

Strengthening the Bond of Trust

Driving Sustainable Growth Forward

Prime Finance
& Investment Limited

Annual Report 2023



Strengthening the Bond of Trust

Driving Sustainable Growth Forward

Trust is the foundation upon which financial institutions are built. At Prime Finance, strengthening this bond remains our highest priority as we navigate a transforming financial landscape and address the realities of the present with clarity, discipline, and responsibility.

The Company has remained firmly focused on restoring confidence through strengthened governance, enhanced risk management, and strict regulatory compliance. We have taken deliberate steps to reinforce internal controls, improve transparency, and align our operations with sustainable financial practices. These measures reflect our commitment to accountability and long-term institutional stability.

Driving sustainable growth forward requires more than ambition—it demands prudence, resilience, and strategic foresight. Prime Finance continues to prioritize liquidity management, portfolio quality, and operational efficiency while laying the groundwork for responsible growth. Our approach emphasizes measured expansion, customer confidence, and value creation that is both ethical and enduring.

As we move ahead, our focus remains clear: to rebuild confidence through consistent performance, responsible decision-making, and unwavering integrity. Strengthening the bond of trust with our stakeholders is not a short-term objective—it is a continuous commitment that will guide Prime Finance toward a stable, sustainable, and growth-oriented future.

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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 2023

We are pleased to present before you the Company's Annual Report 2023 along with the Audited Financial Statements (Consolidated and Separate) for the year ended on 31 December 2023 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 and Head of HR & Admin

Notice of the 28th Annual General Meeting

Notice is hereby given that we received an order (Company Matter No. 1521 of 2025) 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 2023 and accordingly the 28th Annual General Meeting of the Shareholders of Prime Finance & Investment Limited will be held on Tuesday, 03 March 2026 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 23-28-01	To receive, consider and adopt the audited financial statements of the Company for the year ended on 31 December 2023 together with the reports of the Directors' and Auditors' thereon;
AGM 23-28-02	To declare dividend for the year ended on 2023 as recommended by the Board of Directors;
AGM 23-28-03	To elect/re-elect Directors;
AGM 23-28-04	To appoint the Auditors of the Company until conclusion of next AGM and fix their remuneration;
AGM 23-28-05	To consider and approve the appointment of the Independent Director of the Company;
AGM 23-28-06	To appoint Corporate Governance Code Compliance Auditor and fix their remuneration.

Notes :

1. Members whose names appeared in the Members'/Depository Register on Record Date i.e. 10 February 2026 will be eligible to attend/ participate and vote in the Annual General Meeting through Digital Platform.
2. The AGM Notice, Link (<https://primefin28agm.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 2023 will be sent to the Members' respective e-mail addresses as available with us. The Annual Report 2023 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 into 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 web site 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.01777735331 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 28th Annual General Meeting.

By Order of the Board of Directors



Md. Selim Parvez, PGPBHRM, LL.B, FCS
Company Secretary and Head of HR & Admin

Dated: Dhaka
10 February 2026



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

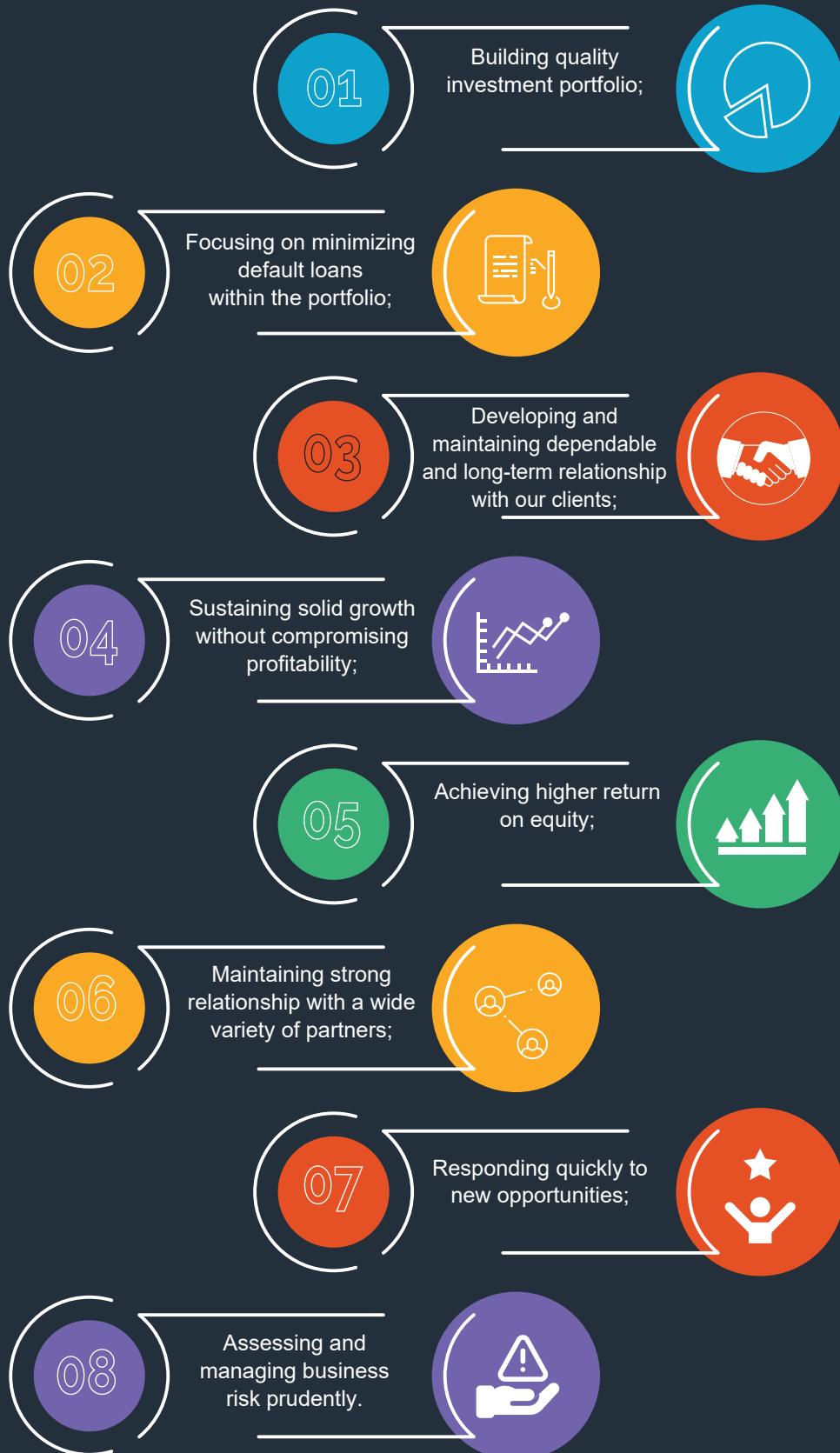
Giving every opportunity to have access to adventurous experience through which they can raise their self-esteem, realize their full potential and achieve more than they ever thought possible;

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



We have a versatile range of products and Services
Get yours one now and grow your money faster



Prime Finance
& Investment Limited

Please call for details

019 PRIMEFIN
019 77463346



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	<p>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.</p>	<p>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.</p>
Relationship	<p>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.</p>	<p>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.</p>
Responsibility	<p>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.</p>	<p>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.</p>

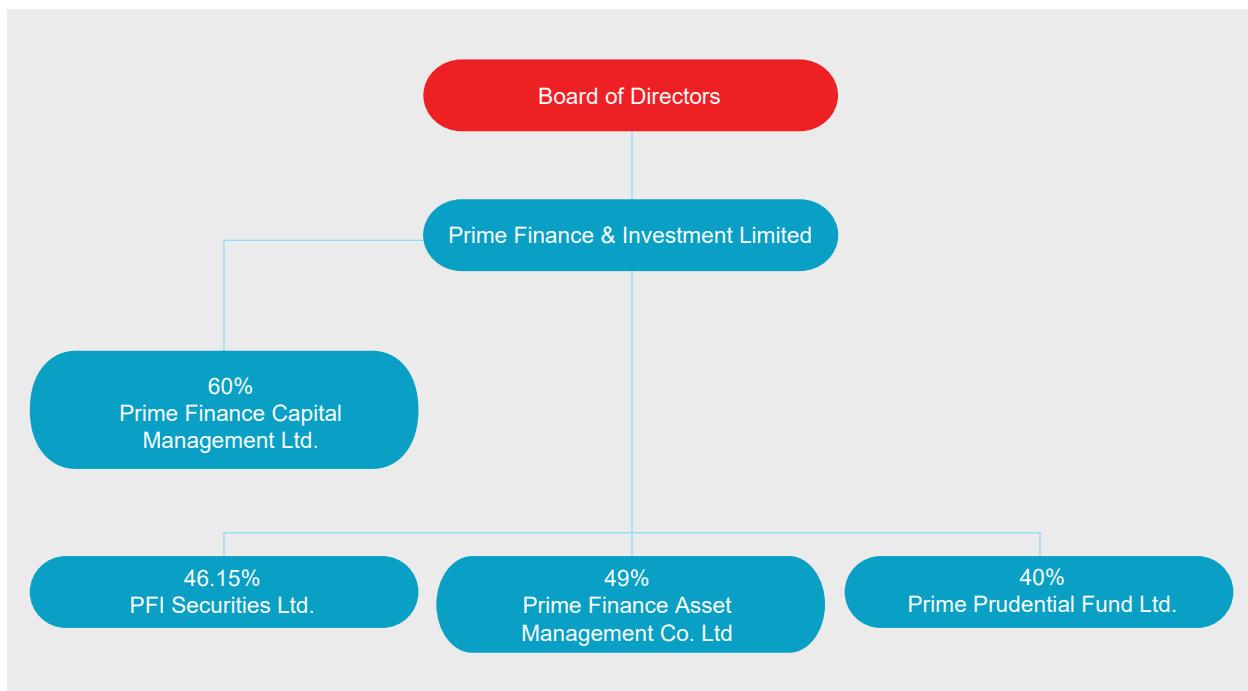
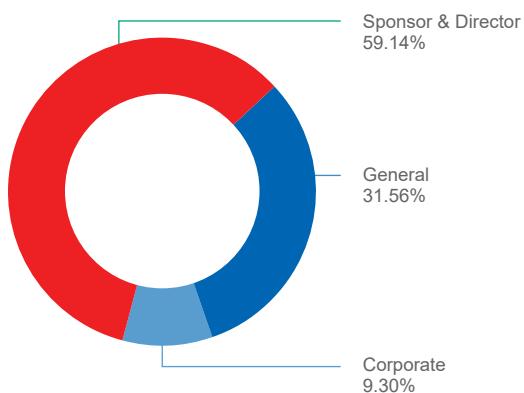
Overview of the Company



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.

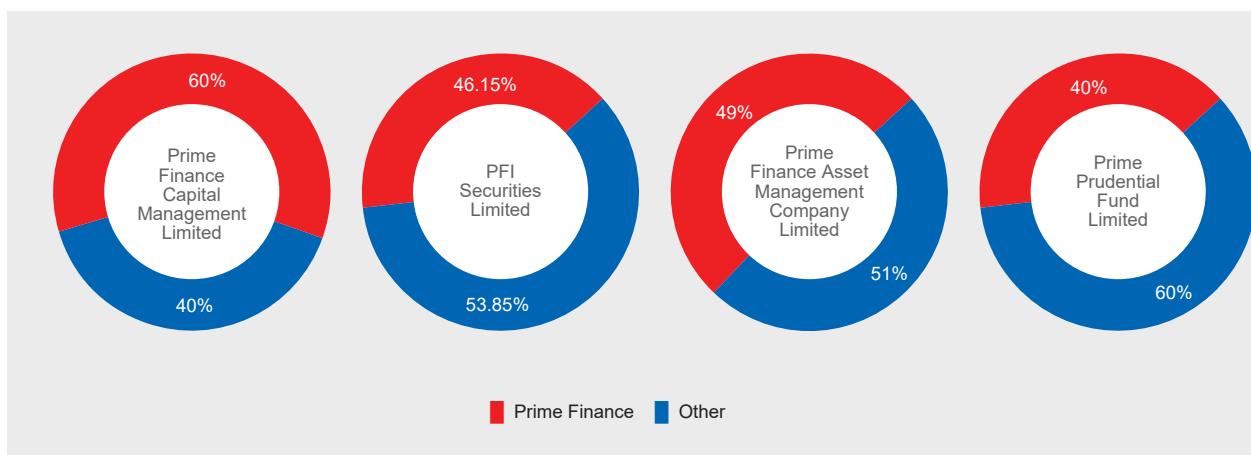
The Company is listed with the Dhaka and the Chittagong Stock Exchange Limited. The registered office of the Company is located at PFI Tower (6th Floor), 56-57 Dilkusha C/A, Dhaka-1000. The operations of the company are being carried out through its five branches located in Dilkusha, Gulshan, Uttara, 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 2023



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.

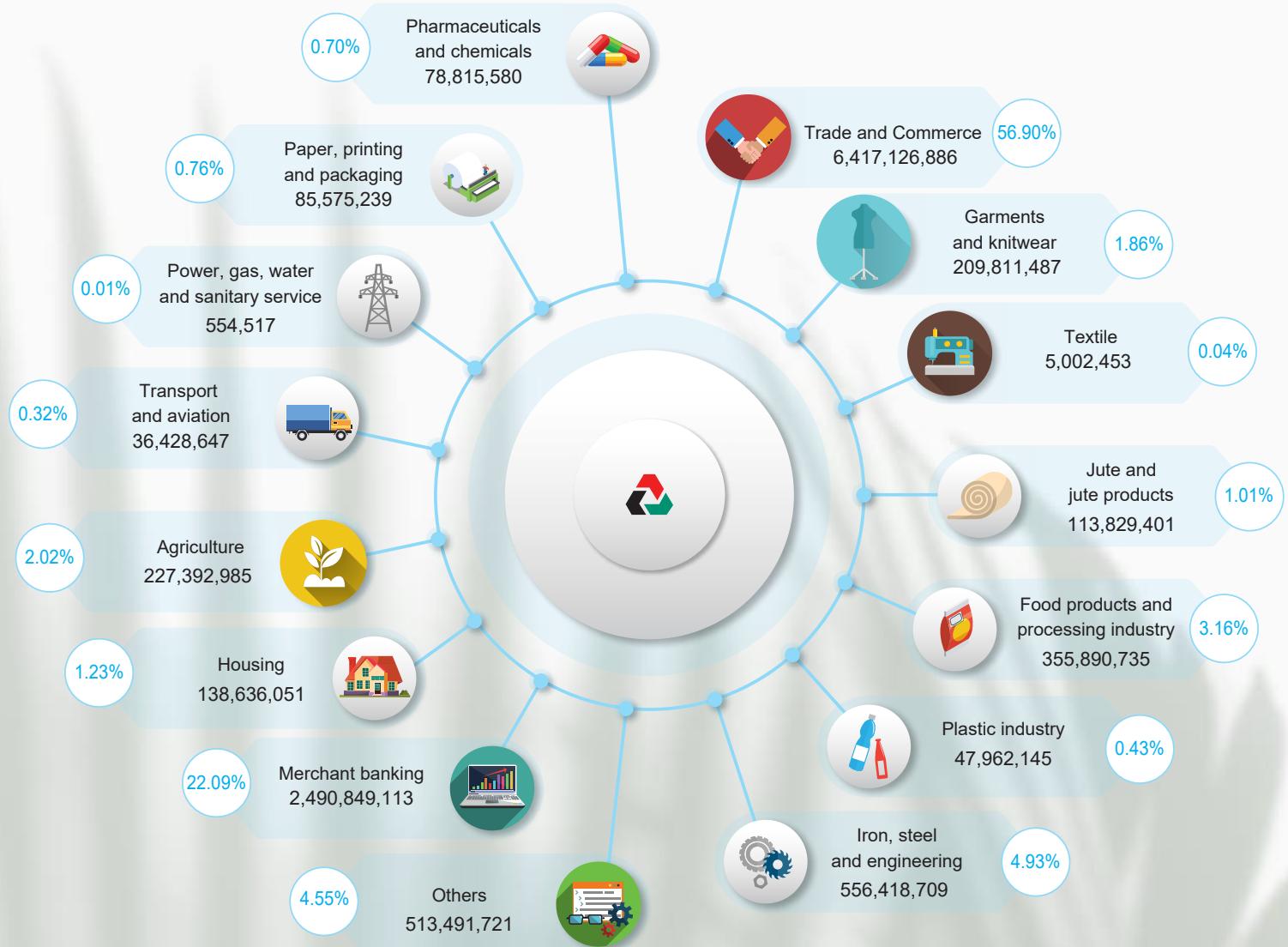
Products & Services

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	Term Deposit Products	Deposit Pension Scheme (DPS) Products
<ul style="list-style-type: none">▶ 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	<ul style="list-style-type: none">▶ 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	<ul style="list-style-type: none">▶ Sonchoy DPS▶ Fortune DPS



Sectorwise Investment



Financial Highlights

Annexure - B

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

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

Five Years' Financial Summary

Particular		2023	2022	2021	2020	2019
Results of operations						
Operating revenue	BDT mm	535.56	629.59	949.27	855.01	1,100.49
Operating expenses	BDT mm	2,054.21	1,448.39	1,086.36	819.82	1,048.47
Profit before tax	BDT mm	(1,518.65)	(818.80)	(137.10)	35.19	52.02
Net profit	BDT mm	(1,533.66)	(838.02)	(179.82)	34.42	48.99
Balance sheet and cash flow data						
Total investments	BDT mm	14,270.22	13,714.94	10,189.63	10,101.63	10,473.96
Total deposits	BDT mm	6,006.71	5,880.76	5,868.11	5,428.14	5,510.07
Total liabilities	BDT mm	15,937.43	13,857.54	9,523.39	9,231.28	9,485.95
Paid up capital	BDT mm	2,729.16	2,729.16	2,729.16	2,729.16	2,729.16
Shareholders' equity	BDT mm	1,168.04	2,701.97	3,574.77	4,008.39	3,242.61
Property, Plant and Equipments	BDT mm	611.84	555.67	564.15	956.53	340.36
Net Operating cash flow	BDT mm	(30.58)	(91.71)	174.68	82.32	24.04
Business ratios and other financial ratios						
Statutory Liquidity Reserve (Ratio)(%)	%	6.91	8.93	11.99	8.75	7.19
Return on average assets (%)	%	(9.02)	(5.52)	(1.04)	0.27	0.39
Net Asset Value per share (times)	Times	1.46	6.99	10.14	11.76	8.94
Capital Adequacy ratio (%)	%	1.78	12.41	13.13	25.31	24.01
Cash Reserve Ratio (%)	%	1.53	1.58	1.60	2.74	2.55
Dividend covers ratio (times)	Times	0.00	0.00	0.00	0.00	0.97
Non performing assets to loans/leases (%) ⁽⁴⁾	%	67.90	68.15	69.37	14.80	15.94
Return on average investment (%)	%	(10.85)	(6.85)	(1.35)	0.34	0.47
Price earning ratio (times)	Times	(2.08)	(3.81)	(22.95)	90.83	38.47
Deposit investment ratio (%)	%	42.09	42.88	57.59	53.74	52.61
Ordinary shares information						
EPS	BDT mm	(5.53)	(3.02)	(0.69)	0.14	0.19
EPS (restated)	BDT mm	(5.53)	(3.02)	(0.69)	0.14	0.19
Dividend	%	0.00	0.00	0.00	0.00	2.00
Book value per share of Tk. 10	BDT mm	4.28	9.90	13.10	14.69	11.88
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	11.50	15.80	12.60	7.50
Market capitalisation	BDT mm	3,138.54	3,138.54	4,312.08	3,438.75	2,046.87
Others (at year-end)						
No. of branches	No	05	05	05	05	05

Board of Directors



Mr. Abdullah Al Faruque
Chairman

Mr. Abdullah Al Faruque is an experienced finance professional with over 22 years of proven expertise in accounting, finance, and corporate governance. He is currently serving as a Director of Prime Finance & Investment Limited, nominated by Mawsons Limited.

Mr. Faruque is the Chief Finance Officer (CFO) of Mawsons Limited, where he is responsible for strategic financial management, regulatory compliance, financial reporting, budgeting, and the establishment of effective internal control systems. Throughout his professional career, he has held various senior management positions, demonstrating strong competence in financial leadership, audit coordination, and strategic decision-making.

He has also contributed at the board level, having previously served as an Alternate Director of Fareast Finance & Investment Limited. Mr. Faruque holds an M.Com and B.Com (Honours) in Accounting from the National University of Bangladesh and brings significant financial acumen and governance experience to the Board of the Company.



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 serving as a founding 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.



Mrs. Rezina Parveen
Independent Director

Mrs. Rezina Parveen joined the Board of Prime Finance & Investment Limited as an Independent Director on 28 July 2025. She brings with her over 34 years of extensive experience in the banking and financial sector.

She began her career with Janata Bank Limited in 1988 and gradually rose through various senior positions, ultimately serving as General Manager. She also held the position of Chief Executive Officer at Janata Capital & Investment Limited in 2020. Later, she was appointed Deputy Managing Director of Agrani Bank Limited, where she served until her retirement in 2023.

Mrs. Parveen holds an MSS in Economics from the University of Dhaka and an MBA in Human Resource Management from Green University of Bangladesh. She is also a Certified Diplomaed Associate of the Institute of Bankers, Bangladesh (DAIBB).

With her proven leadership, deep knowledge of the financial system, and long-standing contributions to the banking sector, Mrs. Parveen is expected to play a significant role in strengthening the governance and strategic direction of Prime Finance & Investment Limited.

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 Zaved Lakiyet

Managing Director (Current Charge)
With Prime Finance: Since 2003

Mohammad Zaved Lakiyet is a seasoned finance leader with over two decades of experience in the financial sector. Since starting his career in 2003, he has established himself as an expert in taxation, financial reporting, and regulatory compliance. His deep understanding of financial management allows him to bridge the gap between complex technical requirements and organizational strategy.

Currently serving as Managing Director (Current Charge), Mr. Lakiyet provides the steady leadership and financial prudence necessary to guide the organization toward its long-term goals. He is widely recognized for his disciplined approach and his ability to translate practical insights into effective corporate results.

His academic foundation includes a B.Com (Hons) and an M.Com from the National University, Bangladesh. To remain at the forefront of the evolving financial landscape, he consistently enhances his skills through specialized training programs and professional seminars. This dedication to continuous growth ensures that his leadership remains both relevant and impactful.



Mohammed Faruque

VP & Head of IT
With Prime Finance: Since 2005

Mohammed Faruque is a seasoned executive with two decades of extensive expertise in the financial sector. He joined Prime Finance in 2005 and, through his long-term dedication and performance, has become a key member of the senior management team. Currently, he holds a dual leadership role as the Head of IT and the Head of Operations for the Liability and Fund Management department. In these capacities, he ensures that the company's technical infrastructure and digital strategies are not only strong but also perfectly aligned with its long-term business objectives.

His influence within the organization extends well beyond technical and operational management. Mr. Faruque plays a vital role in shaping the company's public identity by directing corporate branding, creative strategy, and social media presence. He works to ensure a modern and cohesive brand image that resonates with stakeholders. A true hallmark of his tenure is his expert guidance in producing the company's Annual Reports. Under his supervision, these publications have earned prestigious awards at both national and international levels, reflecting his deep commitment to transparency, excellence, and high standards in corporate communication.

