

Union Capital Limited
Consolidated and Separate Financial Statements (Un-audited)
As at and for the third quarter ended 30 September 2017

Union Capital Limited
Consolidated Balance Sheet (Un-audited) as at 30 September 2017

Figures in BDT

Particulars	Notes	30-Sep-17	31-Dec-16
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		94,989	99,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		161,975,252	184,577,238
	4.a	162,070,241	184,676,238
Balance with other banks and financial institutions			
In Bangladesh		3,056,811,017	1,824,390,714
Outside Bangladesh		-	-
	5.a	3,056,811,017	1,824,390,714
Money at call and short notice			
		-	-
Investments			
Government		-	-
Others		1,610,923,852	1,609,360,083
	6.a	1,610,923,852	1,609,360,083
Loans, advances and leases			
Loans, advances and leases		18,031,349,170	17,103,764,583
Bills purchased and discounted		-	-
	7.a	18,031,349,170	17,103,764,583
Fixed assets including land, building, furniture and fixtures	8.a	49,929,571	35,777,302
Other assets	9.a	2,179,474,794	2,079,487,689
Non-banking assets	10	220,427,544	215,129,173
TOTAL ASSETS		25,310,986,189	23,052,585,783
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.a	5,073,927,508	3,419,360,890
Deposits and other accounts			
Term deposits	12.a	12,509,778,622	12,314,836,921
Other deposits	13.a	876,393,412	816,384,622
		13,386,172,034	13,131,221,543
Other liabilities	14.a	4,759,794,946	3,969,176,023
Total liabilities		23,219,894,488	20,519,758,456
Shareholders' equity			
Paid up capital	15	1,565,295,637	1,422,996,034
Preference share capital	16	300,000,000	400,000,000
Statutory reserve	17	414,474,598	414,474,598
Revaluation reserve		102,024,360	102,024,360
Retained earnings	18.a	(290,703,145)	193,332,146
Total equity attributable to equity holders of the Company		2,091,091,449	2,532,827,137
Non-controlling interest		251	190
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		25,310,986,189	23,052,585,783
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Other contingent liabilities		-	-
Other commitments			
Undisbursed contracted loans, advances and leases		734,500,000	684,100,000
TOTAL OFF BALANCE SHEET ITEMS		734,500,000	684,100,000
Net Assets Value (NAV) per share (2016: Restated)		13.36	16.18

sd/-
Chairman

sd/-
Director

sd/-
Managing Director & CEO

sd/-
Company Secretary

sd/-
Chief Financial Officer

Union Capital Limited
Consolidated Profit and Loss Account (Un-Audited)
For the third quarter ended 30 September 2017

