

Consolidated Balance Sheet

as at 31 December

(Figures in Taka)	2014	2013	Notes
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)	60,000	45,000	
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	121,840,663	117,852,644	
Total Cash	121,900,663	117,897,644	4.a Page 236
Balance with other banks and financial institutions			
In Bangladesh	577,851,754	500,200,526	
Outside Bangladesh	-	-	
Total balance with other banks and financial institutions	577,851,754	500,200,526	5.a Page 238
Money at call and on short notice	-	-	
Investments			
Government	-	-	
Others	1,259,607,748	967,560,066	
Total Investments	1,259,607,748	967,560,066	6.a Page 240
Loans, advances and leases			
Loans, advances and leases etc.	13,443,614,332	12,901,715,481	
Bills purchased and discounted	-	-	
Total loans, advances and leases	13,443,614,332	12,901,715,481	7.a Page 248
Fixed assets including premises, furniture and fixtures	361,523,962	325,235,741	8.a Page 248
Other assets	2,702,122,325	2,527,205,504	9.a Page 250
Non - business assets	-	-	
Total assets	18,466,620,784	17,339,814,963	
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	3,294,967,451	2,865,064,682	10.a Page 251
Deposits and other accounts			
Current and other accounts	-	-	
Bills payable	-	-	
Savings accounts	-	-	
Term deposits	7,763,327,204	6,770,963,595	11.a Page 252
Bearer certificates of deposit	-	-	
Other deposits	-	-	
Total deposits and other accounts	7,763,327,204	6,770,963,595	
Other liabilities	2,098,132,097	2,453,950,050	12.a Page 256
Total liabilities	13,156,426,752	12,089,978,327	

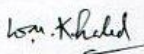
(Figures in Taka)	2014	2013	Notes
Capital/ shareholders' equity			
Paid up capital	2,729,164,830	2,729,164,830	13.0 Page 256
Statutory reserve	927,108,510	851,649,949	
Share money deposit	-	-	
Other reserves	-	-	
Retained earnings	616,137,297	668,214,189	
Revaluation reserve	221,943,750	221,943,750	
Equity attributable to shareholders' of the company	4,494,354,387	4,470,972,718	
Non-controlling interest	815,839,645	778,863,918	14.0 Page 258
Total shareholders' equity	5,310,194,032	5,249,836,637	
Total liabilities and shareholders' equity	18,466,620,784	17,339,814,963	
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	-	-	
Un-disbursed contracted loans, advances and leases	209,694,854	-	42.0 Page 269
Total other commitments	209,694,854	-	
Total off-balance sheet items including contingent liabilities	209,694,854	-	
Net Asset Value per share (NAV)	16.47	16.38	

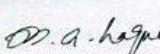
Notes:

The annexed notes 01 to 58 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 25 February 2015 and were signed on its behalf by:

