

Consolidated Balance Sheet

as at 31 December

(Figures in Taka)

	2013	2012	Notes
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)	45,000	45,000	
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	117,852,644	204,147,495	
Total Cash	117,897,644	204,192,495	4.a Page 195
Balance with other banks and financial institutions			
In Bangladesh	500,200,526	781,230,612	
Outside Bangladesh	-	-	
Total balance with other banks and financial institutions	500,200,526	781,230,612	5.a Page 197
Money at call and on short notice	-	-	
Investments			
Government	-	-	
Others	967,560,066	1,193,609,479	
Total Investments	967,560,066	1,193,609,479	6.a Page 199
Loans, advances and leases			
Loans, advances and leases etc.	12,901,715,481	11,433,699,033	
Bills purchased and discounted	-	-	
Total loans, advances and leases	12,901,715,481	11,433,699,033	7.a Page 206
Fixed assets including premises, furniture and fixtures	325,235,741	327,619,010	8.a Page 207
Other assets	2,527,205,504	2,079,301,138	9.a Page 208
Non - business assets	-	-	
Total assets	17,339,814,963	16,019,651,768	
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	2,865,064,682	2,795,522,546	10.a Page 210
Deposits and other accounts			
Current and other accounts	-	-	
Bills payable	-	-	
Savings accounts	-	-	
Term deposits	6,770,963,595	5,614,795,490	11.a Page 211
Bearer certificates of deposit	-	-	
Other deposits	-	-	
Total deposits and other accounts	6,770,963,595	5,614,795,490	
Other liabilities	2,453,950,050	2,502,746,513	12.a Page 215
Total liabilities	12,089,978,327	10,913,064,549	

Consolidated Balance Sheet - continued

(Figures in Taka)	2013	2012	Notes
Capital/ shareholders' equity			
Paid up capital	2,729,164,830	2,274,304,030	13 Page 215
Statutory reserve	851,649,949	813,352,812	
Share money deposit	-	-	
Other reserves	-	-	
Retained earnings	668,214,189	1,089,800,363	
Non-controlling interest	778,863,918	707,186,264	
Revaluation reserve	221,943,750	221,943,750	
Total shareholders' equity	5,249,836,637	5,106,587,219	
Total liabilities and shareholders' equity	17,339,814,963	16,019,651,768	

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 and other commitments	-	-
Total other commitments	-	-

Total off-balance sheet items including contingent liabilities	-	-
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Notes:

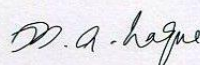
The annexed notes 01 to 57 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 01 March, 2014 and were signed on its behalf by:



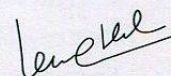
Company Secretary



Managing Director



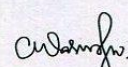
Director



Chairman

Signed in terms of our separate report of even date annexed

Dated: Dhaka
01 March 2014



A. Qasem & Co.
Chartered Accountants

Consolidated Profit and Loss Account

for the year ended 31 December


(Figures in Taka)	2013	2012	Notes
Interest income	1,592,214,361	1,452,480,283	17.a Page 218
Interest paid on deposits, borrowings etc.	(1,367,146,301)	(1,327,489,669)	18.a Page 219
Net interest income	225,068,060	124,990,614	
Investment income	142,279,733	170,315,422	19.a Page 219
Fees, commission, exchange and brokerage	98,813,643	110,334,181	20.a Page 219
Other operating income	316,301,597	235,982,836	21.a Page 220
	557,394,973	516,632,439	
Total operating income (A)	782,463,033	641,623,053	
Salaries and other employee benefits	136,360,123	108,448,962	22.a Page 220
Rent, taxes, insurance, electricity etc.	20,258,486	11,864,981	23.a Page 220
Legal expenses	2,673,683	609,476	
Postage, stamp, telecommunication etc.	3,589,154	2,222,448	24.a Page 221
Stationery, printing, advertisements etc.	9,352,781	8,478,578	25.a Page 221
Managing director's salary and fees	10,800,000	9,600,000	
Directors' fees	1,410,000	1,010,000	26.a Page 221
Auditors' fees	345,000	287,500	27.a Page 222
Depreciation and repair of assets	8,725,190	8,367,482	28.a Page 222
Other expenses	20,372,144	19,879,496	29.a Page 222
Total operating expenses (B)	213,886,561	170,768,923	
Profit before provision (C=A-B)	568,576,472	470,854,130	
Provision for loans, advances and leases			
General provision	(9,289,051)	38,529,899	12.1 Page 212
Specific provision	99,721,181	62,825,574	12.1 Page 212
Provision for diminution in value of investment	8,952,786	(43,582,153)	12.2.a Page 212
Total provision (D)	99,384,916	57,773,320	
Total profit before tax (C-D)	469,191,556	413,080,810	
Provision for taxation			
Current	98,588,273	112,931,394	12.4.a Page 213
Deferred	(76,538)	(40,811)	
	98,511,734	112,890,583	
Net profit after tax	370,679,822	300,190,227	

