

half
yearly
report | 2012

new vision
new hope



Union Capital Limited
Building Sustainable Future

Dear Shareholder(s),

In compliance with Rule 13 of the Securities and Exchange Rules 1987, we are pleased to present the un-audited half-yearly Financial Statements of Union Capital Limited as at and for the half-year ended 30 June 2012. These Financial Statements are comprised of the consolidated financials of Union Capital Limited and its wholly owned subsidiaries, SES Company Limited, UniCap Investments Limited and also the financials of Union Capital Limited Itself.

Thank you for your continued support and confidence on us.

Sd/-

Md. Akter H. Sannamat FCA, FCS
Managing Director & CEO

28 July 2012

Consolidated Balance Sheet

as at 30 June 2012 (Un-audited)

	Amounts in Taka	
	At 30 June 2012	At 31 Dec 2011
PROPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	41,100	41,100
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	93,205,068	104,750,421
	93,246,168	104,791,521
Balance with other banks and financial institutions		
In Bangladesh	200,740,582	278,873,851
Outside Bangladesh	-	-
	200,740,582	278,873,851
Money at call and short notice	-	-
Investments		
Government	-	-
Others	1,240,859,412	1,227,610,559
	1,240,859,412	1,227,610,559
Leases, loans and advances		
Leases, loans, cash credits, overdrafts, etc	7,027,010,267	6,871,099,748
Bills purchased and discounted	-	-
	7,027,010,267	6,871,099,748
Fixed assets including premises, furniture and fixtures	22,601,941	28,026,737
Other assets	1,403,928,597	1,382,132,283
Non-financial institutional assets	-	-
Total Assets	9,988,386,967	9,892,534,699
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	2,361,432,764	2,143,482,821
Deposits and other accounts		
Term deposit	3,489,489,507	3,571,482,776
Other deposit	265,671,444	415,151,974
	3,755,160,951	3,986,634,750
Other liabilities	2,052,913,726	1,855,076,985
Total Liabilities	8,169,507,441	7,985,194,556
Capital/Shareholders' Equity		
Paid-up capital	1,046,755,490	951,595,900
Statutory reserve	243,107,034	243,107,034
Revaluation reserve	505,500,000	505,500,000
Dividend equalization reserve	7,000,000	55,000,000
Non-controlling interest	65	65
Retained earnings	16,516,937	152,137,144
Total Shareholders' Equity	1,818,879,526	1,907,340,143
Total Liabilities and Shareholders' Equity	9,988,386,967	9,892,534,699
OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Other commitments		
Total Off-Balance Sheet Items including Contingent Liabilities	-	-

Sd/-
Mushfiq Ul Quayoom
Head of Finance

Sd/-
Md. Akter H. Sannamat FCA, FCS
Managing Director & CEO

Consolidated Profit and Loss Statement

for the half year ended 30 June 2012 (Un-audited)

