

Union Capital Limited
Consolidated Financial Statements (Un-audited)
As at and for the half year ended 30 June 2015

Union Capital Limited
Condensed Consolidated Balance Sheet (Un-audited) as at 30 June 2015

Figures in BDT

Particulars	Notes	30-Jun-15	31-Dec-14
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		94,000	94,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		153,352,768	153,053,421
	4.a	153,446,768	153,147,421
Balance with other banks and financial institutions			
In Bangladesh		520,174,012	584,665,127
Outside Bangladesh		-	-
	5.a	520,174,012	584,665,127
Money at call and short notice			
		-	-
Investments			
Government		-	-
Others		1,433,013,546	1,488,135,388
	6.a	1,433,013,546	1,488,135,388
Loans, advances and leases			
Loans, advances and leases		15,155,313,877	14,739,579,044
Bills purchased and discounted		-	-
	7.a	15,155,313,877	14,739,579,044
Fixed assets including land, building, furniture and fixtures	8.a	29,420,009	24,186,716
Other assets	9.a	1,509,294,872	1,184,609,203
TOTAL ASSETS		18,800,663,084	18,174,322,899
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10.a	3,853,396,532	2,985,042,753
Deposits and other accounts			
Term deposits	11.a	8,662,016,172	9,695,588,734
Other deposits	12	1,052,534,362	1,009,852,850
		9,714,550,534	10,705,441,584
Other liabilities	13.a	2,870,812,991	2,676,662,004
Total liabilities		16,438,760,057	16,367,146,341
Shareholders' equity			
Paid up capital	14	1,329,902,845	1,209,002,586
Preference share capital	15	500,000,000	-
Statutory reserve	16	323,835,724	323,835,724
Revaluation reserve		102,024,360	102,024,360
Retained earnings	17.a	106,139,944	172,313,739
Total equity attributable to equity holders of the Company		2,361,902,873	1,807,176,409
Non-controlling interest		154	149
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		18,800,663,084	18,174,322,899
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Other contingent liabilities		-	-
Other commitments			
Undisbursed contracted loans, advances and leases		617,662,000	936,000,000
TOTAL OFF BALANCE SHEET ITEMS		617,662,000	936,000,000

sd/-
Chief Financial Officer

sd/-
Company Secretary & MD (CC)

sd/-
Director

sd/-
Chairman

Union Capital Limited
Condensed Consolidated Profit and Loss Account (Un-audited)
For the half year ended 30 June 2015

Figures in BDT

Particulars	Notes	HY1 15	HY1 14	Q2 15	Q2 14
Interest income	18.a	1,091,307,245	893,672,204	547,992,304	530,172,278
Interest paid on deposits and borrowings etc.	19.a	(684,207,120)	(665,330,835)	(345,093,578)	(343,532,014)
Net interest income		407,100,125	228,341,369	202,898,726	186,640,264
Investment income	20.a	(160,930,609)	100,199,849	(97,292,527)	33,608,071
Fees, commissions, exchange and brokerage	21.a	79,766,111	112,212,490	51,400,447	52,285,589
Other operating income	22.a	7,234,574	4,355,113	4,870,757	2,034,145
Total operating income		333,170,200	445,108,822	161,877,403	274,568,069
Salaries and other employee benefits	23.a	44,979,943	43,436,428	20,645,230	24,184,980
Rent, taxes, insurance, electricity etc.	24.a	15,567,674	10,320,142	8,757,734	5,297,506
Legal expenses	25.a	1,820,855	218,211	1,744,515	466,978
Postage, stamp, telecommunication etc.	26.a	2,035,770	1,535,189	1,089,981	857,281
Stationery, printing, advertisements etc.	27.a	2,937,024	4,549,871	2,153,397	2,622,584
Managing Director's salary and fees	28.0	3,120,000	3,960,000	1,560,000	2,400,000
Directors' fees	29.a	771,500	951,500	616,500	558,000
Auditors' fees		-	-	-	-
Depreciation and repair of assets	30.a	6,265,377	4,398,022	3,311,146	2,316,858
Other expenses	31.a	19,407,690	19,200,836	9,588,531	12,867,122
Total operating expenses		96,905,832	88,570,199	49,467,033	51,571,309
Profit before provision		236,264,368	356,538,624	112,410,369	222,996,760
Provision for loans, leases and investments					
General provision for loans and leases		17,820,477	78,223,971	2,559,354	91,895,996
Specific provision for loans and leases		38,779,113	34,442,699	19,573,270	2,910,712
Provision for diminution in value of investments		14,252,457	117,803,900	(27,474,638)	94,406,083
Total provision		70,852,047	230,470,571	(5,342,013)	189,212,792
Total profit before tax		165,412,320	126,068,053	117,752,383	33,783,969
Provision for taxation					
Current tax		110,685,851	85,795,509	82,445,301	56,310,533
Deferred tax		-	-	-	-
		110,685,851	85,795,509	82,445,301	56,310,533
Net profit after tax		54,726,469	40,272,544	35,307,081	(22,526,564)
Earnings per share (2014: Restated)	34.a	0.41	0.30	0.27	(0.17)

sd/-

Chief Financial Officer

sd/-

Company Secretary & MD (CC)

sd/-

Director

sd/-

Chairman

Union Capital Limited
Condensed Consolidated Cash Flow Statement (Un-audited)
For the half year ended 30 June 2015