Figures in BDT

Particulars	Notes	1 Jan to 30 Sep 2017	1 Jan to 30 Sep 2016	1 July to 30 Sep 2017	1 July to 30 Sep 2016
Interest income	20.a	1,263,681,588	1,447,822,804	436,923,384	506,129,987
Interest paid on deposits and borrowings etc.	21.a	(1,116,230,107)	(982,904,192)	(471,985,646)	(322,532,607)
Net interest income		147,451,481	464,918,612	(35,062,262)	183,597,380
Investment income	22.a	45,033,388	28,845,753	(34,279,650)	10,500,590
Fees, commissions, exchange and brokerage	23.a	332,342,597	153,046,584	111,644,249	54,598,951
Other operating income	24.a	34,071,121	38,403,986	21,361,090	3,083,454
Total operating income		558,898,587	685,214,935	63,663,427	251,780,376
Salaries and other employee benefits	25.a	138,410,424	94,903,986	58,647,628	35,387,944
Rent, taxes, insurance, electricity etc.	26.a	32,534,116	25,255,466	12,126,652	9,257,568
Legal expenses	27.a	1,560,243	598,405	310,438	811,483
Postage, stamp, telecommunication etc.	28.a	3,845,116	3,292,619	1,454,663	1,155,996
Stationery, printing, advertisements etc.	29.a	5,448,992	3,683,231	1,438,042	1,156,653
Managing Director's salary and fees	30	6,428,710	4,928,710	3,133,710	2,090,000
Directors' fees	31.a	1,424,250	1,358,610	567,150	384,000
Auditors' fees	32.a	233,500	-	3,500	-
Depreciation and repair of assets	33.a	15,614,227	11,129,843	6,251,642	3,928,161
Other expenses	34.a	66,986,695	36,171,195	21,379,801	9,157,898
Total operating expenses		272,486,271	181,322,064	105,313,227	63,329,701
Profit before provision		286,412,316	503,892,870	(41,649,799)	188,450,674
Provision for loans, advances, leases and investments					
General provision		317,406,595	95,574,187	56,441,086	67,024,315
Specific provision		204,043,872	151,502,302	119,403,522	26,326,590
Provision for diminution in value of investments		(10,793,826)	66,877,005	(79,498,809)	22,755,522
Total provision		510,656,641	313,953,493	96,345,799	116,106,427
Total profit before tax		(224,244,325)	189,939,377	(137,995,598)	72,344,247
Provision for taxation					
Current tax		86,736,334	80,074,423	(14,684,685)	26,836,030
Deferred tax		(128,597)	-	-	-
		86,607,737	80,074,423	(14,684,685)	26,836,030
Net profit after tax		(310,852,062)	109,864,954	(123,310,914)	45,508,217
Dividend on preference shares		30,883,565	40,280,819	9,349,316	12,465,753
Retained surplus		(341,735,627)	69,584,135	(132,660,230)	33,042,464
Attributable to					
Shareholders of the Company		(341,735,688)	69,584,131	(132,660,232)	33,042,463
Non-controlling interest		61	4	3	-
Weighted average no. of outstanding share		156,529,563	156,529,563	156,529,563	156,529,563
Earnings per share (2016: Restated)	37.a	(2.18)	0.44	(0.85)	0.21

sd/-
Chairman

sd/-
Director

sd/-
Managing Director & CEO

sd/-
Company Secretary

sd/-
Chief Financial Officer

Union Capital Limited

Consolidated Cash Flow Statement (Un-audited) for the third quarter ended 30 September 2017

Figures in BDT

Particulars	30-Sep-17	30-Sep-16
Cash flows from operating activities		
Interest receipts	1,369,673,901	1,427,943,889
Interest payments	(1,164,234,489)	(998,080,297)
Fee and commission receipts	332,342,597	153,046,584
Dividend receipts	26,486,314	29,190,016
Cash payments to employees	(143,578,759)	(103,832,696)
Cash payments to suppliers and management expenses	(48,753,059)	(39,858,637)
Income taxes paid	(254,487,821)	(288,622,285)
Receipts from other operating activities	34,124,423	38,403,986
Payments for other operating activities	(66,986,695)	(38,128,210)
Cash generated before changes in operating assets and liabilities	84,586,413	180,062,351
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	(927,584,587)	(1,777,488,401)
Other assets	149,330,942	(58,092,558)
Deposits from banks and other financial institutions	830,000,000	170,342,931
Deposits from customers	(575,049,509)	419,067,958
Other liabilities account of customers	-	-
Trading liabilities	-	-
Other liabilities	97,224,153	818,918,937
Cash generated from operating assets and liabilities	(426,079,001)	(427,251,132)
Net cash generated from/(used in) operating activities	(341,492,588)	(247,188,781)
Cash flows from investing activities		
Proceeds from sale of securities	2,963,664,642	779,919,107
Payments for purchases of securities	(2,940,983,985)	(866,304,266)
Purchase of property, plant and equipment	(26,068,661)	(11,696,982)
Proceeds from sale of property, plant and equipment	128,281	-
Net cash generated from/(used in) investing activities	(3,259,724)	(98,082,141)
Cash flows from financing activities		
Dividend paid	-	(119,919,917)
Redemption of preference share	(100,000,000)	(100,000,000)
Receipts of long term loan	1,842,192,348	1,085,949,250
Repayment of long term loan	(1,081,175,446)	(951,339,639)
Net draw down/(payment) of short term loan	893,549,716	740,654,656
Net cash generated from/(used in) financing activities	1,554,566,618	655,344,350
Net (decrease)/increase in cash and cash equivalents	1,209,814,307	310,073,429
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the third quarter	2,009,066,952	1,206,976,958
Cash and cash equivalents at end of the third quarter	3,218,881,258	1,517,050,387
Cash and cash equivalents at end of the third quarter represents		
Cash in hand	94,989	102,093
Balance with Bangladesh Bank and its agent bank	161,975,252	239,318,434
Balance with other banks and financial institutions	3,056,811,017	1,277,629,860
	3,218,881,258	1,517,050,387
Supplemental schedule for non-cash financing activities		
Bonus share issued	142,299,603	93,093,198