Amounts in Taka

	1 Jan to 30 June 2012	1 Jan to 30 June 2011	1 Apr to 30 June 2012	1 Apr to 30 June 2011
Interest income	513,102,072	469,663,302	280,421,156	225,381,785
Interest paid on deposits, borrowings, etc	(445,862,253)	(259,202,706)	(252,354,814)	(137,596,440)
Net interest income	67,239,820	210,460,596	28,066,343	87,785,345
Investment income	18,398,847	17,302,173	7,050,614	13,256,976
Commission, exchange and brokerage	21,123,159	51,403,248	12,308,451	16,064,146
Other operating income	58,775,285	57,970,527	29,346,022	23,827,319
Total operating income (A)	165,537,111	337,136,544	76,771,430	140,933,786
Salary and allowances	23,361,275	17,057,898	11,422,080	7,327,137
Charges for stock exchanges, etc	3,427,312	9,281,412	2,112,664	3,207,272
Rent, taxes, insurance, electricity, etc	8,069,255	7,417,528	4,643,221	3,775,575
Legal expenses	165,898	523,182	44,462	477,400
Postage, stamp, telecommunication, etc	1,542,069	1,726,650	914,189	885,139
Stationery, printings, advertisements, etc	2,862,030	2,526,097	1,424,174	532,078
Managing Director's salary and allowances	-	3,300,000	-	1,650,000
Directors' fees	385,000	550,000	230,000	245,000
Auditors' fees	-	-	-	-
Depreciation and repair of company's assets	5,373,946	7,068,077	2,739,868	3,696,877
Other expenses	6,550,449	10,292,287	4,039,075	7,863,160
Total operating expenses (B)	51,737,234	59,743,132	27,569,733	29,659,638
Profit before provision (C=A-B)	113,799,877	277,393,413	49,201,697	111,274,148
Provision for loan and investment				
Specific provision	44,135,600	12,448,974	9,806,905	(29,328,026)
General provision	36,648,186	29,682,817	41,294,263	34,915,443
Total provision (D)	80,783,786	42,131,791	51,101,168	5,587,417
Profit before taxes (C-D)	33,016,091	235,261,622	(1,899,471)	105,686,731
Provision for taxation				
Current tax	26,317,118	105,341,028	13,617,118	49,541,028
Deferred tax	-	-	-	-
	26,317,118	105,341,028	13,617,118	49,541,028
Net profit after tax	6,698,973	129,920,594	(15,516,589)	56,145,703
Earnings per share (EPS)	0.06	1.37	(0.15)	0.59
Weighted average no. of outstanding shares	104,675,549	95,159,590	104,675,549	95,159,590

Sd/-
Mushfiq Ul Quayoom
Head of Finance

Sd/-
Md. Akter H. Sannamat FCA, FCS
Managing Director & CEO

Consolidated Cash Flow Statement

for the half year ended 30 June 2012 (Un-audited)

Amounts in Taka

	1 Jan to 30 June 2012	1 Jan to 30 June 2011
Cash flows from operating activities (A)		
Interest receipts in cash	516,633,483	470,845,564
Interest payments	(445,862,253)	(259,202,706)
Dividend receipts	1,227,288	2,690,088
Fee and commission receipts in cash	21,123,159	51,403,248
Cash payments to employees	(23,361,275)	(20,027,898)
Cash payments to suppliers	(6,677,589)	(4,772,873)
Income taxes paid	(71,223,149)	(76,795,605)
Receipts from other operating activities	58,775,285	57,971,247
Payments for other operating activities	(16,712,671)	(29,878,363)
Cash generated from operating activities before changes in operating assets and liabilities	33,922,279	192,232,702
Increase/decrease in operating assets and liabilities		
Lease, loans and advances to banks and FIs	-	-
Lease, loans and advances to customers	(155,910,519)	134,338,603
Other assets	49,426,835	(93,030,322)
Deposits from banks and other FIs	(100,000,000)	(840,000,000)
Deposits from customers	(131,473,799)	445,922,919
Other liabilities	90,735,836	(227,974,907)
	(247,221,647)	(580,743,707)
Net cash used in operating activities	(213,299,368)	(388,511,005)
Cash flows from investing activities (B)		
Proceeds from sale of securities	70,698,489	68,101,349
Payments for purchases of securities	(70,307,194)	(7,357,574)
Purchase of property, plant and equipment	(554,971)	(9,517,180)
Proceeds from sale of property, plant and equipment	994,069	15,720
Net cash from investing activities	830,393	51,242,315
Cash flows from financing activities (C)		
Receipts of long term loan	100,000,000	240,000,000
Repayment of long term loan	(277,313,605)	(379,867,916)
Cash dividend paid	(95,159,590)	-
Net draw down/(payment) of short term loan	395,263,548	449,755,909
Net Cash from financing activities	122,790,353	309,887,993
Net increase/(decrease) in cash and cash equivalents (D = A+B+C)	(89,678,622)	(27,380,697)
Effects of exchange rate changes on cash and cash equivalents (E)	-	-
Opening cash and cash equivalents (F)	383,665,372	311,609,512
Closing cash and cash equivalents (D+E+F)	293,986,750	284,228,815
Closing cash and cash equivalents		
Cash in hand (including foreign currencies)	41,100	41,100
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	93,205,068	65,208,016
Balance with other banks and financial institutions	200,740,582	218,979,699
Money at call and short notice	-	-
	293,986,750	284,228,815

