

Half-yearly  
Report | 2013

new vision  
new hope



Union Capital Limited  
Building Sustainable Future

Respected Shareholder(s),

In compliance with Rule 13 of the Bangladesh 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 2013. These Financial Statements are comprised of the Consolidated Balance Sheet, Consolidated Profit and Loss Statement, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity, and important notes.

Thank you for your continued support and confidence on us.

*Signed*

Md. Akter H. Sannamat FCA, FCS  
Managing Director & CEO  
28 July 2013

# CONSOLIDATED BALANCE SHEET

as at 30 June 2013 (Un-audited)

	Amount in Taka	
<b>PROPERTY AND ASSETS</b>		
Cash		
In hand (including foreign currencies)	20,450	21,100
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	90,218,550	93,374,946
	90,239,000	93,396,046
Balance with other banks and financial institutions		
In Bangladesh	317,305,368	196,546,299
Outside Bangladesh	-	-
	317,305,368	196,546,299
Money at call and short notice	-	-
Investments		
Government	-	-
Others	1,619,054,988	1,442,144,605
	1,619,054,988	1,442,144,605
Loans, advances and Leases		
Loans, advances and Leases	8,816,222,639	7,728,556,206
Bills purchased and discounted	-	-
	8,816,222,639	7,728,556,206
Fixed assets including land, building, furniture and fixtures	18,717,827	22,705,788
Other assets	1,074,895,371	1,011,995,781
Non-business assets	-	-
<b>Total Assets</b>	<b>11,936,435,193</b>	<b>10,495,344,725</b>
<b>LIABILITIES AND CAPITAL</b>		
Liabilities		
Borrowings from other banks, financial institutions and agents	2,248,382,380	1,989,439,426
Deposits and other accounts		
Term deposit	5,363,127,454	4,321,421,786
Other deposit	311,257,129	276,879,475
	5,674,384,583	4,598,301,261
Other liabilities	2,137,907,790	2,038,698,629
<b>Total Liabilities</b>	<b>10,060,674,753</b>	<b>8,626,439,316</b>
Capital/Shareholders' Equity		
Paid-up capital	1,099,093,260	1,046,755,490
Statutory reserve	254,068,611	254,068,611
Revaluation reserve	505,500,000	505,500,000
Dividend equalization reserve	-	7,000,000
Retained earnings	17,098,416	55,581,159
Total equity attributable to equity holders of the Company	1,875,760,287	1,868,905,260
Non-controlling interest	153	149
<b>Total liabilities and shareholders' equity</b>	<b>11,936,435,193</b>	<b>10,495,344,725</b>
<b>OFF-BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities</b>		
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Other contingent liabilities	-	-
	-	-
<b>Other commitments</b>		
Undisbursed contracted loans, advances and leases	187,000,000	400,000,000
<b>Total Off-Balance Sheet Items including Contingent Liabilities</b>	<b>187,000,000</b>	<b>400,000,000</b>

Signed

Mohammad Redwanur Rahman FCA  
Chief Financial Officer

Signed

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

# CONSOLIDATED PROFIT AND LOSS STATEMENT

for the half year ended on 30 June 2013 (Un-audited)

Amount in Taka

Interest income	655,039,716	513,102,072	340,764,826	280,421,156
Interest paid on deposits, borrowings, etc	(499,695,822)	(445,862,253)	(279,338,871)	(252,354,814)
Net interest income	155,343,894	67,239,819	61,425,955	28,066,342
Investment income	(38,428,029)	18,398,847	32,285,728	7,050,614
Commission, exchange and brokerage	64,554,903	21,123,159	38,278,778	12,308,451
Other operating income	6,193,052	58,775,285	2,432,140	29,346,022
Total operating income (A)	187,663,820	165,537,110	134,422,601	76,771,429
Salary and allowances	22,191,505	23,361,275	11,422,911	11,422,080
Charges for stock exchanges, etc	4,176,645	3,427,312	3,411,958	2,112,664
Rent, taxes, insurance, electricity, etc	7,854,754	8,069,255	4,037,521	4,643,221
Legal expenses	103,500	165,898	128,497	44,462
Postage, stamp, telecommunication, etc	1,223,633	1,542,069	515,359	914,189
Stationery, printings, advertisements, etc	3,747,702	2,862,030	1,373,519	1,424,174
Managing Director's salary and allowances	3,120,000	-	1,560,000	-
Directors' fees	510,000	385,000	300,000	230,000
Auditors' fees	-	-	-	-
Depreciation and repair of company's assets	4,848,361	5,373,946	2,348,090	2,739,868
Other expenses	10,312,117	6,550,449	6,496,484	4,039,075
Total operating expenses (B)	58,088,217	51,737,234	31,594,339	27,569,733
Profit before provision (C=A-B)	129,575,603	113,799,876	102,828,262	49,201,696
Provision for loan and investment				
Specific provision	165,984,539	44,135,600	121,340,263	9,806,905
General provision	(64,435,494)	36,648,186	(60,547,638)	41,294,263
Total provision (D)	101,549,045	80,783,786	60,792,625	51,101,168
Profit before taxes (C-D)	28,026,558	33,016,090	42,035,637	(1,899,472)
Provision for taxation				
Current tax	21,171,508	26,317,118	10,462,039	13,617,118
Deferred tax	-	-	-	-
	21,171,508	26,317,118	10,462,039	13,617,118
Net profit after tax	6,855,050	6,698,972	31,573,598	(15,516,590)
Attributable to:				
Shareholders of the Company	6,855,027	6,698,970	31,573,581	(15,516,591)
Non-controlling interest	23	3	17	2
Earnings per share (EPS) (restated 2012)	0.06	0.06	0.29	(0.14)
Weighted average no. of outstanding shares	109,909,326	109,909,326	109,909,326	109,909,326