Figures in BDT

Particulars	HY1_15	HY1_14
Cash flows from operating activities		
Interest receipts	981,437,687	855,440,180
Interest payments	(722,284,239)	(596,869,588)
Fee and commission receipts	79,766,111	112,212,490
Dividend receipts	23,557,768	8,247,620
Cash payments to employees	(55,306,533)	(59,047,477)
Cash payments to suppliers and management expenses	(23,586,081)	(19,692,269)
Income taxes paid	(140,649,079)	(50,448,888)
Receipts from other operating activities	7,234,574	4,355,113
Payments for other operating activities	(22,000,045)	(20,370,547)
Cash generated before changes in operating assets and liabilities	128,170,163	233,826,635
Increase/decrease in operating assets and liabilities		
Statutory deposits	-	-
Purchase of trading securities (treasury bills)	-	-
Loans, advances and leases to banks and financial institutions	-	-
Loans, advances and leases to customers	(415,734,833)	(3,242,827,938)
Other assets	15,963,411	17,467,559
Deposits from banks and other financial institutions	(953,238,925)	414,000,000
Deposits from customers	(37,652,125)	1,977,382,700
Other liabilities account of customers	-	-
Trading liabilities	-	-
Other liabilities	200,894,099	159,514,808
Cash generated from operating assets and liabilities	(1,189,768,374)	(674,462,871)
Net cash generated from/(used) in operating activities	(1,061,598,211)	(440,636,236)
Cash flows from investing activities		
Proceeds from sale of securities	2,997,779,660	1,450,128,327
Payments for purchases of securities	(2,942,657,801)	(1,523,375,952)
Purchase of property, plant and equipment	(13,071,447)	(4,856,612)
Proceeds from sale of property, plant and equipment	-	-
Net cash used in investing activities	42,050,412	(78,104,237)
Cash flows from financing activities		
Dividend paid	-	-
Receipts of long term loan	770,783,643	1,025,639,386
Repayment of long term loan	(318,701,225)	(611,639,386)
Non-controlling interest	-	(16)
Net draw down/(payment) of short term loan	503,273,613	167,260,626
Net cash generated from/(used) in financing activities	955,356,031	581,260,610
Net (decrease)/increase in cash and cash equivalents	(64,191,768)	62,520,136
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	737,812,548	385,174,497
Cash and cash equivalents at end of the half year	673,620,780	447,694,633
Cash and cash equivalents at end of the half year represents		
Cash in hand	94,000	89,000
Balance with Bangladesh Bank and its agent bank	153,352,768	149,784,727
Balance with other banks and financial institutions	520,174,012	297,820,906
	673,620,780	447,694,633
Supplemental schedule for non-cash financing activities		
Bonus share issued	120,900,259	109,909,326

sd/-
Chief Financial Officer

sd/-
Company Secretary & MD (CC)

sd/-
Director

sd/-
Chairman

Union Capital Limited
Condensed Consolidated statement of changes in shareholders' equity (Un-audited)
For the half year ended 30 June 2015

Figures in BDT

Particulars	Paid-up capital	Preference share	Statutory reserve	Revaluation reserves	Retained earnings	Non-controlling interest	Total
Balance as at 1 January 2015	1,209,002,586	-	323,835,724	102,024,360	172,313,739	149	1,807,176,558
Net profit for the half year	-	-	-	-	54,726,464	5	54,726,469
Issuance of preference share	-	500,000,000	-	-	-	-	500,000,000
Issuance of bonus share	120,900,259	-	-	-	(120,900,259)	-	-
Balance as at 30 June 2015	1,329,902,845	500,000,000	323,835,724	102,024,360	106,139,944	154	2,361,903,027
Balance as at 1 January 2014	1,099,093,260	-	281,817,425	505,500,000	124,254,558	170	2,010,665,412
Net profit for the half year	-	-	-	-	40,272,573	(29)	40,272,544
Cash dividend of UniCap Investments Ltd.	-	-	-	-	-	(16)	(16)
Issuance of bonus share	109,909,331	-	-	-	(109,909,331)	-	-
Balance as at 30 June 2014	1,209,002,591	-	281,817,425	505,500,000	54,617,800	124	2,050,937,939

sd/-
Chief Financial Officer

sd/-
Company Secretary & MD (CC)

sd/-
Director

sd/-
Chairman

Union Capital Limited
Condensed Balance Sheet (Un-audited) as at 30 June 2015

Figures in BDT

PARTICULARS	Notes	30-Jun-15	31-Dec-14
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		59,000	59,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		153,352,768	153,053,421
	4	153,411,768	153,112,421
Balance with other banks and financial institutions			
In Bangladesh		425,154,009	436,665,949
Outside Bangladesh		-	-
	5	425,154,009	436,665,949
Money at call and short notice			
Investments			
Government		-	-
Others		398,743,206	394,219,407
	6	398,743,206	394,219,407
Loans, advances and leases			
Loans, advances and leases		14,248,601,395	14,296,223,795
Bills purchased and discounted		-	-
	7	14,248,601,395	14,296,223,795
Fixed assets including land, building, furniture and fixtures	8	10,540,351	16,221,475
Other assets	9	2,465,594,574	2,014,326,544
TOTAL ASSETS		17,702,045,303	17,310,769,590
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	3,514,925,696	2,798,583,601
Deposits and other accounts			
Term deposits	11	8,662,016,172	9,695,588,734
Other deposits	12	1,052,534,362	1,009,852,850
		9,714,550,534	10,705,441,584
Other liabilities	13	2,218,471,479	2,104,610,311
Total liabilities		15,447,947,708	15,608,635,496
Shareholders' equity			
Paid up capital	14	1,329,902,845	1,209,002,586
Preference share capital	15	500,000,000	-
Statutory reserve	16	323,835,724	323,835,724
Retained earnings	17	100,359,027	169,295,784
Total shareholders' equity		2,254,097,595	1,702,134,094
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		17,702,045,303	17,310,769,590
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Other contingent liabilities		-	-
Other commitments			
Undisbursed contracted loans, advances and leases		617,662,000	936,000,000
TOTAL OFF BALANCE SHEET ITEMS		617,662,000	936,000,000

