

Strategy on target

Navigating challenges *Shaping the future*





Prime Finance
& Investment Limited

Strategy on target

Navigating challenges *Shaping the future*

In a year marked by challenges, we remained focused—not on the setbacks, but on the strategy that will guide us forward. "Strategy on Target: Navigating Challenges, Shaping the Future" reflects our commitment to thoughtful action and purposeful decision-making. While financial results did not meet expectations, they illuminated the areas where transformation is essential. We've sharpened our focus, realigned our resources, and reinforced a strategy that is resilient, adaptive, and forward-looking. This is not just recovery—it's renewal. With clarity of vision and discipline in execution, we are shaping a stronger, more sustainable future.

As we move ahead, we do so with confidence—because our strategy is not just on paper; it's in motion. And with the continued support of our stakeholders, we are poised not only to overcome—but to emerge stronger than ever.



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To

All Shareholders of Prime Finance & Investment Limited

Bangladesh Bank (BB)

Bangladesh Securities and Exchange Commission (BSEC)

Registrar of Joint Stock Companies & Firms of Bangladesh (RJSC)

Dhaka Stock Exchange Limited (DSE)

Chittagong Stock Exchange Limited (CSE)


Dear Sir,

Annual Report of Prime Finance & Investment Limited for the year 2022

We are pleased to present before you the Company's Annual Report 2022 along with the Audited Financial Statements (Consolidated and Separate) for the year ended on 31 December 2022 for your kind information and record. The Financial Statements of 'The Company' comprise with consolidated Financial Statements of 'The Company' and its subsidiary and associates [Prime Finance Capital Management Limited, and PFI Securities Limited, Prime Finance Asset Management Company Limited, and Prime Prudential Fund Limited] presented separately.

Thanking you.

Yours truly,



Md. Selim Parvez, PGDHRM, LLB, FCS
Company Secretary

Notice of the 27th Annual General Meeting

Notice is hereby given that we received an order (Company Matter No. 489 of 2024) from the honorable High Court division of Supreme Court of Bangladesh to call, conduct and hold the Annual General Meetings of the Company for the calendar year 2022 and accordingly the 27th Annual General Meeting of the Shareholders of Prime Finance & Investment Limited will be held on Tuesday, 27 May 2025 at 10:00 a.m. through Hybrid System at EON Convention Center, (9th Floor), 304, Tejgaon I/A, Dhaka-1208 to transact the following businesses:

Ordinary Business:

AGM 22-27-01	To receive, consider and adopt the audited financial statements of the Company for the year ended on 31 December 2022 together with the reports of the Directors' and Auditors' thereon;
AGM 22-27-02	To declare dividend for the year ended on 2022 as recommended by the Board of Directors;
AGM 22-27-03	To elect/re-elect Directors;
AGM 22-27-04	To appoint the Auditors of the Company until conclusion of next AGM and fix their remuneration;
AGM 22-27-05	To consider and approve the appointment of the Independent Director of the Company;
AGM 22-27-06	To appoint Corporate Governance Code Compliance Auditors and fix their remuneration;

Special Business:

1. To change the registered name of the Company to “Prime Finance & Investment PLC.” from “Prime Finance & Investment Limited”

The following Special Resolution is proposed to be passed with or without modification to adopt the change of the registered name of the Company to 'Prime Finance & Investment PLC.' from 'Prime Finance & Investment Limited' in accordance with the Companies Act, 1994 (amended in 2020) and to amend the relevant clauses of the Memorandum and Articles of Associations of the Company.

“RESOLVED THAT the proposal of changing the registered name of the Company to 'Prime Finance & Investment PLC.' From 'Prime Finance & Investment Limited' in accordance with the Companies Act, 1994 (amended in 2020) and amendment in the relevant clauses of the Memorandum and Articles of Associations of the Company, be and is hereby approved, subject to the approval of the regulatory authorities.”

2. To change the size of quorum for Board meeting and amend the Clause No. 82 of Articles of Association of the Company

“RESOLVED THAT the proposal of amendment the quorum for a meeting of the Board shall be one third of the total strength of the Board (any fraction contained in that one-third being rounded of as one), or three Directors, whichever is higher and amendment of clause No. 82 of Articles of Association of the company be and is hereby approved as Special Resolution to comply with the relevant regulations of Bangladesh.”

Notes :

1. Members whose names appeared in the Members'/Depository Register on Record Date i.e. 06 May 2025 will be eligible to attend/ participate and vote in the Annual General Meeting
2. The AGM Notice, Link (<https://primefin27agm.hybridagmbd.net>) for joining in the Audio-Visual meeting (Digital Platform) and detail login process will be mailed to the respective Members' e-mail address available with us.
3. Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of the Annual Report 2022 will be sent to the Members' respective e-mail addresses as available with us. The Annual Report 2022 will be available in the Company's website at www.primefinancebd.com.
4. Members whose e-mail addresses updated/changed subsequently, are requested to email us at ird@primefinancebd.com referring their full name, BO ID and e-mail address to get the digital platform meeting invitation.
5. For log in to the system, the shareholders need to put their 16-digit BOID Number and other credentials as proof of their identity while visiting the AGM Link which will be provided in the Company's website at www.primefinancebd.com. The Shareholders will be able to submit their questions/comments electronically 24 hours before commencement of the AGM and during the AGM. The full login/participation process to the Digital Platform meeting will also be available in the Company's website at www.primefinancebd.com.
6. The Shareholders are encouraged to login to the system prior to the meeting at 10:00 a.m. The Shareholders may Contact Mobile No. 01708482288 for any IT related guidelines in accessing the virtual meeting.
7. A Member entitled to attend/participate and vote in the Annual General Meeting, may appoint a proxy in his/her instead. Scanned copy of the proxy form, duly filled, signed and stamped with Tk. 100/- must be communicated through e-mail to ird@primefinancebd.com not later than 72 hours before the meeting.
8. As per BSEC circular no. SEC/CMRRCD/2009-193/154 dated 24.10.2013 "No Gift, Gift Coupon or Food Box shall be given to the Members to participate in the 27th Annual General Meeting.

By Order of the Board of Directors



Md. Selim Parvez, PGDHRM, LL.B, FCS
Company Secretary

Dated: Dhaka
06 May 2025

Our Vision

Our Vision is to be a market leader providing integrated financial solutions with special focus on creating value

For our clients

Working closely with our clients;

For our shareholders

Maximizing shareholders' wealth achieving superior performance;

For our employees

Providing a workplace in which employees are rewarded and respected properly;

For our communities

Supporting community initiatives in health, education, arts and economic & social development.

Our Mission

Our Mission is to be a market leader providing integrated financial solutions with special focus on creating value

Grow profitably

Through partnership with our clients delivering innovative solutions to cater their financial needs;

Create shareholders' value

Through client satisfaction and employee commitment to excellence;

Enhance the ability of our employees

Giving every opportunity to have access to adventurous experience through which they can raise their self-esteem, realize their full potential and achieve more than they ever thought possible;

Serving communities

With integrity and pride.

Our Goal

Our Goal is to be an undisputed leader in financial services creating long-term shareholders' value aiming to achieve this by



Building quality investment portfolio;



Focusing on minimizing default loans within the portfolio;



Developing and maintaining dependable and long-term relationship with our clients;



Sustaining solid growth without compromising profitability;



Achieving higher return on equity;



Maintaining strong relationship with a wide variety of partners;



Responding quickly to new opportunities;



Assessing and managing business risk prudently.



Objective and Strategy

Every company has to realistically understand where it is currently positioned and where it wishes to go in the near future. The company's objective has to be set based on the resources that it has and a roadmap for the future.

The aim of strategic planning is to shape the company's businesses and products so that they yield target profits and growth. Much has been achieved by the company over the years. When we look forward, we find that a lot more needs to be done to achieve our rightful place in the financial sector of the country. We constantly keep on scanning the horizon and constantly redefine our objective setting and strategies to shape and win the market.

Objective

Creating value for our shareholders is our prime objective. We can do so only if we achieve operational excellence and continue to improve our financial performance. We invest for future sustainable growth and are financially disciplined and we develop, recruit and retain skilled, talented and motivated people. In each area we aim to increase our focus. As a consequence, we have identified specific objectives in the following areas:

Strategy

For a Financial Institution like PFIL, the objective and strategies can never remain static. It is a dynamic concept that constantly requires readjustment of the priorities based on the money market situation and above all the macroeconomic situation prevailing in the country. It is based on this underlying spirit that on account of the contractionary monetary policy, we changed our priorities from business growth to balancing of our profit centres. Among the host of changes that took place, the following should be a true reflection of our intent and purpose:

Performance

By improving efficiency, we can improve our key financial indicators. Among other measures, we have identified that multiple skill development hold the key to our future. This will enable us to improve our operational efficiency and cut costs. At the same time, job satisfaction is likely to improve significantly.

Key performance indicators have been identified and implemented as a measure of performance. The company has slowly but surely moved into a result oriented organization where objective setting and strategy is being defined and implemented. In association with the company's strategic think tank, each of the functional departments have formulated strategies for achieving the objectives.

Growth

We aim to generate value from our investments by moving into a sustainable growth model. This can be achieved through improvement in operating performance of our systems, by selecting investments that will provide the best returns, or in case of diversification, by selecting businesses where we can obtain synergies for the benefit of our customers and shareholders. In order to deliver sustainable growth, we must be disciplined in the way we manage our Balance Sheet. This means that we will return cash to shareholders to the extent it is not required for our investment objectives.

We have partially moved away from the capital market operation and focused on the core business. Our strategy has moved from sporadic growth to sustainable development. There is a gradual shift in our priorities in terms of investments from corporate organizations to small and medium enterprises. The main reason is that the small and medium sector holds nearly 50.39% of the total business entities.

Objective

Strategy

Talent

In order to recruit, develop and retain talented people, we aim to achieve a more inclusive and diverse workforce. A number of areas have been identified to help achieve our vision of developing and operating our business in a way that results in a more inclusive and diverse profile, and to be seen as an employer of choice. Performance measures are used to monitor our objective of promoting inclusion and diversity, contain the employee turnover ratio and pursuit of gender equality in our organization.

Transparent recruitment through creative ads in the national dailies and job sites and head hunting is the cornerstone of our HR policy. In certain situations, head hunting would appear to be the logical choice in the senior positions. At the same time, skill levels are constantly being upgraded through meaningful training programmes at home and abroad.

Relationship

We build and maintain relationships with our customers, regulators, fund providers and the communities by providing quality services, prompt responses when things go wrong and dedication to continued improvement. One of the critical elements in our regulatory relationship is in building trust. This involves being responsive to the need of our regulators for accurate information, complying with rules and regulations, operating in an ethical way and most importantly, delivering on our promises.

Relationship with our stakeholders is continually being built through integration and interaction. PFI has been able to establish a positive image among the shareholders, regulators and the banking community through constructive engagements at every level. Our Corporate Social Responsibility has been stepped up and we aim to have a more constructive role in future in the nation building activities.

We aim to work in partnership with our lenders developing constructive relationship, and working together effectively. Our objective is to developing contractual arrangements with our lenders and depositors that align their interests with our own as far as possible and share financial risk appropriately. Prime Finance's role as a good corporate citizen supports our strategic ambitions and is delivered through a sustained and consistent approach. In all our investment, we aim to develop our business, support our employees, support our communities and enhance our reputation. Our approach is based on two principles: Investment in our communities and investment in our people. Sharing of best practices across our business and working collaboratively with key partners and stakeholders enable us to maximize how communities benefit from our activities.

Responsibility

Responsibility and accountability underpins everything we do. Although our activities have no direct impact on environment, we are committed to taking positive action to reduce our contribution to climate change and our other impacts on the environment. We want to operate to the highest standards of corporate governance and we believe in strong business ethics, based on our core values. We are committed to continuous improvement in our environmental performance. Our objective is to help protect the environment for future generations. In addition we are committed to:

- Being cautious in financing our clients with special focus on how and for what purpose the fund will be utilized,
- Financing clients which are compliant to environmental issues.

We are committed not only to ensuring that all our behaviors are lawful and that we comply with our policies and regulatory guidelines, we also expect all of our employees to live up to our core values.

Being a responsible corporate citizen is the hallmark of our business motto. As a result, we have been at the forefront in adopting measures for Bangladesh Financial Intelligence Units Money Laundering and Terrorist Financing measures. At the same time in every investment activity, strict adherence to environmental matters is central to our business objectives. Today we can say we have laid the foundation for the highest standards of corporate governance.

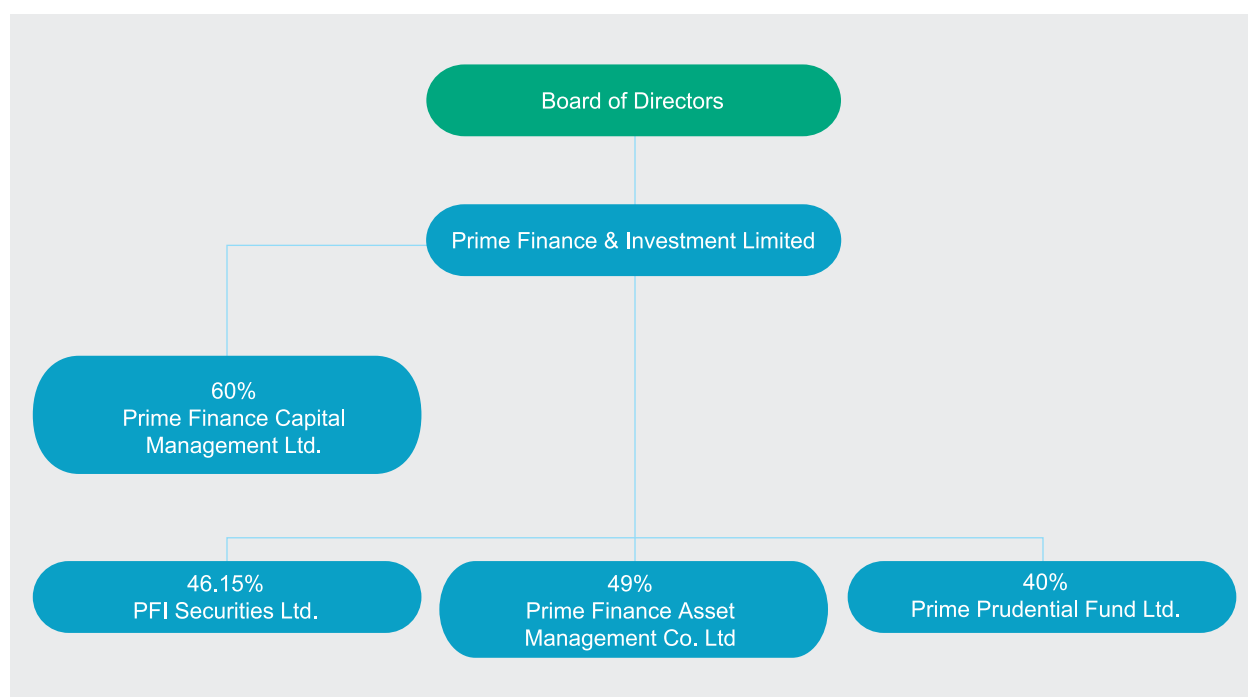
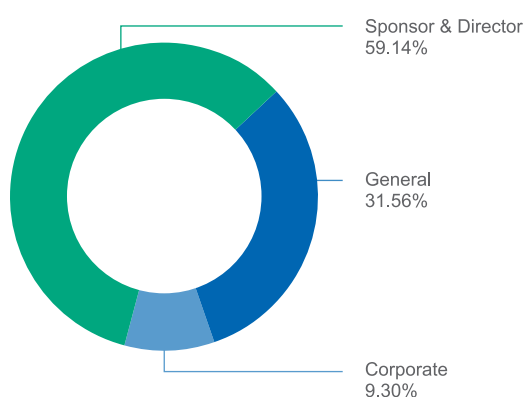
Overview of the Company



Prime Finance & Investment Limited was incorporated in Bangladesh in March 1996, as a public limited company under the Companies Act 1994. Prime Finance started its operation in the year 1996, obtaining license from Bangladesh Bank under the Financial Institutions Act, 1993. Prime Finance also obtained license from Bangladesh Securities & Exchange Commission (BSEC) in July 1999, to operate in the capital market as a full-fledged Merchant Bank.

The Company is listed with the Dhaka and the Chittagong Stock Exchange Limited. The registered office of the Company is located at PFI Tower (5th and 6th Floor), 56-57 Dilkusha C/A, Dhaka-1000. The operations of the company are being carried out through its five branches located in Dilkusha, Gulshan, Uttara, Chattogram and Rajshahi. The Company is a nonbanking financial institution, principal activities of which is to render financial services like lease finance, term finance, SME finance, real estate finance, car finance, consumer finance, factoring of receivables, etc. Prime Finance is the parent of Prime Finance Capital Management Limited, 60% owned subsidiary of the Company. Besides, the Company is currently holding 46.15% of equity of PFI Securities Limited, 49% of equity of Prime Finance Asset Management Company Limited, and 40% of equity of Prime Prudential Fund Limited.

Shareholding Structure as on 31 December 2022

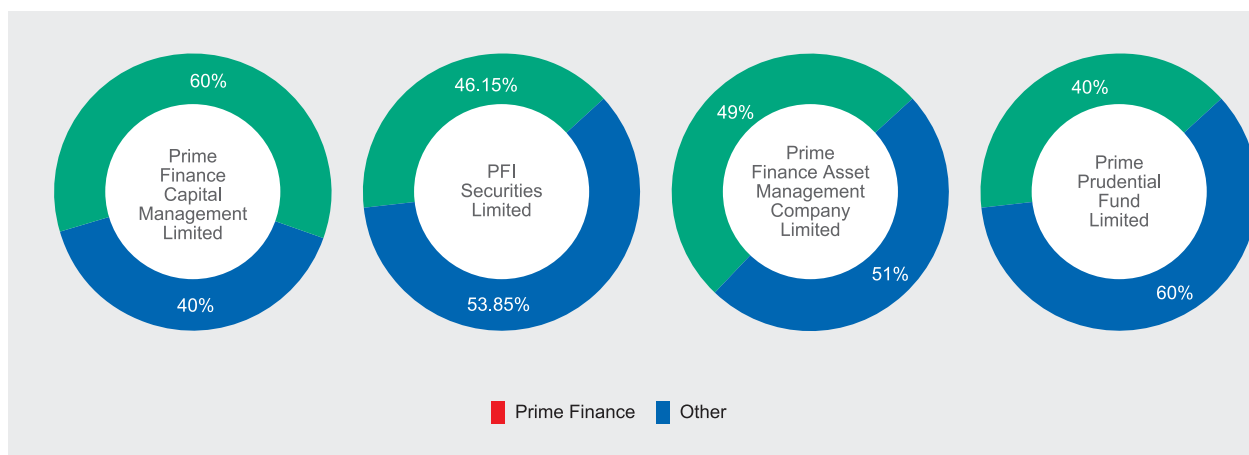




Prime Finance Capital Management Limited is a public limited company incorporated on 18 March 2010 in Bangladesh under the Companies Act, 1994. The Company has obtained Merchant Banking license (registration certificate no. MB-50/2010) from Bangladesh Securities and Exchange Commission (BSEC) on 29 November 2010. The main objectives of the Company are to carry on business of merchant banking in all its respect, including acting as manager to issues and offers, whether by way of public offer or otherwise, of securities, underwriting and/or management of issues, managing portfolio of investors whether discretionary or nondiscretionary, advising clients on merger and amalgamation, capital restructuring etc. The registered office of the Company is situated in Bangladesh.



PFI Securities Limited was incorporated on 06 August 1997 under the Companies Act, 1994 as a private limited company bearing registration no. C-33546 (292)/97 and having its corporate office at 57 Dilkusha C/A, Dhaka, Bangladesh. The Company has converted to public limited Company on 06 April 2010. The main objective of the company is to act as a security trading company under the license from Bangladesh Securities & Exchange Commission. The company has been operating in the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited as stock broker since 01 December 2002 and stock dealer from 18 June 2008. The company is engaged primarily to provide the service to the institutions and individual investors for trading of securities with both the stock exchanges and to extend margin loan facilities to the investors.



Prime Finance Asset Management Company Limited was incorporated in Bangladesh on 09 June 2008 as a public limited company under the Companies Act, 1994 and licensed under Bangladesh Securities and Exchange Commission (BSEC). The main objective of the company is to manage the assets or any trust fund of any type and/or character and hold, acquire, sell or deal in such asset or any trust fund, take part in the management of any mutual fund operation. Prime Finance owns 49% shares in this 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.

Products & Services

Prime Finance & Investment Limited commenced operations by providing leasing and hire purchase financing for clients. Subsequently the Company have gone through a metamorphosis and based on the demands of the time, started diversifying into Corporate, SME and Real Estate sector (corporate & individual) in the form of term and lease financing.

Loan Products

- ▶ SME Finance
- ▶ Retail SME Finance
- ▶ Term Finance
- ▶ Lease Finance
- ▶ Real Estate Finance
- ▶ Consumer Finance
- ▶ Green Finance
- ▶ Women Entrepreneur Finance
- ▶ Bridge/equity Finance
- ▶ Syndicated Finance
- ▶ Factoring
- ▶ Car Finance
- ▶ Bill Discounting
- ▶ Hire Purchase

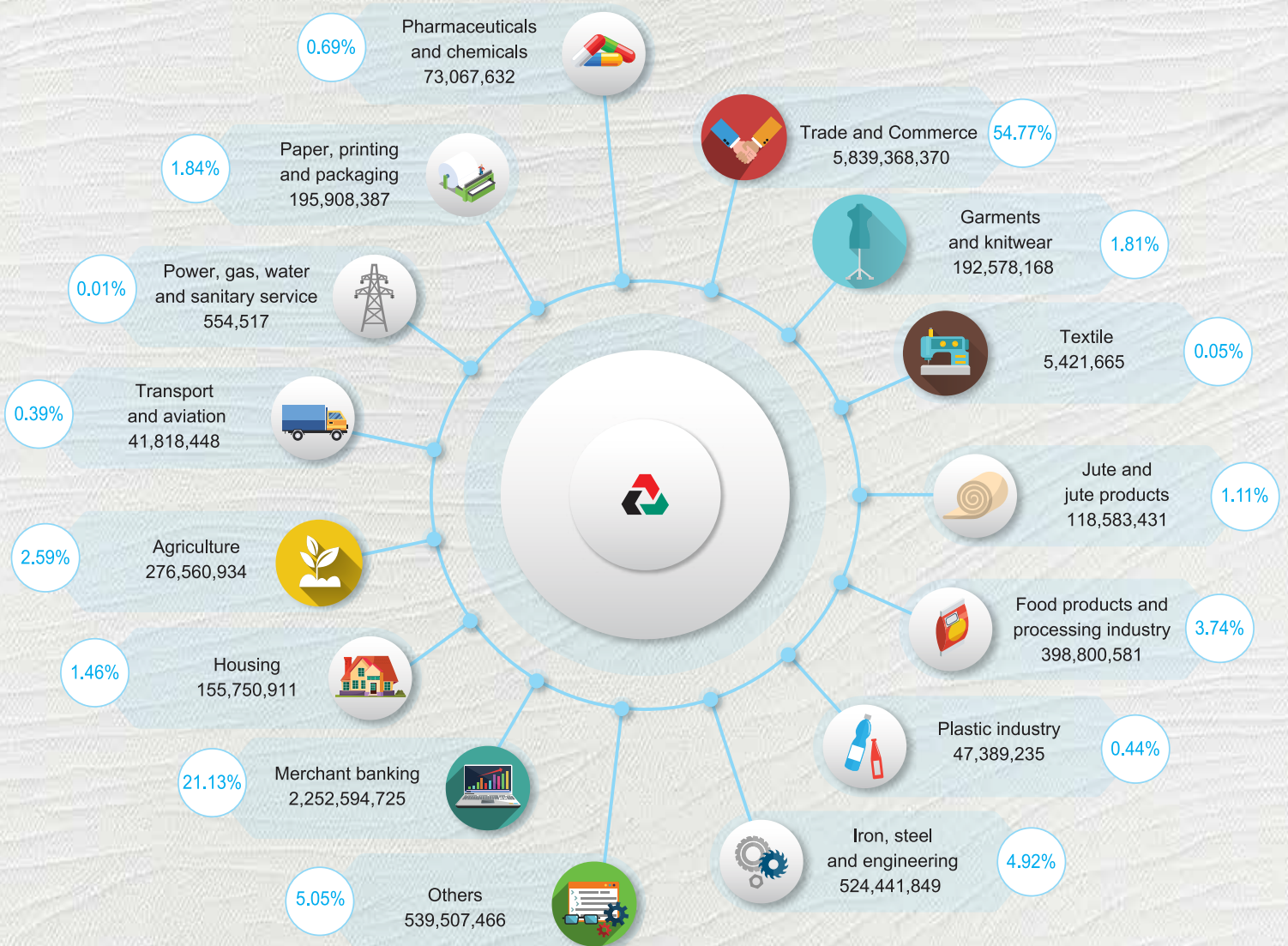
Term Deposit Products

- ▶ Sonchoy Plus (MID)
- ▶ Quarterly Income Deposit
- ▶ Half-yearly Income Deposit
- ▶ Annual Income Deposit
- ▶ Cumulative Income Deposit
- ▶ Monthly Income Deposit
- ▶ Deposit Pension Scheme
- ▶ Double Income Deposit
- ▶ Triple Income Deposit
- ▶ Earn Ahead Deposit

Deposit Pension Scheme (DPS) Products

- ▶ Sonchoy DPS
- ▶ Fortune DPS

Sector Wise Investment



Financial Highlights

Sl.	Particulars	FY 2022	FY 2021
1	Paid-up capital	2,729,164,830	2,729,164,830
2	Total capital	1,723,933,809	2,434,119,572
3	Capital surplus/ (shortage)	335,093,809	580,789,572
4	Total assets	16,559,505,793	13,098,154,785
5	Total deposits	5,880,761,199	5,868,114,146
6	Total loans, advances and leases	12,051,679,495	8,515,986,704
7	Total Contingent liabilities and commitments	-	-
8	Loans deposits ratio (%)	136.81	89.21
9	Percentage of classified loans against total loans, advances and leases	68.15	69.37
10	Net profit after tax and provision	(838,016,744)	(179,818,395)
11	Classified loans, advances and leases during the year	7,266,447,738	4,902,756,995
12	Provision against classified loans, advances and leases	926,753,844	512,608,671
13	Surplus/ (shortage) in provision against loans, advances and leases	(705,778,737)	(841,788,442)
14	Fund cost (%)	8.40	8.93
15	Interest earning assets	15,646,434,136	12,256,079,308
16	Non-interest earning assets	913,071,656	842,075,477
17	Return on average investment (ROI) (%)	(6.88)	(1.35)
18	Return on average assets (ROA) (%)	(5.52)	(1.04)
19	Income from debentures, bonds etc.	-	-
20	Net income per share	(3.02)	(0.69)
21	Earnings per share	(3.02)	(0.69)
22	Price earnings ratio (times)	(5.23)	(22.95)

Five Years' Financial Summary

Particular		2022	2021	2020	2019	2018
Results of operations						
Operating revenue	BDT mm	629.59	949.27	855.01	1,100.49	1,013.20
Operating expenses	BDT mm	1,448.39	1,086.36	819.82	1,048.47	944.15
Profit before tax	BDT mm	-818.80	-137.10	35.19	52.02	69.05
Net profit	BDT mm	-838.02	-179.82	34.42	48.99	58.85

Balance sheet and cash flow data

Total investments	BDT mm	13,714.94	10,189.63	10,101.63	10,473.96	11,601.28
Total deposits	BDT mm	5,880.76	5,868.11	5,428.14	5,510.07	6,634.96
Total liabilities	BDT mm	13,857.54	9,523.39	9,231.28	9,485.95	10,817.81
Paid up capital	BDT mm	2,729.16	2,729.16	2,729.16	2,729.16	2,729.16
Shareholders' equity	BDT mm	2,701.97	3,574.77	4,008.39	3,242.61	3,193.62
Property, Plant and Equipments	BDT mm	555.67	564.15	956.53	340.36	338.60
Net Operating cash flow	BDT mm	-91.71	174.68	82.32	24.04	-740.53

Business ratios and other financial ratios

Statutory Liquidity Reserve (Ratio)(%)	%	8.93	11.99	8.75	7.19	7.46
Return on average assets (%)	%	(5.52)	(1.04)	0.27	0.39	0.39
Net Asset Value per share (times)	Times	6.99	10.14	11.76	8.94	8.75
Capital Adequacy ratio (%)	%	12.41	13.13	25.31	24.01	21.92
Cash Reserve Ratio (%)	%	1.58	1.60	2.74	2.55	2.65
Dividend covers ratio (times)	Times	0.00	0.00	0.00	0.97	
Non performing assets to loans/leases (%) (4)	%	68.15	69.37	14.80	15.94	17.12
Return on average investment (%)	%	(6.85)	(1.35)	0.34	0.47	0.54
Price earning ratio (times)	Times	(3.81)	(22.95)	90.83	38.47	42.82
Deposit investment ratio (%)	%	42.88	57.59	53.74	52.61	57.19

Ordinary shares information

EPS	BDT mm	(3.02)	(0.69)	0.14	0.19	0.22
EPS (restated)	BDT mm	(3.02)	(0.69)	0.14	0.19	0.22
Dividend	%	0.00	0.00	0.00	2.00	0.00
Book value per share of Tk. 10	BDT mm	9.90	13.10	14.69	11.88	11.70
Ordinary shares outstanding of Tk. 10	BDT mm	272.92	272.92	272.92	272.92	272.92
Year end market price per share of Tk. 10	BDT mm	11.50	15.80	12.60	7.50	9.50
Market capitalisation	BDT mm	3,138.54	4,312.08	3,438.75	2,046.87	2,592.71

Others (at year-end)

No. of branches	No	05	05	05	05	05
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& Investment Limited

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Board of Directors



Mohammed Zafar Ullah Khan, FCA
Chairman

Mr. Mohammed Zafar Ullah Khan, FCA, has been serving as the Chairman of the Board of Directors of Prime Finance & Investment Limited (PFIL) since 2023, representing the company as an Independent Director. With over 35 years of extensive experience in accounting, finance, taxation, and management consultancy, Mr. Khan is a seasoned professional both in Bangladesh and internationally.

Mr. Khan is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB) and currently serves as a permanent faculty lecturer on Tax and VAT at ICAB. He commenced his career with Hoda Vasi Chowdhury & Co., Chartered Accountants, where he gained hands-on experience in auditing, accounting, and taxation, working with renowned national and multinational organizations.

From 1993 to 2000, Mr. Khan was associated with the aviation industry, particularly with the GSA of Gulf Airlines. He further expanded his professional journey in Libya, where he worked from 2003 to 2011 in the Oil & Gas Exploration and Extraction industry, holding various roles as a Financial Consultant. Upon returning to Bangladesh, he joined United Finance Limited, serving as the Senior General Manager and Board Representative from 2011 to 2022.

In October 2022, Mr. Khan became a Senior Partner at M. Ahmed & Co., Chartered Accountants, where he provides specialized professional services including statutory and special audits, business consultancy, taxation, IT infrastructure development, business analysis, and customized enterprise solutions.

Aside from his professional engagements, Mr. Khan is actively involved in various social and benevolent organizations, reflecting his commitment to social responsibility and community development.



Uzzal Kumar Saha, LL.B, ACS
Director

Mr. Uzzal Kumar Saha, LL.B, ACS, is an Associates member of the Institute of Chartered Secretaries of Bangladesh (ICSB). Mr. Saha is a highly experienced professional with successful track record and held different positions in different capacities in his long 22 years of career in different corporate organizations. He started his carrier with The Westin Hotel owned by Unique Hotel & Resorts Limited (UHRL), Dhaka in 2003. There after he left UHRL in 2006 and worked as Head of Finance and Company Secretary at Libra Group for 5 years then he worked at GQ Group as a Sr. Vice President, Finance & Company Secretary since 2011. Currently, he is holding the position of Managing Director of GQ Ball Pen Industries Ltd.

