

Prime Finance & Investment Limited

Financial Statements

for the year ended 31 December 2010

Consolidated Profit and Loss Account

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12.4

The annexed notes 01 to 56 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 24 February 2011 and were signed

Managing Director (Current Charge)

sd/-

Md.Ahsan Kabir Khan

2010

1,183,739,208

(809,412,618)

374,326,590

1,239,660,058

296,330,559

355,069,874

1,891,060,491

86,402,898

6,747,441

28,209,889

6,196,180

7,023,779

513,000

208,150

9,097,637

19,942,253

70,756,724

44,298,586

(5,055,310)

110,000,000

1,990,215,646

260,652,669

280,152,669

(19.500.000)

345,283,827

722,001,280

662.277.870

90,250,160

Signed in terms of our separate report of even date annexed

Consolidated Statement of Changes in Equity

Paid up

capital

644,644,000

257,857,600

902,501,600

460,460,000

184,184,000

644,644,000

2010

1,729,562,977

165,171,435

2,100,215,646

830,208

2,265,387,081

2009

641,870,651

(519,124,076) 122,746,575

480,157,330

106,176,857

197,158,586

783,492,773

63,436,704

5,769,824

14,258,012

3,469,196

7,052,850

680,000

146,300

9,022,156

10,558,865

25,728,409

98,705,237

(43,521,075)

80,912,571

710,634,635

27,500,000

27,500,000

683,134,635

136.626.927

64,464,400

257,857,600

224,185,708

90,250,160

sd/-

Md.Aminul Haque

sd/-

Howladar Yunus & Co.

Statutory

reserve

306,013,615

345,283,827

651,297,442

169,386,688

136,626,927

306,013,615

2009

114,692,142 791,547,206

298,235

906,239,348

for the year ended 31 December

Interest paid on deposits, borrowings, etc.

Fees, commission, exchange and brokerage

(Figures in BDT)

Net interest income

Other operating income

Total operating income (A)

Salaries and other employee benefits

Postage, stamp, telecommunication etc.

Stationery, printing, advertisements etc.

Managing Director's salary and fees

Depreciation and repair of assets

Total operating expenses (B)

Profit before provision (C=A-B)

Provision for loans, advances and leases

Provision for diminution in value of investments

Rent,taxes,insurance,electricity etc.

Investment income

Legal expenses

Directors' fees

Auditors' fees

Other expenses

General provision

Specific provision

Other provisions

Total provision (D)

Provision for tax

Net profit after tax

Appropriations

Statutory reserve General reserve

Retained surplus

on its behalf by:

Tauhidul Ashraf FCS

(Figures in BDT)

Balance as at 1 January 2010

Issuance of bonus shares (year 2009)

Payment of cash dividend (year 2009)

Revaluation of PFI Securities Ltd (note:9.1.1) Balance as at 31 December 2010

Net profit for the year 2010

Balanceasat1January2009

Net profit for the year 2009

Transfer to statutory reserve

(Figures in BDT)

(Figures in BDT)

Issuance of bonus shares (year 2008) Revaluation of PFI Securities Ltd (note:9.1.1)

Balance as at 31 December 2009

Particulars

Minority interest Transfer to statutory reserve

Proposed cash dividend

Proposed stock dividend

Earnings per share (restated)

Weighted average no.of outstanding shares

for the year ended 31 December

Deferred

Profit before tax (C-D)

Charges on loan losses

Interest income

Consolidated Balance Sheet as at 31 December (Figures in BDT) **PROPERTY AND ASSETS** In hand (including foreign currencies) 15,000 15,000 Balance with Bangladesh Bank and its agent bank (including foreign currencies) 24,166,677 37,200,011 Total Cash 37,215,011 24,181,677 Balance with other banks and financial institutions