Union Capital Limited

Condensed Profit and Loss Account (Un-audited) for the half year ended 30 June 2015

Figures in BDT

Particulars	Notes	HY1_15	HY1_14	Q2_15	Q2_14
Interest income	18	1,008,124,108	902,693,713	500,669,240	500,124,719
Interest paid on deposits and borrowings etc.	19	(666,819,708)	(660,202,568)	(334,706,871)	(339,895,018)
Net interest income		341,304,400	242,491,145	165,962,369	160,229,701
Investment income	20	(71,489,227)	30,356,085	(40,474,922)	4,191,439
Fees, commissions, exchange and brokerage	21	6,111,105	16,436,076	2,506,500	9,129,233
Other operating income	22	6,112,705	2,726,429	4,513,167	1,217,609
Total operating income		282,038,984	292,009,735	132,507,115	174,767,982
Salaries and other employee benefits	23	27,756,446	27,833,023	12,363,583	14,560,713
Rent, taxes, insurance, electricity etc.	24	7,128,203	5,493,161	4,530,814	2,817,813
Legal expenses	25	1,800,385	192,655	1,724,045	192,655
Postage, stamp, telecommunication etc.	26	1,033,576	696,138	529,728	428,722
Stationery, printing, advertisements etc.	27	2,482,173	4,261,493	1,878,354	2,435,800
Managing Director's salary and fees	28	3,120,000	3,960,000	1,560,000	2,400,000
Directors' fees	29	415,000	595,000	260,000	305,000
Auditors' fees		-	-	-	-
Depreciation and repair of assets	30	4,405,149	3,880,819	2,214,968	2,022,563
Other expenses	31	8,543,712	8,233,772	2,365,489	4,693,679
Total operating expenses		56,684,644	55,146,060	27,426,981	29,856,944
Profit before provision		225,354,339	236,863,675	105,080,134	144,911,037
Provision for loans, leases and investments					
General provision for loans and leases		16,820,477	15,364,010	3,882,898	31,895,997
Specific provision for loans and leases		38,779,113	34,442,699	17,249,726	2,910,712
Provision for diminution in value of investments		57,791,248	56,457,549	41,553,562	56,457,549
Total provision		113,390,838	106,264,258	62,686,187	91,264,258
Total profit before tax		111,963,501	130,599,417	42,393,947	53,646,779
Provision for taxation					
Current tax		60,000,000	46,883,820	45,000,000	28,000,000
Deferred tax		-	-	-	-
		60,000,000	46,883,820	45,000,000	28,000,000
Net profit after tax		51,963,501	83,715,597	(2,606,053)	25,646,779
Earnings per share (2014: Restated)	34	0.39	0.63	(0.02)	0.19

Union Capital Limited
Condensed Cash Flow Statement (Un-audited) for the half year ended 30 June 2015

Figures in BDT

Particulars	2015	2014
Cash flows from operating activities		
Interest receipts	898,254,550	834,461,688
Interest payments	(704,896,827)	(591,741,321)
Fee and commission receipts	6,111,105	16,436,076
Dividend receipts	6,302,196	3,019,291
Cash payments to employees	(38,083,036)	(37,083,734)
Cash payments to suppliers and management expenses	(18,104,945)	(12,826,523)
Income taxes paid	(125,117,687)	(31,268,894)
Receipts from other operating activities	3,300,026	2,652,510
Payments for other operating activities	(8,543,712)	(8,233,772)
Cash generated before changes in operating assets and liabilities	19,221,671	175,415,323
Increase/decrease in operating assets and liabilities		
Statutory deposits	-	-
Purchase of trading securities (treasury bills)	-	-
Loans, advances and leases to banks and financial institutions	-	-
Loans, advances and leases to customers	47,622,399	(2,410,984,741)
Other assets	48,731,970	224,310,964
Deposits from banks and other financial institutions	(810,000,000)	414,000,000
Deposits from customers	(180,891,050)	1,693,849,044
Other liabilities account of customers	-	-
Trading liabilities	-	-
Other liabilities	165,687,359	(235,451,329)
Cash generated from operating assets and liabilities	(728,849,322)	(314,276,063)
Net cash generated from/(used) in operating activities	(709,627,651)	(138,860,740)
Cash flows from investing activities		
Proceeds from sale of securities	730,378,269	782,251,659
Payments for purchases of securities	(734,902,068)	(808,186,940)
Purchase of property, plant and equipment	(405,489)	(3,218,377)
Proceeds from sale of property, plant and equipment	-	-
Net cash used in investing activities	(4,929,288)	(29,153,658)
Cash flows from financing activities		
Dividend paid	-	-
Receipts of long term loan	500,000,000	-
Repayment of long term loan	(299,929,267)	(17,385,416)
Net draw down/(payment) of short term loan	503,273,613	167,260,626
Net cash generated from/(used) in financing activities	703,344,346	149,875,211
Net (decrease)/increase in cash and cash equivalents	(11,212,592)	(18,139,187)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the half year	589,778,370	373,781,267
Cash and cash equivalents at end of the half year	578,565,777	355,642,079
Cash and cash equivalents at end of the half year represents		
Cash in hand	59,000	59,000
Balance with Bangladesh Bank and its agent bank	153,352,768	149,784,727
Balance with other banks and financial institutions	425,154,009	205,798,352
	578,565,777	355,642,079
Supplemental schedule for non-cash financing activities		
Bonus share issued	120,900,259	109,909,326