Consolidated Profit and Loss Account - continued

(Figures in Taka)	2013	2012	Notes
Attributable to			
Shareholders of the company	299,002,167	235,395,819	
Non-controlling interest	71,677,654	64,794,408	
Appropriations			
Statutory reserve	38,297,137	57,640,842	
General reserve	-	-	
Proposed cash dividend	409,374,725	227,430,403	
Proposed stock dividend	-	454,860,800	
Weighted average no. of outstanding shares	272,916,483	272,916,483	
Earnings per share (restated)	1.10	0.86	33.a Page 224

Notes:

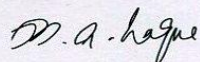
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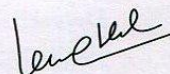
Company Secretary



Managing Director



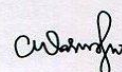
Director



Chairman

Signed in terms of our separate report of even date annexed

Dated: Dhaka
01 March 2014



A. Qasem & Co.
Chartered Accountants

Consolidated Cash Flow Statement

for the year ended 31 December

(Figures in Taka)	2013	2012
A. OPERATING ACTIVITIES		
Interest receipts	1,952,129,598	1,290,624,479
Interest payments	(1,022,192,955)	(1,035,081,223)
Fees and commission receipts	13,869,048	15,328,078
Dividend receipts	28,947,868	169,853,565
Capital gains from sale of listed shares	30,736,319	93,254,230
Cash payments to employees	(50,980,763)	(48,580,224)
Cash payments to suppliers and management expenses	(181,223,456)	(153,438,912)
Income taxes paid	(235,733,355)	(191,999,598)
Receipts from other operating activities	354,655,920	552,041,256
Payments for other operating activities	(6,350,414)	(1,601,250)
Cash generated before changes in operating assets and liabilities	883,857,810	690,400,401
Increase/ (decrease) in operating assets and liabilities:		
Net loans and advances to customers	(1,516,113,588)	(856,166,743)
Loans and deposits from banks and other customers	854,105,788	347,247,970
Cash generated from operating assets and liabilities	(662,007,800)	(508,918,773)
Net cash generated from operating activities	221,850,010	181,481,628
B. INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(6,876,014)	(8,332,580)
Disposal of fixed assets	2,732,089	-
Payments of employee home loan	(24,919,283)	(21,650,000)
Sale of securities	1,095,806,114	1,035,675,084
Investment in securities	(1,971,691,670)	(884,988,957)
Investment in Prime Finance 1st Mutual Fund	-	-
Investment in Prime Finance AMCL	-	-
Investment in PFI Securities Ltd.	-	10,000,000
Investment in Prime Finance Capital Management Ltd.	249,942,708	(19,393,947)
Investment in PFI Properties Ltd.	-	-
Investment in Prime Prudential Fund Ltd.	-	-
Net cash used in investing activities	(655,006,056)	111,309,600
C. FINANCING ACTIVITIES		
Dividend paid	(227,430,404)	(250,000,000)
Issuance of shares	-	-
Share money deposit receipts	-	222,000,000
Payment for financial expenses	(53,376,313)	(33,654,208)
Short term loan	346,637,826	150,000,000
Net cash used in financing activities	65,831,109	88,345,792
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(367,324,937)	381,137,020
E. Effects of exchange rate changes on cash and cash equivalents	-	-
F. Cash and cash equivalents at beginning of the year	985,423,107	604,286,087
G. Cash and cash equivalents at end of the year (D+E+F)	618,098,170	985,423,107
Cash and cash equivalents at end of the year represents		
Cash in hand (including foreign currencies)	45,000	45,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	117,852,644	204,147,495
Balance with other banks and financial institutions	500,200,526	781,230,612
	618,098,170	985,423,107
Supplemental schedule for non-cash financing activities		
Bonus share issued (2012 and 2011 respectively)	454,860,800	649,801,150

Consolidated Statement of Changes in Equity

for the year ended 31 December

(Figures in Taka)

Attributable to Equity Holders of Prime Finance & Investment Ltd.