Mr. Saha wears multiple hats in different capacities. He has diversified knowledge in Corporate Business and finance. He is the Chief Operating Officer of Maladesh International (Pvt) Ltd, Head of Finance of GQ Group, Member of the Co-ordination Committee of GQ Group, and Director of Prime Finance Capital Management Ltd.

He is a Member of both the Audit Committee (AC) and the Executive Committee (EC) of the Board of Directors of Prime Finance & Investment Ltd.

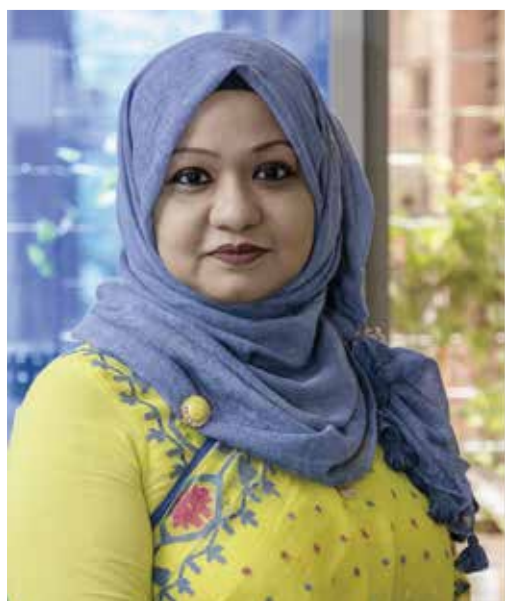
Born in 1975 in Brahmonbaria he obtained his Master's in Accounting from Dhaka College. He also completed his Chartered Accountancy course from a reputed firm in Dhaka. He is well-known for his expertise in the areas of Financial Reporting and Management, Banking, Insurance, Secretarial Practice and Manufacturing Industries.



Manzur Ahmed
Director

Mr. Manzur Ahmed is a member of the Board of Directors. He was appointed to the Board on 01 August 2016. Mr. Ahmed is the nominated Director from Agami Apparels Limited. He is a highly experienced professional with successful track record in Ready Made Garments (RMG) Industry. He held different positions with different capacities in his more than 25 years of career. Presently, he serves as the Director-Administration of Agami Apparels Limited and Globus Garments Limited, sister concerns of Dekko Group of Companies.

Mr. Ahmed is also the Director of PFI Securities Limited. He did graduation in Commerce.



Minhaz Shahid, FCA
Independent Director

Ms. Minhaz Shahid, FCA, serves as an Independent Director on the Board of Prime Finance & Investment Limited. She is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB) and brings with her over two decades of distinguished experience in finance, audit, taxation, and corporate governance.

Throughout her career, Ms. Shahid has held senior leadership roles across renowned organizations in both the corporate and development sectors. She is currently a Proprietor at Ashraful Haque Nabi & Co., Chartered Accountants, where she has been serving since 2018. In this capacity, she leads diverse professional services, including audit, taxation, and financial advisory.

Previously, she served as the Chief Financial Officer at United Insurance Company and held the position of Head of Finance at Muslim Aid Bangladesh, where she contributed to strategic financial planning and operational efficiency. Her corporate journey also includes leadership roles at Robi Axiata Limited as General Manager (Finance), and earlier as an Audit Manager at Ashraful Haque Nabi & Co.

Ms. Shahid's robust expertise in financial management and her ability to align financial operations with strategic objectives make her an invaluable asset to the Board of Prime Finance. Her contributions as an Independent Director focus on ensuring good governance, maintaining transparency, and strengthening internal controls.

In addition to her professional achievements, Ms. Shahid is actively involved in social initiatives, demonstrating her commitment to ethical leadership and community development.



Mohammed Al-Amin, FCA
Independent Director

Mr. Mohammed Al-Amin, FCA, is a distinguished finance leader and Fellow of Chartered Accountant (FCA) with over two decades of transformative leadership across publicly listed companies in the Automotive, Information Technology, and Pharmaceutical sectors. As a seasoned Group Chief Financial Officer, CFO, and Head of Internal Audit, he has consistently driven organizational excellence through strategic fiscal stewardship, governance innovation, and operational optimization.

Currently a Partner at Amin Hussain & Co., Chartered Accountants, Mr. Mohammed Al-Amin spearheads the firm's Audit, Tax, and Advisory practice, where he empowers businesses to navigate regulatory landscapes, streamline financial performance, and achieve scalable growth through data-driven strategies. His visionary approach transforms financial complexity into strategic advantage, merging technical precision with forward-thinking solutions.

Renowned for his expertise in growth-centric advisory, Mr. Mohammed Al-Amin specializes in maximizing tax efficiencies, designing robust internal controls, and aligning financial systems with IFRS standards. His cross-sector proficiency spans banking and fund management, corporate strategy, business planning, budgeting, VAT/taxation frameworks, and risk mitigation, enabling organizations to unlock profitability while fostering sustainable expansion.

Academically, holds a B.Com (Honors) and Master's in Commerce (Accounting) with a specialized focus on Auditing, Financial Management, Taxation, and Cost Accounting. These credentials, paired with his FCA designation and hands-on experience guiding publicly traded entities, underscore his dual mastery of theoretical rigor and practical execution.

Management Committee

Prime Finance is managed by a team of qualified and experienced professionals in-consonance with the strategy of the Board of Directors. These seasoned veterans offer a very clear vision and mission, evident by the incredible turn-around and new growth that the Company has experienced in recent years.



Mohammad Yeamin Kabir

Managing Director (CC)
With Prime Finance: Since 2003

Mr. Mohammad Yeamin Kabir, VP and Head of Special Asset Management (SAM) & Legal Department, Joined Prime Finance & Investment Ltd. on 01 June 2003 in SME Finance Department. He has over 20 years work experience in different department of the company including SME, Operation & Monitoring, Legal & Special Asset Management. Presently he is the Head of SAM, Recovery & Legal Department. He has vast experience in Special Asset Management. During his entire career he contributed a lot for the growth of the company. He has also been rewarded from the organization for his extra ordinary effort, loyalty and ownership. He is managing and discharging his responsibility with the power of leadership capability, strong sense of ownership & loyalty. He attended different training programs on his related field. He has completed BBA, MBA and LLB from different prominent University of Bangladesh.

Mr. Yeamin Kabir is currently holding the position of Managing Director (CC).



Mohammad Shahidul Islam FCA, FCS

SEVP & Chief Financial Officer
With Prime Finance: Since 2009

Mr. Mohammad Shahidul Islam is a Fellow Chartered Accountant working at Prime Finance & Investment Limited since 2009 under various capacities in senior management position. Mr. Islam, formerly from KPMG Rahman Rahman Huq, Bangladesh, has vast experience in budgetary control, corporate finance, auditing, taxation and legal matters. Mr. Islam is currently serving as Chief Financial Officer of the Company. Besides, he devotes some of his time as Chief Anti Money Laundering Compliance Officer (CAMLCO) of the Company.

Mr. Islam is also a Fellow member of the Institute of Chartered Secretaries of Bangladesh. He passed all exams of Chartered Accountancy and Chartered Secretary in the very first attempt.

Mr. Islam obtained BBA and MBA from University of Dhaka having major in Accounting with an excellent academic record.

During his career, he attended a good number of training, seminar and workshop on different aspects of financial services.



Mohammed Faruque

VP & Head of IT

With Prime Finance: Since 2005

Mr. Faruque started his career in teaching profession in different colleges and universities of the country. Later he joined Prime Finance in November 2005. He has been considered one of the experienced members of the Senior Management team.

Mr. Faruque is a broadly experience technology executive with 18 years of experience in finance industry. His areas of expertise include IT strategy, enterprise architecture (technology, infrastructure, business and strategy), project management, IT and business process outsourcing. He has extensive experience in IT management, with the ability to define, design, develop and deploy IT plans that achieve strategic business goals.

He has successfully carried out responsibility encompasses the Human Resources, Property & Facility Management, Maintenance and General Office Management function.

He attended professional trainings on RDBMS, Hardware and Networking. Web based application development programs, numerous seminars and workshops organized by reputed local and foreign organizations. Mr. Faruque graduated with Bachelor of Commerce (Hons) in Marketing in 1994 and obtained Masters of Commerce in Marketing in 1995 from University of Dhaka.



Md. Selim Parvez LL.B, PGDHRM, FCS

Company Secretary

With Prime Finance: Since 2024

Md. Selim Parvez is an experienced governance professional and a Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He holds a Post Graduate Diploma in Human Resource Management (PGDHRM) from the Bangladesh Institute of Management (BIM) and an LL.B degree from the National University of Bangladesh.

Currently serving as the Company Secretary of Prime Finance & Investment Limited, Mr. Parvez brings extensive expertise in corporate governance code, regulatory compliance, and strategic advisory. He previously held key leadership roles as Company Secretary at Alhaj Textile Mills Ltd. and Electro Group, where he played a vital role in enhancing corporate structure, streamlining compliance frameworks, and supporting board-level decision-making.

With a career marked by integrity and professionalism, Mr. Parvez has demonstrated excellence in stakeholder engagement, risk management, financial oversight, and ethical leadership. He has actively participated in numerous training programs, and Continuing Professional Development (CPD) initiatives, broadening his global outlook and cross-cultural insights.

Glimpses of all Departments & Branch Offices

FINANCE & ACCOUNTS



Mohammad Shahidul Islam
SEVP & CFO

Mohammad Zaved Lakiyet
Vice President

Tarana Yasmin
Vice President

Md. Mamun Miah
FAVP

Md. Shahidul Islam
Assistant Manager

Mst. Shirina Akhter
Executive Officer

Md. Ahasan Ullah Palas
Officer

HRM & ADMINISTRATION



Md. Masudur Rahman
AVP & Head of HRM
& Administration

Kawser Miah
Executive Officer

Sykot Hossain
Officer

CREDIT ADMINISTRATION



Umme Anowar Rebeka Sultana
AVP & Head of CAD

Md. Shafiu Azam
Executive Officer

BUSINESS UNIT



Arindam Basu
AVP & In-Charge

Sanjay Kumar Mondal
Senior Executive Officer

TREASURY



Mansura Moin
SAVP & Head of Treasury

Ashraf-Ul-Majid
Senior Officer

INFORMATION TECHNOLOGY



Mohammed Faruque
VP & Head of IT

Tamal Basak
Officer

INTERNAL CONTROL & COMPLIANCE



H M Nurul Amin
Assistant Manager & In-Charge

Shaiful Islam
Officer

LIABILITY & FUND MANAGEMENT (OPERATIONS)



Shamima Akter
Officer

Md. Tauhidur Rahman
Assistant Officer

Nasrin Nahar
Assistant Officer

Suraiya Ahmed
Executive

LEGAL & SPECIAL ASSET MANAGEMENT (SAM)



Mohammad Yeamin Kabir
VP & Head of Legal & SAM

Md. Shohel
Assistant Manager

Md. Shifat Shakhawat Sohel
Senior Executive Officer

Mohammad Ataur Rahman
Executive Officer

Md. Sajib
Senior Officer

Md. Ehshanul Hoque
Assistant Officer

CREDIT RISK MANAGEMENT



Umme Anowar Rebeka Sultana
AVP & In-Charge of CRM

COMPANY SECRETARIAT



Md. Selim Parvez
Company Secretary

Md. Muzahidul Islam
Senior Executive Officer

SME BUSINESS UNIT



Md. Delwar Hossain
Manager & In-Charge

Tajul Islam
Senior Executive Officer

Nurul Islam
Senior Officer

LIABILITY & FUND MANAGEMENT (MARKETING)



Md. Mynul Hasan
AVP & Head of Marketing (L&F)

Md. Humayun Kabir
Manager

Md. Rasheduzzaman
Executive Officer

Mohammad Dulal Bepary
Executive Officer

Md. Azizul Islam
Senior Officer

Md. Abdullah
Senior Officer

Tanvirul Islam
Officer

CHATTOGRAM OFFICE



Md. Masud Alam
AVP & Branch In-Charge

Didarul Islam
FAVP

Ali Sayka Khanam
FAVP

Jolly Chowdhury
Manager

Md. Arfan Uddin
Executive Officer

Rahat Alam Chowdhury
Executive Officer

Mohammad Solaiman
Business Coordinator

RAJSHAHI OFFICE



Md. Monirul Islam
SEO & Branch In-Charge

Md. Asif Uddin
Senior Executive

Mst. Sathi Islam
Senior Executive

GULSHAN OFFICE



Md. Awlad Hossain
Senior Officer & Branch In-Charge

Monne Akter
Manager

UTTARA OFFICE



Md. Asaduzzaman
SEO & Branch In-Charge

Gopal Kumar Mohonto
Officer

Pankaj Kumar Sen
Officer

Fatama Khatun
Officer

RETAIL SME



Amena Begum
Team Leader

Faridul Islam
Team Leader

Bilkish Begum
Team Leader

Afroza Akhter
RM

Ms. Sathi Bramachary
Team Leader

Abdullah
RM

Md. Abdus sobur Mollah
Team Leader



Sonia Afsana
Team Leader

Dilal Ahmed
RM

Md. Ruhul Amin
RM

Dilruba Begum
Team Leader

Ananya Chakraborty
RM

Mohammad Mojibur Rahman
RM

Tumpa Chakraborty
RM



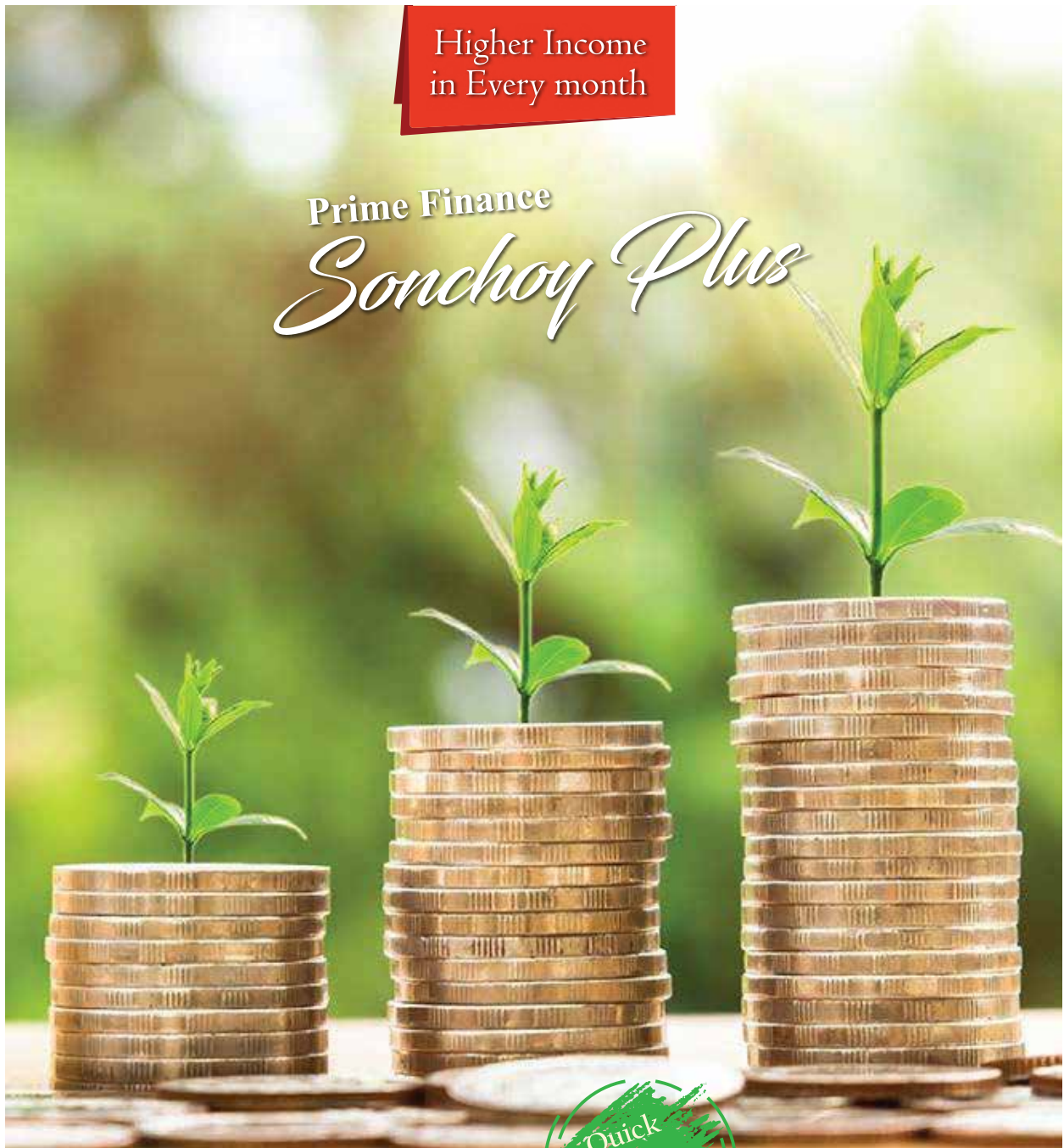
Shila Akter
RM

Uttam Kumar Biswas
Team Leader

Paritosh Kumar Bepari
RM

Higher Income
in Every month

Prime Finance
Sonchay Plus



* Tax applicable



Prime Finance
& Investment Limited

Please call
019 PRIMEFIN
019 77463346

Message from the Chairman



Mohammed Zafar Ullah Khan, FCA
Chairman of the Board

“

Prime Finance managed to retain depositors trust. Despite of all odds we maintained our deposit portfolio with an increase of 0.22%% in comparison to the preceding year in this stringent market.

”

Dear Shareholders,

On behalf of the Board of Directors, I extend a warm welcome to all of you to the 27th Annual General Meeting of Prime Finance & Investment Limited. I appreciate your presence and continued support. Today, I will take this opportunity to briefly review the state of the economy, the financial services sector, and share highlights of our Company's performance in 2022.

Global Economic Performance

In 2022, the global economy faced major setbacks. Just as recovery from COVID-19 began, the Russia-Ukraine war disrupted supply chains, spurred inflation, and destabilized energy and currency markets. Global GDP growth slowed to 3.09%, down from 6.26% in 2021.

Inflation averaged over 9%, prompting aggressive interest rate hikes worldwide. This led to capital outflows, currency depreciation in developing countries, and rising debt risks. Tighter financing and weaker confidence further dampened growth prospects.

Despite these challenges, stronger consumption, investment, and fiscal support led to better-than-expected GDP growth in the U.S., Euro Area, and several emerging economies.

Economic Performance of Bangladesh

The global crisis had significant repercussions for Bangladesh's import-dependent economy. The country faced a sharp depreciation of the Taka, a widening current account deficit, and declining foreign exchange reserves. By December 2022, reserves had dropped to \$33.8 billion, down from \$41.8 billion in June. Weak remittance inflows and growing trade and service deficits led to a current account deficit of \$18.7 billion and an overall deficit of \$5.4 billion in FY2022.

Financial Service Sector

In 2022, the financial sector in Bangladesh encountered a liquidity crunch stemming from confluence of factors including rising demand, persistently high inflationary pressure and elevated import expenditure. This led to irregular fluctuations in lending and deposit rates, significantly narrowing the interest rate spread for Banks and NBFIs.

To mitigate these challenges, Bangladesh Bank adopted a balanced policy approach- implementing interest rate tightening measures and import restrictions, while simultaneously maintaining accommodative stances in its monetary and credit programs to foster economic growth and manage inflationary and exchange rate pressure.

Performance of the Company

In this turbulent situation Prime Finance exerted relentless efforts to maintain stability and growth but unfortunately the same reported a net consolidated loss of Tk. 838.02 million for the year 2022. The attributing factors include increased non performing loans. The economic slowdown and reduced repayment capacity of borrowers led to an increase in NPLs, which adversely affected our interest income and required higher provisioning. Higher cost of fund due to the liquidity crunch in the market and rising interest rates has led decline in interest margins.

BUSINESS REVIEW

Deposit Portfolio

Prime Finance managed to retain depositors trust. Despite of all odds we maintained our deposit portfolio with an increase of 0.22% in comparison to the preceding year in this stringent market. This is a clear reflection of the trust and confidence placed by the depositors which further validates our positioning within the NBFIs landscape as a steadfast and secure finance entity.

Lease, Loans and Advances Portfolio

It needs to be addressed that in 2022 the loan balance stood to Tk.10,662.35 million compared to Tk.7067.65 million in 2021 indicating 51% increase. The underlying reason is as per directives of Bangladesh Bank, the interest income of subsidiary and associate companies has been calculated by an external auditor and added to the outstanding balance of the loan resulting substantial increase in loan balance.

Cost Management

Operational costs decreased by 4.91% in 2022, reflecting a reduction in overall business expenses. This reduction was part of our efforts to manage costs more effectively while still maintaining a competitive position in the market.

Risk Management

In 2022, we worked closely with Bangladesh Bank and other regulatory authorities to ensure adherence to all guidelines and frameworks. Our internal audit and risk management teams played a significant role in identifying and mitigating risks, ensuring the stability and integrity of our operations.

Sustainable development efforts

Although the financial results did not meet expectations, we have implemented strategic measures to strengthen our foundation and position for recovery. We've focused on

improving collections, ensuring recovery ratios remain within acceptable levels.

Additionally, a cost rationalization program has been launched to enhance efficiency and reduce expenses, while we continue to accelerate operational efficiency to improve customer experience and explore new revenue opportunities.

Outlook

The year 2022 has been difficult, we remain optimistic about the future. While we have faced setbacks we remain steadfast in our commitment to rebuilding and emerging stronger. We are confident that with the right strategies, disciplined execution, and the continued support of our stakeholders, we will overcome the challenges and achieve sustainable growth.

Acknowledgement

I would like to extend my heartfelt gratitude to our shareholders, regulators, customers, and other stakeholders for their unwavering support and resilience during these challenging times. Your trust and dedication are the driving forces behind our efforts to turn the tide and restore profitability.

I also wish to acknowledge the guidance and support of the Bangladesh Bank and other regulatory authorities, whose proactive measures have been instrumental in stabilizing the financial sector.

I would like to thank my respected colleagues on the Board of Directors of the Company for the commitment to transparency, accountability, and excellence. The road ahead may be challenging, but with your support and our collective efforts, we are determined to steer Prime Finance & Investment Limited back to a path of growth and prosperity.

Finally, I express my sincere appreciation to all employees of the Company for their dedication and professionalism in discharging their responsibilities during a highly challenging year.

Sincerely,



Mohammed Zafar Ullah Khan, FCA
Chairman of the Board

Message from the Managing Director



Mohammad Yeamin Kabir
Managing Director (CC)

“

During 2022, the money market remained dry like last year and was a major constraint in making fresh disbursements.

”

Assalamu-Alaikum,

I am honored to present to you the Annual Report of Prime Finance & Investment Limited for the year ending on December 31, 2022. It is great pleasure for me to be in your midst and express my gratitude to all our honorable shareholders for their continuous support to the Company.

We stepped into the year with several disruptions to our operations due to several significant economic challenges, many of which were linked to global and domestic economic conditions, regulatory issues, and market dynamics. Several challenges followed, given the socioeconomic effects of the pandemic, including liquidity shortage, rising Non-Performing Loans, global inflation and economic slowdown, devaluation of the Taka and currency volatility, high interest rate and tight monetary policy, pressure from rising competition, technological gaps etc.

The lingering effects of the COVID-19 pandemic continued to present unprecedented challenges to the global economy in 2022. Organizations, communities, and governments grappled with a range of complex issues and hardships. Additionally, recovery efforts were hindered by ongoing supply chain disruptions and heightened geopolitical tensions in Eastern Europe, particularly due to the Russia-Ukraine war. Global inflation stayed elevated and persistent, driven by high energy prices and ongoing supply chain challenges, leading to more aggressive monetary policy responses from central banks worldwide."

In 2022, the Bangladesh economy continued to feel the residual effects of the COVID-19 pandemic. As a result, key economic indicators such as export earnings faced a decline, inflation rates rose, and foreign remittances saw a decrease. The value of the dollar increased, and the import of raw materials also dropped. However, despite these challenges, the economy of Bangladesh showed resilience, largely due to the timely incentive packages announced by Bangladesh Bank, a people- and business-centric monetary policy, and the direct support of the government. These efforts helped mitigate some of the adverse impacts, enabling the economy to maintain a relatively stable performance amidst global uncertainties

The year 2022 presented numerous challenges for the continuity of business operations, similar to the previous year, when the financial industry as a whole experienced an unprecedented period of turbulence. While banks were flush with funds, most NBFIs faced a difficult situation, burdened by continuous negative media coverage mainly due to the wrongdoings of a few institutions.

Like the previous year, the liquidity crisis continues to create an ongoing imbalance between demand and supply. Despite the government's best efforts to reduce borrowing and lending costs, these attempts have yielded limited results thus far. As a result, the majority of NBFIs saw a sharp decline in their loans and advances due to a shortage of funds. This has impacted all segments of borrowers,

especially SMEs, who are struggling to maintain their operations in such a volatile environment. The inadequate inflow of funds across the industry has led to constrained financing options."

The competition for deposits has hit the 35 NBFIs, which largely rely on bank for funds. On account of chronic liquidity problem, banks abruptly cancelled, downsized and stopped disbursement of banking facilities to NBFIs resulting in vicious cycle for NBFIs. NBFIs are increasingly concentrating on growing their deposit portfolio by revamping the Liability Management team and launching bond offerings to navigate the liquidity challenges.

Present strategy

In view of the paucity of funds due to contractionary conditions in the money market, our company continues to mobilize funds from depositors and use the same to pay off higher costs of funds. Despite facing significant stagnation in clients' repayment behavior, recovery efforts have been intensified. These focused efforts have led to the adjustment of overdue loans, and we are now on the verge of achieving higher recoveries in the coming years. We remain optimistic that this ongoing initiative will produce positive results. Given the slow pace of legal proceedings, we are also exploring negotiated settlements with defaulting clients, while adhering to the existing guidelines set by the Central Bank.

Capital Market

Despite multifaceted challenges, the market showed resilience due to government interventions and regulatory efforts. The Bangladesh Securities and Exchange Commission (BSEC) took steps to stabilize the market, including encouraging institutional investment and introducing measures to boost liquidity. However, the market was also affected by liquidity shortages and concerns over rising interest rates.

Bangladesh Securities & Exchange Commission swung into action and amidst major policy decisions buoyed the Capital Market much to the satisfaction of the stakeholders.

Subsidiary and Associates

In the year 2022, the subsidiary and associates of Prime Finance & Investment Ltd. recorded a negative contribution of Tk. 72.24 million. Interest imposed by the Board on Subsidiary and Associates compelled them in making timely repayments to the parent company. Both PFI Securities Ltd. and Prime Finance Capital Management Ltd. managed to pay their loans. As such, it improves the cash flow of the parent company.

Measures adopted to stem the rot

Various initiatives have been implemented, including the launch of the Retail SME (RSME) business targeting retail

customers and women entrepreneurs. The highest priority has been placed on recovering non-performing loans and advances. A substantial number of cases have been filed under the NI Act and Artha Rin Act to enhance collections from defaulting clients within the current loan and lease portfolio. Besides, we have downsized the company by relocating our head office and branch offices that helped us to reduce operational cost to significant level which also helped to operational efficiency.

The ongoing effects of the COVID-19 pandemic, coupled with supply chain disruptions and inflationary pressures, led to volatile investor sentiments. This uncertainty, combined with the country's efforts to recover from the economic slowdown, contributed to a cautious approach among depositors and investors alike. Nevertheless, through a focused marketing drive coupled with personalized customer service, we mobilized deposits optimally and increased the base to Tk. 5880.76 million in 2022 against which of Tk. 5868.11 million in 2021, with a growth of 0.22% compared to 8.11% growths recorded for the previous year. We have changed our focus from corporate deposits to retail deposits or individual deposits.

Human Resources

One of the major strengths of Prime Finance is its human capital. The year 2022 was a very challenging year for us as we experienced the continuous effect of Pandemic COVID-19. Despite the adverse effect of COVID-19 and other domestic and global challenges, we the employees of Prime Finance showed utmost resilience and dedication to ensure all kinds of operations including smooth clients' service. We took every measure to ensure safety and wellbeing of the employees during the post pandemic era. The employee turnover in 2022 could not have any negative effect in operations, as we continued to fill in the void on account of skilled employees leaving the organization. The net result is there is a fine crop of executives ready to reach out and fill the gaps and take greater responsibilities in future. Succession plan has been fine tuned and the Company can move ahead with optimism in future. The employees are self motivated to exert extra effort as the Company always strives to ensure opportunity to excel beyond one's own area of expertise.

Financials

During 2022, the money market remained dry like last year and was a major constraint in making fresh disbursements. Despite of fund constraint, Prime Finance & Investment Ltd. disbursed Tk. 237.76 Million in 2022. Other operating income reflects Tk. (58.04) million in 2022 as against of Tk. 320.31 million in 2021.

It is pertinent to mention here that, operating profit was Tk. (246.96) million in 2022 as against

Tk. 121.63 million in 2021, imposing 50% provision on equity investment of subsidiary and associates company based on qualitative judgment by Bangladesh Bank due to non-receiving of dividend from those companies. The Bangladesh Bank also imposed Tk. 573.05 million provision on inter-company loan with associate company PFI Securities Limited based on qualitative judgment. Although Prime Finance recovered Tk. 356.9 million, Tk. 169.7 million and Tk. 27.91 million in the year 2020, 2021 & 2022 respectively from PFI Securities Limited. As such, we are compelled to maintain a sizable amount of provision. Resulting that Net profit after tax of Prime Finance was Tk. (838.02) million and Consolidated EPS was Tk. -3.02 in 2022 which was Tk. (179.82) million and Tk. -0.69 in 2021 respectively.

The company was able to sustain cost of fund by 8.40% in line with last year. Consequent upon, facing inadequate fund flow and adverse environment, we hope the 2023 shall be the better outlook for us.

Outlook

As we navigated through a year of continued uncertainty and hardships, we demonstrated the strength of our resilience relying on an experienced talented team. I would like to extend my sincere thanks to the Chairman and the Board of Directors for their valuable and consistent support and insightful guidance in an extremely volatile year.

I would also like to express my sincere thanks and gratitude to our valuable lenders, depositors, shareholders, regulators and other stakeholders for their continuous support and co-operation.



Mohammad Yeamin Kabir

Managing Director (CC)

Directors' Report 2022

Bismillahir Rahmanir Rahim

Dear Shareholders

Assalamu Alaikum Wa Rahmatullah

On behalf of the Board of Directors and the Management, it is indeed a great privilege for me to welcome you to the 27th Annual General Meeting of the Company. We are pleased to place herewith the Directors' Report and the Auditors' Report together with the Audited Financial Statements of the Company for the year ended on 31 December 2022 for consideration, adoption and approval of our valuable Shareholders.

Global Economic Outlook

The global economy faced significant challenges in 2022, with high inflation, aggressive monetary tightening, and the ongoing impacts of the Ukraine war and the pandemic. Global GDP growth slowed to 2.7%, down from 6% in 2021, the weakest since 2001, excluding the financial crisis and COVID-19 peak. Inflation reached 8.8%, and global trade growth dropped from 10.1% in 2021 to 4.3%, with projections of just 2.5% for 2023.

The economy of Bangladesh

In 2022, Bangladesh's economy faced significant challenges from global uncertainties, including the Ukraine war, inflationary pressures, a weakened exchange rate, and rising domestic energy costs. The investment-to-GDP ratio increased to 31.68% from 29.92%, while inflation rose to 7.6%, up from 5.6% in FY2021-22, driven by higher international prices. The trade deficit widened to USD 33.25 billion, up from USD 23.78 billion, and the BDT depreciated against the USD, reaching BDT 104 in December 2022. Remittances dropped by over 15%, from USD 24.7 billion to USD 21.0 billion, and foreign exchange reserves fell to USD 41.83 billion from USD 46.39 billion.

