

half
yearly
report

2011



rooted deep inside...



Union Capital Limited

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 2011. 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

24 July 2011

Consolidated Balance Sheet

as at 30 June 2011 (Un-audited)

	Amounts in Taka	
	At 30 June 2011	At 31 Dec 2010
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)	65,208,016	50,556,660
	65,249,116	50,597,760
Balance with other banks and financial institutions		
In Bangladesh	218,979,699	261,011,752
Outside Bangladesh	-	-
	218,979,699	261,011,752
Money at call and short notice	-	-
Investments		
Government	-	-
Others	873,894,131	921,208,802
	873,894,131	921,208,802
Leases, loans and advances		
Leases, loans, cash credits, overdrafts, etc	5,728,613,020	5,862,951,623
Bills purchased and discounted	-	-
	5,728,613,020	5,862,951,623
Fixed assets including premises, furniture and fixtures	28,543,095	24,105,633
Other assets	1,423,166,857	1,253,340,930
Non-financial institutional assets	-	-
Total Assets	8,338,445,918	8,373,216,500
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	1,823,464,794	1,513,576,801
Deposits and other accounts		
Term deposit	2,758,336,128	3,202,462,255
Other deposit	281,102,674	231,053,629
	3,039,438,802	3,433,515,884
Other liabilities	1,616,557,191	1,697,059,278
Total Liabilities	6,479,460,787	6,644,151,963
Capital/Shareholders' Equity		
Paid-up capital	951,595,900	543,769,090
Statutory reserve	207,554,744	207,554,744
Revaluation reserve	505,500,000	505,500,000
Dividend equilization reserve	55,000,000	-
Retained earnings	139,334,487	472,240,703
Total Shareholders' Equity	1,858,985,131	1,729,064,537
Total Liabilities and Shareholders' Equity	8,338,445,918	8,373,216,500
OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
Letters of guarantee	7,500,000	30,000,000
Irrevocable letters of credit	-	-
	7,500,000	30,000,000
Other commitments	-	-
Total Off-Balance Sheet Items including Contingent Liabilities	7,500,000	30,000,000

Sd/-
Mushfiq UI Quayoom
Head of Finance

Sd/-
Saifuddin M. Naser
Managing Director & CEO

Consolidated Profit and Loss Statement

for the half year ended 30 June 2011 (Un-audited)

Amounts in Taka

	1 Jan to 30 June 2011	1 Jan to 30 June 2010	1 Apr to 30 June 2011	1 Apr to 30 June 2010
Interest income	469,663,302	317,010,070	225,381,785	160,004,485
Interest paid on deposits, borrowings, etc	(259,202,706)	(231,658,615)	(137,596,440)	(118,979,191)
Net interest income	210,460,596	85,351,455	87,785,345	41,025,294
Investment income	17,302,173	149,536,620	13,256,976	129,733,356
Commission, exchange and brokerage	51,403,248	141,319,087	16,064,146	82,921,779
Other operating income	57,970,527	90,626,490	23,827,319	51,550,837
Total operating income (A)	337,136,544	466,833,652	140,933,786	305,231,266
Salary and allowances	17,057,898	12,623,668	7,327,137	6,243,358
Charges for stock exchanges, etc	9,281,412	26,652,515	3,207,272	14,985,415
Rent, taxes, insurance, electricity, etc	7,417,528	4,218,559	3,775,575	2,341,209
Legal expenses	523,182	25,175	477,400	25,175
Postage, stamp, telecommunication, etc	1,726,650	607,944	885,139	87,953
Stationery, printings, advertisements, etc	2,526,097	11,026,722	532,078	8,698,587
Managing Director's salary and allowances	3,300,000	3,300,000	1,650,000	1,650,000
Directors' fees	550,000	438,000	245,000	263,000
Auditors' fees	-	-	-	-
Depreciation and repair of company's assets	7,068,077	3,809,835	3,696,877	1,925,777
Other expenses	10,292,287	9,603,873	7,863,160	7,180,395
Total operating expenses (B)	59,743,131	72,306,292	29,659,638	43,400,869
Profit before provision (C=A-B)	277,393,413	394,527,361	111,274,148	261,830,397
Provision for loan and investment				
Specific provision	12,448,974	9,723,974	(29,328,026)	(10,375,864)
General provision	29,682,817	77,306,679	34,915,443	70,984,455
Total provision (D)	42,131,791	87,030,653	5,587,417	60,608,591
Profit before taxes (C-D)	235,261,622	307,496,708	105,686,731	201,221,806
Provision for taxation				
Current tax	105,341,028	137,886,947	49,541,028	86,783,955
Deferred tax	-	-	-	-
	105,341,028	137,886,947	49,541,028	86,783,955
Net profit after tax	129,920,594	169,609,761	56,145,703	114,437,851
Earnings per share (EPS)	1.37	3.12	0.59	2.10
Weighted average no. of outstanding shares	95,159,590	54,376,909	95,159,590	54,376,909

