing Director is an ex-officio director having no voting right.

48.0 Number of employees

A total number of 83 employees, including 20 sub staffs were employed in Company as at 31 December 2023. All the employees received salary of Taka 36,000 and above per annum during the year 2023.

49.0 Reporting currency and level of precision

The figures in the financial statements represent Bangladesh currency (Taka), which has been rounded off to the nearest integer.

50.0 Impact of inflation and changing prices

Financial Institutions are affected differently by inflation than those of industrial ventures. While industrial and manufacturing companies generally have significant investments in inventories and fixed assets, financial institutions ordinarily do not have

such investment. As a result, financial institutions are generally in a better position than industrial ventures to respond to inflationary trends by monitoring the spread between interest cost and interest income yields through adjustments of maturities and interest rates of assets and liabilities.

Financial statements presented herein have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), which required the measurement of the financial position and operating results in terms of historical costs.

51.0 Events after the reporting period

Subsequent to the reporting period, as on 05 January 2026, Bangladesh Bank, through a public announcement, stated that a final decision had been taken to initiate the legal process to declare Prime Finance & Investment Limited as non-functional, along with eight other financial institutions.

However, as of 15 February 2025, Bangladesh Bank approved the Company to continue its operations. Management has assessed the impact of this subsequent event and concluded that it does not have a material effect on the financial statements for the year ended 31 December 2023.

Accordingly, Management is of the opinion that the above event does not cast significant doubt on the Company's ability to continue as a going concern as at the reporting date, and the financial statements have not been prepared on a break-up basis.

52.0 Foreign currency exposure profile

There were no foreign currency monetary assets or liabilities that would give rise to gains or losses in the profit and loss account.

53.0 Comparative figures

Comparative information in respect of the preceding period as specified in IAS 1, para 38 has been disclosed in respect of the year 2021 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements. Previous years figures have been rearranged whenever considered necessary to ensure comparability with the current period.

54.0 Financial highlights

Key financial highlights of the company are annexed as **Annexure-B**.

55.0 Geographical area of operation

Prime Finance continues its business operation through its offices at Dilkusha, Gulshan, Chittagong, Rajshahi and Uttara.

56.0 Interim financial reporting

Prime Finance prepared its interim financial statements on quarterly and half-yearly basis as per the requirements of International Accounting Standard (IAS) 34, 'Interim financial reporting'. The Company publishes its interim financial statements in the website of the Company as required by the Bangladesh Securities and Exchange Commission's notification no. SEC/CMRRCD/2008-183/Admin/03-34, dated September 27, 2009.

57.0 Disagreement with auditors

There were no disagreement with the Auditors on accounting and financial disclosures.

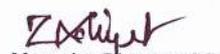
58.0 Approval of the financial statements

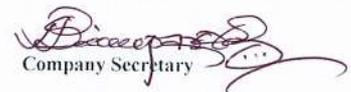
These financial statements were authorized for issue by the Board of Directors of the Company on 20 January 2026.


Chairman


Director


Director


Managing Director (CC)


Company Secretary



Prime Finance & Investment Limited
Schedule of fixed assets
Including premises, furniture and fixtures
As at 31 December 2023

Amount in Taka

Particulars	Cost					Depreciation/Amortization/Impairment			Written down Value as at Dec' 31, 2023
	Balance as at Jan' 01, 2023	Addition during the year	Disposal/ adjustment during the year	Balance as at Dec' 31, 2023	Rate of depreciation/ amortization	Balance as at Jan' 01, 2023	Charged during the year	Disposal/ adjustment during the year	
Freehold assets:									
Land & Land Development	516,091,089	65,967,662	-	582,058,751	-	-	-	-	582,058,751
Right-of-use-asset	45,988,220	1,572,340	941,688	46,618,872	-	18,435,973	8,725,016	941,688	26,219,301
Furniture and fixtures	14,976,215	413,298	1,721,002	13,668,511	15%-20%	14,085,816	200,953	1,720,977	12,565,792
Office decoration	41,778,067	85,848	-	41,863,915	20%	37,607,378	1,222,018	-	38,829,396
Electrical equipment	33,916,384	635,204	1,035,001	33,516,587	20%	32,878,283	376,274	1,034,970	3,034,520
Owned vehicles	22,511,234	-	7,060,550	15,450,684	20%	21,525,935	844,534	7,060,547	1,297,000
Intangible assets:									
Software	3,661,211	-	-	3,661,211	10%	2,744,330	241,120	-	2,985,450
Leasehold assets:									
Leased vehicles	9,717,341	-	-	9,717,341	20%	9,717,337	-	-	9,717,337
As at 31 December 2023	688,639,761	68,674,352	10,758,241	746,555,872		136,995,053	11,609,914	10,758,182	137,846,786
As at 31 December 2022	689,380,673	631,870	1,372,782	688,639,761		126,738,309	11,622,278	1,365,536	136,995,053



HIGHLIGHTS

Sl. No	Particulars	Financial Year	
		2023	2022
1	Paid-up capital	2,729,164,830	2,729,164,830
2	Total capital	285,262,498	1,723,933,809
3	Capital surplus/ (shortage)	(1,313,367,502)	335,093,809
4	Total assets	17,105,460,539	16,559,505,793
5	Total deposits	6,006,714,931	5,880,761,199
6	Total loans, advances and leases	12,621,205,111	12,051,679,495
7	Total Contingent liabilities and commitments	-	-
8	Loans deposits ratio (%)	168.11	136.81
9	Percentage of classified loans against total loans, advances and leases	67.90	68.15
10	Net profit after tax and provision	(1,533,655,837)	(838,016,744)
11	Classified loans, advances and leases during the year	7,657,588,427	7,266,447,738
12	Provision against classified loans, advances and leases	2,011,495,300	926,753,844
13	Surplus/ (shortage) in provision against loans, advances and leases	(601,277,459)	(705,778,737)
14	Fund cost (%)	8.80	8.40
15	Interest earning assets	16,123,126,765	15,646,434,136
16	Non-interest earning assets	982,333,774	913,071,656
17	Return on average investment (ROI) (%)	(10.92)	(6.88)
18	Return on average assets (ROA) (%)	(9.02)	(5.52)
19	Income from debentures, bonds etc.	-	-
20	Net income per share	(5.53)	(3.02)
21	Earnings per share	(5.53)	(3.02)
22	Price earnings ratio (times)	(2.86)	(5.23)

