

Half Yearly Financial Statements

June 30, 2014

(Unaudited)



Prime Bank Limited
a bank with a difference



To all shareholders/ statutory agencies

In terms of Section 13 of the Securities and Exchange Rules, 1987 and the Securities and Exchange Commission notification # SEC/Section- 7/SER/03/132 dated October 22, 1997, the management of the Bank is pleased submit the unaudited Balance sheet, Profit & Loss account, Cash flow statement, statement of changes in equity with selective notes to the accounts of the Bank for the first half-year ended on June 30, 2014.

The country's credit growth rate in the private sector is inadequate compared to the projection. The investors are watching the current political situation closely. The lower credit growth has in the meantime put an adverse impact on GDP target for the FY14. Political stability will push up the private sector credit growth otherwise the business people will continue to show reluctance to initiate new business. Consequently, surplus liquidity in the Banking sector increased rapidly in the last few months. Banks however, invested significant amount of the surplus liquidity in the Treasury bills and T-Bonds with an interest rate lower than the set rate for the banks in the last few months. Mounting surplus liquidity was a menacing sign for banks as it is declining the profitability. CDR ratio of the Bank has dropped to 70% against benchmark of 85%. With all these negative parameters Prime Bank achieved a Net Profit after tax to the tune of Taka 1,298 million with earning per share of Tk. 1.26 (solo basis).

The Bank achieved operating profit of Tk.3,561 million (Consolidated Tk.3,592) during the half-year ended on June 30, 2014. The growth rate was 2% over June 30, 2013. Adequate provision has been made against loans and advances/investments and other delinquent assets as per Bangladesh Bank's rules and regulation in force. The deposits and advances negative growth 0.32% and 0.99% respectively during the first half-year of 2014. The ratio of classified loans to total loans stood at 6.91% as on June 30, 2014. The capital (Tier-I & Tier-II) of the Bank as on 30.06.2014 was Tk. 26,008 million (Consolidated) and Tk. 26,033 million (Solo). Earnings Per Share (EPS) based on half-yearly results stood at Tk 1.26 (solo) and Tk 0.98 (consolidated).

During the period under review, the Bank handled import, export and remittance business to the tune of Tk 65,721 million, Tk. 59,204 million and Tk.21,084 million respectively. The total number of branches stands at 138 including 18 SME branches.

Credit Rating Information and Services Limited (CRISL) and Credit Rating Agency of Bangladesh (CRAB) have affirmed long term rating of Prime Bank Limited to "AA" (pronounced as double A) & AA2 (pronounced as double A two) and affirm short term rating to "ST-2" respectively. The above ratings are based on consolidated financials up to December 31, 2013 and other relevant qualitative and quantitative information up to the date of rating. The above rating is in consideration of having very strong capacity to meet their financial commitments, judged to be of very high quality and is subject to very low credit risk. The rating reflects the bank's strength in risk weighted capital adequacy as well as asset size of the Bank.

We are confident that the year-end position of 2014 would be indicated a positive trend in overall growth of the Bank despite challenging environment.

With regards



Md. Ehsan Khasru
Managing Director





Prime Bank Limited

Consolidated Balance Sheet
as at June 30, 2014

(Unaudited & Provisional)

Particulars	Amount in Taka	
	June-14	Dec-13
PROPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	2,511,646,455	2,705,924,415
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	14,685,027,383	14,958,779,761
	17,196,673,838	17,664,704,176
Balance with other banks and financial institutions		
In Bangladesh	363,092,161	378,707,076
Outside Bangladesh	733,952,240	709,510,273
	1,097,044,402	1,088,217,349
Money at call and short notice	3,250,000,000	-
Investments		
Government	55,016,486,867	56,147,165,851
Others	5,589,134,628	2,603,960,634
	60,605,621,495	58,751,126,485
Loans, advances and lease /investments		
Loans, cash credits, overdrafts etc./ investments	149,969,205,210	150,378,169,432
Bills purchased and discounted	7,592,802,031	8,631,546,764
	157,562,007,242	159,009,716,196
Fixed assets including premises, furniture and fixtures	6,872,155,782	6,456,759,073
Other assets	2,866,620,832	2,552,122,357
Non - banking assets	-	-
Total assets	249,450,123,591	245,522,645,636
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	4,897,085,051	4,273,597,629
Deposits and other accounts		
Current / Al-wadeeah current deposits	28,253,735,589	26,525,056,611
Bills payable	2,798,562,971	2,081,417,055
Savings bank / Mudaraba savings deposits	23,358,661,978	21,125,908,174
Term deposits / Mudaraba term deposits	146,769,659,901	152,086,878,317
Bearer certificate of deposit	-	-
Other deposits	-	-
	201,180,620,440	201,819,260,157
Other liabilities	20,159,461,569	16,071,268,524
Total liabilities	226,237,167,060	222,164,126,310
Capital / Shareholders' equity		
Paid -up capital	10,293,486,160	10,293,486,160
Share premium	2,241,230,396	2,241,230,396
Minority Interest	58	65
Statutory reserve	7,528,626,614	7,528,626,614
Revaluation gain / loss on investments	322,405,452	135,671,362
Revaluation reserve	1,511,486,306	1,511,486,306
Foreign currency translation gain	4,533,985	3,646,693
Other reserve	28,002,888	28,002,888
Surplus in profit and loss account / Retained earnings	1,283,184,672	1,616,368,842
Total Shareholders' equity	23,212,956,531	23,358,519,326
Total liabilities and Shareholders' equity	249,450,123,591	245,522,645,636
OFF - BALANCE SHEET EXPOSURES		
Contingent liabilities		
Acceptances and endorsements	25,165,130,237	25,014,184,593
Letters of guarantee	53,094,041,869	54,276,988,409
Irrevocable letters of credit	19,988,302,459	19,359,031,049
Bills for collection	8,990,002,328	9,104,975,230
Other contingent liabilities	-	-
	107,237,476,893	107,755,179,281
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	-	-
Liabilities against forward purchase and sale	-	-
	-	-
Total Off-Balance Sheet exposures including contingent liabilities	107,237,476,893	107,755,179,281