Sd/-
Mushfiq UI Quayoom
Head of Finance

Sd/-
Saifuddin M. Naser
Managing Director & CEO

Consolidated Cash Flow Statement

for the half year ended 30 June 2011 (Un-audited)

Amounts in Taka

	1 Jan to 30 June 2011	1 Jan to 30 June 2010
(A) Cash flows from operating activities		
Interest receipts in cash	470,845,564	317,010,070
Interest payments	(259,202,706)	(231,658,615)
Dividend receipts	2,690,088	2,008,400
Fee and commission receipts in cash	51,403,248	141,319,087
Cash payments to employees	(20,027,898)	(15,923,668)
Cash payments to suppliers	(4,772,873)	(660,894)
Income taxes paid	(76,795,605)	(48,038,764)
Receipts from other operating activities	57,971,247	88,225,494
Payments for other operating activities	(29,878,363)	(52,572,788)
Cash generated from operating activities before changes in operating assets and liabilities	192,232,702	199,708,322
Increase/decrease in operating assets and liabilities		
Lease, loans and advances to customers	134,338,603	(943,455,367)
Other assets	(93,030,322)	(80,938,278)
Deposits from banks and other financial institutions	(840,000,000)	(75,000,000)
Deposits from customers	445,922,919	443,208,502
Other liabilities	(227,974,907)	225,282,392
	(580,743,707)	(430,902,751)
Net cash used in operating activities	(388,511,005)	(231,194,429)
(B) Cash flows from investing activities		
Proceeds from sale of securities	68,101,349	478,563,803
Payments for purchases of securities	(7,357,574)	(422,192,033)
Purchase of property, plant and equipment	(9,517,180)	(3,214,749)
Proceeds from sale of property, plant and equipment	15,720	2,840,776
Net cash used in investing activities	51,242,315	55,997,797
(C) Cash flows from financing activities		
Receipts of long term loan	240,000,000	450,000,000
Repayment of long term loan	(379,867,916)	(185,339,251)
Net draw down/(payment) of short term loan	449,755,909	244,096,603
Net Cash from financing activities	309,887,993	508,757,352
(D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	(27,380,697)	333,560,720
(E) Effects of exchange rate changes on cash and cash equivalents	-	-
(F) Opening cash and cash equivalents	311,609,512	240,507,848
(G) Closing cash and cash equivalents (D+E+F)	284,228,815	574,068,568
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)	65,208,016	59,166,883
Balance with other banks and financial institutions	218,979,699	514,860,585
	284,228,815	574,068,568

Consolidated Statement of Changes in Equity

for the half year ended 30 June 2011 (Un-audited)

Amounts in Taka

Particulars	Paid-up capital	Statutory reserve	Dividend equalization reserve	Revaluation reserve	Retained earnings	Total
Balance at 01 January 2011	543,769,090	207,554,744	-	505,500,000	472,240,703	1,729,064,537
Net profit after tax	-	-	-	-	129,920,594	129,920,594
Dividend equalization reserve	-	-	55,000,000	-	(55,000,000)	-
Dividend (bonus shares)	407,826,810	-	-	-	(407,826,810)	-
Balance at 30 June 2011	951,595,900	207,554,744	55,000,000	505,500,000	139,334,487	1,858,985,131
Balance at 30 June 2010	543,769,090	93,845,510	-	-	184,712,231	822,326,831

Sd/-
Mushfiq UI Quayoom
Head of Finance

Sd/-
Saifuddin M. Naser
Managing Director & CEO

Balance Sheet

as at 30 June 2011 (Un-audited)