Union Capital Limited

Condensed Statement of Changes in shareholders' equity (Un-audited) for the half year ended 30 June 2015

Figures in BDT

Particulars	Paid-up capital	Preference share	Statutory reserve	Retained earnings	Total
Balance as at 1 January 2015	1,209,002,586	-	323,835,724	169,295,784	1,702,134,094
Net profit for the half year 2015	-	-	-	51,963,501	51,963,501
Issuance of preference shares	-	500,000,000	-	-	500,000,000
Issuance of bonus share (year 2014)	120,900,259	-	-	(120,900,259)	-
Balance as at 30 June 2015	1,329,902,845	500,000,000	323,835,724	100,359,026	2,254,097,595
Balance as at 1 January 2014	1,099,093,260	-	281,817,425	111,131,917	1,492,042,602
Net profit for the half year 2014	-	-	-	83,715,597	83,715,597
Issuance of bonus share (year 2013)	109,909,326	-	-	(109,909,326)	-
Balance as at 30 June 2014	1,209,002,586	-	281,817,425	84,938,188	1,575,758,199

Union capital Limited
Selected explanatory notes to the Condensed Consolidated Financial Statements (Un-audited) as at and for the half year ended 30 June 2015

Reporting

These half yearly financial statements have been prepared based on Bangladesh Accounting Standard (BAS) 34: *Interim Financial Reporting*.

These interim financial statements should be read in conjunction with the published financial statements for the year ended 31 December 2014 as they provide an update to previously reported information.

Accounting policies and method of computations

Accounting policies and method of computations followed in preparing these financial statements are consistent with those used in the annual financial statements prepared and published for the year ended 31 December 2014.

Consolidation of operations of subsidiaries

The consolidation of the financial statements have been made after eliminating all material intra group transactions. The total profit of the Company and its subsidiaries are shown in the consolidated profit and loss account with the proportion of profit after taxation pertaining to minority shareholders being deducted as 'non-controlling interest'.

Earnings per share (EPS)

Earnings per share has been calculated based on number of shares outstanding for the period ended 30 June 2015 and profit for the same period. The number of shares outstanding for the period was 132.99 million. Earnings per share for the preceding half year of 2014 has also been calculated based on 132.99 million shares.

Subsequent events

No material events occurred after the reporting date, non-disclosure of which could affect the ability of the users of these financial statements to make proper evaluation and decision.

Reclassification

To facilitate comparison, certain relevant figures pertaining to previous period/year have been rearranged/ restated/reclassified, whenever considered necessary, to conform to current period's presentation.

sd/-
Chief Financial Officer

sd/-
Company Secretary & MD (CC)

sd/-
Director

sd/-
Chairman

Union Capital Limited
Notes to the Condensed Financial Statements (Un-audited)

Figures in BDT

As at 30 June	2015	2014
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4.0 CASH

In hand		
Local currency	59,000	59,000
Foreign currencies	-	-
	59,000	59,000
Balance with Bangladesh Bank		
Local currency	153,352,768	153,053,421
Foreign currencies	-	-
	153,352,768	153,053,421
Total	153,411,768	153,112,421

4.a CASH (Consolidated)

In hand		
Union Capital Ltd.	59,000	59,000
UniCap Securities Ltd.	25,000	25,000
UniCap Investments Ltd.	10,000	10,000
	94,000	94,000
Balance with Bangladesh Bank		
Union Capital Ltd.	153,352,768	153,053,421
UniCap Securities Ltd.	-	-
UniCap Investments Ltd.	-	-
	153,352,768	153,053,421
Total	153,446,768	153,147,421

5.0 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

This represents balance with various banks and financial institutions in Bangladesh.

Fixed deposit account		
Shahjalal Islami Bank Limited, Dhaka Main Branch	-	22,160,000
Social Islami Bank Limited, Babu Bazar Branch	200,000,000	200,000,000
NRB Bank Limited, Gulshan Branch	-	100,000,000
Reliance Finance Limited	-	50,000,000
The Farmers Bank Limited	150,000,000	-
Union Bank Limited, Mouchak Branch	25,000,000	-
LankaBangla Finance Limited	6,311,551	6,311,551
Prime Bank Limited, Motijheel Branch	-	9,917,851
	381,311,551	388,389,402
Current account		
Mutual Trust Bank Limited, Dilkusha Branch	396,813	396,813
Southeast Bank Limited, Islamic Banking Branch	714,055	714,055
Standard Bank Limited, Dhanmondi Branch	0	0
Shahjalal Islami Bank Limited, Dhaka Main Branch	453	453
BRAC Bank Limited, Gulshan Branch	73,109	73,109
The Premier Bank Limited, Karwan Bazar Branch	99,940	-
AB Bank Limited, Karwan Bazar Branch	16,281	16,281
BASIC Bank Limited, Shantinagar Branch	1	1
State Bank of India, Dhaka Office	81,098	81,098
Uttara Bank Limited, Local Office	21,008	21,008
United Commercial Bank Limited	1,861,871	-
	3,264,630	1,302,819