Particulars	Paid up capital	Statutory reserve	Other reserve	Retained earnings	Non-controlling interest	Total
Balance as at 1 January 2013	2,274,304,030	813,352,812	221,943,750	1,089,800,362	707,186,264	5,106,587,218
Net profit for the year 2013	-	-	-	299,002,167	71,677,654	370,679,822
Transfer to statutory reserve	-	38,297,137	-	(38,297,137)	-	-
Issue of right share	-	-	-	-	-	-
Issue of bonus share (2012)	454,860,800	-	-	(454,860,800)	-	-
Payment of dividend	-	-	-	-	-	-
Payment of cash dividend (2012)	-	-	-	(227,430,403)	-	(227,430,403)
Balance as at 31 December 2013	2,729,164,830	851,649,949	221,943,750	668,214,189	778,863,918	5,249,836,637
Balance as at 1 January 2012	1,624,502,880	755,711,970	221,943,750	1,561,846,535	502,391,856	4,666,396,991
Net profit for the year 2012	-	-	-	235,395,819	64,794,408	300,190,227
Transfer to statutory reserve	-	57,640,842	-	(57,640,842)	-	-
Issue of right share	-	-	-	-	240,000,000	240,000,000
Issue of bonus share (2011)	649,801,150	-	-	(649,801,150)	-	-
Payment of dividend (2011)	-	-	-	-	(100,000,000)	(100,000,000)
Balance as at 31 December 2012	2,274,304,030	813,352,812	221,943,750	1,089,800,362	707,186,264	5,106,587,218

Balance Sheet

as at 31 December

(Figures in Taka)	2013	2012	Notes
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)	40,000	40,000	
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	117,852,644	204,147,495	
Total cash	117,892,644	204,187,495	4 Page 195
Balance with other banks and financial institutions			
In Bangladesh	498,023,350	743,337,530	
Outside Bangladesh	-	-	
Total balance with other banks and financial institutions	498,023,350	743,337,530	5 Page 196
Money at call and on short notice	-	-	
Investments			
Government	-	-	
Others	656,713,636	819,270,974	
Total investments	656,713,636	819,270,974	6 Page 197
Loans, advances and leases			
Loans, advances and Leases etc.	10,778,958,556	9,751,352,472	
Bills purchased and discounted	-	-	
Total loans, advances and leases	10,778,958,556	9,751,352,472	7 Page 199
Fixed assets including premises, furniture and fixtures	320,660,693	324,157,058	8 Page 206
Other assets	2,922,413,264	2,779,745,191	9 Page 207
Non - business assets	-	-	
Total assets	15,294,662,144	14,622,050,721	
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	2,728,975,100	2,795,522,546	10 Page 209
Deposits and other accounts			
Current and other accounts	-	-	
Bills payable	-	-	
Savings accounts	-	-	
Term deposits	6,770,963,595	5,614,795,490	11 Page 210
Bearer certificates of deposit	-	-	
Other deposits	-	-	
Total deposits and other accounts	6,770,963,595	5,614,795,490	
Other liabilities	1,532,046,607	1,913,111,126	12 Page 211
Total liabilities	11,031,985,302	10,323,429,162	

Balance Sheet - continued

(Figures in Taka)	2013	2012	Notes
Capital/ shareholders' equity			
Paid up capital	2,729,164,830	2,274,304,030	13 Page 215
Statutory reserve	851,649,949	813,352,812	14 Page 217
Other reserves	-	-	
Retained earnings	459,918,313	989,020,968	15 Page 217
Revaluation reserve	221,943,750	221,943,750	
Total shareholders' equity	4,262,676,842	4,298,621,560	
Total liabilities and shareholders' equity	15,294,662,144	14,622,050,721	

OFF-BALANCE SHEET ITEMS

Contingent liabilities

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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 and other commitments	-	-
Total other commitments	-	-

Total off-balance sheet items including contingent liabilities	-	-
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Notes:

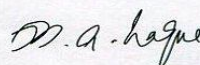
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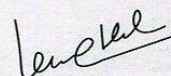
Company Secretary