Industry Analysis

The total assets of the FI sector reached BDT 920 billion, a 2.61% increase from last year. Loan and advances grew to BDT 666.27 billion, up from BDT 649.32 billion of previous year. Deposits, borrowings, and equity stood at BDT 443.55 billion, BDT 415.67 billion, and BDT 60.77 billion, respectively. Borrowings increased by 9.46%, while equity and deposits declined by 16.29% and 0.15%. Non-performing loans (NPLs) rose to BDT 168.21 billion, with the NPL ratio increasing from 19.33% in 2021 to 23.88% in 2022. (Source Bangladesh Bank)

Principal activities

The Company's main activities are as follows: -

- Offering short-term loans to support small business financing needs;

- Ensuring regular recovery from regular loans/stuck-up loans/write off loans;
- Accepting deposits through fixed-term deposits and DPS products;
- Reduction of operating expenses and cost of fund;
- Maintaining healthy share portfolio;
- Developing and maintain dependable and long-term relationship with clients;
- Providing mid-to-long-term financing in the form of leases, term loans, and home loans.

Financial results

The financial results are summarized below:

Particulars	2022 Mn	2021 Mn
Operating income	629.58	949.27
Operating expenses and provision	(1448.38)	(1086.37)
Profit before tax	(818.80)	(137.10)
Provision for taxation	(19.21)	(42.72)
Profit after tax	(838.02)	(179.82)

Dividend

The Board of Directors in its meeting held on 15 April 2025 recommended "No Dividend" for the year 2022.

Directors

As per Article no. 67 of the Articles of Association of the company, one-third of the Directors of the Company are required to retire by rotation at 27th Annual General Meeting (AGM) and being eligible the following members offered themselves for re-election as per Article no. 69 & 72 of the Articles of Association of the Company:

Mr. Manzur Ahmed, representing Agami Apparels Limited;

Mr. Uzzal Kumar Saha, ACS representing GQ Enterprise Ltd;

Biographies of the Directors proposed to be re-elected or re-appointed are given in this Annual Report and the names of the Company where they have interest are mentioned in note no. 43 the financial statements.

Managing Director

The Board appointed Mr. Mohammed Yeamin Kabir as the Acting Managing Director of the Company.

Statutory Auditors

Hoda Vasi Chowdhury & Co., Chartered Accountants, has completed their second year as the statutory auditors of the Company and, being eligible, offered for re-appointment. The Board recommended the re-appointment of Hoda Vasi Chowdhury & Co., Chartered Accountants, as the statutory

auditors of the Company for the year 2023 and fixes their remuneration of BDT 350,000/- (Taka three fifty thousand) only plus VAT which will finally approve by the shareholders in the Annual General Meeting.

Corporate Governance Compliance Auditor

In accordance with the BSEC's Notification dated 03 June 2018, the Board recommended the appointment of Uttam & Associates, Chartered Secretaries, as Corporate Governance Auditor for the year 2023 at a fee of BDT 30,000/- (Taka thirty thousand) plus VAT. Now in exercise of the power conferred upon by the Corporate Governance Code, the Shareholders of the company will consider the appointment.

Statement of Directors on Financial Reports

- The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994, Securities and Exchange Rules, 1987 and rules and regulations from Bangladesh Bank. These statements present fairly the Company's statement of affairs, the result of its operation, cash flow, and statement of changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate Accounting Policies have been consistently applied in preparation of the financial statements except those referred to in the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- The presentation of Financial Statements has been made in accordance with the Bangladesh Bank DFIM circular no.11 dated December 23, 2009.
- IAS/IFRS as applicable in Bangladesh have been followed in preparation of the financial statements.
- Internal Control System is sound in design and has been effectively implemented and monitored.
- There are no significant doubts about the ability of the Company to continue as going concern.
- There is significant deviation from the operating result of the last year.
- The interests of the minority shareholders have been duly protected in the Company
- There is no stock dividend recommended by the Board of Directors of the Company as interim dividend.

Board meeting and Attendance

During the year, Twelve (12) Board Meetings were held. The attendance of the Board meetings by each director and the amount of total remuneration which paid to the directors including independent directors is given in this Annual Report.

Shareholding Pattern

The shareholding pattern as per clause 1.5 (xxiii) of the BSEC Notification No.

BSEC/CMRRCD/2006-158/207/admin/80 dated June 3, 2018 is given in this Annual Report.

Key Operating and Financial Data

Summarized key operating and financial data of the Company for last five years is given in this Annual Report.

Segment-wise performance

The segment wise performance of the Company as per clause 1.5 (ii) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/admin/80 dated 3 June 2018 is as follows:

Income segments	2022 Mn	2021 Mn
Income from lease finance	21.37	6.88
Income from term finance	478.24	481.04
Income from real estate finance	1.77	2.05
Income from other finance	72.79	116.24

Management Discussion and Analysis

Pursuant to the clause 1.5(xxv) of BSEC Notification No. BSEC/CMRRCD/2006-158/207/admin/80 dated June 3, 2018 is given in this Annual Report.

Declaration and Certification of Managing Director and Chief Financial Officer

Pursuant to the clause 1.5 (xxvi) of BSEC Notification No. BSEC/CMRRCD/2006-158/207/admin/80 dated June 3, 2018 is given in this Annual Report.

Brief resume of the Directors who will seek re-appointment/approval in the AGM

Brief resume of the Directors as per clause 1.5 (xxiv) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/admin/80 dated June 3, 2018 and BSEC Notification No. BSEC/CMRRCD/2009-193/3/Admin/104 dated February 5, 2020 is given in this Annual Report.

Report on the Activities of Audit Committee

Pursuant to the clause 5.7 of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/admin/80 dated June 3, 2018 is given in this Annual Report.

Certification on Compliance of Corporate Governance Code

A statement on the compliance with the BSEC's conditions is given separately in the Annual Report.

Going Concern

The Board of Directors has reviewed the Company's overall business plans, strategies and is optimistic that the Company has adequate resources to continue its operations. Accordingly, the financial statements of the Company are prepared based on the going concern concept.

Related Party Transaction

A statement of related party transactions has been presented in note no. 41 of the Financial Statements.

Finalization of Financial Statements for the year 2022 as per court order (Company Matter No 489 of 2024)

As per DFIM circular letter no. 04, dated 02 February 2010 the Financial Institutions are supposed to submit annual audited Financial Statements to the Bangladesh Bank within 31 March (Three months) of the following year and with permission of Bangladesh Bank this submission time would be extended maximum additional three (3) months i.e., 30 June of the following year. It is mentionable here that finalization of annual audited Financial Statements is subject to Financial Institutions Classification Loan (FICL) report by Financial Institutions Inspection Department (FIID) of Bangladesh Bank. Due to some unresolved matters with Bangladesh Bank regarding reinstatement of loan balance with subsidiary and associate company it was not possible to finalize audited financial statements for the year ended on 31 December 2022 within the stipulated time. Prime Finance & Investment Limited also could not comply with the provision of Sub-section 81(1) and 81 (2) of Companies Act 1994. In this connection, Prime Finance & Investment Limited had to collect court order from Honorable Supreme Court of Bangladesh for conducting AGM and for finalizing of the financial statements. After receiving the court order (Company Matter No 489 of 2024 dated 27 February 2025) audited financial statements for the year ended 31 December 2022 was finalized during 318th Board of Directors meeting held on 15 April 2025.

Significant variance between quarterly and annual result

The reason for significant deviation in net profit/ (loss) between quarterly and annual result was mainly due to imposing of provision on loans and Equity investment in Subsidiary and Associate of the company imposed by Bangladesh Bank. Bangladesh Bank also reinstated the loan balance of loan with subsidiary and associate company, which have been considered in the financial statements of the company for the year 2022.

Acknowledgement

We would like to acknowledge and place on record our gratitude to our valued clients, depositors and shareholders for the confidence in Prime Finance. Our sincere appreciation to the Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka and Chittagong Stock Exchanges, NBR, Banks and Financial Institutions, other government bodies and statutory auditors for their constructive suggestions and cooperation. We also express our appreciation for the dedication and efforts put in by the employees at all levels of the company.

For and on behalf of the Board,



Mohammed Zafar Ullah Khan, FCA
Chairman
15 April 2025

Management Discussion and Analysis

Global Context

This year has been turbulent for the global economy; as inflation, rising interest rates, tight labour markets and geopolitical shocks have hit forecasts and caused uncertainty. Central banks around the world have increased interest rates across 2022 to try and tackle inflation, while attempting to balance this with a need to maintain growth. Geopolitical shocks are creating significant uncertainty, but there are positive glimmers, such as reductions in inflation. The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks most notably, the COVID-19 pandemic and Russia's invasion of Ukraine manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multi-decade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

Local Economy

Bangladesh has already begun to feel the heat of the searing fire, as indicated by the economy's rising inflation, which was highly prominent because of frequent COVID-19 effect through the last year. This situation is likely to jeopardize the progress gained since the pandemic, and rising inflation is likely to limit people's disposable income, culminating in insurmountable sufferings for the general public, further resulting the borrower's to default. The repercussion of this scenario is a likely decline in deposit, which causes the incremental deposit to collapse. Consequently people break off their savings as a means to tackle the swelling inflation. Due to rising inflation the financial institutions would opt out of the idea of expansion. The companies would further go as much to break off its deposits due to inability to expand as well as to curtail their cost by lay-off the employees. With a dry market and liquidity crisis looming over practically all shapes and sizes of business for the previous couple years as a result of the pandemic, organizations just lately began to recover, with a stretched economy due to increasing inflation. Furthermore, the ongoing war between Russia and Ukraine affects our economy, focusing on various dimensions including trade disruptions, energy and commodity price shocks, remittances, foreign direct investment (FDI) and daily commodities.

Accounting policies and estimation for preparation of financial statements

The financial statements have been prepared on a going concern basis and accrual method under historical cost convention and therefore did not take into consideration of the effect of inflation. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the DFIM circular no. 11 dated 23rd December 2009 in conformity with International Financial Reporting Standards (IFRS), the

Companies Act 1994, the Financial Institutions Act 1993, Securities and Exchange Rules 1987, the listing rules of Dhaka and Chittagong Stock Exchanges and other applicable laws & regulations in Bangladesh and practices generally followed by Financial Institutions. As Bangladesh Bank is the primary regulator of Financial Institutions, Bangladesh Banks guidelines, circulars, notifications and any other requirements are given preference to IAS and IFRS, where any contradictions arise. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

Changes in accounting policies and estimation

The accounting principles & policies had been consistently maintained and in 2022 no accounting policies had been changed. The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in the future periods. During the reporting period the company did not change any basis of estimation.

Comparative analysis of financial performance and financial position (based on consolidated financial statements)

The financial year 2021/22 commenced with Russia Ukraine war. During this period, we focused on ensuring business continuity while safeguarding the safety of our employees and customers. Next we placed emphasis on providing relief to our customers through moratoriums, loans at concessionary rates, rescheduling/restructuring facilities and waiving of default interest in response to the central bank's stipulated guidelines. Our increased focus on recoveries and collections across the financial year ensured the Company's sustainability.

Operating Profit / (Loss) in the year 2022 stood at Tk.(246.96) million against Tk.121.63 million of 2021 which has been decreased BDT 368.59 million. The Profit / (Loss) after Tax in 2022 stood at BDT million (838.016) against BDT (179.82) million of 2021.

However, the Company took some steps for the recovery of the loans in 2022 as a result a number of 10 (lease/ loan) accounts have been rescheduled; besides, another number of 549 lease/ loan accounts have been fully settled by the borrowers and 01(one) lease/loan account has been transferred to non-banking assets as per the instruction of Honorable Court by order.

It is pertinent to mention here that, operating profit was Tk. (246.96) million in 2022 as against Tk. 121.63 million in

2021, imposing 50% provision on equity investment of subsidiary and associates company based on qualitative judgment by Bangladesh Bank due to non-receiving of dividend from those companies. The Bangladesh Bank also imposed Tk. 573.05million provision on inter-company loan with associate company PFI Securities Limited based on qualitative judgment. Although Prime Finance recovered TK. 285.9 million, Tk. 356.9 million, Tk. 169.7 million and TK. 27.90 in the year 2019, 2020, 2021 and 2022 respectively from PFI Securities Limited. As such, we are compelled to maintain a sizable amount of provision. Resulting that Net profit after tax of Prime Finance was Tk. (838,016) million and Consolidated EPS was Tk. -3.02 in 2022 which was Tk. -0.69 in 2021 respectively.

Comparative financial performances with the peer industry

Finance Industry

Non-bank financial institutions (NBFIs) have continued to face a rising trend in non-performing loans and loan loss provisioning due crisis looming over all types of business for the previous year of pandemic. Non-performing loans influenced the sector's performance, according to the financial stability report of the Bangladesh Bank. As per BB statement the COVID pandemic has made the 35 governments and non-government NBFIs more susceptible to the problem. Moreover, Bangladesh has been experiencing an economic crisis since 2022, due to a combination of corruption, mismanagement, and ineffective policies. The crisis has led to currency devaluation, inflation, and a banking liquidity crisis.

Non-bank financial institutions (NBFIs) in Bangladesh saw a decline in profits in 2022 due to a number of factors, including a rise in non-performing loans (NPLs), scams, and irregularities. The decline in profits led to a loss of trust and confidence in the banking and non-banking sectors. Consequently, the key profitability parameters, such as return on assets (ROA) and return on equity (ROE) also dropped. As the ratio of bad loans had increased, the loan-loss provisioning had also increased substantially, influencing the profitability of this industry, which may seem to be a matter of concern from the stability point of view. The number of NBFIs with weak health increased in 2022, and the amount of NPLs rose by over 25% from the previous year. To maintain the stability of the sector, the Central Bank continued to introduce prudential measures while granting regulatory flexibility to support the sector and face the challenges emerging from the present economic crisis.

To check any possible liquidity pressure on the market Bangladesh Bank slashed Bank's existing AD ratio rate. As a result, business for banking industry became tough and most of the Banks and Financial Institutions reduced fresh disbursement. Considering the liquidity pressure in money market and stakeholder's necessity Bangladesh bank reduced CRR by 1 percentage, extended timeframe for maintaining new AD ratio which in continuing for the year 2022. All these initiatives eased tight liquidity situation in the middle of the year but increased cost of fund of Banks and FIs. Frustratingly, liquidity situation tightened against the end of the year. Soaring Non-performing Loan (NPL) has been

treated as number one problem in banking sector, which pushed down overall financial health of Banks gradually. In 2022, the average non-performing loans (NPL) ratio for publicly traded non-bank financial institutions (NBFIs) in Bangladesh was nearly 24%. This was due to some extreme cases, such as 89% bad loans at International Leasing. At the end of the year 2022, NPLs in the NBFI sector stood at Tk. 704.36 billion.

The ratio of default loans to outstanding loans and advances stood at 8.2% last year in contrast to 7.9 per cent in 2021, according to the central bank data. As per central bank rules borrowers were allowed to settle the loan within one year through one time exit facility by paying 2% down payment. As of the end of 2022, the distressed assets in the banking sector of Bangladesh were Tk. 3.77 lakh crore, which was 25.5% of the total loans. Borrowers also enjoyed a moratorium facility to repay loans throughout 2022 as the central bank took the move to offset the business slow down emanating from the coronavirus pandemic.

Risk and concerns as well as the mitigation plan related to the financial statements

The Company always concentrates on delivering high value to its stakeholders through appropriate tradeoff between risk and return. A well-structured and proactive risk management system is in place within the Company to address the risks relating to credit, market, liquidity and operations. The Board of Directors is in charge of determining the Company's fundamental attitude toward risk while setting out the risk principles as well as the level of risk exposure. The Board of Directors are responsible for formulating risk policies, determining methods to measure and manage risk, setting commensurate risk limits and monitoring their performance. Fundamentally, the company believes in managing risk in a forward-looking manner and steering credit, interest rate, liquidity, market and operational risks through establishing strategies, models and parameters. The principles of Prime Finance's risk management philosophy are:

- Effectively managing and monitoring credit, interest rate, liquidity, market and operational risk and providing for appropriate allocation of capital among the types of risk;
- Managing risk in a forward-looking manner and identifying and analyzing risks from the beginning with the help of steering risk strategies, models and parameters;
- Creating maximum value for the shareholders, depositors and employees in long term;
- Complying with guiding principles of Bangladesh Bank.
- Being financially reliable and strong and establishing business relations with the stakeholders that will last for many years by creating the image of a financial institution that will stay in business permanently;

Strategic change

The year 2022 continued to present challenges from the impacts of overall economic conditions of the country.

Amidst import restrictions, depleting foreign reserves and a slowdown in economic activity, the impacts of taka depreciation were felt more prominently alongside a hike in inflation. The ripple effect of these economic impacts was felt across the financial sector as well. Amidst greater risks for portfolio deterioration, Prime Finance booked higher impairments to account for possible non-payment and defaults.

Prime Finance targeted numerous clusters throughout the country through Retail SME sector. Separate RSME department has been functioning with an enthusiastic team. Besides, all the branches and the SME department are activated, focused on areas beyond the metropolitan cities and made penetrated into marginal areas where the needs of the RSME sector were not adequately fulfilled by the banks. The immediate impact was realizing good spread and reducing Non Performance Loans.

Mobilizing Deposits

The company mobilizes term deposits from corporate and individuals through its wide range of deposit schemes with different maturity options, monthly/quarterly/ half yearly/ yearly income options, double/triple money options, monthly saving options etc. with competitive interest rate offered to customers. In the year 2022, we have put more emphasis on retail/individual deposit sector considering the ongoing liquidity crisis.

Capital Market Operation

Prime Finance has capital market involvement through its subsidiary and associate companies. Its entire four subsidiary and associate companies are largely involved in capital market. The capital market also had a remarkable year in 2022. Turnover of the Dhaka Stock Exchange (DSE) increased almost two-fold in September-2022 compared to the previous quarter. This massive increase of turnover is caused by enthusiastic investors after a slight decline trend in the market. The principal index (DSEX) of DSE stood at 6,513 points which is an increase of 2.13% from previous Jun-22 quarter. The higher DSE index also indicates the growing confidence of investors. DSE30 index also portrayed a positive trend point over the quarters of March, June and September-22. Market capitalization of the Dhaka Stock Exchange is observed to be increasing gradually since FY2020. As of FY-22, market capitalization of Dhaka Stock Exchange (DSE) stood at BDT 5,177 billion which illustrates a 0.68% increase in comparison with FY 2021. Subsidiary and associates have performed considerably well which had a positive impact on the financial result of parent company.

Recovery & Monitoring of non-performing loans

The impact of Russia-Ukraine war throughout the year has been the leading force creating stresses on Non-Performing Loan (NPL) in the economy which was also same for Prime

Finance. In this situation, in addition to its regular monitoring and recovery strategies, our company adopted proactive and preventive strategies to minimize the pressure on NPL. In order to help borrowers absorb the shock of pandemic, bring back gradually to operational normalcy, revitalize and recover through liquidity support in one hand and on the other hand, deferral of repayments, Bangladesh bank has given several guidelines in respect to classification and provisioning and government has extended support through stimulus packages. In fact, managing NPL to keep it at the minimum possible level is at the core of our business priorities.

Prime Finance & Investment Limited is always trying to ensure recovery from the stuck up loans or classified loans. The company's special recovery team and legal team have been working under the close supervision of the top Management and Board of the Directors to increase the recovery of such loans. Prime Finance took some initiatives to reduce NPL i.e. One to One Meeting with the client, Negotiation with the client, Meeting with the Guarantors, Random visit Client's Office, Factories & residences, Offering client to regularize the loan account through rescheduling and restructuring as per Bangladesh Bank guideline, Filing cases under NI Act, Penal Code Artha Rin Suit etc. With all efforts we have collected an approx. amount of Tk. 786.08 million during the year 2022.

Prime Finance believes that the loan recovery rate will continue to increase in the coming years and the company will be able to bring down the classified loan rate into single digit.

Outlook

As a customer centric organization our recurring focus will be to assess the damage the COVID 19 pandemic has caused to our customer base and collectively finding avenues to overcome their predicament. We are sincerely grateful to the central bank initiated several regulatory actions for COVID 19 affected businesses and individuals. Because of legacy, operation of the company in 2022 is expected to be affected in terms of business and profitability. Company is planning to continue its operation with a steady outlook. Considering the market condition, PFIL planned its budget for the year 2023 with a projection of competitive development of the Company Recovery of bad loans has been set the principal target to manage liquidity. We strongly believe that we will realize the company's future potential towards progression amidst the inevitable challenges that we are bound to encounter in the years to come. With our prudent strategic direction, we are confident in our ability to rebound in the next financial year.



Mohammad Yeamin Kabir
Managing Director (CC)

Board's Structure

The Board of Directors of Prime Finance & Investment Limited is entrusted by the shareholders with ultimate responsibility for functioning of the Company. It provides entrepreneurial leadership and oversees, counsels, and directs Management for the long-term interests of the Company and our stockholders.

Composition

On 31 December 2022, the Board of Directors of Prime Finance comprises of ten members including Managing Director who is an ex-officio member of the Board. As per DFIM Circular No. # 01 dated 29 February, 2024 of Bangladesh Bank, the size of the Board of the Financial Institutions shall be maximum fifteen with minimum 2 Independent Directors. As per Bangladesh Securities and Exchange Commission's Corporate Governance Notification dated 03 June 2018, an issuer listed by securities should have Independent Director of at least one-fifth of the total number of Directors. Composition of the Board in line with the aforesaid regulations is as under:

Chairman	: Mr. Mohammad Masudur Rahim
Director	: Mr. Md. Aminul Haque
	: Mr. Tauseef Iqbal Ali
	: Dr. Shamim Khan
	: Mr. Waheed Mahmud Khaled
	: Mr. Uzzal Kumar Saha,LL.B, ACS
	: Mr. Manzur Ahmed
	: Engr. Salah Uddin Ahmed

Independent Director: Mr. Ahmed Kamal Khan Chowdhury

Managing Director : Mr. Md. Ahsan Kabir Khan

Note: 1. Mr. Md. Aminul Haque deceased on 03 August 2022.

Non-Executive Director

There are nine Non-executive Directors. None of the Directors takes part in the day to day operations of the Company. They attend only in the Board/Board's Committees meeting to discuss the agenda reserved for the Board/Committee. They are expected constructively to develop strategy, to participate actively in the decision making process of the Board and to scrutinize the performance of management in meeting agreed goals and objectives.

Chairman of the Board and its Committee

Mr. Mohammad Masudur Rahim nominated by East Coast Shipping Lines Limited is the Chairman of the Board. The Chairman is the liaison between the Board, Management and Shareholders and responsible for effective functioning of the Board. As per Articles of Association, the Chairman is elected among the Board of Directors for a certain period. Besides, Mr. Tauseef Iqbal Ali, Director is the Chairman of the Executive Committee and Mr. Ahmed Kamal Khan

Chowdhury, Independent Director is the Chairman of the Audit Committee.

Independent Director

In compliance with BSEC's Corporate Governance Code, at least one-fifth Directors should have presence as Independent Director in the Board. There is one Independent Director in the Board of Prime Finance. Before appointing the Independent Director, the Board confirmed that the Independent Director shall have the eligibility as per code and also took a declaration from the Independent Director about non-engagement with the followings:

- Not associated as shareholder Director with any Financial Institution formed under the Financial Institutions Act. 2023;
- Have not been convicted by a court of competent jurisdiction as a defaulter in payment to any loan to a bank or a Non-Bank Financial Institution (NBFI);
- Do not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of Prime Finance;
- Not a sponsor of the Prime Finance and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship;
- Do not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;
- Not a member, director or officer of any stock exchange;
- Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;
- Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;
- Not an Independent Director of more than five (5) listed Companies;
- Have not been convicted for a criminal offence involving moral turpitude.

Tenure and Retirement

The office of Non-executive Directors other than Independent Directors is subject to retirement. At least one-third of the non-executive Directors shall retire by rotation in every Annual General Meeting and being eligible offer themselves for re-election. The Independent Directors are appointed by the Board which requires final approval from the shareholders in AGM. The Managing Director is appointed for a minimum period of three years subject to approval of the Bangladesh Bank. The office of the Managing Director being an Ex-officio Director is not subject to retirement.

Directors' Honorarium

Except Managing Director, none of the Directors holds any position of office of profit and does not receive any remuneration other than honorarium (fee) for attending in the Board/Committee meetings. The fees payable to a Director is Tk. 8,000 (Taka Eight Thousand) for attending each meeting. Managing Director is not entitled to receive fee for attending Board and its Committee Meetings. Managing Director is not entitled to receive fee for attending Board and its Committee Meetings.

Board Committee

In compliance with Bangladesh Bank, DFIM circular letter no.07 dated 25 September 2007 and DFIM circular letter no.18 dated 26 October 2011, the Board has formed only two committees to consider some matters in more detail and make recommendations and in certain circumstances take decisions on behalf of the Board. All the Board Committees are comprised entirely by Non-executive Directors. Composition of the Executive Committee and the Audit Committee in line with the aforesaid regulations is as under:

Executive Committee:

Chairman : Mr. Tauseef Iqbal Ali
Members : Mr. Md. Aminul Haque
 : Mr. Mohammad Masudur Rahim
 : Mr. Ahmed Kamal Khan Chowdhury
 : Mr. Uzzal Kumar Saha,LL.B, ACS

Audit Committee:

Chairman : Mr. Ahmed Kamal Khan Chowdhury
Members : Mr. Md. Aminul Haque
 : Mr. Tauseef Iqbal Ali
 : Mr. Uzzal Kumar Saha,LL.B, ACS

Note: 1. Mr. Md. Aminul Haque deceased on 03 August 2022.

Charter of the Board and its Committees

The Board itself and all its Committees have a Charter that describes the purposes, duties, responsibilities and delegations. Summary of the same is available on page no. 40 of this Annual Report..

Directors' Responsibility

Board of Directors is appointed by the shareholders to act on behalf of them to run the affairs of the business. They are accountable to the shareholders and each year the company holds Annual General Meeting (AGM) in which a report on the performance of the Company is placed.

Communication to Director

Interested parties may communicate with any Director by sending mail addressing the Company Secretary, Prime Finance & Investment Limited, PFI Tower 56-57 Dilkusha C.A., Dhaka-1000 or by e-mail at corporateaffairs@primefinancebd.com

Charter of the Board and its Committees

The Board of Directors of Prime Finance & Investment Limited is comprised with eleven members who have versatile qualification, expertise and experience. There are two sub-committees of the Board i.e. the Audit Committee and the Executive Committee. The Board delegates its various responsibilities and authority to its sub-committees. Committees regularly meet on their activities and actions and if necessary report to the Board. Each of the Board committees has a written charter approved by the Board. The purpose of the Charter is to outline the principal roles, functions, responsibilities, authorities and powers of the Board and its various Committees to enhance the coordination and communication between the Board and Management for the wellbeing of the Company and its stakeholders.

Summary of the Charter of the Board of Directors

Strategic Planning Process

- Set the vision and mission of the Company.
- Determine the yearly goals of the Company and to draw up strategic plan and technique.
- Monitor quarterly implementation and effectiveness of the approved strategic plan and technique and make necessary changes, if any, after discussion with management.
- Review the Company's business plans and the inherent level of risk in these plans.

Financial Management

- Approve the annual budget and targets, annual financials and interim results and monitor financial performance.
- Ensure financial results are reported fairly and in accordance with IFRS.
- Recommend to shareholders the Annual Report/financial statements released by Management and ensure that any reports issued by the Company, including the financial statements, present a 'true and fair' view of its position and performance.
- Approve the delegation of responsibilities and authorities to Board Committees and to Managing Director and Executive Management;
- Approve purchase/construction of land, building and vehicle.

Loan/Lease/Investment Management

- Approve the policy related with proposal evaluation, acceptance, disbursement, collection and monitoring of loan/lease/investment.
- Delegate approval authority of a certain limit to Managing Director & Executive Management for sanctioning of loan/lease/investment proposal.
- Approve large loan/lease/investment

Risk Management

- Approve and review the risk management guideline.
- Ensure principal risks are identified and Management has implemented appropriate systems to manage these risks.
- Ensure that the systems and controls framework, including the Board structure and organizational structure of the Company is appropriate for the Company's business and associated risks.
- Review the processes that ensure compliance with applicable regulatory, corporate, securities and other legal requirements.

Internal Control

- Assess the adequacy of the systems of risk management, internal control, control environment and legal compliance.

Human Resource Management

- Approve service rules of the Company and any amendment thereof.
- Ensure independence of the administrative system regarding recruitment, promotion, transfer and disciplinary action are governed under the service rules.
- Ensure that succession programs and plans are in place.

Governance

- Approve the Company's corporate governance framework and ensure it conforms to best practices and regulatory and statutory requirements.
- Approve the organizational/management structure and responsibilities.
- Establish appropriate structures and procedures to allow the board to function independently of management.
- To the extent feasible, satisfying it self that the Managing Director and other senior officers create a culture of integrity through out the organization.

Performance Measurement Systems

- Approve performance objectives and performance measurement systems.
- Review the performance of Board, Board Committees and Executive Management.

Business Decisions

- Approve and monitor the progress of material financial restructurings, including mergers, acquisitions, annual budgets, dividends etc. affecting the balance sheet.
- Approve financings and changes in authorized capital.

- Approve entering into, or withdrawing from, businesses or service lines.

Compliance

- Ensure the Company operates at all times within applicable laws and regulations, including an effective Code of Conduct and Anti Money Laundering and Countering Financing of Terrorism policies.
- Ensure that the Company's policies and procedures manuals comply with all government and regulatory requirements covering all operations.

Communications

- Develop and implement an investor relations program or shareholder communications process for the Company.

Delegation of Authority

- Approve the delegation of responsibilities and authorities to Board Committees and to Executive Management; and reserve certain powers for the Board.

External Auditors

- Recommend the appointment of the external auditors (and the remuneration payable) to the shareholders and seek their no objection.

Commission & Listing Requirements

- Oversee the ongoing obligations in respect of the listing requirements, including but not limited to issues relating to disclosure, dissemination of price sensitive information and other communication, and the prevention of market abuse and insider trading; Moreover the 'Charter of the Board' also sets the responsibilities of the Chairman and the Managing Director of the Company.

Summary of the Charter of the Audit Committee

Risk Management and Internal Control

- Evaluate whether the Management has been able to build up the appropriate administration culture regarding the importance of internal control system and risk management;
- Review all the policies developed by the Management regarding IT system and management information system (MIS);
- Review the recommendations as provided time to time by the internal and external auditors to build a strong internal control framework have been administered by the Management or not;
- Review the existing Risk Management process to ensure effective mitigation & control system;
- Inform the Board regularly after review of the steps taken against findings of forgery, limitations of internal control system or identification of similar sectors by the internal, external and inspection team of regulatory authority;

- Monitor the effectiveness of the Company's risk based internal control system.

Financial Reporting

- Review whether the financial statements are contained with full & applicable disclosures and are prepared in accordance with the policies and procedures directed by the Bangladesh Bank and in compliance with accounting and reporting standards required by law or supported by appropriate professional or other authorities.;
- Monitor and recommend interim results announcements and any other formal announcement relating to its financial performance;

Internal Audit

- Review and monitor management's responsiveness to the findings and recommendations of the internal auditor;
- Review and assess the annual internal audit plan;
- Monitor and review the expertise & effectiveness of the company's internal audit function in the context of the company's overall risk management system;
- Recommend to the Board for changing accounting principles, if any.

External Audit

- Consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the company's external auditor;
- Review the annual audit activities and audit report;
- Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
- Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non audit services;
- Review the management's response to the auditor's findings and recommendations.

Compliance with Existing Laws & Regulations

- Review compliance with existing laws & regulations of the relevant regulators and policies approved by the Board.

Reporting Responsibilities

- The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- The Committee shall compile a report to shareholders on its activities to be included in the company's Annual Report.

- The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-
 - a) Report on conflicts of interests;
 - b) Report on suspected or presumed fraud or irregularity;
 - c) Material defect in the internal control system;
 - d) Suspected infringement of laws, including securities related laws, rules and regulations;
 - e) Any other matter which shall be disclosed to the Board of Directors immediately.

Others

- Report to the Board quarterly, regarding corrective measures taken against error, fraud, deceit, or other irregularities identified by the auditors (internal or external) or regulatory authority;
- Undertake any other projects relating to its remit which it considers appropriate or as requested by the Board.

Summary of the Charter of the Executive Committee

Issues require review of the Executive Committee

- Review and preparation of short-term, medium term and long-term plans and policies to fulfill Company's goals/objectives, as per the directions of the Board.
- Review business plans to be submitted to the Board. The Committee shall periodically review Company's

achievements and recommend to Board appropriately;

- Review implementation of the business policy;
- Review significant risks and quality of credit portfolio;
- Review the overdue position of clients of the company;
- Review the write off loan/lease status of the company and recovery thereof;
- Review management succession plans for executive positions;
- Review major compensation policies and recommend incentive program;
- Evaluate effectiveness of the HR Policy in carrying out the duties specified in its charter.