Before entering the corporate world, Mr. Faruque began his career in the field of education, serving as a teacher at several prominent colleges and universities in Bangladesh. This academic foundation provides him with a unique perspective on organizational development and people management. He holds both a Bachelor and a Master of Commerce from the University of Dhaka. To remain at the forefront of industry trends, he regularly participates in specialized training and high-level workshops organized by leading domestic and international institutions.



Md. Selim Parvez LL.B, PGDHRM, FCS
Company Secretary and Head of HR & Admin
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.



Md. Mamun Miah
FAVP and Chief Financial Officer (CC)
With Prime Finance: Since 2022

Md. Mamun Miah serves as First Assistant Vice President and Chief Financial Officer (CC) at Prime Finance & Investment Limited, having joined the organization in 2022. With a career spanning several prominent Non-Bank Financial Institutions (NBFIs) in Bangladesh, he brings extensive expertise in budgetary control, corporate finance, and auditing. Mr. Miah completed his CA (CC) from Malek Siddiqui Wali, Chartered Accountants, developing a deep mastery of taxation and legal matters. He is also a certified Income Tax Practitioner (ITP) recognized by the National Board of Revenue.

Academic excellence anchors his professional standing, as he holds both a BBS (Hons) and an MBS in Accounting and Information Systems from the National University. Throughout his tenure, he has remained committed to professional growth, participating in numerous high-level seminars and workshops focused on financial positioning and risk management. His leadership at Prime Finance ensures robust fiscal oversight and strategic alignment with evolving industry standards.

Glimpses of all Departments & Branch Offices

FINANCE & ACCOUNTS



Mohammad Zaved Lakiyet
VP & Managing Director (CC)

Tarana Yasmin
Vice President

Md. Mamin Miah
FAVP & CFO (CC)

Md. Shahidul Islam
Assistant Manager

Md. Ahsan Ullah Palas
Officer

CREDIT ADMINISTRATION



Md. Shafiqul Azam
Executive Officer & Head of CAD

HRM & ADMINISTRATION



Md. Selim Parvez
Company Secretary and
Head of HR & Admin

Sanjay Kumar Mondal
Senior Executive Officer

Kawser Miah
Executive Officer

Sykot Hossain
Officer

TREASURY



Mansura Moin
SAVP & Head of Treasury

Ashraf-Ul-Majid
Senior Officer

INFORMATION TECHNOLOGY



Mohammed Faruque
VP & Head of IT

LIABILITY & FUND MANAGEMENT (OPERATIONS)



Mst. Shirina Akhter
Executive Officer

Nurul Islam
Senior Officer

Shamima Akter
Officer

Suraiya Ahmed
Assistant Officer

INTERNAL CONTROL & COMPLIANCE



Shaiful Islam
Officer & In-Charge

LEGAL & SPECIAL ASSET MANAGEMENT (SAM)



Md. Shoel
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



Tajul Islam
Senior Executive Officer
& In-Charge of CRM

COMPANY SECRETARIAT



Md. Selim Parvez
Company Secretary and
Head of HR & Admin

Md. Saikat Molla
Assistant Officer

GULSHAN OFFICE



Arindam Basu
AVP & Branch In-Charge

Monne Akter
Manager

Md. Awlad Hossain
Senior Officer

Fatama Khatun
Officer

LIABILITY & FUND MANAGEMENT (MARKETING)



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

Md. Humayun Kabir
Manager

UTTARA OFFICE



Md. Delwar Hossain
Manager & Branch In-Charge

Md. Asaduzzaman
Senior Executive Officer

Tanvirul Islam
Officer

RAJSHAHI OFFICE



Md. Monirul Islam
SEO & Branch In-Charge

Md. Asif Uddin
Senior Executive

Mst. Sathi Islam
Senior Executive

CHATTOGRAM OFFICE



Md. Masud Alam
AVP & Branch In-Charge

Didarul Islam
FAVP

Ali Sayka Khanam
FAVP

Jolly Chowdhury
Manager

Md. Arfan Uddin
Executive Officer

Mohammad Solaiman
Business Coordinator

RETAIL SME



Md. Abdus sobur Mollah
In-Charge

Amena Begum
Team Leader

Bilkish Begum
Team Leader

Sonia Afsana
Team Leader

Dilal Ahmed
RM

Dilruba Begum
Team Leader

Shila Akter
RM

Paritosh Kumar Bepari
RM

Message from the Chairman



Mr. Abdullah Al Faruque
Chairman

“

Our focus in the coming period remains on incremental improvements, specifically better liquidity positioning, more effective recovery of outstanding debts, and a continued tightening of our risk management protocols.

”

Dear Shareholders,

On behalf of the Board of Directors, I am presenting the Annual Report of Prime Finance for the year ended 31 December 2023. This report has been landed at a time when our institution, like many of our peer groups in the Bangladeshi financial landscape, continues to navigate a path defined more by endurance than by easy wins. The year under review was a period where the broader economic pressures, ranging from the persistent crunch in market liquidity to the rising costs of doing business, met with our own internal efforts to course-correct after a prolonged and difficult stretch for the Company.

It is important to be sincere about our position. Prime Finance has faced a substantial period of financial loss, and the weight of these legacy challenges remained a central theme throughout 2023. We are not yet where we want to be, and the road to a full recovery remains steep. However, the Board and the Management have spent the past twelve months engaged in the quiet, often difficult work of stabilizing the ship. We approached the year with the incessant effort of realism, understanding that the issues accumulated over several years cannot be undone in a single quarter. Our primary objective is to stop the erosion of value and begin the slow process of rebuilding a foundation that can eventually support sustainable operations.

Throughout the year, our internal energy was directed toward reinforcing the most basic yet most critical pillars of our business. We took a very conservative approach to new business, choosing instead to focus our limited resources on managing existing liquidity and protecting the quality of our current assets. This meant making some tough calls regarding cost rationalization and operational overheads. We are looking at every corner of our organization to find efficiencies, not just to save money, but to ensure that Prime Finance becomes a leaner, more agile entity that is better suited for the current economic climate in Bangladesh.

Governance and transparency have been our guiding lights during this transition. In times of financial stress, there is a temptation to seek quick fixes, but the Board

has remained firm in the belief that only disciplined adherence to regulatory standards and ethical conduct will see us through. We have worked to strengthen our internal control frameworks and have maintained an open, honest dialogue with our regulators. We believe that by being transparent about our struggles and methodical in our corrections, we can slowly begin to restore the trust that is so essential to our future.

I want to acknowledge our shareholders and depositors who have stayed with us through this lean period. We are acutely aware of the patience you have shown as we work through these losses. While we are trying our best to turn the tide, we do not underestimate the volatility of the market or the complexity of our recovery. Our focus in the coming period remains on incremental improvements, specifically better liquidity positioning, more effective recovery of outstanding debts, and a continued tightening of our risk management protocols. These are not grand gestures, but they are the necessary building blocks for any potential turnaround.

As we move into the next phase, our outlook is one of cautious persistence. The work ahead is significant, and there are no shortcuts to outweigh the financial health. However, the resolve within the Company remains strong. We are dedicated to the journey of making Prime Finance a stable and responsible participant in the financial sector once again. On behalf of the Board, I thank our employees for their perseverance during the trajectory and our regulators for their ongoing guidance. We remain committed to the hard work of recovery, one step at a time.

Sincerely,



Abdullah Al Faruque
Chairman of the Board

Message from the Managing Director



Mohammad Zaved Lakiyet
Managing Director (CC)

“

We are focused on building a stronger, more resilient financial foundation. Our immediate priority is the recovery of distressed loans through a dedicated Special Asset Management Team and professional recovery agents, supported by accelerated legal action to ensure timely collections.

”

Hon'ble Shareholders,

Assalamu-Alaikum,

I am honored to present to you the Annual Report of Prime Finance & Investment Limited for the year ending on December 31, 2023. 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.

The year 2023 was marked by significant macroeconomic and geopolitical challenges, including liquidity constraints, rising Non-Performing Loans, high inflation, currency volatility, and intense market competition. Global uncertainties, particularly the Russia–Ukraine conflict and Middle East tensions, further heightened economic pressures, while Bangladesh faced moderation and external sector challenges. Prime Finance & Investment Limited also confronted its own operational and economic challenges in this difficult environment.

The year 2023 was a particularly challenging period for Bangladesh's Non-Bank Financial Institutions (NBFI), characterized by rising non-performing loans, persistent liquidity pressures, and tightening regulatory requirements. While the banking sector remained relatively stable, most NBFI—including Prime Finance & Investment Limited—faced acute funding constraints, further intensified by negative media coverage linked to the misconduct of a few institutions. This liquidity imbalance significantly affected loan disbursements and financing opportunities, particularly for small and medium enterprises (SMEs), and influenced our funding position, credit risk management, and overall business growth. Despite government initiatives to rationalize borrowing and lending costs, the sector's recovery remains gradual. These sector-wide challenges had a direct impact on the operations of Prime Finance & Investment Limited, influencing its funding position, credit risk management practices, and overall business growth during the year.

Deposit Mobilization

Mobilizing deposits in 2023 remained a major challenge for the NBFI sector, shaped by limited public trust, intense competition, regulatory constraints, and economic volatility. Prime Finance & Investment Limited faced these pressures amid rising interest rates, tight monetary policy, and inflationary uncertainty. Despite these hurdles, we prioritized on deposit collection, proactive customer engagement, successfully strengthening our deposit base, enhancing depositor confidence, and laying a resilient foundation for sustainable growth in the years ahead. Nevertheless, through a focused marketing drive coupled with personalized customer service, we mobilized deposits optimally and increased the base to Tk. 6006.71 million in 2023 against which of Tk. 5880.76 million in 2022, with a growth of 2.14% compared to 0.22% growths recorded for the previous year. We have changed our focus from corporate deposits to retail deposits or individual.

Capital Market

It was a challenging period for Bangladesh's capital market. Despite a marginal rise in the benchmark DSEX index, overall market activity remained subdued, with liquidity and investor participation significantly lower than in previous years. Regulatory measures, including floor price restrictions, while aimed at stabilizing the market, constrained price discovery and investor confidence. Primary market activity was limited, and trading volumes across sectors were weak, although pockets such as pharmaceuticals, engineering, and textiles showed relative resilience. Amidst global and domestic economic headwinds, the market underperformed compared to regional peers, highlighting the need for structural reforms and renewed investor confidence.

Measures adopted to stem the rot

Prime Finance & Investment Limited, operating since 1996 and listed on both Dhaka and Chittagong Stock Exchanges since 2005. Historically profitable, with strong equity, retained earnings, and awards recognizing governance and performance, the company now faces challenges due to rising non-performing loans, concentrated lending to our subsidiary and associate companies in the capital market, low disbursement due to persistent cash flow constraints over the past few years, . The year ending 31 December 2023 was marked by challenges in asset quality and liquidity. A significant portion of our lending portfolio 75.76% is with subsidiaries and associates, resulting in a concentration of credit risk. Loans to our subsidiary and associate have grown due to unrealized interest, as prolonged market under-performance has strained their cash flows. This has led to higher provisions, increased non-performing loans, and a negative impact on profitability from interest suspense, highlighting the importance of prudent risk management. Prime Finance's Tk. 207 crore equity investments in subsidiaries and associates have yet to generate returns since 2014, continuing to strain the company's financial performance. Deposit mobilization continues to be affected by sector instability and declining depositor confidence.

We are focused on building a stronger, more resilient financial foundation. Our immediate priority is the recovery of distressed loans through a dedicated Special Asset Management Team and professional recovery agents, supported by accelerated legal action to ensure timely collections. At the same time, we are strategically shifting our lending focus toward Small & Medium Enterprises (SMEs) and retail home loans, channeling at least 50% of recoveries and cash inflows into high-quality, growth-oriented financing. Revenue will be strengthened through enhanced recovery efforts and new lending activities, while operational efficiency is being driven by branch rationalization, office relocations, shared services centralization, manpower optimization, and strict control of

overheads. These measures aim to enhance liquidity, rebuild depositor confidence, improve asset quality, and position the company for sustainable growth and long-term stability in a challenging market environment.

Subsidiary and Associates

In the year 2023, the subsidiary and associates of Prime Finance & Investment Ltd. recorded a negative contribution of Tk. 40.44 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.

Human Resources

The strength of Prime Finance lies in its people. Our employees demonstrated exceptional dedication, ensuring seamless operations and uninterrupted client service while maintaining the highest standards of professionalism and efficiency. Employee turnover during the year had no adverse impact on operations, as we proactively filled gaps with skilled professionals and developed emerging talent. This has resulted in a strong pool of capable executives, ready to take on greater responsibilities and drive the Company forward. Our succession planning has been carefully refined, ensuring leadership continuity and organizational stability for the future.

Prime Finance remains committed to creating an environment where employees are motivated to excel beyond their immediate roles. By fostering opportunities for learning, growth, and cross-functional development, we empower our workforce to contribute meaningfully to the Company's strategic objectives.

Financials

In 2023, the money market remained persistently tight, which significantly constrained the Company's ability to make fresh disbursements. Despite the funding constraints,

Prime Finance & Investment Limited disbursed Tk. 191.64 million during the year. The overall financial performance was adversely affected by a sharp reduction in operating income, with other operating income declining to Tk. (101.31) million in 2023 from Tk. (58.04) million in 2022.

The Company incurred a higher operating loss of Tk. (282.71) million in 2023 compared to Tk. (246.96) million in the previous year, primarily due to substantial provisioning on loans and advances. Bangladesh Bank imposed a 50% provision on equity investments in subsidiary and associate companies based on qualitative judgment following the non-receipt of dividends. In addition, a provision of Tk.1,504.35 million was required against inter-company loans to PFI Securities Limited.

As a result of the elevated provisioning burden and reduced operating income, the Company reported a net loss after tax of Tk. (1,533.66) million in 2023, with consolidated EPS declining to Tk. -5.53, compared to a net loss of Tk. (838.02) million and EPS of Tk. -3.02 in 2022.

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 2024 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.

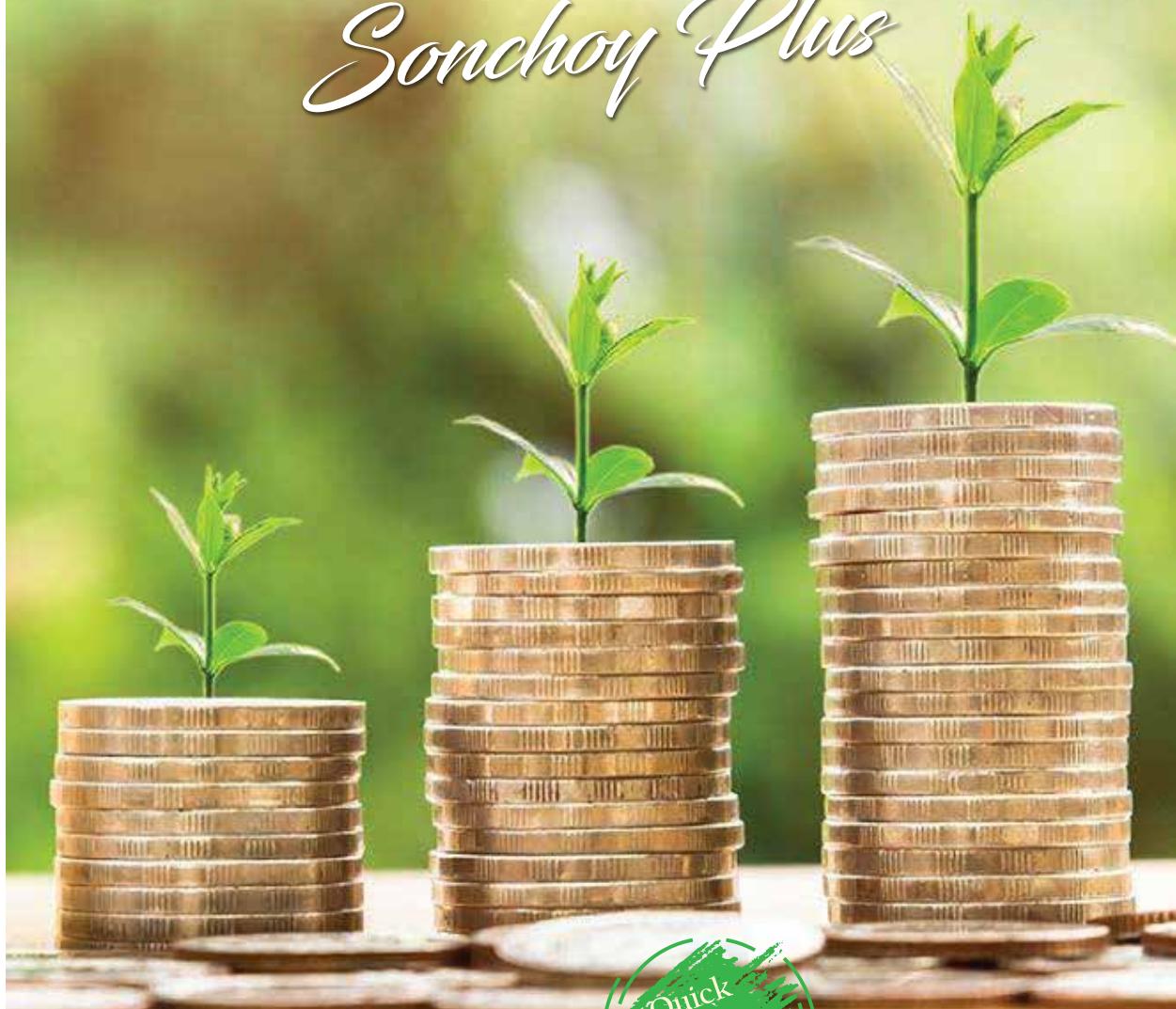
I would also like to express my sincere thanks and gratitude to our valuable lenders, depositors, shareholders, regulators and other stakeholders for their continuous support and co-operation.



Mohammad Zaved Lakiyet
Managing Director (CC)

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& Investment Limited

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Directors' Report 2023

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 28th 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 2023 for consideration, adoption and approval of our valuable Shareholders.

Global and Macroeconomic Overview

The global economy continued its gradual recovery, though growth moderated amid geopolitical tensions and tighter financial conditions. Conflicts in the Middle East and the ongoing Russia–Ukraine war disrupted supply chains and contributed to volatility in energy and commodity markets. Inflation eased across most advanced economies due to restrictive monetary policies. Against this global backdrop, Bangladesh's economy faced elevated inflation, higher import costs, and pressure on foreign exchange reserves. Bangladesh Bank implemented monetary and exchange rate policy measures to stabilize the market and contain inflation, resulting in tighter liquidity conditions. The financial sector, including non-bank financial institutions, operated under enhanced regulatory oversight, with moderated credit growth and increased emphasis on liquidity management, asset quality, and governance. The Directors remain focused on prudent risk management, regulatory compliance, and sustainable growth amid evolving global and domestic economic conditions.

Bangladesh Economy

In 2023, Bangladesh showcased remarkable resilience, achieving 6.5% GDP growth despite global uncertainties. Strong performances in manufacturing, agriculture, and services, along with record exports of USD 55 billion and remittances of USD 23 billion, underpinned economic stability. Inflation averaged 7.1%, managed through prudent monetary policy. Landmark infrastructure projects, including the Dhaka Elevated Expressway, Padma Rail Link strengthened connectivity and investment. While challenges such as FX volatility and governance issues remain, the outlook is positive, with 2024 growth projected at 7%, driven by domestic demand, export diversification, and continued strategic development initiatives.

Industry Overview and Outlook

In 2023, Bangladesh's Non Bank Financial Institutions (NBFI) showed moderate growth amid significant sectoral challenges. Total deposits rose to approximately BDT

44,830 crore, a 2.5% increase over the previous year, while total loans and advances grew by 4.9% to BDT 73,759 crore, reflecting a loan-to-deposit ratio of 1.65. Despite this growth, asset quality remained a pressing concern. Non performing loans reached a record BDT 23,208.7 crore, representing nearly 32% of total loans and pushing the NPL ratio to around 30%. Depositor confidence weakened, with the number of accounts declining by over 17% to approximately 431,221. By year-end, the sector comprised around 35 institutions engaged in leasing, SME financing, factoring, and merchant banking. While the NBFI sector continues to support financial intermediation, addressing high non-performing loans and restoring depositor trust remain critical priorities for sustainable growth.

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	2023 Mn	2022 Mn
Operating income	535.56	629.58
Operating expenses and provision	(2054.21)	(1448.38)
Profit before tax	(1518.64)	(818.80)
Provision for taxation	(15.06)	(19.21)
Profit after tax	(1533.65)	(838.02)

Dividend

The Board of Directors in its meeting held on 20 January 2026 recommended "No Dividend" for the year 2023.

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 28th 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. Abdullah Al Faruque, representing Mawsons Limited;

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. Mohammad Zaved Lakiyet as the Acting Managing Director of the Company.

Statutory Auditors

M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, have completed three consecutive years of audit of the Company and are therefore not eligible for re-appointment. In line with the Auditors' Panel List provided by Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC), the Board of Directors has recommended the appointment of M/s. Dewan Nazrul Islam & Co., Chartered Accountants, as the Statutory Auditors of the Company for the year 2024. The Board has also fixed their remuneration at BDT 3,30,000/- (Taka three lac thirty thousand only) plus VAT, subject to approval by the shareholders at 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 2024 at a fee of BDT.30,000/- (Tk. 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

- a) 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.
- b) Proper books of accounts of the Company have been maintained.
- c) 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.
- d) The presentation of Financial Statements has been made in accordance with the Bangladesh Bank DFIM circular no.11 dated December 23, 2009.
- e) IAS/IFRS as applicable in Bangladesh have been followed in preparation of the financial statements.

- f) Internal Control System is sound in design and has been effectively implemented and monitored.
- g) There are no significant doubts about the ability of the Company to continue as going concern.
- h) There is significant deviation from the operating result of the last year.
- i) The interests of the minority shareholders have been duly protected in the Company
- j) 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	2023Mn	2022 Mn
Income from lease finance	(5.69)	21.37
Income from term finance	372.04	478.24
Income from real estate finance	0.86	1.77
Income from other finance	96.17	72.794

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 2023 as per court order (Company Matter No 1521 of 2025)

The Directors state that, pursuant to DFIM Circular Letter No. 04 dated 02 February 2010, the annual audited Financial Statements are required to be submitted to Bangladesh Bank by 31 March of the following year, extendable up to 30 June with prior approval. Finalization of the Financial Statements for the year ended 31 December 2023 was contingent upon receipt of the Financial Institutions Classification of Loans (FICL) Report from the Financial Institutions Inspection Department (FIID), which was received on 06 August 2025.

Further, based on the Quick Summary Inspection Report dated 06 August 2025, the institution was advised to obtain opinion/NOC from the Department of Financial Institutions and Markets (DFIM) for classification of a land, arisen against loans and advances (A/C: PFI Securities Limited), as a

Non-Banking Asset. The required opinion was obtained from DFIM vide letter no. DFIM(C)1054/24 dated 21 August 2025.

