

Un-audited Financial Statements

of

Prime Finance & Investment Limited

As at and for the half year ended 30 June 2016

Prime Finance & Investment Limited
Consolidated Balance Sheet

as at 30 June 2016

(Figures in Taka)

	30 June 2016 (Un-audited)	31 December 2015 (Audited)
PROPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	68,480	70,971
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	155,970,262	172,482,807
Total cash	156,038,742	172,553,778
Balance with other banks and financial institutions		
In Bangladesh	598,651,273	1,313,109,080
Outside Bangladesh	-	-
Total balance with other banks and financial institutions	598,651,273	1,313,109,080
Money at call and on short notice		
	-	-
Investments		
Government	-	-
Others	842,078,075	927,765,138
Total investments	842,078,075	927,765,138
Loans, advances and leases		
Loans, advances and leases etc.	14,779,552,717	14,362,636,774
Bills purchased and discounted	-	-
Total loans, advances and leases	14,779,552,717	14,362,636,774
Fixed assets including premises, furniture and fixtures		
Other assets	364,574,036	360,314,247
Non banking assets	2,523,313,424	2,637,256,558
	-	-
Total assets	19,264,208,267	19,773,635,575
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents		
	2,992,060,472	3,093,925,014
Deposits and other accounts		
Current and other accounts	-	-
Bills payable	-	-
Savings account	-	-
Term deposits	9,327,074,085	9,544,207,157
Bearer certificates of deposit	-	-
Other deposits	-	-
Total deposits and other accounts	9,327,074,085	9,544,207,157
Other liabilities		
	3,016,703,043	2,593,949,865
Total liabilities	15,335,837,600	15,232,082,036
Capital/shareholders' equity		
Paid up capital	2,729,164,830	2,729,164,830
Statutory reserve	927,108,510	927,108,510
Other reserve	-	-
Share money deposit	-	-
Retained earnings	(743,094,612)	(142,161,088)
Revaluation reserve	221,943,750	221,943,750
Equity attributable to shareholders' of the company	3,135,122,478	3,736,056,002
Non-controlling interest	793,248,189	805,497,537
Total shareholders' equity	3,928,370,667	4,541,553,539
Total liabilities and shareholders' equity	19,264,208,267	19,773,635,575
OFF-BALANCE SHEET ITEMS		
Contingent liabilities	-	-
Other commitments	140,800,000	281,182,425
Total off-balance sheet items including contingent liabilities	140,800,000	281,182,425
Net asset value per share (NAV)	11.49	13.69

sd/-
Company Secretary

sd/-
Chief Financial Officer

sd/-
Managing Director

sd/-
Director

sd/-
Chairman

Prime Finance & Investment Limited
Consolidated Profit and Loss Account (Un-audited)

for the period ended 30 June 2016

(Figures in Taka)	for the half year ended		for the 2nd quarter ended	
	30-June-2016	30-June-2015	30-June-2016	30-June-2015
Interest income	426,439,236	649,073,491	220,750,851	327,362,104
Interest paid on deposits, borrowings, etc.	(543,016,692)	(577,870,314)	(268,230,443)	(268,800,289)
Net interest income	(116,577,456)	71,203,177	(47,479,592)	58,561,815
Investment income	(7,691,556)	2,280,149	1,063,920	(2,321,591)
Fees, commission, exchange and brokerage	13,216,025	24,444,956	4,900,387	13,515,475
Other operating income	(33,268,858)	33,812,176	(35,458,139)	21,887,169
Other operating income	(27,744,389)	60,537,281	(29,493,832)	33,081,053
Total operating income (A)	(144,321,845)	131,740,458	(76,973,424)	91,642,868
Salaries and other employee benefits	68,699,233	79,568,992	40,753,011	31,258,036
Rent, taxes, insurance, electricity etc.	19,107,966	19,466,846	10,662,459	9,882,648
Legal expenses	2,330,103	467,373	1,932,384	150,748
Postage, stamp, telecommunication etc.	2,008,246	1,891,239	1,178,572	1,130,018
Stationery, printing, advertisements etc.	4,169,939	4,968,614	2,379,229	3,953,407
Managing Director's salary and fees	7,500,000	7,500,000	3,750,000	3,750,000
Directors' fees	572,720	485,000	444,720	255,000
Auditors' fees	28,750	28,750	14,375	14,375
Depreciation and repair of assets	8,293,749	7,937,896	4,252,329	4,133,212
Other expenses	13,246,491	9,367,158	6,635,658	5,214,068
Total operating expenses (B)	125,957,197	131,681,868	72,002,737	59,741,512
Profit before provision (C=A-B)	(270,279,042)	58,590	(148,976,161)	31,901,356
Provision for loans, advances and leases				
General provision	(75,705,236)	22,639,768	(10,975,330)	32,156,229
Specific provision	420,094,449	179,618,520	277,904,923	136,153,248
Provision for diminution in value of investments	(8,295,938)	70,053,457	(8,120,482)	6,983,633
Other provisions	-	-	-	-
Total provision (D)	336,093,275	272,311,745	258,809,111	175,293,110
Profit before tax (C-D)	(606,372,317)	(272,253,155)	(407,785,272)	(143,391,754)
Provision for taxation				
Current	8,205,264	3,947,510	6,836,808	2,658,668
Deferred	(1,394,709)	(4,279,830)	(1,028,707)	(3,308,464)
Total provision for tax	6,810,555	(332,320)	5,808,101	(649,796)
Net profit after tax	(613,182,872)	(271,920,835)	(413,593,373)	(142,741,958)
Attributable to				
Shareholders of the company	(600,933,524)	(232,574,019)	(406,192,300)	(124,520,997)
Non-controlling interest	(12,249,348)	(39,346,816)	(7,401,073)	(18,220,961)
Earnings per share (EPS)	(2.20)	(0.85)	(1.49)	(0.46)
No. of outstanding shares	272,916,483	272,916,483	272,916,483	272,916,483