Managing Director

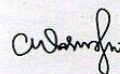


Director



Chairman

Signed in terms of our separate report of even date annexed



A. Qasem & Co.
Chartered Accountants

Dated: Dhaka
01 March 2014

Profit and Loss Account

for the year ended 31 December

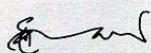
(Figures in Taka)	2013	2012	Notes
Interest income	1,429,192,550	1,320,827,593	17 Page 218
Interest paid on deposits, borrowings etc.	(1,307,931,093)	(1,294,122,447)	18 Page 218
Net interest income	121,261,457	26,705,146	
Investment income	56,922,245	260,702,413	19 Page 219
Fees, commission, exchange and brokerage	8,631,372	1,475,779	20 Page 219
Other operating income	311,600,980	231,976,984	21 Page 219
	377,154,597	494,155,176	
Total operating income (A)	498,416,054	520,860,322	
Salaries and other employee benefits	116,779,213	88,008,807	22 Page 220
Rent, taxes, insurance, electricity etc.	16,740,742	7,618,990	23 Page 220
Legal expenses	2,493,683	557,226	
Postage, stamp, telecommunication etc.	3,389,519	2,027,666	24 Page 220
Stationery, printing, advertisements etc.	9,190,778	8,237,675	25 Page 221
Managing Director's salary and fees	5,400,000	5,400,000	
Directors' fees	915,000	565,000	26 Page 221
Auditors' fees	287,500	230,000	27 Page 221
Depreciation and repair of assets	7,168,788	7,311,511	28 Page 222
Other expenses	15,733,016	18,249,239	29 Page 222
Total operating expenses (B)	178,098,239	138,206,114	
Profit before provision (C=A-B)	320,317,815	382,654,208	
Provision for loans, advances and leases			
General provision	(9,289,051)	38,529,899	12.1 Page 212
Specific provision	99,721,181	62,825,574	12.1 Page 212
Provision for diminution in value of investment	7,500,000	(46,905,473)	12.2 Page 212
Total provision (D)	97,932,130	54,450,000	
Total profit before tax (C-D)	222,385,685	328,204,208	
Provision for taxation			
Current	30,900,000	40,000,000	12.4 Page 213
Deferred	-	-	
	30,900,000	40,000,000	
Net profit after tax	191,485,685	288,204,208	

Profit and Loss Account - *continued*

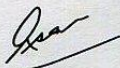
(Figures in Taka)	2013	2012	Notes
Appropriations			
Statutory reserve	38,297,137	57,640,842	14 Page 217
General reserve	-	-	
Proposed cash dividend	409,374,725	227,430,403	
Proposed stock dividend	-	454,860,800	
Weighted average no. of outstanding shares	272,916,483	272,916,483	
Earnings per share (restated)	0.70	1.06	33 Page 223

Notes:

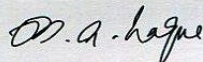
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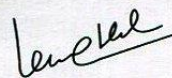
Company Secretary