sd/-
Chairman

sd/-
Director

sd/-
Managing Director & CEO

sd/-
Company Secretary

sd/-
Chief Financial Officer

Union Capital Limited
Consolidated statement of changes in shareholders' equity (Un-audited)
For the third quarter ended 30 September 2017

Figures in BDT

Particulars	Paid-up capital	Preference share capital	Statutory reserve	Revaluation reserves	Retained earnings	Non-controlling interest	Total
Balance as at 1 January 2017	1,422,996,034	400,000,000	414,474,598	102,024,360	193,332,146	190	2,532,827,328
Net profit/(loss) for the third quarter 2017	-	-	-	-	(310,852,123)	61	(310,852,062)
Redemption of preference share	-	(100,000,000)	-	-	-	-	(100,000,000)
Dividend on preference shares	-	-	-	-	(30,883,565)	-	(30,883,565)
Transfer to statutory reserve	-	-	-	-	-	-	-
Issuance of bonus share (year 2016)	142,299,603	-	-	-	(142,299,603)	-	-
Balance as at 30 September 2017	1,565,295,637	300,000,000	414,474,598	102,024,360	(290,703,145)	251	2,091,091,701
Balance as at 1 January 2016	1,329,902,836	500,000,000	364,815,071	102,024,360	197,184,426	180	2,493,926,873
Net profit for the third quarter 2016	-	-	-	-	109,864,943	11	109,864,954
Redemption of preference share	-	(100,000,000)	-	-	-	-	(100,000,000)
Dividend on preference shares	-	-	-	-	(40,280,819)	-	(40,280,819)
Payment of cash dividend (year 2015)	-	-	-	-	(66,495,142)	-	(66,495,142)
Issuance of bonus share (year 2015)	93,093,198	-	-	-	(93,093,198)	-	-
Balance as at 30 September 2016	1,422,996,034	400,000,000	364,815,071	102,024,360	107,180,210	191	2,397,015,867