Additionally, in accordance with Sections 81(1) and 81(2) of the Companies Act, 1994, prior permission of the Honorable Supreme Court of Bangladesh was required to convene the AGM and approve the Financial Statements. The necessary court order was obtained vide Company Matter No. 1521 of 2025 dated 03 December 2025. Approval was further delayed due to absence of quorum until appointment of a Director on 15 December 2025.

After completion of the above regulatory and statutory requirements, the audited Financial Statements for the year ended 31 December 2023 were finalized and approved at the 323rd meeting of the Board of Directors held on 20 January 2026.

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 which have been considered in the financial statements of the company for the year 2023.

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,



Abdullah Al Faruque
Chairman
20 January 2026

Management Discussion and Analysis

Global Economic Overview: A Period of Profound Uncertainty

The global economic landscape in 2023 was defined by extreme volatility. As the world attempted to move past the immediate shadow of the COVID 19 pandemic, it was met with a perfect storm of macroeconomic challenges: persistent inflation, tightening labor markets, and aggressive interest rate hikes. Central banks globally shifted toward a restrictive monetary stance to anchor inflation expectations, attempting a delicate soft landing to avoid a deep global recession.

The cumulative effects of the past three years, specifically the pandemic and the invasion of Ukraine, manifested in unforeseen ways. Pent up demand and commodity price spikes pushed inflation to multi decade highs, creating a high cost environment that severely challenged the growth projections of emerging economies like Bangladesh. These adverse shocks have forced financial institutions to rethink sustainability and risk tolerance in a world where geopolitical instability is the new constant.

The Bangladesh Economy: Confronting the Searing Fire

On the domestic front, Bangladesh felt the direct impact of global fires. High inflation became the most prominent hurdle, eroding the disposable income of the general public and creating what can only be described as insurmountable sufferings. This economic strain has direct implications for the financial sector:

- **The Savings Paradox:** As inflation swelled, many depositors were forced to break off their savings to cover basic living costs. This led to a collapse in incremental deposit growth, creating a ripple effect across the banking and non banking sectors.
- **Operational Contraction:** Faced with a dry market and a looming liquidity crisis, many organizations were forced to curtail costs through employee layoffs and the cessation of expansion projects. The inability to expand has led many companies to withdraw their corporate deposits, further straining the market.
- **Trade and Foreign Reserve Pressure:** The ongoing conflict in Europe disrupted traditional trade routes and impacted energy prices, foreign direct investment (FDI), and remittances. These factors combined to create a stretched economy just as it was beginning to find its footing post pandemic.

Governance and Financial Reporting Framework

The financial statements of Prime Finance have been prepared with a commitment to transparency and regulatory integrity.

- **Basis of Preparation:** The statements are prepared on a going concern basis and the accrual method under the historical cost convention. It is important to note that

these figures do not take into consideration the direct effects of inflation on asset valuation.

- **Compliance Standards:** Our reporting and disclosure are made in accordance with DFIM circular no. 11 dated 23rd December 2009, in conformity with IFRS, the Companies Act 1994, and the Financial Institutions Act 1993.
- **Regulatory Hierarchy:** As Bangladesh Bank is our primary regulator, their guidelines and notifications take preference over IAS and IFRS where contradictions arise. This ensures that our reporting is perfectly aligned with the domestic monetary environment.
- **Policy Consistency:** We maintained absolute consistency in our accounting principles throughout 2023. No changes were made to the basis of estimation or underlying assumptions, ensuring that year on year comparisons remain valid and grounded in prudent judgment.

Financial Performance and Comparative Analysis

The 2021 to 2023 fiscal period demanded a shift from aggressive growth to defensive sustainability. Our priority was safeguarding business continuity while providing relief to customers via moratoriums and concessionary interest rates.

Operating and Net Results

The financial year 2023 reflected the heavy burden of the current economic climate:

- **Operating Loss:** Stood at Tk. (282.72) million, compared to Tk. (246.96) million in 2022, a increase of BDT 35.76 million.
- **Net Loss After Tax:** Reached BDT (1,533.66) million, relative to BDT (830.416) million in 2022.
- **Consolidated EPS:** Recorded at Tk. (5.53) in 2023, compared to Tk. (3.02) the previous year.

The Provisioning Challenge

The primary driver behind the net loss was the imposition of significant provisions based on qualitative judgment by the central bank.

- **Equity Provisions:** A 50% provision was mandated on equity investments in subsidiary and associate companies due to non receipt of dividends.
- **Intercompany Loans:** A provision of Tk. 1,504.35 million was imposed on loans with PFI Securities Limited.

Despite these mandatory provisions, it is vital to highlight our successful recovery track record with PFI Securities. We have recovered Tk. 285.9 million in 2019, Tk. 356.9 million in 2020, Tk. 169.7 million in 2021, Tk. 27.90 million in 2022, and Tk. 27.18 million in 2023. This demonstrates that while

provisions are high, the underlying assets remain active in our recovery pipeline.

Peer Industry Comparison: The NBFI Landscape

The Non Bank Financial Institution (NBFI) sector is currently navigating an era of systemic vulnerability. Corruption, mismanagement, and ineffective policies across the broader industry have culminated in a sector wide liquidity crisis and a loss of public trust.

- NPL Trends: According to Bangladesh Bank's financial stability report, industry wide default loans rose to 8.2% (up from 7.9% in 2021).
- Distressed Assets: By late 2022, distressed assets in the banking sector reached Tk. 3.77 lakh crore, representing 25.5% of total loans.
- Regulatory Interventions: To prevent liquidity pressure, the Central Bank reduced the CRR by 1% and adjusted the AD ratio. While these moves provided mid year relief, the cost of funds spiked, and liquidity tightened again as the year closed.

Strategic Pivot and Risk Mitigation

To combat portfolio deterioration, Prime Finance executed a strategic shift toward the Retail SME (RSME) sector.

- Marginal Penetration: By activating a dedicated RSME department and focusing on areas beyond metropolitan hubs, we addressed underserved clusters where competition is lower and the social impact is higher.
- Diversified Deposits: We intensified efforts to mobilize term deposits from individuals, offering schemes like Monthly Income, Double or Triple money, and Monthly Savings. This reduces our reliance on volatile corporate deposits.
- Capital Market Resilience: Our subsidiaries performed well amidst market enthusiasm. The DSEX index rose to 6,513 points, a 2.13% increase in late 2022, and market capitalization reached BDT 5,177 billion, illustrating a 0.68% increase.

Risk Philosophy

Our risk management system is not merely a compliance tool but a forward looking steering mechanism. The Board of Directors oversees a framework that balances risk with appropriate returns. We believe in managing credit, interest rate, and operational risks through sophisticated models that prioritize the long term reliability of the institution.

Recovery, Monitoring, and the Path to 2024

Recovery remains our number one business priority. In 2023, our specialized legal and recovery teams collected approximately Tk. 567.57 million. This was achieved through:

- Proactive Engagement: One on one meetings, factory visits, and negotiations with guarantors.
- Restructuring: Offering borrowers the chance to regularize accounts through rescheduling per central bank guidelines.
- Legal Action: Filing cases under the NI Act and Artha Rin Suits where necessary.

Outlook for 2024

As a customer centric organization, our focus for 2024 is overcoming the predicaments caused by the pandemic and the subsequent economic shocks. We are sincerely grateful for the regulatory flexibility provided by the central bank. While the legacy of high provisions will continue to affect near term profitability, our 2024 budget is built on a foundation of bad loan recovery and steady development.

We strongly believe in our ability to rebound. By focusing on liquidity and the realization of future potential, we are confident that Prime Finance will emerge from these challenges as a stronger, more resilient institution.



Mohammad Zaved Lakiyet
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 2023, the Board of Directors of Prime Finance comprises of nine 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. Tauseef Iqbal Ali
	: Mr. Waheed Mahmud Khaled
	: Mr. Uzzal Kumar Saha, LL.B, ACS
	: Engr. Salahuddin Ahmed
	: Dr. Shamim Khan
	: Mr. Manzur Ahmed

Independent Director: Mr. Ahmed Kamal Khan Chowdhury

Managing Director: Mr. Md. Ahsan Kabir Khan

Non-Executive Director

There are Eight 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 are three Independent Directors 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 Director 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

Incompliance 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

Audit Committee:

Chairman : Mr. Ahmed Kamal Khan Chowdhury
Members : Mr. Tauseef Iqbal Ali
 : Engr. Salah Uddin Ahmed
 : Mr. Uzzal Kumar Saha, LL.B, ACS
 : Dr. Shamim Khan

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.35-37 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 and carried out the followings in 2023:

- Execution of risk-based annual audit plan of 2024
- 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

Internal Audit

During the year, the Committee reviewed adequacy of resources of Internal Audit Department (IAD) to carry out its functions. It also approved the Audit Plan of the IAD. The scope of work undertaken by IAD was reviewed and discussed against a backdrop of numerous significant projects and programs so as to understand and fully challenge value addition by the unit with available resources.

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 2023. 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 2023. The auditor expressed that the conduct of the audit was independently done.

The Committee makes recommendations to the Board for the appointment, 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 appointed for the financial year ending 31 December 2024 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 December 03, 2025 (Order No. 1521 of 2025) granting an extension for holding the Annual General Meeting.

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.



Rezina Parveen
Chairman, Audit Committee

Pattern of Shareholding

As on 31 December 2023

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
	Mawson 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
	Khaled Textile Mills Ltd.	Sponsor & Director Nominating Company	22,382,420	8.20
	Abeeco Industries Ltd.	Sponsor & Director Nominating Company	5,508,634	2.02
B	Directors and their Spouses and Minor Children:			
	Mr. Mohammed Masudur Rahim	Chairman Nominated by East Coast Shipping Lines Limited.	40,000	
	Mr. Md. Aliuzzaman	Sponsor Director	2,427	
	Mr. Tauseef Iqbal Ali	Director	5,458,363	2.00
	Engr. Salah Uddin Ahmed	Director Nominated by East Coast Shipping Lines Limited.	Nil	
	Dr. Shamim Khan	Director nominated by Pedrollo NK Limited	Nil	
	Mr. Uzzal Kumar Saha	Director nominated by GQ Enterprise Ltd.	Nil	
	Mr. Manzur Ahmed	Director nominated by Agami Apparels Ltd.	Nil	
	Mr. Waheed Mahmud Khaled	Director nominated by Mawson 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 & Compliance	Nil	
D	Executives (Top five person other than MD, CFO, CS & HICC):			
	Mr. Mohammad Zaved Lakiyet	Vice President	Nil	
	Ms. Tarana Yasmin	Vice President	Nil	
	Mr. Mohammed Faruque	Vice President	Nil	
	Mr. Mohammad Yeamin Kabir	Vice President	Nil	
	Ms. Mansura Moin	Senior Assistant Vice President	Nil	
E	Share holders' holding 10% (Ten percent) or more voting interest in the Company			

Directors' Meeting and Attendance

During the year 2023

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	8	8	-	-	-	-	64,000	
2	Mr. Tauseef Iqbal Ali	Non-executive Director	8	8	5	5	-	-	104,000	
3	Mr. Waheed Mahmud Khaled	Non-executive Director	8	8	-	-	-	-	64,000	
4	Mr. Uzzal Kumar Saha, LL.B, ACS	Non-executive Director	8	7	5	4	-	-	88,000	
5	Engr. Salah Uddin Ahmed	Non-executive Director	8	2	5	1	-	-	24,000	
6	Dr. Shamim Khan	Non-executive Director	8	-	5	-	-	-	-	
7	Mr. Manzur Ahmed	Non-executive Director	8	-	-	-	-	-	-	
8	Mr. Ahmed Kamal Khan Chowdhury	Independent Director	8	8	5	5	0	0	104,000	

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

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



UTTAM & ASSOCIATES
CHARTERED SECRETARIES & CONSULTANTS

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 2023**. 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.

Uttam Kumar Dey, FCS

CEO & Lead Consultant

UTTAM & ASSOCIATES

CHARTERED SECRETARIES & CONSULTANTS

Place: Dhaka
Date: February 02, 2026



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) Directors.
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). The vacancy has been filled up on 29 January 2024.
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;		✓	The Post of one Independent Director is vacant more than 90 days. The vacancy has been filled up on 29 January 2024.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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;	✓		Disclosed in the Annual Report
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		Disclosed in the Annual Report
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;			N/A
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.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
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
3 (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
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

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			Do
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 vides 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	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 polices 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

20 January 2026

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 2023.

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 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969; we do here by declare that:

- 1) The Financial Statements of Prime Finance & Investment Limited for the year ended on 31 December 2023 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 2023 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 Zaved Lakiyet
Managing Director (CC)



Md. Mamun Miah
Chief Financial Officer (CC)

Independent Auditor's Report

To the shareholders of Prime Finance and Investment Limited

Report on the audit of the consolidated and separate financial statements

Qualified Opinion

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

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

Basis for Qualified Opinion

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

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

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

Emphasis of Matter

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

Material Uncertainty Related to Going Concern

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit

of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
<p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>According to DFIM Circular Letter No. 33 dated 19 December 2021, NBFIs must keep an extra 2% (percent) special provision for the borrowers who have availed Payment by Deferral (PBD) facilities. The Company has kept a special provision of BDT 28,628,893 as of 31 December 2023 to comply with the circular.</p> <p>In Bangladesh, non-performing loans have been increasing day by day. NBFIs need to maintain provisions for additional non-performing loans in line with the Bangladesh Bank's guidelines. The Company identifies impaired loan accounts and calculates required provisions manually.</p> <p>Furthermore, management has incentive to maintain lower provisions for loans and advances to overstate profit. Considering these factors, we have considered measurement of provision for loans, advances and leases as significant risk as well as a key audit matter.</p> <p>As at 31 December 2023, the Group reported total gross loans, advances and leases of BDT 12,621,205,111 (31 December 2022: BDT 12,051,679,495) and provision for loans and advances of BDT 2,073,370,298 (31 December 2022: BDT 998,007,764).</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>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.</p>

<ul style="list-style-type: none"> 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. <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	
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See note no 7 and 13 to the financial statementsa

Recognition of interest income on loans, advances and leases

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

Measurement of deferred tax assets

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

Impairment assessment of unquoted investments

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

Adequacy of income tax provision

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

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

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

IT systems and controls

<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment. The large volume of transactions processed in numerous locations daily and the reliance on automated and IT-dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p> <p>The IT infrastructure is critical for the smooth functioning of the Group's business operations as well as for timely and accurate financial accounting and reporting.</p> <p>Core Banking Solution (CBS) is primarily relevant for financial reporting. Due to the pervasive nature and complexity of the IT environment, we have ascertained Key Information technology ("IT") systems and controls used for CBS as a key audit matter.</p>	<p>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Group's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>
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Legal and regulatory matters

<p>We focused on this area because the Company and its subsidiary (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Group's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group's provisions and contingent liabilities disclosure.</p>
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Other Matter

A. Related to subsidiary

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

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

B. Related to Associates

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

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

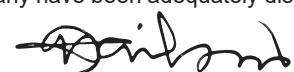
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation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

Report on other Legal and Regulatory Requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the consolidated and separate financial position and consolidated and separate profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditures incurred were for the purpose of the Company's business for the year;
- (v) the financial statements of the Group and the Company have been drawn up in conformity with the Finance Company Act 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- (ix) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (x) taxes and other duties were collect to be and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- (xi) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xiv) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- (xv) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1,200 person hours for the audit of the books and accounts of the Company;
- (xvi) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvii) the Company has complied with the Finance Company Act 2023 and Bangladesh Bank guidelines in preparing these financial statements; and
- (xviii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dhaka, 20 January 2026
DVC: 2602151512AS892273


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

Prime Finance & Investment Limited and its subsidiaries

Consolidated Balance Sheet

As at 31 December 2023

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

PARTICULARS	Notes	Amount in Taka	
		31 December 2023	31 December 2022
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		-	-
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines		-	-
Un-disbursed contracted loans, advances and leases	45.0	-	-
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		-	-
Net Asset Value per share (NAV)		1.46	6.99

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


Chairman


Director


Director


Managing Director (CC)


Company Secretary

Signed in terms of our report of even date

Dhaka, 20 January 2026
DVC: 2602151512AS892273


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

Prime Finance & Investment Limited and its subsidiaries
Consolidated Profit and Loss Account

For the period ended 31 December 2023

PARTICULARS	Notes	Amount in Taka	
		01 January 2023 to 31 December 2023	01 January 2022 to 31 December 2022
Interest income	19.a	492,068,983	585,382,744
Interest paid on deposits, borrowings etc.	20.a	(636,879,416)	(687,624,685)
Net interest income		(144,810,433)	(102,241,941)
Investment income	21.a	9,405,915	28,470,799
Fees, commission, exchange and brokerage	22.a	7,932,870	8,527,780
Other operating income	23.a	26,155,389	7,203,982
		43,494,174	44,202,561
Total operating income (A)		(101,316,259)	(58,039,381)
Salaries and other employee benefits	24.a	123,359,865	127,532,361
Rent, taxes, insurance, electricity etc.	25.a	12,657,662	15,327,587
Legal expenses	26.a	4,941,125	4,187,500
Postage, stamp, telecommunication etc.	27.a	2,994,913	2,961,878
Stationery, printing, advertisements etc.	28.a	2,650,183	3,520,255
Managing director's salary and fees	29.0	10,120,000	10,120,000
Directors' fees	30.a	723,559	962,667
Auditors' fees	31.a	500,250	442,750
Charges on loan losses		-	-
Depreciation and repair of assets	32.a	12,506,088	12,246,141
Other expenses	33.a	10,949,870	11,621,823
Total operating expenses (B)		181,403,515	188,922,962
Profit before provision (C=A-B)		(282,719,774)	(246,962,342)
Provision for loans, advances and leases			
General provision	13.1	(9,378,922)	15,768,311
Specific provision	13.1	1,084,741,456	414,145,173
Provision for diminution in value of investment	13.2.a	121,419,425	148,281,299
Other provision		39,147,854	(6,353,997)
Total provision (D)		1,235,929,813	571,840,786
Total profit before tax (C-D)		(1,518,649,587)	(818,803,128)
Provision for taxation			
Current	13.4.1.a	7,698,214	11,630,820
Deferred	13.4.2.a	7,308,036	7,582,796
		15,006,250	19,213,616
Net profit after tax		(1,533,655,837)	(838,016,744)
Attributable to			
Shareholders of the company		(1,509,426,866)	(824,404,871)
Non-controlling interest		(24,228,971)	(13,611,873)

PARTICULARS	Notes	Amount in Taka	
		01 January 2023 to 31 December 2023	01 January 2022 to 31 December 2022
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Proposed cash dividend		-	-
Proposed stock dividend		-	-
Weighted average no. of outstanding shares		272,916,483	272,916,483
Earnings per share (EPS)	36.a	(5.53)	(3.02)

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


Chairman


Director


Director


Managing Director (CC)


Company Secretary

Signed in terms of our report of even date

Dhaka, 20 January 2026
DVC: 2602151512AS892273


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

Prime Finance & Investment Limited and its subsidiaries Consolidated Cash Flow Statement

For the period ended 31 December 2023

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

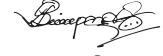
The annexed notes from 1 to 58 and annexures A to D form an integral part of these consolidated financial statements.


Chairman


Director


Director


Managing Director (CC)


Company Secretary

Signed in terms of our report of even date

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

PARTICULARS	Attributable to Equity Holder of Prime Finance & Investment Ltd.				Amount in Taka	
	Paid up capital	Statutory reserve	Revaluation reserves	Retained earnings	Non-controlling interest	Total
Balance as at 1 January 2023	2,729,164,830	960,237,744	687,015,979	(2,467,921,087)	793,469,149	2,701,966,615
Net profit for the year 2023	-	-	-	(1,509,426,866)	(24,228,971)	(1,533,655,837)
Transfer to statutory reserve	-	-	-	-	-	-
Issue of right share	-	-	-	-	-	-
Issue of bonus share	-	-	-	-	-	-
Payment of cash dividend (2020)	-	-	-	-	-	-
Revaluation reserve of PFI Securities Ltd (note 9.1.1)	-	-	(275,659)	-	-	(275,659)
Revaluation of land of the company (note 8.1)	-	-	-	-	-	-
Balance as at 31 December 2023	2,729,164,830	960,237,744	686,740,320	(3,977,347,954)	769,240,178	1,168,035,119
Balance as at 1 January 2022	2,729,164,830	960,237,744	721,800,493	(1,643,516,215)	807,081,022	3,574,767,874
Net profit for the year 2022	-	-	-	(824,404,871)	(13,611,873)	(838,016,744)
Transfer to statutory reserve	-	-	-	-	-	-
Issue of right share	-	-	-	-	-	-
Issue of bonus share	-	-	-	-	-	-
Payment of cash dividend (2019)	-	-	-	-	-	-
Revaluation reserve of PFI Securities Ltd (note 9.1.1)	-	-	(34,784,514)	-	-	(34,784,514)
Revaluation of land of the company (note 8.1)	-	-	-	-	-	-
Balance as at 31 December 2022	2,729,164,830	960,237,744	687,015,979	(2,467,921,087)	793,469,149	2,701,966,615


Chairman


Director


Managing Director (CC)


Company Secretary

Prime Finance & Investment Limited

Balance Sheet

As at 31 December 2023

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

PARTICULARS	Notes	Amount in Taka		
		31 December 2023	31 December 2022	
OFF-BALANCE SHEET ITEMS				
Contingent liabilities				
Acceptances and endorsements		-	-	
Letters of guarantee		-	-	
Irrevocable letters of credit		-	-	
Bills for collection		-	-	
Other contingent liabilities		-	-	
Total contingent liabilities		-	-	
Other commitments				
Documentary credits and short term trade-related transactions		-	-	
Forward assets purchased and forward deposits placed		-	-	
Undrawn note issuance and revolving underwriting facilities		-	-	
Undrawn formal standby facilities, credit lines		-	-	
Un-disbursed contracted loans, advances and leases	45.0	-	-	
Total other commitments		-	-	
Total off-balance sheet items including contingent liabilities		-	-	
Net Asset Value per share (NAV)		0.75	6.15	

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


Chairman


Director


Director


Managing Director (CC)