Prime Bank Limited

Consolidated Profit and Loss Account
for the period from January to June 30, 2014

(Unaudited & Provisional)

Particulars	Amount in Taka		Amount in Taka	
	Jan-June'14	Jan-June'13	Apr-June'14	Apr-June'13
Interest income / profit on investments	10,097,060,926	11,585,462,180	5,117,527,846	5,732,716,178
Interest / profit paid on deposits, borrowings, etc.	(8,400,269,298)	(9,276,345,468)	(4,007,871,335)	(4,607,356,813)
Net interest / net profit on investments	1,696,791,629	2,309,116,712	1,109,656,512	1,125,359,364
Investment income	3,035,157,372	2,589,375,991	1,484,138,939	1,372,274,809
Commission, exchange and brokerage	1,113,360,014	1,123,079,387	579,305,060	586,235,876
Other operating income	392,840,133	310,080,762	251,630,227	27,707,442
Total operating income (A)	6,238,149,148	6,331,652,851	3,424,730,737	3,111,577,490
Salaries and allowances	1,455,785,930	1,347,383,659	730,663,213	735,386,177
Rent, taxes, insurance, electricity, etc.	291,679,529	282,887,674	154,521,270	145,553,325
Legal expenses	19,349,499	14,491,191	11,335,065	10,051,420
Postage, stamp, telecommunication, etc.	62,932,973	61,111,695	33,205,599	38,131,126
Stationery, printing, advertisements, etc.	158,186,914	205,108,676	109,522,938	108,538,915
Managing Director's salary and fees	4,800,000	4,800,000	2,400,000	2,400,000
Directors' fees	2,226,373	2,160,930	1,213,659	1,353,141
Auditors' fees	155,135	142,831	61,978	62,410
Charges on loan losses	-	-	-	-
Depreciation and repair of Bank's assets	198,849,561	189,913,251	103,534,608	98,475,582
Other expenses	452,334,263	448,469,030	235,917,295	242,443,017
Total operating expenses (B)	2,646,300,177	2,556,468,936	1,382,375,626	1,382,395,114
Profit / (loss) before provision (C=A-B)	3,591,848,970	3,775,183,915	2,042,355,111	1,729,182,376
Provision for loans / investments				
Specific provision	1,410,000,000	3,418,000,000	1,360,000,000	271,100,000
General provision	-	600,000,000	-	600,000,000
Provision for Off-Shore Banking Units	70,000,000	64,500,000	45,000,000	64,500,000
Provision for off-balance sheet exposures	-	40,000,000	-	(40,000,000)
	1,480,000,000	4,122,500,000	1,405,000,000	895,600,000
Provision for diminution in value of investments	21,478,555	(163,367,393)	7,426,445	(223,157,714)
Provision for impairment of client margin loan	303,707,356	359,800,955	298,292,840	176,518,909
Other provisions	1,500,000	1,835,000	1,000,000	1,835,000
Total provision (D)	1,806,685,911	4,320,768,562	1,711,719,285	850,796,195
Total profit / (loss) before taxes (C-D)	1,785,163,059	(545,584,647)	330,635,826	878,386,181
Provision for taxation				
Current	773,430,598	104,600,452	607,455,906	11,175,227
Deferred	(254,805)	(74,627)	(128,748)	(38,751)
	773,175,793	104,525,825	607,327,158	11,136,476
Net profit / (loss) after taxation	1,011,987,266	(650,110,472)	(276,691,332)	867,249,705
Retained earnings brought forward from previous years	271,197,404	298,666,502	271,197,404	298,666,502
	1,283,184,670	(351,443,970)	(5,493,928)	1,165,916,207
Appropriations				
Statutory reserve	-	-	-	-
Minority interest	(2)	2	(6)	0.11
General reserve	-	-	-	-
	(2)	2	(6)	0.11
Retained surplus	1,283,184,672	(351,443,971)	(5,493,922)	1,165,916,207
Earnings per share (EPS)	0.98	(0.63)	(0.27)	0.84