Amounts in Taka

	At 30 June 2011	At 31 Dec 2010
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)	65,208,016	50,556,660
	65,248,016	50,596,660
Balance with other banks and financial institutions		
In Bangladesh	92,121,035	98,472,445
Outside Bangladesh	-	-
	92,121,035	98,472,445
Money at call and short notice	-	-
Investments		
Government	-	-
Others	336,936,801	385,134,496
	336,936,801	385,134,496
Leases, loans and advances		
Leases, loans, cash credits, overdrafts, etc	5,728,613,020	5,862,951,623
Bills purchased and discounted	-	-
	5,728,613,020	5,862,951,623
Fixed assets including premises, furniture and fixtures	28,543,093	24,105,631
Other assets	1,434,041,543	1,193,239,316
Non-financial institutional assets	-	-
Total Assets	7,685,503,507	7,614,500,171
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	1,823,464,794	1,513,576,801
Deposits and other accounts		
Term Deposit	2,758,336,128	3,202,462,255
Other deposit	278,193,314	231,053,629
	3,036,529,442	3,433,515,884
Other liabilities	1,479,817,909	1,451,518,692
Total Liabilities	6,339,812,145	6,398,611,377
Capital/Shareholders' Equity		
Paid up capital	951,595,900	543,769,090
Statutory reserve	207,554,743	207,554,743
Dividend equalization reserve	55,000,000	-
Retained earnings	131,540,719	464,564,961
Total Shareholders' Equity	1,345,691,362	1,215,888,794
Total Liabilities and Shareholders' Equity	7,685,503,507	7,614,500,171
OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
Letters of guarantee	7,500,000	30,000,000
Irrevocable letters of credit	-	-
	7,500,000	30,000,000
Other commitments	-	-
Total Off-Balance Sheet Items including Contingent Liabilities	7,500,000	30,000,000

Sd/-
Mushfiq UI Quayoom
Head of Finance

Sd/-
Saifuddin M. Naser
Managing Director & CEO

Profit and Loss Statement

for the half year ended 30 June 2011 (Un-audited)

Amounts in Taka

	1 Jan to 30 June 2011	1 Jan to 30 June 2010	1 Apr to 30 June 2011	1 Apr to 30 June 2010
Interest income	468,550,778	317,010,070	224,827,859	160,004,485
Interest paid on deposits, borrowings, etc	(259,202,706)	(231,658,615)	(137,596,440)	(118,979,191)
Net interest income	209,348,072	85,351,455	87,231,419	41,025,294
Investment income	17,302,173	149,536,620	13,256,976	129,733,356
Commission, exchange and brokerage	-	-	-	-
Other operating income	91,686,860	190,706,816	33,687,824	110,683,084
Total operating income (A)	318,337,105	425,594,891	134,176,219	281,441,734
Salary and allowances	17,057,898	12,623,668	7,327,137	6,243,358
Rent, taxes, insurance, electricity, etc	7,417,528	4,218,559	3,775,575	2,341,209
Legal expenses	523,182	25,175	477,400	25,175
Postage, stamp, telecommunication, etc	1,726,650	607,944	885,139	87,953
Stationery, printings, advertisements, etc	2,526,097	11,026,722	532,078	8,698,587
Managing Director's salary and allowances	3,300,000	3,300,000	1,650,000	1,650,000
Directors' fees	550,000	438,000	245,000	263,000
Auditors' fees	-	-	-	-
Depreciation and repair of company's assets	7,068,077	3,809,835	3,696,877	1,925,777
Other expenses	10,292,287	9,603,873	7,863,160	7,180,395
Total operating expenses (B)	50,461,720	45,653,776	26,452,367	28,415,454
Profit before provision (C=A-B)	267,875,386	379,941,116	107,723,853	253,026,281
Provision for loan and investment				
Specific provision	12,448,974	9,723,974	(29,328,026)	(10,375,864)
General provision	29,682,817	77,306,679	34,915,443	70,984,455
Total provision (D)	42,131,791	87,030,653	5,587,417	60,608,591
Profit before taxes (C-D)	225,743,595	292,910,463	102,136,436	192,417,690
Provision for taxation				
Current tax	95,941,028	124,486,947	45,941,028	78,695,894
Deferred tax	-	-	-	-
	95,941,028	124,486,947	45,941,028	78,695,894
Net profit after tax	129,802,567	168,423,516	56,195,408	113,721,796
Earnings per share (EPS)	1.36	3.10	0.59	2.09
Weighted average no. of outstanding shares	95,159,590	54,376,909	95,159,590	54,376,909

Sd/-
Mushfiq Ul Quayoom
Head of Finance

Sd/-
Saifuddin M. Naser
Managing Director & CEO

Profit and Loss Statement

(Merchant Banking Operation)

for the half year ended 30 June 2011 (Un-audited)

Amounts in Taka

	1 Jan to 30 June 2011	1 Jan to 30 June 2010
Interest income	200,662,718	165,576,063
Interest paid on deposits, borrowings, etc	(179,904,506)	(147,430,741)
Net interest income	20,758,212	18,145,322
Investment income	54,566,624	76,756,962
Total operating income (A)	75,324,836	94,902,284
Salary and allowances	1,769,299	1,652,584
Rent, taxes, insurance, electricity, etc	741,753	461,334
Legal expenses	56,888	2,518
Postage, stamp, telecommunication, etc	172,665	2,203
Stationery, printings, advertisements, etc	252,610	1,040,941
Managing Director's salary and allowances	330,000	330,000
Directors' fees	55,000	43,800
Other expenses	917,869	577,125
Total operating expenses (B)	4,296,084	4,110,505
Profit before provision (C=A-B)	71,028,752	90,791,779
Provision for loan		
Specific provision	-	-
General provision	-	2,309,328
	-	2,309,328
Total provision (D)	-	2,309,328
Profit before tax (C-D)	71,028,752	88,482,451