Company Secretary

Signed in terms of our report of even date



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

Dhaka, 20 January 2026
DVC: 2602151512AS892273

Prime Finance & Investment Limited

Profit and Loss Account

For the period ended 31 December 2023

PARTICULARS	Notes	Amount in Taka	
		01 January 2023 to 31 December 2023	01 January 2022 to 31 December 2022
Interest income	19.0	463,385,699	574,172,750
Interest paid on deposits, borrowings etc.	20.0	(573,645,858)	(654,847,708)
Net interest income		(110,260,159)	(80,674,958)
Investment income	21.0	4,548,291	13,691,211
Fees, commission, exchange and brokerage	22.0	2,312,968	1,680,235
Other operating income	23.0	12,842,889	(9,808,475)
		19,704,148	5,562,971
Total operating income (A)		(90,556,011)	(75,111,987)
Salaries and other employee benefits	24.0	102,358,522	105,145,303
Rent, taxes, insurance, electricity etc.	25.0	9,715,423	11,920,048
Legal expenses	26.0	3,167,500	4,015,000
Postage, stamp, telecommunication etc.	27.0	2,848,125	2,825,178
Stationery, printing, advertisements etc.	28.0	2,350,664	2,487,775
Managing Director's salary and fees	29.0	10,120,000	10,120,000
Directors' fees	30.0	448,000	696,000
Auditors' fees	31.0	402,500	345,000
Charges on loan losses		-	-
Depreciation and repair of assets	32.0	11,609,914	11,622,278
Other expenses	33.0	9,232,686	9,919,367
		152,253,334	159,095,949
Profit before provision (C=A-B)		(242,809,345)	(234,207,936)
Provision for loans, advances and leases			
General provision	13.1	(9,378,922)	15,768,311
Specific provision	13.1	1,084,741,456	414,145,173
Provision for diminution in value of investment	13.2	101,419,425	133,281,299
Other provision		39,147,854	(6,353,997)
		1,215,929,813	556,840,786
Total provision (D)		(1,458,739,158)	(791,048,722)
Provision for taxation			
Current tax expense	13.4.1	7,212,452	5,728,127
Deferred tax expense/(income)	13.4.2	7,131,801	7,210,212
		14,344,253	12,938,339
Net profit after tax		(1,473,083,411)	(803,987,060)

PARTICULARS	Notes	Amount in Taka	
		01 January 2023 to 31 December 2023	01 January 2022 to 31 December 2022
Appropriations			
Statutory reserve	16.0	-	-
General reserve		-	-
Proposed cash dividend		-	-
Proposed stock dividend		-	-
Weighted average no. of outstanding share		272,916,483	272,916,483
Earnings per share (EPS)	36.0	(5.40)	(2.95)

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


Chairman


Director


Director


Managing Director (CC)


Company Secretary

Signed in terms of our report of even date

Dhaka, 20 January 2026
DVC: 2602151512AS892273


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 2023

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

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


Chairman


Director


Director


Managing Director (CC)


Company Secretary

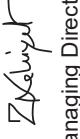
Signed in terms of our report of even date

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

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

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


Chairman
Director


Managing Director (CC)


Company Secretary

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

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	70,333,673	-	-	70,393,673
Balance with other banks and financial institutions	172,162,110	20,000,000	134,238,702	-	326,400,812
Money at call and on short notice	-	-	-	-	-
Investments	7,286,538	80,151,898	58,292,301	47,416,716	193,147,453
Loans, advances and leases	23,199,349	142,182,539	1,584,349,870	5,370,813,319	11,277,785,668
Fixed assets including premises, furniture and fixtures	950,849	2,823,094	8,423,026	573,867,038	608,709,087
Other assets	18,314,393	1,545,139	159,285	-	2,615,780,383
Non banking assets	-	-	-	383,636,118	383,636,118
Total assets (A)	221,973,240	317,036,343	1,785,463,184	4,179,885,670	8,971,494,757
Liabilities					
Borrowings from other banks, financial institutions and agents	7,001,793	72,277,858	44,363,420	591,976,778	122,966,364
Deposits	143,890,431	103,172,918	1,583,286,654	3,622,515,690	553,849,239
Provision and other liabilities	49,528,131	21,766,522	202,027,139	301,226,905	7,851,068,676
Total liabilities (B)	200,420,355	197,217,298	1,829,677,213	4,515,719,373	8,527,884,278
Net liquidity gap (A - B)	21,552,884	119,819,045	(44,214,028)	(335,833,703)	443,610,479
					204,934,675

Prime Finance & Investment Limited

Notes to the Financial Statements

As at and for the period ended 31 December 2023

1.0 COMPANY AND ITS ACTIVITIES

1.1 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 in Bangladesh, vide RJSC registration no. C-30384(1600)/96. Prime Finance started commercial operation in the year 1996, obtaining license from the Bangladesh Bank under the Financial Institutions Act, 1993, which has been re-enacted as the Finance Company Act, 2023. Prime Finance also obtained a license from the Bangladesh Securities & Exchange Commission (BSEC) in July 1999 to operate in the capital market as a full-fledged Merchant Bank. The Company was listed with the Stock Exchanges in 2005.

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

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

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

Name of the company	Nature of relation	Type of shares held	% of share holding
Prime Finance Capital Management 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

1.4 Prime Finance Capital Management Limited (Subsidiary Company)

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

1.5 PFI Securities Limited (Associate Company)

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

1.6 Prime Finance Asset Management Company Limited (Associate Company)

Prime Finance Asset Management Company Limited was incorporated in Bangladesh on 09 June 2008 as a

public limited company incorporated under the Companies Act 1994, vide registration no. C-71596 and licensed under the BSEC. The main objective of the company is to manage the assets of any Trust or Fund of any type and/or character and hold, acquire, sell or deal in such asset or any trust funds, take part in the management of any mutual fund operation. Prime Finance owns 49% shares in this company.

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

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

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

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

2.2 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 2023;
- (ii) Consolidated and Separate Profit and Loss Account for the year ended 31 December 2023;
- (iii) Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2023;
- (iv) Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2023;
- (v) Liquidity Statement for the year ended 31 December 2023;
- (vi) Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2023.

2.6 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 20 January 2026.

2.8 Reporting period

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

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.

2.13 Key performance indicators.

Particulars	Prime Finance & Investment Ltd		Consolidated	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Net interest income	(110,260,159)	(80,674,958)	(144,810,433)	(102,241,941)
Net profit before provision	(242,809,345)	(234,207,935)	(282,719,774)	(246,962,342)
Profit before tax	(1,458,739,158)	(791,048,722)	(1,518,649,587)	(818,803,128)
NAV	0.75	6.15	1.46	6.99
EPS	(5.40)	(2.95)	(5.53)	(3.02)
Net cash generated from operating activities	(122,526,266)	(172,659,629)	(30,584,521)	(91,705,146)
Net operating cash flow per share (NOCFPS)	(0.45)	(0.63)	(0.11)	(0.34)
Particulars	Average of last five years (from 2019 to 2023)			
Profit before provision			(71,857,158)	
Profit after provision			(463,154,113)	
Profit before income tax			(463,154,113)	
Profit after income tax			(473,773,799)	

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

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

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

The Company has applied the same accounting and valuation principles for the year ended 31 December 2023 as in financial statements for 2023 as in financial statements for 2022

2.11 Presentation and functional currency and level of precision

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

2.12 Going Concern

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

The Company has reported negative accumulated retained earnings in the consolidated statement of financial position since 2015. Additionally, the consolidated statement of profit and loss reflects a net loss after tax of (BDT 1,528,074,170) for the year ended 31 December 2023, compared to a net loss of BDT 830,416,744 for the year ended 31 December 2022.

Over the last five years, the Company's average profitability before provisions has been negative at (te required BDT 44,227,888. However, the average annual provision requirement as per deferral stands at (Update required 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 803,987,060 as of 31 December 2022, deteriorating further to negative Update required BDT 545744418 as of 31 December 2023 which represents a Update required 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. period of the next 12 month. These factors indicate the existence of material uncertainty, which may cast significant doubt on the Company's ability to continue as a going concern.

The NBFI's total loans and advances amounted to BDT 1127.78 crore, of which BDT 757.50 crore, representing 67.17% of the total loan portfolio, was classified. This marks a deterioration from 31 December 2022, BDT 726.64 crore, or 68.15% of the total loan portfolio was classified.

Under Basel II guidelines, the NBFI's eligible capital as of 31 December 2023 was Update required BDT 80.96 crore. The ratio of total classified loans to Basel II eligible capital increased sharply to 436.34% as of 31 December 2023, compared to 420% as of 31 December 2022.

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

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

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

Furthermore, the Company's classified loans already constituted updated required 67.17% of the total loan portfolio as of 31 December 2023, up from 68.15% as of 31 December 2022. Should the newly revised outstanding loan amounts also become classified, the resulting impact on the Company's financial position and profitability could be severe and may pose substantial risks to its viability.

As of 31 December 2023, Prime Finance & Investment Ltd. had a total investment of BDT 167.58 crore in its subsidiary and associate companies. Of this, BDT 71.58 crore was invested in associates and BDT 96.00 crore in its subsidiary. This investment accounts for 96.53% of the company's total eligible capital under Basel guidelines. Notably, the associate companies have not shared any profits since 2007, and the subsidiary has not shared any profits since 2014.

Additionally, Prime Finance & Investment Ltd's loan to its associate, Prime Finance Securities Ltd's loan is classified. As of 31 December 2023, total outstanding loan amount stood at BDT 605.31 crore, representing 349% of the company's eligible capital under Basel standards.

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

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

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

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

The financial statements, which describe the loans and advances as of 31 December 2023. As of that date, the total investment portfolio of loans and advances was BDT 1,127.78 crore, of which BDT 757.50 crore, representing 67.17% of the total portfolio, has defaulted. Additionally, the total loan given to associates and subsidiaries amounted to BDT 854.40 crore. These investee companies have been incurring losses for an extended period, casting significant doubt on the recoverability of these amounts. In addition Bangladesh Bank has imposed an additional charge of BDT 381.03 crore this year on the outstanding amounts as a cost of fund received from PFIL. Given the loss-making position of these subsidiaries and associates, there is significant uncertainty regarding their ability to bear this financial burden, which raises doubts about the recoverability of the associated investments.

Furthermore, the provision of such facilities to subsidiaries and associates contravenes Section 14(Ga) of the Financial Institutions Act 1993 and the Bangladesh Bank BRPD Circular No. 01, dated 16 January 2022, which limits single borrower exposure to 30% of eligible capital. The outstanding amount related to these entities, however, represents 316% of the eligible capital of PFIL under Basel II guidelines.

2.14 Use of estimates and judgments

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

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

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

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

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

Provisions

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

Contingent Liabilities

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

Contingent Assets

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of

the Group. Contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.

2.15 Materiality and aggregation

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

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

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

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

IFRSs	Title of the IFRSs	Applicability
IFRS 1	First-Time Adoption of International Financial Reporting 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
IFRS 6	Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS 7	Financial Instruments: Disclosures	Applied
IFRS 8	Operating Segments	Applied
IFRS 9	Financial Instruments	Applied
IFRS 10	Consolidated Financial Statements	Applied
IFRS 11	Joint Arrangements	Not applicable
IFRS 12	Disclosure of Interests in Other Entities	Not applicable
IFRS 13	Fair Value Measurement	Not applicable
IFRS 15	Revenue from Contracts with customers	Applied
IFRS 16	Leases	Applied

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

2.16 Offsetting

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

2.17 Basis of consolidation of operations of subsidiaries

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

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

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

2.18 Minority interest in subsidiaries

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

2.19 Branch accounting

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

2.20 Accounting for term finance

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

2.21 Accounting policy for Leases (IFRS 16)

PFIL as a lessee

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

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

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

made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

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

PFIL as a lessor

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

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

2.22 Segment reporting

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

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

2.23 Cash and cash equivalents

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

2.24 Cash flow statements

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

2.25 Accounting for margin loan

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

2.26 Investment in securities

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

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

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

2.27 Investments in subsidiary and associates

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

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

2.28 Provision for loans and advances

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

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

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

2.29 Fixed assets including premises, furniture and fixtures

i) Recognition and measurement

Own assets

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

ii) Subsequent expenditure on fixed assets

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

iii) Disposal

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

iv) Depreciation

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

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

2.30 Intangible assets and amortisation of intangible assets

Components

The main item included in intangible asset is software.

Basis of recognition

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

Subsequent costs

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

Amortization

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

2.31 Impairment of assets

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

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

2.32 Receivables

Accounts receivables

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

Other receivables

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

2.33 Bank loans, deposits etc.

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

2.34 Financial instruments:

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

2.35 Employees benefit plans

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

2.36 Statutory reserve

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

2.37 Guarantee, commitments and contingencies

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

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

2.38 Litigation

The Company is not a party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in loans/leases repayment and

against various level of tax authority regarding some disputed tax issues. The Company, however, provides adequate provisions as per guidelines of International Accounting Standard (IAS) 37: Provisions, contingent liabilities and contingent assets. About 579 nos of litigations are pending in various court.

2.39 Revenue recognition

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

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

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

Lease income

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

Income from term finance

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

Income from stock on hire

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

Income from real estate finance

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

Income from secured term finance

Income from secured term finance is recognized on accrual basis.

Dividend income

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

Share of Income from associates and subsidiary

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

Fee based income

Fee based income is recognized on cash basis.

Gain on sale of securities

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

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

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

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

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

2.44 Earnings per share

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

Basic earnings per share

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

Diluted earnings per share

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

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

Weighted average number of ordinary shares outstanding during the year

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

2.45 Liquidity statement

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

- (i) Balances with other banks and financial institutions are on the basis of their maturity term.
- (ii) Investments are on the basis of their expected liquidation & residual maturity term.
- (iii) Loans, advances and leases are on the basis of their repayment schedule.
- (iv) Fixed assets are on the basis of their useful lives.
- (v) Other assets are on the basis of their adjustment terms.
- (vi) Borrowings from other banks and financial institutions as per their maturity/repayment terms
- (vii) Deposits and other accounts are on the basis of their maturity term and behavioral past trends.
- (viii) Other long term liabilities are on the basis of their maturity terms.
- (ix) Other liabilities are on the basis of their settlement terms.

2.46 Accrued expenses and other payables

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

2.47 Employee benefits

2.48 Defined contribution plan

Contributory provident fund

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

2.49 Defined benefit plan

Gratuity scheme

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

Superannuation scheme

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

2.50 Interest suspense account

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

2.51 Related party transactions

Related parties are identified and disclosed as per International Accounting Standard (IAS) 24: 'Related Party Disclosure'. related parties are considered the person or entity that is related to the reporting entity through control, joint control, significant influence, or close family relationships. This includes entities that are part of the same group, associates, joint ventures, key management personnel of the entity or its parent, and any person having control or significant influence over the entity. Related party disclosures have been given in note 41.

2.52 Interim financial reporting

In accordance with International Accounting Standard (IAS) 34: 'Interim Financial Reporting', publicly traded entities encourage 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 risk 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 compliant cell monitors and mediates the complaint. Customer feedback system was developed to assess level of customer satisfaction on the Company.

2.56 Money Laundering and Terrorist Financing Risk

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

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

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

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

2.57 Additional risks required to be addressed under regulatory requirements

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

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

Strategic Risk

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

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

Compliance Risk

Compliance risk is defined as the current or prospective risk of legal sanction and/or material financial loss that an organisation may suffer as a result of its failure to

comply with laws, its own regulations, code of conduct, and standards of best practice as well as from the possibility of incorrect interpretation of laws or regulations. The guidelines set out the respective roles of the board, senior management and compliance function units in managing compliance risks and also require formulation of a written compliance risk management policy.

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

Reputation Risk

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

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

Environmental & Social Risk

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

2.58 Events after the reporting date

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

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

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

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> <ul style="list-style-type: none"> a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). 	<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 2021, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances.</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 9.37 million has been decreased against general provision for leases, loans and advances for the year end 31.12.2023.</p> <p>Accumulated provision for leases, loans and advances as at 31.12.2023 stand at Taka 2,073.37 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, 2023 there was BDT 33.81 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 2023 and corresponding year 2022 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 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
7	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
8	Current/Non-current distinction	IAS 1 "Presentation of Financial Statement"	As per Para 60 of IAS 1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained.
9	Off-balance sheet items	IAS 1 "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure but there is a disclosure in the financial statements.

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/CMRRC/2009-193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan shall be kept at 20% on each quarter for the five quarters starting from December 2016.	There is no such impact for this.
11	Complete set of financial statements	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) cash flow statement, iv) statement of changes in equity, v) liquidity statement, vi) notes, comprising significant accounting policies and other explanatory information.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
12	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" para 54: the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
13	Other comprehensive income	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.
14	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

	Amount in Taka	
	2023	2022
4.0 CASH		
Cash in hand:		
Local currency	60,000	60,000
Foreign currencies	-	-
	60,000	60,000
Balance with Bangladesh Bank:		
Local currency	70,333,673	70,332,540
Foreign currencies	-	-
	70,333,673	70,332,540
	70,393,673	70,392,540
4.a CASH (consolidated)		
Prime Finance & Investment Limited	60,000	60,000
Prime Finance Capital Management Limited	8,320	13,247
	68,320	73,247
Balance with Bangladesh Bank:		
Prime Finance & Investment Limited	70,333,673	70,332,540
Prime Finance Capital Management Limited	-	-
	70,401,993	70,405,787

4.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR)

Cash Reserve Requirement and Statutory Liquidity Requirement have been calculated and maintained in accordance with the Finance Companies Act - 2023, Financial Institutions Regulations 1994, FID circular no. 06 dated 6 November 2003, FID Circular no. 02 dated 10 November, 2004, DFIM circular no. 03 dated 21 June, 2020 and DFIM circular no. 27 dated 23 August, 2021.

As per revised circular Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% instead of 2.5% on total term deposits which is preserved in current account maintained with Bangladesh Bank.

Statutory Liquidity Requirement (SLR) has been calculated at the rate of 5.0% on total liabilities, including CRR of 1.5% on total term deposit. SLR is maintained in liquid assets in the form of cash in hand (notes and coin in BDT), balance with Bangladesh Bank, other banks and financial institutions, investment at call, prize bond, savings certificate and any other assets approved by Bangladesh Bank.

4.1.1 Cash Reserve Requirement (CRR)

1.5% of average balance of term deposits

Required reserve	69,183,502	67,630,355
Actual reserve held	70,743,711	71,058,646
Surplus/ (deficit)	1,560,209	3,428,291

4.1.2 Statutory Liquidity Requirement (SLR)

5.0% of average liabilities excluding fund from Banks & FIs

Required reserve	287,105,990	289,736,566
Actual reserve held (note 4.1.4)	396,794,486	517,290,101
Surplus/ (deficit)	109,688,496	227,553,535

As per the report submitted to Bangladesh Bank, the total minimum liquid asset is BDT 369,868,180 during the month of December 2023. However, as per accounts the actual reserve held as on 31 December 2023 was BDT 396,794,486. The surplus reported to Bangladesh Bank was BDT 82,762,000 compared to accounts which is BDT 109,688,496.

4.1.3 Held for Cash Reserve Requirement (CRR)

Balance with Bangladesh Bank and its agent bank	70,333,673	70,332,540
	70,333,673	70,332,540

4.1.4 Held for Statutory Liquidity Requirement (SLR)

Cash in hand	60,000	60,000
Balance with Bangladesh Bank and its agent bank	70,333,673	70,332,540
Balance with other banks and financial institutions (note 5.0)	326,400,812	446,897,561
	396,794,485	517,290,101

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, NBFI 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 2023, CRR has been maintained according to Bangladesh Bank Guideline.

5.0 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

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

	Amount in Taka	
	2023	2022
Fixed deposit account		
Dhaka Bank Limited	100,000,000	200,000,000
Agrani Bank Limited	-	7,000,000
Modhumoti Bank Limited	9,790,732	9,500,000
Industrial and Infrastructure Development Finance Company Limited	90,000,000	90,000,000
	199,790,732	306,500,000
Current account		
Southeast Bank Limited	1,660,140	1,278,930
	1,660,140	1,278,930
Short term deposit account		
BASIC Bank Limited	-	1,031
Dutch Bangla Bank Limited	6,400,116	5,700,133
Jamuna Bank Limited	130,228	130,365
Mercantile Bank Limited	2,113,986	953,927
Meghna Bank Ltd	10,699	25,511
Modhumoti Bank Ltd	886,092	2,052,752
One Bank Limited	30,515	31,884
Pubali Bank Limited	1,333,156	1,406,957
Prime Bank Limited	10,486,056	22,765,527
SBAC Bank Limited	672,185	665,889
Shahjalal Islami Bank Limited	2,002,584	6,873,755
Southeast Bank Limited	100,026,503	97,464,170
Standard Bank Ltd	2,243	177,599
United Commercial Bank Limited	404	-
Prime Bank Limited (dividend accounts)*	855,173	869,131
	124,949,940	139,118,631
	326,400,812	446,897,561

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

Maturity wise grouping

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

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

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

	Amount in Taka	
	2023	2022
6.0 INVESTMENTS		
This represents investment made by the Company both in listed and unlisted securities. The investment is made up as under:		
Government securities	-	-
Other investments (note 6.1)	193,147,452	195,460,580
	193,147,452	195,460,580

6.1 Other investments

Ordinary share	No. of Company	Market Value	Cost	
			2023	2022
Listed securities (note 6.1.1)	23	111,878,137	145,730,752	148,043,880
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
	28	159,294,837	193,147,452	195,460,580

6.1.1 Listed securities:

Details of listed securities (Sector-wise):

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

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

6.1.2 Unlisted securities

Details of unlisted securities:

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

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

6.1.3 Unit fund

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

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

6.1.4 Sector wise investments (at cost price)

Banking sector	20,105,897	21,958,905
Investment companies	5,686,990	5,686,990
Insurance sector	37,596,363	37,596,362
Fuel & power sector	10,598,223	10,598,223
Manufacturing sector and others	71,743,279	72,203,400
	145,730,752	148,043,880

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

	Amount in Taka	
	2023	2022
Maturity wise grouping		
Up to 1 month	7,286,538	37,038,045
1 month to 3 months	80,151,898	74,003,875
3 months to 1 year	58,292,300	37,001,945
1 year to 5 years	-	-
More than 5 years	47,416,716	47,416,716
	193,147,452	195,460,580
6.a INVESTMENTS (consolidated)		
Prime Finance & Investment Limited	193,147,452	195,460,580
Prime Finance Capital Management Limited	657,273,381	669,209,055
	850,420,833	864,669,635
7.0 LOANS, ADVANCES AND LEASES		
Inside Bangladesh:		
Lease finance (note 7.1)	104,421,843	132,160,930
Advance against lease finance (note 7.2)	3,258,928	3,258,928
Term finance (note 7.3)	10,984,563,665	10,311,923,149
Real estate finance (note 7.4)	49,134,974	75,487,899
Housing finance (note 7.5)	89,501,077	80,263,012
Loan against deposits (note 7.6)	35,328,195	46,700,051
Staff loan (note 7.7)	11,040,661	12,016,025
Factoring Finance (note 7.8)	536,325	536,325
	11,277,785,668	10,662,346,319
Outside Bangladesh		
	11,277,785,668	10,662,346,319

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

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

The 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)	52,977,080	74,131,446
Accounts receivable	51,444,763	58,029,484
	104,421,843	132,160,930

7.1.1 Principal outstanding

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

Movement of lease finance:

Cost of lease assets (A)

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

	Amount in Taka	
	2023	2022
Accumulated depreciation (B)		
Balance at 1 January	359,528,877	374,230,832
Addition during the year	97,405,847	106,917,977
Adjustment due to disposal	(76,550,698)	(121,619,932)
Balance at 31 December	380,384,025	359,528,877
Written down value of lease assets (A-B)	52,977,080	74,131,446
7.1.2 Aging analysis of lease receivable		
Up to one year	55,854,910	67,499,175
Above one year to three years	31,808,741	52,690,038
Above three years to five years	16,758,191	11,971,716
More than five years	-	-
	104,421,843	132,160,930
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	9,985,328,435	9,403,536,579
Accounts receivable	999,235,230	908,386,570
	10,984,563,665	10,311,923,149
Term finance includes finance already executed and advance to be executed on later date as per terms of agreement. Such advances carry interest at an agreed rate until the advances are executed.		
Movement of term finance (Principal outstanding):		
Balance at 1 January	9,403,536,579	5,627,042,074
Investment/ capitalized during the year	892,564,500	4,014,862,656
Recovery/ adjustment during the year	(310,772,644)	(238,368,151)
Balance at 31 December	9,985,328,435	9,403,536,579
7.3.1 Aging analysis of term finance		
Up to one year	4,677,215,384	3,573,245,271
Above one year to three years	5,944,167,104	4,769,886,360
Above three years to five years	354,563,430	1,968,791,518
More than five years	8,617,748	-
	10,984,563,665	10,311,923,149
7.4 Real estate finance		
This represents disbursement made to the real estate developers usually for a period not exceeding 60 (sixty) months. Details are as under:		
Principal outstanding	48,671,055	16,012,509
Accounts receivable	463,919	59,475,390
	49,134,974	75,487,899
Real estate finance includes finance already executed and advance to be executed on later date as per terms of agreement. Such advances carry interest at an agreed rate until the advances are executed.		
Movement of real estate finance (Principal outstanding):		
Balance at 1 January	16,012,509	43,584,022
Investment/ capitalized during the year	48,671,058	-
Recovery/ adjustment during the year	(16,012,512)	(27,571,513)
Balance at 31 December	48,671,055	16,012,509

	Amount in Taka	
	2023	2022
7. 4.1 Aging analysis of real estate finance		
Up to one year	49,134,974	72,991,092
Above one year to three years	-	2,496,808
Above three years to five years	-	-
More than five years	-	-
	49,134,974	75,487,899

7. 5 Housing finance

This includes disbursement made against Bangladesh Bank Housing refinancing scheme and also includes housing finance to individuals. The usual term of the finance is matched with the facilities provided by the Bangladesh Bank. Details are as under:

Principal outstanding	81,063,824	80,253,907
Accounts receivable	8,437,253	9,105
	89,501,077	80,263,012

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

Movement of housing finance (Principal outstanding):

Balance at 1 January	80,253,907	52,904,188
Investment/ capitalized during the year	74,427,170	73,352,854
Recovery/ adjustment during the year	(73,617,253)	(46,003,135)
Balance at 31 December	81,063,824	80,253,907

7. 5.1 Aging analysis of Housing Finance

Up to one year	17,586,518	15,635,019
Above one year to three years	35,173,037	31,270,038
Above three years to five years	35,173,037	31,270,038
More than five years	1,568,486	2,087,917
	89,501,077	80,263,012

7. 6 Loan against deposits

This represents outstanding loans given to depositors against term deposits. As per company's policy, Prime Finance provides finance facilities to depositors based on the agreement done with the depositors on TDR value.

