

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 2010. These Financial Statements are comprised of the consolidated financials of Union Capital Limited and its wholly owned subsidiary, SES Company Limited and also the financials of Union Capital Limited itself.

Thank you for your continued support and confidence on us.

Sd/-

Saifuddin M. Naser

Managing Director & CEO

26 July 2010

Consolidated Balance Sheet as at 30 June 2010 (Un-audited)

	Figures in Taka	
	At 30 Jun 2010	At 31 Dec 2009
PROPERTY AND ASSETS		
Cash	41,100	1,376,103
In hand	59,166,883	56,156,559
Balance with Bangladesh Bank and its agent bank (s)	59,207,983	57,532,662
Balance with other banks and financial institutions		
In Bangladesh	514,860,585	182,975,186
Outside Bangladesh	514,860,585	182,975,186
Investments		
Government	443,509,328	352,352,878
Others	443,509,328	352,352,878
Leases, loans and advances		
Leases, loans, cash credits, overdrafts, etc	5,554,511,221	4,611,055,854
Bills purchased and discounted	5,554,511,221	4,611,055,854
Fixed assets including premises, furniture and fixtures	16,582,604	16,956,577
Other assets	998,365,219	869,388,177
Total Assets	7,587,036,940	6,090,261,333
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	2,063,137,114	1,554,379,762
Deposits and other accounts		
Term deposit	3,045,631,377	2,721,872,580
Other deposit	223,958,571	179,508,866
	3,269,589,948	2,901,381,446
Other liabilities	1,431,983,047	981,783,055
Total Liabilities	6,764,710,109	5,437,544,263
Capital/Shareholders' Equity		
Paid-up capital	543,769,090	418,283,920
Statutory reserve	93,845,510	93,845,510
Retained earnings	184,712,231	140,587,640
Total Shareholders' Equity	822,326,831	652,717,070
Total Liabilities And Shareholders' Equity	7,587,036,940	6,090,261,333
OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
Letters of guarantee	210,000,000	120,000,000
Irrevocable letters of credit	210,000,000	3,000,000
Other commitments		
Undrawn formal standby facilities, credit lines and other commitments	417,900,899	407,243,499
Total Off-Balance Sheet Items Including Contingent Liabilities	627,900,899	530,243,499
Sd/- Mushfiq Ul Quayum Head of Finance	Sd/- Saifuddin M. Naser Managing Director & CEO	

Consolidated Profit and Loss Statement for the half year ended 30 June 2010 (Un-audited)

	Figures in Taka			
	1 Jan to 30 Jun 2010	1 Jan to 30 Jun 2009	1 Apr to 30 Jun 2010	1 Apr to 30 Jun 2009
Interest income	317,010,070	268,814,598	160,004,485	132,307,302
Interest paid on deposits, borrowings, etc	(231,658,615)	(212,365,958)	(118,979,191)	(104,551,422)
Net interest income	85,351,455	56,448,640	41,025,294	27,755,880
Investment income	149,536,620	22,282,131	129,733,356	15,207,762
Commission, exchange and brokerage	141,319,087	61,414,281	82,921,779	38,675,816
Other operating income	90,626,490	36,230,805	51,550,837	21,461,694
Total Operating Income (A)	466,833,652	176,375,857	305,231,266	103,101,152
Salary and allowances	12,623,668	11,601,587	6,243,358	5,322,410
Charges for stock exchanges, etc	26,652,515	12,459,223	14,985,415	7,850,710
Rent, taxes, insurance, electricity, etc	4,218,559	2,397,098	2,341,209	1,281,919
Legal expenses	25,175	24,500	25,175	24,500
Postage, stamp, telecommunication, etc	607,944	527,542	87,953	95,627
Stationery, printings, advertisements, etc	11,026,722	2,575,855	8,698,587	1,060,228
Managing Director's salary and allowances	3,300,000	3,300,000	1,650,000	1,650,000
Directors' fees	438,000	338,400	263,000	166,800
Depreciation and repair of company's assets	3,809,835	2,970,323	1,925,777	1,446,580
Other expenses	9,603,873	6,335,489	7,180,395	4,570,107
Total Operating Expenses (B)	72,306,291	42,530,018	43,400,869	23,468,881
Profit before Provision (C=A-B)	394,527,361	133,845,839	261,830,397	79,632,270
Provision for loan				
Specific provision	9,723,974	18,074,000	(10,375,864)	11,874,200
General provision	77,306,679	11,618,122	70,984,455	10,782,043
	87,030,653	29,692,122	60,608,591	22,656,243
Provision for diminution in value of investments	-	(16,709,664)	-	(20,896,586)
Total Provision (D)	87,030,653	12,982,458	60,608,591	1,759,657
Profit Before Taxes (C-D)	307,496,708	120,863,381	201,221,806	77,872,613
Provision for taxation	137,886,947	36,000,000	86,783,955	13,900,426
Net profit after tax	169,609,761	84,863,381	114,437,851	63,972,187
Earnings per share (EPS)	3.12	2.03	2.10	1.53
Weighted average no. of outstanding shares	54,376,909	41,828,392	54,376,909	41,828,392
Sd/- Mushfiq Ul Quayum Head of Finance	Sd/- Saifuddin M. Naser Managing Director & CEO			