Union Capital Limited
Notes to the Condensed Financial Statements (Un-audited)

Figures in BDT

As at 30 June	2015	2014
Short term deposit		
HSBC, Dhaka Main Office	1,690,775	7,879,798
HSBC, Dhaka Main Office	70,593	70,593
Southeast Bank Limited, Islamic Banking Branch	2,008,060	2,008,060
Bank Asia Limited, Corporate Branch	29,068,605	12,309,017
Dhaka Bank Limited, Local Office	2,311,567	5,790,249
Jamuna Bank Limited	4,288,574	13,281,353
Dutch Bangla Bank Limited	205,972	4,700,975
Mutual Trust Bank Limited, Principal Branch	933,684	933,684
	40,577,829	46,973,729
Total	425,154,009	436,665,949

5.a BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS (consolidated)

Union Capital Ltd.	425,154,009	436,665,949
UniCap Securities Ltd.	51,685,308	104,253,224
UniCap Investments Ltd.	43,334,695	43,745,954
	520,174,012	584,665,127
Less: Inter-company transactions	-	-
Total	520,174,012	584,665,127

6.0 INVESTMENTS

The investment is made up as under:

Government securities	-	-
Other investments	398,743,206	394,219,407
Total	398,743,206	394,219,407

This represents investment made by the company in listed securities.

Sector wise investment in listed securities at cost

Insurance companies	16,389,271	53,786,714
Investment companies	63,852	-
Fuel & power	-	125,031,846
Manufacturing companies and others	382,290,083	215,400,847
Total	398,743,206	394,219,407

6.a INVESTMENTS (consolidated)

Union Capital Ltd.	398,743,206	394,219,407
UniCap Securities Ltd.	590,009,912	577,494,937
UniCap Investments Ltd.	444,260,428	516,421,044
Total	1,433,013,546	1,488,135,388

7.0 LOANS, ADVANCES AND LEASES

Lease finance	2,755,554,472	3,038,510,420
Advance against lease finance	41,747,129	45,838,797
Term finance	6,830,310,693	6,451,344,029
Home loan	3,336,845	-
Loan to subsidiary	4,591,434,097	4,633,434,097
Loan against deposits	2,230,412	105,786,000
Staff loan	23,987,748	21,310,452
Total	14,248,601,395	14,296,223,795

This represents loans, advances and leases financed fully in Bangladesh.

Union Capital Limited
Notes to the Condensed Financial Statements (Un-audited)

Figures in BDT

As at 30 June	2015	2014
7.a LOANS, ADVANCES AND LEASES (consolidated)		
Union Capital Ltd.	14,248,601,395	14,296,223,795
UniCap Securities Ltd.	723,947,250	622,610,449
UniCap Investments Ltd.	4,774,199,329	4,454,178,897
	19,746,747,974	19,373,013,141
Less: Inter-company transactions	4,591,434,097	4,633,434,097
Total	15,155,313,877	14,739,579,044
8.0 FIXED ASSETS INCLUDING LAND, BUILDING, FURNITURE AND FIXTURES		
Furniture and fixtures	6,936,938	6,892,010
Office decoration	18,184,226	18,184,226
Electric equipment	26,587,193	26,226,632
Owned vehicles	3,162,133	3,162,133
Leased vehicles	3,760,000	8,760,000
Intangible assets (software)	943,881	943,881
Mobile phones	367,085	412,002
Staff appliances	41,328	41,328
Total cost	59,982,784	64,622,212
Less: Accumulated depreciation and amortization	49,442,434	48,400,738
Written down value	10,540,351	16,221,475
8.a FIXED ASSETS INCLUDING LAND, BUILDING, FURNITURE AND FIXTURES (consolidated)		
Union Capital Ltd.	10,540,351	16,221,475
UniCap Securities Ltd.	12,726,265	6,927,630
UniCap Investments Ltd.	6,153,393	1,037,611
Total	29,420,009	24,186,716
9.0 OTHER ASSETS		
Investment in subsidiary	347,498,771	347,498,771
Accrued interest	49,019,750	53,118,825
Others	12,907,986	22,276,898
Income generating other assets	409,426,507	422,894,494
Advance office rent	3,945,037	5,078,665
Advance to employees	817,480	525,629
Security deposits for T & T, water etc.	37,500	37,500
Advance corporate tax	881,628,099	756,510,412
Receivable against sale of shares	-	16,318,400
Receivable from subsidiary companies	917,161,989	664,474,228
Transfer price receivable	1,287,376	1,287,376
Deferred tax assets	9,777,126	9,777,126
Non-banking assets	215,129,173	112,446,140
Others	26,384,288	24,976,576
Non income generating other assets	2,056,168,067	1,591,432,051
Total	2,465,594,574	2,014,326,544
9.a OTHER ASSETS (consolidated)		
Union Capital Ltd.	2,465,594,574	2,014,326,544
UniCap Securities Ltd.	189,240,740	169,395,667
UniCap Investments Ltd.	121,800,538	29,178,391
	2,776,635,852	2,212,900,602
Less: Inter-company transactions	1,267,340,981	1,028,291,399
Total	1,509,294,872	1,184,609,203

As at 30 June	2015	2014
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10.0 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS

Borrowings from other banks

In Bangladesh

Secured long term loans		
Bank loan	1,461,286,483	1,252,927,545
Un secured		
Bangladesh Bank (Small Enterprise refinancing scheme-JICA)	585,710,684	583,226,258
Bangladesh Bank (Women entrepreneurship refinance scheme)	71,589,286	62,000,000
Short term borrowing	1,380,000,000	876,726,387
	2,037,299,970	1,521,952,645
	3,498,586,454	2,774,880,190
Outside Bangladesh	-	-
Borrowings from banks	3,498,586,454	2,774,880,190

Borrowings from financial institutions

The UAE-Bangladesh Investment Company Limited	16,339,242	23,703,411
Total	3,514,925,696	2,798,583,601

10.a Borrowings from other banks, financial institutions and agents (consolidated)

Union Capital Limited	3,514,925,696	2,798,583,601
UniCap Securities Limited	969,966,602	888,738,560
UniCap Investments Limited	3,959,938,331	3,931,154,689
	8,444,830,629	7,618,476,849
Less: Inter-company transactions	4,591,434,097	4,633,434,097
Total	3,853,396,532	2,985,042,753

11.0 Term Deposits

This comprises interest bearing deposits from individuals and organizations for period ranging from 3 months to 10 years.

Banks and financial institutions	4,090,000,000	4,900,000,000
Other institutions	3,800,893,246	3,944,132,171
Total institutional deposits	7,890,893,246	8,844,132,171
Term deposit	540,905,248	642,357,703
Income deposit	226,278,003	206,243,560
Monthly savings scheme	3,939,675	2,855,300.00
Total individual deposits	771,122,926	851,456,563
Total	8,662,016,172	9,695,588,734

11.a Term deposits (consolidated)

Union Capital Limited	8,662,016,172	9,695,588,734
UniCap Securities Limited	-	-
UniCap Investments Limited	-	-
	8,662,016,172	9,695,588,734
Less: Inter-company transactions	-	-
Total	8,662,016,172	9,695,588,734

As at 30 June	2015	2014
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12.0 Other deposits

The amount received from clients as advance against finance and cash security deposit on the stipulation that the amount will be either adjusted with the outstanding rentals/installments or repaid at the end of term. This is made up as under:

Lease advance	71,683,010	162,689,968
Term finance advance	237,646,368	107,590,681
Cash security	743,204,984	739,572,201
Total	1,052,534,362	1,009,852,850

Advance and security deposit reduce the exposure with the clients and thereby reduce the risks. No interest is payable on advances while cash security deposits are interest bearing.

13.0 OTHER LIABILITIES

Provision for loans, advances and leases	435,756,835	384,248,913
Provision for diminution in value of investments	62,400,416	4,609,168
Provision for other assets	2,720,000	2,720,000
Interest suspense	270,124,959	255,848,153
Provision for tax	1,033,998,874	973,998,874
Financial expenses payable	401,015,356	439,092,475
Obligation under capital lease	-	3,374,054
Deferred liability-employee gratuity	7,982,703	8,182,703
Excise duty	1,856,670	3,205,047
Withholding tax payable	504,885	14,899,470
VAT payable	529,084	597,561
Accrued expenses and other payable	1,581,697	13,833,895
Total	2,218,471,479	2,104,610,311

13.a OTHER LIABILITIES (consolidated)

Union Capital Limited	2,218,471,479	2,104,610,311
UniCap Securities Limited	413,604,182	413,267,236
UniCap Investments Limited	1,158,579,540	839,577,084
	3,790,655,200	3,357,454,632
Less: Inter-company transactions	919,842,210	680,792,628
Total	2,870,812,991	2,676,662,004

14.0 Share capital

As at 30 June 2015, a total number of 132,990,284 (As at 31 December 2014: 120,900,258) ordinary shares of Tk.10 each were issued, subscribed and fully paid up. Details are as follows:

Authorized capital

200,000,000 ordinary shares of Tk. 10 each	2,000,000,000	2,000,000,000
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Issued, subscribed and paid up capital:

120,900,258 ordinary shares of Tk.10 each	1,209,002,586	1,099,093,260
12,090,026 bonus shares	120,900,259	109,909,326
Total 132,990,284	1,329,902,845	1,209,002,586

Union Capital Limited
Notes to the Condensed Financial Statements (Un-audited)

Figures in BDT

As at 30 June	2015	2014
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15.0 Preference share capital

50 cumulative non-convertible preference shares of Tk. 10,000,000	500,000,000	-
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The Company issued 50 cumulative non-convertible redeemable preference share of Tk. 10,000,000 to the tune of Tk. 500,000,000 in March 2015. Rate of dividend payable on the preference shares is 12.50 percent per annum.

16.0 STATUTORY RESERVE

Balance as on 1 January	323,835,724	281,817,425
Add: Transferred from profit during the year	-	42,018,299
Total	323,835,724	323,835,724

17.0 Retained earnings

Balance as on 1 January	169,295,784	111,131,917
Less: Issuance of bonus shares (2014)	(120,900,259)	(109,909,326)
Add: Profit after tax for the period	51,963,501	210,091,493
Less: Transferred to statutory reserve	-	(42,018,299)
Total	100,359,027	169,295,784

17.a RETAINED EARNINGS (consolidated)

Balance as on 1 January	172,313,739	124,254,553
Less: Issuance of bonus shares (2014)	(120,900,259)	(109,909,326)
Add: Profit after tax for the year	54,726,464	199,986,811
Less: Transferred to statutory reserve	-	(42,018,299)
Total	106,139,944	172,313,739