sd/-
 Chairman

sd/-
 Director

sd/-
 Managing Director & CEO

sd/-
 Company Secretary

sd/-
 Chief Financial Officer

Union Capital Limited
Balance Sheet (Un-Audited) as at 30 September 2017

Figures in BDT

Particulars	Notes	30-Sep-17	31-Dec-16
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		64,000	64,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4	161,975,252	184,577,238
		162,039,252	184,641,238
Balance with other banks and financial institutions			
In Bangladesh		2,478,407,178	1,569,558,538
Outside Bangladesh	5	-	-
		2,478,407,178	1,569,558,538
Money at call and short notice			
		-	-
Investments			
Government		-	-
Others	6	458,465,617	457,124,080
		458,465,617	457,124,080
Loans, advances and leases			
Loans, advances and leases		17,080,665,075	16,399,172,568
Bills purchased and discounted	7	-	-
		17,080,665,075	16,399,172,568
Fixed assets including land, building, furniture and fixtures	8	15,546,176	13,970,191
Other assets	9	2,182,972,122	2,113,265,431
Non-banking assets	10	220,427,544	215,129,173
TOTAL ASSETS		22,598,522,964	20,952,861,219
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	4,209,732,989	2,817,095,514
Deposits and other accounts			
Term deposits	12	12,509,778,622	12,314,836,921
Other deposits	13	876,393,412	816,384,622
		13,386,172,034	13,131,221,543
Other liabilities	14	3,164,429,891	2,616,128,647
Total liabilities		20,760,334,914	18,564,445,704
Shareholders' equity			
Paid up capital	15	1,565,295,637	1,422,996,034
Preference share capital	16	300,000,000	400,000,000
Statutory reserve	17	414,474,598	414,474,598
Retained earnings	18	(441,582,185)	150,944,883
Total shareholders' equity		1,838,188,050	2,388,415,515
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		22,598,522,964	20,952,861,219
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Other contingent liabilities		-	-
Other commitments			
Undisbursed contracted loans, advances and leases		734,500,000	684,100,000
TOTAL OFF BALANCE SHEET ITEMS		734,500,000	684,100,000
Net assets value per share (2016: Restated)		11.74	15.26

sd/-
Chairman

sd/-
Director

sd/-
Managing Director & CEO

sd/-
Company Secretary

sd/-
Chief Financial Officer

Union Capital Limited

Profit and Loss Account (Un-audited) for the third quarter ended 30 September 2017

Particulars	Notes	1 Jan to 30 Sep 2017	1 Jan to 30 Sep 2016	1 July to 30 Sep 2017	1 July to 30 Sep 2016
Interest income	20	1,230,636,780	1,400,191,411	361,282,333	490,045,372
Interest paid on deposits and borrowings etc.	21	(1,036,488,219)	(925,285,120)	(370,486,667)	(300,055,324)
Net interest income		194,148,561	474,906,291	(9,204,334)	189,990,047
Investment income	22	(30,096,359)	(7,475,057)	(52,070,398)	(6,481,990)
Fees, commissions, exchange and brokerage	23	7,680,170	8,910,945	2,637,125	2,654,402
Other operating income	24	30,505,024	34,713,627	20,016,775	1,818,758
Total operating income		202,237,396	511,055,806	(38,620,832)	187,981,218
Salaries and other employee benefits	25	81,574,823	56,778,790	37,763,953	22,402,757
Rent, taxes, insurance, electricity etc.	26	13,379,177	11,691,587	4,512,536	4,450,023
Legal expenses	27	1,530,643	589,780	280,838	811,483
Postage, stamp, telecommunication etc.	28	1,500,182	1,410,493	591,035	496,211
Stationery, printing, advertisements etc.	29	4,323,140	3,145,960	1,108,458	1,023,491
Managing Director's salary and fees	30	6,428,710	4,928,710	3,133,710	2,090,000
Directors' fees	31	928,000	1,064,000	456,000	384,000
Auditors' fees	32	115,000	-	-	-
Depreciation and repair of assets	33	7,320,330	5,389,802	2,876,940	1,972,927
Other expenses	34	19,388,811	13,389,254	6,616,402	2,410,911
Total operating expenses		136,488,816	98,388,375	57,339,872	36,041,804
Profit before provision		65,748,580	412,667,431	(95,960,704)	151,939,414
Provision for loans, advances, leases and investments					
General provision		274,430,697	73,497,271	46,441,086	55,024,315
Specific provision		204,043,872	151,502,302	119,403,522	26,326,590
Provision for diminution in value of investments		(20,279,983)	43,447,609	(56,542,272)	15,267,072
Total provision		458,194,586	268,447,181	109,302,336	96,617,977
Total profit before tax		(392,446,006)	144,220,249	(205,263,040)	55,321,437
Provision for taxation					
Current tax		27,026,491	44,578,916	(33,880,009)	13,000,000
Deferred tax		(128,597)	-	-	-
		26,897,894	44,578,916	(33,880,009)	13,000,000
Net profit after tax		(419,343,900)	99,641,333	(171,383,031)	42,321,437
Dividend on preference shares		30,883,565	40,280,819	9,349,316	12,465,753
Retained surplus		(450,227,465)	59,360,514	(180,732,347)	29,855,684
Earnings per share (2016: Restated)	37.0	(2.88)	0.38	(1.15)	0.19