Borrowings from other banks, financial institutions & agents	10	3,645,457,340	2,726,810,593
LIABILITIES AND CAPITAL Liabilities			
Total assets		12,911,946,872	10,373,180,515
Non - business assets		_	
Other assets	9.a	1,857,327,845	1,024,106,939
Fixed assets including premises, furniture and fixtures	8	323,617,525	
Total Loans, advances and leases	7	8,720,700,063	7,236,967,249
Bills purchased and discounted		-	-
Loans, advances and leases etc.		8,720,700,063	7,236,967,249
Loans,advances and leases			
Total Investments	6	1,257,130,031	1,468,498,294
Others		1,257,130,031	1,468,498,294
Government		-	-
Investments			
Money at call and on short notice		-	•
Total Balance with other banks & financial institutions	5.a	715,956,397	297,795,284
Outside Bangladesh		-	-
In Bangladesh		715,956,397	297,795,284

Current and other accounts		_	-
Bills payable		-	-
Savings account		=	-
Term deposits		3,760,306,212	4,632,592,827
Bearer certificates of deposit		=	=
Other deposits		-	-
Total Deposits and other accounts	11	3,760,306,212	4,632,592,827
Other liabilities	12.a	1,612,598,871	1,187,387,118
Total liabilities		9,018,362,423	8,546,790,538
Capital/shareholders' equity			
Paid up capital	13	902,501,600	644,644,000

Deposits and other accounts

Paid up capital	13	902,501,600	644,644,000
Statutory reserve	14	651,297,442	306,013,615
Other reserve		-	-
Retained earnings	15.a	1,715,745,762	653,788,612
Minority interest	15.b	402,095,895	=
Revaluation reserve	9.1.1	221,943,750	221,943,750
Total shareholders' equity		3,893,584,449	1,826,389,977
Total liabilities and shareholders' equity		12,911,946,872	10,373,180,515
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Contingent liabilities Acceptances and endorsements Letters of guarantee	34	150,000,000	200,000,000
Acceptances and endorsements	34	- 150,000,000 -	200,000,000
Acceptances and endorsements Letters of guarantee	34	- 150,000,000 - -	200,000,000

Total contingent liabilities	150,000,000	200,000,000
Other commitments	-	-
Documentary credits and short term trade-related transaction	s -	_
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other comm	nitments -	=
Total other commitments	-	
Total off-BalanceSheet items including contingent liabilities	150,000,000	200,000,000

The annexed notes 01 to 56 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 24 February 2011 and were signed
on its hehalf hy:

sd/-	sd/-	sd/-
Tauhidul Ashraf FCS	Md.Ahsan Kabir Khan	Md.Aminul Haque
CompanySecretary	Managing Director (Current Charge)	Chairman

Signed in terms of our separate report of even date annexed

	Sa/-
Dhaka, 07 March 2011	Howladar Yunus & (Chartered Accountar
of March 2011	Chartered Accountar

as at 31 December

Balance Sheet

(Figures in BDT)	Notes	2010	2009
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		15,000	15,000
Balance with Bangladesh Bank and			
its agent bank (including foreign currencies)		37,200,011	24,166,677
Total Cash	4	37,215,011	24,181,677
Balance with other banks and financial institutio	ns		
In Bangladesh		405,768,755	297,795,284
Outside Bangladesh		-	-
Total Balance with other banks & financial institution	ns 5.a	405,768,755	297,795,284
Money at call and on short notice		-	-
Investments			
Government		-	-
Others		1,257,130,031	1,468,498,294
Total Investments	6	1,257,130,031	1,468,498,294
Loans, advances and leases			
Loans, advances and leases etc.		8,720,700,063	7,236,967,249
Bills purchased and discounted		-	-
Total Loans, advances and leases	7	8,720,700,063	7,236,967,249
Fixed assets including premises, furniture and fixture	es 8	323,617,525	321,631,072
Other assets	9	2,456,394,681	1,024,106,939
No. 1 1			