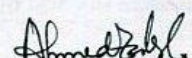

Company Secretary


Managing Director


Director


Chairman

Dated: Dhaka
25 February 2015


Ahmed Zaker & Co.
Chartered Accountants

Consolidated Profit and Loss Account

for the year ended 31 December

(Figures in Taka)	2014	2013	Notes
Interest income	1,630,592,686	1,592,214,361	18.a Page 259
Interest paid on deposits, borrowings etc.	(1,282,453,862)	(1,367,146,301)	19.a Page 260
Net interest income	348,138,824	225,068,060	
Investment income	246,018,685	142,279,733	20.a Page 260
Fees, commission, exchange and brokerage	74,654,238	98,813,643	21.a Page 260
Other operating income	151,341,316	316,301,597	22.a Page 260
	472,014,239	557,394,973	
Total operating income (A)	820,153,063	782,463,033	
Salaries and other employee benefits	168,475,518	136,360,123	23.a Page 261
Rent, taxes, insurance, electricity etc.	31,801,594	20,258,486	24.a Page 261
Legal expenses	1,197,689	2,673,683	25.a Page 261
Postage, stamp, telecommunication etc.	4,094,598	3,589,154	26.a Page 262
Stationery, printing, advertisements etc.	11,349,052	9,352,781	27.a Page 262
Managing director's salary and fees	13,750,000	10,800,000	28.0 Page 262
Directors' fees	1,185,000	1,410,000	29.a Page 262
Auditors' fees	402,500	345,000	30.a Page 263
Charges on loan losses	-	-	
Depreciation and repair of assets	14,838,231	8,725,190	31.a Page 263
Other expenses	23,567,820	20,372,144	32.a Page 263
Total operating expenses (B)	270,662,002	213,886,561	
Profit before provision (C=A-B)	549,491,061	568,576,472	
Provision for loans, advances and leases			
General provision	23,480,321	(9,289,051)	12.1 Page 253
Specific provision	23,727,149	99,721,181	12.1 Page 253
Provision for diminution in value of investment	9,361,159	8,952,786	12.2.a Page 254
Total provision (D)	56,568,629	99,384,916	
Total profit before tax (C-D)	492,922,432	469,191,556	
Provision for taxation			
Current	28,403,027	98,588,273	12.4.1.a Page 254
Deferred	(5,212,715)	(76,538)	12.4.2.a Page 255
	23,190,312	98,511,734	
Net profit after tax	469,732,120	370,679,822	

(Figures in Taka)

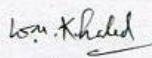
	2014	2013	Notes
Attributable to			
Shareholders of the company	432,756,393	299,002,167	
Non-controlling interest	36,975,727	71,677,654	
Appropriations			
Statutory reserve	75,458,561	38,297,137	
General reserve	-	-	
Proposed cash dividend	-	-	
Proposed stock dividend	-	-	
Weighted average no. of outstanding shares	272,916,483	272,916,483	
Earnings per share (EPS)	1.59	1.10	35.a Page 264

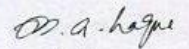
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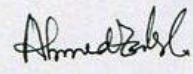

Company Secretary


Managing Director


Director


Chairman

Dated: Dhaka
25 February 2015


Ahmed Zaker & Co.
Chartered Accountants

Consolidated Cash Flow Statement

for the year ended 31 December

(Figures in Taka)	2014	2013
A. OPERATING ACTIVITIES:		
Interest receipts	1,300,432,161	1,952,129,598
Interest payments	(876,787,909)	(1,022,192,955)
Fees and commission receipts	13,430,774	13,869,048
Dividend receipts	15,242,715	28,947,868
Capital gains from sale of listed shares	121,731,152	30,736,319
Cash payments to employees	(111,567,188)	(50,980,763)
Cash payments to suppliers and management expenses	(136,556,909)	(181,223,456)
Income taxes paid	(93,765,116)	(235,733,355)
Receipts from other operating activities	139,115,691	354,655,920
Payments for other operating activities	(4,914,766)	(6,350,414)
Cash generated before changes in operating assets and liabilities	366,360,605	883,857,810
Increase/ (decrease) in operating assets and liabilities:		
Net loans and advances to customers	(181,891,909)	(1,516,113,588)
Loans and deposits from banks and other customers	541,333,858	854,105,788
Cash generated from operating assets and liabilities	359,441,949	(662,007,800)
Net cash generated from operating activities	725,802,554	221,850,010
B. INVESTING ACTIVITIES:		
Acquisition of fixed assets	(37,643,526)	(6,876,014)
Disposal of fixed assets	1,890,155	2,732,089
Payments of employee home loan	-	(24,919,283)
Sale of securities	1,353,544,359	1,095,806,114
Investment in securities	(1,639,376,149)	(1,971,691,670)
Investment in Prime Finance Capital Management Ltd.	-	249,942,708
Net cash used in investing activities	(321,585,161)	(655,006,056)
C. FINANCING ACTIVITIES:		
Dividend paid	(409,374,725)	(227,430,404)
Payment for financial expenses	-	(53,376,313)
Short term loan	86,811,579	346,637,826
Net cash used in financing activities	(322,563,146)	65,831,109
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	81,654,247	(367,324,937)
E. Effects of exchange rate changes on cash and cash equivalents	-	-
F. Cash and cash equivalents at beginning of the year	618,098,170	985,423,107
G. Cash and cash equivalents at end of the year (D+E+F)	699,752,417	618,098,170
Cash and cash equivalents at end of the year represents		
Cash in hand (including foreign currencies)	60,000	45,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	121,840,663	117,852,644
Balance with other banks and financial institutions	577,851,754	500,200,526
	699,752,417	618,098,170
Supplemental schedule for non-cash financing activities		
Bonus share issued for the year 2012	-	454,860,800