Profit and Loss Statement (Merchant Banking Operation) for the half year ended 30 June 2010 (Un-audited)

	Figures in Taka	
	1 Jan to 30 Jun 2010	1 Jan to 30 Jun 2009
Interest income	165,576,063	80,317,625
Interest paid on deposits, borrowings, etc	(147,430,741)	(80,049,899)
Net interest income	18,145,322	267,726
Investment income	76,756,962	30,686,278
Total operating income (A)	94,902,284	30,954,004
Salary and allowances	1,652,584	2,209,560
Rent, taxes, insurance, electricity, etc	461,334	284,314
Legal expenses	2,518	4,536
Postage, stamp, telecommunication, etc	2,203	6,065
Stationery, printings, advertisements, etc	1,040,941	259,802
Managing Director's salary and allowances	330,000	330,000
Directors' fees	43,800	37,600
Other expenses	577,125	399,283
Total operating expenses (B)	4,110,505	3,531,160
Profit before provision (C=A-B)	90,791,779	27,422,844
Provision for loan		
Specific provision	-	-
General provision	2,309,328	3,061,628
	2,309,328	3,061,628
Total provision (D)	2,309,328	3,061,628
Profit before tax (C-D)	88,482,451	24,361,216
Sd/- Mushfiq Ul Quayum Head of Finance	Sd/- Saifuddin M. Naser Managing Director & CEO	

Consolidated Cash Flow Statement for the half year ended 30 June 2010 (Un-audited)

	Figures in Taka	
	1 Jan to 30 Jun 2010	1 Jan to 30 Jun 2009
(A) Cash flows from operating activities		
Interest receipts in cash	317,010,070	268,814,598
Interest payments	(231,658,615)	(212,365,958)
Dividend receipts	2,008,400	542,745
Fee and commission receipts in cash	141,319,087	61,414,281
Cash payments to employees	(15,923,668)	(14,901,587)
Cash payments to suppliers	(660,894)	(639,524)
Income taxes paid	(48,038,764)	(27,838,406)
Receipts from other operating activities	88,225,494	36,230,805
Payments for other operating activities	(52,572,788)	(24,658,107)
Cash generated from operating activities before changes in operating assets and liabilities	199,708,322	86,598,847
Increase (decrease) in operating assets and liabilities		
Lease, loans and advances to customers	(943,455,367)	(426,938,667)
Other assets	(80,938,278)	(224,396,100)
Deposits from customers	368,208,502	944,579,302
Other liabilities	225,282,392	38,329,573
	(430,902,751)	331,574,108
	(231,194,429)	418,172,955
Net cash from/(used in) operating activities	199,708,322	86,598,847
(B) Cash flows from investing activities		
Proceeds from sale of securities	478,563,803	122,389,089
Payments for purchases of securities	(422,192,033)	(231,677,965)
Purchase of property, plant and equipment	(3,214,749)	(802,671)
Proceeds from sale of property, plant and equipment	2,840,776	-
Net cash used in investing activities	55,997,797	(110,091,547)
(C) Cash flows from financing activities		
Receipts of long term loan	450,000,000	70,000,000
Repayment of long term loan	(185,339,251)	(274,704,845)
Net draw down/(payment) of short term loan	244,096,597	-
Net cash from financing activities	508,757,346	(204,704,845)
(D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	333,560,720	103,376,563
(E) Opening cash and cash equivalents	240,507,848	195,220,693
(F) Closing cash and cash equivalents (D+E)	574,068,568	298,597,256
Closing cash and cash equivalents	41,100	74,100
Cash in hand	59,166,883	45,009,120
Balance with Bangladesh Bank and its agent bank(s)	514,860,585	253,514,036
Balance with other banks and financial institutions	574,068,568	298,597,256
Sd/- Mushfiq Ul Quayum Head of Finance	Sd/- Saifuddin M. Naser Managing Director & CEO	