Principal outstanding	35,328,195	46,700,051
	35,328,195	46,700,051

7.6.1 Movement of loan against term deposit:

Balance at 1 January	46,700,051	27,840,744
Investment during the year	63,881,486	44,110,214
Recovery/adjustment during the year	(75,253,342)	(25,250,907)
Balance at 31 December	35,328,195	46,700,051

7. 7 Staff loan

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

Employee's home loan	6,150,336	5,864,584
Employee's car loan	4,890,325	6,151,441
	11,040,661	12,016,025

7. 8 Factoring finance

This represents disbursement made to borrowers usually for a period not exceeding 90 days. Details are as under:

Principal outstanding	-	-
Accounts receivable	536,325	536,325
	536,325	536,325

	Amount in Taka	
	2023	2022
7.8.1 Movement of factoring finance (Principal outstanding):		
Balance at 1 January	536,325	536,325
Investment during the year	-	-
Recovery/adjustment during the year	-	-
Balance at 31 December	536,325	536,325
7.8.2 Aging analysis of factoring finance		
Up to one year	536,325	536,325
Above one year to three years	-	-
Above three years to five years	-	-
More than five years	-	-
	536,325	536,325
7.9 Classification wise loans, advances and leases		
Unclassified:		
Standard (SME)	225,108,698	235,433,431
Standard (other than SME)	3,327,041,389	3,143,007,639
Special Mention Account (SMA)	68,047,154	17,457,511
	3,620,197,241	3,395,898,581
Classified:		
Sub-standard	7,931,067	5,502,877,164
Doubtful	6,078,933,739	134,949,841
Bad/loss	1,570,723,621	1,628,620,733
	7,657,588,427	7,266,447,738
	11,277,785,668	10,662,346,319
7.10 Geographical location wise loans, advances and leases		
Dhaka Division	9,656,474,645	8,971,666,670
Chattogram Division	1,282,190,129	1,345,751,260
Rajshahi Division	55,420,531	59,126,015
Khulna Division	11,500,950	22,203,853
Rangpur Division	271,908,876	262,400,414
Sylhet Division	100,913	263,837
Barishal Division	189,625	934,270
Mymensingh Division	-	-
	11,277,785,668	10,662,346,319
7.11 Sector wise loans, advances and leases		
As per Bangladesh Bank circular, sector wise loans and advances are as follows:		
Sectors		
Trade and Commerce Industry	6,417,126,886	5,839,368,370
Garments and knitwear	209,811,487	192,578,168
Textile	5,002,453	5,421,665
Jute and jute products	113,829,401	118,583,431
Food products and processing industry	355,890,735	398,800,581
Plastic industry	47,962,145	47,389,235
Leather and leather-goods	-	-
Iron, steel and engineering	556,418,709	524,441,849
Pharmaceuticals and chemicals	78,815,580	73,067,632
Cement and allied industry	-	-
Telecommunication and information technology	828,007	1,070,725
Paper, printing and packaging	85,575,239	195,908,387
Glass, glassware and ceramic industry	-	-
Ship manufacturing industry	-	-
Electronics and electrical products	-	-
Power, gas, water and sanitary service	554,517	554,517
Transport and aviation	36,428,647	41,818,448
Agriculture	227,392,985	276,560,934

	Amount in Taka	
	2023	2022
Housing	138,636,051	155,750,911
Merchant banking	2,490,849,113	2,252,594,725
Margin loan	-	-
Others	512,663,714	538,436,741
Grand Total	11,277,785,668	10,662,346,319

7. 12 Significant concentration wise loans, advances and leases

Loans, advances and leases to-

Directors and their concerns	82,613,505	73,352,854
Chief executive and other senior executives	11,040,661	12,016,025
Customer groups	11,184,131,503	10,576,977,440
	11,277,785,668	10,662,346,319

7. 13 Details of large loans, advances and leases

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

Number of Clients:	5	4
Amount of outstanding advances:	8,543,973,096	8,275,631,769
Amount of classified advances:	6,053,123,983	5,757,651,738
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	11,197,985,416	10,581,682,784
II. Loans considered good against which the Company holds no other security than the debtors' personal guarantee	984,672	1,911,860
III. Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor	78,815,580	78,751,675
IV. Loans/leases adversely classified; provision not maintained there-against	-	-
Total	11,277,785,668	10,662,346,319
V. Loans due by directors or officers of the Company or any of them either severally or jointly with any other persons	11,040,661	12,016,025
VI. Loans due by companies or firms in which the directors or officers of the Company are interested as directors, partners or managing agents or, in case of private companies, as members	78,815,580	73,352,854
VII. Maximum total amount of advances, including temporary advances made any time during the year to directors or managers or officers of the company or any of them either severally or jointly with any other persons	-	-
VIII. Maximum total amount of advances, including temporary advances granted during the year to companies or firms in which the directors of the company are interested as directors, partners or managing agents or, in case of private companies, as members	-	-
IX. Due from banking companies/financial institutions	-	-
X. Classified loan for which interest not charged	7,657,588,427	7,266,447,738
A. Increase/decrease of provision (specific)	1,084,741,456	414,145,173
Amount of debts written off	-	-
Amount realized against the debts previously written off	5,009,237	40,099,653
B. Provision kept against the debt classified as bad/loss at the date of balance sheet	195,760,509	57,316,050
C. Amount of interest creditable to the interest suspense account	4,594,504,231	3,961,082,327
XI. Cumulative amount of the written off loans/leases:		
Opening balance	812,543,573	812,543,573
Amount written off during the year	-	-
Cumulative to date	812,543,573	812,543,573
The amount of written off loans for which law suit filed	812,543,573	812,543,573

7.15 Write-off of loans, advances and leases

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

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

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

	During 2023	As on 31-Dec-23	Cumulative As on 31-Dec-22
Cumulative amount of loans/ leases written-off	-	812,543,573	812,543,573
No. of agreements written-off	-	63	63
No. of clients written-off	-	48	48
Interest suspense against written-off loans/ leases	-	(141,389,222)	(141,389,222)
Provision adjusted against written-off loans/ leases	-	(651,055,147)	(651,055,147)
Recovery against write-off loans/ leases	5,384,237	427,704,973	382,221,083

7.16 Particulars of required provision for loans, advances and leases

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

Investment up to 5 years term

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

Investment exceeding 5 years

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

Required provision according to classification status is mentioned below:

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

Classified - Specific provision

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

Required provision for loans, advances and leases

Total provision maintained for loans, advances and leases	2,073,370,298	998,007,764
Provision to be maintained	601,277,459	705,778,737

- * DFIM, Bangladesh Bank, vide letter no. DFIM© 1054/24/2023/235 dated January 18, 2023 permitted 8 (eight) years to build up provision against classified loans ,advances and leases of Tk. 962.04 million upon application by Prime Finance & Investment Limited (PFIL). PFIL maintained provision Tk. 1,135.05 million up to the year end 2023 and rest of the amount of Tk 601.28 million has to be maintained in the year 2024 to 2028 equally. Per year provision requirement stands Tk. 120.26 million. Details are shown in Annexure C.
- * As per DFIM circular letter no. 03, dated 29 April 2013 of Bangladesh Bank general provision of 0.25% is required to be maintained for standard SME loans, advances and leases.
- * As per DFIM circular letter no 33 dated 19 December 2021 and FFID Letter: (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	
	2023	2022
7.17 Maturity wise grouping		
Repayable on demand		
Not more than 3 months	165,381,888	151,386,498
3 months to 1 year	1,584,349,870	981,988,597
1 year to 5 years	4,157,240,591	4,587,292,168
More than 5 years	5,370,813,319	4,941,679,056
	11,277,785,668	10,662,346,319
7.18 Loan to subsidiary and associates		
PFI Securities Limited	6,053,123,983	5,475,625,848
Prime Finance Capital Management Limited	2,490,849,113	2,252,594,725
	8,543,973,096	7,728,220,573

7.a LOANS, ADVANCES AND LEASES (consolidated)

Prime Finance & Investment Limited	11,277,785,668	10,662,346,319
Prime Finance Capital Management Limited	2,443,829,042	2,441,969,039
Adjustment for dealing with subsidiary	(1,100,409,599)	(1,052,635,863)
	12,621,205,111	12,051,679,495

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

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

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

8.0 FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES

Cost:

Land & Land Development (revalued)	582,058,751	516,091,089
Right-of-use-Asset	46,618,872	45,988,220
Furniture and fixtures	13,668,511	14,976,215
Office decoration	41,863,915	41,778,067
Electric equipment	33,516,587	33,916,384
Owned vehicles	15,450,684	22,511,234
Leased vehicles	9,717,341	9,717,341
Intangible assets (software)	3,661,211	3,661,211
Total cost	746,555,872	688,639,761
Less: Accumulated depreciation / amortization / impairment	137,846,786	136,995,053
Written down value at the end of the year	608,709,087	551,644,709

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

Details are shown in Annexure - A.

8.1 Revaluation reserve

To disclose the land at fair market value, the company have revalued the land in accordance with the BSEC Notification no. SEC/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, Mothijeeb C/A, 2nd Floor, Dhaka-1000, Bangladesh as valuer of the land of the 10 Panthapath, Dhaka. Accordingly Malek Siddiqui Wali, Chartered Accountants has submitted their valuation report as per which the present valuation has been assessed as under:

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

	Amount in Taka	
	2023	2022
8.a FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES (consolidated)		
Prime Finance & Investment Limited	608,709,087	551,644,709
Prime Finance Capital Management Limited	3,131,684	4,027,858
	611,840,771	555,672,567

9.0 OTHER ASSETS

Income generating other assets:

Investment in associates (note 9.1)	715,806,889	711,979,185
Investment in subsidiary (note 9.2)	960,000,000	960,000,000
Accrued interest	28,041,713	38,765,192
	1,703,848,602	1,710,744,377

Non income generating other assets:

Advance office rent	-	-
Deposits with T & T, Petroleum Corporation etc.	454,100	454,100
Advance corporate tax	633,897,949	626,688,146
Deferred tax assets (note 13.4.2)	(5,979,965)	1,151,836
Receivable from brokerage houses against sale of shares	55,874,812	28,523,748
Accounts Receivable- Others	218,996,741	177,148,639
Accounts Receivable- Dividend	4,867,227	6,413,204
Others	3,820,917	2,286,197
	911,931,781	842,665,869
	2,615,780,383	2,553,410,246

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

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

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

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

9.1.1 Revaluation reserve

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

9.2 Investment in subsidiary

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

	Amount in Taka	
	2023	2022
Prime Finance Capital Management Limited	960,000,000	960,000,000
	960,000,000	960,000,000

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

9.a OTHER ASSETS (consolidated)

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

10.0 Non - banking assets

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

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

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

Maturity wise grouping

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

	Amount in Taka	
	2023	2022
11.0 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS		
In Bangladesh		
Secured	-	-
Un secured		
Bank loan (note 11.1)	493,561,098	462,033,133
ADB fund under refinancing scheme (note 11.2)	-	-
Fund from Bangladesh Bank under refinancing scheme(note 11.3)	442,787	1,774,838
Short term borrowing (note 11.4)	344,582,328	367,191,969
	838,586,213	830,999,940
Outside Bangladesh	-	-
Total	838,586,213	830,999,940

11.1 Bank loan

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

Balance at 1 January	462,033,133	421,573,147
Received/renewed during the year	218,631,944	302,775,299
Repayment during the year	(187,103,979)	(262,315,313)
Balance at 31 December	493,561,098	462,033,133
Break up of bank loan		
Meghna Bank Limited	252,282,260	192,968,593
United Commercial Bank Limited	142,690,359	158,373,898
Standard Bank Limited	98,588,478	110,690,642
	493,561,098	462,033,133

Bank Loans are secured by way of first charge on all fixed and floating assets of the Company, ranking pari passu among all the lenders. The period of such loans ranges from one year to five years.

11.2 ADB fund under refinancing scheme

Fund received from Asian Development Bank (ADB) through Rupantarita Prakritik Gas Company Limited (RPGCL) & refinancing scheme. Details are as under:

Balance at 1 January	-	-
Received during the year	-	-
Repayment during the year	-	-
Balance at 31 December	-	-

11.3 Fund from Bangladesh Bank under refinancing scheme

This fund was reimbursed from Bangladesh Bank under refinancing scheme against financing to small & medium enterprises as well as agricultural projects. The period of loan ranges from one to five years, matching the terms of respective projects. Details are as under:

Balance at 1 January	1,774,838	6,354,755
Received during the year	-	-
Repayment during the year	(1,332,051)	(4,579,917)
Balance at 31 December	442,787	1,774,838

11.4 Short-term borrowings

This represents money at call and on short notice and bank overdraft and short term borrowing availed to meet short-term fund requirements.

NRB Bank Limited (Short term borrowing)	1,900,000	18,300,000
Agrani Bank Limited (Call Money))	60,000,000	60,000,000
Sonali Bank Limited (Call Money))	74,500,000	84,800,000
Pubali Bank Limited (OD A/C))	154,002,479	153,131,574
Standard Bank Limited (OD A/C))	50,000	-
Meghna Bank Limited (OD A/C))	54,129,850	50,960,395
	344,582,328	367,191,969

Money at call and on short notice

As on the reporting date Taka 134.50 million was outstanding as money at call and short notice. According to DFIM circular letter no. 12, dated 05 August 2019, non-banking financial institution can avail Call Money facility maximum up to 40% of its equity. Based on the circular mentioned above, the maximum limit of call money for the company was Taka 1,109.68 million only (calculated based on the yearly report of 2022 of the Company).

Bank overdraft

This represents Taka 208,182,328 received as bank overdraft from various commercial banks.

	Amount in Taka	
	2023	2022
11.5 Maturity wise grouping		
Repayable on demand	-	-
Up to 1 month	7,001,793	16,374,438
1 month to 3 months	72,277,858	18,747,886
3 months to 1 year	44,363,420	75,828,315
1 year to 5 years	591,976,778	612,740,235
More than 5 years	122,966,364	107,309,066
	838,586,213	830,999,940

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

Prime Finance & Investment Limited	838,586,213	830,999,940
Prime Finance Capital Management Limited	1,477,671,531	1,425,966,336
Adjustment for dealing with subsidiary	(1,100,409,599)	(1,052,635,863)
	1,215,848,145	1,204,330,413

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

In the consolidated financial statements, Prime Finance and Investment Limited has reflected the revised outstanding balance of BDT 2,252,594,725. However, as the financial statements of Prime Finance Capital Management Limited for the year ended 31 December 2023 were finalized prior to the revised figure being available, it was not feasible to incorporate this adjustment for intercompany balances within the current year's consolidated financial statements.

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

12.0 DEPOSITS AND OTHER ACCOUNTS

This comprises interest bearing deposits from individuals and organizations for period ranging from 3 months to 12 years.

Banks and other financial institutions

Term Deposit	1,385,827,228	1,488,839,272
Other Institutions		
Term Deposit	1,412,484,761	1,601,159,014
Monthly Income Deposit	108,512,184	88,830
	1,520,996,945	1,601,247,844

Individuals

Term Deposit	1,091,458,806	1,057,848,275
Housing Deposit	1,640,000	4,140,000
Fortune DPS	85,945,500	88,300,000
Sonchoy DPS	45,341,458	39,733,148
Monthly Income Deposit	1,875,504,994	1,600,652,661
	3,099,890,758	2,790,674,084
	6,006,714,931	5,880,761,199

12.1 Movements of deposits:

Balance at 1 January	5,880,754,199	5,868,114,146
Received/ renewed during the year	1,885,232,693	1,899,959,790
Repayment during the year	(1,759,271,960)	(1,887,319,737)
Balance at 31 December	6,006,714,931	5,880,754,199

	Amount in Taka	
	2023	2022
12.2 Maturity wise grouping		
Repayable on demand	-	-
Repayable within 1 month	143,890,431	200,377,993
1 month to 3 months	103,172,918	161,719,686
3 months to 1 year	1,583,286,654	1,291,594,192
1 year to 5 years	3,622,515,690	3,358,343,390
5 years to 10 years	553,849,239	868,725,938
More than 10 years	-	-
	6,006,714,931	5,880,761,199

12.a Deposits and other accounts (consolidated)

Prime Finance & Investment Limited	6,006,714,931	5,880,761,199
Prime Finance Capital Management Limited	-	-
	6,006,714,931	5,880,761,199

13.0 Other Liabilities

Provision for loans, advances and leases (note 13.1)	2,073,370,298	998,007,764
Provision for diminution in value of investments (note 13.2)	365,153,310	263,733,885
Provision for other asset	95,658,857	56,511,003
Interest suspense (note 13.3)	4,594,504,232	3,961,082,327
Provision for tax (note 13.4)	491,680,383	484,467,931
Financial expenses payable	405,851,399	388,161,718
Advance and security deposit (note 13.5)	45,264,658	56,074,737
Excise duty payable	-	-
Withholding tax payable	-	-
Accrued expenses and other payables (note 13.6)	353,276,397	296,202,354
Unclaimed dividend account (note 13.7)	857,839	869,131
	8,425,617,373	6,505,110,850

13.1 Provision for loans, advances and leases

Management, on the basis of guidelines issued by Bangladesh Bank has computed provisions for loans, advances and leases. Adequate provision has been kept as per BB circular to cover possible future losses.

General provision on unclassified loans, advances and leases	61,874,998	71,253,920
Specific provision on classified loans, advances and leases	2,011,495,300	926,753,844
Provision as on 31 December	2,073,370,298	998,007,764

Movement in general provision on unclassified loans/ leases:

Provision as on 1 January	71,253,920	55,485,609
Add: Provision made/ (released) during the year	(9,378,922)	15,768,311
Provision as on 31 December	61,874,998	71,253,920

Movement in specific provision on classified loans/ leases:

Provision as on 1 January	926,753,844	512,608,671
Less: Adjustment for write off	-	-
Add: Provision made/ (released) during the year	1,084,741,456	414,145,173
Provision as on 31 December	2,011,495,300	926,753,844
Total	2,073,370,298	998,007,764

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

	Amount in Taka	
	2023	2022
13.2 Provision for diminution in value of investments		
Provision as on 1 January	263,733,885	130,452,586
Add: Provision made/ (adjusted) during the year: Listed securities	(9,196,408)	27,171,868
Equity provision	110,615,832	106,109,431
Provision as on 31 December	365,153,310	263,733,885
*The Financial Institutions Inspection Department (FIID) of Bangladesh Bank vide letter no. FIID (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.		
13.2.1 Allocation of provision		
Listed securities	33,811,214	43,007,622
Equity investment	327,341,095	216,725,263
Unlisted securities	4,001,000	4,001,000
365,153,310	263,733,885	
13.2.a Provision made during the year (consolidated)		
Prime Finance & Investment Limited	101,419,425	133,281,299
Prime Finance Capital Management Limited	20,000,000	15,000,000
121,419,425	148,281,299	
13.3 Interest suspense		
Balance as on 1 January	3,961,082,327	183,260,128
Add: Transferred during the year	639,342,005	3,829,778,820
Less:		
Amount of interest suspense recovered	(5,920,101)	(51,956,621)
Write off during the year	-	-
Balance as on 31 December	4,594,504,232	3,961,082,327
As per Bangladesh Bank's letter no. DFIM(S)/1055/59(PFIL)/2024-2490 dated 11 August 2024, referencing the report titled "Special Audit Report of Prime Finance and Investment Ltd., Examination of the Loan Disbursement Procedure, Interest Accrued, and Loan Status of Prime Finance Capital Management Ltd. and PFI Securities Ltd. for the Period from August 4, 2004, to June 30, 2015, and July 1, 2015, to June 30, 2024," the outstanding loan amount has been revised to BDT 381.03 crore as of 31 December 2022. This revised amount has been duly incorporated into the current year's interest suspense balance.		
*DFIM, Bangladesh Bank, vide letter no. DFIM© 1054/24/2023/235 dated January 18, 2023 permitted 8 (eight) years to build up provision against interest suspense of Tk.101.63 million upon application by Prime Finance & Investment Limited (PFIL) . No per year provision requirement. Details are shown in Annexure C.		
**Bangladesh Bank FID circular no. 3 of 2006 requires that interest on loans/ leases classified as SMA and above will be credited to interest suspense account, instead of crediting the same to income account. In accordance with the above circular interest on various facilities classified as SMA, SS, DF and BL has been set-aside in this interest suspense account.		
13.4 Provision for tax		
Provision for tax comprises provision for current tax and provision for deferred tax.		
13.4.1 Provision for current tax made during the year		
The Company calculated taxable profit/ losses based on Income Tax Ordinance 1984 and determined current tax liability as per applicable rate enacted through Finance Act 2023.		
Balance at 1 January	484,467,931	478,739,805
Provision made during the year	7,212,452	5,728,127
Balance at 31 December	491,680,383	484,467,931

13.4.1.1 Reconciliation of current tax

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

13.4.1.a Provision for current tax (consolidated)

	Amount in Taka	
	2023	2022
Prime Finance & Investment Limited	7,212,452	5,728,127
Prime Finance Capital Management Limited	485,762	5,902,694
	7,698,214	11,630,820

13.4.2 Provision for deferred tax

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

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

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

13.4.2.a Provision for deferred tax (consolidated)

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

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

13.5 Advance and cash security deposit

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

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

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

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

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

	Amount in Taka	
	2023	2022
13.6 Accrued expenses and other payables		
Suspense receipts	102,420,063	73,529,532
Lease Liability	24,830,908	31,230,042
Other payables	226,025,426	191,442,781
	353,276,397	296,202,354

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

13.7 Unclaimed dividend account (note 13.7)

Aging of unclaimed dividend		
Dividend before 2011	-	-
Dividend in 2012	-	-
Dividend in 2013	-	-
Dividend in 2014	-	-
Dividend in 2019	857,839	869,131
	857,839	869,131

As per the Directive No. BSEC/CMRRC/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	8,425,617,373	6,505,110,850
Prime Finance Capital Management Limited	289,244,970	267,336,715
Adjustment for dealing with subsidiary	-	-
	8,714,862,344	6,772,447,565

14.0 SHARE CAPITAL

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

Authorized capital

300,000,000 Ordinary shares of Taka 10 each	3,000,000,000	3,000,000,000
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Issued, subscribed, called up and paid up capital:

Total ordinary shares 272,916,483 of Taka 10 each	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 2023 and 2022 were as under:

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

14.1 Capital Adequacy Ratio (CAR)

As per section 4(Gha) of the Financial Institutions Regulations 1994, which has been re-enacted as the Finance Company Act, 2023 section 8, the minimum paid-up capital of the Financial Institution shall be Taka 100 crore. Provided that the sum of paid up capital and reserves shall not be less than the minimum capital determined under the Risk Based Assets of the Company. The shortage eligible capital of the Company as on December 31, 2023, on consolidation basis, were Taka 1,313.36 million and capital adequate ratio was 1.78%.