Sd/-
Mushfiq UI Quayoom
Head of Finance

Sd/-
Saifuddin M. Naser
Managing Director & CEO

Cash Flow Statement

for the half year ended 30 June 2011 (Un-audited)

Amounts in Taka

	1 Jan to 30 June 2011	1 Jan to 30 June 2010
(A) Cash flows from operating activities		
Interest receipts in cash	469,733,040	317,010,070
Interest payments	(259,202,706)	(231,658,615)
Dividend receipts	2,690,088	2,008,400
Cash payments to employees	(20,027,898)	(15,923,668)
Cash payments to suppliers	(4,772,873)	(660,894)
Income taxes paid	(63,835,296)	(34,473,932)
Receipts from other operating activities	91,687,580	190,706,816
Payments for other operating activities	(20,596,951)	(25,920,273)
Cash generated from operating activities before changes in operating assets and liabilities	195,674,984	201,087,904
Increase/decrease in operating assets and liabilities		
Lease, loans and advances to customers	134,338,603	(943,455,367)
Other assets	(176,966,933)	(479,229,118)
Deposits from/(refund) to banks and other financial institutions	(840,000,000)	(75,000,000)
Deposits from customers	445,922,919	443,208,500
Other liabilities	(112,682,959)	373,207,735
	(549,388,370)	(681,268,250)
Net cash used in operating activities	(353,713,386)	(480,180,346)
(B) Cash flows from investing activities		
Proceeds from sale of securities	68,101,349	494,152,384
Payment for purchases of securities	(6,474,550)	(430,032,157)
Purchase of property, plant and equipment	(9,517,180)	(3,214,749)
Proceeds from sale of property, plant and equipment	15,720	2,840,777
Net cash used in investing activities	52,125,339	63,746,255
(C) Cash flows from financing activities		
Receipts of long term loan	240,000,000	450,000,000
Repayment of long term loan	(379,867,916)	(185,339,251)
Net draw down/(payment) of short term loan	449,755,909	244,096,597
Net cash from financing activities	309,887,993	508,757,346
(D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	8,299,946	92,323,255
(E) Effects of exchange rate changes on cash and cash equivalents	-	-
(F) Opening cash and cash equivalents	149,069,105	197,774,497
(G) Closing cash and cash equivalents (D+E+F)	157,369,051	290,097,752
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)	65,208,016	59,166,883
Balance with other banks and financial institutions	92,121,035	230,890,869
	157,369,051	290,097,752

Statement of Changes in Equity

for the half year ended 30 June 2011 (Un-audited)

Amounts in Taka

Particulars	Paid-up capital	Statutory reserve	Dividend equalization reserve	Retained earnings	Total
Balance at					
01 January 2011	543,769,090	207,554,743	-	464,564,961	1,215,888,794
Net profit after tax	-	-	-	129,802,567	129,802,567
Dividend equalization reserve	-	-	55,000,000	(55,000,000)	-
Dividend (bonus shares)	407,826,810	-	-	(407,826,810)	-
Balance at 30 June 2011	951,595,900	207,554,743	55,000,000	131,540,718	1,345,691,361
Balance at 30 June 2010	543,769,090	93,845,510	-	178,151,538	815,766,138

Sd/-
Mushfiq UI Quayoom
Head of Finance

Sd/-
Saifuddin M. Naser
Managing Director & CEO



Union Capital Limited

Corporate Information

Registered and Corporate Office

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

Corporate Website:

www.unicap-bd.com

Branch Offices

Motijheel:

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23 Motijheel C/A
Dhaka 1000, Bangladesh
Tel: +880 (821) 283 1523 - 26
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Richmond Concord
68 Gulshan Avenue, 6th Floor
Gulshan-1, Dhaka 1212
Tel: +880 (2) 8820366, 8828220
Fax: +880 (2) 8825740

Chittagong:

Ayub Trade Centre, 2nd floor
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Chittagong 4100, Bangladesh
Tel: +880 (31) 251 3353 - 54
Fax: +880 (31) 251 3356

Sylhet:

Bengal Shopping Complex (2nd floor),
Sobhanighat, Mehendibagh, Bishaw Road
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Tel: +880 (821) 283 1523 - 26
Fax: +880 (821) 283 1522