13,200,826,066 10,373,180,515

Liabilities Borrowings from other banks, financial institutions & a	agents 10	3 645 457 340	2,726,810,593
•	agents 10	3,043,437,340	2,720,610,393
Deposits and other accounts			
Current and other accounts		-	-
Bills payable		-	
Savings account		-	-
Term deposits		3,760,306,212	4,632,592,827
Bearer certificates of deposit		-	-
Other deposits		-	-
Total Deposits and other accounts	11	3,760,306,212	4,632,592,827
Other liabilities	12.a	2,306,717,803	1,187,387,118
Total liabilities		9,712,481,355	8,546,790,538
Capital/shareholders' equity			
Paid up capital	13	902,501,600	644,644,000
Statutory reserve	14	651,297,442	306,013,615
Other reserve		_	-
Retained earnings	15.a	1,715,601,919	653,788,612
Minority interest	15.b	402,095,895	-
Revaluation reserve	9.1.1	221,943,750	221,943,750
Total shareholders' equity		3,488,344,711	1,826,389,977
Total liabilities and shareholders' equity		13,200,826,066	10 272 190 515

Notes

(Figures in BDT)	Notes	2010	200
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		-	
Letters of guarantee	34	150,000,000	200,000,00
Irrevocable letters of credit		-	
Bills for collection		-	
Other contingentliabilities		-	
Total contingent liabilities		150,000,000	200,000,00
Other commitments		-	
Documentary credits and short term trade	e-related transactions	; -	
Forward assets purchased and forward de	posits placed	-	
Undrawn note issuance and revolving und	derwriting facilities	-	
Undrawn formal standby facilities, credit li	nes and other comm	itments -	
Total other commitments		-	
Total off-BalanceSheet items including co	ntingent liabilities	150,000,000	200,000,00

Consolidated Cash Flow Statement

2009

588,033,218

(491,570,839)

106,176,857

14,275,481

465,881,849

(57,707,408)

(45,072,879)

(43.099.511)

111,285,154

647,271,039

3,488,150,276

231,282,949

878,553,988

(313,409,930)

2,777,700

(5,834,571)

(75,000,300)

(8,000,000)

(58,423,916)

380,400,877

321,976,961

15,000

24,166,677

297,795,284

321,976,961

184,184,000

Total

1,826,389,977

1.729.562.977

402,095,895

(64,464,400)

3,893,584,449

921,311,592

683,134,635

221,943,750

1,826,389,977

Chartered Accountants

2009

2010

869,287,887

(930,883)

2010

878,619,526

296,330,559

1,224,224,341

(75,893,680)

(69,972,742)

(21,821,092)

(1,743,174)

(1.487.018.409) (3.256.867.327)

1,470,854,894 1,168,888,246

(1,368,269,361) (1,686,399,049)

(649,070,204) (936,977,904)

31708,768,765

(611,132,130)

80,264,651

(9,605,257)

(22,050,000)

(120,000,480)

(600,000,000)

1,000,000,000

1,000,000,000

431,194,447

321,976,961

753,171,408

15,000

37,200,011

715,956,397 753,171,408

257,857,600

Minority

interest

402 095 895

402,095,895

(2,098,150,539)

5,435,717

(775,533,030)

as at 31 December

(Figures in BDT)

Interest receipts

Interest payments

Dividend receipts

Income tax paid

A.OPERATING ACTIVITIES

Fees and commissions receipts

Cash payments to employees

Capital gain from sale of listed shares

Receipts from other operating activities

Payments for other operating activities

Net Loans and advances to customers

B) INVESTMENT ACTIVITIES

Advance for Purchase of Vehicles

Investmentin Prime Finance AMCL

Investment in Prime Properties Ltd.

Investment in Prime Prudential Fund Ltd.

Net cash used in investing activities

Net cash used in financing activities

Cash in hand (including foreign currencies)

Balance with Bangladesh Bank and its

Other

reserve

221,943,750

221,943,750

221,943,750

agent bank (including foreign currencies)

Balance with other banks and financial institutions

Investment in PFI Securities Ltd.

C) FINANCING ACTIVITIES

Dividend paid

Issuanceof shares

Bonus shares issued

Disposal of fixed assets

Investmentin securities

Sale of securities

Cash payment to suppliers and management expenses

Increase/(decrease) in operating assets and liabilities

Cash generated from operating assets and liabilities

Loans and deposits from banks and other customers

Net cash generated from operating activities

Acquisition of property, plant and equipment

Investment in Prime Finance 1st Mutual Fund

Investmentin Prime Finance Capital Management Ltd.