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	(3,977,347,954)	(2,467,921,086)
Non-controlling interests	769,240,178	793,469,149
Deductions from Tier -1	(601,277,459)	(705,778,737)
Total eligible Tier-1 capital	(119,982,660)	1,309,171,900

Tier-2 (Supplementary capital)

General provision (Unclassified loans up to specified limit + SMA+ off Balance Sheet exposure)	61,874,998	71,253,920
Assets revaluation reserves up to 50%	343,370,160	343,507,990
Total eligible Tier-2 capital	405,245,158	414,761,910
(i) Total eligible capital	285,262,498	1,723,933,809
(ii) Total Risk Weighted Assets (RWA)	15,986,300,000	13,888,400,000
(iii) Minimum Capital Requirement (MCR) (10% of RWA)	1,598,630,000	1,388,840,000
(iv) Excess {(i) - (iii)}	(1,313,367,502)	335,093,809
Capital Adequacy Ratio (CAR) {(i) / (ii)} [%]	1.78%	12.41%

15.0 NON-CONTROLLING INTEREST

Pursuant to the International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements', non-controlling interest has been presented in the consolidated Balance Sheet within equity, separately from the equity of the owners of the parent. Non-controlling interest is made up as follows:

Balance as on 1 January	793,469,149	807,081,022
Profit/(loss) after tax for the year	(24,228,971)	(13,611,873)
Balance as on 31 December	769,240,178	793,469,149

16.0 STATUTORY RESERVE

Balance as on 1 January	960,237,744	960,237,744
Add: Transferred during the year	-	-
Balance as on 31 December	960,237,744	960,237,744

17.0 RETAINED EARNINGS

Balance as on 1 January	(2,698,124,807)	(1,894,137,747)
Payment of cash dividend	-	-
Profit/(loss) after tax for the year	(1,473,083,411)	(803,987,060)
Transferred to statutory reserve	-	-
Balance as on 31 December	(4,171,208,218)	(2,698,124,807)

	Amount in Taka	
	2023	2022
18.0 INCOME STATEMENT		
Income:		
Interest, discount and similar income (note 19)	463,385,699	574,172,750
Dividend income (note 21)	4,887,019	7,164,670
Gains less losses arising from dealing in securities	-	-
Fees, commission, exchange and brokerage (note 22)	2,312,968	1,680,235
Gains less losses arising from investment in securities (note 21.1)	(338,728)	6,526,541
Gains less losses arising from dealing in foreign currencies	-	-
Income from non-banking assets	-	-
Other operating income (note 23)	12,842,889	(9,808,475)
Profit less losses on interest rate changes	-	-
Nominal value of bonus share received	-	-
Total income (A)	483,089,847	579,735,722
Expenses:		
Interest paid on deposits, borrowings etc. (Note 20)	573,645,858	654,847,708
Administrative expenses	131,410,734	137,554,304
Depreciation and impairment on banking assets	11,609,914	11,622,278
Other operating expenses	9,232,686	9,919,367
Total expenses (B)	725,899,192	813,943,658
Operating surplus (A-B)	(242,809,345)	(234,207,936)
19.0 INTEREST INCOME		
Income from lease finance	(5,691,777)	21,374,215
Income from term finance	372,041,174	478,236,250
Income from real estate finance	864,155	1,773,239
Income from other finance	96,172,146	72,789,046
463,385,699	574,172,750	
19.a INTEREST INCOME (consolidated)		
Prime Finance & Investment Limited	463,385,699	574,172,750
Prime Finance Capital Management Limited	32,851,013	44,339,874
Adjustment for dealing with subsidiary	(4,167,729)	(33,129,880)
492,068,983	585,382,744	
20.0 INTEREST PAID ON DEPOSITS, BORROWINGS etc.		
Interest on bank loan	56,387,408	40,076,752
Interest on IDA and ADB fund under re-financing scheme of Bangladesh Bank	-	-
Interest on fund from Bangladesh Bank under re-financing schemes	36,285	44,800
Interest on term deposits	449,359,766	578,520,956
Interest on money at call and on short notice	11,511,679	10,941,091
Interest on cash security deposit	33,131,373	2,626,742
Interest on overdraft facility	19,810,418	18,658,152
Interest on lease rent	3,408,930	3,979,215
573,645,858	654,847,708	
20.a INTEREST PAID ON DEPOSITS, BORROWINGS etc. (consolidated)		
Prime Finance & Investment Limited	573,645,858	654,847,708
Prime Finance Capital Management Limited	67,401,287	65,906,856
Adjustment for dealing with subsidiary	(4,167,729)	(33,129,880)
636,879,416	687,624,685	

	Amount in Taka	
	2023	2022
21.0 INVESTMENT INCOME		
Capital gain on sale of securities (note 21.1)	(338,728)	6,526,541
Dividend income	4,887,019	7,164,670
	4,548,291	13,691,211
21.1. Capital gain on sale of securities		
Gain on sales of securities	-	6,526,541
Loss on sales of securities	(338,728)	-
Net gain from sale of securities	(338,728)	6,526,541
21.a INVESTMENT INCOME (consolidated)		
Prime Finance & Investment Limited	4,548,291	13,691,211
Prime Finance Capital Management Limited	4,857,624	14,779,588
	9,405,915	28,470,799
22.0 FEES, COMMISSION, EXCHANGE AND BROKERAGE		
Service charge, factoring charge etc.	2,312,968	1,680,235
	2,312,968	1,680,235
22.a FEES, COMMISSION, EXCHANGE AND BROKERAGE (consolidated)		
Prime Finance & Investment Limited	2,312,968	1,680,235
Prime Finance Capital Management Limited	5,619,902	6,847,545
	7,932,870	8,527,780
23.0 OTHER OPERATING INCOME		
Income from associates (note 9.1)	4,103,363	(51,831,695)
Delinquent Interest, IDCP etc.	-	-
Renewals and proceeds	-	502,278
Write-off & others	8,739,526	41,520,942
	12,842,889	(9,808,475)
Write-off & others included amount received from write-off clients and prepayment charges for early settlement of loan etc. Which are recognised as income as per DFIM Circular no. 02 dated 01 April 2019 of Bangladesh Bank.		
23.a OTHER OPERATING INCOME (consolidated)		
Prime Finance & Investment Limited	12,842,889	(9,808,475)
Prime Finance Capital Management Limited	13,312,500	17,012,457
	26,155,389	7,203,982
24.0 SALARIES AND OTHER EMPLOYEE BENEFITS		
Salaries & allowances	99,707,223	103,143,314
Medical & employee welfare	2,651,299	2,001,989
	102,358,522	105,145,303
Medical and employee welfare includes, among others, provision for retirement benefits, death and disability benefits and hospitalization benefits. The funds are managed separately by a board of trustee and management believes that company's contribution to these funds are adequate.		
24.a SALARIES AND OTHER EMPLOYEE BENEFITS (consolidated)		
Prime Finance & Investment Limited	102,358,522	105,145,303
Prime Finance Capital Management Limited	21,001,343	22,387,058
	123,359,865	127,532,361
25.0 RENT, TAXES, INSURANCE, ELECTRICITY ETC.		
Office rent & maintenance	8,249,332	10,444,283
Electricity bill	1,466,091	1,475,765
	9,715,423	11,920,048

	Amount in Taka	
	2023	2022
25.1 Disclosure related to Rent, rate and taxes:		
Actual rent expenses	19,703,736	22,374,831
Less: Reclassification of rent expenses (as per IFRS 16: Leases)	(11,454,404)	(11,930,548)
Rent expenses as reported	<u>8,249,332</u>	<u>10,444,283</u>
In addition the above mentioned change in rent expense, implementation of IFRS 16 has resulted in charging of depreciation against Right-of-use asset as disclosed in Annexure A and of Interest expense on lease rent, as disclosed in Note 20. Office rent & maintenance represents cost of service charge & others.		
25.a RENT, TAXES, INSURANCE, ELECTRICITY ETC. (consolidated)		
Prime Finance & Investment Limited	9,715,423	11,920,048
Prime Finance Capital Management Limited	2,942,239	3,407,539
	<u>12,657,662</u>	<u>15,327,587</u>
26.0 LEGAL EXPENSES		
Legal expense	3,167,500	4,015,000
Legal expenses include fees for professional services for tax consultancy, credit rating, RJSC consultancy, recovery agent fee, corporate governance certification etc.		
26.a LEGAL EXPENSES (consolidated)		
Prime Finance & Investment Limited	3,167,500	4,015,000
Prime Finance Capital Management Limited	1,773,625	172,500
	<u>4,941,125</u>	<u>4,187,500</u>
27.0 POSTAGE, STAMP, TELECOMMUNICATION ETC.		
Postage, telephone and fax	1,756,780	1,798,997
Charges, levies, stamps and duties	1,091,345	1,026,180
	<u>2,848,125</u>	<u>2,825,178</u>
27.a POSTAGE, STAMP, TELECOMMUNICATION ETC. (consolidated)		
Prime Finance & Investment Limited	2,848,125	2,825,178
Prime Finance Capital Management Limited	146,788	136,700
	<u>2,994,913</u>	<u>2,961,878</u>
28.0 STATIONERY, PRINTING, ADVERTISEMENTS ETC.		
Printing and stationery	1,828,885	1,473,724
Books and periodicals	48,938	35,766
Advertisement and publicity	472,841	978,285
	<u>2,350,664</u>	<u>2,487,775</u>
28.a STATIONERY, PRINTING, ADVERTISEMENTS ETC. (consolidated)		
Prime Finance & Investment Limited	2,350,664	2,487,775
Prime Finance Capital Management Limited	299,519	1,032,480
	<u>2,650,183</u>	<u>3,520,255</u>
29.0 MANAGING DIRECTOR'S SALARY AND FEES		
	<u>10,120,000</u>	<u>10,120,000</u>
Managing Director's salary includes basic salary, house rent allowance, house maintenance allowance, medical allowance, entertainment allowance, recreation allowance and fuel bill up to a certain limit.		
30.0 DIRECTORS' FEES		
Directors' fees	448,000	696,000
During the year, a Director, in accordance with the Bangladesh Bank, DFIM Circular No. 13 dated 30 November 2015, was entitled to receive a fee of Tk. 8,000 for attending each meeting of the Board and its Committee. Detail of the fees paid to the Directors in the year 2023 was as under:		

	Amount in Taka	
	2023	2022
Total board meetings (nos.)	8	8
Total board audit committee meetings (nos.)	5	4
Total board executive committee meetings (nos.)	-	-
Total fees paid	448,000	696,000
No. of members in the Board	7	9
No. of members in the Audit Committee	4	4
No. of members in the Executive Committee	5	5
30.a DIRECTORS' FEES (consolidated)		
Prime Finance & Investment Limited	448,000	696,000
Prime Finance Capital Management Limited	275,559	266,667
	723,559	962,667
31.0 AUDITORS' FEES		
Auditors' fees	350,000	300,000
VAT on audit fees	52,500	45,000
	402,500	345,000
31.a AUDITORS' FEES (consolidated)		
Prime Finance & Investment Limited	402,500	345,000
Prime Finance Capital Management Limited	97,750	97,750
	500,250	442,750
32.0 DEPRECIATION AND REPAIR OF ASSETS		
Depreciation of fixed assets - freehold	11,368,794	11,384,491
Amortization of intangible assets	241,120	237,788
	11,609,914	11,622,278
As on 31 December 2023, the company assesses the indication of impairment of assets and as per the assessment no such indication of an impairment loss present.		
32.a DEPRECIATION AND REPAIR OF ASSETS (consolidated)		
Prime Finance & Investment Limited	11,609,914	11,622,278
Prime Finance Capital Management Limited	896,174	623,863
	12,506,088	12,246,141
33.0 OTHER EXPENSES		
HR development	337,943	70,721
Travelling and conveyance	1,941,275	2,628,040
Motor vehicle expenses	2,018,603	1,984,183
Subscription and fees	2,074,989	1,815,609
Meeting expenses	49,200	90,000
AGM expenses (note 33.1)	350,989	332,989
Entertainment, public relation etc.	55,702	944,767
Others	2,403,985	2,053,058
	9,232,686	9,919,367
33.1 AGM expenses		
Rent for AGM venue, virtual arrangement expense etc.	172,000	172,000
Printing, database management etc.	83,985	65,985
Publication of notice	65,004	65,004
Entertainment	30,000	30,000
Others	-	-
	350,989	332,989

	Amount in Taka	
	2023	2022
33.a OTHER EXPENSES (consolidated)		
Prime Finance & Investment Limited	9,232,686	9,919,367
Prime Finance Capital Management Limited	1,717,184	1,702,456
	10,949,870	11,621,823

34.0 RECEIPTS FROM OTHER OPERATING ACTIVITIES

IDCP etc.	-	-
Renewals and proceeds	-	502,278
Write-off & others	12,842,889	41,520,942
Net proceeds from sale/surrendered of shares & unit fund	-	103,060,920
	12,842,889	145,084,140

35.0 PAYMENTS FOR OTHER OPERATING ACTIVITIES

Advance against office rent, renovation & decoration	(8,368,821)	(119,369,980)
Advance against advertisement	-	-
	(8,368,821)	(119,369,980)

36.0 EARNINGS PER SHARE

Earnings per share (EPS) is calculated in accordance with International Accounting Standard (IAS) 33, 'Earnings per share', which has been shown on the face of profit and loss account.

Basic earnings per share

The calculation of basic earnings per share at 31 December 2023 was based on the profit/(loss) attributable to ordinary shareholders of Tk. (1,473,083,411) (2022: Tk. (803,987,060) and a weighted average number of ordinary shares outstanding as at 31 December 2023 of 272,916,483 (2022: 272,916,483).

Profits attributable to ordinary shareholders

Net profit for the year	(1,473,083,411)	(803,987,060)
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Weighted average number of ordinary shares

Ordinary shares at 1 January	272,916,483	272,916,483
Weighted average number of ordinary shares at 31 December 2023	272,916,483	272,916,483

Earnings per share (EPS)

(5.40)	(2.95)
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Diluted earnings per share

The dilutive effect relates to the average number of potential ordinary share held under option of convertibility. There was no such dilutive potential ordinary share during the year 2023 and hence no diluted earnings per share is required to be calculated.

36.a EARNINGS PER SHARE (consolidated)

Profits attributable to ordinary shareholders of the Company

Net profit for the year	(1,509,426,866)	(824,404,871)
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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)

(5.53)	(3.02)
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37.0 NET ASSET VALUE (NAV) PER SHARE:

Total shareholders' equity (A)	204,934,675	1,678,293,746
Number of shares outstanding (B)	272,916,483	272,916,483
Net Asset Value (NAV) per share (A÷B)	0.75	6.15

	Amount in Taka	
	2023	2022
37.a Net Asset Value (NAV) per share (consolidated):		
Equity attributable to shareholders' of the company (A)	398,794,941	1,908,497,467
Number of shares outstanding (B)	272,916,483	272,916,483
Net Asset Value (NAV) per share (A÷B)	1.46	6.99

38.0 Net operating cash flow per share (NOCFPS):

Net cash flow from operating activities (A)	(122,526,266)	(172,659,629)
Number of shares outstanding (B)	272,916,483	272,916,483
Net operating cash flow per share (NOCFPS) (A÷B)	(0.45)	(0.63)

38.a Net operating cash flow per share (NOCFPS) (consolidated):

Net cash flow from operating activities (A)	(30,584,521)	(91,705,146)
Number of shares outstanding (B)	272,916,483	272,916,483
Net operating cash flow per share (NOCFPS) (A÷B)	(0.11)	(0.34)

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

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

40.0 MARKET CAPITALISATION AND SHARE PRICE

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

Market for Prime Finance's ordinary shares

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

	Quarters	DSE		CSE	
		High	Low	High	Low
High low share price	First quarter	11.50	11.50	11.50	11.50
	Second quarter	11.50	11.50	11.50	11.50
	Third quarter	11.80	11.50	11.90	11.50
	Fourth quarter	11.50	11.50	11.50	11.50
No. of shareholders	There were 13,028 shareholders as per Share Register as on 31 December 2023.				

41.0 RELATED PARTY TRANSACTIONS

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

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

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

Key management personnel

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

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

As on 31 December 2023 no such contract exists.

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

As on 31 December 2023 no share issue exists.

41.3 Lending policy to related parties

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

41.4 Investment in the securities of directors and their related concern

As on 31 December 2023 no such investments exists.

42.0 PARTICULARS OF THE DIRECTORS

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

Audit Committee meetings held during the year 2023:

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

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

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

45.0 CONTINGENT LIABILITIES & OTHER COMMITMENTS

	Amount in Taka	
	2023	2022
Contingent liabilities:	-	-
Other commitments:	-	-
Un-disbursed contracted loans, advances and leases	-	-
	<hr/>	<hr/>
	-	-

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

46.0 LEGAL PROCEEDINGS

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

47.0 BOARD MEETINGS AND NUMBER OF DIRECTORS

During the year 2023, 8 (Eight) Board Meetings were held. As on 31 December 2023, there were 07 members in the Board, which include one Independent Director. As per FID circular no. 09 dated 11 September 2002, a non-banking financial institution shall have maximum 11 (eleven) Directors in the Board. The Managing Director is an ex-officio director having no voting right.

48.0 NUMBER OF EMPLOYEES

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

49.0 REPORTING CURRENCY AND LEVEL OF PRECISION

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

50.0 IMPACT OF INFLATION AND CHANGING PRICES

Financial Institutions are affected differently by inflation than those of industrial ventures. While industrial and manufacturing companies generally have significant investments in inventories and fixed assets, financial institutions ordinarily do not have such investment. As a result, financial institutions are generally in a better position than industrial ventures to respond to inflationary trends by monitoring the spread between interest cost and interest income yields through adjustments of maturities and interest rates of assets and liabilities.

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

51.0 EVENTS AFTER THE REPORTING PERIOD

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

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

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

52.0 FOREIGN CURRENCY EXPOSURE PROFILE

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

53.0 COMPARATIVE FIGURES

Comparative information in respect of the preceding period as specified in IAS 1, para 38 has been disclosed in respect of the year 2022 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements. Previous years figures have been rearranged whenever considered necessary to ensure comparability with the current period.

54.0 FINANCIAL HIGHLIGHTS

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

55.0 GEOGRAPHICAL AREA OF OPERATION

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

56.0 INTERIM FINANCIAL REPORTING

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

57.0 DISAGREEMENT WITH AUDITORS

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

58.0 Approval of the financial statements

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


Chairman


Director


Director


Managing Director (CC)


Company Secretary

Schedule of fixed assets including premises, furniture and fixtures

Annexure-A

Highlights

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

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

Summary of Deffrral Provision

As on 31 December 2023

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

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

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

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

Tax return details

As on 31 December 2023

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

Prime Finance Capital Management Limited

Directors' Report

for the financial year 2023

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 2023 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 29 September 2024.

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 is projected to be in line with the April 2024 World Economic Outlook (WEO) forecast, at 3.2 percent in 2024 and 3.3 percent in 2025. However, varied momentum in activity at the turn of the year has somewhat narrowed the output divergence across economies as cyclical factors wane and activity becomes better aligned with its potential. Services price inflation is holding up progress on disinflation, which is complicating monetary policy normalization. Upside risks to inflation have thus increased, raising the prospect of higher-for-even-longer interest rates, in the context of escalating trade tensions and increased policy uncertainty. To manage these risks and preserve growth, the policy mix should be sequenced carefully to achieve price stability and replenish diminished buffers.

Global activity and world trade firmed up at the turn of the year, with trade spurred by strong exports from Asia, particularly in the technology sector. Relative to the April 2024 WEO, first quarter growth surprised on the upside in many countries, although downside surprises in Japan and the United States were notable. In the United States, after a sustained period of strong outperformance, a sharper-than-expected slowdown in growth reflected moderating consumption and a negative contribution from net trade. In Japan, the negative growth surprise stemmed from temporary supply disruptions linked to the shutdown of a major automobile plant in the first quarter. In contrast, shoots of economic recovery materialized in Europe, led by an improvement in services activity. In China, resurgent domestic consumption propelled the positive upside in the first quarter, aided by what looked to be a temporary surge in exports belatedly reconnecting with last year's rise in global demand. These developments have narrowed the output divergences somewhat across economies, as cyclical factors wane and activity becomes better aligned with its potential.

Meanwhile, the momentum on global disinflation is slowing, signaling bumps along the path. This reflects different sectoral dynamics: the persistence of higher-than-average inflation in services prices, tempered to some extent by stronger disinflation in the prices of goods (Figure 1). Nominal wage growth remains brisk, above price inflation in some countries, partly reflecting the outcome of wage negotiations earlier this year and short-term inflation expectations that remain above target. The uptick in sequential inflation in the United States during the first quarter has delayed policy normalization. This has put other advanced economies, such as the euro area and Canada, where underlying inflation is cooling more in line with expectations, ahead of the United States in the easing cycle. At the same time, a number of central banks in emerging market economies remain cautious in regard to cutting rates

owing to external risks triggered by changes in interest rate differentials and associated depreciation of those economies' currencies against the dollar.