Issues that can be approved by the Executive Committee

- Approve credit proposals and corporate guarantee up to certain limit;
- Approve all pre-IPO placement up to certain limit;
- Approve all administrative expenses up to certain limit;
- Approve reduction of interest rate of lease/loan up to certain limit;
- Approve waiver of unrealized delinquent charge up to certain limit;
- Approve purchase/disposal of the fixed/floating assets of the company as per the regulatory guideline in this regard.

Report of the Audit Committee

Scope of work of the Audit Committee

The scope of the Audit Committee of Prime Finance & Investment Limited ("hereinafter referred as 'the Committee'") is determined by its Terms of Reference (ToR) which, in turn, are shaped by directives from its principal regulators, Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC). These include, but are not limited to, exercising oversight over:

- The internal control system of the company
- Financial reporting
- The Internal Control and Compliance department
- Compliance with regulatory requirements

The Committee is authorized to investigate any matter within its terms of reference, access all documents and information of the company, seek information from any director or employee of the Group and co-opt any resource (including external professional assistance) it sees fit in order to fulfill its duties. However, the Committee has no executive function and its primary objective is to review and challenge and recommend, as it sees fit, rather than assume responsibility for any matters within its remit.

The Committee presents a summary of its activities to shareholders and other interested parties by means of this report, and the committee Chairman attends all general meetings of the Company's shareholders to answer any questions on the committee's activities.

Key Responsibilities of Audit Committee

Financial Reporting

The primary role of the Committee in relation to financial reporting is to monitor the integrity of the Company Financial Statements and formal announcements, if any, relating to Company's financial performance.

The Committee reviewed and discussed with the management, the internal auditors and the external auditors the critical accounting policies, practices, related changes thereto, alternative accounting treatments, major judgmental areas, material audit adjustment compliance with accounting standards, going concern assumptions, financial reporting controls and compliance with applicable laws and regulations that could impact the integrity of the Finance's Financial Statements, its annual report and its quarterly financial statements prepared for publication.

Regulatory reporting

The committee focused on the improvements required for the regulatory reporting process and placed enhanced focus on the quality and reliability of regulatory reporting to strengthen the end-to-end process in meeting regulatory expectations.

Review of the activities of internal control and compliance

The Committee reviewed Company's overall approach to risk management and control, and its processes, outcomes and disclosure. The Committee reviewed major activities of Internal Control & Compliance Department carried out during 2022 which are as follows:

- Review of the activities of the Internal Control and Compliance (ICC)
- Major activities of the ICC department during the year were as follows:
- Execution of risk-based annual audit plan 2023
- Conducting investigations as and when required

- Review of internal control system
- Issuance of timely responses to inquiries by regulators and other government agencies
- Coordination of regulatory inspections and statutory external audit
- Coordination of management responses to the external audit and to regulatory inspection reports
- Monitoring of anti-money laundering (AML) and combating the financing of terrorism (CFT) compliance activities
- Continuous review of loan/lease classification process and ensure proper provisioning of non- performing loan/lease

Independence of External Audit

Hoda Vasi Chowdhury & Co., Chartered Accountants acted as statutory auditors of the company for audit of financial statements as of 31 December 2022. The Audit Committee sat with external auditors to discuss key audit matters and findings of audit of annual financial statements of the company for the year ended on 31 December 2022. The auditor expressed that the conduct of the audit was independently done.

The Committee makes recommendations to the Board for the appointment, re- appointment and dismissal of the External Auditor including the remuneration and terms of engagement. The Audit Committee has recommended to the Board of Directors that Chartered Accountants be reappointed for the financial year ending 31 December 2023 subject to the approval of shareholders at the next Annual General Meeting.

Keeping Updated on Relevant Information

The members are regularly kept updated on changes to accounting standards, issues related to financial reporting and even on changes to regulatory guidelines through periodic meetings with the Finance Team and Internal Audit Team.

As per the notification of Bangladesh Securities and Exchange Commission dated 03 June 2018, no other non-audit service was conducted by the external auditor. Tax and other related professional services were conducted by other professional Firms. However, reports of the tax and other professional issues were made available to the external auditors during their review of financial statements.

Additional Disclosure

Following the reviews and the discussions outlined above, the Audit Committee Report was reviewed and approved by the current Chairman of the Audit Committee in compliance with the High Court Order dated February 27, 2025 (Order No. 489 of 2024) granting an extension for holding the Annual General Meeting.

The Committee advised the management and recommended to the Board to enhance business, profitability and cash flow situation of the Company so as to protect the interest of the depositors, shareholders and other stakeholders of the Company.

Based on its reviews and above mentioned discussions, the Audit Committee is of the view that the internal control and compliance system of the company is adequate for purposes of presenting a true and fair view of the activities and financial status of the company and for ensuring that its assets are safeguarded properly against business and operational risks.



Mohammed Al-Amin, FCA
Chairman, Audit Committee

Pattern of Shareholding

As on 31 December 2022

Sl. No	Name of Shareholder	Description	No. of Shares held	% of Holding
A	Parent/Subsidiary/Associate Companies and other related parties:			
	East Coast Shipping Lines Limited	Sponsor & Director Nominating Company	24,407,338	8.94
	Acorn Limited	Sponsor & Director Nominating Company	24,920,420	9.13
	Pedrollo NK Limited	Sponsor & Director Nominating Company	26,768,991	9.81
	Mawsons Limited	Sponsor & Director Nominating Company	5,654,752	2.07
	GQ Enterprise Ltd.	Sponsor & Director Nominating Company	23,222,142	8.51
	Agami Apparels Ltd.	Sponsor & Director Nominating Company	23,088,632	8.46
B	Directors and their Spouses and Minor Children:			
	Mr. Mohammad Masudur Rahim	Chairman nominated by East Coast Shipping Lines Limited.	40,000	
	Mr. Md. Aminul Haque	Director nominated by Acorn Ltd.	Nil	
	Mr. Tauseef Iqbal Ali	Director	5,458,363	
	Dr. Shamim Khan	Director nominated by Pedrollo NK Ltd.	Nil	
	Mr. Waheed Mahmud Khaled	Director nominated by Mawsons Ltd.	Nil	
	Mr. Uzzal Kumar Saha, LL.B, ACS	Director nominated by GQ Enterprise Ltd.	Nil	
	Mr. Manzur Ahmed	Director nominated by Agami Apparels Ltd.	Nil	
	Engr. Salah Uddin Ahmed	Director nominated by East Coast Shipping Lines Limited.	Nil	
	Mr. Ahmed Kamal Khan Chowdhury	Independent Director	Nil	
C	MD, CFO, CS & HICC and their Spouses and Minor Children:			
	Mr. Md. Ahsan Kabir Khan	Managing Director	Nil	
	Mr. Mohammad Shahidul Islam	Chief Financial Officer	Nil	
	Mr. Mohammad Zaman	Company Secretary	Nil	
	Mr. HM Nurul Amin	In-Charge of Internal Control and Compliance	Nil	
D	Executives (Top five person other than MD, CFO, CS & HICC):			
	Ms. Gulshan Ara Hafiz	Senior Vice President	Nil	
	Mr. Mohammad Yeamin Kabir	Vice President	Nil	
	Mr. Mohammad Zaved Lakiyet	Vice President	Nil	
	Ms. Tarana Yasmin	Vice President	Nil	
	Mr. Mohammed Faruque	Vice President	Nil	
E	Share holders' holding 10% (Ten percent) or more voting interest in the Company			

Directors' Meeting and Attendance

During the year 2022

Sl.	Name of the Directors	Status	Number of Meetings						Total Remuneration paid (Taka)
			Board		Audit Committee		Executive Committee		
			Held	Attended	Held	Attended	Held	Attended	
1	Mr. Mohammad Masudur Rahim	Chairman & Non-executive Director	13	13	-	-	-	-	1,04,000
2	Mr. Md. AminulHaque	Non-executive Director	13	-	1	-	-	-	-
3	Mr. TauseefIqbal Ali	Non-executive Director	13	13	4	4	-	-	136,000
4	Dr. Shamim Khan	Non-executive Director	13	0	-	-	-	-	-
5	Mr. Waheed Mahmud Khaled	Non-executive Director	13	10	-	-	-	-	80,000
6	Mr. Uzzal Kumar Saha,LL.B, ACS	Non-executive Director	13	12	4	4	-	-	128,000
7	Mr. Manzur Ahmed	Non-executive Director	13	0	-	-	-	-	0
8	Engr. Salah Uddin Ahmed	Non-executive Director	13	13	-	-	-	-	104,000
9	Mr. Ahmed Kamal Khan Chowdhury	Independent Director	13	13	4	4	-	-	136,000

Note: 1) Each Director has been paid remuneration @ 8,000/- per Meeting attended;

2) The leave of absence of the Directors who could not attend at meeting was granted by the Board;

Certificate on Compliances of Corporate Governance Code



UTTAM & ASSOCIATES
CHARTERED SECRETARIES & CONSULTANTS

ANNEXURE - B

[Certificate as per condition No. 1(5) (xxvii)]

Report to the Shareholders of Prime Finance & Investment Limited on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Prime Finance & Investment Limited (the "Company") for the year ended on 31 December 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969; of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a Scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the Company is satisfactory.

Place: Dhaka
Date: 04 May 2025



Uttam Kumar Dey, FCS
CEO & Lead Consultant
UTTAM & ASSOCIATES
CHARTERED SECRETARIES & CONSULTANTS

Status of compliance with Corporate Governance Code

[As per Condition No. 1(5) (xxvii) of, and Annexure-C to, the Corporate Governance Code]

Status of compliance with the conditions imposed by BSEC's Notification # BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance 1969 is presented below:

(Report under Condition # 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.	Board of Directors			
1(1)	Board's Size shall not be less than 5 and more than 20	✓		The Board of Directors is comprised of 8 (eight) Director
1(2)	Independent Directors			
1(2)(a)	Independent Director(s) - at least one fifth (1/5) of the total number of directors;		✓	The Number of Independent Director is 1 (One).1st tenure of Mr. MBM Lutful Hadee expired on 30 October 2021. This vacancy has been filled up in 10 September 2023.
1(2)(b)(i)	Independent director does not hold any share or holds less than one percent (1%) shares of total paid up capital;	✓		
1(2)(b)(ii)	Independent director is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		
1(2)(b)(iii)	Independent director has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	Independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	Independent director is not a member or TREC holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	Independent director is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	Independent director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	Independent director is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	Independent director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1(2)(b)(x)	Independent director has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	Independent Director(s) shall be appointed by the Board and approved by the Shareholders in the AGM;	✓		
1(2)(d)	The post of Independent Director(s) cannot remain vacant for more than 90 days;		✓	A Post of Independent Director is Vacant for more than 90 days.1st tenure of Mr. MBM Lutful Hadee expired on 30 October 2021. This vacancy has been filled up in 10 September 2023.
1(2)(e)	The tenure of office of an Independent Directors shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)	Qualification of Independent Director			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;	✓		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	✓		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1(3)(c)	The Independent Director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission;			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
1(5)	The Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The Segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			N/A
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		No Dividend declared this year.
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		Disclosed in the Annual Report.
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1(5)(xxiii)(c)	Shareholding pattern of Executives;	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5)(xxiv)	In case of appointment or re-appointment of a Director, a disclosure on the following information to the Shareholders:			
1(5)(xxiv)(a)	a brief resume of the director;	✓		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the board;	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		Disclosed in the Annual Report.
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		Disclosed in the Annual Report.
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	✓		
1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code;	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		The Code of Conduct has been laid down by the Board.
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		The Code of Conduct has been posted on the website.
2.	Governance of Board of Directors of Subsidiary Company:			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s);			N/A
(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;			HIAC attends as and when required

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;	✓		
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.	Board of Directors' Committee For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.			As per BB Circular letter no. 18 dated 21.05.2024 NRC is not mandatory for NBFIs.
5.	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5.2	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any committee member expires or there is any circumstance causing any committee member to be unable to hold office before expiration of the term of service , thus making the number of 3 (three) persons, the Board shall appoint the new committee members to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the committee to ensure continuity of the performance of work of the audit committee;			N/A
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director;	✓		
5.3	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		
5.4	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	✓		.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5.5	Role of Audit Committee			
5(5)(a)	oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	✓		
5(5)(h)	review the adequacy of internal audit function;	✓		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;			N/A
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.			N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board;	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	Report on conflicts of interest;			N/A
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;			N/A
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5(6)(b)	Reporting to the Authorities If any report which has material impact on the financial condition and results of operation and which has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6.	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;			As per BB Circular letter no. 18 dated 21.05.2024 NRC is not mandatory for NBFIs.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			Do
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			Do
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			Do
6(2)(b)	All members of the Committee shall be non-executive directors;			Do
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			Do
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			Do
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			Do
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			Do
6(2)(g)	The company secretary shall act as the secretary of the Committee;			Do
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			Do
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			Do
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			Do
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			Do
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.			Do
6(4)	Meeting of The NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			Do
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			Do
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			Do
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			Do
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following;			Do
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			Do
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;			Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			Do
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			Do
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;			Do
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;			Do
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;			Do
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			Do
7.	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:	✓		
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker – dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determines;	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	✓		
7(1)(ix)	any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8.	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange;	✓		
8(2)	The company shall keep the website functional from the date of listing;	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9.	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report;	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting;	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not;	✓		

Compliance of Good Governance Guidelines

The Statement of compliance with the good governance guidelines issued by the Bangladesh Bank vide DFIM Circular No. 7, dated 25 September 2007 regarding the policies on the responsibility & accountability of the Board of Directors, Chairman, and Chief Executive Officer of Financial Institution. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines. A status report on compliance with those guidelines is stated below:

Sl. No.	Particulars	Status of Compliance
1.	Responsibilities and authorities of the Board of Directors:	
	(a) Work-planning and strategic management:	
	(i) The Board shall determine the Vision/ Mission of the institute. In order to enhance operational efficiency and to ensure business growth, they shall chalk out strategies and work-plans on annual basis. The Board shall review such strategies on quarterly rests and shall modify accordingly, if required. If any structural modification is required, shall bring those changes with consultation with the management.	Complied
	(ii) The Board shall have its analytical review incorporated in the Annual report as regard to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders on future plans and strategies.	Complied
	(iii) The Board will set the Key Performance Indicator (KPI)s for the CEO and other senior executives and will appraise those on half yearly basis.	Complied
	(b) Formation of sub-committee:	
	Executive Committee may be formed in combination with directors of the Company for rapid settlement of the emergency matters (approval of loan/lease application, write-off, rescheduling etc.) arisen from the regular business activities. Except the Executive Committee and Audit Committee, no other committee or sub-committee can be formed, even in temporary basis.	Complied
	(c) Financial management:	
	(i) Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
	(ii) Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recover overdue loan/lease.	Complied
	(iii) Board shall approve the Company's policy on procurement and collection and shall also approve the expenditures according to policy. The Board to the maximum extend shall delegate the authority on the Managing Director and among other top executives for approval of expenditure within budget.	Complied
	(iv) The Board shall adopt the process of operation of bank accounts. To ensure transparency in financial matters, groups may be formed among the management to operate bank accounts under joint signatures.	Complied
	(d) Management of loan/lease/investments:	
	(i) Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director and other top executives.	Complied
	(ii) No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	Complied
	(iii) Any large loan/lease/investment proposal must be approved by the Board.	Complied

Sl. No.	Particulars	Status of Compliance
	(e) Risk management:	
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied
	(f) Internal control and compliance management:	
	An Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditors, external auditors and Bangladesh Bank Inspection team as well.	Complied
	(g) Human resource management:	
	Board shall approve the policy on Human Resources Management and Service Rule. The Chairman and directors of the Board shall not interfere on the administrative job in line with the approved Service Rule. Only the authority for the appointment and promotion of the Managing Director/Deputy Managing Director/ General Manager and other equivalent position shall lie with the Board in compliance with the policy and Service Rule. No director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	Complied
	(h) Appointment of CEO:	
	The Board shall appoint a competent CEO for the institution with the prior approval of the Bangladesh Bank and shall approve the proposal for increment of his salary and allowances.	Complied
	(i) Benefits offer to the Chairman:	
	For the interest of the business, the Chairman may be offered an office room, a personal secretary, a telephone at the office and a vehicle subject to the approval of the Board.	Complied
2.	Responsibilities of the Chairman of the Board of Directors:	
	(a) Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power;	Complied
	(b) The minutes of the Board meetings shall be signed by the Chairman;	Complied
	(c) The Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;	Complied
3.	Responsibilities of Managing Director:	
	(a) Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management;	Complied
	(b) For day to day operations, Managing Director shall ensure compliance with the rules and regulation of the Financial Institutions Act, 1993 and other relevant circulars of Bangladesh Bank;	Complied
	(c) All recruitment/promotion, except those of DMD, GM and equivalent positions shall be vested upon the Managing Director. He shall act such in accordance the approved HR Policy of the institution;	Complied
	(d) Managing Director may re-schedule job responsibilities of employees;	Complied
	(e) Except for the DMD, GM and equivalent positions, power to transfer and to take disciplinary action shall vest to the Managing Director.	Complied
	(f) Managing Director shall sign all the letters/statements relating to compliance of policies and guidelines. However, Departmental/Unit heads may sign daily letters/statements as set out in DFIM circular no. 2 dated 06 January 2009 if so authorized by Managing Director.	Complied

Declaration by Managing Director And Chief Financial Officer

15 April 2025

The Board of Directors
Prime Finance & Investment Limited
56-57 Dilkusha Commercial Area
Dhaka-1000

Subject: Declaration on Financial Statements for the year ended on 31 December 2022.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of Prime Finance & Investment Limited for the year ended on 31 December 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

We have reviewed the financial statements for the year ended on 31 December 2022 and that to the best of our knowledge and belief:

- a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b. These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Mohammad Yeamin Kabir
Managing Director (C.C)



Mohammad Shahidul Islam FCA, FCS
Chief Financial Officer

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Credit Rating	
Long term	Short term
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Independent Auditor's Report

To the shareholders of Prime Finance and Investment Limited

Report on the audit of the consolidated and separate financial statements

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 2022 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, 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 2022 and of its consolidated and separate financial performance 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 financial institutions act 1993, 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 Opinion

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 opinion.

Material Uncertainty Related to Going Concern

We draw attention to Notes 2.13, 9.1, 9.2, and 14.1, which describe certain matters related to going concern. 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 from the Bangladesh Bank. The Management is confident in the Company's ability to continue as a going concern in the short term, but a material uncertainty exists in the long 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.

Emphasis on Matter

We draw attention to notes 13.1 & 13.2 of the financial statements, which describe the Company's loan, leases, advances and investments. The total provision set by Bangladesh Bank in 2021 against loans, leases, advances and investments was Tk. 1948.60 million which was deferred in eight equal years as per Bangladesh Bank approval no. DFIM (C)1054/24/2023/235 dated 18 January 2023. The company have been maintaining provision in each financial year as per the approval of Bangladesh Bank. However, due to the shrinkage of business operation, the average net profit of the company for the last five years showed a negative balance as well as operating loss for the last couple of years. If this trend continues, sufficient profit may not be available to make the required provision in the near future.

Our opinion is not modified in respect of this matter.

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.



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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, Company 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 28,797,796 as of 31 December 2022 to comply with the circular.</p> <p>In Bangladesh, non-performing loans have been increasing day by day. Company 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 2022, the Group reported total gross loans, advances and leases of BDT 12,051,679,495 (31 December 2021: BDT 8,515,986,704) and provision for loans and advances of BDT 998,007,764 (31 December 2021: BDT 568,094,280).</p> <p>We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> 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. 	<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>Due to long-term impact of COVID 19, many borrowers were adversely impacted during the year. Accordingly, Bangladesh Bank has given certain flexibility from classification requirement for loans vide issuing various circulars such as DFIM 27 dated 21 December 2022 Companies are allowed to keep a loan/customer as unclassified subject to the payment of certain percent of quarterly instalment due by 31 December 2022.</p> <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 statements and with the quick summary report issued by Bangladesh Bank. However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by Management in assessing recoverability of interest income may be different than the actual situation in future.</p>

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- 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.

See note no 7 and 13 to the financial statements

Recognition of interest income on loans, advances and leases

Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income have involved complex IT environments.

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.

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:

- 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.

We performed test of operating effectiveness on automated control in place to measure and recognize interest income.

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.

However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by Management in assessing recoverability of interest income from classified loans may be different than the actual situation in future.

See note no 19 to the Financial Statements

Measurement of deferred tax assets

At year end of 2022, the Group reported total deferred tax assets of BDT 4,334,795. (2021: BDT 11,917,590) and deferred tax expenses of BDT 7,582,796 (2021: deferred tax expense BDT 4,749,121).

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.

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.

We also assessed the completeness and accuracy of the data used for the estimates of future taxable income.

We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's (Deferred tax assets).

Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax including deduction of DTA on specific provision from regulatory capital.

See notes no 13.4.2 to the financial statements

Impairment assessment of unquoted investments

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.

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

Moreover, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

See note no 6 to the financial statements

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Adequacy of income tax provision

At the year-end of 2022, the Company reported a provision for income tax of BDT 484,467,931 (2021: BDT 478,739,805). The last settled assessment year was 2012-13, 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.

The uncertainty surrounding the outcome of these appeals may materially impact the company's financial position and tax provisions.

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.

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.

See note no 13.4.1 to the financial statements

Carrying value of investments in subsidiary(s) and associate(s) by the Company

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 2022 the carrying value of these investments were BDT 1,671,979,185.

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.

Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries and associates in accordance with IAS 36.

We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.

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.

See note no 6 to the financial statements

IT systems and controls

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.

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.

The IT infrastructure is critical for the smooth functioning of the Group's business operations as well as for timely and accurate financial accounting and reporting.

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.

We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting.

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.

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.

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.

See note no 6 to the financial statements

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Legal and regulatory matters

We focused on this area because the Company operates 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.

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.

Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the Company's financial position.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingencies process.

We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.

We inquired of the Company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.

We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.

We also assessed the Company's provisions and contingent liabilities disclosure.

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:

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- 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 companies' 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 Financial Institutions Act, 1993 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 Financial Institutions Act, 1993 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;

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- (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 'First Schedule' of the Financial Institutions Act, 1993 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, 15 April 2025
DVC: 2504211512AS633468

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 2022

PARTICULARS	Notes	Amount in Taka	
		31 Dec 2022	31 Dec 2021
PROPERTY AND ASSETS			
Cash			
Cash in hand (including foreign currencies)		73,247	67,630
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		70,332,540	70,280,920
Total cash	4.a	70,405,787	70,348,550
Balance with other banks and financial institutions			
In Bangladesh		474,413,080	644,411,431
Outside Bangladesh		-	-
Total balance with other banks and financial institutions	5.a	474,413,080	644,411,431
Money at call and on short notice		-	-
Investments			
Government		-	-
Others		864,669,635	875,047,536
Total Investments	6.a	864,669,635	875,047,536
Loans, advances and leases			
Loans, advances and leases etc.		12,051,679,495	8,515,986,704
Bills purchased and discounted		-	-
Total loans, advances and leases	7.a	12,051,679,495	8,515,986,704
Fixed assets including premises, furniture and fixtures	8.a	555,672,567	564,154,315
Other assets	9.a	2,127,651,449	2,136,796,820
Non - banking assets	10.0	415,013,780	291,409,429
Total assets		16,559,505,793	13,098,154,785
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.a	1,204,330,413	1,244,049,586
Deposits and other accounts			
Current and other accounts		-	-
Bills payable		-	-
Savings accounts		-	-
Term deposits	12.a	5,880,761,199	5,868,114,146
Bearer certificates of deposit		-	-
Other deposits		-	-
Total deposits and other accounts		5,880,761,199	5,868,114,146
Other liabilities	13.a	6,772,447,565	2,411,223,179
Total liabilities		13,857,539,177	9,523,386,911
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		(2,467,921,087)	(1,643,516,215)
Revaluation reserve		687,015,979	721,800,493
Equity attributable to shareholders' of the company		1,908,497,466	2,767,686,852
Non-controlling interest	15.0	793,469,149	807,081,022
Total shareholders' equity		2,701,966,615	3,574,767,874
Total liabilities and shareholders' equity		16,559,505,793	13,098,154,785


PARTICULARS	Notes	Amount in Taka	
		31 Dec 2022	31 Dec 2021
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)		6.99	10.14

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, 15 April 2025
DVC: 2504211512AS633468


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 2022

PARTICULARS	Notes	Amount in Taka	
		01 January 2022 to 31 December 2022	01 January 2021 to 31 December 2021
Interest income	19.a	585,382,744	616,917,289
Interest paid on deposits, borrowings etc.	20.a	(687,624,685)	(628,955,525)
Net interest income		(102,241,941)	(12,038,236)
Investment income	21.a	28,470,799	135,164,681
Fees, commission, exchange and brokerage	22.a	8,527,780	8,859,047
Other operating income	23.a	7,203,982	188,324,966
		44,202,561	332,348,694
Total operating income (A)		(58,039,381)	320,310,458
Salaries and other employee benefits	24.a	127,532,361	119,622,623
Rent, taxes, insurance, electricity etc.	25.a	15,327,587	15,233,563
Legal expenses	26.a	4,187,500	2,584,297
Postage, stamp, telecommunication etc.	27.a	2,961,878	2,390,148
Stationery, printing, advertisements etc.	28.a	3,520,255	5,792,360
Managing director's salary and fees	29.0	10,120,000	10,120,000
Directors' fees	30.a	962,667	769,781
Auditors' fees	31.a	442,750	431,250
Charges on loan losses		-	-
Depreciation and repair of assets	32.a	12,246,141	14,456,077
Other expenses	33.a	11,621,823	27,275,882
Total operating expenses (B)		188,922,962	198,675,981
Profit before provision (C=A-B)		(246,962,342)	121,634,476
Provision for loans, advances and leases			
General provision	13.1	15,768,311	936,397
Specific provision	13.1	414,145,173	119,319,095
Provision for diminution in value of investment	13.2.a	148,281,299	131,961,192
Other provision		(6,353,997)	6,513,000
Total provision (D)		571,840,786	258,729,684
Total profit before tax (C-D)		(818,803,128)	(137,095,208)
Provision for taxation			
Current	13.4.1.a	11,630,820	37,974,066
Deferred	13.4.2.a	7,582,796	4,749,121
		19,213,616	42,723,187
Net profit after tax		(838,016,744)	(179,818,395)
Attributable to			
Shareholders of the company		(824,404,871)	(187,861,508)
Non-controlling interest		(13,611,873)	8,043,113

PARTICULARS	Notes	Amount in Taka	
		01 January 2022 to 31 December 2022	01 January 2021 to 31 December 2021
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	(3.02)	(0.69)

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, 15 April 2025
DVC: 2504211512AS633468


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 2022

PARTICULARS	Notes	Amount in Taka	
		01 January 2022 to 31 December 2022	01 January 2021 to 31 December 2021
A) Operating activities			
Interest receipts		605,285,469	655,903,988
Interest payments		(559,655,284)	(555,009,444)
Fees and commission receipts		3,595,758	1,094,707
Dividend & Gain receipts		32,253,620	23,707,878
Cash payments to employees		(137,652,361)	(128,487,285)
Cash payments to suppliers and management expenses		(35,263,509)	(28,393,794)
Income taxes paid		(9,427,094)	(29,042,425)
Receipts from other operating activities		175,779,734	147,983,284
Payments for other operating activities		(119,444,637)	(302,117,901)
Cash generated before changes in operating assets and liabilities		(44,528,304)	(214,360,992)
Increase/ (decrease) in operating assets and liabilities			
Net loans and advances and other assets		(3,682,105,730)	129,097,420
Net loans and deposits from banks and other customers and trading liabilities		3,634,928,888	259,941,596
Cash generated from operating assets and liabilities		(47,176,842)	389,039,016
Net cash generated from operating activities		(91,705,146)	174,678,024
B) Investing activities			
Acquisition of fixed assets		(3,722,760)	(4,819,080)
Disposal of fixed assets		500,000	124,688,691
Sale of securities		-	-
Investment in securities		-	-
Net cash used in investing activities		(3,222,760)	119,869,611
C) Financing activities			
Dividend paid		-	-
Net received/(payment) for loans		(75,013,209)	(69,853,324)
Net cash used in financing activities		(75,013,209)	(69,853,324)
D) Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(169,941,114)	224,694,311
E) Effects of exchange rate changes on cash and cash equivalents		-	-
F) Cash and cash equivalents at beginning of the year		714,759,981	490,065,670
G) Cash and cash equivalents at end of the year (D+E+F)		544,818,867	714,759,981
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)		73,247	67,630
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		70,332,540	70,280,920
Balance with other banks and financial institutions		474,413,080	644,411,431
		544,818,867	714,759,981
Net operating cash flow per share (NOCFPS)		(0.34)	0.64

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, 15 April 2025

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	Amount in Taka
	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 (2020)	-	-	-	-		-	-	
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	
Balance as at 1 January 2021	2,729,164,830	960,237,744	975,602,724	(1,455,654,707)		799,037,909	4,008,388,500	
Net profit for the year 2021	-	-	-	(187,861,508)		8,043,113	(179,818,395)	
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)	-	-	-	-		-	-	
Revaluation of land of the company (note 8.1)	-	-	(253,802,231)	-		-	-	(253,802,231)
Balance as at 31 December 2021	2,729,164,830	960,237,744	721,800,493	(1,643,516,215)		807,081,022	3,574,767,874	



Chairman



Director



Director



Managing Director (CC)



Company Secretary

Prime Finance & Investment Limited





Balance Sheet

As at 31 December 2022

PARTICULARS	Notes	Amount in Taka	
		31 Dec 2022	31 Dec 2021
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		60,000	60,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		70,332,540	70,280,920
Total cash	4.0	70,392,540	70,340,920
Balance with other banks and financial institutions			
In Bangladesh		446,897,561	619,740,679
Outside Bangladesh		-	-
Total balance with other banks and financial institutions	5.0	446,897,561	619,740,679
Money at call and on short notice			
		-	-
Investments			
Government		-	-
Others		195,460,580	195,424,480
Total investments	6.0	195,460,580	195,424,480
Loans, advances and leases			
Loans, advances and Leases etc.		10,662,346,319	7,067,654,294
Bills purchased and discounted		-	-
Total loans, advances and leases	7.0	10,662,346,319	7,067,654,294
Fixed assets including premises, furniture and fixtures	8.0	551,644,709	562,642,363
Other assets	9.0	2,553,410,246	2,562,886,914
Non - banking assets	10.0	415,013,780	291,409,429
Total assets		14,895,165,735	11,370,099,079
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.0	830,999,940	825,857,256
Deposits and other accounts			
Current and other accounts		-	-
Bills payable		-	-
Savings accounts		-	-
Term deposits	12.0	5,880,761,199	5,868,114,146
Bearer certificates of deposit		-	-
Other deposits		-	-
Total deposits and other accounts		5,880,761,199	5,868,114,146
Other liabilities	13.0	6,505,110,850	2,159,062,357
Total liabilities		13,216,871,989	8,853,033,759
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	(2,698,124,807)	(1,894,137,747)
Revaluation reserve	8.1	687,015,979	721,800,493
Total shareholders' equity		1,678,293,746	2,517,065,320
Total liabilities and shareholders' equity		14,895,165,735	11,370,099,079


PARTICULARS	Notes	Amount in Taka	
		31 Dec 2022	31 Dec 2021
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)		6.15	9.22

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, 15 April 2025
DVC: 2504211512AS633468