Consolidated Statement of Changes in Equity

For the year ended 31 December

(Figures in Taka)

Attributable to Equity Holders of Prime Finance & Investment Ltd.

	Paid up capital	Statutory reserve	Other reserves	Retained earnings	Non-controlling Interest	Total
Balance as at 1 January 2014	2,729,164,830	851,649,949	221,943,750	668,214,189	778,863,918	5,249,836,637
Net profit for the year 2014	-	-	-	432,756,393	36,975,727	469,732,120
Transfer to statutory reserve	-	75,458,561	-	(75,458,561)	-	-
Issue of right share	-	-	-	-	-	-
Issue of bonus share (2013)	-	-	-	-	-	-
Payment of cash dividend (2013)	-	-	-	(409,374,725)	-	(409,374,725)
Balance as at 31 December 2014	2,729,164,830	927,108,510	221,943,750	616,137,297	815,839,645	5,310,194,032
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 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 Sheet

as at 31 December

(Figures in Taka)	2014	2013	Notes
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)	50,000	40,000	
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	121,840,663	117,852,644	
Total cash	121,890,663	117,892,644	4.0 Page 236
Balance with other banks and financial institutions			
In Bangladesh	554,287,222	498,023,350	
Outside Bangladesh	-	-	
Total balance with other banks and financial institutions	554,287,222	498,023,350	5.0 Page 237
Money at call and on short notice	-	-	
Investments			
Government	-	-	
Others	877,212,093	656,713,636	
Total investments	877,212,093	656,713,636	6.0 Page 238
Loans, advances and leases			
Loans, advances and Leases etc.	11,453,231,600	10,778,958,556	
Bills purchased and discounted	-	-	
Total loans, advances and leases	11,453,231,600	10,778,958,556	7.0 Page 240
Fixed assets including premises, furniture and fixtures	331,080,419	320,660,693	8.0 Page 248
Other assets	2,980,084,824	2,922,413,264	9.0 Page 248
Non - business assets	-	-	
Total assets	16,317,786,821	15,294,662,144	
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	2,872,793,507	2,728,975,100	10.0 Page 250
Deposits and other accounts			
Current and other accounts	-	-	
Bills payable	-	-	
Savings accounts	-	-	
Term deposits	7,763,327,204	6,770,963,595	11.0 Page 252
Bearer certificates of deposit	-	-	
Other deposits	-	-	
Total deposits and other accounts	7,763,327,204	6,770,963,595	
Other liabilities	1,451,071,190	1,532,046,607	12.0 Page 253
Total liabilities	12,087,191,901	11,031,985,302	

(Figures in Taka)

2014

2013

Notes

Capital/ shareholders' equity

Paid up capital	2,729,164,830	2,729,164,830	13.0 Page 256
Statutory reserve	927,108,510	851,649,949	15.0 Page 258
Other reserves	-	-	
Retained earnings	352,377,830	459,918,313	16.0 Page 258
Revaluation reserve	221,943,750	221,943,750	
Total shareholders' equity	4,230,594,920	4,262,676,842	

Total liabilities and shareholders' equity	16,317,786,821	15,294,662,144	
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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	-	-	
Un-disbursed contracted loans, advances and leases	209,694,854	-	42.0 Page 269
Total other commitments	209,694,854	-	

Total off-balance sheet items including contingent liabilities	209,694,854	-	
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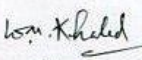
Net Asset Value per share (NAV)	15.50	15.62	
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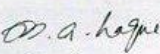
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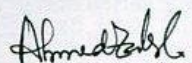