Consolidated Statement of Changes in Equity

for the half year ended 30 June 2012 (Un-audited)

Amounts in Taka

Particulars	Paid-up capital	Statutory reserve	Dividend equalization reserve (DER)	Revaluation reserve	Non-controlling interest	Retained earnings	Total
Balance at 01 January 2012	951,595,900	243,107,034	55,000,000	505,500,000	65	152,137,144	1,907,340,143
Net profit after tax	-	-	-	-	-	6,698,973	6,698,973
Transfer from DER	-	-	(48,000,000)	-	-	48,000,000	-
Dividend (bonus shares)	95,159,590	-	-	-	-	(95,159,590)	-
Cash dividend (FY 2011)	-	-	-	-	-	(95,159,590)	(95,159,590)
Balance at 30 June 2012	1,046,755,490	243,107,034	7,000,000	505,500,000	65	16,516,937	1,818,879,526
Balance at 30 June 2011	951,595,900	207,554,744	505,500,000	55,000,000	-	139,334,487	1,858,985,131

Sd/-

Mushfiq Ul Quayoom
Head of Finance

Sd/-

Md. Akter H. Sannamat FCA, FCS
Managing Director & CEO

Balance Sheet

as at 30 June 2012 (Un-audited)

Amounts in Taka

	At 30 June 2012	At 31 Dec 2011
PROPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	40,000	40,000
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	93,205,068	104,750,421
	93,245,068	104,790,421
Balance with other banks and financial institutions		
In Bangladesh	130,620,233	133,666,486
Outside Bangladesh	-	-
	130,620,233	133,666,486
Money at call and short notice		
	-	-
Investments		
Government	-	-
Others	353,800,088	340,608,245
	353,800,088	340,608,245
Leases, loans and advances		
Leases, loans, cash credits, overdrafts, etc	7,027,010,267	6,871,099,748
Bills purchased and discounted	-	-
	7,027,010,267	6,871,099,748
Fixed assets including premises, furniture and fixtures		
Other assets	22,601,939	28,026,735
Non-financial institutional assets	1,781,355,285	1,841,654,025
	-	-
Total Assets	9,408,632,880	9,319,845,660
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	2,361,432,764	2,143,482,821
Deposits and other accounts		
Term Deposit	3,588,489,507	3,670,482,776
Other deposit	265,671,444	415,151,974
	3,854,160,951	4,085,634,750
Other liabilities	1,892,114,648	1,697,077,847
Total Liabilities	8,107,708,363	7,926,195,418
Capital/Shareholders' Equity		
Paid up capital	1,046,755,490	951,595,900
Statutory reserve	243,107,034	243,107,034
Dividend equalization reserve	7,000,000	55,000,000
Retained earnings	4,061,993	143,947,308
Total Shareholders' Equity	1,300,924,517	1,393,650,242
Total Liabilities and Shareholders' Equity	9,408,632,880	9,319,845,660
OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Other commitments	-	-
Total Off-Balance Sheet Items including Contingent Liabilities	-	-

Sd/-

Mushfiq Ul Quayoom
Head of Finance

Sd/-

Md. Akter H. Sannamat FCA, FCS
Managing Director & CEO

Profit and Loss Statement

for the half year ended 30 June 2012 (Un-audited)

