

# Balance Sheet

as at 31 December

(Figures in BDT)

	Notes	2009	2008
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
In hand (including foreign currencies)		15,000	10,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		24,166,677	14,369,813
<b>Total Cash</b>	<b>4</b>	<b>24,181,677</b>	<b>14,379,813</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh		297,795,284	366,021,064
Outside Bangladesh		-	-
<b>Total Balance with other banks and financial institutions</b>	<b>5</b>	<b>297,795,284</b>	<b>366,021,064</b>
Money at call and on short notice		-	-
<b>Investments</b>			
Government		-	-
Others		1,468,498,294	910,987,491
<b>Total Investments</b>	<b>6</b>	<b>1,468,498,294</b>	<b>910,987,491</b>
<b>Loans, advances and leases</b>			
Loans, advances and leases etc.		7,236,967,249	4,050,568,596
Bills purchased and discounted		-	-
<b>Total Loans, advances and leases</b>	<b>7</b>	<b>7,236,967,249</b>	<b>4,050,568,596</b>
Fixed assets including premises, furniture and fixtures	8	321,631,072	14,215,132
Other assets	9	1,024,106,939	265,503,538
Non - banking assets		-	-
<b>Total assets</b>		<b>10,373,180,515</b>	<b>5,621,675,634</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from banks, other financial institutions and agents</b>	<b>10</b>	<b>2,726,810,593</b>	<b>1,706,637,238</b>
<b>Deposits and other accounts</b>			
Current and other accounts		-	-
Bills payable		-	-
Savings account		-	-
Term deposits		4,632,592,827	2,177,794,533
Bearer certificates of deposit		-	-
Other deposits		-	-
<b>Total Deposits and other accounts</b>	<b>11</b>	<b>4,632,592,827</b>	<b>2,177,794,533</b>
<b>Other liabilities</b>	<b>12</b>	<b>1,187,387,118</b>	<b>815,932,271</b>
<b>Total liabilities</b>		<b>8,546,790,538</b>	<b>4,700,364,042</b>

Balance Sheet - continued

(Figures in BDT)	Notes	2009	2008
<b>Capital/shareholders' equity</b>			
Paid up capital	13	644,644,000	460,460,000
Statutory reserve	14	306,013,615	169,386,688
Other reserve		-	-
Retained earnings	15	653,788,612	291,464,904
Revaluation reserve	9.1.1	221,943,750	-
<b>Total shareholders' equity</b>		<b>1,826,389,977</b>	<b>921,311,592</b>
<b>Total liabilities and shareholders' equity</b>		<b>10,373,180,515</b>	<b>5,621,675,634</b>

**OFF-BALANCE SHEET ITEMS**

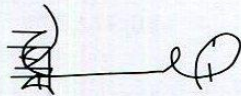
**Contingent liabilities**

Acceptances and endorsements		-	-
Letters of guarantee	30	200,000,000	390,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
<b>Total Contingent liabilities</b>		<b>200,000,000</b>	<b>390,000,000</b>

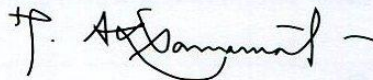
**Other commitments**

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		-	-
<b>Total Other commitments</b>		<b>-</b>	<b>-</b>
<b>Total off-Balance Sheet items including contingent liabilities</b>		<b>200,000,000</b>	<b>390,000,000</b>

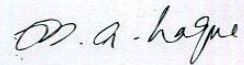
The annexed notes 1 to 53 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 7 March 2010 and were signed on its behalf by:



**Tauhidul Ashraf FCS**  
Company Secretary

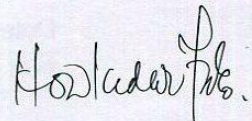


**Md. Akter Hossain Sannamat FCA, FCS**  
Managing Director



**Md. Aminul Haque**  
Chairman

Signed in terms of our separate report of even date annexed



**Howladar Yunus & Co.**  
Chartered Accountants

# Profit and Loss Account

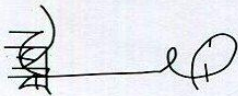
for the year ended 31 December

(Figures in BDT)	Notes	2009	2008
Interest income	17	641,870,651	496,550,906
Interest paid on deposits, borrowings, etc.	18	(519,124,076)	(358,962,745)
Net interest income		122,746,575	137,588,161
Investment income	19	480,157,330	211,947,559
Fees, commission, exchange and brokerage	20	106,176,857	31,350,798
Other operating income	21	197,158,586	79,768,418
<b>Total operating income (A)</b>		<b>906,239,348</b>	<b>460,654,936</b>
Salaries and other employee benefits	22	63,436,704	48,952,944
Rent, taxes, insurance, electricity etc.	23	5,769,824	4,214,428
Legal expenses		298,235	528,963
Postage, stamp, telecommunication etc.	24	14,258,012	1,466,165
Stationery, printing, advertisements etc.	25	3,469,196	3,202,756
Managing Director's salary and fees		7,052,850	5,522,114
Directors' fees	26	680,000	776,000
Auditors' fees		146,300	130,625
Charges on loan losses		-	-
Depreciation and repair of assets	27	9,022,156	6,406,360
Other expenses	28	10,558,865	7,568,049
<b>Total operating expenses (B)</b>		<b>114,692,142</b>	<b>78,768,404</b>
<b>Profit before provision (C=A-B)</b>		<b>791,547,206</b>	<b>381,886,532</b>
<b>Provision for loans, advances and leases &amp; Investment</b>	12.1		
General provision		25,728,409	8,036,192
Specific provision		98,705,237	28,247,158
Provision for diminution in value of investments	12.2.1	(43,521,075)	57,050,558
Other provisions		-	-
<b>Total provision for loans, advances and leases &amp; Investment (D)</b>		<b>80,912,571</b>	<b>93,333,908</b>
<b>Profit before tax (C-D)</b>		<b>710,634,635</b>	<b>288,552,624</b>
<b>Provision for tax</b>	12.4		
Current tax		27,500,000	32,500,000
Deferred tax		-	(30,000,000)
<b>Net profit after tax</b>		<b>683,134,635</b>	<b>286,052,624</b>

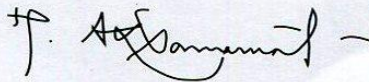
Profit and Loss Account - *continued*

(Figures in BDT)	Notes	2009	2008
<b>Appropriations</b>			
Statutory reserve		136,626,927	57,210,525
General reserve		-	-
Proposed cash dividend		64,464,400	-
Proposed stock dividend		257,857,600	184,184,000
Retained surplus		224,185,708	44,658,099
<b>Earnings per share (restated)</b>	32	<b>105.97</b>	<b>44.37</b>
<b>Weighted average no. of outstanding shares</b>		<b>6,446,440</b>	<b>6,446,440</b>

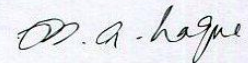
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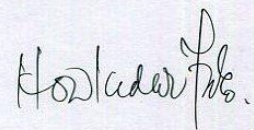


**Md. Akter Hossain Sannamat FCA, FCS**  
Managing Director



**Md. Aminul Haque**  
Chairman

Signed in terms of our separate report of even date annexed



**Howladar Yunus & Co.**  
Chartered Accountants

Dhaka  
10 March 2010

# Profit and Loss Account

(Merchant Banking Operation)

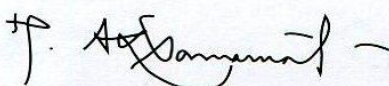
for the year ended 31 December

(Figures in BDT)	Notes	2009	2008
Fees, commission, exchange and brokerage	20	102,986,865	30,552,485
Income from margin loan	17	196,980,764	68,954,429
Other operating income	21	380,000	107,000
<b>Total operating income (A)</b>		<b>300,347,629</b>	<b>99613,914</b>
Interest paid on borrowings	18	147,642,914	56,903,841
Management expenses	29	24,206,574	9,565,271
Provision for margin loan		22,292,615	6,431,148
<b>Total operating expenses (B)</b>		<b>194,142,103</b>	<b>72,900,260</b>
<b>Profit from Merchant Banking operation (A-B)</b>		<b>106,205,526</b>	<b>26,713,654</b>

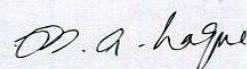
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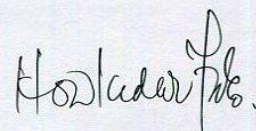
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Signed in terms of our separate report of even date annexed