Global Capital Market

Global fixed income markets outstanding increased 5.9% Y/Y to \$140.7 trillion in 2023, while global long-term fixed income issuance decreased 0.1% to \$25.2 trillion. Global equity market capitalization increased 13.4% Y/Y to \$115.0 trillion in 2023, as global equity issuance increased to \$422.2 billion, +3.3% Y/Y. U.S. gross activity (purchases and sales) in foreign securities decreased to \$25.1 trillion in 2023, -52.9% Y/Y, while foreign gross activity in U.S. securities declined to \$100.6 trillion, -18.3% Y/Y in 2023.

In Canada, A historic surge in immigration has supported consumption and overall economic growth and played a crucial role in stabilizing housing. This helped prompt the Bank of Canada (BoC) to hike its target rate in June after being on a conditional pause for most of the year. Market probabilities indicate that one more rate hike is possible, raising the target rate to 5.0%, double its estimated neutral rate of 2.5%. A 5% policy rate is very restrictive, and despite recent housing developments, households are vulnerable if rates stay elevated. Insolvencies, credit card balances, and usage of home equity lines are rising. These indicate that stress is mounting. Meanwhile, the labor market is loosening.

In Europe and other areas, equities benefited from improving economic activity and the anticipation of multiple Fed cuts at the beginning of 2024 — but the growth-policy tradeoff is expected to worsen in the second half of the year.

Japanese equities are expected to perform well in the second half of 2024 due to the likely stabilization in currency markets. Elsewhere, there could be a better entry point into European equities once there is increased clarity around French politics, while emerging markets (EM) equities are forecast to trade better this year than they did in 2023.

The Chinese economy is decelerating after a strong first quarter. Consumption remains the key focus this year, and the data continues to indicate the Chinese consumer is cautious. The excess savings in China are lower than in the developed world and are less likely to be spent, given these savings were accumulated without the support of fiscal stimulus.

Bangladesh Economy

Growth moderated in fiscal 2023 as monetary tightening in the advanced economies lowered external demand. Inflation rose significantly, and the current account deficit narrowed. Despite macroeconomic headwinds, GDP expansion is expected to accelerate gradually this year and next with resilient exports and the government committed to structural reform. Inflation will gradually moderate, while the current account turns into small surpluses. Reforms to enhance Bangladesh's competitiveness will be critical for the country's smooth graduation from least-developed country status.

GDP expansion moderated to 5.8% in fiscal year 2023 (FY2023, ended 30 June 2023) from 7.1% in the previous year. The slowdown hit both industry and services (Figure 2.15.1). Growth in industry slowed to 8.4% from 9.9% in FY2022, reflecting reduced export demand and domestic shortages of electricity and fuel, with large-scale manufacturing production growth falling to 8.4% from 15.7% in FY2022. Services growth also slowed, to 5.4% from 6.3%, reflecting lower growth of domestic demand due to high inflation. However, growth in

agriculture increased to 3.4% from 3.1% in the previous year despite inclement weather patterns.

On the demand side, slower rises in private consumption and investment dragged down GDP growth. High inflation hit private consumption, while public consumption expanded with higher expenditure on subsidies and current transfers. The high cost of production and difficulties in opening import letters of credit constrained the growth of private investment. Growth in public investment slowed as only 84.2% of the annual development program was implemented in FY2023, compared with 92.7% in FY2022. With a sharp decline in imports, net exports added to growth.

Inflation surged to an average of 9.0% in FY2023 from 6.2% in FY2022. It was driven by high and volatile food, fuel, and fertilizer prices, and the depreciation of Bangladesh taka against the dollar. Year-on-year headline inflation reached 9.7% in June 2023 from 7.6% in June 2022. Food inflation accelerated to 9.7% year on year in June 2023 from 8.4% in June 2022, and nonfood inflation to 9.6% from 6.3%, due to upward adjustments in domestic fuel and energy prices and marked depreciation of the taka against the dollar.

Bangladesh capital market scenario

After the independence, establishment of Dhaka Stock Exchange (formerly East Pakistan Stock Exchange) initiated the pathway of capital market intermediaries in Bangladesh. In last two decades, capital market witnessed number of institutional and regulatory advancements which has resulted diversified capital market intermediaries.

Despite the large financing needs of the economy, Bangladesh's capital markets had not been particularly effective in channeling savings to support investment and growth. Bank credit often ended up pursuing speculative initiatives and fueling the stock market boom, which, following bull runs, proved unsustainable and led to sharp market corrections. The economy also remained over-reliant on bank financing (total bank assets of more than 80% of the country's financial assets) that was unable to finance the infrastructure investments that the country required because this would expose banks to credit risks such as maturity mismatch issues. The bond market remained in its nascent stage, undermining long-term infrastructure financing requirements.

Long-term strategies, both in terms of supply and demand, are vital for the sustained growth of the capital market. Encouraging large, profitable and well-established businesses to seek capital from the stock markets through fiscal and regulatory incentives, including tax cuts, is a strategic imperative.

Concurrently, mobilising institutional capital from corporates, pension funds, and provident funds, and diverting these funds from stagnant banking deposits will augment market stability and liquidity.

A visionary approach also calls for the establishment of a robust bond market. This market not only serves as a source of capital for both corporations and governments but also acts as a benchmark for interest rates, influencing stock valuations and investment decisions.

The coexistence of a well-developed bond market with the stock market creates a diversified investment landscape, attracting a broader investor base and fostering overall market maturity. The transparency and creditworthiness assessments inherent in the bond market can significantly enhance investor confidence, contributing to sustained financial market stability and robust growth.

To revitalise the market, immediate policy interventions and regulatory adjustments are crucial. The removal of floor-price regulations by the regulator is paramount, allowing the stock market to trade freely and regain efficiency, even if it initially

leads to index declines. A liberated market will restore liquidity and bolster confidence.

Simultaneously, addressing macroeconomic challenges, controlling inflation, stabilising the foreign exchange sector, and enhancing money market liquidity are vital government actions.

Economic revival will instill confidence, attracting both local and foreign investors. Stable foreign exchange rates are imperative to lure offshore investments, while an infusion of liquidity into the money markets is crucial for investor participation.

Industry outlook

Capital market acts as the bridge of long term financing for the industrial development of a country through investment in shares, debentures, bonds, mutual funds, treasury bills, certificates etc. and the turnover of capital market contributes to the economic activities of the country. Capital market in Bangladesh consists of two full-fledged stock exchanges- the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). Bangladesh Securities and Exchange Commission (BSEC), as watchdog, regulates these stock exchanges of the country.

In 2023, Bangladesh's capital market faced a challenging environment characterised by internal constraints and external difficulties. It proved to be a tumultuous year for the stock business marked by unprecedented lows in average turnover and foreign investments.

The Dhaka Stock Exchange's (DSE) primary index, DSEX, saw a modest gain of 0.64 percent, the lowest among comparable nations such as India, Vietnam, Indonesia, the Philippines, Malaysia, Sri Lanka and Pakistan. The latter rebounded strongly with timely policy support, with Pakistan's KSE All Share Index becoming the global best performer after receiving short-term loan support from the International Monetary Fund.

Approximately 60 percent of the total stock market value remained immobilised on the floor in 2023, with shares of 165 out of 392 companies listed on the DSE constrained by floor prices as of January 2, 2024. The extended stagnation negatively impacted investor confidence amid heightened market uncertainty, influenced by concerns related to the 2024 national election and recent macroeconomic turbulences.

The DSE's average daily turnover declined by 39.83 percent, dropping to Tk 578 crore in 2023 from Tk 960 crore in the previous year. The market capitalization to GDP ratio decreased to 17.59 percent from 19.14 percent in 2022.

Foreign investors' interest waned due to the lack of liquidity, resulting in a continued decline in foreign portfolio investments. FTSE Russell downgraded Bangladesh's capital market rating from "restricted" to "not met" in the efficient trading mechanism criterion.

Foreign investment in the stock market almost halved over the last five years due to a confidence crisis, currency depreciation, and the introduction of the floor price.

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 2023 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. (60,572,426/-) for the year ended on 31 December 2023 against the net loss after tax of Tk. (34,029,683)/- for the year ended on 31 December 2022. The Company has made a provision of Tk. (485,762/-) as income tax on capital gain and dividend for the year 2023. Total investment of the Company in margin loan was Tk. 244,38,29,042/- and investment in shares including unquoted shares was Tk. 65,72,73,381/- for the year ended on 31 December 2023.

Addition of fixed assets

During the year 2023 total written down value of fixed assets stood at Tk. 31,31,684/- compared to Tk. 40,27,858/- in 2022. In the current year, there were no addition or disposal of fixed asset.

Reserve & surplus

The reserve & surplus of the Company includes retained earnings only. As on 31 December 2023 balance of retained earnings stood at Tk. (109,699,556/-) which was Tk. (49,127,130/-) on 31 December 2022.

Dividend

The Company's profitability status is not in a position to pay out dividend. The Board in its meeting held on 29 September 2024 recommended "No dividend" for the year 2023.

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 8 October 2024.

Annual General Meeting

The 14th Annual General Meeting (AGM) of the Company will be held on 31 October 2024 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 2023 including the reports of the Directors and the Auditors;
- To consider dividend for the year 2023 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 2024 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 2023 in the 13th Annual General Meeting (AGM) held on 05 October 2023. The Auditors will

retire in the 14th Annual General Meeting (AGM). The Board recommended to the Shareholders to appoint MZ Islam & Co., Chartered Accountants as the Auditors of the Company for the year 2024 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 14th Annual General Meeting (AGM) as recommended by the Board of Directors in its meeting held on 29 September 2024:

- 1) Syeda Tasnuva Khanam
- 2) Mr. Muhammad Moniruzzaman
- 3) Mr. Mohammad Shahidul Islam

As per Article 128 of the Article of Association of the Company the retiring directors are eligible for re-election in the 14th Annual General Meeting (AGM) of the Company which was recommended by the Board of Directors in its meeting held on 29 September 2024.

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 2023 that has significantly affected or may significantly affect the operations of the Company.

Conclusion

In 2023, Bangladesh's economy faced significant challenges, including high inflation driven by fuel/food prices and currency depreciation, leading to tight bank liquidity, falling reserves, and increased government borrowing, prompting an IMF bailout request and import restrictions to manage the trade deficit, though GDP growth remained positive, around 5.8% for FY2023-24

I would like to take this opportunity to thank my colleagues on Board, who have extended their all sorts of cooperation, in the face of adverse internal and external conditions, and made the year 2023 another challenging year for the Company. Finally, the Board of Directors thank the respected shareholders and assure them that they will continue to add value to maximize the shareholders' wealth through further strengthening and development of the Company in which they have placed their trust and confidence. Let us work together in a spirit of open and honest partnership.

Finally, we are thankful to you for having confidence on us. Your continued support is the driving force behind the growth and development 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


Uzzal Kumar Saha
Chairman
88th meeting
Board of Directors
Prime Finance Capital Management Limited

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 2023 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 2023 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 as at 31 December 2023 and its financial performance and its cash flows for the year ended 31 December 2023 in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994 (Amendment- 2020), 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 (Amendment- 2020), 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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McMillan Woods
International
Professionalism at the forefront

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 (Amendment- 2020), Bangladesh Securities and Exchange Commission Rules 2020, We also report that:

- 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;
- 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 these books;
- 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
- 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: 2410091635AS864774

Place: Dhaka
Dated: 29 September 2024

Prime Finance Capital Management Limited

Statement of Financial Position

As at 31 December 2023

PARTICULARS	Notes	Amount in Taka		
		2023	2022	
Assets				
Non-current assets				
Property, plant and equipment	11	3,131,684	4,027,858	
Investment in shares	12	657,273,381	669,209,055	
Deferred tax assets	13	3,006,724	3,182,959	
		663,411,789	676,419,872	
Current assets				
Margin loan	14	2,443,829,042	2,441,969,039	
Accounts and others receivable	15	388,422,304	370,605,191	
Advance, deposit and prepayments	16	161,606,358	160,453,053	
Cash and cash equivalents	17	32,747,452	27,528,766	
		3,026,605,156	3,000,556,048	
Total assets		3,690,016,945	3,676,975,920	
Shareholders' equity				
Share capital	18	2,032,800,000	2,032,800,000	
Retained earnings/ (loss)	19	(109,699,556)	(49,127,130)	
		1,923,100,444	1,983,672,870	
Non-current liabilities				
Long term loan	20	1,181,683,467	1,043,835,245	
Current liabilities				
Customer deposit	21	19,002,948	21,582,969	
Short term loan	22	295,988,064	381,015,134	
Accounts payable	23	3,319,217	-	
Other payables	24	148,355,792	128,788,450	
Provisions for income tax	25	118,567,013	118,081,251	
		585,233,034	649,467,805	
Total shareholders' equity and liabilities		3,690,016,945	3,676,975,920	
Net Assets Value (NAV) per share		9.46	9.76	

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: 2410091635AS864774

Place: Dhaka
Dated: 29 September 2024

Prime Finance Capital Management Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

PARTICULARS	Notes	Amount in Taka	
		2023	2022
Fees and commission	26	5,619,902	6,847,545
Interest on margin loan	27	32,851,013	44,339,874
Capital gain/(loss) on sales of listed shares	28	4,857,624	14,779,588
Others income	29	13,312,500	17,012,457
Total operating income		56,641,039	82,979,464
Financial expenses	30	(67,401,287)	(65,898,451)
Management expenses	31	(29,150,181)	(29,827,013)
Margin loan written-off	32	-	(8,405)
Total operating expenses		(96,551,468)	(95,733,869)
Operating profit/(Loss)		(39,910,429)	(12,754,406)
Provision for investment and margin loan	33	(20,000,000)	(15,000,000)
Profit/(loss) before income tax		(59,910,429)	(27,754,406)
Provision for Taxes:			
Current tax	25	(485,762)	(1,477,959)
Previous year tax adjustment	25	-	(4,424,735)
Deferred tax	13.01	(176,235)	(372,584)
Net profit/(loss) after income tax		(661,997)	(6,275,277)
Other comprehensive income/(loss)			
Total comprehensive income/(loss)		(60,572,426)	(34,029,683)
Earnings per Share (EPS)	35	(0.2980)	(0.1674)

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: 2410091635AS864774

Place: Dhaka
Dated: 29 September 2024

Prime Finance Capital Management Limited

Statement of Cash Flows

For the year ended 31 December 2023

PARTICULARS	Amount in Taka	
	2023	2022
A. Cash flows from operating activities		
Net received from/(payment to) portfolio customers	37,874,796	23,391,721
Net received from brokers	(1,390,419)	58,396,488
Fees and Commission receipt	738,715	1,915,523
Payment for management expense	(26,975,981)	(26,799,582)
Received of dividend income	12,262,980	16,954,985
Received of interest income	1,079,177	3,592
Bank charge paid	(293,135)	(74,657)
Tax paid	(2,367,238)	(3,698,967)
Net Cash flows from/ (used in) operating activities	20,928,894	70,089,103
B. Cash flows from investing activities		
Received/ (Payment) against fixed assets	(850,000)	(3,090,890)
Received against/ (payment for) employees car loan/home loan	-	(7,107,303)
Net received from/(payment for) investment in shares/bond	13,176,485	30,695,594
Net cash flows from/ (used in) investing activities	12,326,485	20,497,401
C. Cash flows from financing activities		
Payment to financial expenses	(5,099,324)	(35,554,126)
Net received/ (payment) for loan	(22,937,369)	(41,191,914)
Net Received/ (payment) for others	-	(10,990,080)
Net cash flows from/ (used in) financing activities	(28,036,693)	(87,736,120)
D. Net cash flows for the period (A+B+C)	5,218,686	2,850,384
E. Opening cash and cash equivalents	27,528,766	24,678,382
F. Closing cash and cash equivalents (D+E)	32,747,452	27,528,766
 Cash in hand	8,320	13,247
Cash at bank	32,739,132	27,515,519
	32,747,452	27,528,766



CFO & Company Secretary



Managing Director



Director



Chairman

Place: Dhaka
Dated: 29 September 2024

Prime Finance Capital Management Limited
Statement of Changes in Equity

For the year ended 31 December 2023

Particulars	Share capital	Retained earnings	Amount in Taka
			Total
Opening balance as on January 01, 2023	2,032,800,000	(49,127,130)	1,983,672,870
Add: Net profit/(loss) during the year	-	(60,572,426)	(60,572,426)
Balance as at December 31, 2023	2,032,800,000	(109,699,556)	1,923,100,444

For the year ended on 31 December 2022

Particulars	Share capital	Retained earnings	Amount in Taka
			Total
Opening balance as on January 01, 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)
Balance as at December 31, 2022	2,032,800,000	(49,127,130)	1,983,672,870


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: 2410091635AS864774

Place: Dhaka
Dated: 29 September 2024

Notes to the Financial Statements

As at and for the year ended 31 December 2023

1.00 Corporate history of the reporting entity

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 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 (IASs); Companies Act, 1994 (Amendment- 2020); Bangladesh Securities and Exchange Commission Rules 2020; 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 (IASs) and International Financial Reporting Standards (IFRS), Bangladesh Securities and Exchange Commission Rules 2020, and as per the requirements of the Companies Act 1994 (Amendment-2020) 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 Reporting 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 2023.

3.05 Accrual basis of accounting

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

3.06 Comparative information

Comparative information have been disclosed in respect of the year 2022 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding the current years financial statements. Previous year's figures have been rearranged / reclassified / regrouped where necessary to confirm to current year's financial presentation.

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%

6.00 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.

6.03 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.

6.04 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 2023. Applicable tax rate for the Company as a Merchant Bank is 37.5%.

6.05 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.

6.06 Revenue recognition

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

6.07 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.

6.08 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.

6.09 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.

6.10 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.

6.11 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.

6.12 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.

6.13 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 2023.

7.02 Capital expenditure commitment

There was no capital expenditure commitment or contract as at 31 December 2023. There was no material capital expenditure authorized by the Board but not contracted for as at 31 December 2023.

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	
	2023	2022
11.00 Property, plant and equipment		
A. Cost		
Opening balance	33,974,566	30,974,876
Addition during the year	-	3,140,890
Disposal during the year	-	(141,200)
Total cost	33,974,566	33,974,566
B. Accumulated Depreciation		
Opening balance	29,946,708	29,462,924
Depreciation charged during the year	896,174	623,864
Adjustment during the year	-	(140,080)
Total accumulated depreciation	30,842,882	29,946,708
C. Written Down Value (A-B)	3,131,684	4,027,858
Details of Property, plant & equipment are shown in the (Annexure - A)		
12.00 Investment in shares		
Quoted shares	652,273,381	664,209,055
Un-quoted shares	5,000,000	5,000,000
	657,273,381	669,209,055
Investment in shares represents investment in own portfolio of the Company which are shown at cost value. As per BSEC circular no. BSEC/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	3,182,959	3,555,542
Addition/(Adjustment) during the year (Note - 13.01)	(176,235)	(372,584)
Closing balance	3,006,724	3,182,959
13.01 Written down value of fixed assets accounting base		
Written down value of fixed assets tax base/(taxable)	11,149,615	12,515,748
Deductible temporary difference	8,017,931	8,487,890
Tax rate	37.50%	37.50%
Closing balance of deferred tax asset	3,006,724	3,182,959
Opening balance of deferred tax asset	3,182,959	3,555,542
Deferred tax expense/(income) for the year	(176,235)	(372,584)
14.00 Margin loan		
Margin loan	2,443,829,042	2,441,969,039
	2,443,829,042	2,441,969,039
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/SMMID/NE/2023/1690 dated on 28 March 2024, Merchant Bankers are requested to adjust the negative equity created in the accounts of their margin loan clients within 31 January 2025. We will 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	385,601,539	367,296,122
Receivable from Vision Capital Management Limited	2,820,765	-
Receivable from Sharp Securities Limited	-	3,309,069
	388,422,304	370,605,191

	Amount in Taka				
	2023	2022			
16.00 Advance, deposit and prepayments					
Advance income tax (Note - 16.1)	88,631,748	86,030,416			
Advance for investment in shares	12,560,367	8,893,941			
Other advances (Note -16.2)	60,414,243	65,528,696			
	<u>161,606,358</u>	<u>160,453,053</u>			
16.01 Advance income tax					
Opening balance	86,030,416	80,993,591			
Add: Addition during the year	2,601,332	5,036,826			
	<u>88,631,748</u>	<u>86,030,416</u>			
Less: Adjustment during the year	-	-			
Closing balance	<u>88,631,748</u>	<u>86,030,416</u>			
16.02 Other advances					
Advance against employee house building finance	15,669,048	16,243,608			
Advance against employees' car finance	2,283,346	2,783,338			
Advance to PFI Properties Limited	40,000,000	45,320,000			
Other advances	2,461,849	1,181,750			
	<u>60,414,243</u>	<u>65,528,696</u>			
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 and stamp in hand (Note - 17.01)	8,320	13,247			
Cash at bank (Note-17.02)	32,739,132	27,515,519			
	<u>32,747,452</u>	<u>27,528,766</u>			
17.01 Cash in hand					
Cash in hand	869	2,190			
Stamp in hand	7,451	11,057			
	<u>8,320</u>	<u>13,247</u>			
17.02 Cash at bank					
Name of bank	Account number	Type of account	Name of branch	Balance as on Dec 31, 2023	Balance as on Dec 31, 2022
Mutual trust bank Ltd.	0012-0320000955	SND	Dilkusha	21,061	122,361
Shahjalal islami bank Ltd.	4001-13100001266	SND	Dhaka main branch	4,838	6,251
Shahjalal islami bank Ltd.	4001-13100002122	SND	Dhaka main branch	211,307	26,636,955
Shahjalal islami bank Ltd.	4001-13100002139	SND	Dhaka main branch	1,876,900	689,120
Shahjalal Islami Bank Ltd.	4001-13100002842	SND	Dhaka main branch	9,071	10,395
Shahjalal islami bank Ltd.	4001-13100002701	SND	Dhaka main branch	2,735	4,176
NCC bank Ltd.	0028-0325000386	SND	Dilkusha	6,874	6,768
First security islami bank Ltd.	0101-13100002161	SND	Dilkusha	24,342	25,611
Dutch bangla bank Ltd.	1011100030730	CD	Dilkusha	28,814	13,642
Mercantile Bank Ltd.	1131000054381	BO	Nikunja	6,853,632	-
Mercantile Bank Ltd.	1131000054372	CDC	Nikunja	23,699,547	-
National bank Ltd.	005836001021	SND	Motijheel	-	1
Eastern bank Ltd.	1111220133464	SND	Shyamoli	9	239
Total				32,739,132	27,515,519