D) Net increase in cash and cash equivalents (A+ B + C)

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

Cash and cash equivalents at end of the year represents

Supplemental schedule for non-cash financing activities:

Retained

earnings

653,788,612

1,729,562,977

(345,283,827)

(257,857,600)

(64,464,400)

1,715,745,762

683,134,635

(136.626.927)

(184,184,000)

653,788,612

F) Cash and cash equivalents at beginning of the year

E) Effects of exchange rate changes on cash and cash equivalents

Cash generated before changes in Operating assets & liabilities 2,178,415,190

uhidul Ashraf FCS	Md.Ahsan Kabir Khan	Md.Aminul Haque
mpanySecretary	Managing Director (Current Charge)	Chairman
	Signed in terms of our separate rep	ort of even date annexed
		sd/-
ka,		Howladar Yunus & Co.

Profit and Loss Account

for the year ended 31 December

Non - business assets Total assets

			791,547,206
Total operating expenses (B)		163,954,601	114,692,142
Other expenses	29	18,817,519	10,558,865
Depreciation and repair of assets	28	9,097,637	9,022,156
Charges on loan losses		-	-
Auditors' fees	27	201,250	146,300
Directors' fees	26	513,000	680,000
Managing Director's salary and fees		7,023,779	7,052,850
Stationery, printing, advertisements etc.	25	6,196,180	3,469,196
Postage, stamp, telecommunication etc.	24	28,209,889	14,258,012
Legal expenses		830,208	298,235
Rent,taxes,insurance,electricity etc.	23	6,747,441	5,769,824
Salaries and other employee benefits	22.a	86,317,698	63,436,704
Total operating income (A)		2,259,788,098	906,239,348
		1,885,461,508	783,492,773
Other operating income	21	349,470,891	197,158,586
Fees,commission,exchange and brokerage	20	296,330,559	106,176,857
Investment income	19	1,239,660,058	480,157,330
Net interest income		374,326,590	122,746,575
Interest paid on deposits, borrowings, etc.	18	(809,412,618)	(519,124,076)
Interest income	17	1,183,739,208	641,870,651
	Notes	2010	2009

Provision for loans, advances and leases	12.1		
General provision		70,756,724	25,728,409
Specific provision		44,298,586	98,705,237
Provision for diminution in value of investments	12.2.1	(5,055,310)	(43,521,075)
Other provisions			
Total provision (D)		110,000,000	80,912,571
Profit before tax (C-D)		1,9985,833,497	710,634,635
Provision for tax	12.4	259,414,363	27,500,000
Current		278,914,363	27,500,000
Deferred		(19,500,000)	=
Net profit after tax		1,726,419,134	683,134,635
Appropriations			
Statutory reserve		345,283,827	136,626,927
General reserve		-	-
Proposed cash dividend		-	64,464,400
Proposed stock dividend		722,001,280	257,857,600
Retained surplus		659,134,027	224,185,708
Earnings per share (restated)	33	19.13	7.57
Weighted average no.of outstanding shares		90,250,160	90,250,160

Notes

2010

2009

The annexed notes 01 to 56 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 24 February 2011 and were signed on its

ehalf by:	,	, ,
sd/-	sd/-	sd/-
Tauhidul Ashraf FCS	Md.Ahsan Kabir Khan	Md.Aminul Haqu
CompanySecretary	Managing Director (Current Charge)	Chairman
		Signed in terms of our senarate report of even date annever