sd/-
Company Secretary

sd/-
Chief Financial Officer

sd/-
Managing Director

sd/-
Director

sd/-
Chairman

Prime Finance & Investment Limited
Consolidated Cash Flow Statement (Un-audited)

for the period ended 30 June 2016

(Figures in Taka)

	30-June-2016	30-June-2015
A) OPERATING ACTIVITIES		
Interest receipts	555,988,318	805,107,036
Interest payments	(507,686,183)	(557,382,213)
Fees and commission receipts	5,952,333	5,371,221
Dividend receipts	18,762,698	20,727,886
Capital gain from sale of listed shares	(28,613,030)	(19,912,970)
Cash payments to employees	(59,878,398)	(87,028,992)
Cash payment to suppliers and management expenses	(75,151,908)	(47,017,442)
Income taxes paid	(13,669,161)	(5,792,989)
Receipts from other operating activities	38,361,412	25,218,834
Payments for other operating activities	(248,807)	(18,142,717)
Cash generated before changes in operating assets and liabilities	(66,182,726)	121,147,654
Increase/(decrease) in operating assets and liabilities		
Net loans and advances to customers	(497,173,368)	(28,105,501)
Net loans and deposits from banks and other depositors	(201,543,692)	628,581,830
Cash generated from operating assets and liabilities	(698,717,060)	600,476,329
Net cash from operating activities	(764,899,786)	721,623,983
B) INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(12,532,239)	(15,808,534)
Advance for purchase of fixed assets	-	(30,225,000)
Sale of invested securities	310,949,225	505,736,179
Investment in securities	(220,511,718)	(187,872,592)
Net cash from investing activities	77,905,268	271,830,053
C) FINANCING ACTIVITIES		
Cash dividend paid	-	(341,145,604)
Net receipt/ (payment) for loan	(43,978,325)	(73,273,946)
Net cash from financing activities	(43,978,325)	(414,419,550)
D) Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(730,972,843)	579,034,486
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the period	1,485,662,858	699,752,417
G) Cash and cash equivalents at end of the period (D+E+F)	754,690,015	1,278,786,903
Cash and cash equivalents represents		
Cash in hand	68,480	60,000
Balance with Bangladesh Bank and its agent bank	155,970,262	151,904,438
Balance with other banks and financial institutions	598,651,273	1,126,822,465
Total cash and cash equivalents	754,690,015	1,278,786,903
Net operating cash flow per share (NOCFPS)	(2.80)	2.64

Prime Finance & Investment Limited
Consolidated Statement of Changes in Equity (Un-audited)
for the period ended 30 June 2016

Attributable to equity holders of Prime Finance & Investment Ltd.

(Figures in Taka)

	Paid up capital	Statutory reserve	Revaluation reserve	Retained earnings	Non-controlling interest	Total
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
Changes during the period						
Net profit for the period (2016)	-	-	-	(600,933,524)	(12,249,348)	(613,182,872)
Transfer to statutory reserve	-	-	-	-	-	-
Issue of bonus share	-	-	-	-	-	-
Payment of cash dividend	-	-	-	-	-	-
Balance as at 30 June 2016	2,729,164,830	927,108,510	221,943,750	(743,094,612)	793,248,189	3,928,370,667
Balance as at 1 January 2015	2,729,164,830	927,108,510	221,943,750	616,137,297	815,839,645	5,310,194,032
Changes during the period						
Net profit for the period (2015)	-	-	-	(232,574,019)	(39,346,816)	(271,920,835)
Transfer to statutory reserve	-	-	-	-	-	-
Issue of bonus share	-	-	-	-	-	-
Payment of cash dividend	-	-	-	(341,145,604)	-	(341,145,604)
Balance as at 30 June 2015	2,729,164,830	927,108,510	221,943,750	42,417,674	776,492,829	4,697,127,593