Company Secretary


Managing Director


Director


Chairman

Dated: Dhaka
25 February 2015


Ahmed Zaker & Co.
Chartered Accountants

Profit and Loss Account

for the year ended 31 December

(Figures in Taka)	2014	2013	Notes
Interest income	1,623,666,595	1,429,192,550	18.0 Page 259
Interest paid on deposits, borrowings etc.	(1,263,149,704)	(1,307,931,093)	19.0 Page 259
Net interest income	360,516,891	121,261,457	
Investment income	135,535,027	56,922,245	20.0 Page 260
Fees, commission, exchange and brokerage	7,128,599	8,631,372	21.0 Page 260
Other operating income	148,565,597	311,600,980	22.0 Page 260
	291,229,223	377,154,597	
Total operating income (A)	651,746,114	498,416,054	
Salaries and other employee benefits	139,465,828	116,779,213	23.0 Page 261
Rent, taxes, insurance, electricity etc.	18,822,944	16,740,742	24.0 Page 261
Legal expenses	1,051,939	2,493,683	25.0 Page 261
Postage, stamp, telecommunication etc.	3,835,154	3,389,519	26.0 Page 261
Stationery, printing, advertisements etc.	10,833,852	9,190,778	27.0 Page 262
Managing Director's salary and fees	7,150,000	5,400,000	28.0 Page 262
Directors' fees	630,000	915,000	29.0 Page 262
Auditors' fees	345,000	287,500	30.0 Page 262
Charges on loan losses	-	-	
Depreciation and repair of assets	7,863,670	7,168,788	31.0 Page 263
Other expenses	16,887,135	15,733,016	32.0 Page 263
Total operating expenses (B)	206,885,522	178,098,239	
Profit before provision (C=A-B)	444,860,592	320,317,815	
Provision for loans, advances and leases			
General provision	23,480,321	(9,289,051)	12.1 Page 253
Specific provision	23,727,149	99,721,181	12.1 Page 253
Provision for diminution in value of investment	8,116,598	7,500,000	12.2 Page 253
Total provision (D)	55,324,068	97,932,130	
Total profit before tax (C-D)	389,536,524	222,385,685	
Provision for taxation			
Current	17,000,000	30,900,000	12.4.1 Page 254
Deferred	(4,756,279)	-	12.4.2 Page 255
	12,243,721	30,900,000	
Net profit after tax	377,292,803	191,485,685	

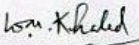
(Figures in Taka)	2014	2013	Notes
Appropriations			
Statutory reserve	75,458,561	38,297,137	15.0 Page 258
General reserve	-	-	
Proposed cash dividend	-	-	
Proposed stock dividend	-	-	
Weighted average no. of outstanding shares	272,916,483	272,916,483	
Earnings per share (EPS)	1.38	0.70	35.0 Page 264

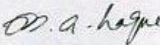
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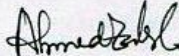

Company Secretary


Managing Director


Director


Chairman

Dated: Dhaka
25 February 2015


Ahmed Zaker & Co.
Chartered Accountants

Cash Flow Statement

for the year ended 31 December

(Figures in Taka)