Union Capital Limited
Notes to the Condensed Financial Statements (Un-audited)

Figures in BDT

For the half year ended 30 June **2015** **2014**

18.0 INTEREST INCOME

Income from lease finance	184,679,214	117,710,136
Income from term finance	534,923,094	421,355,598
Income from home finance	166,245	-
Interest on loan to subsidiaries	270,687,761	357,852,004
Income form other finance	671,740	467,501
Total	991,128,054	897,385,239
Interest income on balance with bank & FI	16,996,055	5,308,474
Total	1,008,124,108	902,693,713

18.a INTEREST INCOME (consolidated)

Union Capital Limited	1,008,124,108	902,693,713
UniCap Securities Limited	44,988,093	50,540,200
UniCap Investments Limited	359,882,804	345,334,739
	1,412,995,006	1,298,568,652
Less: Inter-company transactions	321,687,761	404,896,448
Total	1,091,307,245	893,672,204

19.0 INTEREST PAID ON DEPOSITS, BORROWINGS, etc.

Interest on bank loan	70,209,337	64,596,795
Interest on JICA fund	14,918,062	3,805,085
Interest on women entrepreneurship fund	2,022,917	534,656
Interest on term deposits	508,060,636	526,797,158
Interest on money at call & short notice	34,728,861	37,679,625
Interest on cash security deposit	35,656,652	25,756,468
Interest on obligation under capital leases	233,523	345,091
Bank charges	989,722	687,688
Total	666,819,708	660,202,568

19.a INTEREST PAID ON DEPOSITS, BORROWINGS etc. (consolidated)

Union Capital Limited	666,819,708	660,202,568
UniCap Securities Limited	68,585,871	84,355,563
UniCap Investments Limited	270,489,302	325,669,152
	1,005,894,881	1,070,227,282
Less: Inter-company transactions	321,687,761	404,896,448
Total	684,207,120	665,330,835

20.0 INVESTMENT INCOME

Capital gain/(loss) on sale of securities	(77,791,423)	27,336,794
Dividend income	6,302,196	3,019,291
Total	(71,489,227)	30,356,085

20.a INVESTMENT INCOME (consolidated)

Union Capital Limited	(71,489,227)	30,356,085
UniCap Securities Limited	(24,839,521)	13,571,050
UniCap Investments Limited	(64,601,862)	56,272,713
	(160,930,609)	100,199,849
Less: Inter-company transactions	-	-
Total	(160,930,609)	100,199,849

Union Capital Limited
Notes to the Condensed Financial Statements (Un-audited)

Figures in BDT

For the half year ended 30 June **2015** **2014**

21.0 FEES, COMMISSIONS, EXCHANGE AND BROKERAGE

Fees and commission income	6,111,105	16,436,076
Exchange income	-	-
Total	6,111,105	16,436,076

21.a FEES, COMMISSIONS, EXCHANGE AND BROKERAGE (consolidated)

Union Capital Limited	6,111,105	16,436,076
UniCap Securities Limited	48,151,687	51,797,185
UniCap Investments Limited	25,503,318	43,979,230
Total	79,766,111	112,212,490

22.0 OTHER OPERATING INCOME

Renewals and proceeds	3,300,026	2,652,510
Recovery from written off accounts	2,622,416	73,919
Profit/(loss) on sale of fixed assets	190,263	-
Total	6,112,705	2,726,429

22.a OTHER OPERATING INCOME (consolidated)

Union Capital Limited	6,112,705	2,726,429
UniCap Securities Limited	1,112,223	1,628,684
UniCap Investments Limited	9,645	-
Total	7,234,574	4,355,113

23.0 SALARIES AND OTHER EMPLOYEE BENEFITS

Salaries & allowances	27,756,446	27,833,023
Total	27,756,446	27,833,023

23.a SALARIES AND OTHER EMPLOYEE BENEFITS (consolidated)

Union Capital Limited	27,756,446	27,833,023
UniCap Securities Limited	13,246,022	12,527,099
UniCap Investments Limited	3,977,475	3,076,306
Total	44,979,943	43,436,428

24.0 RENT, TAXES, INSURANCE, ELECTRICITY etc.

Office rent, rates and taxes	6,393,665	4,871,013
Insurance	73,485	61,114
Power and electricity	661,053	561,034
Total	7,128,203	5,493,161

24.a RENT, TAXES, INSURANCE, ELECTRICITY etc. (consolidated)

Union Capital Limited	7,128,203	5,493,161
UniCap Securities Limited	6,045,191	3,939,273
UniCap Investments Limited	2,394,280	887,708
Total	15,567,674	10,320,142

25 LEGAL EXPENSES

Court fees	81,920	2,600
Professional Fees	1,718,465	190,055
Total	1,800,385	192,655

Union Capital Limited
Notes to the Condensed Financial Statements (Un-audited)

Figures in BDT

For the half year ended 30 June **2015** **2014**

25.a LEGAL EXPENSES (consolidated)

Union Capital Limited	1,800,385	192,655
UniCap Securities Limited	20,470	25,556
UniCap Investments Limited	-	-
Total	1,820,855	218,211

26.0 POSTAGE, STAMP, TELECOMMUNICATION etc.

Postage	66,667	24,755
Telegram, telex, fax and e-mail	415,403	215,808
Telephone - office	551,506	455,575
Total	1,033,576	696,138

26.a POSTAGE, STAMP, TELECOMMUNICATION etc. (consolidated)