Prime Finance & Investment Limited
Balance Sheet
as at 30 June 2016

(Figures in Taka)
30 June 2016 **31 December 2015**
(Un-audited) (Audited)

PROPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	60,000	60,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	155,970,262	172,482,807
Total cash	156,030,262	172,542,807
Balance with other banks and financial institutions		
In Bangladesh	558,136,762	1,311,767,788
Outside Bangladesh	-	-
Total balance with other banks and financial institutions	558,136,762	1,311,767,788
Money at call and on short notice		
	-	-
Investments		
Government	-	-
Others	461,628,096	552,630,829
Total investments	461,628,096	552,630,829
Loans, advances and leases		
Loans, advances and leases etc.	12,840,569,740	12,343,396,372
Bills purchased and discounted	-	-
Total loans, advances and leases	12,840,569,740	12,343,396,372
Fixed assets including premises, furniture and fixtures		
Other assets	344,044,710	337,620,832
Non banking assets	2,762,044,912	2,864,459,569
	-	-
Total assets	17,122,454,482	17,582,418,197
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents		
	2,397,204,740	2,482,679,149
Deposits and other accounts		
Current and other accounts	-	-
Bills payable	-	-
Savings account	-	-
Term deposits	9,327,074,085	9,544,207,157
Bearer certificates of deposit	-	-
Other deposits	-	-
Total deposits and other accounts	9,327,074,085	9,544,207,157
Other liabilities	2,492,925,466	2,067,722,194
Total liabilities	14,217,204,291	14,094,608,500
Capital/shareholders' equity		
Paid up capital	2,729,164,830	2,729,164,830
Statutory reserve	927,108,510	927,108,510
Other reserve	-	-
Retained earnings	(972,966,899)	(390,407,393)
Revaluation reserve	221,943,750	221,943,750
Total shareholders' equity	2,905,250,191	3,487,809,697
Total liabilities and shareholders' equity	17,122,454,482	17,582,418,197
OFF-BALANCE SHEET ITEMS		
Contingent liabilities	-	-
Other commitments	140,800,000	281,182,425
Total off-balance sheet items including contingent liabilities	140,800,000	281,182,425
Net asset value per share (NAV)	10.65	12.78

sd/-
Company Secretary

sd/-
Chief Financial Officer

sd/-
Managing Director

sd/-
Director

sd/-
Chairman

Prime Finance & Investment Limited
Profit and Loss Account (Un-audited)

(Figures in Taka)	for the half year ended		for the 2nd quarter ended	
	30-June-2016	30-June-2015	30-June-2016	30-June-2015
Interest income	415,773,149	739,167,457	215,647,502	372,202,725
Interest paid on deposits, borrowings, etc.	(523,504,302)	(571,746,730)	(257,560,442)	(274,378,285)
Net interest income	(107,731,153)	167,420,727	(41,912,940)	97,824,440
Investment income	(14,012,487)	(2,630,985)	(1,363,926)	(1,439,363)
Fees, commission, exchange and brokerage	3,210,116	3,317,030	1,540,871	1,720,192
Other operating income	(37,559,435)	30,048,247	(38,777,946)	18,124,240
Other operating income	(48,361,806)	30,734,292	(38,601,001)	18,405,069
Total operating income (A)	(156,092,959)	198,155,019	(80,513,941)	116,229,509
Salaries and other employee benefits	53,436,398	69,234,669	32,777,479	25,190,301
Rent, taxes, insurance, electricity etc.	15,088,814	15,174,198	8,850,434	7,626,351
Legal expenses	2,280,819	432,373	1,911,300	115,748
Postage, stamp, telecommunication etc.	1,879,210	1,763,778	1,110,331	1,038,597
Stationery, printing, advertisements etc.	3,977,953	4,702,858	2,268,620	3,728,574
Managing Director's salary and fees	4,200,000	4,200,000	2,100,000	2,100,000
Directors' fees	461,600	300,000	333,600	205,000
Auditors' fees	-	-	-	-
Depreciation and repair of assets	5,450,547	4,515,265	2,819,109	2,421,619
Other expenses	8,329,514	6,552,345	2,553,872	3,154,677
Total operating expenses (B)	95,104,855	106,875,486	54,724,745	45,580,867
Profit before provision (C=A-B)	(251,197,814)	91,279,533	(135,238,686)	70,648,642
Provision for loans, advances and leases				
General provision	(75,705,236)	22,639,768	(10,975,330)	32,156,229
Specific provision	420,094,449	179,618,520	277,904,923	136,153,248
Provision for diminution in value of investments	(18,368,044)	63,398,473	(11,998,715)	328,649
Other provisions	-	-	-	-
Total provision (D)	326,021,169	265,656,761	254,930,878	168,638,126
Profit before tax (C-D)	(577,218,983)	(174,377,228)	(390,169,564)	(97,989,484)
Provision for taxation				
Current	6,735,232	3,456,397	5,949,838	2,508,534
Deferred	(1,394,709)	(4,279,830)	(1,028,707)	(3,308,464)
Total provision for tax	5,340,523	(823,433)	4,921,131	(799,930)
Net profit after tax	(582,559,506)	(173,553,795)	(395,090,695)	(97,189,554)
Earnings per share (EPS)	(2.13)	(0.64)	(1.45)	(0.36)
No. of outstanding shares	272,916,483	272,916,483	272,916,483	272,916,483

