



# Prime Finance & Investment Limited

## Un-audited Financial Statements

### as at and for the 3rd quarter ended 30 September 2017

#### Consolidated Balance Sheet

as at 30 September 2017	(Figures in BDT)	
	30-Sep-2017 (un-audited)	31-Dec-2016 (audited)
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>		
In hand (including foreign currencies)	73,682	81,663
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	145,253,784	146,370,632
<b>Total cash</b>	<b>145,327,466</b>	<b>146,452,295</b>
<b>Balance with other banks and financial institutions</b>		
In Bangladesh	677,809,462	355,478,290
Outside Bangladesh	-	-
<b>Total balance with other banks and financial institutions</b>	<b>677,809,462</b>	<b>355,478,290</b>
Money at call and on short notice	-	-
<b>Investments</b>		
Government	-	-
Others	1,133,420,961	893,366,521
<b>Total investments</b>	<b>1,133,420,961</b>	<b>893,366,521</b>
<b>Loans, advances and leases</b>		
Loans, advances, leases etc.	13,292,480,478	14,800,363,094
Bills purchased and discounted	-	-
<b>Total loans, advances and leases</b>	<b>13,292,480,478</b>	<b>14,800,363,094</b>
Fixed assets including premises, furniture and fixtures	354,799,650	360,154,552
Other assets	2,213,324,450	2,358,186,133
Non business assets	-	-
<b>Total assets</b>	<b>17,817,162,467</b>	<b>18,914,000,885</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Borrowings from other banks, financial institutions and agents</b>	<b>2,285,136,672</b>	<b>3,299,527,828</b>
<b>Deposits and other accounts</b>		
Current and other accounts	-	-
Bills payable	-	-
Savings accounts	-	-
Term deposits	9,173,808,860	9,016,194,779
Bearer certificates of deposit	-	-
Other deposits	-	-
<b>Total deposits and other accounts</b>	<b>9,173,808,860</b>	<b>9,016,194,779</b>
<b>Other liabilities</b>	<b>3,685,745,043</b>	<b>3,006,390,533</b>
<b>Total liabilities</b>	<b>15,144,690,575</b>	<b>15,322,113,140</b>
<b>Capital/shareholders' equity</b>		
Paid up capital	2,729,164,830	2,729,164,830
Statutory reserve	927,108,510	927,108,510
Share money deposit	-	-
Other reserves	-	-
Revaluation reserve	221,943,750	221,943,750
Retained earnings	(2,010,202,664)	(1,092,766,302)
<b>Equity attributable to shareholders' of the company</b>	<b>1,868,014,426</b>	<b>2,785,450,788</b>
Non-controlling interest	804,457,466	806,436,957
<b>Total shareholders' equity</b>	<b>2,672,471,892</b>	<b>3,591,887,745</b>
<b>Total liabilities and shareholders' equity</b>	<b>17,817,162,467</b>	<b>18,914,000,885</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>23,000,000</b>	<b>117,000,000</b>
<b>Net Asset Value per share (NAV)</b>	<b>6.84</b>	<b>10.21</b>
sd/-	sd/-	sd/-
Company Secretary (In-charge)	Chief Financial Officer	Managing Director
	Director	Chairman