*Signed*

Mohammad Redwanur Rahman FCA  
Chief Financial Officer

*Signed*

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

## Consolidated Statement of Changes in Equity

for the half year ended on 30 June 2013 (Un-audited)

Amount in Taka

Balance at 01 January 2013	1,046,755,490	254,068,611	7,000,000	505,500,000	149	55,581,159	1,868,905,409
Net profit after tax	-	-	-	-	23	6,855,027	6,855,050
Transfer from DER	-	-	(7,000,000)	-	-	7,000,000	-
Cash dividend of SES Company Ltd.	-	-	-	-	(14)	-	(14)
Cash dividend of UniCap Investments Ltd.	-	-	-	-	(5)	-	(5)
Dividend (bonus shares)	52,337,770	-	-	-	-	(52,337,770)	-
Balance at 30 June 2013	1,099,093,260	254,068,611	-	505,500,000	153	17,098,416	1,875,760,440
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

*Signed*

Mohammad Redwanur Rahman FCA  
Chief Financial Officer

*Signed*

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

# CONSOLIDATED CASH FLOW STATEMENT

for the half year ended on 30 June 2013 (Un-audited)

	Amount in Taka	
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest receipts in cash	661,072,137	516,633,483
Interest payments	(499,695,822)	(445,862,253)
Dividend receipts	57,560	1,227,288
Fee and commission receipts in cash	64,554,903	21,123,159
Cash payments to employees	(25,311,505)	(23,361,275)
Cash payments to suppliers	(3,747,702)	(6,677,589)
Income taxes paid	(34,204,609)	(71,223,149)
Receipts from other operating activities	6,157,560	58,775,285
Payments for other operating activities	(24,230,685)	(16,712,671)
Cash generated from operating activities before changes in operating assets and liabilities	144,651,837	33,922,279
Increase/decrease in operating assets and liabilities		
Loans, advances and Leases to customers	(1,087,666,433)	(155,910,519)
Other assets	(28,694,981)	49,426,835
Deposits from banks and other FIs	1,086,000,000	(100,000,000)
Deposits from customers	(9,916,676)	(131,473,799)
Other liabilities	(23,511,400)	90,735,836
	(63,789,490)	(247,221,647)
Net cash from / (used in) operating activities	80,862,347	(213,299,368)
<b>(B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of securities	983,959,572	70,698,489
Payments for purchases of securities	(1,205,387,966)	(70,307,194)
Purchase of property, plant and equipment	(829,866)	(554,971)
Proceeds from sale of property, plant and equipment	55,000	994,069
Net cash from / (used in) investing activities	(222,203,259)	830,393
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts of long term loan	226,900,000	100,000,000
Repayment of long term loan	(249,915,560)	(277,313,605)
Cash Dividend paid	-	(95,159,590)
Non-controlling interest	(19)	-
Net draw down of short term loan	281,958,514	395,263,548
Net Cash from financing activities	258,942,935	122,790,353
<b>(D) Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	117,602,022	(89,678,622)
<b>(E) Effects of exchange rate changes on cash and cash equivalents</b>	-	-
<b>(F) Opening cash and cash equivalents</b>	289,942,345	383,665,372
<b>(G) Closing cash and cash equivalents (D+E+F)</b>	407,544,368	293,986,750
Closing cash and cash equivalents		
Cash in hand (including foreign currencies)	20,450	41,100
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	90,218,550	93,205,068
Balance with other banks and financial institutions	317,305,368	200,740,582
Money at call and short notice	-	-
	407,544,368	293,986,750

Signed

Mohammad Redwanur Rahman FCA  
Chief Financial Officer

Signed

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

## Notes to the Financial Statements

For the half year ended on 30 June 2013 (Un-audited)

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 2012.

## CORPORATE INFORMATION

Registered and Corporate Office

Chittagong Branch

Sylhet Branch

Motijheel Branch

Gulshan Branch

Corporate Website