	2014	2013	Notes
A. OPERATING ACTIVITIES			
Interest receipts	1,170,995,511	1,740,269,999	
Interest payments	(789,516,041)	(1,009,360,053)	
Fees and commission receipts	7,128,599	8,631,372	
Dividend receipts	13,803,874	26,185,926	
Capital gains from sale of listed shares	121,731,152	30,736,319	
Cash payments to employees	(111,567,188)	(50,980,763)	
Cash payments to suppliers and management expenses	(88,951,213)	(147,796,638)	
Income taxes paid	(28,750,687)	(165,989,342)	
Receipts from other operating activities	139,115,691	295,563,454	33.0 Page 263
Payments for other operating activities	(4,847,883)	(5,869,600)	34.0 Page 264
Cash generated before changes in operating assets and liabilities	429,141,815	721,390,674	
Increase/ (decrease) in operating assets and liabilities:			
Net loans and advances to customers	(179,590,309)	(1,516,113,588)	
Loans and deposits from banks and other customers	541,333,856	854,105,788	
Cash generated from operating assets and liabilities	361,743,547	(662,007,800)	
Net cash generated from operating activities	790,885,362	59,382,874	
B. INVESTING ACTIVITIES			
Acquisition of fixed assets	(20,173,552)	(4,206,514)	
Disposal of fixed assets	1,890,155	2,732,089	
Sale of securities	1,336,410,799	1,095,806,114	
Investment in securities	(1,639,376,148)	(1,507,835,898)	
Investment in Prime Finance Capital Management Ltd.	-	249,942,708	
Net cash used in investing activities	(321,248,746)	(163,561,501)	
C. FINANCING ACTIVITIES			
Cash dividend paid	(409,374,725)	(227,430,404)	
Issuance of shares	-	-	
Net cash used in financing activities	(409,374,725)	(227,430,404)	
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	60,261,891	(331,609,031)	
E. Effects of exchange rate changes on cash and cash equivalents	-	-	
F. Cash and cash equivalents at beginning of the year	615,915,994	947,525,025	
G. Cash and cash equivalents at end of the year (D+E+F)	676,177,885	615,915,994	
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)	50,000	40,000	
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	121,840,663	117,852,644	
Balance with other banks and financial institutions	554,287,222	498,023,350	
	676,177,885	615,915,994	
Supplemental schedule for non-cash financing activities			
Bonus share issued for the year 2012	-	454,860,800	

Statement of Changes in Equity

for the year ended 31 December

(Figures in Taka)

Particulars	Paid up capital	Statutory reserve	Other reserves	Retained earnings	Total
Balance as at 1 January 2014	2,729,164,830	851,649,949	221,943,750	459,918,313	4,262,676,842
Net profit for the year 2014	-	-	-	377,292,803	377,292,803
Transfer to statutory reserve	-	75,458,561	-	(75,458,561)	-
Issue of bonus share	-	-	-	-	-
Payment of cash dividend (2013)	-	-	-	(409,374,725)	(409,374,725)
Balance as at 31 December 2014	2,729,164,830	927,108,510	221,943,750	352,377,830	4,230,594,920
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

Liquidity Statement (Assets and Liabilities maturity analysis)

as at 31 December 2014

(Figures in Taka)

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets						
Cash	121,890,663	-	-	-	-	121,890,663
Balance with other banks and financial institutions	294,287,222	10,000,000	250,000,000	-	-	554,287,222
Money at call and on short notice	-	-	-	-	-	-
Investments	106,755,585	161,028,070	214,223,503	224,488,000	170,716,935	877,212,093
Loans, advances and leases	1,465,471,554	1,830,231,983	1,851,745,724	5,160,958,279	1,144,824,060	11,453,231,600
Fixed assets including premises, furniture and fixtures	-	-	-	-	331,080,419	331,080,419
Other assets	79,039,466	187,093,111	450,535,703	87,533,952	2,175,882,592	2,980,084,824
Non banking assets	-	-	-	-	-	-
Total assets (A)	2,067,444,490	2,188,353,164	2,766,504,930	5,472,980,231	3,822,504,006	16,317,786,821
Liabilities						
Borrowings from other banks, financial institutions and agents	1,032,378,984	747,461,185	431,871,387	434,459,646	226,622,305	2,872,793,507
Deposits	666,673,850	1,017,147,596	1,514,859,569	3,064,032,076	1,500,614,113	7,763,327,204
Provision and other liabilities	307,922,539	252,366,984	678,912,486	78,156,813	133,712,368	1,451,071,190
Total liabilities (B)	2,006,975,373	2,016,975,765	2,625,643,442	3,576,648,535	1,860,948,786	12,087,191,901
Net liquidity gap (A - B)	60,469,117	171,377,399	140,861,488	1,896,331,696	1,961,555,220	4,230,594,920