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 2022

PARTICULARS	Notes	Amount in Taka	
		01 January 2022 to 31 December 2022	01 January 2021 to 31 December 2021
Interest income	19.0	574,172,750	606,218,588
Interest paid on deposits, borrowings etc.	20.0	(654,847,708)	(574,012,201)
Net interest income		(80,674,958)	32,206,387
Investment income	21.0	13,691,211	19,473,592
Fees, commission, exchange and brokerage	22.0	1,680,235	490,726
Other operating income	23.0	(9,808,475)	174,802,391
		5,562,971	194,766,709
Total operating income (A)		(75,111,987)	226,973,096
Salaries and other employee benefits	24.0	105,145,303	90,717,530
Rent, taxes, insurance, electricity etc.	25.0	11,920,048	11,795,146
Legal expenses	26.0	4,015,000	2,312,292
Postage, stamp, telecommunication etc.	27.0	2,825,178	2,234,515
Stationery, printing, advertisements etc.	28.0	2,487,775	4,766,579
Managing Director's salary and fees	29.0	10,120,000	10,120,000
Directors' fees	30.0	696,000	512,000
Auditors' fees	31.0	345,000	345,000
Charges on loan losses		-	-
Depreciation and repair of assets	32.0	11,622,278	13,196,462
Other expenses	33.0	9,919,367	8,373,673
Total operating expenses (B)		159,095,949	144,373,197
Profit before provision (C=A-B)		(234,207,936)	82,599,899
Provision for loans, advances and leases			
General provision	13.1	15,768,311	936,397
Specific provision	13.1	414,145,173	119,319,095
Provision for diminution in value of investment	13.2	133,281,299	126,451,586
Other provision		(6,353,997)	6,513,000
Total provision (D)		556,840,786	253,220,078
Total profit before tax (C-D)		(791,048,722)	(170,620,179)
Provision for taxation			
Current tax expense	13.4.1	5,728,127	26,404,957
Deferred tax expense/(income)	13.4.2	7,210,212	2,901,040
		12,938,339	29,305,997
Net profit after tax		(803,987,060)	(199,926,176)

PARTICULARS	Notes	Amount in Taka	
		01 January 2022 to 31 December 2022	01 January 2021 to 31 December 2021
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	(2.95)	(0.73)

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, 15 April 2025
DVC: 2504211512AS633468


Shaikh Hasibur Rahman, FCA
Enrolment no. 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

Prime Finance & Investment Limited
Cash Flow Statement
For the period ended 31 December 2022

PARTICULARS	Notes	Amount in Taka	
		01 January 2022 to 31 December 2022	01 January 2021 to 31 December 2021
A) Operating Activities			
Interest receipts		556,623,548	568,398,309
Interest payments		(557,231,038)	(553,471,302)
Fees and commission receipts		1,680,235	490,726
Dividend & gain receipts		15,298,635	11,182,998
Cash payments to employees		(115,265,303)	(100,837,530)
Cash payments to suppliers and management expenses		(30,850,985)	(28,869,875)
Income taxes paid		(5,728,127)	(26,404,957)
Receipts from other operating activities	34.0	145,084,140	168,164,744
Payments for other operating activities	35.0	(119,369,980)	(301,979,909)
Cash generated before changes in operating assets and liabilities		(109,758,875)	(263,326,796)
Increase/ (decrease) in operating assets and liabilities:			
Net loans and advances and other assets		(3,708,819,722)	109,054,875
Net loans and deposits from banks and other customers and trading liabilities		3,645,918,968	252,941,596
Cash generated from operating assets and liabilities		(62,900,754)	361,996,471
Net cash generated from operating activities		(172,659,629)	98,669,675
B) Investing Activities			
Acquisition of fixed assets		(631,870)	(5,609,056)
Disposal of fixed assets		500,000	-
Sale of land		-	124,688,691
Sale of securities		-	-
Investment in securities		-	-
Net cash used in investing activities		(131,870)	119,079,635
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)		(172,791,499)	217,749,310
E) Effects of exchange rate changes on cash and cash equivalents		-	-
F) Cash and cash equivalents at beginning of the year		690,081,599	472,332,289
G) Cash and cash equivalents at end of the year (D+E+F)		517,290,101	690,081,599
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)		70,332,540	70,280,920
Balance with other banks and financial institutions		446,897,561	619,740,679
		517,290,101	690,081,599
Net operating cash flow per share (NOCFPS)	38.0	(0.63)	0.36

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, 15 April 2025

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	-	-	-	-	-
Issue of bonus share	-	-	-	-	-
Payment of cash dividend (2020)	-	-	-	-	-
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	(2,698,124,807)	1,678,293,746
Balance as at 1 January 2021	2,729,164,830	960,237,744	975,602,724	(1,694,211,571)	2,970,793,727
Net profit for the year 2021	-	-	-	(199,926,176)	(199,926,176)
Transfer to statutory reserve	-	-	-	-	-
Issue of bonus share	-	-	-	-	-
Payment of cash dividend (2019)	-	-	-	-	-
Revaluation reserve of PFI Securities Ltd (note 9.1.1)	-	-	-	-	-
Revaluation of land of the company (note 8.1)	-	-	(253,802,231)	-	(253,802,231)
Balance as at 31 December 2021	2,729,164,830	960,237,744	721,800,493	(1,894,137,747)	2,517,065,320



Chairman



Director



Director



Managing Director (CC)



Company Secretary

Prime Finance & Investment Limited

Liquidity Statement (Assets and Liabilities maturity analysis)

As at 31 December 2022

Particulars	Amount in Taka				
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years
Assets					
Cash in hand and Balance with Bangladesh Bank and its agent bank	60,000	70,332,540	-	-	-
Balance with other banks and financial institutions	64,452,590	105,000,000	277,444,971	-	-
Money at call and on short notice	-	-	-	-	-
Investments	7,402,194	81,424,119	59,217,552	47,416,716	195,460,580
Loans, advances and leases	88,092,571	63,293,927	981,988,597	4,587,292,168	4,941,679,056
Fixed assets including premises, furniture and fixtures	950,849	2,823,094	8,423,026	22,645,079	516,802,660
Other assets	18,314,393	3,098,958	1,056,736	-	2,530,940,158
Non banking assets				415,013,780	415,013,780
Total assets (A)	179,272,598	325,972,638	1,328,130,883	4,609,937,247	8,451,852,370
Liabilities					
Borrowings from other banks, financial institutions and agents	16,374,438	18,747,886	75,828,315	612,740,235	107,309,066
Deposits	200,377,993	161,719,686	1,291,594,192	3,358,343,390	868,725,938
Provision and other liabilities	14,324,314	29,421,073	161,237,871	279,795,398	6,020,332,193
Total liabilities (B)	231,076,746	209,888,645	1,528,660,378	4,250,879,023	6,996,367,197
Net liquidity gap (A - B)	(51,804,148)	116,083,993	(200,529,496)	359,058,224	1,455,485,174
					1,678,293,746

Prime Finance & Investment Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2022

1.0 COMPANY AND ITS ACTIVITIES

1.1 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. Prime Finance started commercial operation in the year 1996, obtaining license from Bangladesh Bank under the Financial Institutions Act, 1993. Prime Finance also obtained 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.

1.2 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, Real 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, sonchay 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.

1.3 Information regarding subsidiary and associate companies

As on 31 December 2022 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 2022 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 Limited	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

1.3.1 Prime Finance Capital Management Limited (Subsidiary Company)

Prime Finance Capital Management Limited is a public limited company incorporated on 18 March 2010 in Bangladesh under the Companies Act 1994. The main objectives of the company are to carry on business of merchant banking. Prime Finance holds 60 percent shares in its subsidiary.

1.3.2 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. The principal activities of the company is to carry on stock brokerage activities having DSE's TREC No. 079. Prime Finance holds 46.15 percent shares in PFI Securities Limited.

1.3.3 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 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.

1.3.4 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.

2.0 Basis of preparation and significant accounting policies

2.1 Statement of compliance

The consolidated financial statements and separate financial statements of the Company have been prepared 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, Securities and Exchange Rules, 2020 & the (Listing) Regulation, 2015 of Dhaka & Chittagong Stock Exchanges and other applicable laws and regulations.

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).

2.2 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.

2.3 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.

2.4 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.

2.5 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 2022;
- (ii) Consolidated and Separate Profit and Loss Account for the year ended 31 December 2022;
- (iii) Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2022;
- (iv) Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2022;
- (v) Liquidity Statement for the year ended 31 December 2022;
- (vi) Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2022.

2.6 Directors' responsibility statement

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

2.7 Date of authorisation

The Board of directors has authorised this financial statements for public issue on 15 April 2025. The Company obtained Order (Company Matter) No. 489/2024 from the High Court Division of the Supreme Court of Bangladesh for finalizing financial statements and conducting the Annual General Meeting of the Company for the year ended on 31 December 2022 by 27 May 2025.

2.8 Reporting period

The financial statements of the company covers one year period ranging from 1 January 2022 to 31 December 2022.

2.9 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 2022 as in financial statements for 2021.

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 that may affect going concern assumptions

Particulars	Prime Finance & Investment Ltd		Consolidated	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Net interest income	(80,674,957)	32,206,387	(102,241,941)	(12,038,236)
Net profit before provision	(234,207,935)	82,599,899	(246,962,342)	121,634,476
Profit before tax	(791,048,786)	(170,620,179)	(818,803,128)	(137,095,208)
NAV	6.18	9.22	7.02	10.14
EPS	(2.95)	(0.73)	(3.02)	(0.69)
Net cash generated from operating activities	(172,659,629)	98,669,675	(91,705,146)	174,678,024
Net operating cash flow per share (NOCFPS)	(0.63)	0.36	(0.34)	0.64

Particulars	Average of last five years (from 2018 to 2022)
Profit before provision	(44,227,888)
Profit after provision	(157,389,237)
Profit before income tax	(157,389,237)
Profit after income tax	(167,653,414)

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

As of 31 December 2022, 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 Company 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 Company 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 Company's ability to fulfill these obligations. This situation raises substantial uncertainty about the Company'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 830,416,744 for the year ended 31 December 2022, compared to a net loss of BDT 179,818,395 for the year ended 31 December 2021.

Over the last five years, the Company's average profitability before provisions has been negative at BDT (44,227,888). 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 170,620,179 as of 31 December 2021, deteriorating further to negative BDT 783,448,722 as of 31 December 2022 which represents a 359% increase in losses and gradual enhancement in the provision will result in accumulated negative retained earning 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. beyond the period of the next 12 months. 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 Company's total loans and advances amounted to BDT 1066.23 crore, of which BDT 726.64 crore, representing 68.15% of the total loan portfolio, was classified. This marks a deterioration from 31 December 2021, BDT 490.28 crore, or 69.37% of the total loan portfolio was classified.

Under Basel II guidelines, the Company's eligible capital as of 31 December 2022 was BDT 173.15 crore. The ratio of total classified loans to Basel II eligible capital increased sharply to 420% as of 31 December 2022, compared to 283% as of 31 December 2021.

The significant proportion of classified loans and the steep increase in the ratio of classified loans to eligible capital underscore critical risks to the Company's financial health. These factors raise substantial uncertainty about the Company'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 772.82 crore as of 31 December 2022. This represents 72.48% 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, and 2022, while the associate reported a loss in 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 68.15% of the total loan portfolio as of 31 December 2022, up from 69.37% as of 31 December 2021. 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 2022, Prime Finance & Investment Ltd. had a total investment of BDT 167.19 crore in its subsidiary and associate companies. Of this, BDT 71.19 crore was invested in associates and BDT 96.00 crore in its subsidiary. This investment accounts for 97% 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 2022, the total classified outstanding loan amount stood at BDT 547.56 crore, representing 316.22% of the company's eligible capital under Basel standards.

Furthermore, according to the BRPD Circular No. 01, dated 16 January 2022, 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 (Company), has an outstanding loan balance of BDT 547.56 crore as of 31 December 2022, which has already been classified. Additionally, Bangladesh Bank revised the client's outstanding liability, increasing the balance by BDT 261.04 crore this year. Additionally, the

investment in this associate shows a net asset value (NAV) that indicates potential impairment.

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 2022. As of that date, the total investment portfolio of loans and advances was BDT 1,066.23 crore, of which BDT 726.64 crore, representing 68.15% of the total portfolio, has defaulted. Additionally, the total loan given to associates and subsidiaries amounted to BDT 772.82 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.

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 2022, 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 Standard	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

IFRSs	Title of the IFRSs	Applicability
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, 2022. 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	Rate
General provision on:	
Unclassified loans and advances (SME)	0.25%
Unclassified loans and advances (Non SME)	1.00%
Special mention account (SMA)	5.00%
Specific provision on:	
Substandard loans and advances (SS)	20.00%
Doubtful loans and advances (DF)	50.00%
Bad/loss loans and advances (BL)	100.00%

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.

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"

- identify the contract (s) with a customers;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract;
- 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 criteria:

- 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 5.00 crore (Five crore 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 crore (Twenty Five crore BDT); and
- 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

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 2022, 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 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:

- Business risk which is the risk that PFIL may be used for money laundering or for the financing of terrorism and
- 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:

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

Events after the reporting date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the reporting date that are non adjusting events are disclosed in the notes when material.

3.0 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 Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	<p>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.</p> <p>If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to:</p> <p>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</p> <p>b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).</p>	<p>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 2022, 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.</p> <p>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.</p>	<p>In financial statements, an amount of Taka 15.77 million has been increased against general provision for leases, loans and advances for the year end 31.12.2022.</p> <p>Accumulated provision for leases, loans and advances as at 31.12.2022 stand at Taka 429.91 million.</p>
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 in case of FVTPL 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.	<p>During this year, total market value of investment in Quoted shares of Prime Finance & Investment Limited is less than its cost price.</p> <p>As on December 31, 2022 there was BDT 43.07 million unrealized loss on investment in quoted shares.</p>
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 in 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"	<p>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.</p> <p>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.</p>	<p>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.</p> <p>The templates of financial statements provided detail presentation for statement of cash flows.</p>	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.

SL No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
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" IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosure"	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 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	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 2022 and corresponding year 2021 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 2022 and corresponding year 2021 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 2022 and corresponding year 2021 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 2022 and corresponding year 2021 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.

SL No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
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 2022 and corresponding year 2021 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.	Financial Statements for 2022 and corresponding year 2021 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 2022 and corresponding year 2021 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 2022 and corresponding year 2021 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	
		2022	2021
4.0 CASH			
Cash in hand:			
Local currency		60,000	60,000
Foreign currencies		-	-
		60,000	60,000
Balance with Bangladesh Bank:			
Local currency		70,332,540	70,280,920
Foreign currencies		-	-
		70,332,540	70,280,920
		70,392,540	70,340,920
4.a CASH (consolidated)			
Prime Finance & Investment Limited		60,000	60,000
Prime Finance Capital Management Limited		13,247	7,630
		73,247	67,630
Balance with Bangladesh Bank:			
Prime Finance & Investment Limited		70,332,540	70,280,920
Prime Finance Capital Management Limited		-	-
		70,405,787	70,348,550
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 Financial Institutions Act - 1993, 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		67,630,355	67,256,371
Actual reserve held		71,058,646	71,585,110
Surplus/ (deficit)		3,428,291	4,328,739
4.1.2 Statutory Liquidity Requirement (SLR)			
5.0% of average liabilities excluding fund from Banks & FIs			
Required reserve		289,736,566	287,825,240
Actual reserve held (note 4.1.4)		517,290,101	690,081,599
Surplus/ (deficit)		227,553,535	402,256,359
As per the report submitted to Bangladesh Bank, the total minimum liquid asset is BDT 483,623,234 during the month of December 2022. However, as per accounts the actual reserve held as on 31 December 2022 was BDT 517,290,101. The surplus reported to Bangladesh Bank was BDT 193,886,668 compared to accounts which is BDT 227,553,535.			
4.1.3 Held for Cash Reserve Requirement (CRR)			
Balance with Bangladesh Bank and its agent bank		70,332,540	70,280,920
		70,332,540	70,280,920
4.1.4 Held for Statutory Liquidity Requirement (SLR)			
Cash in hand		60,000	60,000
Balance with Bangladesh Bank and its agent bank		70,332,540	70,280,920
Balance with other banks and financial institutions (note 5.0)		446,897,561	619,740,679
		517,290,101	690,081,599

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, NBFIs cannot make any cash transaction except petty cash.

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 2022, 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.

	Amount in Taka	
	2022	2021
Fixed deposit account		
Dhaka Bank Limited	200,000,000	300,000,000
Agrani Bank Limited	7,000,000	-
Modhumoti Bank Limited	9,500,000	-
Industrial and Infrastructure Development Finance Company Limited	90,000,000	-
	306,500,000	300,000,000
Current account		
Southeast Bank Limited	1,278,930	915,820
	1,278,930	915,820
Short term deposit account		
BASIC Bank Limited	1,031	2,124
Dutch Bangla Bank Limited	5,700,133	1,870,152
Jamuna Bank Limited	130,365	130,603
Mercantile Bank Limited	953,927	4,906,524
Meghna Bank Ltd	25,511	50,309
Modhumoti Bank Ltd	2,052,752	1,524,234
One Bank Limited	31,884	33,225
Pubali Bank Limited	1,406,957	1,390,648
Prime Bank Limited	22,765,527	5,903,222
SBAC Bank Limited	665,889	6,950,426
Shahajalal Islami Bank Limited	6,873,755	2,724,995
Southeast Bank Limited	97,464,170	272,367,720
Standard Bank Ltd	177,599	198,268
United Commercial Bank Limited	-	-
Prime Bank Limited (dividend accounts)*	869,131	20,772,409
	139,118,631	318,824,859
	446,897,561	619,740,679

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	64,452,590	30,358,902
1 month to 3 months	105,000,000	150,000,000
3 months to 1 year	277,444,971	439,381,777
1 year to 5 years	-	-
More than 5 years	-	-
	446,897,561	619,740,679

5.a BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS (consolidated)

Prime Finance & Investment Limited	446,897,561	619,740,679
Prime Finance Capital Management Limited	27,515,519	24,670,752
	474,413,080	644,411,431

6.0 INVESTMENTS

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

	Amount in Taka	
	2022	2021
Government securities	-	-
Other investments (note 6.1)	195,460,580	195,424,480
	195,460,580	195,424,480

6.1 Other investments

Ordinary share	As at 31 December 2022		Cost	
	No. of Company	Market Value	2022	2021
Listed securities (note 6.1.1)	24	104,969,267	148,043,880	148,007,780
Unlisted securities (note 6.1.2)	4	44,416,700	44,416,700	44,416,700
Unit fund (note 6.1.3)	1	3,000,000	3,000,000	3,000,000
	29	152,385,967	195,460,580	195,424,480

6.1.1 Listed securities:

Details of listed securities (Sector-wise):

	As at 31 December 2022		
	No. of shares	Cost price	Market price
Banking companies	1,644,700	21,958,905	18,462,435
Investment companies	560,000	5,686,990	7,732,000
Insurance sector	477,545	37,596,362	21,226,597
IT Sector	-	-	-
Fuel & power sector	221,100	10,598,223	6,711,120
Manufacturing sector and others	1,115,446	72,203,400	50,837,115
		148,043,880	104,969,267

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 2022 was 29 December).

6.1.2 Unlisted securities

Details of unlisted securities:

	Cost price	
Central Depository Bangladesh Limited	4,416,700	4,416,700
LankaBangla Securities Limited	5,000,000	5,000,000
PFI 2nd Mutual Fund	20,000,000	20,000,000
Ananda Shipyard and Slipways Limited	15,000,000	15,000,000
	44,416,700	44,416,700

The management have tested impairment on these investment of ulisted securities. Impairment exist on these investment and adequate provision have been maintained and shown in Note-13.2.1.

6.1.3 Unit fund

	Cost price	
Prime Finance 1st Unit Fund	3,000,000	3,000,000
	3,000,000	3,000,000

No impairment exist on this investment.

6.1.4 Sector wise investments (at cost price)

Banking sector	21,958,905	24,452,405
Investment companies	5,686,990	4,488,000
Insurance sector	37,596,362	26,535,582
IT Sector	-	8,365,600
Fuel & power sector	10,598,223	10,598,223
Manufacturing sector and others	72,203,400	73,567,970
	148,043,880	148,007,780

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.

	Amount in Taka	
	2022	2021
Maturity wise grouping		
Up to 1 month	37,038,045	37,001,945
1 month to 3 months	74,003,875	74,003,875
3 months to 1 year	37,001,945	37,001,945
1 year to 5 years	-	-
More than 5 years	47,416,716	47,416,716
	195,460,580	195,424,480

6.a INVESTMENTS (consolidated)

Prime Finance & Investment Limited	195,460,580	195,424,480
Prime Finance Capital Management Limited	669,209,055	679,623,056
	864,669,635	875,047,536

7.0 LOANS, ADVANCES AND LEASES

Inside Bangladesh:

Lease finance (note 7.1)	132,160,930	166,825,436
Advance against lease finance (note 7.2)	3,258,928	3,258,928
Term finance (note 7.3)	10,311,923,149	6,665,425,761
Real estate finance (note 7.4)	75,487,899	113,674,636
Housing finance (note 7.5)	80,263,012	73,908,142
Loan against deposits (note 7.6)	46,700,051	27,840,744
Staff loan (note 7.7)	12,016,025	16,184,322
Factoring Finance (note 7.8)	536,325	536,325
	10,662,346,319	7,067,654,294
Outside Bangladesh	-	-
	10,662,346,319	7,067,654,294

Loans, advances and leases include SME Finance amounting to Tk. 663,623,994 as at 31 December 2022 (2021: Tk. 737,144,515).

"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 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,' representatives 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 PFIL has adequately maintained the required provisions for the increased loans and advances in accordance with regulatory requirements."

7.1 Lease finance

Principal outstanding (note 7.1.1)	74,131,446	111,319,390
Accounts receivable	58,029,484	55,506,046
	132,160,930	166,825,436

7.1.1 Principal outstanding

Gross rental receivables	77,966,785	141,081,623
Unearned lease income	(3,835,339)	(29,762,233)
Net investment	74,131,446	111,319,390
Movement of lease finance:		
Cost of lease assets (A)		
Balance at 1 January	485,550,222	735,150,044
Addition during the year	-	-
Disposal during the year	(51,889,899)	(249,599,822)
Balance at 31 December	433,660,323	485,550,222

	Amount in Taka	
	2022	2021
Accumulated depreciation (B)		
Balance at 1 January	374,230,832	596,605,682
Addition during the year	106,917,977	297,841,864
Adjustment due to disposal	(121,619,932)	(520,216,714)
Balance at 31 December	359,528,877	374,230,832
Written down value of lease assets (A-B)	74,131,446	111,319,390
7. 1.2 Aging analysis of lease receivable		
Up to one year	67,499,175	54,688,492
Above one year to three years	52,690,038	67,005,591
Above three years to five years	11,971,716	43,195,276
More than five years	-	1,936,077
	132,160,930	166,825,436
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.		
7. 3 Term finance		
Principal outstanding	9,403,536,579	5,627,042,074
Accounts receivable	908,386,570	1,038,383,687
	10,311,923,149	6,665,425,761
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.		
Movement of term finance (Principal outstanding):		
Balance at 1 January	5,627,042,074	6,021,376,070
Investment/ capitalized during the year	4,014,862,656	99,420,000
Recovery/ adjustment during the year	(238,368,151)	(493,753,996)
Balance at 31 December	9,403,536,579	5,627,042,074
7. 3.1 Aging analysis of term finance		
Up to one year	3,573,245,271	3,230,333,605
Above one year to three years	4,769,886,360	2,678,620,535
Above three years to five years	1,968,791,518	742,665,870
More than five years	-	13,805,751
	10,311,923,149	6,665,425,761
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	16,012,509	43,584,022
Accounts receivable	59,475,390	70,090,614
	75,487,899	113,674,636
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	43,584,022	124,639,808
Investment/ capitalized during the year	-	-
Recovery/ adjustment during the year	(27,571,513)	(81,055,786)
Balance at 31 December	16,012,509	43,584,022

	Amount in Taka	
	2022	2021
7. 4.1 Aging analysis of real estate finance		
Up to one year	72,991,092	92,640,610
Above one year to three years	2,496,808	21,034,026
Above three years to five years	-	-
More than five years	-	-
	75,487,899	113,674,636

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	80,253,907	52,904,188
Accounts receivable	9,105	21,003,954
	80,263,012	73,908,142

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	52,904,188	64,709,224
Investment/ capitalized during the year	73,352,854	-
Recovery/ adjustment during the year	(46,003,135)	(11,805,036)
Balance at 31 December	80,253,907	52,904,188

7. 5.1 Aging analysis of Housing Finance

Up to one year	15,635,019	17,387,617
Above one year to three years	31,270,038	34,775,234
Above three years to five years	31,270,038	19,654,518
More than five years	2,087,917	2,090,772
	80,263,012	73,908,142

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	46,700,051	27,840,744
	46,700,051	27,840,744

7.6.1 Movement of loan against term deposit:

Balance at 1 January	27,840,744	27,338,811
Investment during the year	44,110,214	2,919,000
Recovery/adjustment during the year	(25,250,907)	(2,417,067)
Balance at 31 December	46,700,051	27,840,744

7. 7 Staff loan

Staff loan includes loan provided to the eligible employees as per company's approved policy.

Employee's home loan	5,864,584	11,981,490
Employee's car loan	6,151,441	4,202,832
	12,016,025	16,184,322

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

	Amount in Taka	
	2022	2021
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)	235,433,431	262,966,279
Standard (other than SME)	3,143,007,639	1,901,931,020
Special Mention Account (SMA)	17,457,511	-
	3,395,898,581	2,164,897,299
Classified:		
Sub-standard	5,502,877,164	2,868,798,083
Doubtful	134,949,841	558,788,112
Bad/loss	1,628,620,733	1,475,170,800
	7,266,447,738	4,902,756,995
	10,662,346,319	7,067,654,294
7. 10 Geographical location wise loans, advances and leases		
Dhaka Division	8,971,666,670	4,971,455,500
Chattogram Division	1,345,751,260	1,730,380,081
Rajshahi Division	59,126,015	77,191,750
Khulna Division	22,203,853	36,676,473
Rangpur Division	262,400,414	251,950,490
Sylhet Division	263,837	-
Barishal Division	934,270	-
Mymensingh Division	-	-
	10,662,346,319	7,067,654,294
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	5,839,368,370	3,137,486,281
Garments and knitwear	192,578,168	227,026,549
Textile	5,421,665	10,627,066
Jute and jute products	118,583,431	120,247,861
Food products and processing industry	398,800,581	473,895,986
Plastic industry	47,389,235	45,079,114
Leather and leather-goods	-	-
Iron, still and engineering	524,441,849	736,798,488
Pharmaceuticals and chemicals	73,067,632	72,511,781
Cement and allied industry	-	-
Telecommunication and information technology	1,070,725	-
Paper, printing and packaging	195,908,387	249,645,616
Glass, glassware and ceramic industry	-	-
Ship manufacturing industry	-	-
Electronics and electrical products	-	-
Power, gas, water and sanitary service	554,517	7,945,418
Transport and aviation	41,818,448	47,104,663
Agriculture	276,560,934	281,003,806

	Amount in Taka	
	2022	2021
Housing	155,750,911	187,582,776
Merchant banking	2,252,594,725	1,025,921,871
Margin loan	-	-
Others	538,436,741	444,777,018
Grand Total	10,662,346,319	7,067,654,294

7. 12 Significant concentration wise loans, advances and leases

Loans, advances and leases to-

Directors and their concerns	73,352,854	67,355,915
Chief executive and other senior executives	12,016,025	16,184,322
Customer groups	10,576,977,440	6,984,114,057
	10,662,346,319	7,067,654,294

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 as at 31 December 2022 was taka 168.59 crore against that of taka 251.71 crore as at 31 December 2021.

Number of Clients:	4	2
Amount of outstanding advances:	8,275,631,769	3,542,661,138
Amount of classified advances:	5,757,651,738	2,729,406,907
Measures taken for recovery (for the amount as mentioned above)	-	-

7. 14 Particulars of loans, advances and leases

I. Loans considered good in respect of which the Company is fully secured	10,581,682,784	6,997,144,317
II. Loans considered good against which the Company holds no other security than the debtors' personal guarantee	-	-
	1,911,860	3,154,063
III. Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor	78,751,675	67,355,914
IV. Loans/leases adversely classified; provision not maintained there-against	-	-
Total	10,662,346,319	7,067,654,294
V. Loans due by directors or officers of the Company or any of them either severally or jointly with any other persons	12,016,025	16,184,322
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	73,352,854	67,355,915
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	7,266,447,738	4,902,756,995
A. Increase/decrease of provision (specific)	414,145,173	119,319,095
Amount of debts written off	-	-
Amount realized against the debts previously written off	40,099,653	23,807,445
B. Provision kept against the debt classified as bad/loss at the date of balance sheet	57,316,050	28,761,941
C. Amount of interest creditable to the interest suspense account	3,961,082,327	183,260,128
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:

		Cumulative	
	During 2022	As on 31-Dec-22	As on 31-Dec-21
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)
Recovery against write-off loans/ leases	40,099,653	382,221,083	342,121,430

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 2022	Provision 2021
Unclassified - General provision				
Standard (SME)*	235,433,431	0.25%	588,584	657,416
Standard (Other than SME)	890,412,914	1%	8,904,129	8,760,092
Loan/lease to the Subsidiaries/Sister Concerns, Brokerage House, Merchant Banks, Stock Dealers	2,252,594,725	2%	45,051,895	20,518,437
Special Mention Account (SMA)	16,716,924	5%	835,846	-
Extra provision for providing COVID related	2,639,848,683	2%	52,796,974	32,104,441
Provision for rescheduled Loan/lease	-		13,466,383	-
	6,035,006,677		121,643,810	62,040,386
Classified - Specific provision				
Sub-standard	2,883,950,418	20%	576,790,084	555,871,644
Doubtful	54,164,966	50%	27,082,483	214,912,918
Bad/loss	978,270,124	100%	978,270,124	577,057,774
	3,916,385,508		1,582,142,690	1,347,842,336
Required provision for loans, advances and leases			1,703,786,500	1,409,882,722
Total provision maintained for loans, advances and leases			998,007,764	568,094,280
Provision to be maintained			705,778,737	841,788,442

- * 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. 998.01 million up to the year end 2022 and rest of the amount of Tk 705.78 million has to be maintained in the year 2023 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: (I-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: (I-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.

	Amount in Taka	
	2022	2021
7. 17 Maturity wise grouping		
Repayable on demand	-	-
Not more than 3 months	151,386,498	226,539,915
3 months to 1 year	981,988,597	1,129,000,581
1 year to 5 years	4,587,292,168	4,454,449,022
More than 5 years	4,941,679,056	1,257,664,775
	10,662,346,319	7,067,654,294

7.a LOANS, ADVANCES AND LEASES (consolidated)

Prime Finance & Investment Limited	10,662,346,319	7,067,654,294
Prime Finance Capital Management Limited	2,441,969,039	2,474,254,281
Adjustment for dealing with subsidiary	(1,052,635,863)	(1,025,921,871)
	12,051,679,495	8,515,986,704

The total outstanding loan amount provided by Prime Finance and Investment Limited to its subsidiary, Prime Finance Capital Management Limited, as of 31 December 2022, was initially reported as BDT 1,052,635,863. 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 2,252,594,725 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 2022 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	516,091,089	516,091,089
Right-of-use-Asset	45,988,220	45,988,220
Furniture and fixtures	14,976,215	14,829,215
Office decoration	41,778,067	41,778,067
Electric equipment	33,916,384	33,636,514
Owned vehicles	22,511,234	23,759,016
Leased vehicles	9,717,341	9,717,341
Intangible assets (software)	3,661,211	3,581,211
Total cost	688,639,761	689,380,673
Less: Accumulated depreciation / amortization / impairment	136,995,053	126,738,311
Written down value at the end of the year	551,644,709	562,642,363

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/CMRRCD/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 2021	(253,802,231)
Revaluation reserve 2022	687,015,979

	Amount in Taka	
	2022	2021
8.a FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES (consolidated)		
Prime Finance & Investment Limited	551,644,709	562,642,363
Prime Finance Capital Management Limited	4,027,858	1,511,952
	555,672,567	564,154,315

9.0 OTHER ASSETS

Income generating other assets:

Income generating other assets:

Investment in associates (note 9.1)	711,979,185	798,595,394
Investment in subsidiary (note 9.2)	960,000,000	960,000,000
Accrued interest	38,765,192	32,564,593
	1,710,744,377	1,791,159,987

Non income generating other assets:

Advance office rent	-	-
Deposits with T & T, Petroleum Corporation etc.	454,100	454,100
Advance corporate tax	626,688,146	620,944,840
Deferred tax assets (note 13.4.2)	1,151,836	8,362,048
Receivable from brokerage houses against sale of shares	28,523,748	12,165,896
Accounts Receivable- Others	177,148,639	
Accounts Receivable- Dividend	6,413,204	
Others	2,286,197	129,800,043
	842,665,869	771,726,927
	2,553,410,246	2,562,886,914

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

	Balance as at Jan 01, 2022	Investment/ (Adjustment)	Revaluation reserve	Profit/(loss) under equity method	Balance as at Dec 31, 2022
PFI Securities Limited	751,660,721	-	(34,784,514)	(52,332,771)	664,543,436
Prime Finance AMCL	39,993,016	-	-	59,980	40,052,996
Prime Prudential Fund Limited	6,941,657	-	-	441,096	7,382,753
	798,595,394	-	(34,784,514)	(51,831,695)	711,979,185

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	7.42
Prime Finance AMCL	Asset management	Ordinary	49.00	100	100.86
Prime Prudential Fund Ltd.	Investment in securities, debentures, bonds etc.	Ordinary	40.00	10	7.50

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

9.1.1 Revaluation reserve

Revaluation reserve includes proportionate revaluation reserve of PFI Securities Limited Tk. 34,784,514. 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'.