Union Capital Limited	1,033,576	696,138
UniCap Securities Limited	897,605	833,055
UniCap Investments Limited	104,588	5,996
Total	2,035,770	1,535,189

27.0 STATIONERY, PRINTING, ADVERTISEMENTS etc.

Printing and stationery	388,956	615,022
Advertisement and publicity	2,093,217	3,646,471
Total	2,482,173	4,261,493

27.a STATIONERY, PRINTING, ADVERTISEMENTS etc.(consolidated)

Union Capital Limited	2,482,173	4,261,493
UniCap Securities Limited	360,774	223,626
UniCap Investments Limited	94,077	64,752
Total	2,937,024	4,549,871

28.0 MANAGING DIRECTOR'S SALARY AND FEES **3,120,000** **3,960,000**

29.0 DIRECTORS' FEES

The Company pays fees to its Directors for attending the Board meetings and its Committee meetings as permitted by the Bangladesh Bank. As per Bangladesh Bank's DFIM circular no. 03 dated 24 February 2010, a Director may be paid fees for attending Board or its Committee meetings which shall not exceed Tk. 5,000 for attending each meeting.

Directors' fees	415,000	595,000
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29.a DIRECTORS' FEES (consolidated)

Union Capital Limited	415,000	595,000
UniCap Securities Limited	207,000	356,500
UniCap Investments Limited	149,500	-
Total	771,500	951,500

30.0 DEPRECIATION AND REPAIR OF ASSETS

Depreciation of fixed assets-freehold	2,617,004	2,381,080
Depreciation of fixed assets-leasehold vehicle	792,667	876,000
Amortization of intangible assets	73,396	73,836
Repairs and maintenance	922,082	549,903
Total	4,405,149	3,880,819

Union Capital Limited
Notes to the Condensed Financial Statements (Un-audited)

Figures in BDT

For the half year ended 30 June **2015** **2014**

30.a DEPRECIATION AND REPAIR OF ASSETS (consolidated)

Union Capital Limited	4,405,149	3,880,819
UniCap Securities Limited	1,400,234	442,756
UniCap Investments Limited	459,994	74,447
Total	6,265,377	4,398,022

31.0 OTHER EXPENSES

HR development	168,375	195,333
Travelling and conveyance	536,457	555,034
Motor vehicle expenses	1,493,864	2,298,530
Subscription and fees	895,696	873,553
Books, magazines, newspapers, etc	108,085	29,585
AGM expenses	1,843,982	1,828,144
Entertainment and public relation & others	2,933,205	1,599,113
Donation	564,048	854,480
Total	8,543,712	8,233,772

31.a OTHER EXPENSES (consolidated)

Union Capital Limited	8,543,712	8,233,772
UniCap Securities Limited	10,286,729	10,525,525
UniCap Investments Limited	577,249	441,539
	19,407,690	19,200,836
Less: Inter-company transactions	-	-
Total	19,407,690	19,200,836

32.0 RECEIPTS FROM OTHER OPERATING ACTIVITIES

Renewals and proceeds	3,300,026	2,652,510
Others	-	-
Total	3,300,026	2,652,510

33.0 PAYMENTS FOR OTHER OPERATING ACTIVITIES

HR development	168,375	195,333
Travelling and conveyance	536,457	555,034
Motor vehicle expenses	1,493,864	2,298,530
Subscription and fees	895,696	873,553
Books, magazines, newspapers, etc	108,085	29,585
AGM expenses	1,843,982	1,828,144
Entertainment and public relation & others	2,933,205	1,599,113
Donation	564,048	854,480
Total	8,543,712	8,233,772

34.0 EARNINGS PER SHARE

Earnings Per Share (EPS) is calculated in accordance with Bangladesh Accounting Standard 33: *Earnings Per Share* which has been shown on the face of Profit and Loss account.

Basic earnings per share

The calculation of basic earnings per share at 30 June 2015 was based on the profit attributable to ordinary shareholders of Tk. 51,963,501 (30 June 2015: Tk. 83,715,597) and a weighted average number of ordinary shares outstanding for the half year ended 30 June 2015 was 132,990,284 (30 June 2014: 120,900,258).

Profits attributable to ordinary shareholders

Net profit for the year	51,963,501	83,715,597
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Union Capital Limited
Notes to the Condensed Financial Statements (Un-audited)

Figures in BDT

For the half year ended 30 June **2015** **2014**

Weighted average number of ordinary shares

Ordinary shares at 1 January	120,900,259	109,909,326
Bonus shares issued	12,090,026	10,990,933
Weighted average number of ordinary shares at 30 June	132,990,284	120,900,259
Restated weighted average number of ordinary shares	132,990,284	132,990,284
Earnings per share	0.39	0.69
Earnings per share (restated)	0.39	0.63

Diluted earnings per share

The dilutive effect relates to the average number of potential ordinary share held under option of convertibility. There was no such dilutive potential ordinary share during the half year ended 30 June 2015 and hence no diluted earnings per share is required to be calculated.

34.a EARNINGS PER SHARE (consolidated)

Profits attributable to ordinary shareholders

Net profit for the year (consolidated)	54,726,469	40,272,544
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Weighted average number of ordinary shares

Ordinary shares at 1 January	120,900,259	109,909,326
Bonus shares issued	12,090,026	10,990,933
Weighted average number of ordinary shares at 30 June	132,990,284	120,900,259
Restated weighted average number of ordinary shares	132,990,284	132,990,284
Earnings per share- consolidated	0.41	0.33
Earnings per share- consolidated (restated)	0.41	0.30