 **Prime Bank Limited**
Consolidated Cash Flow Statement
for the period from January to June 30, 2014

(Unaudited & Provisional)

Particulars	Amount in Taka	
	Jan-June'14	Jan-June'13
A) Cash flows from operating activities		
Interest receipts in cash	12,412,502,170	13,958,661,989
Interest payments	(9,197,479,471)	(9,413,793,877)
Dividend receipts	56,191,546	75,601,042
Fees and commission receipts in cash	1,113,360,014	1,123,079,386
Recoveries of loans previously written off	3,731,044	-
Cash payments to employees	(1,727,281,463)	(1,416,883,659)
Cash payments to suppliers	(367,272,908)	(417,991,547)
Income taxes paid	(620,513,269)	(1,108,006,628)
Receipts from other operating activities	959,105,507	540,072,299
Payments for other operating activities	(793,533,511)	(621,000,237)
Cash generated from operating activities before changes in operating assets and liabilities	1,838,809,658	2,719,738,768
Increase / (decrease) in operating assets and liabilities		
Statutory deposits	-	-
Purchase of trading securities (Treasury bills)	932,879,962	(2,978,508,726)
Loans and advances to other banks	-	-
Loans and advances to customers	927,695,426	9,155,467,406
Other assets	822,405,989	(10,831,007,387)
Deposits from other banks / borrowings	351,873,294	(16,931,459,714)
Deposits from customers	(1,355,785,635)	21,414,199,869
Other liabilities account of customers	717,145,917	(1,117,606,137)
Trading liabilities	-	-
Other liabilities	3,414,605,871	961,683,875
	5,810,820,824	(327,230,814)
Net cash from operating activities	7,649,630,483	2,392,507,954
B) Cash flows from investing activities		
Debentures	-	-
Payments for purchases of securities	(3,085,248,994)	108,822,000
Purchase of property, plant and equipment	(426,877,095)	(716,878,227)
Payment against lease obligation	(1,556,098)	(3,044,277)
Proceeds from sale of property, plant and equipment	-	2,020,350
Net cash used in investing activities	(3,513,682,187)	(609,080,154)
C) Cash flows from financing activities		
Receipts from issue of sub-ordinated bond	-	-
Receipts from issue of ordinary share including premium net off tax	-	-
Dividend paid	(1,342,976,190)	(935,771,469)
Net Cash used in financing activities	(1,342,976,190)	(935,771,469)
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	2,792,972,106	847,656,331
E) Effects of exchange rate changes on cash and cash equivalents	(1,895,592)	(3,851,860)
F) Cash and cash equivalents at beginning of the year	18,759,196,925	17,910,531,111
G) Cash and cash equivalents at end of the period (D+E+F)	21,550,273,440	18,754,335,582
Cash and cash equivalents at end of the period		
Cash in hand (including foreign currencies)	2,511,646,455	2,164,205,630
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	14,685,027,383	15,086,106,555
Balance with other banks and financial institutions	1,097,044,402	1,498,221,596
Money at call and short notice	3,250,000,000	-
Prize bonds	6,555,200	5,801,800
	21,550,273,440	18,754,335,582



Prime Bank Limited
Consolidated Statement of Changes in Equity
for the period from January to June 30, 2014

(Unaudited & Provisional)

Particulars	Paid up capital		Statutory reserve		General reserve		Share premium		Minority interest		Revaluation reserve		Revaluation gain / loss on investments		F.C. translation gain		Retained earnings		Total	
	Taka		Taka		Taka		Taka		Taka		Taka		Taka		Taka		Taka		Taka	
Balance as at January 1, 2014	10,293,486,160	-	7,528,626,614	-	28,002,888	-	2,241,230,396	-	65	-	1,511,486,306	-	135,671,362	-	3,646,693	-	1,616,368,842	-	23,358,519,326	-
Changes in accounting policy / Last year's profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance	10,293,486,160	-	7,528,626,614	-	28,002,888	-	2,241,230,396	-	65	-	1,511,486,306	-	135,671,362	-	3,646,693	-	1,616,368,842	-	23,358,519,326	-
Surplus / (deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment of last year revaluation gain on investments	-	-	-	-	-	-	-	-	-	-	-	-	(93,011,221)	-	-	-	-	-	(93,011,221)	-
Surplus / (deficit) on account of revaluation of investments	-	-	-	-	-	-	-	-	-	-	-	-	279,745,311	-	-	-	-	-	279,745,311	-
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	887,293	-	(2,195,253)	-	(1,307,960)	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-	-	-	-	-	322,405,452	-	4,533,985	-	1,614,173,589	-	23,543,945,455	-
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,011,987,266	-	1,011,987,266	-
Dividends (Bonus shares)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,342,976,190)	-	(1,342,976,190)	-
Minority interest	-	-	-	-	-	-	-	-	(7)	-	-	-	-	-	-	-	-	7	-	-
Issue of share capital-right share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation made during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2014	10,293,486,160	-	7,528,626,614	-	28,002,888	-	2,241,230,396	-	58	-	1,511,486,306	-	322,405,452	-	4,533,985	-	1,283,184,672	-	23,212,956,531	-
Balance as at June 30, 2013	10,293,486,160	-	6,839,527,566	-	-	-	2,241,230,396	-	62	-	251,603,567	-	119,055,861	-	4,153,766	-	(351,443,971)	-	19,397,613,406	-
Balance as at December 31, 2013	10,293,486,160	-	7,528,626,614	-	28,002,888	-	2,241,230,396	-	65	-	1,511,486,306	-	135,671,362	-	3,646,693	-	1,616,368,842	-	23,358,519,326	-