Cash Flow Statement for the half year ended 30 June 2010 (Un-audited)

	Figures in Taka	
	1 Jan to 30 Jun 2010	1 Jan to 30 Jun 2009
(A) Cash flows from operating activities		
Interest receipts in cash	317,010,070	268,814,598
Interest payments	(231,658,615)	(212,365,958)
Dividend receipts	2,008,400	542,745
Cash payments to employees	(15,923,668)	(14,901,587)
Cash payments to suppliers	(660,894)	(639,524)
Income taxes paid	(34,473,932)	(24,409,892)
Receipts from other operating activities	190,706,816	101,751,008
Payments for other operating activities	(25,920,273)	(12,198,884)
Cash generated from operating activities before changes in operating assets and liabilities	201,087,905	106,592,506
Increase/decrease in operating assets and liabilities		
Lease, loans and advances to customers	(943,455,367)	(426,938,667)
Other assets	(479,229,118)	(249,432,170)
Deposits from banks and other financial institutions	-	615,000,000
Deposits from customers	368,208,502	329,141,842
Other liabilities	373,207,734	17,370,450
	(681,268,251)	285,141,455
	(480,180,346)	391,733,961
Net cash from/(used in) operating activities	201,087,905	106,592,506
(B) Cash flows from investing activities		
Proceeds from sale of securities	494,152,384	100,649,703
Payment for purchases of securities	(430,032,157)	(231,677,965)
Purchase of property, plant and equipment	(3,214,749)	(802,671)
Proceeds from sale of property, plant and equipment	2,840,777	-
Net cash used in investing activities	63,746,255	(131,830,933)
(C) Cash flows from financing activities		
Receipts of long term loan	450,000,000	70,000,000
Repayment of long term loan	(185,339,251)	(274,987,078)
Net draw down/(payment) of short term loan	244,096,597	-
Net cash from financing activities	508,757,346	(204,987,078)
(D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	92,323,255	54,915,950
(E) Opening cash and cash equivalents	197,774,497	100,261,792
(F) Closing cash and cash equivalents (D+E)	290,097,752	155,177,742
Closing cash and cash equivalents	41,100	74,100
Cash in hand	59,166,883	45,009,120
Balance with Bangladesh Bank and its agent bank (s)	230,890,869	110,095,622
Balance with other banks and financial institutions	290,097,752	155,177,742
Sd/- Mushfiq Ul Quayum Head of Finance	Sd/- Saifuddin M. Naser Managing Director & CEO	

Balance Sheet as at 30 June 2010 (Un-audited)

	Figures in Taka	
	At 30 Jun 2010	At 31 Dec 2009
PROPERTY AND ASSETS		
Cash	41,100	1,376,103
In hand	59,166,883	56,156,559
Balance with Bangladesh Bank and its agent bank (s)	59,207,983	57,532,662
Balance with other banks and financial institutions		
In Bangladesh	230,890,869	140,242,934
Outside Bangladesh	230,890,869	140,242,934
Investments		
Government	470,168,105	386,851,779
Others	470,168,105	386,851,779
Leases, loans and advances		
Leases, loans, cash credits, overdrafts, etc	5,554,511,221	4,611,055,854
Bills purchased and discounted	5,554,511,221	4,611,055,854
Fixed assets including premises, furniture and fixtures	16,582,602	16,956,575
Other assets	1,159,695,098	648,301,375
Total Assets	7,491,054,780	5,860,940,080
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	2,063,137,107	1,554,379,762
Deposits and other accounts		
Term Deposit	3,045,631,379	2,721,872,580
Other deposit	223,958,571	179,508,866
	3,269,589,950	2,901,381,446
Other liabilities	1,342,561,584	757,836,250
Total Liabilities	6,675,288,641	5,213,597,458
Capital/Shareholders' Equity		
Paid up capital	543,769,090	418,283,920
Statutory reserve	93,845,510	93,845,510
Retained earnings	178,151,538	135,213,192
Total Shareholders' Equity	815,766,138	647,342,622
Total Liabilities and Shareholders' Equity	7,491,054,780	5,860,940,080
OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
Letters of guarantee	210,000,000</	