Amounts in Taka

	1 Jan to 30 June 2012	1 Jan to 30 June 2011	1 Apr to 30 June 2012	1 Apr to 30 June 2011
Interest income	472,313,183	468,550,778	240,182,207	224,827,859
Interest paid on deposits, borrowings, etc	(412,161,466)	(259,202,706)	(218,654,027)	(137,596,440)
Net interest income	60,151,717	209,348,072	21,528,180	87,231,419
Investment income	18,398,847	17,302,173	7,050,614	13,256,976
Commission, exchange and brokerage	-	-	-	-
Other operating income	72,963,448	91,686,860	37,577,990	33,687,824
Total operating income (A)	151,514,013	318,337,105	66,156,785	134,176,219
Salary and allowances	23,361,275	17,057,898	11,422,080	7,327,137
Rent, taxes, insurance, electricity, etc	8,069,255	7,417,528	4,643,221	3,775,575
Legal expenses	165,898	523,182	44,462	477,400
Postage, stamp, telecommunication, etc	1,542,069	1,726,650	914,189	885,139
Stationery, printings, advertisements, etc	2,862,030	2,526,097	1,424,174	532,078
Managing Director's salary and allowances	-	3,300,000	-	1,650,000
Directors' fees	385,000	550,000	230,000	245,000
Auditors' fees	-	-	-	-
Depreciation and repair of company's assets	5,373,946	7,068,077	2,739,866	3,696,877
Other expenses	6,536,888	10,292,288	4,025,514	7,863,161
Total operating expenses (B)	48,296,362	50,461,720	25,443,507	26,452,367
Profit before provision (C=A-B)	103,217,651	267,875,386	40,713,278	107,723,853
Provision for loan and investment				
Specific provision	44,135,600	12,448,974	9,806,905	(29,328,026)
General provision	36,648,186	29,682,817	41,294,263	34,915,443
Total provision (D)	80,783,786	42,131,791	51,101,168	5,587,417
Profit before taxes (C-D)	22,433,865	225,743,595	(10,387,890)	102,136,436
Provision for taxation				
Current tax	20,000,000	95,941,028	9,000,000	45,941,028
Deferred tax	-	-	-	-
	20,000,000	95,941,028	9,000,000	45,941,028
Net profit after tax	2,433,865	129,802,567	(19,387,890)	56,195,408
Earnings per share (EPS)	0.02	1.36	(0.19)	0.59
Weighted average no. of outstanding shares	104,675,549	95,159,590	104,675,549	95,159,590

Sd/-
Mushfiq Ul Quayoom
Head of Finance

Sd/-
Md. Akter H. Sannamat FCA, FCS
Managing Director & CEO

Profit and Loss Statement

(Merchant Banking Operation)

for the half year ended 30 June 2012 (Un-audited)

	Amounts in Taka	
	1 Jan to 30 June 2012	1 Jan to 30 June 2011
Interest income	221,464,296	200,662,718
Interest paid on deposits, borrowings, etc	(208,042,217)	(179,904,506)
Net interest income	13,422,079	20,758,212
Investment income	30,205,680	54,566,624
Total operating income (A)	43,627,759	75,324,836
Salary and allowances	2,347,927	1,769,299
Rent, taxes, insurance, electricity, etc	806,926	741,753
Legal expenses	16,590	56,888
Postage, stamp, telecommunication, etc	154,207	172,665
Stationery, printings, advertisements, etc	395,304	252,610
Managing Director's salary and allowances	-	330,000
Directors' fees	38,500	55,000
Other expenses	571,760	917,869
Total operating expenses (B)	4,331,214	4,296,084
Profit before provision (C=A-B)	39,296,545	71,028,752
Provision for loan		
Specific provision	-	-
General provision	1,906,148	-
	1,906,148	-
Total provision (D)	1,906,148	-
Profit before tax (C-D)	37,390,397	71,028,752

Statement of Changes in Equity

for the half year ended 30 June 2012 (Un-audited)

	Amounts in Taka				
Particulars	Paid-up capital	Statutory reserve	Dividend equalization reserve (DER)	Retained earnings	Total
Balance at 01 January 2012	951,595,900	243,107,034	55,000,000	143,947,308	1,393,650,242
Net profit after tax	-	-	-	2,433,865	2,433,865
Transfer from DER	-	-	(48,000,000)	48,000,000	-
Dividend (bonus shares)	95,159,590	-	-	(95,159,590)	-
Cash dividend (FY 2011)	-	-	-	(95,159,590)	(95,159,590)
Balance at 30 June 2012	1,046,755,490	243,107,034	7,000,000	4,061,993	1,300,924,517
Balance at 30 June 2011	951,595,900	207,554,743	55,000,000	131,540,718	1,345,691,361