Prime Bank Limited

Balance Sheet
as at June 30, 2014

(Unaudited & Provisional)

Particulars	Amount in Taka	
	June-14	Dec-13
PROPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	2,431,892,610	2,683,867,027
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	14,685,027,383	14,958,779,761
	17,116,919,993	17,642,646,788
Balance with other banks and financial institutions		
In Bangladesh	351,918,474	244,165,129
Outside Bangladesh	611,107,912	626,533,772
	963,026,386	870,698,901
Money at call and short notice	3,250,000,000	-
Investments		
Government	55,016,486,867	56,147,165,851
Others	3,779,528,635	792,350,658
	58,796,015,502	56,939,516,509
Loans, advances and lease / investments		
Loans, cash credits, overdrafts, etc./ investments	146,886,464,690	147,380,881,952
Bills purchased and discounted	5,180,679,013	6,207,878,277
	152,067,143,703	153,588,760,229
Fixed assets including premises, furniture and fixtures	6,827,856,564	6,406,719,662
Other assets	8,899,565,316	8,420,462,735
Non - banking assets	-	-
Total assets	247,920,527,464	243,868,804,824
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	4,481,911,494	3,858,260,882
Deposits and other accounts		
Current / Al-wadeeah current deposits	28,335,107,709	26,612,333,767
Bills payable	2,798,562,971	2,081,417,055
Savings bank / Mudaraba savings deposits	23,358,661,978	21,125,908,174
Term deposits / Mudaraba term deposits	146,772,203,293	152,087,482,186
Bearer certificate of deposit	-	-
Other deposits	-	-
	201,264,535,951	201,907,141,182
Other liabilities	18,950,610,313	15,073,785,652
Total liabilities	224,697,057,758	220,839,187,715
Capital / Shareholders' equity		
Paid up capital	10,293,486,160	10,293,486,160
Share premium	2,241,230,396	2,241,230,396
Statutory reserve	7,528,626,614	7,528,626,614
Revaluation gain / (loss) on investments	292,264,687	109,193,803
Revaluation reserve	1,511,486,306	1,511,486,306
Foreign currency translation gain	4,462,481	4,513,294
Other reserve	-	-
Surplus in profit and loss account / Retained earnings	1,351,913,062	1,341,080,535
Total Shareholders' equity	23,223,469,706	23,029,617,108
Total liabilities and Shareholders' equity	247,920,527,464	243,868,804,824
OFF - BALANCE SHEET EXPOSURES		
Contingent liabilities		
Acceptances and endorsements	25,165,130,237	25,014,184,593
Letters of guarantee	53,094,041,869	54,276,988,409
Irrevocable letters of credit	19,988,302,459	19,359,031,049
Bills for collection	8,990,002,328	9,104,975,230
Other contingent liabilities	-	-
	107,237,476,893	107,755,179,281
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	-	-
Liabilities against forward purchase and sale	-	-
	-	-
Total Off-Balance Sheet exposures including contingent liabilities	107,237,476,893	107,755,179,281

 **Prime Bank Limited**
Profit and Loss Account
for the period from January to June 30, 2014

(Unaudited & Provisional)