	Amount in Taka	
	2023	2022
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
Prime Finance & Investment Limited	60.00%	121,968,000
Mr. K. M. Rakib Hasan	6.00%	12,196,800
Mr. Waheed Mahmud Khaled	4.59%	9,338,175
Mr. Nazim Asadul Haque	6.00%	12,196,800
Mr. Rubaiyat Khaled	3.85%	7,830,900
Mr. Tauseef Iqbal Ali	3.00%	6,098,400
Mr. Md. Aliuzzaman	0.30%	600,600
Syeda Tasnuva Khanam	3.00%	6,098,400
GQ Enterprise Limited	4.00%	8,131,200
Agami Apparels Limited	4.00%	8,131,200
Mr. Shahriar Khaled	3.85%	7,830,900
Ms. Sarwat Khaled Simin	1.41%	2,858,625
Total	100%	2,032,800,000
		2,032,800,000
The Issued, subscribed and paid up share capital of the company is taka 2,032,800,000 which is dividend into 203,280,000 ordinary shares of taka 10 each.		
19.00 Retained earnings		
Opening balance		(49,127,130)
Net Profit / (Loss) during the year		(60,572,426)
		(109,699,556)
		(49,127,130)
20.0 Long term loan		
Term loan with Prime Finance & Invesment Limited		849,887,731
Term loan with Bangladesh Finance Limited		331,795,736
		1,181,683,467
		1,043,835,245
The amount outstanding loan balance with Bangladesh Finance Limited was rescheduled on 2021 for 12 years weving substantive amount of interest.		
21.00 Customer deposit		
Customer deposit		19,002,948
		19,002,948
		21,582,969
22.00 Short term Loan		
Term loan with Prime Finance & Investment Limited- Current portion		18,000,000
Term loan with Bangladesh Finance Limited- Current portion		45,466,196
Short term loan with Prime Finance & Investment Limited		232,521,868
Overdraft loan with Midland Bank PLC.		-
		295,988,064
		381,015,134

	Amount in Taka	
	2023	2022
23.00 Accounts payable		
Vision Capital Management Limited	2,708,571	-
PFI Securities Limited	610,646	-
	<u>3,319,217</u>	<u>-</u>
Accounts payable represents balance outstanding with panel broker arising from transaction on client's account. These balances are confirmed by the respective panel broker.		
24.00 Other payables		
Interest payable	6,695,957	1,115,957
Audit fee payable	97,750	97,750
Suspense receipts PIA dividend income	9,380,565	9,139,404
Gratuity and super annuation fund payable	14,020,676	14,737,725
Provision for investment & margin loan (Note - 24.01)	99,734,014	79,734,014
Others	18,426,831	23,963,600
	<u>148,355,792</u>	<u>128,788,450</u>
24.01 Provision for investment & margin loan		
Opening balance	79,734,014	64,734,014
Add: Addition during the year	20,000,000	15,000,000
	<u>99,734,014</u>	<u>79,734,014</u>
Less: Adjustment during the year	-	-
	<u>99,734,014</u>	<u>79,734,014</u>
25.00 Provision for of Income tax		
Opening balance	118,081,251	112,178,557
Add: Provision during the year	485,762	1,477,959
Add: Previous year tax adjustment	-	4,424,735
	<u>118,567,013</u>	<u>118,081,251</u>
Less: Adjustment during the year	-	-
	<u>118,567,013</u>	<u>118,081,251</u>
26.00 Fees and commission		
Issue management fee	162,777	165,000
Underwriting commission	331,446	-
Portfolio management fee	4,819,766	5,578,197
Corporate advisory fee	304,348	1,104,348
Service charge from IPO	1,565	-
	<u>5,619,902</u>	<u>6,847,545</u>
27.00 Interest on margin loan		
Interest on margin loan	32,851,013	44,339,874
	<u>32,851,013</u>	<u>44,339,874</u>
Interest on margin loan includes interest earned on margin loan provided to portfolio investors against their margin deposit.		
28.00 Gain on sales of listed company's shares		
Capital gain/(loss) on sales of listed shares	4,857,624	14,779,588
	<u>4,857,624</u>	<u>14,779,588</u>
Capital gain represents realized gain earned against investment in shares of listed companies under the company's portfolio investment.		

	Amount in Taka	
	2023	2022
29.00 Others income		
Income from bank interest of STD accounts	1,079,177	3,592
Dividend income	12,221,323	16,954,985
Documentation fee	12,000	5,000
Profit on sales of fixed assets	-	48,880
	13,312,500	17,012,457
30.00 Financial expenses		
Interest on loan	67,401,287	65,898,451
	67,401,287	65,898,451
31.00 Management expenses		
Salaries and allowances	19,627,238	21,147,228
Legal and professional fees	1,773,625	172,500
Audit fee	97,750	97,750
CDBL charges	38,003	214,106
Office maintenances	761,998	1,143,945
Recruitment and human resources	308,000	279,167
Bank charges	80,276	74,657
Books and periodicals	9,412	8,062
Telephone, postage etc.	125,381	113,536
Stationeries	129,509	97,056
Directors' fees	275,559	266,667
Car allowances	1,008,000	884,000
Office rent	1,589,208	1,589,208
Motor vehicle expenses	253,038	345,733
Meeting expenses	27,559	26,669
Subscription and fees	553,030	460,280
Medical and employee welfare	366,105	355,830
Utility expenses	1,038,899	968,168
Business development and publicity	170,010	935,424
Brokerage commission and charges	21,407	23,164
Depreciation	896,174	623,864
	29,150,181	29,827,013
32.00 Margin loan written-off		
Margin loans written-off	-	8,405
	-	8,405
Margin loan has been written off as per approval of meeting of the Board of Directors of the company the during the year 2023.		
33.00 Provision for Investment and margin loan		
Provision for Investment and margin loan	20,000,000	15,000,000
	20,000,000	15,000,000

Provision for Investment and margin loan represents provision made against diminishing in value of investment in shares in company's portfolio which has been made on the basis of directive of Bangladesh Securities and Exchange Commission dated 28 December 2016 and amendment made thereon from time to time. As per Circular No. BSEC/SMMID/NE/2023/1690 dated on 28 March 2024, client's margin loan 31 December 2025 and Circular No. BSEC/SRI/NE/2020/333 dated on 27 March 2023 for own portfolio 31 January 2025 respectively by BSEC.

	Amount in Taka	
	2023	2022
34.00 Net Assets Value (NAV) Per Share		
Shareholders' equity	1,923,100,444	1,983,672,870
Number of ordinary shares outstanding during the year	203,280,000	203,280,000
Net Assets Value (NAV) per share	9.46	9.76
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	(60,572,426)	(34,029,683)
Number of ordinary share	203,280,000	203,280,000
	(0.2980)	(0.1674)

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	(1,051,519,906)	(60,939,693)	12,050,000	(1,100,409,599)
(B) PFI Securities Limited	Associate of Parent	Trade Receivable	367,296,122	19,031,630	(1,823,784)	384,503,968
		Trade Receivable	-	85,712,549	(84,614,979)	1,097,571
		Trade Payable	-	94,997,115	(95,607,761)	(610,646)
(C) PFI Properties Limited	Sister Concern	Trading of Shares	22,497,083	110,040	(548,200)	22,058,923
(D) DDKO Fashions Limited A0776	Company related to Shareholder Agami Apparels Limited	Trading of Shares	19,636,988	19,147,314	(4,133,590)	34,650,712
(E) Dekko Accessories Limited A0858			47,029,396	400	(12,800,000)	34,229,795
(F) Dekko Garments Limited A1130			-	400	(2,500)	(2,100)
(G) Md. Shahadat Hossain & Shahid Hossain A0021			(2,693,769)	5,783,465	(3,560,249)	(470,553)

37.00 Events after the reporting period

37.01 The Board of Directors in its meeting held on 29 September 2024 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: 29 September 2024

Prime Finance Capital Management Limited
Schedule of Property, plant and equipment
As at 31 December 2023

Annexure - A
Amount in Taka

PARTICULARS	COST			DEPRECIATION		
	Balance as on 01.01.2023	Addition during the year	Disposal/Adjustment during the year	Balance as on 31.12.2023	Rate	Balance as on 01.01.2023
Furniture & Fixture	9,377,550	-	-	9,377,550	15%-20%	9,165,050
Office & Electrical Equipment	8,694,530	-	-	8,694,530	20%	7,637,577
Motor Vehicle	4,043,340	-	-	4,043,340	20%	4,043,339
Office Decoration	11,859,146	-	-	11,859,146	15%	9,100,742
Balance As on December 31, 2023	33,974,566			33,974,566		29,946,708
Balance As on December 31, 2022	30,974,876	3,140,890	(141,200)	33,974,566		29,462,924
						(140,080)
						29,946,708
						4,027,858

Prime Finance Capital Management Limited

Uniform Components of Financial Reporting and Disclosures

As at 31 December 2023

Annexure-B

Item	Assets	Note ref.	Amount in Taka	
			Amount as in 31.12.23	Amount as in 31.12.22
			Balance sheet	Balance sheet
1	Cash and Bank Balances	17	32,747,452	27,528,766
	Cash in Hand		8,320	13,247
	Cash at Bank in Company's account		8,825,542	874,387
	Cash at Bank in trading accounts (Stock Dealer A/C)		-	-
	Cash at Bank accounts for clients (consolidated customer account)		23,910,855	26,636,955
	Cash at Bank at IPO Account		2,735	4,176
	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			
	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	-	-
	Receivable from Merchant Banker		-	-
	Receivable from selling agents Receivable from others		-	-
4	Amounts receivable from margin clients -	14.00	2,443,829,042	2,441,969,039
	Receivable to Clients having no margin or full erosion of equity (e.g.no equity against debit balance)		2,415,295,838	2,431,550,864
	Receivable to Clients fall under force sale condition (e.g. equity is >DB but < 125% of DB)		11,310,208	1,025,763
	Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)		2,502,516	977,639
	Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)		14,720,480	8,414,773
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	657,273,381	669,209,055

Item	Assets	Note ref.	Amount in Taka	
			Amount as in 31.12.23	Amount as in 31.12.22
			Balance sheet	Balance sheet
	Proprietary positions in Equity securities		657,173,381	669,109,055
	Value of "A" category instruments	12	442,034,812	520,889,615
	value of B/C/N/ category instruments	12	202,877,027	143,219,440
	Value Z category instruments	12	7,261,542	-
	Value OTC category instruments		-	-
	Value Nonlisted instruments	12	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	12	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):		547,207,897	531,058,244
	Advance to Subsidiaries		-	-
	Advance to Associated Companies		-	-
	Advance to Directors & Staffs	16.02	17,952,394	19,026,946
	Other Advances	16	529,255,503	512,031,298
12	Fixed assets (net off Depripcion and amortization)		3,131,684	4,027,858
	Land & Land Development		-	-
	Building & Other structures		-	-
	Other tangible assets	11.00	3,131,684	4,027,858
13	Intangible Assets:		-	-
	Software		-	-
	Goodwill. Patents and other Intangible Assets		-	-
14	Value of investment in Exchange (against Membership value)		-	-
15	Other Long Term Assets:		3,006,724	3,182,959
	Long Term Investments		-	-
	Long Term Prepayments & Deposits		-	-
	Deferred Tax Assets	13	3,006,724	3,182,959
	Others (clearly specified in notes)			
16	Total assets (aggregate of amount in items 9 to 15)		553,346,305	538,269,060
	Liabilities:			

Item	Assets	Note ref.	Amount in Taka	
			Amount as in 31.12.23	Amount as in 31.12.22
			Balance sheet	Balance sheet
17	Short positions in securities held for own account		-	-
18	Payable to Clients	21	19,002,948	21,582,969
19	Short Term Business Liabilities:		295,988,064	381,015,134
	Payable to Banks, if not for trading & investment (current portion of long term liabilities)		-	-
	Payable to FIs, if not for trading & Investment (current portion of long term liabilities)		-	-
	Payable to Banks & FIs for loan against Margin Financing & Investment (full amount)	22	232,521,868	381,015,134
	Payment obligation against sub-debt, preference shares (current portion)		-	-
	Payable to associate companies or persons	17	-	-
20	Amounts payable to clearing houses/Exchanges/Depository, etc.		3,319,217	-
	Payable to Exchanges		-	-
	Payable to Clearing House		-	-
	Payable to Depository		-	-
	Payable to Brokers	23	3,319,217	-
21	Other Liabilities and Provisions:		249,742,804	246,869,701
	Accruals & Accounts payable	24	10,725,145	33,200,754
	Deferred tax and other deferred liabilities			
	Provision for Margin Loan	24	99,734,014	79,734,014
	Provision for Gratuity, PF & others	24	14,020,675	14,737,725
	Provision for Tax & VAT	25	118,567,013	118,081,251
	Interest Suspense against Margin Loan		-	-
	Liabilities for Expenses		-	-
	Interest Payable	24	6,695,957	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		1,181,683,467	1,043,835,245
	Long term loan liabilities (other than current portion amount)	20	1,181,683,467	1,043,835,245
	Approved subordinated debt (other than current portion amount)			
	Approved Redeemable preference shares (other than current portion amount)			
24	Shareholders' Equity:		1,923,100,444	1,983,672,870
	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	(109,699,556)	(49,127,130)
25	Total liabilities & Shareholders' Equity	(aggregate of amounts in item 17 to 24)	3,672,836,945	3,676,975,920

PFI Securities Limited

Statement of Financial Position

As at 31 December 2023

PARTICULARS	Amount in Taka	
	2023	2022
ASSETS		
Current Assets		
Cash and Cash Equivalents	48,160,894	90,756,139
Accounts Receivable from Exchange Depository and CCP	-	-
Accounts Receivable from Securities Trading	11,456,814	124,353
Receivable from Margin Clients	6,885,434,409	6,937,101,850
Net Receivable from Other Clients	3,418,489,232	2,643,012,094
Amount Receivable from Securities Dealer (if Subsidiary)	-	-
Net Receivables Arises from Short Sale	-	-
Advance Income Tax	81,561,407	71,777,760
Total Assets	10,445,102,757	9,742,772,196
Non-Current Assets		
Proprietary Positions in Securities & Specified Investments	12,119,923	10,084,427
Other Assets Arising from	-	-
Advance/ Investments in Associated Undertaking	4,038,865	6,715,638
Property, Plant and Equipment	993,979,301	1,006,782,073
Intangible Assets	-	-
Right of Use of Assets	5,261,751	9,359,343
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
Total Assets	1,209,406,431	1,226,948,071
Total Assets	11,654,509,189	10,969,720,267
EQUITY AND LIABILITIES		
Liability		
Current Liabilities		
Payable to Clients	295,785,334	362,172,109
Short Term Borrowing from Bank	3,735,676,584	3,686,738,910
Amounts Payable to Clearing House/ Exchanges/ Depository etc.	101,566	5,135,992
Other Liabilities and Provisions	3,858,955,951	3,106,066,884
Bank Overdraft	748,385	12,287,767
Total Liabilities	7,891,267,821	7,172,401,662
Non-Current Liabilities		
Long Term Loan Liabilities	2,439,170,487	2,484,826,786
Lease Liabilities	2,634,299	6,920,019
Deferred Tax Liabilities	2,544,267	866,079
Total Non-Current Liabilities	2,444,349,053	2,492,612,884
Shareholders' Equity		
Share Capital	1,758,120,000	1,758,120,000
General Reserve	50,000,000	50,000,000
Revaluation Reserve	748,993,086	749,590,398
Retained Earnings/ (losses)	(1,238,220,770)	(1,253,004,677)
Total Shareholders' Equity	1,318,892,316	1,304,705,721
Total Equity and Liabilities	11,654,509,189	10,969,720,267
Net Assets Value (NAV) Per Share	7.50	7.42

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

sd/-
Md. Farhad Husain Suman FCA
Senior Partner
Enrollment No. : 1635
K. M. HASAN & CO.
Chartered Accountants
DVC: 2409291635AS509987

Place: Dhaka
Dated: 29 September 2024

PFI Securities Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

PARTICULARS	Amount in Taka	
	2023	2022
Operating Income	865,613,487	538,847,028
Operating Expenses	(2,819,047)	(6,534,673)
Gross Profit/(Loss)	862,794,440	532,312,354
Management Expenses	(79,766,675)	(93,672,463)
Financial Expenses	(744,282,440)	(557,708,205)
Operating Profit/(Loss)	38,745,325	(119,068,313)
Other Income	31,931,329	33,014,408
Profit Before Provision and Income Tax	70,676,654	(86,053,905)
Doubtful Adjustment in Investment in Share	-	21,982,916
Provision for Margin Loan	(30,000,000)	(30,000,000)
Profit Before Income Tax	40,676,654	(94,070,989)
Provision for Income Tax	(25,000,000)	(17,664,094)
Deferred tax income/(expenses)	(1,678,188)	(1,652,131)
Net Profit After Income Tax	13,998,467	(113,387,214)
Other Comprehensive Income	-	-
Gain on Right of Use Assets	188,129	-
Total Comprehensive Income	14,186,596	(113,387,214)
Earnings Per Share (EPS)	0.08	(0.64)

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

sd/-
Md. Farhad Husain Suman FCA
Senior Partner
Enrollment No. : 1635
K. M. HASAN & CO.
Chartered Accountants
DVC: 2409291635AS509987

Place: Dhaka
Dated: 29 September 2024

Prime Finance Asset Management Company Limited
Statement of Financial Position

As at 31 December 2023

	2023	2022
ASSETS		
Non-current assets:		
Property, plant and equipment	6,299,517	7,935,543
Intangible assets	2,500,000	2,500,000
Deferred tax assets	1,026,367	1,188,382
Total non-current assets	9,825,884	11,623,925
Current Assets :		
Advance Income Tax	18,860,441	18,061,868
Advance, deposit and prepayments	2,525,627	3,554,123
Trade and Other Receivables	8,727,183	11,985,761
Investment in Marketable securities	29,380,582	29,052,592
Short term Investment	10,000,000	20,000,000
Cash and cash equivalents	10,692,634	8,740,619
Total Current Assets	80,186,468	91,394,963
Total Assets	90,012,352	103,018,888
Equity and Liability		
Shareholders' Equity		
Share capital	71,280,000	71,280,000
Retained earnings	(5,280,169)	615,341
Total Shareholders' Equities	65,999,831	71,895,341
Non-Current Liabilities		
Provision for Gratuity	-	1,916,444
Liability for Provident Fund	5,999,646	8,910,526
Total Non-Current Liabilities	5,999,646	10,826,970
Current Liabilities		
Provision for Income Tax	15,615,841	15,274,401
Payables and Accruals	209,077	209,077
Other Liabilities	2,187,957	4,813,098
Total current liabilities	18,012,875	20,296,576
Total liabilities	24,012,521	31,123,546
Total equity and liabilities	90,012,352	103,018,888
Net assets value (NAV) per share	93	101

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

sd/-
Md. Farhad Husain Suman FCA
 Partner, Enrollment No. : 1635
 K. M. Hasan & Co.
 Chartered Accountants
 DVC: 2404024 635AS372676

Place: Dhaka, Bangladesh
 Dated: 28 March 2024

Prime Finance Asset Management Company Limited
Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	2023	2022
Operating Revenue		
Income from fees	14,229,648	15,482,647
Capital Gain	598,266	2,737,216
Dividend Income	751,958	1,111,827
	15,579,872	19,331,690
Operating Expenses		
Administrative expenses	(22,065,031)	(18,969,327)
	(22,065,031)	(18,969,327)
Profit/(Loss) from Operating Activities		
Non Operating Income	874,812	1,324,720
Profit/(loss) Before Provision and Income Tax	(5,610,347)	1,687,084
Provision for unrealized loss on Investment	218,290	(1,135,455)
Profit/(Loss) Before Income Tax	(5,392,057)	551,629
Income tax expense:		
Current tax	(341,440)	(675,130)
Deferred tax (expenses)/Income	(162,014)	245,909
	(503,454)	(429,221)
Net profit/(Loss) After Tax	(5,895,511)	122,408
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	(5,895,511)	122,408
Earning Per share (EPS) of Tk. 100 each	(8.27)	0.17

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

sd/-
Md. Farhad Husain Suman FCA
 Partner, Enrollment No. : 1635
 K. M. Hasan & Co.
 Chartered Accountants
 DVC: 2404024 635AS372676

Place: Dhaka, Bangladesh
 Dated: 28 March 2024

Prime Prudential Fund Limited

Statement of Financial Position

As at 31 December 2023

	2023	2022
Non-current assets	-	-
Current assets:		
Cash and cash equivalents	59,144	59,793
Investment in shares	-	-
Investment in FDR	18,909,319	17,850,220
Advance corporate tax	1,593,628	1,332,137
Accrued interests on Deposit	449,260	373,766
Receivable	34,345	36,095
Total current assets	21,045,696	19,652,012
Total assets	21,045,696	19,652,012
Shareholders' equity:	19,568,406	18,457,212
Share capital	24,600,000	24,600,000
Retained earnings	(5,031,594)	(6,142,788)
Revaluation Reserve	-	-
Non-current liabilities	-	-
Current liabilities:		
Payable to Prime Finance & Investment Limited	380,079	330,775
Provision for audit fee	89,445	117,750
Liability to employees	-	-
Corporate tax liability	998,458	736,967
Tax payable	9,308	9,308
Total current liabilities	1,477,290	1,194,800
Total shareholders' equity and liabilities	21,045,696	19,652,012

sd/-
Director

sd/-
Director

sd/-
Director

Signed in terms of our separate report of even date annexed

sd/-

M. M. RAHMAN & CO.
Chartered Accountants
Md. Rafiqul Islam Khan, FCA
Partner
Enrolment No. 155
DVC: 2508210155AS877389

Place: Dhaka, Bangladesh
Dated: 21 August 2025

Prime Prudential Fund Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	2023	2022
Income		
Capital gain/(loss) from sale of shares	-	-
Cash dividend income	-	57,720
Misc. incom	-	-
Interest on Deposit	1,411,369	1,256,504
Bank interest income	716	428
Total operating income	1,412,085	1,314,652
Operating Expenses		
Salaries and allowances	-	-
Medical and employee welfare	-	-
Director remuneration fee	-	-
Office maintenance expenses	-	-
Board meeting expenses	-	-
Telephone and postage-	-	-
Printing and stationery	-	-
License renewal fee	-	-
Audit fee	21,000	30,000
Fees and charges for sale of shares	1,750	400
Depreciation	-	-
Bank charge and excise duty	16,650	16,650
Total operating expenses	39,400	47,050
Other Income	-	-
Profit/(loss) before tax	1,372,685	1,267,602
Provision for tax	261,491	164,861
Profit/(loss) after tax	1,111,194	1,102,740

sd/-
Director

sd/-
Director

sd/-
Director

Signed in terms of our separate report of even date annexed

sd/-

M. M. RAHMAN & CO.
Chartered Accountants
Md. Rafiqul Islam Khan, FCA
Partner
Enrolment No. 155
DVC: 2508210155AS877389

Place: Dhaka, Bangladesh
Dated: 21 August 2025

Notes

Proxy Form

(This form is for use at the 28th Annual General Meeting of Prime Finance & Investment Limited to be held on 3 March 2026)

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 28th Annual General Meeting of the Company to be held on

Tuesday, 3 March 2026 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. Anser Uddin

Office Attendant

1967-2025

**In Memory of Md. Anser Uddin
Our devoted support staff,
remembered for his kindness and dedication.
He will always be in our heart.**

GO ONLINE
QUICK
EFFICIENT
GREEN



View our 2023 Annual Report at:
www.primefinancebd.com