	Amount in Taka	
	2022	2021
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	2,553,410,246	2,562,886,914
Prime Finance Capital Management Limited	534,241,203	533,909,906
Adjustment for dealing with subsidiary	(960,000,000)	(960,000,000)
	2,127,651,449	2,136,796,820

10.0 Non - banking assets

Non - banking assets (Land)	415,013,780	291,409,429
	415,013,780	291,409,429

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.

11.0 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS

In Bangladesh

Secured	-	-
Un secured		
Bank loan (note 11.1)	462,033,133	421,573,147
ADB fund under refinancing scheme (note 11.2)	-	-
Fund from Bangladesh Bank under refinancing scheme (note 11.3)	1,774,838	6,354,755
Short term borrowing (note 11.4)	367,191,969	397,929,354
	830,999,940	825,857,256
Outside Bangladesh	-	-
	830,999,940	825,857,256

11.1 Bank loan

This represents long term loan taken from different commercial banks and its movement is as under:

Balance at 1 January	421,573,147	314,373,114
Received during the year	302,775,299	120,767,448
Repayment during the year	(262,315,313)	(13,567,415)
Balance at 31 December	462,033,133	421,573,147

	Amount in Taka	
	2022	2021
Break up of bank loan		
Meghna Bank Limited	192,968,593	178,889,570
United Commercial Bank Limited	158,373,898	129,616,129
Standard Bank Limited	110,690,642	113,067,448
	462,033,133	421,573,147

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	6,354,755	45,254,286
Received during the year	-	-
Repayment during the year	(4,579,917)	(38,899,531)
Balance at 31 December	1,774,838	6,354,755

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)	18,300,000	35,600,000
Agrani Bank Limited (Call Money))	60,000,000	60,000,000
Sonali Bank Limited (Call Money))	84,800,000	94,300,000
Pubali Bank Limited (OD A/C))	153,131,574	162,209,712
Meghna Bank Limited (OD A/C))	50,960,395	45,819,643
	367,191,969	397,929,354

Money at call and on short notice

As on the reporting date Taka 144.80 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 2021 of the Company).

11.5 Maturity wise grouping

Repayable on demand	-	-
Up to 1 month	16,374,438	14,305,198
1 month to 3 months	18,747,886	14,227,886
3 months to 1 year	75,828,315	83,311,831
1 year to 5 years	612,740,235	628,912,340
More than 5 years	107,309,066	85,100,001
	830,999,940	825,857,256

11.a BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS (consolidated)

Prime Finance & Investment Limited	830,999,940	825,857,256
Prime Finance Capital Management Limited	1,425,966,336	1,444,114,202
Adjustment for dealing with subsidiary	(1,052,635,863)	(1,025,921,871)
	1,204,330,413	1,244,049,587

The total outstanding loan amount provided by Prime Finance and Investment Limited to its subsidiary, Prime Finance Capital Management Limited, as of 31 December 2022, was initially reported as BDT 1,052,635,863. 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 2,252,594,725 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 2022 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.

	Amount in Taka	
	2022	2021
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	1,488,839,272	1,510,296,589
Other Institutions		
Term Deposit	1,601,159,014	1,737,784,147
Monthly Income Deposit	88,830	9,088,830
	1,601,247,844	1,746,872,977
Individuals		
Term Deposit	1,057,848,275	1,039,031,427
Housing Deposit	4,140,000	3,840,000
Fortune DPS	88,300,000	79,542,500
Sonchoy DPS	39,733,148	31,118,070
Monthly Income Deposit	1,600,652,661	1,457,412,583
	2,790,674,084	2,610,944,580
	5,880,761,199	5,868,114,146
12.1 Movements of deposits:		
Balance at 1 January	5,868,114,146	5,428,137,532
Received/ renewed during the year	1,899,959,790	1,747,169,705
Repayment during the year	(1,887,319,737)	(1,307,193,090)
Balance at 31 December	5,880,754,199	5,868,114,146
12.2 Maturity wise grouping		
Repayable on demand	-	-
Repayable within 1 month	200,377,993	125,265,429
1 month to 3 months	161,719,686	218,628,015
3 months to 1 year	1,291,594,192	1,307,124,750
1 year to 5 years	3,358,343,390	3,648,035,907
5 years to 10 years	868,725,938	569,060,045
More than 10 years	-	-
	5,880,761,199	5,868,114,146
12.a Deposits and other accounts (consolidated)		
Prime Finance & Investment Limited	5,880,761,199	5,868,114,146
Prime Finance Capital Management Limited	-	-
	5,880,761,199	5,868,114,146

	Amount in Taka	
	2022	2021
13.0 Other Liabilities		
Provision for loans, advances and leases (note 13.1)	998,007,764	568,094,280
Provision for diminution in value of investments (note 13.2)	263,733,885	130,452,586
Provision for other asset	56,511,003	62,865,000
Interest suspense (note 13.3)	3,961,082,327	183,260,128
Provision for tax (note 13.4)	484,467,931	478,739,805
Financial expenses payable	388,161,718	415,545,048
Advance and security deposit (note 13.5)	56,074,737	100,364,652
Excise duty payable	-	-
Withholding tax payable	-	-
Accrued expenses and other payables (note 13.6)	296,202,354	198,968,448
Unclaimed dividend account (note 13.7)	869,131	20,772,410
	6,505,110,850	2,159,062,357

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.

General provision on unclassified loans, advances and leases	71,253,920	55,485,609
Specific provision on classified loans, advances and leases	926,753,844	512,608,671
Provision as on 31 December	998,007,764	568,094,280

Movement in general provision on unclassified loans/ leases:

Provision as on 1 January	55,485,609	54,549,212
Add: Provision made/ (released) during the year	15,768,311	936,397
Provision as on 31 December	71,253,920	55,485,609

Movement in specific provision on classified loans/ leases:

Provision as on 1 January	512,608,671	393,289,576
Less: Adjustment for write off	-	-
Add: Provision made/ (released) during the year	414,145,173	119,319,095
Provision as on 31 December	926,753,844	512,608,671
Total	998,007,764	568,094,280

**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	130,452,586	4,001,000
Add: Provision made/ (adjusted) during the year: Listed securities	27,171,868	15,835,754
Equity Investment	106,109,431	110,615,832
Provision as on 31 December	263,733,885	130,452,586

*The Financial Institutions Inspection Department (FIID) of Bangladesh Bank vide letter no. FIID (I-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.

	Amount in Taka	
	2022	2021
13.2.1 Allocation of provision		
Listed securities	43,007,622	15,835,754
Equity investment	216,725,263	110,615,832
Unlisted securities	4,001,000	4,001,000
	263,733,885	130,452,586

13.2.a Provision made during the year (consolidated)

Prime Finance & Investment Limited	133,281,299	126,451,586
Prime Finance Capital Management Limited	15,000,000	5,509,606
	148,281,299	131,961,192

13.3 Interest suspense

Balance as on 1 January	183,260,128	170,556,927
Add: Transferred during the year	3,829,778,820	13,122,058
Less:		
Amount of interest suspense recovered	(51,956,621)	(418,857)
Write off during the year	-	-
Balance as on 31 December	3,961,082,327	183,260,128

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 2021.

Balance at 1 January	478,739,805	452,334,848
Provision made during the year	5,728,127	26,404,957
Balance at 31 December	484,467,931	478,739,805

13.4.1.1 Reconciliation of current tax

Particular	2022		2021	
	%	TAKA	%	TAKA
Profit Before income tax as per profit and loss account		(791,048,722)		(170,620,179)
Income Tax using the domestic corporate tax rate	37.5%	(296,643,271)	37.5%	(63,982,567)
Factors affecting the tax charge for current year				
Non deductible expenses		210,673,160		89,243,372
Non taxable income		19,436,886		(1,427,410)
Under/Over provision		28,465,048		28,465,048
Unrecognised tax loss		63,588,963		(27,953,578)
Tax savings from reduced tax rates from dividend		1,432,934		2,060,092
Total income tax expenses (Effective tax rate)	15.5%	26,953,720	15.5%	26,404,957

Details of tax status is shown in Annexure-D

	Amount in Taka	
	2022	2021
13.4.1.a Provision for current tax (consolidated)		
Prime Finance & Investment Limited	5,728,127	26,404,957
Prime Finance Capital Management Limited	5,902,694	11,569,109
	11,630,820	37,974,066

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: 2022			
Fixed assets including premises, furniture and fixtures	19,253,276	22,324,838	(3,071,562)
	19,253,276	22,324,838	(3,071,562)
Applicable tax rate			37.50%
Deferred tax assets (A)			(1,151,836)
Year: 2021 (B)			(8,362,048)
Deferred tax expense (A-B)			7,210,212

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	7,210,212	2,901,040
Prime Finance Capital Management Limited	372,584	1,848,081
	7,582,796	4,749,121

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	100,364,652	114,624,604
Received during the year	45,550,823	19,815,203
Adjusted during the year	(89,840,738)	(34,075,155)
Balance at 31 December	56,074,737	100,364,652

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

Lease advance	3,380,672	10,193,273
Term finance advance	12,720,445	29,699,292
Stock on hire advance	8,000	8,000
Cash security deposit	39,965,620	60,464,087
	56,074,737	100,364,652

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	73,529,532	51,783,207
Lease Liability	31,230,042	38,421,731
Other payables	191,442,781	108,763,510
	296,202,354	198,968,448

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.

	Amount in Taka	
	2022	2021
13.7 Unclaimed dividend account (note 13.7)		
Aging of unclaimed dividend		Amount in Taka
Dividend before 2011	-	4,509,997
Dividend in 2012	-	1,497,177
Dividend in 2013	-	9,076,318
Dividend in 2014	-	4,808,924
Dividend in 2019	869,131	879,994
	869,131	20,772,410

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	6,505,110,850	2,159,062,357
Prime Finance Capital Management Limited	267,336,715	252,160,822
Adjustment for dealing with subsidiary	-	-
	6,772,447,565	2,411,223,179

14.0 SHARE CAPITAL

As at 31 December 2022, a total of 272,916,483 (FY 2021: 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	2,729,164,830	2,729,164,830
Total bonus shares of Taka 10 each	-	-
	2,729,164,830	2,729,164,830

Details of sponsors/ Director shareholding

Sponsor/ Director Shareholders	No. of shares held	Percentage
East Coast Shipping Lines Limited	24,407,338	8.94
Acorn Limited	24,920,420	9.13
Pedrollo Nk. Limited	26,768,991	9.81
Mawsons Limited	5,654,752	2.07
GQ Enterprise Limited	23,222,142	8.51
Khaled Textile Mills Limited	22,382,420	8.20
Agami apparels limited	23,088,632	8.46
Abeeco Industries Ltd.	5,508,634	2.02
Mr. Tauseef Iqbal Ali	5,458,363	2.00
Mr. Md. Aliuzzaman	2,427	0.001

Composition of shareholdings

Composition of shareholdings as on 31 December 2022 and 2021 weres as under:

Group	No. of Shareholders		No. of Shares		Percentage	
	2022	2021	2022	2021	2022	2021
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	194	21,232,330	25,390,393	7.79	9.30
General Public (Individuals)	12,889	12,172	90,270,034	86,111,971	33.07	31.55
	13,028	12,376	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, 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 surplus eligible capital of the Company as on December 31, 2022, on consolidation basis, were Taka 342.693 million and capital adequate ratio was 12.41%.

Details of Capital Adequacy Ratio (CAR):

Tier-1 (Core capital)

Fully paid-up capital	2,729,164,830	2,729,164,830
Statutory reserve	960,237,744	960,237,744
General reserve	-	-
Retained earnings	(2,467,921,086)	(1,643,516,215)
Non-controlling interests	793,469,149	807,081,022
Deductions from Tier -1	(705,778,737)	(835,233,665)
Total eligible Tier-1 capital	1,309,171,900	2,017,733,716

Tier-2 (Supplementary capital)

General provision (Unclassified loans up to specified limit + SMA+ off Balance Sheet exposure)	71,253,920	55,485,609
Assets revaluation reserves up to 50%	343,507,990	360,900,247
Total eligible Tier-2 capital	414,761,909	416,385,856
(i) Total eligible capital	1,723,933,809	2,434,119,572
(ii) Total Risk Weighted Assets (RWA)	13,888,400,000	18,533,300,000
(iii) Minimum Capital Requirement (MCR) (10% of RWA)	1,388,840,000	1,853,330,000
(iv) Excess {(i) - (iii)}	335,093,809	580,789,572
Capital Adequacy Ratio (CAR) {(i) / (ii)} [%]	12.41%	13.13%

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	807,081,022	799,037,909
Profit/(loss) after tax for the year	(13,611,873)	8,043,113
Balance as on 31 December	793,469,149	807,081,022

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	(1,894,137,747)	(1,694,211,571)
Payment of cash dividend	-	-
Profit/(loss) after tax for the year	(803,987,060)	(199,926,176)
Transferred to statutory reserve	-	-
Balance as on 31 December	(2,698,124,807)	(1,894,137,747)

18.0 INCOME STATEMENT

Income:

Interest, discount and similar income (note 19)	574,172,750	606,218,588
Dividend income (note 21)	7,164,670	10,300,458
Gains less losses arising from dealing in securities	-	-
Fees, commission, exchange and brokerage (note 22)	1,680,235	490,725
Gains less losses arising from investment in securities (note 21.1)	6,526,541	9,173,134
Gains less losses arising from dealing in foreign currencies	-	-

	Amount in Taka	
	2022	2021
Income from non-banking assets	-	-
Other operating income (note 23)	(9,808,475)	174,802,391
Profit less losses on interest rate changes	-	-
Nominal value of bonus share received	-	-
Total income (A)	579,735,722	800,985,296
Expenses:		
Interest paid on deposits, borrowings etc. (Note 20)	654,847,708	574,012,201
Administrative expenses	137,554,304	122,803,061
Depreciation and impairment on banking assets	11,622,278	13,196,462
Other operating expenses	9,919,367	8,373,673
Total expenses (B)	813,943,658	718,385,397
Operating surplus (A-B)	(234,207,936)	82,599,899
19.0 INTEREST INCOME		
Income from lease finance	21,374,215	6,881,136
Income from term finance	478,236,250	481,037,009
Income from real estate finance	1,773,239	2,055,950
Income from other finance	72,789,046	116,244,492
	574,172,750	606,218,588
19.a INTEREST INCOME (consolidated)		
Prime Finance & Investment Limited	574,172,750	606,218,588
Prime Finance Capital Management Limited	44,339,874	14,403,974
Adjustment for dealing with subsidiary	(33,129,880)	(3,705,273)
	585,382,744	616,917,289
20.0 INTEREST PAID ON DEPOSITS, BORROWINGS etc.		
Interest on bank loan	40,076,752	983,571
Interest on IDA and ADB fund under re-financing scheme of Bangladesh Bank	-	-
Interest on fund from Bangladesh Bank under re-financing schemes	44,800	1,308,297
Interest on term deposits	578,520,956	521,531,018
Interest on money at call and on short notice	10,941,091	12,722,251
Interest on cash security deposit	2,626,742	3,086,954
Interest on overdraft facility	18,658,152	30,030,141
Interest on lease rent	3,979,215	4,349,968
	654,847,708	574,012,201
20.a INTEREST PAID ON DEPOSITS, BORROWINGS etc. (consolidated)		
Prime Finance & Investment Limited	654,847,708	574,012,201
Prime Finance Capital Management Limited	65,906,856	58,648,597
Adjustment for dealing with subsidiary	(33,129,880)	(3,705,273)
	687,624,685	628,955,525
21.0 INVESTMENT INCOME		
Capital gain on sale of securities (note 21.1)	6,526,541	9,173,134
Dividend income	7,164,670	10,300,458
	13,691,211	19,473,592

	Amount in Taka	
	2022	2021
21.1. Capital gain on sale of securities		
Gain on sales of securities	6,526,541	9,173,134
Loss on sales of securities	-	-
Net gain from sale of securities	6,526,541	9,173,134
21.a INVESTMENT INCOME (consolidated)		
Prime Finance & Investment Limited	13,691,211	19,473,592
Prime Finance Capital Management Limited	14,779,588	115,691,089
	28,470,799	135,164,681
22.0 FEES, COMMISSION, EXCHANGE AND BROKERAGE		
Service charge, factoring charge etc.	1,680,235	490,725
	1,680,235	490,725
22.a FEES, COMMISSION, EXCHANGE AND BROKERAGE (consolidated)		
Prime Finance & Investment Limited	1,680,235	490,725
Prime Finance Capital Management Limited	6,847,545	8,368,321
	8,527,780	8,859,046
23.0 OTHER OPERATING INCOME		
Income from associates (note 9.1)	(51,831,695)	3,806,425
Delinquent Interest, IDCP etc.	-	-
Renewals and proceeds	502,278	1,166,214
Write-off & others	41,520,942	169,829,752
	(9,808,475)	174,802,391
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.		
23.a OTHER OPERATING INCOME (consolidated)		
Prime Finance & Investment Limited	(9,808,475)	174,802,391
Prime Finance Capital Management Limited	17,012,457	13,522,575
	7,203,982	188,324,966
24.0 SALARIES AND OTHER EMPLOYEE BENEFITS		
Salaries & allowances	103,143,314	89,098,306
Medical & employee welfare	2,001,989	1,619,224
	105,145,303	90,717,530
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	105,145,303	90,717,530
Prime Finance Capital Management Limited	22,387,058	28,905,093
	127,532,361	119,622,623
25.0 RENT, TAXES, INSURANCE, ELECTRICITY ETC.		
Office rent & maintenance	10,444,283	10,358,900
Electricity bill	1,475,765	1,436,246
	11,920,048	11,795,146

		Amount in Taka	
		2022	2021
25.1 Disclosure related to Rent, rate and taxes:			
Actual rent expenses		22,374,831	21,745,304
Less: Reclassification of rent expenses (as per IFRS 16: Leases)		(11,930,548)	(11,386,404)
Rent expenses as reported		10,444,283	10,358,900
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		11,920,048	11,795,146
Prime Finance Capital Management Limited		3,407,539	3,438,417
		15,327,587	15,233,563
26.0 LEGAL EXPENSES			
		4,015,000	2,312,292
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		4,015,000	2,312,292
Prime Finance Capital Management Limited		172,500	272,005
		4,187,500	2,584,297
27.0 POSTAGE, STAMP, TELECOMMUNICATION ETC.			
Postage, telephone and fax		1,798,997	1,581,934
Charges, levies, stamps and duties		1,026,180	652,581
		2,825,178	2,234,515
27.a POSTAGE, STAMP, TELECOMMUNICATION ETC. (consolidated)			
Prime Finance & Investment Limited		2,825,178	2,234,515
Prime Finance Capital Management Limited		136,700	155,633
		2,961,878	2,390,148
28.0 STATIONERY, PRINTING, ADVERTISEMENTS ETC.			
Printing and stationery		1,473,724	2,032,899
Books and periodicals		35,766	20,065
Advertisement and publicity		978,285	2,713,615
		2,487,775	4,766,579
28.a STATIONERY, PRINTING, ADVERTISEMENTS ETC. (consolidated)			
Prime Finance & Investment Limited		2,487,775	4,766,579
Prime Finance Capital Management Limited		1,032,480	1,025,781
		3,520,255	5,792,360
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		512,000	304,000
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 2022 was as under:			

	Amount in Taka	
	2022	2021
Total board meetings (nos.)	8	8
Total board audit committee meetings (nos.)	4	4
Total board executive committee meetings (nos.)	-	-
Total fees paid	696,000	512,000
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	696,000	512,000
Prime Finance Capital Management Limited	266,667	257,781
	962,667	769,781
31.0 AUDITORS' FEES		
Auditors' fees	300,000	300,000
VAT on audit fees	45,000	45,000
	345,000	345,000
31.a AUDITORS' FEES (consolidated)		
Prime Finance & Investment Limited	345,000	345,000
Prime Finance Capital Management Limited	97,750	86,250
	442,750	431,250
32.0 DEPRECIATION AND REPAIR OF ASSETS		
Depreciation of fixed assets - freehold	11,384,491	12,974,855
Amortization of intangible assets	237,788	221,607
	11,622,278	13,196,462
As on 31 December 2022, 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)		
Depreciation of fixed assets - freehold	11,622,278	13,196,462
Amortization of intangible assets	623,863	1,259,615
	12,246,141	14,456,077
33.0 OTHER EXPENSES		
HR development	70,721	59,088
Travelling and conveyance	2,628,040	2,159,694
Motor vehicle expenses	1,984,183	1,361,409
Subscription and fees	1,815,609	1,686,514
Meeting expenses	90,000	62,400
AGM expenses (note 33.1)	332,989	236,921
Entertainment, public relation etc.	944,767	223,126
Others	2,053,058	2,584,521
	9,919,367	8,373,673
33.1 AGM expenses		
Rent for AGM venue, virtual arrangement expense etc.	172,000	157,500
Printing, database management etc.	65,985	11,900
Publication of notice	65,004	52,500
Entertainment	30,000	15,021
Others	-	-
	332,989	236,921

	Amount in Taka	
	2022	2021
33.a OTHER EXPENSES (consolidated)		
Prime Finance & Investment Limited	9,919,367	8,373,673
Prime Finance Capital Management Limited	1,702,456	18,902,209
	11,621,823	27,275,882
34.0 RECEIPTS FROM OTHER OPERATING ACTIVITIES		
IDCP etc.	-	-
Renewals and proceeds	502,278	1,166,214
Write-off & others	41,520,942	24,086,362
Net proceeds from sale/surrendered of shares & unit fund	103,060,920	142,912,168
	145,084,140	168,164,744
35.0 PAYMENTS FOR OTHER OPERATING ACTIVITIES		
Advance against office rent, renovation & decoration	(119,369,980)	(301,979,909)
Advance against advertisement	-	-
	(119,369,980)	(301,979,909)
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 2022 was based on the profit/(loss) attributable to ordinary shareholders of Tk. (803,987,060) (2021: Tk. (199,926,176) and a weighted average number of ordinary shares outstanding as at 31 December 2022 of 272,916,483 (2021: 272,916,483).		
Profits attributable to ordinary shareholders		
Net profit for the year	(803,987,060)	(199,926,176)
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 (EPS)	(2.95)	(0.73)
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 2022 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	(824,404,871)	(187,861,508)
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)	(3.02)	(0.69)
37.0 NET ASSET VALUE (NAV) PER SHARE:		
Total shareholders' equity (A)	1,678,293,746	2,517,065,320
Number of shares outstanding (B)	272,916,483	272,916,483
Net Asset Value (NAV) per share (A÷B)	6.15	9.22

	Amount in Taka	
	2022	2021
37.a Net Asset Value (NAV) per share (consolidated):		
Equity attributable to shareholders' of the company (A)	1,908,497,467	2,767,686,852
Number of shares outstanding (B)	272,916,483	272,916,483
Net Asset Value (NAV) per share (A÷B)	6.99	10.14
38.0 Net operating cash flow per share (NOCFPS):		
Net cash flow from operating activities (A)	(172,659,629)	98,669,675
Number of shares outstanding (B)	272,916,483	272,916,483
Net operating cash flow per share (NOCFPS) (A÷B)	(0.63)	0.36
38.a Net operating cash flow per share (NOCFPS) (consolidated):		
Net cash flow from operating activities (A)	(91,705,146)	174,678,024
Number of shares outstanding (B)	272,916,483	272,916,483
Net operating cash flow per share (NOCFPS) (A÷B)	(0.34)	0.64

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

	Separate (2022)	Consolidated (2022)
Net profit after tax	(803,987,060)	(838,016,744)
Add: Adjustments for non-cash items:		
Depreciation of company's assets	11,622,278	12,246,141
Provisions for loans, advances and leases		
General provision	15,768,311	15,768,311
Specific provision	414,145,173	414,145,173
Other provision	(6,353,997)	(6,353,997)
Provisions for the diminution in the value of investments	133,281,299	148,281,299
Provision for taxation	12,938,339	19,213,616
(Increase)/decrease in operating assets	(3,708,819,708)	(3,682,105,730)
(Increase)/decrease in trading securities	(36,100)	10,377,902
Increase/(decrease) in operating liabilities and accruals	3,758,781,836	3,814,738,883
Net cash flows from / (used in) operating activities	(172,659,629)	(91,705,146)

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 2022 was 272,916,483 and the market value per share of last trading day (29 December 2022) 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 2022.

	Quarters	DSE		CSE	
		High	Low	High	Low
High low share price	First quarter	16.50	12.50	16.50	12.40
	Second quarter	13.70	10.00	13.60	10.20
	Third quarter	15.20	10.80	15.30	10.70
	Fourth quarter	12.40	11.50	12.40	11.50
No. of shareholders	There were 13,028 shareholders as per Share Register as on 31 December 2022.				

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 2022 was as under:

Name of the related party	Relationship	Nature of transaction	Outstanding receivable/ (payable) 2022
PFI Properties Limited	Common Directors	Term finance	73,352,854
PFI Securities Limited	Associate Company	Term finance	5,475,625,848
Prime Finance Capital Management Limited	Subsidiary Company	Term finance	2,252,594,725
Radiant Alliance Limited	Common Directors	Term deposit	(12,269,110)
Clean Fuel Filling Station Ltd.	Common Directors	Term deposit	(8,375,720)
Bangladesh Trade Syndicate Limited	Common Directors	Term deposit	(7,589,924)
Prime Prudential Fund Limited	Associate Company	Receivable	330,775
Prime Prudential Fund Limited	Associate Company	Term deposit	(17,850,220)
Total			7,755,819,228

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 2022 no such contract exists.

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

As on 31 December 2022 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 2022 no such investments exists.

42.0 PARTICULARS OF THE DIRECTORS

Sl.	Directors	Nominated by	Designation	Address	% of shares as at 31 December 2022
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 Ltd.	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 Director	Chairman	Masters in Economics
Mr. Tauseef Iqbal Ali	Director	Member	MBA
Mr. Uzzal Kumar Saha	Director	Member	M.Com (Accounting)

Audit Committee meetings held during the year 2022:

SL.	Meeting no.	Meeting date
1	90 no. Audit Committee Meeting	28-Dec-2022
2	91 no. Audit Committee Meeting	29-Dec-2022
3	92 no. Audit Committee Meeting	31-Dec-2022

Major issues discussed in the Audit Committee Meeting during the year 2022 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

	Amount in Taka	
	2022	2021
Contingent liabilities:	-	-
Other commitments:		
Un-disbursed contracted loans, advances and leases	-	-
	-	-

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 2022, 12 (Twelve) Board Meetings were held. As on 31 December 2022, 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 2022. All the employees received salary of Taka 36,000 and above per annum during the year 2022.

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

None as on 31 December 2022

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 15 April 2025.

				
Chairman	Director	Director	Managing Director (CC)	Company Secretary

Prime Finance & Investment Limited

Annexure-A

Schedule of fixed assets Including premises, furniture and fixtures

As at 31 December 2022

Particulars	Cost			Rate of depreciation/ amortization	Depreciation/Amortization/Impairment			Amount in Taka
	Balance as at Jan' 01, 2022	Addition during the year	Disposal/ adjustment during the year		Balance as at Dec' 31, 2022	Charged during the year	Disposal/ adjustment during the year	
Freehold assets:								
Land & Land Development	516,091,089	-	-	-	-	-	-	516,091,089
Right-of-use-asset	45,988,220	-	-	-	9,964,187	8,471,786	-	27,552,247
Furniture and fixtures	14,829,215	147,000	-	15% -20%	13,877,023	208,793	-	890,399
Office decoration	41,778,067	-	-	20%	36,253,828	1,353,550	-	4,170,690
Electrical equipment	33,636,514	404,870	125,000	20%	32,635,658	360,379	117,754	1,038,101
Owned vehicles	23,759,016	-	1,247,782	20%	21,783,734	989,983	1,247,782	985,299
Intangible assets:								
Software	3,581,211	80,000	-	10%	2,506,543	237,788	-	916,881
Leasehold assets:								
Leased vehicles	9,717,341	-	-	20%	9,717,337	-	-	4
As at 31 December 2022	689,380,673	631,870	1,372,782		126,738,309	11,622,278	1,365,536	551,644,709
As at 31 December 2021	1,075,249,974	5,609,056	391,478,357		121,111,292	13,196,462	7,569,445	562,642,363

Highlights

Sl. No	Particulars	Financial Year	
		2022	2021
1	Paid-up capital	2,729,164,830	2,729,164,830
2	Total capital	1,723,933,809	2,434,119,572
3	Capital surplus/ (shortage)	335,093,809	580,789,572
4	Total assets	16,559,505,793	13,098,154,785
5	Total deposits	5,880,761,199	5,868,114,146
6	Total loans, advances and leases	12,051,679,495	8,515,986,704
7	Total Contingent liabilities and commitments	-	-
8	Loans deposits ratio (%)	136.81	89.21
9	Percentage of classified loans against total loans, advances and leases	68.15	69.37
10	Net profit after tax and provision	(838,016,744)	(179,818,395)
11	Classified loans, advances and leases during the year	7,266,447,738	4,902,756,995
12	Provision against classified loans, advances and leases	926,753,844	512,608,671
13	Surplus/ (shortage) in provision against loans, advances and leases	(705,778,737)	(841,788,442)
14	Fund cost (%)	8.40	8.93
15	Interest earning assets	15,646,434,136	12,256,079,308
16	Non-interest earning assets	913,071,656	842,075,477
17	Return on average investment (ROI) (%)	(6.88)	(1.35)
18	Return on average assets (ROA) (%)	(5.52)	(1.04)
19	Income from debentures, bonds etc.	-	-
20	Net income per share	(3.02)	(0.69)
21	Earnings per share	(3.02)	(0.69)
22	Price earnings ratio (times)	(5.23)	(22.95)

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

Summary of Deffrral Provision

As on 31 December 2022

Particulars	As per BB Inspection	2022	2023 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	705,778,737
Provision for equity investment for Subsidiary/ Associate :			
Prime Finance Capital Management Limited	480,000,000	120,000,000	360,000,000
PFI Securities Limited, Prime Finance AMCL & Prime Prudential Fund	404,926,657	96,725,263	308,201,394
Equity provision addition	884,926,657	216,725,263	668,201,394
	-	-	
A. Total loan and equity provision addition	1,846,970,591	472,990,460	1,373,980,131
	-	-	
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	101,625,608	-
Total provision and Interest Suspenses Addition (A+B)	1,948,596,199	243,574,525	1,705,021,674

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.