#### Consolidated Profit and Loss Account

for the period ended 30 September 2017	(Figures in BDT)			
	for the 9 months ended		for the 3rd quarter ended	
	30-Sep-2017	30-Sep-2016	30-Sep-2017	30-Sep-2016
Interest income	572,487,340	630,267,842	190,920,868	203,828,606
Interest paid on deposits, borrowings, etc.	(761,535,044)	(805,299,473)	(261,868,966)	(262,282,781)
<b>Net interest income</b>	<b>(189,047,704)</b>	<b>(175,031,631)</b>	<b>(70,948,098)</b>	<b>(58,454,175)</b>
Investment income	137,729,025	(727,682)	66,251,046	6,963,874
Fees, commission, exchange and brokerage	24,938,015	18,010,945	8,024,240	4,794,920
Other operating income	(11,414,046)	(117,033,094)	(1,860,833)	(83,764,236)
<b>Other operating income</b>	<b>151,252,994</b>	<b>(99,749,831)</b>	<b>72,414,453</b>	<b>(72,005,442)</b>
<b>Total operating income (A)</b>	<b>(37,794,710)</b>	<b>(274,781,462)</b>	<b>1,466,355</b>	<b>(130,459,617)</b>
Salaries and other employee benefits	133,348,022	121,216,310	34,893,610	52,517,077
Rent, taxes, insurance, electricity etc.	30,286,569	29,846,494	10,060,505	10,738,528
Legal expenses	968,650	2,624,227	17,250	294,124
Postage, stamp, telecommunication etc.	2,797,299	2,764,642	727,065	756,396
Stationery, printing, advertisements etc.	4,934,026	4,884,272	434,189	714,333
Managing Director's salary and fees	11,700,000	11,250,000	3,900,000	3,750,000
Directors' fees	704,004	740,720	24,000	168,000
Auditors' fees	47,438	43,125	15,813	14,375
Depreciation and repair of assets	13,463,647	12,830,881	4,612,525	4,537,132
Other expenses	12,091,133	16,365,370	3,883,515	3,118,879
<b>Total operating expenses (B)</b>	<b>210,340,788</b>	<b>202,566,041</b>	<b>58,568,472</b>	<b>76,608,844</b>
<b>Profit before provision (C=A-B)</b>	<b>(248,135,498)</b>	<b>(477,347,503)</b>	<b>(57,102,117)</b>	<b>(207,068,461)</b>
<b>Provision for loans, advances and leases</b>				
General provision	(108,856,305)	(85,530,385)	(133,914,538)	(9,825,149)
Specific provision	749,892,473	455,396,936	590,860,881	35,302,487
Provision for diminution in value of investments	22,423,218	(24,675,451)	7,949,058	(16,379,513)
<b>Total provision (D)</b>	<b>663,459,386</b>	<b>345,191,100</b>	<b>464,895,401</b>	<b>9,097,825</b>
<b>Profit before tax (C-D)</b>	<b>(911,594,884)</b>	<b>(822,538,603)</b>	<b>(521,997,518)</b>	<b>(216,166,286)</b>
Total provision for tax	7,820,969	7,976,950	1,554,411	1,166,395
<b>Net profit after tax</b>	<b>(919,415,853)</b>	<b>(830,515,553)</b>	<b>(523,551,929)</b>	<b>(217,332,681)</b>
<b>Net profit attributable to</b>				
Shareholders of the company	(917,436,362)	(810,732,269)	(522,942,164)	(209,798,745)
Non-controlling interest	(1,979,491)	(19,783,284)	(609,765)	(7,533,936)
<b>Earnings per share (EPS)</b>	<b>(3.36)</b>	<b>(2.97)</b>	<b>(1.92)</b>	<b>(0.77)</b>
<b>No. of outstanding shares</b>	<b>272,916,483</b>	<b>272,916,483</b>	<b>272,916,483</b>	<b>272,916,483</b>
sd/-	sd/-	sd/-	sd/-	sd/-
Company Secretary (In-charge)	Chief Financial Officer	Managing Director	Director	Chairman