Particulars	Amount in Taka		Amount in Taka	
	Jan-June '14	Jan-June '13	Apr-June '14	Apr-June '13
Interest income / profit on investments	9,848,526,803	11,041,940,844	4,992,393,418	5,580,776,410
Interest / profit paid on deposits, borrowings, etc.	(8,125,195,816)	(8,960,155,747)	(3,876,435,422)	(4,444,835,894)
Net interest / net profit on investments	1,723,330,987	2,081,785,097	1,115,957,996	1,135,940,515
Investment income	3,003,220,089	2,534,775,943	1,481,292,372	1,359,365,623
Commission, exchange and brokerage	1,016,465,287	1,048,036,993	536,076,765	546,726,260
Other operating income	352,419,628	272,780,019	229,939,363	6,181,589
Total operating income (A)	6,095,435,991	5,937,378,052	3,363,266,497	3,048,213,987
Salaries and allowances	1,401,243,266	1,298,288,229	703,151,595	711,026,970
Rent, taxes, insurance, electricity, etc.	269,645,286	262,722,477	142,832,010	134,660,925
Legal expenses	16,629,652	13,121,140	9,660,946	9,260,406
Postage, stamp, telecommunication, etc.	58,593,795	57,684,053	31,015,383	36,302,370
Stationery, printing, advertisements, etc.	154,837,394	203,154,224	107,459,052	107,624,636
Managing Director's salary and fees	4,800,000	4,800,000	2,400,000	2,400,000
Directors' fees	2,059,573	2,130,305	1,169,959	1,337,691
Auditors' fees	-	-	-	-
Charges on loan losses	-	-	-	-
Depreciation and repair of Bank's assets	190,833,617	182,284,578	98,178,782	93,235,467
Other expenses	436,275,111	432,157,387	228,274,811	234,176,679
Total operating expenses (B)	2,534,917,695	2,456,342,393	1,324,142,538	1,330,025,144
Profit / (loss) before provision (C=A-B)	3,560,518,297	3,481,035,658	2,039,123,959	1,718,188,843
Provision for loans / investments				
Specific provision	1,410,000,000	3,418,000,000	1,360,000,000	271,100,000
General provision	-	600,000,000	-	600,000,000
Provision for Off-Shore Banking Units	70,000,000	64,500,000	45,000,000	64,500,000
Provision for off-balance sheet exposures	-	40,000,000	-	(40,000,000)
	1,480,000,000	4,122,500,000	1,405,000,000	895,600,000
Provision for diminution in value of investments	11,500,000	20,527,202	-	(33,187,001)
Other provisions	1,500,000	1,835,000	1,000,000	1,835,000
Total provision (D)	1,493,000,000	4,144,862,202	1,406,000,000	864,247,999
Total profit / (loss) before taxes (C-D)	2,067,518,297	(663,826,544)	633,123,959	853,940,844
Provision for taxation				
Current tax	770,000,000	15,500,000	610,000,000	15,500,000
Deferred tax	-	-	-	-
	770,000,000	15,500,000	610,000,000	15,500,000
Net profit / (loss) after taxation	1,297,518,297	(679,326,544)	23,123,959	838,440,844
Retained earnings brought forward from previous years	54,394,765	200,684,344	54,394,765	200,684,344
	1,351,913,062	(478,642,200)	77,518,724	1,039,125,188
Appropriations				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
	-	-	-	-
Retained surplus	1,351,913,062	(478,642,200)	77,518,724	1,039,125,188
Earnings per share (EPS)	1.26	(0.66)	0.02	0.81

 **Prime Bank Limited**
Cash Flow Statement
for the period from January to June 30, 2014

(Unaudited & Provisional)

Particulars	Amount in Taka	
	Jan-June'14	Jan-June'13
A) Cash flows from operating activities		
Interest receipts in cash	12,163,968,047	13,415,140,653
Interest payments	(8,922,405,990)	(9,097,604,156)
Dividend receipts	56,191,546	75,601,042
Fees and commission receipts in cash	1,016,465,287	1,048,036,993
Recoveries of loans previously written off	3,731,044	-
Cash payments to employees	(1,693,107,985)	(1,367,788,229)
Cash payments to suppliers	(363,686,088)	(416,037,095)
Income taxes paid	(620,513,269)	(1,108,006,628)
Receipts from other operating activities	886,747,719	448,171,508
Payments for other operating activities	(748,059,156)	(578,691,064)
Cash generated from operating activities before changes in operating assets and liabilities	1,779,331,155	2,418,823,024
Increase / (decrease) in operating assets and liabilities		
Statutory deposits	-	-
Purchase of trading securities (Treasury bills)	932,879,962	(2,978,508,726)
Loans and advances to other banks	-	-
Loans and advances to customers	1,013,148,466	9,274,565,904
Other assets	722,283,732	(10,554,622,691)
Deposits from other banks / borrowings	623,650,612	(16,956,746,137)
Deposits from customers	(1,359,751,148)	21,402,762,230
Other liabilities account of customers	717,145,917	(891,971,098)
Trading liabilities	-	-
Other liabilities	3,185,461,975	751,109,282
	5,834,819,517	46,588,765
Net cash from operating activities	7,614,150,672	2,465,411,789
B) Cash flows from investing activities		
Debentures	-	-
Proceeds from sale of securities	-	-
Payments for purchases of securities	(3,087,252,977)	(34,441,754)
Purchase of property, plant and equipment	(421,136,902)	(714,335,225)
Payment against lease obligation	(1,556,098)	(3,044,277)
Proceeds from sale of property, plant and equipment	-	2,020,350
Net cash used in investing activities	(3,509,945,977)	(749,800,906)
C) Cash flows from financing activities		
Receipts from issue of sub-ordinated bond	-	-
Receipts from issue of ordinary share including premium net off tax	-	-
Dividend paid	(1,286,685,770)	(935,771,469)
Net Cash used in financing activities	(1,286,685,770)	(935,771,469)
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	2,817,518,925	779,839,414
E) Effects of exchange rate changes on cash and cash equivalents	(638,435)	(5,598,142)
F) Cash and cash equivalents at beginning of the year	18,519,621,089	17,826,680,460
G) Cash and cash equivalents at end of the period (D+E+F)	21,336,501,579	18,600,921,732
Cash and cash equivalents at end of the period		
Cash in hand (including foreign currencies)	2,431,892,610	2,106,747,447
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	14,685,027,383	15,086,106,555
Balance with other banks and financial institutions	963,026,386	1,402,265,930
Money at call and short notice	3,250,000,000	-
Prize bonds	6,555,200	5,801,800
	21,336,501,579	18,600,921,732