Tax return details

As on 31 December 2022

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	DCI	-	-	-	-	Assessment completed & settled
2012	2013-14	Return duly submitted	DCI	25.02.2015	103,755,215	84,854,505	18,900,710	Appeal file
2013	2014-15	Return duly submitted	DCI	20.07.2017	44,440,564	32,605,571	11,834,993	Appeal file
2014	2015-16	Return duly submitted	DCI	06.01.2021	12,186,166	9,990,929	2,195,237	Appeal file
2015	2016-17	Return duly submitted	DCI	07.01.2021	8,016,438	5,873,883	2,142,555	Appeal file
2016	2017-18	Return duly submitted	DCI	29.10.2021	6,042,142	8,959,877	(2,917,735)	Assessment completed & settled (After 2nd appeal)
2017	2018-19	Return duly submitted	DCI	27.07.2021	19,092,320	19,092,320	-	Assessment completed & settled (After 2nd appeal)
2018	2019-20	Return duly submitted	DCI	12.10.2021	13,431,974	13,431,974	-	Assessment completed & settled
2019	2020-21	Return duly submitted	DCI	16.11.2022	6,284,008	5,106,089	1,177,919	Appeal file hearing stage
2020	2021-22	Return duly submitted	DCI	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
Total					218,107,794	183,731,474	34,376,320	

Directors' Report

for the financial year 2022

Dear Shareholders,

The Directors have the pleasures in presenting their report with the audited financial statements of the Company for the year ended 31 December 2022 together with the Auditors' Report thereon for consideration and approval of our valued shareholders. These reports were approved by the Board of Directors of the Company on 20 August 2023.

The Directors' Report has been prepared in compliance with section 184 of The Companies Act, 1994 and other applicable rules & regulations.

Global Economy

Economic performance

Global growth has slowed to the extent that the global economy has triggered to unexpected tightening on the monetary policy around the world, including major advanced economies. The tightening was necessary for price stability, but it affects the global financial conditions, as a result there is a change in monetary policy and its economic impacts and the world experience an increase in inflation.

The global economy remains in a precarious state of an overlapping of negative shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy. Global growth is projected to slow significantly in the 2022-2023. Global growth is projected to decline from 3.5% in 2022 to 3% in 2023. The global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic levels, due to rising interest rates and the war in Ukraine to weigh on economic activity.

The inflation and war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2023. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Beyond 2023, global growth is forecast to recover at a slow rate over the couple of years. Multilateral efforts required to reduce the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic.

Global cooperation is also necessary to accelerate the clean energy transition, mitigate climate change, and provide debt relief for the rising number of countries experiencing debt distress. At the national level, it is imperative to implement credible policies to contain inflation and ensure macroeconomic and financial stability, as well as undertake reforms to set the foundations for a robust, sustainable, and inclusive development path.

Global Capital Market

Fiscal space has narrowed considerably, and concerns over debt sustainability in many countries have risen as global

financial conditions have made it more difficult to serve debt loads that have accumulated rapidly in recent years, particularly during the pandemic. Nonetheless, many governments have announced new support measures to shield households and firms from the effects of sharply rising prices, slowing the pace of fiscal consolidation as pandemic-related stimulus is withdrawn.

The global economy is projected to expand at a sluggish pace of around 1.3% in 2023 as financial conditions tighten. The global economy is not at imminent risk of sliding into recession, as the sharp decline in inflation helps promote growth and 2022 was a shocking year. Against the historic volatility of 2020 and 2021, which saw the deepest global downturn on record, followed by the strongest rebound in 2022 growth outcomes were far more stable. But this year has been remarkably turbulent, with the global economy hit by multiple adverse shocks from supply and demand issues spilling into labor markets to Russia's invasion of Ukraine.

The substantial rise in borrowing costs is already depressing housing activity and the sharp climb in the U.S. dollar is likely to have a global impact. Emerging Market (EM) low-income commodity importers having tight financial conditions generate stress that could spill over in ways that threaten macroeconomic stability. After a year of macroeconomic and geopolitical shocks, investors responded by the price to earnings (P/E) ratio as much as seven times, while some speculative growth segments crashed 70%-80% from highs.

Although fundamentals have been resilient throughout these shocks, this year's constructive growth backdrop is not expected to persist in 2023. Fundamentals will likely deteriorate as financial conditions continue to tighten and monetary policy turns even more restrictive. This proverbial snowball should continue to gain momentum next year as consumers and corporates more meaningfully cut discretionary spending and capital investments.

A comprehensive policy package is needed to steer the global economy for an inclusive development path. Such a package would combine policies to reduce both between-country and within-country inequality. It would require proactive national policies and support from the global community.

Bangladesh Economy

Bangladesh economy was growing consistently high over a decade crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19. However, the COVID-19 pandemic reduced the growth rate to 3.45 percent in FY 2019-20. The economy grew by 6.94 percent in FY 2020-21. According to the provisional estimates of Bangladesh Bureau of Statistics (BBS), the GDP growth stood at 7.25 percent in FY 2021-22, the per capita GDP and per capita national income stood respectively at US\$ 2,723 and US\$ 2,824 in FY 2021-22 compared to US\$ 2,462 and

US\$ 2,591 respectively in FY 2020-21. The consumption increased to 78.44 percent of GDP in FY 2021-22 from 74.66 percent in FY 2020-21. The gross investment stood at 31.68 percent of GDP in FY 2021-22, where public investment and private investment accounted for 7.62 percent and 24.06 percent of GDP respectively. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2022-23, 7.8 percent in FY 2023-24 and 8.0 percent in FY 2024-25.

The revised revenue mobilization target was set at Tk. 3,89,000 crore in FY 2021-22, which is 9.78 percent of the GDP. Of them, revenue receipt from NBR sources was marked at Tk. 3,30,000 crore (8.30% of GDP), tax revenue from non-NBR sources at Tk. 16,000 crore (0.40% of GDP) and non-tax revenue at Tk. 43,000 crore (1.10% of GDP). As per provisional data the total revenue mobilization up to February 2022 stood at Tk. 2,25,116 crore, up by 16.39 percent of the same period of previous fiscal year, achieving 57.87 percent of the target.

According to the revised budget, the total expenditure target for FY 2021-22 has been set at Tk. 5,93,500 crore (14.93% of GDP), which is 10.11 percent higher compared to FY 2020-21. The revised Annual Development programme (ADP) size for FY 2021-22 stood at Tk. 2,07,550 crore (excluding autonomous/agencies/ corporations' own funded projects), which is 5.01 percent higher than the previous fiscal year.

The government is highly concerned of maintaining the budget deficit within 5 percent of GDP by increasing efficiency in revenue management. However, due to the increase in government expenditure for COVID-19 pandemic, target set at 5.1 percent of current fiscal year. The actual budget deficit for FY 2019-20 and FY 2020-21 stood at 4.7 percent and 4.3 percent of GDP respectively.

The inflow of foreign grants and loans in the first eight months of FY 2021-22 (up to February 2022) amounted to US\$ 5,899 million, up by 6.63 percent from the same period of the previous fiscal year. The country's external debt outstanding at the end of February 2022 was US\$ 55,826 million or 12.23 percent of GDP.

In FY 2021-22, both stock markets (Dhaka Stock Exchange and Chattogram Stock Exchange) noticed some volatility, however, both the price index and market capitalization increased moderately. The market capitalization for the FY 2020-21 was Tk. 51,42,821.30 (mn) and for the FY 2021-22 was Tk. 51,77,816.91 (mn).

Bangladesh capital market scenario

The Economy of Bangladesh is characterized as a developing market economy. The financial sector of Bangladesh is the 3rd (third) largest in the Indian subcontinent. Bangladesh is one of the fastest growing economies in the world as well as the fastest growing economy in the South Asia.

Capital market acts as a bridge of long term financing for the industrial development of a country through the sale and purchase of shares, bonds, mutual funds, etc. and the turnover of capital market contributes to the GDP of the country. Capital market in Bangladesh consists of two stock exchanges- the Dhaka Stock Exchange (DSE) and the

Chittagong Stock Exchange (CSE). Bangladesh Securities and Exchange Commission (BSEC), as watchdog, regulates the capital market of the country.

The Bangladesh Securities and Exchange Commission (BSEC) is finalizing a draft of rules regarding the commodity exchange on availing opinions from stakeholders with hopes that the first-ever exchange can be launched within a couple of months.

Industry outlook

Merchant banks play a vital role in bringing good companies to the capital market, thus, increasing market depth and liquidity. Therefore, these institutions have to find good companies that can provide fair and sustainable returns to shareholders. Apart from that, merchant banks have a crucial role in promoting financial literacy among investors so that they can make correct decisions, and also provide professional portfolio management services. Due to stock market fall, like all other market intermediaries, the merchant banks are also suffering a huge loss both on their own and clients' investment portfolios. The capital market of Bangladesh historic over-dependence on equity has begun to reduce recently, as investors have better opportunity to diversify their investment in bond, mutual fund, etc.

Company outlook

Prime Finance Capital Management Limited (PFCML) is a subsidiary of country's leading financial institution-Prime Finance & Investment Limited. Since 1996, PFCML has been in the capital market as a full-fledged merchant bank under the merchant banking wing of Prime Finance & Investment Limited to serve individual clients, small and large companies with a full range of issue management, underwriting, portfolio management and corporate advisory services. However, as per BSEC's guideline, the merchant banking wing was converted into subsidiary company and incorporated in 18 March 2010 as a public limited company with authorized capital of Tk. 500 crore and an initial paid-up capital of Tk. 100 crore. Currently, as on 31 December 2022 the paid up capital of the Company is Tk. 203.28 crore.

Principal activities

The main objectives of the company are to provide comprehensive range of services which include issue management, portfolio management, underwriting, corporate advisory, etc.

Operational performance

The Company reported net loss after tax attributable to equity holders of the Company of Tk. 34,029,683/- for the year ended on 31 December 2022 against the net profit after tax of Tk. 20,107,781/- for the year ended on 31 December 2021. The Company has made a provision of Tk. 1,477,959/- as income tax on capital gain and dividend for the year 2022 and Tk. 4,424,735/- for short provision of income tax for the accounting year 2014 to 2020. Total investment of the Company in margin loan was Tk. 2,441,969,039/- and investment in shares including unquoted shares was Tk. 669,209,055/- for the year ended on 31 December 2022.

Addition of fixed assets

During the year 2022 total written down value of fixed assets stood at Tk. 4,027,858/- compared to

Tk. 1,511,952/- in 2021. In the current year, addition of fixed assets was for Tk. 3,140,890/- and cost of disposal of fixed assets was for Tk. 141,200/-.

Reserve & surplus

The reserve & surplus of the Company includes retained earnings only. As on 31 December 2022 balance of retained loss stood at Tk. 49,127,130/- which was Tk. 15,097,447/- on 31 December 2021.

Dividend

The Company's profitability status is not in a position to pay out dividend. The Board in its meeting held on 20 August 2023 recommended "No dividend" for the year 2022.

Book closure

According to Section 42 of The Companies Act 1994, a company may on giving seven day's previous notice by advertisement in some newspaper circulating in the district in which the registered office of the company is situated close the register of members for any time or times not exceeding on the whole forty-five days in each year but not exceeding thirty days at a time. Accordingly, Register of Members and Share Transfer Book of the Company will remain closed on 29 August 2023.

Annual General Meeting

The 13th Annual General Meeting (AGM) of the Company will be held on 21 September 2023 to transact the following ordinary businesses:

- To receive, consider and adopt the audited financial statements of the Company for the year ended on 31 December 2022 including the reports of the Directors and the Auditors;
- To consider dividend for the year 2022 as recommended by the Board of Directors;
- To elect/ re-elect Directors in terms of the relevant provision of the Articles of Association of the Company; and
- To appoint the statutory auditors for the year 2023 and fixation of their remuneration.

Auditors

K. M. Hasan & Co., Chartered Accountants, 87 New Eskaton Road, Dhaka-1000, was appointed as the Auditors of the Company for the year 2022 in the 12th Annual General Meeting (AGM). The Auditors will retire in the 13th Annual General Meeting (AGM). The Board recommended to the Shareholders to appoint K. M. Hasan & Co., Chartered Accountants as the Auditors of the Company for the year 2023 at a remuneration of Tk. 85,000/- (Taka eighty five thousand) only exclusive of VAT.

Retirement and Re-appointment of Directors

Retirement by rotation:

As per Article 126 of the Articles of Association of the Company, one third of the total number of Directors for the time being, shall retire from the office in every Annual General Meeting (AGM). Independent Directors shall not fall under the purview of retirement by rotation. Accordingly, following Directors as per Article 126 of the Articles of Association of the Company shall retire by rotation from the Board in the 13th Annual General Meeting (AGM) as recommended by the Board of Directors in its meeting held on 20 August 2023:

- 1) Mr. Tauseef Iqbal Ali
- 2) Mr. Waheed Mahmud Khaled
- 3) Mr. Md. Ahsan Kabir Khan

As per Article 128 of the Article of Association of the Company the retiring directors are eligible for re-election in the 13th Annual General Meeting (AGM) of the Company which was recommended by the Board of Directors in its meeting held on 20 August 2023.

Events occurring after the reporting date

At the date of this Report, the Directors are not aware of any matter or circumstance that has arisen since the end of the year 2022 that has significantly affected or may significantly affect the operations of the Company.

Conclusion

There are a number of dynamics, both political and economic factors which could significantly affect money market and capital market in which the Company operates. As recent turmoil in the market indices, investors remain concerned about stock prices, interest rates, inflation and growth, all of which will inevitably determine capital market's future directions. We are convinced of our ability to continue to thrive in all areas of our business.

Finally, we are thankful to you for having confidence on us. Your continued support is the driving force behind the sustainability of our business. Thanks for the commitment, dedication and hard work of the Company's employees who are core to our success. I also take this opportunity to recall with appreciations the support and co-operation we have received from our shareholders, clients, government agencies, regulatory bodies and everyone with whom the Company is connected to in conducting its affairs and business.

For and on behalf of the Board of Directors,



Md. Ahsan Kabir Khan

Chairman

Board of Directors

Prime Finance Capital Management Limited



কে. এম. হাসান এন্ড কোং
K. M. HASAN & CO.
Chartered Accountants

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87, New Eskaton Road, Dhaka-1000
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McMillan Woods
International
Professionalism at the forefront

Independent Auditor's Report

To the shareholders of Prime Finance Capital Management Limited

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Prime Finance Capital Management Limited, (the company) which comprise the Statement of Financial Position as at 31 December 2022 and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended 31 December 2022 and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Prime Finance Capital Management Limited (the company) as at 31 December 2022 and its financial performance and its cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, Bangladesh Securities and Exchange Commission Rules 2020 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the 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 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 auditor's 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), Bangladesh Securities and Exchange Commission (BSEC) Rules 2020, Companies Act 1994, other applicable laws and regulations. and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization'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 company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.



কে. এম. হাসান এন্ড কোং
K. M. HASAN & CO.
Chartered Accountants

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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 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.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedure that as 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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. We describe these matters in our auditor's 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 2020, We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- (d) the expenditures incurred was for the purpose of the Company's business.

Md. Farhad Husain Suman FCA
Senior Partner
Enrollment No. : 1635

K. M. HASAN & CO.
Chartered Accountants
DVC: 2207031635AS519650

Place: Dhaka
Dated: 24 August 2023

Prime Finance Capital Management Limited
Statement of Financial Position
As at 31 December 2022

PARTICULARS	Notes	Amount in Taka	
		2022	2021
Assets			
Non-current assets			
Property, plant and equipment	11	4,027,858	1,511,952
Investment in shares	12	669,209,055	679,623,056
Deferred tax assets	13	3,182,959	3,555,542
		676,419,872	684,690,550
Current Assets			
Margin loan	14	2,441,969,039	2,474,254,281
Accounts and others receivable	15	370,605,191	374,514,752
Advance, deposit and prepayments	16	160,453,053	155,839,612
Cash and cash equivalents	17	27,528,766	24,678,382
		3,000,556,048	3,029,287,026
Total Assets		3,676,975,920	3,713,977,577
Shareholders' Equity			
Share capital	18	2,032,800,000	2,032,800,000
Retained earnings	19	(49,127,130)	(15,097,447)
		1,983,672,870	2,017,702,553
Non-Current Liabilities			
Long term loan	20	1,043,835,245	1,146,286,766
Current Liabilities			
Customer deposit	21	21,582,969	19,894,549
Short term loan	22	381,015,134	297,827,436
Accounts payable	23	-	1,275,629
Other payables	24	128,788,450	118,812,087
Provisions for taxes	25	118,081,251	112,178,557
		649,467,805	549,988,258
Total shareholders' Equity and Liabilities		3,676,975,920	3,713,977,577
Net Assets Value (NAV) Per Share	34	9.76	9.93

The annexed notes form an integral part of these financial statements



CFO & Company Secretary


Managing Director


Director


Chairman

Signed in terms of our separate report of even date annexed


Md. Farhad Husain Suman FCA
Senior Partner
Enrollment No. : 1635
K. M. HASAN & CO.
Chartered Accountants
DVC: 2308271635AS914205

Place: Dhaka
Dated: 24 August 2023

Prime Finance Capital Management Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

PARTICULARS	Notes	Amount in Taka	
		2022	2021
Fees and commission	26	6,847,545	8,368,321
Interest on margin loan	27	44,339,874	14,403,973
Gain on sales of listed company shares	28	14,779,588	115,691,089
Others income	29	17,012,457	13,522,575
Total operating income		82,979,464	151,985,958
Financial expenses	30	(65,898,451)	(58,648,597)
Management expenses	31	(29,827,013)	(37,238,625)
Margin loan written-off	32	(8,405)	(17,064,160)
Total operating expenses		(95,733,869)	(112,951,382)
Operating profit/(Loss)		(12,754,406)	39,034,576
Provision for investment and margin loan	33	(15,000,000)	(5,509,606)
Profit/(loss) before income tax		(27,754,406)	33,524,970
Provision for Taxes			
Current income tax expense	25	(1,477,959)	(11,569,109)
Previous year tax adjustment	25	(4,424,735)	-
Deferred tax income/(expense)	13.01	(372,584)	(1,848,081)
		(6,275,277)	(13,417,190)
Net profit/(loss) after income tax		(34,029,683)	20,107,781
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(34,029,683)	20,107,781
Earning Per Share (EPS)	35	(0.1674)	0.0989

The annexed notes form an integral part of these financial statements


CFO & Company Secretary


Managing Director


Director


Chairman

Signed in terms of our separate report of even date annexed



Md. Farhad Husain Suman FCA
Senior Partner
Enrollment No. : 1635

K. M. HASAN & CO.
Chartered Accountants
DVC: 2308271635AS914205

Place: Dhaka
Dated: 24 August 2023

Prime Finance Capital Management Limited
Statement of Cash Flows
For the year ended 31 December 2022

PARTICULARS	Amount in Taka	
	2022	2021
A. Cash flows from operating activities		
Net received from/(payment to) portfolio customers	23,391,721	21,529,850
Net received from brokers	58,396,488	73,318,959
Fees and Commission receipt	1,915,523	603,982
Payment for management expense	(26,799,582)	(27,173,674)
Received of dividend income	16,954,985	12,524,880
Received of interest income	3,592	6,870
Bank charge paid	(74,657)	(137,992)
Tax paid	(3,698,967)	(2,637,469)
Net Cash flows from/ (used in) operating activities	70,089,103	78,035,406
B. Cash flows from investing activities		
Received/ (Payment) against fixed assets	(3,090,890)	789,976
Received against/ (payment for) employees car loan/home loan	(7,107,303)	3,303,558
Net received from/(payment for) investment in shares/bond	30,695,594	(20,181,460)
Net cash flows from/ (used in) investing activities	20,497,401	(16,087,926)
C. Cash flows from financing activities		
Payment to financial expenses	(35,554,126)	(30,380,029)
Net received/ (payment) for loan	(41,191,914)	(31,622,450)
Net Received/ (payment) for others	(10,990,080)	7,000,000
Net cash flows from/ (used in) financing activities	(87,736,120)	(55,002,479)
D. Net cash flows for the period (A+B+C)	2,850,384	6,945,001
E. Opening cash and cash equivalents	24,678,382	17,733,381
F. Closing cash and cash equivalents (D+E)	27,528,766	24,678,382
Cash in hand	13,247	7,630
Cash at bank	27,515,519	24,670,752
	27,528,766	24,678,382


CFO & Company Secretary


Managing Director


Director


Chairman

Place: Dhaka
Dated: 24 August 2023

Prime Finance Capital Management Limited
Statement of Changes in Equity
For the year ended 31 December 2022

Particulars	Share capital	Retained earnings	Amount in Taka
			Total
Opening balance as at 01 January 2022	2,032,800,000	(15,097,447)	2,017,702,553
Add: Net profit/(loss) during the year	-	(34,029,683)	(34,029,683)
Closing balance as at 31 December 2022	2,032,800,000	(49,127,130)	1,983,672,870

For the year ended on 31 December 2021

Particulars	Share capital	Retained earnings	Amount in Taka
			Total
Opening balance as at 01 January 2021	2,032,800,000	(35,205,228)	1,997,594,772
Add: Net profit/(loss) during the year	-	20,107,781	20,107,781
Closing balance as at 31 December 2021	2,032,800,000	(15,097,447)	2,017,702,553


CFO & Company Secretary


Managing Director


Director


Chairman

Signed in terms of our separate report of even date annexed



Md. Farhad Husain Suman FCA
Senior Partner
Enrollment No. : 1635

K. M. HASAN & CO.
Chartered Accountants
DVC: 2308271635AS914205

Place: Dhaka
Dated: 24 August 2023

Prime Finance Capital Management Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2022

1.00 Corporate history of the reporting entity

Prime Finance Capital Management Limited ("the Company") is a public limited company incorporated on 18 March 2010 in Bangladesh under the Companies Act 1994. The Company has obtained Merchant Banking license (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 manager to issues and offers, whether by way of public offer or otherwise, of securities, underwriting and/or management of issues, managing portfolio of investors whether discretionary or non-discretionary, advising clients on merger and amalgamation, capital restructuring etc. The registered office of the Company is situated in Bangladesh.

1.02 Address of registered office and principal place of business

The registered office and Principal Place of Business of the company is situated at 56-57, Dilkusha C/A, Dhaka-1000, Bangladesh.

1.03 Corporate financial statements and reporting

These comprise the Statement of financial position, Statement of profit or loss and other comprehensive income, Statement of changes in equity, Statement of cash flows and explanatory notes covering accounting policies.

The financial statements are prepared under the historical cost convention and in accordance with the requirements of International Financial Reporting Standards (IFRS); International Accounting Standards (IAS); The Companies Act, 1994; The Securities and Exchange Rules, 1987; and other applicable laws and regulations.

The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosures.

2.00 Basis of preparation

2.01 Statement of compliance

These financial statements have been prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), the Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules 1987, and as per the requirements of the Companies Act 1994 and other applicable laws and regulations.

3.00 Basis of measurement

3.01 Going concern

The financial statements have been prepared on going concern basis under historical cost conventions.

3.02 Functional currency and presentation currency

These financial statements are presented in Bangladeshi Taka, which is also the Company's functional currency. All financial information presented in Taka have been rounded off to the nearest taka.

3.03 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

- Liability for gratuity.
- Selection of depreciation method and estimation of useful lives.

3.04 Reporting period

The financial period of the company covers one year from January 01 to December 31 and is followed consistently. These financial statements are prepared for the year ended 31 December 2022.

3.05 Accrual basis of accounting

These financial statements have been prepared under the accrual basis of accounting.

5.06 Comparative information

Comparative information to be disclosed in respect of the previous period for all amounts reported in the financial statements, both on the face of the financial statements and in the notes, unless another Standard requires otherwise. Comparative information is provided for narrative and descriptive where it is relevant to understanding the financial statements of the current period. Comparative information of these financial statements cover the period from 01 January 2021 to 31 December 2021.

4.00 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.01 Property, plant and equipment

4.02 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of property, plant and equipment and bringing to the location and condition necessary for it to be capable of operating in the intended manner. The cost of self constructed asset included the cost of material and direct labor, any other cost directly attributable to bringing the assets to a working condition for their intended use.

5.00 Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as incurred.

5.01 Depreciation

Depreciation on the property, plant and equipment is recognized in the profit and loss account on a straight line basis over the estimated useful lives of each item of property, plant and equipment. Prime Finance Capital Management Limited uses the month-placed-in-service depreciation convention for all property, plant and equipment. Using this convention, depreciation begins in the month the property, plant and equipment is placed in service regardless of which day within the month the property, plant and equipment is placed in service.

In case of additions, normal rates are uniformly applied on assets from the month of acquisition.

Rate of depreciation on property, plant and equipment considering the useful life of the assets are as follows:

Class of assets	Rate
Motor vehicles	20%
Electrical equipments	20%
Furniture and fittings	15%-20%
Office decoration	15%

6.01 Retirements and disposals

In case of disposal of asset, no depreciation has been charged in the month of disposal. Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of Profit or Loss and Other Comprehensive Income.

6.01 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deduction, adjustment or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to Statement of profit or loss and other comprehensive income.

6.02 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, stamp in hand and Cash at bank .

Employee benefits

The Company operates a non-funded gratuity scheme, and superannuation provision in respect of which is made annually for all eligible employees. Gratuity payable to all eligible employees at the end of each year has been determined on the basis of existing rules and regulations of the Company, actuarial valuation is not hence deemed essential.

The Company also maintains a contributory provident fund for its permanent employees which is administered by the Board of Trustees.

6.03 Income tax expense

Provision for income tax is made on the basis of the Company's computation based on best estimate of taxable profit as per requirement of the Finance Act 2022. Applicable tax rate for the Company as a Merchant Bank is 37.5%.

6.04 Deferred Tax

Deferred tax is temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they revised, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset.

Current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

6.05 Revenue recognition

Revenue is recognized in accordance with IFRS 15: Revenue from contract with customer.

6.06 Income from margin loan

Income from margin loan is recognized on accrual basis. Such income is calculated considering daily margin loan balance of the respective parties. Income is recognized on quarterly basis.

6.07 Income from portfolio management fee

Income from portfolio management fee is recognized on accrual basis. Such income is calculated considering daily portfolio balance of the respective parties. Income is recognized on quarterly basis.

6.08 Income from issue management fee, underwriting commission and corporate advisory fee

Income from issue management fee, underwriting commission and corporate advisory fee are recognized as income when invoices are raised and accepted by the customers.

6.09 Capital gain on listed shares

Capital gain is recognized on the basis of realization. Unrealized gain/(losses) are not recognized in the statement of Profit or Loss and Other Comprehensive Income.

6.10 Lease

International Financial Reporting Standards, IFRS 16 "Leases" effective from annual period beginning on or after January 1, 2019 has changed how the company accounts for its leases contracts. The company leases its office for operating its activities. Before the adoption of IFRS 16, all leases contracts were classified as operating leases. IFRS 16, requires all contracts that contains leases to be recognized on the balance sheet as leases liability. Only certain short term and low value leases are exempted. In compliance with the standard, the Company has elected to use the "recognition exemption" in the standard for short term leases and leases of low value items. In such cases the leases are accounted for as short term payments associated with them.

6.10 Cash flow statement

Cash flows statement is prepared principally in accordance with IAS -7 and the cash flow from operating activities have been presented under direct method as prescribed by the Bangladesh securities and exchange commission Rules 2020.

6.12 Events after the Reporting Period

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are non adjusting events are disclosed in the notes when material.

7.00 Other commitments, contingencies and relevant information

7.01 Contingent liabilities

There was no contingent liability as at 31 December 2022.

7.02 Capital expenditure commitment

There was no capital expenditure commitment or contract as at 31 December 2022. There was no material capital expenditure authorized by the Board but not contracted for as at 31 December 2022.

7.03 Directors' interest in contracts with the company

There was no transaction resulting in Directors' interest with the company and no leasing facilities have been made available to the Directors.

8.00 Segment reporting

As there is a single business and geographic segment within the company operates as such no segment reporting is felt necessary.

9.00 Related party transaction

All transactions involving related parties arising in normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions.

10.00 General

- a) All the figures in the financial statements represent Bangladeshi taka currency (BDT) rounded off to the nearest figure.
- b) To facilitate comparison, certain relevance balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform to current year presentation.

	Amount in Taka	
	2022	2021
11.00 Property, plant and equipment		
A. Cost		
Opening balance	30,974,876	39,720,805
Addition during the year	3,140,890	377,270
Disposal during the year	(141,200)	(9,123,199)
Total cost	33,974,566	30,974,876
B. Accumulated Depreciation		
Opening balance	29,462,924	37,326,508
Depreciation charged during the year	623,864	1,259,615
Adjustment during the year	(140,080)	(9,123,199)
Total accumulated depreciation	29,946,708	29,462,924
C. Written Down Value (A-B)	4,027,858	1,511,952
Details of Property, plant & equipment are shown in the (Annexure - A)		

12.00 Investment in shares

Quoted shares	664,209,055	674,623,056
Un-quoted shares	5,000,000	5,000,000
	669,209,055	679,623,056

Investment in shares represents investment in own portfolio of the Company which are shown at cost value. As per BSEC circular no. SEC/CMRRCD/2009-193/196. Date: 28 December, 2016 and BSEC/SRI/NE/2020/3333 Date: 27 March 2023, the time period for making of provision against unrealized loss on investment in shares has been extended till 31 December 2025 which is not mandatory.

13.00 Deferred tax assets

Opening balance	3,555,542	5,403,623
Addition during the year (Note - 13.01)	(372,584)	(1,848,081)
Closing balance	3,182,959	3,555,542

13.01 Written down value of fixed assets

Tax base	4,027,858	1,511,952
	12,515,748	10,993,398
Taxable temporary difference	8,487,891	(9,481,446)
Tax rate	37.50%	37.50%
Closing balance of deferred tax asset	3,182,959	(3,555,542)
Opening balance of deferred tax asset	(3,555,542)	(5,403,623)
Deferred tax expense/(income) for the year	(372,584)	(1,848,081)

14.00 Margin loan

Margin loan	2,441,969,039	2,474,254,281
	2,441,969,039	2,474,254,281

Margin loan represents outstanding loan balance provided to portfolio clients against margin deposit. Margin loan is provided as per the guidelines of Bangladesh Securities and Exchange Commission (BSEC). As per Circular No. BSEC/SRI/NE/2020/493 dated on 18 April 2023, Merchant Bankers are requested adjust the negative equity created in the accounts of their margin loan clients within 31 December 2023. The Company adjust the amount of the negative equity as per guideline of Bangladesh Securities and Exchange Commission.

15.00 Accounts and others receivable

Receivable from PFI Securities Limited	367,296,122	372,637,095
Receivable to Sharp Securities Limited	3,309,069	-
Other receivables	-	1,877,657
	370,605,191	374,514,752

	Amount in Taka	
	2022	2021
16.00 Advance, deposit and prepayments		
Advance income tax (Note -16.01)	86,030,416	80,993,591
Advance for investment in shares	8,893,941	15,203,220
Other advances (Note -16.02)	65,528,696	59,642,801
	160,453,053	155,839,612

16.01 Advance income tax

Opening balance	80,993,591	78,790,206
Add: Addition during the year	5,036,826	2,556,413
	86,030,416	81,346,619
Less: Adjustment during the year	-	353,028
Closing balance	86,030,416	80,993,591

16.02 Other advances

Advance against employee house building finance	16,243,608	12,689,405
Advance against employees' car finance	2,783,338	213,916
Advance to PFI Properties Limited	45,320,000	45,320,000
Other advances	1,181,750	1,419,480
	65,528,696	59,642,801

As per Company's service rules and regulations, the Company provides house building finance and car finance facilities to the employees. The house building finance and car finance shall be adjusted in 15 years and 6 years respectively.

