

Consolidated Balance Sheet

as at 31 December

(Figures in BDT)	2011	2010	Notes
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)	45,000	15,000	
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	59,523,740	37,200,011	
Total cash	59,568,740	37,215,011	4.a Page 146
Balance with other banks and financial institutions			
In Bangladesh	544,717,347	715,956,397	
Outside Bangladesh	-	-	
Total balance with other banks and financial institutions	544,717,347	715,956,397	5.a Page 148
Money at call and on short notice	-	-	
Investments			
Government	-	-	
Others	1,300,164,193	1,257,130,031	
Total investments	1,300,164,193	1,257,130,031	6.a Page 149
Loans, advances and leases			
Loans, advances and leases	10,396,598,999	8,720,700,063	
Bills purchased and discounted	-	-	
Total loans, advances and leases	10,396,598,999	8,720,700,063	7.a Page 155
Fixed assets including premises, furniture and fixtures	327,674,192	323,617,525	8.a Page 156
Other assets	2,487,518,286	1,857,327,845	9.a Page 158
Non - business assets	-	-	
Total assets	15,116,241,756	12,911,946,872	
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	4,019,152,726	3,645,457,340	10.a Page 160
Deposits and other accounts			
Current and other accounts	-	-	
Bills payable	-	-	
Savings accounts	-	-	
Term Deposits	4,315,609,590	3,760,306,212	11.a Page 160
Bearer certificates of deposit	-	-	
Other deposits	-	-	
Total Deposits and other accounts	4,315,609,590	3,760,306,212	
Other liabilities	2,097,082,449	1,612,598,871	12.a Page 164
Total liabilities	10,431,844,765	9,018,362,423	

Consolidated Balance Sheet - *continued*

(Figures in BDT)	2011	2010	Notes
Capital/shareholders' equity			
Paid up capital	1,624,502,880	902,501,600	13 Page 164
Statutory reserve	755,711,970	651,297,442	
Share money deposit	18,000,000	-	
Other reserve	-	-	
Retained earnings	1,561,846,535	1,715,745,762	
Minority interest	502,391,856	402,095,895	
Revaluation reserve	221,943,750	221,943,750	
Total shareholders' equity	4,684,396,992	3,893,584,449	
Total liabilities and shareholders' equity	15,116,241,756	12,911,946,872	

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances and endorsements	-	-
Letters of guarantee	-	150,000,000
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Total contingent liabilities	-	150,000,000

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 - **150,000,000**

Notes:

The annexed notes 1 to 56 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 26 February 2012 and were signed on its behalf by:



Managing Director



Director



Chairman

Signed in terms of our separate report of even date annexed

Dhaka,
26 February 2012



A. Qasem & Co.
Chartered Accountants

Consolidated Profit and Loss Account

for the year ended 31 December

(Figures in BDT)	2011	2010	Notes
Interest income	1,313,236,929	1,183,739,208	17.a Page 167
Interest paid on deposits and borrowings etc.	(1,006,608,135)	(809,412,618)	18.a Page 167
Net interest income	306,628,795	374,326,590	
Investment income	491,119,530	1,239,660,058	19.a Page 168
Fees, Commission, exchange and brokerage	190,966,083	296,330,559	20.a Page 168
Other operating income	249,442,571	358,802,530	21.a Page 169
	931,528,184	1,894,793,147	
Total operating income (A)	1,238,156,979	2,269,119,737	
Salaries and other employee benefits	117,684,531	86,459,698	22.a Page 169
Rent, taxes, insurance, electricity etc.	10,818,754	6,747,441	23.a Page 170
Legal expenses	1,683,197	830,208	
Postage, stamp, telecommunication etc.	15,160,917	28,209,889	24.a Page 170
Stationery, printing, advertisements etc.	10,147,248	6,196,180	25.a Page 170
Managing Director's salary and fees	8,825,954	7,023,779	
Directors' fees	1,315,000	513,000	26.a Page 171
Auditors' fees	235,125	212,750	27.a Page 171
Depreciation and repair of assets	7,222,030	9,097,637	28.a Page 171
Other expenses	17,852,861	20,692,077	29.a Page 172
Total operating expenses (B)	190,945,617	165,982,659	
Profit before provision (C=A-B)	1,047,211,362	2,103,137,078	
Provision for loans, advances and leases			
General provision	(61,100,149)	70,756,724	12.1 Page 161
Specific provision	121,385,203	44,298,586	12.1 Page 161
Provision for diminution in value of investment	32,725,435	(5,055,310)	12.2.a Page 162
Total provision (D)	93,010,489	110,000,000	
Total profit before tax (C-D)	954,200,873	1,993,137,078	
Provision for tax			
Current	181,364,264	280,978,206	12.4.a Page 163
Deferred	24,066	(19,500,000)	
	181,388,330	261,478,206	
Net profit after tax	772,812,543	1,731,658,872	