Prime Bank Limited

Statement of Changes in Equity for the period from January to June 30, 2014

(Unaudited & Provisional)

Particulars	Paid up capital	Share premium	Statutory reserve	Revaluation reserve	Revaluation gain/loss on investments	F.C. translation gain	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at January 1, 2014	10,293,486,160	2,241,230,396	7,528,626,614	1,511,486,306	109,193,803	4,513,294	1,341,080,535	23,029,617,108
Changes in accounting policy / Last year's profit	-	-	-	-	-	-	-	-
Restated balance	10,293,486,160	2,241,230,396	7,528,626,614	1,511,486,306	109,193,803	4,513,294	1,341,080,535	23,029,617,108
Surplus / deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Adjustment of last year revaluation gain on investments	-	-	-	-	(93,011,221)	-	-	(93,011,221)
Surplus / deficit on account of revaluation of investments	-	-	-	-	276,082,104	-	-	276,082,104
Currency translation differences	-	-	-	-	-	(50,813)	-	(50,813)
Net gains and losses not recognized in the income statement	-	-	-	-	292,264,687	4,462,481	1,341,080,535	23,212,637,179
Net profit for the period	-	-	-	-	-	-	1,297,518,297	1,297,518,297
Dividends (bonus shares)	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	(1,286,685,770)	(1,286,685,770)
Share premium	-	-	-	-	-	-	-	-
Issue of share capital (Right share)	-	-	-	-	-	-	-	-
Appropriation made during the period	-	-	-	-	-	-	-	-
Balance as at June 30, 2014	10,293,486,160	2,241,230,396	7,528,626,614	1,511,486,306	292,264,687	4,462,481	1,351,913,062	23,223,469,706
Balance as at June 30, 2013	10,293,486,160	2,241,230,396	6,839,527,566	251,603,567	104,288,702	4,414,340	(478,642,200)	19,255,908,531
Balance as at December 31, 2013	10,293,486,160	2,241,230,396	7,528,626,614	1,511,486,306	109,193,803	4,513,294	1,341,080,535	23,029,617,108



Prime Bank Limited

Selective Notes to the Financial Statements
As at 30.06.2014

1 Accounting Policies:

- 1.1 Accounting policies in the half-yearly financial statements are same as that were applied in its last annual financial statements of December 31, 2013. Consolidated financial statements include position of Prime Bank Limited including 3 OBUs, Prime Exchange Co. Pte. Limited, (Singapore), Prime Bank Investment Limited, PBL Exchange (UK) Limited, Prime Bank Securities Limited and PBL Finance (Hong Kong) Limited.
- 1.2 Adequate provision has been made against loans and advances/investments and other delinquent assets as per Bangladesh Bank's rules and regulation in force.
- 1.3 Provision for Income tax has been shown as prescribed in Finance Act 2014 on the accounting profit made by the Bank after considering some of the taxable add backs of income and disallowances of expenditures including provision for loans.
- 1.4 The conversion rate of currency is given below:

Name of the currency	Opening rate (01.01.2014)	Closing rate (30.06.2014)	Average rate
Singapore Dollar	61.25420	62.09410	61.67415
US Dollar	77.7500	77.6300	77.6903
Pound Starling	128.0776	132.2272	130.15240
HK Dollar	10.02690	10.01574	10.02132

2.0 Capital/ Shareholders' Equity:

Cash Dividend of Tk.1,286.69 million for the year ended December 31, 2013 was approved in the 19th AGM and disbursed the same Therefore, the paid up capital to Tk.10,293.48 million remain unchanged.