17.00 Cash and cash equivalents

Cash in hand (Note - 17.01)	3,247	7,630
Cash at bank (Note-17.02)	27,515,519	24,670,752
	27,528,766	24,678,382

17.01 Cash in hand

Cash in hand	2,190	2,731
Stamp in hand	11,057	4,899
	13,247	7,630

17.02 Cash at bank

Name of bank	Account number	Type of account	Name of branch	Balance as on Dec 31, 2022	Balance as on Dec 31, 2021
Mutual Trust Bank	320000955	SND	Dilkusha	122,361	488,139
Shahjalal Islami Bank	13100001266	SND	Dhaka main	6,251	7,466
Shahjalal Islami Bank	13100002122	SND	Dhaka main	26,636,955	21,472,541
Shahjalal Islami Bank	13100002139	SND	Dhaka main	689,120	2,506,432
Shahjalal Islami Bank	13100002842	SND	Dhaka main	10,395	11,533
Shahjalal Islami Bank	13100002701	SND	Dhaka main	4,176	5,422
NCC bank Ltd.	325000386	SND	Dilkusha	6,768	7,388
First Security Islami Bank	13100002161	SND	Dilkusha	25,611	26,738
Dutch bangla bank Ltd.	1011100030730	CD	Dilkusha	13,642	143,713
National bank Ltd.	005836001021	SND	Motijheel	1	1
Eastern bank Ltd.	1111220133464	SND	Shyamoli	239	1,379
Total				27,515,519	24,670,752

			Amount in Taka	
			2022	2021
18.00 Share capital				
Authorized:				
500,000,000 ordinary shares of Tk 10 each			5,000,000,000	5,000,000,000
Issued and paid capital				
100,000,000 ordinary shares of Tk. 10 each issued for cash			1,000,000,000	1,000,000,000
60,000,000 ordinary shares of Tk. 10 each issued for cash as rights issue			600,000,000	600,000,000
16,000,000 ordinary shares of Tk. 10 each issued as bonus share			160,000,000	160,000,000
17,600,000 ordinary shares of Tk. 10 each issued as bonus share			176,000,000	176,000,000
9,680,000 ordinary shares of Tk. 10 each issued as bonus share			96,800,000	96,800,000
			2,032,800,000	2,032,800,000

18.01 Share holding position are as follows

Name of shareholder	% of Share	Number of Share	Balance as on Dec 31, 2022	Balance as on Dec 31, 2021
Prime Finance & Investment Limited	60.00%	121,968,000	1,219,680,000	1,219,680,000
Mr. K. M. Rakib Hasan	6.00%	12,196,800	121,968,000	121,968,000
Mr. Waheed Mahmud Khaled	4.59%	9,338,175	93,381,750	93,381,750
Mr. Nazim Asadul Haque	6.00%	12,196,800	121,968,000	121,968,000
Mr. Rubaiyat Khaled	3.85%	7,830,900	78,309,000	78,309,000
Mr. Tauseef Iqbal Ali	3.00%	6,098,400	60,984,000	60,984,000
Mr. Md. Aliuzzaman	0.30%	600,600	6,006,000	6,006,000
Syeda Tasnuva Khanam	3.00%	6,098,400	60,984,000	60,984,000
GQ Enterprise Limited	4.00%	8,131,200	81,312,000	81,312,000
Agami Apparels Limited	4.00%	8,131,200	81,312,000	81,312,000
Mr. Shahriar Khaled	3.85%	7,830,900	78,309,000	78,309,000
Ms. Sarwat Khaled Simin	1.41%	2,858,625	28,586,250	28,586,250
Total	100%		2,032,800,000	2,032,800,000

19.00 Retained earnings

Opening balance	(15,097,447)	(35,205,228)
Profit / (Loss) during the year	(34,029,683)	20,107,781
Closing balance	(49,127,130)	(15,097,447)

20.0 Long term loan

Term loan of Prime Finance & Investment Limited	720,887,731	807,903,942
Term loan of Bangladesh Finance Limited	322,947,514	338,382,824
	1,043,835,245	1,146,286,766

The Company had a short term loan with Bangladesh Finance Limited (BD Finance) which has been sanctioned under 2 (two) phases amounting Tk. 15,00,00,000/- (Taka Fifteen crore only) and Tk. 10,00,00,000/- (Taka Ten crore only) bearing agreement no. BDF/2040/2012 and BD Finance/1936/2013 respectively. Later on, BD Finance has given consent on rescheduling of Tk. 23,10,65,696/- (Taka twenty three crore ten lac sixty five thousand six hundred ninety six) only for 12 years term loan with 6% interest rate p.a. effect from 1st January 2021.

21.00 Customer deposit

Customer deposit	21,582,969	19,894,549
	21,582,969	19,894,549

22.00 Short term Loan

Term loan of Prime Finance & Investment Limited- Current portion	111,766,211	5,350,289
Term loan of Bangladesh Finance Limited- Current portion	35,282,788	27,147,753
Short term loan of Prime Finance & Investment Limited	218,865,964	212,667,640
Overdraft loan of Midland Bank Limited	15,100,172	52,661,754
	381,015,134	297,827,436

This represents finance facilities taken from Prime Finance & Investment Limited, the parent company of Prime Finance Capital Management Limited.

	Amount in Taka	
	2022	2021
23.00 Accounts payable		
Payable to PFI Securities Limited	-	1,275,629
	-	1,275,629

Accounts payable represents balance outstanding with brokerage houses arising from transaction on client's account. These balances are confirmed by the respective brokerage houses.

24.00 Other payables

Interest payable	1,115,957	-
Audit fee payable	97,750	97,750
Suspense receipts PIA dividend income	9,139,404	8,707,968
Provision for investment & margin loan (Note: 24.01)	79,734,014	64,734,014
Others	38,701,325	45,272,355
	128,788,450	118,812,087

24.01 Provision for investment & margin loan

Opening balance	64,734,014	59,224,408
Add: Addition during the year	15,000,000	5,509,606
	79,734,014	64,734,014
Less: Adjustment during the year	-	-
	79,734,014	64,734,014

25.00 Provision for of Income tax

Opening balance	112,178,557	100,962,476
Add: Provision during the year	1,477,959	11,569,109
Add: Previous years' tax adjustment	4,424,735	-
	118,081,251	112,531,585
Less: Payment/Adjustment during the year	-	(353,028)
	118,081,251	112,178,557

26.00 Fees and commission

Issue management fee	165,000	300,000
Underwriting commission	-	153,982
Portfolio management fee	5,578,197	7,902,849
Corporate advisory fee	1,104,348	-
Service charge from IPO	-	11,490
	6,847,545	8,368,321

27.00 Interest on margin loan

Interest on margin loan	44,339,874	14,403,973
	44,339,874	14,403,973

Note: Interest on margin loan includes interest earned on margin loan provided to portfolio investors against their margin loan.

28.00 Gain on sales of listed company's shares

Gain on sales of listed Company shares	14,779,588	115,691,089
	14,779,588	115,691,089

Capital gain represents realized gain earned against investment in shares of listed companies under the company's portfolio investment.

		Amount in Taka	
		2022	2021
29.00 Others income			
Income from bank interest of SND accounts	3,592	6,870	
Dividend income	16,954,985	12,518,630	
Documentation fee	5,000	27,000	
Profit on sales of fixed assets	48,880	970,075	
	17,012,457	13,522,575	
30.00 Financial expenses			
Interest on loan	65,898,451	58,648,597	
	65,898,451	58,648,597	
31.00 Management expenses			
Salaries and allowances	21,147,228	27,737,593	
Legal and professional fees	172,500	272,005	
Audit fee	97,750	86,250	
CDBL charges	214,106	370,208	
Office maintenances	1,143,945	1,130,021	
Recruitment and human resources	279,167	417,371	
Bank charges	74,657	138,013	
Books and periodicals	8,062	7,152	
Telephone, postage etc.	113,536	145,345	
Stationeries	97,056	223,447	
Directors' fees	266,667	257,781	
Car allowances	884,000	680,000	
Office rent	1,589,208	1,589,208	
Motor vehicle expenses	345,733	242,467	
Meeting expenses	26,669	25,781	
Subscription and fees	460,280	348,980	
Medical and employee welfare	355,830	487,500	
Utility expenses	968,168	1,007,265	
Business development and publicity	935,424	802,334	
Brokerage commission and charges	23,164	10,288	
Depreciation (Annexure - A)	623,864	1,259,615	
	29,827,013	37,238,625	
32.00 Margin loan written-off			
Margin loans written-off	8,405	17,064,160	
	8,405	17,064,160	
Margin loan has been written off as per approval of meeting of the Board of Directors of the company the during the year 2022.			
33.00 Provision for Investment and margin loan			
Provision for Investment and margin loan	15,000,000	5,509,606	
	15,000,000	5,509,606	

Provision for investment and margin loan represents provision made against diminishing in value of investment in shares in company's portfolio and margin loan which is made on the basis of directive of Bangladesh Securities and Exchange Commission dated 28 December 2016 and ammendment made thereon from time to time.

As per circular No.SEC/CMRRCD/2009-193/196 dated on 28 December 2016. The company has to make provision against diminishing in value of investment in shares in company's portfolio and margin loan within five quarter equity @ 20% each from December 2016 to December 2017. As well as, the time limit has been extended several time up to 2025 through circular No.BSEC/SRI/NE/2020/493 dated on 18 April 2023, BSEC/SRI/MB/Policy-5/2020/132 dated on 30 January 2020, BSEC/SRI/NE/2020/333 dated on 27 March 2023 respectively by BSEC.

	Amount in Taka	
	2022	2021
34.00 Net Assets Value (NAV) Per Share		
Net assets attributable to shareholders value	1,983,672,870	2,017,639,242
Number of ordinary shares outstanding during the year (Note:35.01)	203,280,000	203,280,000
Net Assets Value (NAV) Per Share	9.76	9.93
34.01 Weighted average number of shares		
100,000,000 ordinary shares of Tk. 10 each issued for cash	100,000,000	100,000,000
60,000,000 ordinary shares of Tk. 10 each issued for cash as rights issue	60,000,000	60,000,000
16,000,000 ordinary shares of Tk. 10 each issued as bonus share	16,000,000	16,000,000
17,600,000 ordinary shares of Tk. 10 each issued as bonus share	17,600,000	17,600,000
9,680,000 ordinary shares of Tk. 10 each issued as bonus share	9,680,000	9,680,000
Total weighted average number of shares	203,280,000	203,280,000
35.00 Earning per share(EPS)		
Net profit /(loss) during the year	(34,029,683)	20,107,781
Number of ordinary share	203,280,000	203,280,000
	(0.1674)	0.0989

36.00 Related party transactions

The company in the normal course of business has entered into transactions with other entities that fall within the definition of related party contained in IAS 24 : Related Party Disclosures. The Company believes that the terms of these related party transactions are not significantly different from those that could have been obtained from third parties. The significant related party transactions during the year are as follows:

Name of Related Party	Relationship	Nature of transaction	Opening Balance	Addition during the year	Adjustment during the year	Closing Balance 31.12.2022
(A) Prime Finance & Investment Limited	Parent	Loan payable	(1,025,921,871)	(61,363,035)	35,765,000	(1,051,519,906)
(B) PFI Securities Limited	Associate of Paren	Trade Receivable	371,270,181	20,476,305	(24,450,364)	367,296,122
		Trade Receivable	1,366,915	107,013,090	(108,380,005)	-
		Trade Payable	(1,275,629)	(109,179,415)	110,455,045	-
(C) PFI Properties Limited	Sister Concern	Margin Loan for trading of Shares	22,759,819	-	(262,736)	22,497,083
(D) Dekko Fashions Limited	Company related to Shareholder Agami Apparels Limited	Margin Loan for trading of Shares	32,989,994	-	(13,353,006)	19,636,988
(E) Dekko Accessories Limited			35,985,749	33,648,311	(22,604,664)	47,029,396
(F) Dekko Garments Limited			(302,970)	(238,078)	541,048	-
(G) Md. Shahadat Hossain & Shahid Hossain			25,264	41,274,355	(43,993,388)	(2,693,769)

37.00 Events after the reporting period

37.01 The Board of Directors in its meeting held on 20 August 2023 approved these financial statements and authorised the same for issue.

37.02 Except the above, there were no significant events that have occurred between the balance sheet date and the date when the financial statements were authorised for issue by the directors, which require adjustment to or disclosure in the financial statements or notes thereto.


CFO & Company Secretary


Managing Director


Director


Chairman

Place: Dhaka
Dated: 24 August 2023

Schedule of Property, plant and equipment

As at 31 December 2022

Annexure - A
Amount in Taka

PARTICULARS	COST			DEPRECIATION					WDV as on 31.12.2022	
	Balance as on 01.01.2022	Addition during the year	Disposal/Adjustment during the year	Balance as on 31.12.2022	Rate	Balance as on 01.01.2022	Charged during the year	Adjustment during the year		Balance as on 31.12.2022
Furniture & Fixture	9,127,550	250,000	-	9,377,550	15%-20%	9,127,550	37,500	-	9,165,050	212,500
Electrical Equipment	8,355,560	480,170	(141,200)	8,694,530	20%	7,552,605	225,052	(140,080)	7,637,577	1,056,953
Motor Vehicle	4,043,340	-	-	4,043,340	20%	3,939,604	103,735	-	4,043,339	1
Office Decoration	9,448,426	2,410,720	-	11,859,146	15%	8,843,166	257,576	-	9,100,742	2,758,404
As on 31 December 2022	30,974,876	3,140,890	(141,200)	33,974,566		29,462,924	623,864	(140,080)	29,946,708	4,027,858
As on 31 December 2021	39,720,805	377,270	(9,123,199)	30,974,876		37,326,508	1,259,615	(9,123,199)	29,462,924	1,511,952

Prime Finance Capital Management Limited

Uniform Components of Financial Reporting and Disclosures

As at 31 December 2022

Annexure-B

Item	Assets	Note ref.	Amount in Taka	
			Amount as in 31.12.2022	Amount as in 31.12.2021
			Balance sheet	Balance sheet
1	Cash and Bank Balances	17	27,528,766	24,678,382
	Cash in Hand		13,247	7,630
	Cash at Bank in Company's account		874,387	3,192,789
	Cash at Bank in trading accounts (Stock Dealer A/C)		-	-
	Cash at Bank accounts for clients (consolidated customer account)		26,636,955	21,472,541
	Cash at Bank at IPO Account		4,176	5,422
	Investments in FDR			
2	Amounts Receivable from Exchange, Depository and CCP		-	-
	Cash deposits with Exchanges (as margin) (mandatory/excess)		-	-
	Mandatory		-	-
	Excess over mandatory		-	-
	Cash deposits with Clearing House (as margin) (mandatory/excess)		-	-
	Mandatory		-	-
	Excess over mandatory		-	-
	Cash deposit with depository (as per rule) (mandatory/excess)		-	-
	Mandatory		-	-
	Excess over mandatory		-	-
3	Amounts Receivable from Securities Trading		-	1,366,915
	Receivable from DSE (categorize as A, B, G, N, Z and DVP)			
	Receivable against A, B, G and N category		-	-
	Receivable against Z category		-	-
	Receivable against DVP category		-	-
	Receivable from CSE (categorize as A,B,G,N, Z and DVP):			
	Receivable against A, B, G & N category		-	-
	Receivable against z category		-	-
	Receivable against DVP category		-	-
	Receivable from Stock Broker/Stock Dealer	15	-	1,366,915
	Receivable from Merchant Banker		-	-
	Receivable from selling agents Receivable from others		-	-
4	Amounts receivable from margin clients -	14	2,441,969,039	2,474,254,281
	Receivable to Clients having no margin or full erosion of equity (e.g.no equity against debit balance)		2,431,550,864	2,398,065,009
	Receivable to Clients fall under force sale condition (e.g. equity is >DB but < 125% of DB)		1,025,763	54,058,026
	Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)		977,639	848,113
	Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)		8,414,773	21,196,339
5	Amounts Receivable from other Clients-		-	-
	Receivable after securities trading			
	Receivable arises from fee, commission & charges			
6	Amounts receivable from securities dealer (if subsidiary)		-	-
7	Amounts Receivable arises from short sale		-	-
8	Proprietary positions in securities and specified investments	12	669,209,055	679,623,056
	Proprietary positions in Equity securities		669,109,055	679,523,056
	Value of "A" category instruments		520,889,615	576,546,530
	Value of B/C/N/ category instruments		143,219,440	95,426,016
	Value Z category instruments		-	2,650,510
	Value OTC category instruments		-	-

Item	Assets	Note ref.	Amount in Taka	
			Amount as in 31.12.2022	Amount as in 31.12.2021
			Balance sheet	Balance sheet
	Value of non listed Instruments		5,000,000	5,000,000
	Proprietary positions in MFs & CISs including Afs		100,000	100,000
	Value of listed funds		-	-
	Value of non listed funds		100,000	100,000
	Value of AIFs		-	-
	Proprietary positions in Debt instruments & ABSs		-	-
	Value of listed debt instruments		-	-
	Value of non listed debt instruments		-	-
	Value of ABSs		-	-
	Proprietary Position in strategic Instruments		-	-
	Value of listed strategic investments		-	-
	Value of non listed strategic investments		-	-
	Proprietary Position in money market Instruments		-	-
	Value of Govt. & BB instruments		-	-
	Value of commercial paper		-	-
	Own subscription in IPOs but not yet allotted		-	-
	Others asstes		-	-
9	Proprietary position in Derivatives		-	-
10	Other assets arising from:		-	-
	Receivable against Advisory Fees, Commission, etc.		-	-
	Prepaid expenses		-	-
	Security deposits		-	-
11	Advance /Investments in Associated undertakings (long term):		531,058,244	532,232,020
	Advance to Subsidiaries		-	-
	Advance to Associated Companies		-	-
	Advance to Directors & Staffs	16.02	19,026,946	12,903,321
	Other Advances	15 & 16	512,031,298	519,328,699
12	Fixed assets (net off Depreciation and amotization)		4,027,858	1,511,952
	Land & Land Development		-	-
	Building & Other structures		-	-
	Other tangible assets	11	4,027,858	1,511,952
13	Intangible Assets:		-	-
	Software		-	-
	Goodwill, Patents and other Intangible Assets		-	-
14	Value of investment in Exchange (against Membership value)		-	-
15	Other Long Term Assets:		3,182,959	3,555,542
	Long Term Investments		-	-
	Long Term Prepayments & Deposits		-	-
	Deferred Tax Assets	13	3,182,959	3,555,542
	Others (clearly specified in notes)		-	-
16	Total assets (aggregate of amount in items 9 to 15)		538,269,060	537,299,514
	Liabilities:			
17	Short positions in securities held for own account		-	-
18	Payable to Clients	21	21,582,969	19,894,549
19	Short Term Business Liabilities:		381,015,134	297,827,436
	Payable to Banks, if not for trading & investment (current portion of long term liabilities)		-	-
	Payable to Fls, if not for trading& Investment (current portion of long term liabilities)		-	-
	Payable to Banks & Fls for loan against Margin Financing & Investment (full amount)	22	381,015,134	297,827,436
	Payment obligation against sub-debt, preference shares (current portion)		-	-
	Payable to associate companies or persons		-	-
20	Amounts payable to clearing houses/Exchanges/Depository, etc.		-	1,275,629
	Payable to Exchanges		-	-
	Payable to Clearing House		-	-
	Payable to Depository		-	-
	Payable to Brokers	23	-	1,275,629
21	Other Liabilities and Provisions:		246,869,701	230,990,643
	Accruals & Accounts payable	24	33,200,754	50,736,397
	Deferred tax and other deferred liabilities		-	-
	Provision for Margin Loan	24	79,734,014	64,734,014

Item	Assets	Note ref.	Amount in Taka	
			Amount as in 31.12.2022	Amount as in 31.12.2021
			Balance sheet	Balance sheet
	Provision for Gratuity, PF & others	24	14,737,725	3,341,676
	Provision for Tax & VAT	25	118,081,251	112,178,557
	Interest Suspense against Margin Loan		-	-
	Liabilities for Expenses		-	-
	Interest Payable	24	1,115,957	-
	Provision for contingent liabilities and floating losses			
	Others (clearly specified in notes)			
22	Any others (need to be specified)		-	-
23	Non-current Loan Liabilities		1,043,835,245	1,146,286,766
	Long term loan liabilities (other than current portion amount)	20	1,043,835,245	1,146,286,766
	Approved subordinated debt (other than current portion amount)			
	Approved Redeemable preference shares (other than current portion amount)			
24	Shareholders' Equity:		1,983,672,870	2,017,702,553
	Share Capital	18	2,032,800,000	2,032,800,000
	Share Premium		-	-
	General Reserve		-	-
	Capital Reserve		-	-
	Dividend Equalization Reserve		-	-
	Revaluation Reserve		-	-
	Adjustment for diminution in value of portfolio holdings		-	-
	Other Reserves		-	-
	Retained Earnings	19	(49,127,130)	(15,097,447)
25	Total liabilities & Shareholders' Equity	(aggregate of amounts in item 17 to 24)	3,676,975,920	3,713,977,577

PFI Securities Limited
Statement of Financial Position
As at 31 December 2022

PARTICULARS	Amount in Taka	
	2022	2021
ASSETS		
Current Assets		
Cash and Cash Equivalents	90,756,139	105,801,745
Accounts Receivable from Exchange Depositary and CCP	-	-
Accounts Receivable from Securities Trading	124,353	383,184
Receivable from Margin Clients	6,937,101,850	6,934,774,995
Net Receivable from Other Clients	2,643,012,094	1,903,116,011
Amount Receivable from Securities Dealer (if Subsidiary)	-	-
Net Receivables Aries from Short Sale	-	-
Advance Income Tax	71,777,760	50,207,315
	9,742,772,196	8,994,283,250
Non-Current Assets		
Proprietary Positions in Securities & Specified Investments	10,084,427	19,255,191
Other Assets Arising from	-	-
Advance/ Investments in Associated Undertaking	6,715,638	6,790,127
Property, Plant and Equipment	1,006,782,073	1,023,692,369
Intangible Assets	-	14,452
Right of Use of Assets	9,359,343	11,068,119
Value of Investment in Stock Exchange (against Membership Value)	96,986,590	96,986,590
Other Long Term Assets	97,020,000	97,020,000
Deferred Tax Asset	-	786,052
	1,226,948,071	1,255,612,901
Total Assets	10,969,720,267	10,249,896,151
EQUITY AND LIABILITIES		
Liability		
Current Liabilities		
Payable to Clients	362,172,109	20,342,566
Short Term Borrowing from Bank	3,686,738,910	3,653,059,709
Amounts Payable to Clearing House/ Exchanges/ Depository etc.	5,135,992	2,176,200
Other Liabilities and Provisions	3,106,066,884	2,640,088,647
Bank Overdraft	12,287,767	9,285,361
	7,172,401,662	6,324,952,484
Non-Current Liabilities		
Long Term Loan Liabilities	2,484,826,786	2,496,948,530
Lease Liabilities	6,920,019	9,902,202
Deferred Tax Liabilities	866,079	-
	2,492,612,884	2,506,850,732
Shareholders' Equity		
Share Capital	1,758,120,000	1,758,120,000
General Reserve	50,000,000	50,000,000
Revaluation Reserve	749,590,398	750,187,710
Retained Earnings/ (losses)	(1,253,004,677)	(1,140,214,775)
	1,304,705,721	1,418,092,935
Total Equity and Liabilities	10,969,720,267	10,249,896,151
Net Assets Value (NAV) Per Share	7.42	8.07

sd/-
Md. Musfiquir Rahman
CEO & Managing Director (CC)
& Company Secretary

sd/-
Uzzal Kumar Saha
Director

sd/-
Naseem Iqbal
Chairman

Signed in terms of our separate report of even date annexed

sd/-
Md. Farhad Husain Suman FCA
Senior Partner
Enrollment No. : 1635
K. M. HASAN & CO.
Chartered Accountants
DVC: 2212201635AS169966

Place: Dhaka
Dated: 5 October 2023

PFI Securities Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

PARTICULARS	Amount in Taka	
	2022	2021
Operating Income	538,847,028	627,022,607
Operating Expenses	(6,534,673)	(19,033,043)
Gross Profit/(Loss)	532,312,354	607,989,564
Management Expenses	(93,672,463)	(102,142,326)
Financial Expenses	(557,708,205)	(535,594,783)
Operating Profit/(Loss)	(119,068,313)	(29,747,545)
Other Income	33,014,408	80,770,816
Profit Before Provision and Income Tax	(86,053,905)	51,023,271
Doubtful Adjustment in Investment in Share	21,982,916	-
Provision for Margin Loan	(30,000,000)	(30,000,000)
Profit Before Income Tax	(94,070,989)	21,023,271
Provision for Income Tax	(17,664,094)	(20,000,000)
Deferred tax income/(expenses)	(1,652,131)	835,347
Net Profit After Income Tax	(113,387,214)	1,858,618
Other Comprehensive Income	-	-
Total Comprehensive Income	(113,387,214)	1,858,618
Earnings Per Share (EPS)	(0.64)	0.01

sd/-
Md. Musfiqur Rahman
CEO & Managing Director (CC)
& Company Secretary

sd/-
Uzzal Kumar Saha
Director

sd/-
Naseem Iqbal
Chairman

Signed in terms of our separate report of even date annexed

Place: Dhaka
Dated: 5 October 2023

sd/-
Md. Farhad Husain Suman FCA
Senior Partner
Enrollment No. : 1635
K. M. HASAN & CO.
Chartered Accountants
DVC: 2212201635AS169966

Prime Finance Asset Management Company Limited
Statement of Financial Position
As at 31 December 2022

	2022	2021
ASSETS		
Non-current assets:		
Property, plant and equipment	7,935,543	9,606,795
Intangible assets	2,500,000	-
Deferred tax assets	1,188,382	942,473
Total non-current assets	11,623,925	10,549,268
Current Assets :		
Advance Income Tax	18,061,868	15,282,680
Advance, deposit and prepayments	3,554,123	4,881,805
Trade and Other Receivables	11,985,761	6,733,429
Investment in Marketable securities	29,052,592	20,573,655
Short term Investment	20,000,000	20,000,180
Investment in IPO	-	10,637,500
Cash and cash equivalents	8,740,619	15,633,069
Total Current Assets	91,394,963	93,742,317
Total Assets	103,018,888	104,291,585
Equity and Liability		
Shareholders' Equity		
Share capital	71,280,000	66,000,000
Retained earnings	615,342	5,772,935
Total Shareholders' Equities	71,895,342	71,772,935
Non-Current Liabilities		
Provision for Gratuity	1,916,444	3,979,044
Liability for Provident Fund	8,910,526	9,745,859
Total Non-Current Liabilities	10,826,970	13,724,903
Current Liabilities		
Provision for Income Tax	15,274,401	14,599,271
Payables and Accruals	209,077	209,077
Other Liabilities	4,813,098	3,985,399
Total current liabilities	20,296,576	18,793,747
Total liabilities	31,123,546	32,518,650
Total equity and liabilities	103,018,888	104,291,585
Net assets value (NAV) per share	101	109

sd/-
Moin Al Kashem
Managing Director & CEO

sd/-
Prottoy Shakeeb Hossain
Director

sd/-
Tabita Zahur Iqbal
Chairman

Signed in terms of our separate report of even date annexed

Place: Dhaka, Bangladesh
Dated: 21 May 2023

sd/-
Md. Farhad Husain Suman FCA
Partner, Enrollment No. : 1635
K. M. Hasan & Co.
Chartered Accountants
DVC: 2305251635AS281727

Prime Finance Asset Management Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2022

	2022	2021
Operating Revenue		
Income from fees	15,482,647	15,819,958
Capital Gain	2,737,216	10,719,051
Dividend Income	1,111,827	830,519
	19,331,690	27,369,528
Operating Expenses		
Administrative expenses	(18,946,729)	(19,898,434)
Financial expenses	(22,598)	(43,360)
	(18,969,327)	(19,941,794)
Profit/(Loss) from Operating Activities	362,364	7,427,734
Non Operating Income	1,324,720	987,978
Profit/(loss) Before Provision and Income Tax	1,687,084	8,415,712
Provision for unrealized loss on Investment	(1,135,455)	(2,649,655)
Profit/(Loss) Before Income Tax	551,629	5,766,057
Income tax expense:		
Current tax	(675,130)	(483,099)
Deferred tax (expenses)/Income	245,909	(184,283)
	(429,221)	(667,382)
Net profit/(Loss) After Tax	122,408	5,098,674
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	122,408	5,098,674
Earning Per share (EPS) of Tk. 100 each	0.17	7.73

sd/-
Moin Al Kashem
Managing Director & CEO

sd/-
Prottoy Shakeeb Hossain
Director

sd/-
Tabita Zahur Iqbal
Chairman

Signed in terms of our separate report of even date annexed

Place: Dhaka, Bangladesh
Dated: 21 May 2023

sd/-
Md. Farhad Husain Suman FCA
Partner, Enrollment No. : 1635
K. M. Hasan & Co.
Chartered Accountants
DVC: 2305251635AS281727

Prime Prudential Fund Limited
Statement of Financial Position
As at 31 December 2022

	2022	2021
Non-current assets	-	-
Current assets:		
Cash and cash equivalents	59,793	2,910
Investment in shares	-	-
Investment in FDR	17,850,220	16,761,069
Advance corporate tax	1,332,137	1,167,276
Accrued interests on Deposits	373,766	386,660
Receivable	36,095	36,495
Total current assets	19,652,012	18,354,410
Total assets	19,652,012	18,354,410
Shareholders' equity:	18,457,212	17,354,472
Share capital	24,600,000	24,600,000
Retained earnings	(6,142,788)	(7,245,528)
Revaluation Reserve	-	-
Non-current liabilities	-	-
Current liabilities:		
Payable to Prime Finance & Investment Limited	330,775	330,775
Provision for audit fee	117,750	87,750
Liability to employees	-	-
Corporate tax liability	736,967	572,106
Tax payable	9,308	9,308
Total current liabilities	1,194,800	999,939
Total shareholders' equity and liabilities	19,652,012	18,354,410

sd/-
Director

sd/-
Director

sd/-
Director

Signed in terms of our separate report of even date annexed

sd/-

Place: Dhaka, Bangladesh
Dated: 27 September 2023

M. M. RAHMAN & CO.
Chartered Accountants
Md. Rafiqul Islam Khan, FCA
Partner
Enrolment No. 155
DVC: 2309270155AS669596

Prime Prudential Fund Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	2022	2021
Income		
Capital gain/(loss) from sale of shares	-	-
Cash dividend income	57,720	-
Misc. incom	-	-
Interest on Deposit	1,256,504	1,346,012
Bank interest income	428	-
Total operating income	1,314,652	1,346,012
Operating Expenses		
Salaries and allowances	-	-
Medical and employee welfare	-	-
Diroctor remuneration fee	-	-
Office mainteance expenses	-	-
Board meeting expenses	-	-
Telephone and postage	-	-
Printing and stationery	-	-
License renewal fee	-	-
Audit fee	30,000	21,000
Fees and charges for sale of shares	400	400
Depreciation	-	-
Bank charge and excise duty	16,650	16,650
Total operating expenses	47,050	38,050
Other Income	-	-
Profit/(loss) before tax	1,267,602	1,307,962
Provision for tax	164,861	182,343
Profit/(loss) after tax	1,102,740	1,125,619

sd/-
Director

sd/-
Director

sd/-
Director

Signed in terms of our separate report of even date annexed

sd/-

Place: Dhaka, Bangladesh
Dated: 27 September 2023

M. M. RAHMAN & CO.
Chartered Accountants
Md. Rafiqul Islam Khan, FCA
Partner
Enrolment No. 155
DVC: 2309270155AS669596



Prime Finance
& Investment Limited

56-57, Dilkusha, C.A., Dhaka-1000
E-mail : ird@primefinancebd.com
Website : www.primefinancebd.com

Proxy Form

(This form is for use at the 27th Annual General Meeting of Prime Finance & Investment Limited to be held on 27 May 2025)

I/We of

.....

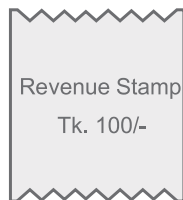
being a member of PRIME FINANCE & INVESTMENT LIMITED and a holder of shares do hereby

appoint Mr./Ms. of

as my/our proxy to attend and vote for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on

Tuesday, 27 May 2025 at 10:00 a.m. through Hybrid System at EON Convention Center, (9th Floor), 304, Tejgaon I/A, Dhaka-1208

and at any



Signature of the Member:

BO ID No. :

No. of shares :

Signature of the proxy :

Note:

A Shareholder who is entitled to attend and vote at the Annual General Meeting may appoint a proxy to participate and vote on his/her behalf. The scanned copy of "Proxy Form" duly filled, signed and stamped with Tk. 100/- must be sent through e-mail to ird@primefinancebd.com not later than 48 hours before commencement of the AGM. Signature of the shareholders should agree with the specimen signature registered with the Depository Register.



Md. Manowar Hossain
First Assistant Vice President
1976-2024

With gratitude for a life
dedicated to our shared journey.

You are missed.



View our 2022 Annual Report at:
www.primefinancebd.com



Prime Finance
& Investment Limited