#### Consolidated Cash Flow Statement

for the period ended 30 September 2017	(Figures in BDT)	
	30-Sep-2017	30-Sep-2016
<b>A) OPERATING ACTIVITIES</b>		
Interest receipts	597,748,730	837,006,880
Interest payments	(707,879,484)	(781,298,064)
Fees and commission receipts	4,895,236	8,110,305
Dividend receipts	15,477,823	21,431,707
Capital gain from sale of shares	82,430,021	(26,256,221)
Cash payments to employees	(112,120,352)	(115,764,429)
Cash payments for operational expenses	(67,157,141)	(73,909,110)
Income taxes paid	(6,269,463)	(16,768,476)
Receipts from other operating activities	316,442,040	49,337,289
Payments for other operating activities	(80,000)	(6,160,418)
<b>Cash generated before changes in operating assets and liabilities</b>	<b>123,487,410</b>	<b>(104,270,537)</b>
<b>Increase/(decrease) in operating assets and liabilities</b>		
Net loans and advances to customers	1,227,912,397	(547,851,262)
Net loans and deposits from banks and other depositors	(632,122,605)	(69,720,958)
<b>Cash generated from operating assets and liabilities</b>	<b>595,789,792</b>	<b>(617,572,220)</b>
<b>Net cash from operating activities</b>	<b>719,277,202</b>	<b>(721,842,757)</b>
<b>B) INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(8,017,815)	(7,508,257)
Disposal of fixed assets	-	-
Sale of securities	494,614,230	414,064,317
Investment in securities	(811,113,589)	(398,331,287)
<b>Net cash used in investing activities</b>	<b>(324,517,174)</b>	<b>8,224,773</b>
<b>C) FINANCING ACTIVITIES</b>		
Cash dividend paid	-	-
Net receipts/(payments) for loan	(73,553,685)	(39,461,439)
<b>Net cash used in financing activities</b>	<b>(73,553,685)</b>	<b>(39,461,439)</b>
D) Net increase/(decrease) in cash and cash equivalents (D=A+B+C)	321,206,343	(753,079,423)
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the period	501,930,585	1,485,662,858
<b>G) Cash and cash equivalents at end of the period (D+E+F)</b>	<b>823,136,928</b>	<b>732,583,435</b>
<b>Cash and cash equivalents at end of the period represents</b>		
Cash in hand (including foreign currencies)	73,682	73,284
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	145,253,784	151,813,190
Balance with other banks and financial institutions	677,809,462	580,696,961
<b>Total cash and cash equivalents</b>	<b>823,136,928</b>	<b>732,583,435</b>
<b>Net operating cash flow per share (NOCFPS)</b>	<b>2.64</b>	<b>(2.64)</b>

#### Consolidated Statement of Changes in Equity

for the period ended 30 September 2017	Attributable to equity holders of Prime Finance & Investment Limited					
	(Figures in BDT)					
Particulars	Paid up capital	Statutory reserve	Revaluation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 1 January 2017	2,729,164,830	927,108,510	221,943,750	(1,092,766,302)	806,436,957	3,591,887,745
<b>Changes during the period</b>						
Net profit for the period (2017)	-	-	-	(917,436,362)	(1,979,491)	(919,415,853)
Payment of cash dividend	-	-	-	-	-	-
<b>Balance as at 30 September 2017</b>	<b>2,729,164,830</b>	<b>927,108,510</b>	<b>221,943,750</b>	<b>(2,010,202,664)</b>	<b>804,457,466</b>	<b>2,672,471,892</b>
Balance as at 1 January 2016	2,729,164,830	927,108,510	221,943,750	(142,161,088)	805,497,537	4,541,553,539
<b>Changes during the period</b>						
Net profit for the period (2016)	-	-	-	(810,732,269)	(19,783,284)	(830,515,553)
Payment of cash dividend	-	-	-	-	-	-
<b>Balance as at 30 September 2016</b>	<b>2,729,164,830</b>	<b>927,108,510</b>	<b>221,943,750</b>	<b>(952,893,357)</b>	<b>785,714,253</b>	<b>3,711,037,986</b>

#### Selected Explanatory Notes

##### Reporting entity

Prime Finance & Investment Limited is one of the leading Non Banking Financial Institutions, known for its diversified financial services. The company was incorporated in the year 1996 as a Public Limited Company under the Companies Act, 1994 and licensed by Bangladesh Bank under the Financial Institutions Act, 1993.

##### Basis of preparation

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

##### Accounting policies

The Accounting policies and method of computation adopted for the preparation of these interim financial statements are the same as those applied in preparation of annual financial statements for the year ended 31 December 2016.

##### Approval of third quarterly report

These third quarterly financial statements for the period ended 30 September 2017 were approved by the Board of Directors on 30 October 2017.

##### Significant deviation in financial results

The main reason for significant deviation in net profit/(loss) between two quarters is increase of the provisions for loans, advances and leases which is made complying with the FID circular no. 8 dated 03 August 2002 issued by Bangladesh Bank in this regard. On the other hand, the main reason for significant deviation in Operating Cash Flow is early settlement of loans, advances and leases during this period.

##### General

The third quarterly financial statements for the period ended 30 September 2017 are un-audited. The comparative figures have been re-stated and re-arranged whenever considered necessary to ensure comparability with the current financial statements. Figures are rounded-off to the nearest integer.