Consolidated Profit and Loss Account - *continued*

(Figures in BDT)	2011	2010	Notes
Attributable to			
Shareholders of the company	672,516,582	1,729,562,977	
Minority interest	100,295,961	2,095,895	
Appropriations			
Statutory reserve	104,414,528	345,283,827	
General reserve	-	-	
Proposed cash dividend	-	-	
Proposed stock dividend	649,801,152	722,001,280	
Retained surplus	18,596,863	659,134,027	
Weighted average no. of outstanding shares	162,450,288	90,250,160	
Earnings per share (restated)	4.14	10.65	33.a Page 173

Notes:

The annexed notes 1 to 56 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 26 February 2012 and were signed on its behalf by:



Managing Director



Director



Chairman

Signed in terms of our separate report of even date annexed

Dhaka,
26 February 2012



A. Qasem & Co.
Chartered Accountants

Consolidated Cash Flow Statement

for the year ended 31 December

(Figures in BDT)	2011	2010
A. OPERATING ACTIVITIES		
Interest receipts	1,273,080,700	878,619,526
Interest payments	(3,188,280,904)	(775,533,030)
Fee and commission receipts	3,225,317,438	296,330,559
Dividend receipts	10,969,908	15,435,717
Capital gains from sale of listed shares	480,152,322	1,224,224,341
Cash payments to employees	(73,434,787)	(75,893,680)
Cash payments to suppliers and management expenses	(89,634,964)	(69,972,742)
Income taxes paid	(124,577,121)	(21,821,092)
Receipts from other operating activities	596,002,423	708,768,765
Payments for other operating activities	(936,931,864)	(1,743,174)
Cash generated before changes in operating assets and liabilities	1,172,663,151	2,178,415,190
Increase/(decrease) in operating assets and liabilities		
Net loans and advances to customers	(891,547,082)	(1,487,018,409)
Loans and deposits from banks and other customers	(266,048,186)	(611,132,130)
Cash generated from operating assets and liabilities	(1,157,595,268)	(2,098,150,539)
Net cash generated from operating activities	15,067,883	80,264,651
B) INVESTMENT ACTIVITIES		
Acquisition of property, plant and equipment	(11,347,715)	(9,605,257)
Disposal of fixed assets	40,000	-
Advance for purchase of vehicles	-	-
Sale of securities	1,153,221,949	1,470,854,894
Investment in securities	(1,323,867,438)	(1,368,269,361)
Investment in Prime Finance 1 st Mutual Fund	-	-
Investment in Prime Finance AMCL	-	(22,050,000)
Investment in PFI Securities Ltd.	-	(120,000,480)
Investment in Prime Finance Capital Management Ltd.	18,000,000	(600,000,000)
Investment in Prime Properties Ltd.	-	-
Investment in Prime Prudential Fund Ltd.	-	-
Net cash used in investing activities	(163,953,204)	(649,070,204)
C) FINANCING ACTIVITIES		
Dividend paid	-	-
Issuance of shares	-	1,000,000,000
Net cash used in financing activities	-	1,000,000,000
D) Net (decrease)/increase in cash and cash equivalents (A+B+C)	(148,885,321)	431,194,447
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the year	753,171,408	321,976,961
G) Cash and cash equivalents at end of the year (D+E+F)	604,286,087	753,171,408
Cash and cash equivalents at end of the year represents		
Cash in hand (including foreign currencies)	45,000	15,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	59,523,740	37,200,011
Balance with other banks and financial institutions	544,717,347	715,956,397
Total	604,286,087	753,171,408
Supplemental schedule for non-cash financing activities:		
Bonus share issued	722,001,280	257,857,600

Consolidated Statement of Changes in Equity

for the year ended 31 December

(Figures in BDT)