Salient features of half-yearly financial statements are given below:

Sl #	Particulars	June-2014	Dec-13	Growth in % over Dec-'13
		Taka in million		
1	Deposits	201,265	201,907	-0.32%
2	Loans & advances	152,067	153,589	-0.99%
3	Classified loans & advances	10,505	7,815	34.42%
4	Required provision for classified loans & advances	4,483	3,731	20.16%
5	Provision maintained for classified loans & advances	4,633	3,733	24.11%
6	Capital Fund (Consolidated):	26,008	26,812	-3.00%
	Core Capital	21,375	21,708	-1.54%
	Supplementary Capital	4,633	5,104	-9.23%
7	No. of Branches	138	134	2.99%
8	No. of Employees	2,902	2,710	7.08%
9	Ratio of Classified Loans to total Loans	6.91%	5.09%	35.76%
10	Statutory Reserve	7,529	7,529	-
11	Shareholders' Equity	23,223	23,030	0.84%



Prime Bank Limited

Comparative position as on 30.06.2014

Taka in million

Sl #	Other Key Figures	June-2014	June-2013	Growth in % over Jun'13
1	Operating profit	3,561	3,481	2.30%
2	Earnings per share	1.26	-0.66	-290.91%
3	No. of Foreign Correspondence	664	670	-0.90%
4	Foreign Exchange Business	146,009	157,170	-7.10%

3.0 General:

- Figures appearing in these financial statements have been rounded off to the nearest Taka.
- Figures of previous year have been rearranged wherever necessary to conform to current year presentation.

Credit rating report

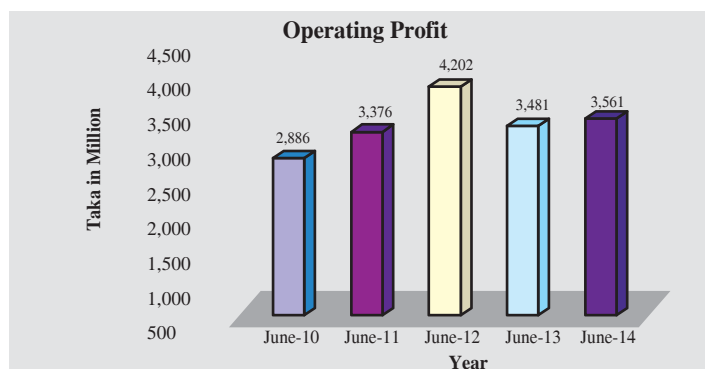
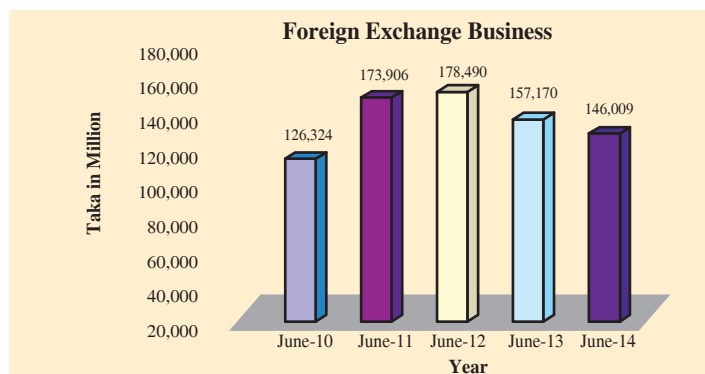
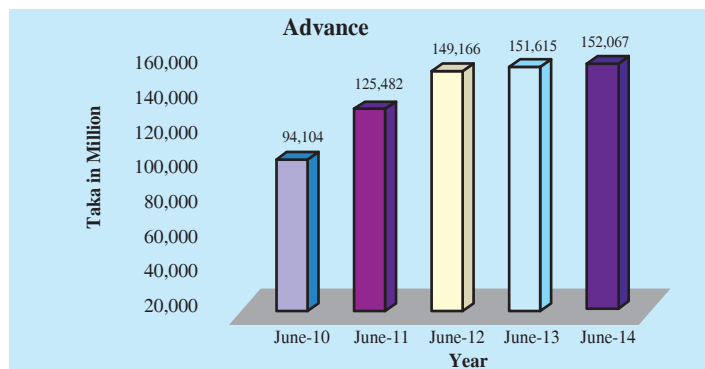
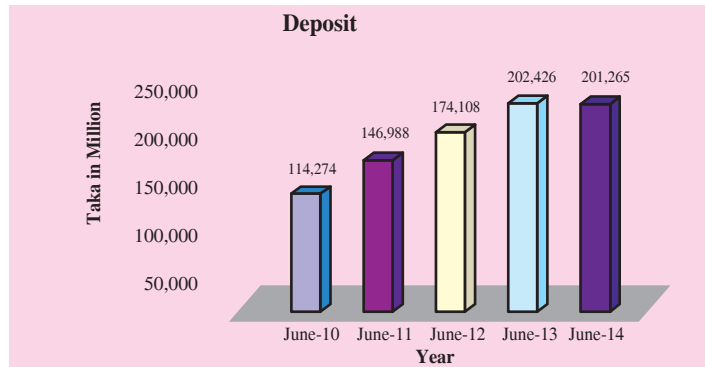
Particulars	CRISL		CRAB	
	Long-Term	Short-Term	Long-Term	Short-Term
Surveillance Rating-2014	AA	ST-2	AA2	ST-2
Surveillance Rating-2013	AA	ST-2	AA2	ST-2
Outlook	Stable			
Date of Declaration	June 29, 2014		June 23, 2014	