This Annexure - B has been prepared as per the requirement of Bangladesh Bank's DFIM circular no. 11, dated 23 December 2009.



Prime Finance & Investment Limited
Summary of Defferal Provision
As on 31 December 2023

Particulars	As per BB Inspection 2021	2021 and 2022	2023	2021 to 2023	2024 to 2028
Total Loan Provision:					
Total Loan provision	1,409,882,722				
Less : Opening provision as on 31.12.2020	(447,838,788)				
Loan provision addition as per quick summary	962,043,934	256,265,197	104,501,278	360,766,475	601,277,459
Provision for equity investment for Subsidiary/ Associate :					
Prime Finance Capital Management Limited	480,000,000	120,000,000	60,000,000	180,000,000	300,000,000
PFI Securities Limited, Prime Finance AMCL & Prime Prudential Fund	404,926,657	96,725,263	50,615,832	147,341,095	257,585,562
Shortfall provision of Associates company revised by BB Inspection team on 2023	-	-	-	-	(47,023,213)
Equity provision addition	884,926,657	216,725,263	110,615,832	327,341,095	510,562,349
A. Total loan and equity provision addition	1,846,970,591	472,990,460	215,117,110	688,107,570	1,111,839,808
Interest Suspenses addition:					
Interest Suspense as on 31.12.2021 as per quick summary report	272,182,535				
Interest Suspense as on 31.12.2020	(170,556,927)				
B. Interest suspenses addition 2021	101,625,608	12,703,201	25,406,402	38,109,603	63,516,005
Total provision and Interest Suspenses Addition (A+B)	1,948,596,199	485,693,661	240,523,512	726,217,173	1,175,355,813

During 2021, Prime Finance & Investment Limited (PFIL) applied to DFIM, Bangladesh Bank for extending time to keep additional provision of Tk. 1,948.60 million for deferral benefit. This amount was required for loan/leases, equity investment and interest suspense. Accordingly, DFIM, Bangladesh Bank vide letter no. DFIM© 1054/24/2023/235 dated January 18, 2023 permitted 8 (Eight) years to build up the same provision. In 2021, PFIL, built up proportionate provision against loan/leases, equity investment and interest suspense. Total Provision requirement for loan/leases, equity investment and interest suspense per year stands Tk. 243.57 million.

During 2023 Bangladesh Bank inspection Team has been calculated provision of Taka 357,903,445 on outstanding balance of Taka 715,806,889 of Associate Comapny PFI Securities Limited, Prime Finance AMCL & Prime Prudential Fund Ltd vide letter no. BB FIID letter no. FIID(I-26/2)/2025-800 dated 06 august 2025. According to that deferral provision of Associate Comapny PFI Securities Limited, Prime Finance AMCL & Prime Prudential Fund Ltd stands Taka (257,585,562-47,023,213)=210,562,349 which will be taken up to 2028.

Outstanding Balance as on 31 december 2023 of Associate Comapny PFI Securities Limited, Prime Finance AMCL & Prime Prudential Fund Ltd	715,806,889
50% of Provision	357,903,445
Provision as per 2021	404,926,657
Released by BB inspection on 2023	(47,023,213)





Prime Finance & Investment Limited
Tax return details
As on 31 December, 2023

Income Year	Assessment Year	Return Submission status	Latest Order	Date	Total Claim including interest	Total Payment including interest	Net Claim	Assessment Completion Status
2011	2012-13	Return duly submitted	DCT	-	-	-	-	Assessment completed & settled
2012	2013-14	Return duly submitted	DCT	25.02.2015	103,755,215	84,854,505	18,900,710	Appeal file
2013	2014-15	Return duly submitted	DCT	20.07.2017	44,440,564	32,605,571	11,834,993	Appeal file
2014	2015-16	Return duly submitted	DCT	06.01.2021	12,186,166	9,990,929	2,195,237	Appeal file
2015	2016-17	Return duly submitted	DCT	07.01.2021	8,016,438	5,873,883	2,142,555	Appeal file
2016	2017-18	Return duly submitted	DCT	29.10.2021	6,042,142	8,959,877	(2,917,735)	Assessment completed & settled (After 2nd appeal)
2017	2018-19	Return duly submitted	DCT	27.07.2021	19,092,320	19,092,320	-	Assessment completed & settled (After 2nd appeal)
2018	2019-20	Return duly submitted	DCT	12.10.2021	13,431,974	13,431,974	-	Assessment completed & settled
2019	2020-21	Return duly submitted	DCT	16.11.2022	6,284,008	5,106,089	1,177,919	Appeal file hearing stage
2020	2021-22	Return duly submitted	DCT	15.12.2022	4,858,967	3,816,326	1,042,641	Appeal file hearing stage
2021	2022-23	Return duly submitted	-	21.11.2023	-	-	-	Assessment under process
2022	2023-24	Return duly submitted	-	18.12.2025	-	-	-	Assessment under process
Total					218,107,794	183,731,474	34,376,320	