Particulars	Paid up capital	Statutory reserve	Other reserve	Retained earnings	Minority interest	Total
Balance as at 1 January 2011	902,501,600	651,297,442	221,943,750	1,715,745,762	402,095,895	3,893,584,449
Net profit for the year 2011	-	-	-	672,516,582	100,295,961	772,812,543
Transfer to statutory reserve	-	104,414,528	-	(104,414,528)	-	-
Issue of bonus share (2010)	722,001,280	-	-	(722,001,280)	-	-
Balance as at 31 December 2011	1,624,502,880	755,711,970	221,943,750	1,561,846,535	502,391,856	4,666,396,992
Balance as at 1 January 2010	644,644,000	306,013,615	221,943,750	653,788,612	400,000,000	2,226,389,977
Net profit for the year 2010	-	-	-	1,729,562,977	2,095,895	1,731,658,872
Transfer to statutory reserve	-	345,283,827	-	(345,283,827)	-	-
Issuance of bonus share (year 2009)	257,857,600	-	-	(257,857,600)	-	-
Payment of cash dividend (year 2009)	-	-	-	(64,464,400)	-	(64,464,400)
Revaluation of PFI Securities Ltd.	-	-	-	-	-	-
Balance as at 31 December 2010	902,501,600	651,297,442	221,943,750	1,715,745,762	402,095,895	3,893,584,449

Balance Sheet

as at 31 December

(Figures in BDT)	2011	2010	Notes
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)	40,000	15,000	
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	59,523,740	37,200,011	
Total cash	59,563,740	37,215,011	4 Page 145
Balance with other banks and financial institutions			
In Bangladesh	523,511,653	405,768,755	
Outside Bangladesh	-	-	
Total balance with other banks and financial institutions	523,511,653	405,768,755	5 Page 147
Money at call and on short notice	-	-	
Investments			
Government	-	-	
Others	1,007,221,310	1,257,130,031	
Total investments	1,007,221,310	1,257,130,031	6 Page 148
Loans, advances and leases			
Loans, advances and leases	8,705,279,178	8,720,700,063	
Bills purchased and discounted	-	-	
Total loans, advances and leases	8,705,279,178	8,720,700,063	7 Page 149
Fixed assets including premises, furniture and fixtures	323,776,965	323,617,525	8 Page 156
Other assets	3,336,698,993	2,456,394,681	9 Page 156
Non - business assets	-	-	
Total assets	13,956,051,839	13,200,826,066	
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	4,019,152,724	3,645,457,340	10 Page 158
Deposits and other accounts			
Current and other accounts	-	-	
Bills payable	-	-	
Savings accounts	-	-	
Term Deposits	4,315,609,590	3,760,306,212	11 Page 160
Bearer certificates of deposit	-	-	
Other deposits	-	-	
Total deposits and other accounts	4,315,609,590	3,760,306,212	
Other liabilities	1,610,872,174	2,306,717,803	12 Page 161
Total liabilities	9,945,634,488	9,712,481,355	

Balance Sheet - continued

(Figures in BDT)	2011	2010	Notes
Capital/shareholders' equity			
Paid up capital	1,624,502,880	902,501,600	13 Page 164
Statutory reserve	755,711,969	651,297,442	14 Page 166
Other reserve	-	-	
Retained earnings	1,408,258,752	1,712,601,919	15 Page 166
Revaluation reserve	221,943,750	221,943,750	
Total shareholders' equity	4,010,417,352	3,488,344,711	
Total liabilities and shareholders' equity	13,956,051,839	13,200,826,066	

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances and endorsements	-	-	
Letters of guarantee	-	150,000,000	34 Page 173
Irrevocable letters of credit	-	-	
Bills for collection	-	-	
Other contingent liabilities	-	-	
Total contingent liabilities	-	150,000,000	

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	-	150,000,000	

Notes:

The annexed notes 1 to 56 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 26 February 2012 and were signed on its behalf by:



Managing Director



Director



Chairman

Signed in terms of our separate report of even date annexed

Dhaka,
26 February 2012



A. Qasem & Co.
Chartered Accountants

Profit and Loss Account

for the year ended 31 December

(Figures in BDT)	2011	2010	Notes
Interest income	1,091,970,361	1,183,739,208	17 Page 167
Interest paid on deposits and borrowings etc.	(1,012,721,767)	(809,412,618)	18 Page 167
Net interest income	79,248,594	374,326,590	
Investment income	491,119,530	1,239,660,058	19 Page 168
Fees, commission, exchange and brokerage	1,521,398	296,330,559	20 Page 168
Other operating income	231,970,807	349,470,891	21 Page 169
	724,611,735	1,885,461,508	
Total operating income (A)	803,860,330	2,259,788,098	
Salaries and other employee benefits	103,690,944	86,317,698	22 Page 169
Rent, taxes, insurance, electricity etc.	7,472,711	6,747,441	23 Page 169
Legal expenses	343,372	830,208	
Postage, stamp, telecommunication etc.	13,243,679	28,209,889	24 Page 170
Stationery, printing, advertisements etc.	9,161,160	6,196,180	25 Page 170
Managing Director's salary and fees	3,922,621	7,023,779	
Directors' fees	820,000	513,000	26 Page 170
Auditors' fees	209,000	201,250	27 Page 171
Depreciation and repair of assets	6,335,343	9,097,637	28 Page 171
Other expenses	16,032,584	18,817,519	29 Page 171
Total operating expenses (B)	161,231,414	163,954,601	
Profit before provision (C=A-B)	642,628,916	2,095,833,497	
Provision for loans, advances and leases			
General provision	(61,100,149)	70,756,724	12.1 Page 161
Specific provision	121,385,203	44,298,586	12.1 Page 161
Provision for diminution in value of investment	28,271,220	(5,055,310)	12.2.1 Page 162
Total provision (D)	88,556,274	110,000,000	
Total profit before tax (C-D)	554,072,642	1,985,833,497	
Provision for tax			
Current	32,000,000	278,914,363	12.4 Page 162
Deferred	-	(19,500,000)	
	32,000,000	259,414,363	
Net profit after tax	522,072,642	1,726,419,134	

Profit and Loss Account - *continued*

(Figures in BDT)	2011	2010	Notes
Appropriations			
Statutory reserve	104,414,528	345,283,827	14 Page 166
General reserve	-	-	
Proposed cash dividend	-	-	
Proposed stock dividend	649,801,152	722,001,280	
Retained surplus	(232,143,039)	659,134,027	
Weighted average no. of outstanding share	162,450,288	90,250,160	
Earnings per share (restated)	3.21	10.63	33 Page 172

Notes:

The annexed notes 1 to 56 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 26 February 2012 and were signed on its behalf by:



Managing Director



Director



Chairman

Signed in terms of our separate report of even date annexed

Dhaka,
26 February 2012



A. Qasem & Co.
Chartered Accountants

Profit and Loss Account

(Merchant Banking Operation)

for the year ended 31 December

(Figures in BDT)	2011	2010	Notes
Fees, commission, exchange and brokerage	-	295,729,411	20 Page 168
Income from margin loan	-	459,900,048	17 Page 167
Other operating income	-	396,000	21 Page 169
Total operating income (A)	-	756,025,459	
Interest paid on borrowings	-	338,255,224	18 Page 167
Management expenses	-	40,257,035	30 Page 172
Provision for margin loan	-	7,557,092	
Total operating expenses (B)	-	386,069,351	
Profit from Merchant Banking operation (A-B)	-	369,956,108	

Notes:

The annexed notes 1 to 56 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 26 February 2012 and were signed on its behalf by:



Managing Director



Director



Chairman

Signed in terms of our separate report of even date annexed

Dhaka,
26 February 2012



A. Qasem & Co.
Chartered Accountants

Cash Flow Statement

for the year ended 31 December

(Figures in BDT)	Notes	2011	2010
A. OPERATING ACTIVITIES			
Interest receipts		1,271,141,041	869,287,887
Interest payments		(936,884,051)	(775,522,197)
Fee and commission receipts		1,521,398	296,330,559
Dividend receipts		10,967,208	15,435,717
Capital gains from sale of listed shares		480,152,322	1,224,224,341
Cash payments to employees		(73,434,787)	(75,893,680)
Cash payments to suppliers and management expenses		(68,183,531)	(69,972,742)
Income taxes paid		(124,542,780)	(20,887,928)
Receipts from other operating activities	31	152,218,583	708,768,765
Payments for other operating activities	32	(10,668,442)	(1,743,174)
Cash generated before changes in operating assets and liabilities		702,286,961	2,170,027,548
Increase/(decrease) in operating assets and liabilities			
Net loans and advances to customers		(1,035,332,820)	(1,487,018,409)
Loans and deposits from banks and other customers		589,752,566	87,067,870
Cash generated from operating assets and liabilities		(445,580,254)	(1,399,950,539)
Net cash generated from operating activities		256,706,707	770,077,009
B) INVESTMENT ACTIVITIES			
Acquisition of property, plant and equipment		(6,563,801)	(9,605,257)
Disposal of fixed assets		40,000	-
Advance for purchase of Vehicles		-	-
Sale of securities		1,293,221,949	1,470,854,894
Investment in securities		(1,043,313,228)	(1,368,269,361)
Investment in Prime Finance 1 st Mutual Fund		-	-
Investment in Prime Finance AMCL		-	(22,050,000)
Investment in PFI Securities Ltd.		-	(120,000,480)
Investment in Prime Finance Capital Management Ltd.		(360,000,000)	(600,000,000)
Investment in Prime Properties Ltd.		-	-
Investment in Prime Prudential Fund Ltd.		-	-
Net cash used in investing activities		(116,615,080)	(649,070,204)
C) FINANCING ACTIVITIES			
Dividend paid		-	-
Issuance of shares		-	-
Net cash used in financing activities		-	-
D) Net (decrease)/increase in cash and cash equivalents (A+B+C)		140,091,627	121,006,805
E) Effects of exchange rate changes on cash and cash equivalents		-	-
F) Cash and cash equivalents at beginning of the year		442,983,766	321,976,961
G) Cash and cash equivalents at end of the year (D+E+F)		583,075,393	442,983,766
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)		40,000	15,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		59,523,740	37,200,011
Balance with other banks and financial institutions		523,511,653	405,768,755
Total		583,075,393	442,983,766
Supplemental schedule for non-cash financing activities:			
Bonus share issued		722,001,280	257,857,600

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
Balance as at 1 January 2011	902,501,600	651,297,442	221,943,750	1,712,601,919	3,488,344,711
Net profit for the year 2011	-	-	-	522,072,642	522,072,642
Transfer to statutory reserve	-	104,414,528	-	(104,414,528)	-
Issue of bonus share (2010)	722,001,280	-	-	(722,001,280)	-
Balance as at 31 December 2011	1,624,502,880	755,711,970	221,943,750	1,408,258,752	4,010,417,353
Balance as at 1 January 2010	644,644,000	306,013,615	221,943,750	653,788,612	1,826,389,977
Net profit for the year 2010	-	-	-	1,726,419,134	1,726,419,134
Transfer to statutory reserve	-	345,283,827	-	(345,283,827)	-
Issuance of bonus share (year 2009)	257,857,600	-	-	(257,857,600)	-
Payment of cash dividend (year 2009)	-	-	-	(64,464,400)	(64,464,400)
Balance as at 31 December 2010	902,501,600	651,297,442	221,943,750	1,712,601,919	3,488,344,711

Liquidity Statement (Assets and Liabilities maturity analysis)

as at 31 December 2011

(Figures in BDT)

Particulars	Up to 1 month	1-3 month	3-12 month	1-5 years	Above 5 years	Total
Assets						
Cash	59,568,741	-	-	-	-	59,568,741
Balance with other banks and financial institutions	105,613,654	295,335,249	134,243,295	9,525,148	-	544,717,346
Money at call and on short notice	-	-	-	-	-	-
Investments	130,016,419	260,032,839	299,037,764	260,032,839	351,044,332	1,300,164,193
Loans, advances and leases	311,897,970	1,143,625,890	2,703,115,740	5,718,129,449	519,829,950	10,396,598,999
Fixed assets including premises, furniture and fixtures	9,830,226	19,660,452	85,195,290	196,604,515	163,837,100	327,674,193
Other assets	248,751,829	298,502,194	99,500,731	-	1,840,763,532	2,487,518,286
Total assets (A)	865,678,839	2,017,156,624	3,321,092,820	6,184,291,951	2,728,021,524	15,116,241,758
Liabilities						
Borrowings from other banks financial institutions and agents	40,191,527	80,383,055	803,830,545	1,929,193,308	1,165,554,291	4,019,152,726
Deposits	345,248,767	1,424,151,165	1,942,024,316	388,404,863	215,780,480	4,315,609,591
Provision and other liabilities	272,620,718	461,358,139	545,241,437	775,920,506	41,941,649	2,097,082,449
Total liabilities (B)	658,061,012	1,965,892,359	3,291,096,298	3,093,518,677	1,423,276,420	10,431,844,766
Net liquidity gap (A - B)	207,617,827	51,264,265	29,996,522	3,090,773,274	1,304,745,104	4,684,396,992