Statement of Changes in Equity

Dhaka, 07 March 2011

Balance as at 31 December 2009	644,644,000	306,013,615	221,943,750	653,788,612	1,826,389,977
Revaluation of PFI Securities Ltd(note:9.1.1)	-	-	221,943,750	-	221,943,750
Issuance of bonus shares (year 2008)	184,184,000	-	-	(184,184,000)	-
Transfer to statutory reserve	-	136,626,927	-	(136,626,927)	-
Net profit for the year 2009	-	-	-	683,134,635	683,134,635
Balance as at 1 January 2009	460,460,00	0169,386,688	-	291,464,904	921,311,592
Balance as at 31 December 2010	902,501,600	651,297,442	221,943,750	1,712,601,919	3,488,344,711
Revaluation of PFI Securities Ltd (note:9.1.1)	-	-	=	=	-
Payment of cash dividend (year 2009)	-	-	-	(64,464,400)	(64,464,400)
Issuance of bonus shares (year 2009)	257,857,600	-	-	(257,857,600)	-
Transfer to statutory reserve	-	345,283,827	-	(345,283,827)	-
Net profit for the year 2010	-	-	-	1,726,419,134	1,726,419,134
Balance as at 1 January 2010	644,644,000	306,013,615	221,943,750	653,788,612	1,826,389,977
Particulars	capital	reserve	reserve	earnings	Total
(Figures in BDT)	Paid up	Statutory	Other	Retained	

Cash Flow Statement

as at 31 December

A.OPERATING ACTIVITIES

(Figures in BDT)

Interest receipts

sd/-

Howladar Yunus & Co.

Chartered Accountants

		,	,
Interest payments		(775,522,197)	(491,570,839)
Fees and commissions receipts		296,330,559	106,176,857
Dividend receipts		15,435,717	14,275,481
Capital gain from sale of listed shares		1,224,224,341	465,881,849
Cash payments to employees		(75,893,680)	(57,707,408)
Cash payment to suppliers and management expenses	Š	(69,972,742)	(45,072,879)
Income tax paid		(20,887,928)	(43,099,511)
Receipts from other operating activities	31	708,768,765	111,285,154
Payments for other operating activities	32	(1,743,174)	(930,883)
Cash generated before changes in Operating assets & liab	ilities	2,170,027,548	647,271,039
Increase/(decrease) in operating assets and liabilitie	es		
Net Loans and advances to customers		(1,487,018,409)	(3,256,867,327)
Loans and deposits from banks and other customers		87,067,870	3,488,150,276
Cash generated from operating assets and liabilitie	s	(1,399,950,539)	231,282,949
Net cash generated from operating activities		770,077,009	878,553,988
D) INIVESTMENT ACTIVITIES			
B) INVESTMENT ACTIVITIES Acquisition of property, plant and equipment		(9,605,257)	(313,409,930)
Disposal of fixed assets		(5,005,257)	2,777,700
Advance for Purchase of Vehicles		_	(5,834,571)
Sale of securities		1,470,854,894	1,168,888,246
Investmentin securities		(1,368,269,361)	(1,686,399,049)
Investment in Prime Finance 1st Mutual Fund		-	-
Investmentin Prime Finance AMCL		(22,050,000)	-
Investment in PFI Securities Ltd.		(120,000,480)	(75,000,300)
Investmentin Prime Finance Capital Management Ltd.		(600,000,000)	-
Investment in Prime Properties Ltd.		-	(20,000,000)
Investment in Prime Prudential Fund Ltd.		-	(8,000,000)
Net cash used in investing activities		(649,070,204)	(936,977,904)
C) FINANCING ACTIVITIES			
Dividend paid		-	-
Issuanceof shares		-	-
Net cash used in financing activities		-	_
D) Not increase in each and each equivalents (A + B +	L (1)	121 006 805	(58 423 016)

<u>C) F</u> Div lssu D) Net increase in cash and cash equivalents (A+ B + C) 121,006,805 (58,423,916) E) Effects of exchange rate changes on cash and cash equivalents F) Cash and cash equivalents at beginning of the year 380,400,877 321,976,961 321,976,961 G) Cash and cash equivalents at end of the year (D+E+F) 442.983.766 Cash and cash equivalents at end of the year represents Cash in hand (including foreign currencies) 15,000 15,000 Balance with Bangladesh Bank and its

agent bank (including foreign currencies)

Balance with other banks and financial institutions

Supplemental schedule for non-cash financing activities:

Notes to the Financial Statement

for details please visit our official website

37,200,011

405,768,755 442,983,766

257,857,600

24,166,677 297,795,284

321,976,961

184,184,000



Prime Finance & Investment Limited

63 Dilkusha Commercial Area, Dhaka-1000, Phone: 9563883, Fax: 9563692