Sd/-
Mushfiq Ul Quayoom
Head of Finance

Sd/-
Md. Akter H. Sannamat FCA, FCS
Managing Director & CEO

Cash Flow Statement

for the half year ended 30 June 2012 (Un-audited)

Amounts in Taka

	1 Jan to 30 June 2012	1 Jan to 30 June 2011
Cash flows from operating activities (A)		
Interest receipts in cash	475,844,594	469,733,040
Interest payments	(412,161,466)	(259,202,706)
Dividend receipts	1,227,288	2,690,088
Cash payments to employees	(23,361,275)	(20,027,898)
Cash payments to suppliers	(3,250,278)	(4,772,873)
Income taxes paid	(65,808,624)	(63,835,296)
Receipts from other operating activities	72,963,448	91,687,580
Payments for other operating activities	(16,699,110)	(20,596,951)
Cash generated from operating activities before changes in operating assets and liabilities	28,754,578	195,674,984
Increase/decrease in operating assets and liabilities		
Lease, loans and advances to banks and FIs	-	-
Lease, loans and advances to customers	(155,910,519)	134,338,603
Other assets	126,107,364	(176,966,933)
Deposits from/(refund) to banks and other FIs	(100,000,000)	(840,000,000)
Deposits from customers	(131,473,799)	445,922,919
Other liabilities	94,253,014	(112,682,959)
	(167,023,940)	(549,388,370)
Net cash used in operating activities	(138,269,362)	(353,713,386)
Cash flows from investing activities (B)		
Proceeds from sale of securities	70,698,489	68,101,349
Payment for purchases of securities	(70,250,184)	(6,474,550)
Purchase of property, plant and equipment	(554,971)	(9,517,180)
Proceeds from sale of property, plant and equipment	994,069	15,720
Net cash from investing activities	887,403	52,125,339
Cash flows from financing activities (C)		
Receipts of long term loan	100,000,000	240,000,000
Repayment of long term loan	(277,313,605)	(379,867,916)
Cash dividend paid	(95,159,590)	-
Net draw down/(payment) of short term loan	395,263,548	449,755,909
Net cash from financing activities	122,790,353	309,887,993
Net increase/(decrease) in cash and cash equivalents (D = A+B+C)	(14,591,606)	8,299,946
Effects of exchange rate changes on cash and cash equivalents (E)		-
Opening cash and cash equivalents (F)	238,456,907	149,069,105
Closing cash and cash equivalents (D+E+F)	223,865,301	157,369,051
Closing cash and cash equivalents		
Cash in hand (including foreign currencies)	40,000	40,000
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	93,205,068	65,208,016
Balance with other banks and financial institutions	130,620,233	92,121,035
Money at call and short notice	-	-
	223,865,301	157,369,051

Sd/-

Mushfiq Ul Quayoom
Head of Finance

Sd/-

Md. Akter H. Sannamat FCA, FCS
Managing Director & CEO

Notes to the Financial Statements

For the half year ended 30 June 2012

Accounting policies and methods of computation have been followed as were adopted in case of Financial Statements prepared for the year ended on 31 December 2011.

Corporate Information

Registered and Corporate Office

Noor Tower, 5th floor
1/F Free School Street
73 Sonargaon Road
Dhaka 1205, Bangladesh
Tel: +880 (2) 966 2888
Fax: +880 (2) 861 6878
Email: mailbox@unicap-bd.com

Chittagong Branch:

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Chittagong 4100, Bangladesh
Tel: +880 (31) 251 3353 - 54
Fax: +880 (31) 251 3356

Sylhet Branch:

Bengal Shopping Complex, 2nd floor
Sobhanighat, Mehendibagh, Bishaw Road
Sylhet 3100, Bangladesh
Tel: +880 (821) 728 438 - 41
Fax: +880 (821) 728 437

Motijheel Branch:

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Fax: +880 (2) 716 9075

Gulshan Branch:

Richmond Concord
68 Gulshan Avenue, 6th Floor
Gulshan-1, Dhaka 1212
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Fax: +880 (2) 8825740

Corporate Website:

www.unicap-bd.com



Union Capital Limited
Building Sustainable Future