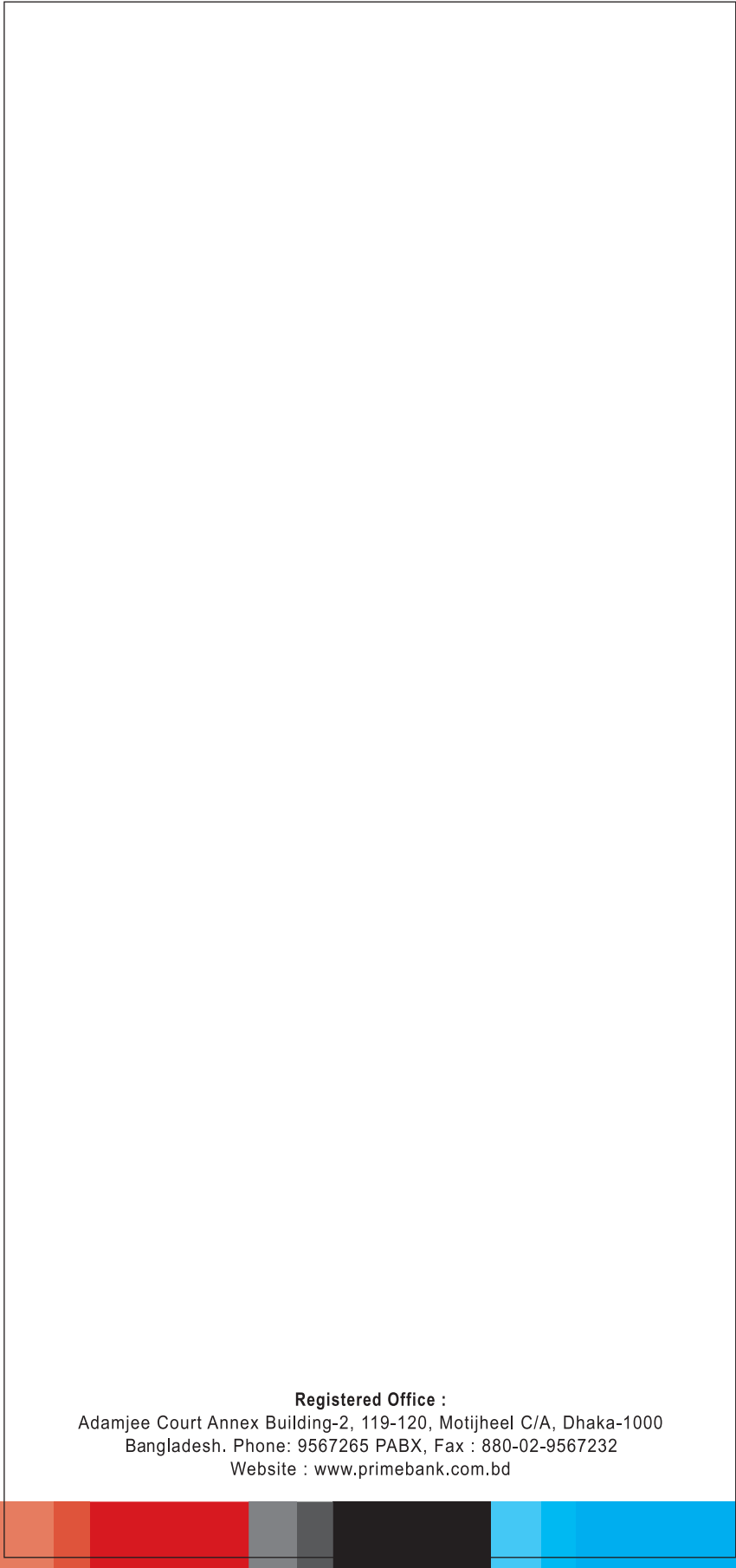
Credit Rating Information and Services Limited (CRISL) and Credit Rating Agency of Bangladesh (CRAB) have affirmed long term rating of Prime Bank Limited to "AA" (pronounced as double A) & AA2 (pronounced as double A two) and affirm short term rating to "ST-2" respectively. The above ratings are based on consolidated financials up to December 31, 2013 and other relevant qualitative and quantitative information up to the date of rating. The above rating is in consideration of having very strong capacity to meet their financial commitments, judged to be of very high quality and is subject to very low credit risk. The rating reflects the bank's strength in risk weighted capital adequacy as well as asset size of the Bank.

The long term rating implies that banks rated in this category are adjusted to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a banking entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. Short-term rating indicates highest certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors.



Performance over the years





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