Dhaka  
10 March 2010



**Howladar Yunus & Co.**  
Chartered Accountants

# Cash Flow Statement

for the year ended 31 December

(Figures in BDT)	Notes	2009	2008
<b>A. OPERATING ACTIVITIES</b>			
Interest receipts		588,033,218	437,285,602
Interest payments		(491,570,839)	(370,211,735)
Fees and commissions receipts		106,176,857	31,350,798
Dividend receipts		14,275,481	9,919,815
Capital gain from sale of listed shares		465,881,849	202,027,744
Cash payments to employees		(57,707,408)	(44,390,721)
Cash payment to suppliers and management expenses		(45,072,879)	(19,065,757)
Income tax paid		(43,099,511)	(3,716,991)
Receipts from other operating activities	30	111,285,154	61,363,383
Payments for other operating activities	31	(930,883)	(15,548,280)
<b>Cash generated before changes in operating assets and liabilities</b>		<b>647,271,039</b>	<b>289,013,858</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Net Loans and advances to customers		(3,256,867,327)	(471,088,986)
Loans and deposits from banks and other customers		3,488,150,276	701,946,526
<b>Cash generated from operating assets and liabilities</b>		<b>231,282,949</b>	<b>230,857,540</b>
<b>Net cash generated from operating activities</b>		<b>878,553,988</b>	<b>519,871,398</b>
<b>B. INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(313,409,930)	(4,816,673)
Disposal of fixed assets		2,777,700	-
Advance for purchase of vehicles		(5,834,571)	(2,109,043)
Sale of securities		1,168,888,246	494,190,410
Investment in securities		(1,686,399,049)	(808,880,481)
Investment in Prime Finance 1st Mutual Fund		-	(40,000,000)
Investment in Prime Finance AMCL		-	(7,350,000)
Investment in PFI Securities Ltd.		(75,000,300)	-
Investment in PFI Properties Ltd		(20,000,000)	-
Investment in Prime Prudential Fund Ltd.		(8,000,000)	-
<b>Net cash used in investing activities</b>		<b>(936,977,904)</b>	<b>(368,965,787)</b>
<b>C. FINANCING ACTIVITIES</b>			
Dividend paid		-	-
Issuance of shares		-	-
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>
<b>D) Net increase in cash and cash equivalents (A+ B + C)</b>		<b>(58,423,916)</b>	<b>150,905,611</b>
E) Effects of exchange rate changes on cash and cash equivalents		-	-
F) Cash and cash equivalents at beginning of the year		380,400,877	229,495,266
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>		<b>321,976,961</b>	<b>380,400,877</b>
<b>Cash and cash equivalents at end of the year represents</b>			
Cash in hand (including foreign currencies)		15,000	10,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		24,166,677	14,369,813
Balance with other banks and financial institutions		297,795,284	366,021,064
<b>Total cash and cash equivalents</b>		<b>321,976,961</b>	<b>380,400,877</b>
<b>Supplemental schedule for non-cash financing activities</b>			
Bonus shares issued		184,184,000	131,560,000

# Statement of Changes in Equity

For the year ended 31 December

(Figures in BDT)

Particulars	Paid up capital	Statutory reserve	Other reserve	Retained earnings	Total
<b>Balance as at 1 Jan 2009</b>	<b>460,460,000</b>	<b>169,386,688</b>	-	<b>291,464,904</b>	<b>921,311,592</b>
Net profit for the year 2009	-	-	-	683,134,635	683,134,635
Transfer to statutory reserve	-	136,626,927	-	(136,626,927)	-
Bonus shares (2008)	184,184,000	-	-	(184,184,000)	-
Revaluation reserve of PFI Securities Ltd (note 9.1.1)	-	-	221,943,750	-	221,943,750
<b>Balance as at 31 Dec 2009</b>	<b>644,644,000</b>	<b>306,013,615</b>	<b>221,943,750</b>	<b>653,788,612</b>	<b>1,826,389,977</b>
<b>Balance as at 1 Jan 2008</b>	<b>328,900,000</b>	<b>112,176,163</b>	-	<b>194,182,805</b>	<b>635,258,968</b>
Net profit for the year 2008	-	-	-	286,052,624	286,052,624
Transfer to statutory reserve	-	57,210,525	-	(57,210,525)	-
Bonus shares (2007)	131,560,000	-	-	(131,560,000)	-
<b>Balance as at 31 Dec 2008</b>	<b>460,460,000</b>	<b>169,386,688</b>	-	<b>291,464,904</b>	<b>921,311,592</b>

# Liquidity Statement (Assets and Liabilities maturity analysis)

As at 31 December

Particulars	Up to 1 month	1-3 month	3-12 month	1-5 years	Above 5 years	Total
<b>Assets</b>						
Cash	24,181,677	-	-	-	-	24,181,677
Balance with other banks and financial institutions	90,699,847	5,000,000	195,000,000	7,095,437	-	297,795,284
Money at call and on short notice	-	-	-	-	-	-
Investments	183,998,629	1,049,777,207	172,722,458	61,000,000	1,000,000	1,468,498,294
Loans, advances and leases	2,282,446,966	131,016,169	1,681,405,042	3,102,113,128	39,985,944	7,236,967,249
Fixed assets including premises, furniture and fixtures	419,641	839,281	3,776,764	10,466,236	306,129,150	321,631,072
Other assets	454,262,721	-	-	-	569,844,218	1,024,106,939
Non banking assets	-	-	-	-	-	-
<b>Total assets (A)</b>	<b>3,036,009,481</b>	<b>1,186,632,657</b>	<b>2,052,904,264</b>	<b>3,180,674,801</b>	<b>916,959,312</b>	<b>10,373,180,515</b>
<b>Liabilities</b>						
Borrowings from other banks, financial institutions and agents	815,002,111	144,100,289	468,228,282	1,259,757,284	39,722,627	2,726,810,593
Deposits	94,025,000	1,230,851,610	1,024,903,199	2,275,489,444	7,323,574	4,632,592,827
Provision and other liabilities	79,285,256	2,589,951	224,960,679	880,551,232	-	1,187,387,118
<b>Total liabilities (B)</b>	<b>988,312,367</b>	<b>1,377,541,850</b>	<b>1,718,092,160</b>	<b>4,415,797,960</b>	<b>47,046,201</b>	<b>8,546,790,538</b>
<b>Net liquidity gap (A - B)</b>	<b>2,047,697,114</b>	<b>(190,909,193)</b>	<b>334,812,104</b>	<b>(1,235,123,159)</b>	<b>869,913,111</b>	<b>1,826,389,977</b>