sd/-
Company Secretary

sd/-
Chief Financial Officer

sd/-
Managing Director

sd/-
Director

sd/-
Chairman

Prime Finance & Investment Limited
Cash Flow Statement (Un-audited)

for the period ended 30 June 2016

(Figures in Taka)

	30-June-2016	30-June-2015
A) OPERATING ACTIVITIES		
Interest receipts	437,654,998	687,975,979
Interest payments	(507,686,183)	(524,124,704)
Fees and commission receipts	3,210,116	3,317,030
Dividend receipts	14,600,543	17,281,984
Capital gain from sale of listed shares	(28,613,030)	(19,912,970)
Cash payments to employees	(59,878,398)	(73,434,669)
Cash payment to suppliers and management expenses	(37,063,988)	(28,925,551)
Income taxes paid	(10,900,287)	(5,792,989)
Receipts from other operating activities	38,361,412	25,175,936
Payments for other operating activities	(240,000)	(15,958,800)
Cash generated before changes in operating assets and liabilities	(150,554,817)	65,601,246
Increase/(decrease) in operating assets and liabilities		
Net loans and advances to customers	(497,173,368)	(23,067,828)
Net loans and deposits from banks and other depositors	(201,543,692)	628,581,830
Cash generated from operating assets and liabilities	(698,717,060)	605,514,002
Net cash from operating activities	(849,271,877)	671,115,248
B) INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(11,874,426)	(15,133,320)
Advance for purchase of fixed assets	-	(225,000)
Sale of invested securities	310,949,225	474,642,050
Investment in securities	(219,946,493)	(187,872,592)
Net cash from investing activities	79,128,306	271,411,138
C) FINANCING ACTIVITIES		
Cash dividend paid	-	(341,145,604)
Issuance of shares	-	-
Net cash from financing activities	-	(341,145,604)
D) Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(770,143,571)	601,380,782
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the period	1,484,310,595	676,177,885
G) Cash and cash equivalents at end of the period (D+E+F)	714,167,024	1,277,558,667
Cash and cash equivalents at the end of the period represents		
Cash in hand (including foreign currencies)	60,000	50,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	155,970,262	151,904,438
Balance with other banks and financial institutions	558,136,762	1,125,604,229
Total cash and cash equivalents	714,167,024	1,277,558,667
Net operating cash flow per share (NOCFPS)	(3.11)	2.46

Prime Finance & Investment Limited
Statement of Changes in Equity (Un-audited)
for the period ended 30 June 2016

(Figures in Taka)

	Paid up capital	Statutory Reserve	Revaluation reserve	Retained Earnings	Total
Balance as at 1 January 2016	2,729,164,830	927,108,510	221,943,750	(390,407,393)	3,487,809,697
Changes during the period					
Net profit for the period (2016)	-	-	-	(582,559,506)	(582,559,506)
Transfer to statutory reserve	-	-	-	-	-
Issue of bonus share	-	-	-	-	-
Payment of cash dividend	-	-	-	-	-
Balance as at 30 June 2016	2,729,164,830	927,108,510	221,943,750	(972,966,899)	2,905,250,191
Balance as at 1 January 2015	2,729,164,830	927,108,510	221,943,750	352,377,830	4,230,594,920
Changes during the period					
Net profit for the period (2015)	-	-	-	(173,553,795)	(173,553,795)
Transfer to statutory reserve	-	-	-	-	-
Issue of bonus share	-	-	-	-	-
Payment of cash dividend	-	-	-	-	-
Balance as at 30 June 2015	2,729,164,830	927,108,510	221,943,750	178,824,035	4,057,041,125

Prime Finance & Investment Limited

Selected Explanatory Notes

as at and for the period ended 30 June 2016

Legal Framework

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 half yearly 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 2015.

Approval of half-yearly report

These half-yearly financial statements for the period ended 30 June 2016 were approved by the Board of Directors on 28 July 2016.

General

The half-yearly financial statements for the period ended 30 June 2016 are un-audited. The comparative figures have been restated and rearranged whenever considered necessary to ensure comparability with the current financial statements. Figures are rounded-off to the nearest integer.