Managing Director

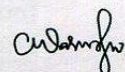


Director



Chairman

Signed in terms of our separate report of even date annexed



A. Qasem & Co.
Chartered Accountants

Dated: Dhaka
01 March 2014

Cash Flow Statement

for the year ended 31 December

(Figures in Taka)	2013	2012	Notes
A. OPERATING ACTIVITIES			
Interest receipts	1,740,269,999	1,288,855,163	
Interest payments	(1,009,360,053)	(1,035,081,223)	
Fees and commission receipts	8,631,372	1,475,778	
Dividend receipts	26,185,926	167,448,183	
Capital gains from sale of listed shares	30,736,319	93,254,230	
Cash payments to employees	(50,980,763)	(48,580,224)	
Cash payments to suppliers and management expenses	(147,796,638)	(122,734,011)	
Income taxes paid	(165,989,342)	(190,869,887)	
Receipts from other operating activities	295,563,454	411,396,045	31 Page 223
Payments for other operating activities	(5,869,600)	(1,534,100)	32 Page 223
Cash generated before changes in operating assets and liabilities	721,390,674	563,629,954	
Increase/ (decrease) in operating assets and liabilities			
Net loans and advances to customers	(1,516,113,588)	(856,166,743)	
Loans and deposits from banks and other customers	854,105,788	347,247,970	
Cash generated from operating assets and liabilities	(662,007,800)	(508,918,773)	
Net cash generated from operating activities	59,382,874	54,711,181	
B. INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(4,206,514)	(7,711,885)	
Disposal of fixed assets	2,732,089	-	
Advance for purchase of vehicles	-	-	
Sale of securities	1,095,806,114	1,035,675,084	
Investment in securities	(1,507,835,898)	(847,724,748)	
Investment in Prime Finance 1st Mutual Fund	-	-	
Investment in Prime Finance AMCL	-	-	
Investment in PFI Securities Ltd.	-	10,000,000	
Investment in Prime Finance Capital Management Ltd.	249,942,708	119,500,000	
Investment in PFI Properties Ltd.	-	-	
Investment in Prime Prudential Fund Ltd.	-	-	
Net cash used in investing activities	(163,561,501)	309,738,451	
C. FINANCING ACTIVITIES			
Dividend paid	(227,430,404)	-	
Issuance of shares	-	-	
Net cash used in financing activities	(227,430,404)	-	
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(331,609,031)	364,449,632	
E. Effects of exchange rate changes on cash and cash equivalents	-	-	
F. Cash and cash equivalents at beginning of the year	947,525,025	583,075,393	
G. Cash and cash equivalents at end of the year (D+E+F)	615,915,994	947,525,025	
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)	40,000	40,000	
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	117,852,644	204,147,495	
Balance with other banks and financial institutions	498,023,350	743,337,530	
	615,915,994	947,525,025	
Supplemental schedule for non-cash financing activities			
Bonus share issued (2012 and 2011 respectively)	454,860,800	649,801,150	

Statement of Changes in Equity

for the year ended 31 December

(Figures in Taka)

Particulars	Paid up capital	Statutory reserve	Other reserve	Retained earnings	Total
Balance as at 1 January 2013	2,274,304,030	813,352,812	221,943,750	989,020,968	4,298,621,560
Net profit for the year 2013	-	-	-	191,485,685	191,485,685
Transfer to statutory reserve	-	38,297,137	-	(38,297,137)	-
Issue of bonus share (2012)	454,860,800	-	-	(454,860,800)	-
Payment of cash dividend (2012)	-	-	-	(227,430,403)	(227,430,403)
Balance as at 31 December 2013	2,729,164,830	851,649,949	221,943,750	459,918,313	4,262,676,842
Balance as at 1 January 2012	1,624,502,880	755,711,970	221,943,750	1,408,258,752	4,010,417,352
Net profit for the year 2012	-	-	-	288,204,208	288,204,208
Transfer to statutory reserve	-	57,640,842	-	(57,640,842)	-
Issue of bonus share (2011)	649,801,150	-	-	(649,801,150)	-
Payment of cash dividend (2011)	-	-	-	-	-
Balance as at 31 December 2012	2,274,304,030	813,352,812	221,943,750	989,020,968	4,298,621,560

Liquidity Statement (Assets and Liabilities maturity analysis)

as at 31 December 2013

(Figures in Taka)

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets						
Cash	117,892,644	-	-	-	-	117,892,644
Balance with other banks and financial institutions	78,023,350	150,000,000	270,000,000	-	-	498,023,350
Money at call and on short notice	-	-	-	-	-	-
Investments	18,742,311	21,940,574	102,568,044	411,363,952	102,098,754	656,713,636
Loans, advances and leases	547,754,408	3,123,263,225	3,268,523,223	3,802,784,834	36,632,866	10,778,958,556
Fixed assets including premises, furniture and fixtures	-	-	-	-	320,660,693	320,660,693
Other assets	732,605,418	199,876,211	291,426,498	-	1,698,505,137	2,922,413,264
Non banking assets	-	-	-	-	-	-
Total assets (A)	1,495,018,132	3,495,080,010	3,932,517,765	4,214,148,787	2,157,897,450	15,294,662,144

Liabilities						
Borrowings from other banks, financial institutions and agents	528,080,140	919,401,157	810,265,808	463,911,495	7,316,500	2,728,975,100
Deposits	515,008,926	1,996,295,149	2,126,351,943	2,116,794,082	16,513,495	6,770,963,595
Provision and other liabilities	307,129,321	382,786,652	505,278,382	183,737,593	153,114,659	1,532,046,607
Total liabilities (B)	1,350,218,387	3,298,482,958	3,441,896,133	2,764,443,170	176,944,654	11,031,985,302
Net liquidity gap (A - B)	144,799,745	196,597,052	490,621,632	1,449,705,617	1,980,952,796	4,262,676,842