sd/-
Chairman

sd/-
Director

sd/-
Managing Director & CEO

sd/-
Company Secretary

sd/-
Chief Financial Officer

Union Capital Limited
Cash Flow Statement (Un-audited) for the third quarter year ended 30 September 2017

Figures in BDT

Particulars	30-Sep-17	30-Sep-16
Cash flows from operating activities		
Interest receipts	1,164,838,570	1,433,885,252
Interest payments	(1,033,297,060)	(940,461,224)
Fee and commission receipts	7,680,170	8,910,945
Recoveries of loans previously written off	15,749,221	-
Dividend receipts	7,586,000	9,748,524
Cash payments to employees	(86,462,457)	(65,707,500)
Cash payments to suppliers and management expenses	(28,145,722)	(19,849,475)
Income taxes paid	(199,852,265)	(264,826,730)
Receipts from other operating activities	14,809,105	14,083,037
Payments for other operating activities	(19,388,811)	(13,389,254)
Cash generated before changes in operating assets and liabilities	(156,483,249)	162,393,575
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	(681,492,507)	(1,051,502,194)
Other assets	197,123,738	(9,574,483)
Deposits from banks and other financial institutions	830,000,000	630,000,000
Deposits from customers	(575,049,509)	(40,589,111)
Other liabilities account of customers	-	-
Trading liabilities	-	-
Other liabilities	96,098,261	34,260,371
Cash generated from operating assets and liabilities	(133,320,017)	(437,405,416)
Net cash generated from/(used in) operating activities	(289,803,266)	(275,011,842)
Cash flows from investing activities		
Proceeds from sale of securities	880,813,919	533,874,236
Payments for purchases of securities	(917,114,350)	(528,762,436)
Purchase of property, plant and equipment	(5,415,404)	(3,705,259)
Proceeds from sale of property, plant and equipment	128,281	-
Net cash used in investing activities	(116,587,555)	1,406,541
Cash flows from financing activities		
Dividend paid	-	(119,919,917)
Redemption of preference share	(100,000,000)	(100,000,000)
Receipts of long term loan	1,494,456,348	765,949,250
Repayment of long term loan	(887,513,548)	(839,707,445)
Net draw down/(payment) of short term loan	785,694,675	740,654,656
Net cash generated from/(used in) financing activities	1,292,637,475	446,976,544
Net (decrease)/increase in cash and cash equivalents	886,246,654	173,371,244
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the third quarter	1,754,199,776	1,098,838,629
Cash and cash equivalents at end of the third quarter	2,640,446,430	1,272,209,873
Cash and cash equivalents at end of the quarter represents		
Cash in hand	64,000	64,000
Balance with Bangladesh Bank and its agent bank	161,975,252	239,318,434
Balance with other banks and financial institutions	2,478,407,178	1,032,827,438
	2,640,446,430	1,272,209,873
Supplemental schedule for non-cash financing activities		
Bonus share issued	142,299,603	93,093,198

sd/-
Chairman

sd/-
Director

sd/-
Managing Director & CEO

sd/-
Company Secretary

sd/-
Chief Financial Officer

Union Capital Limited

Statement of Changes in shareholders' equity (Un-audited) for the third quarter ended 30 September 2017

Figures in BDT

Particulars	Paid-up capital	Preference share capital	Statutory reserve	Retained earnings	Total
Balance as at 1 January 2017	1,422,996,034	400,000,000	414,474,598	150,944,883	2,388,415,515
Net profit/(loss) for the third quarter 2017	-	-	-	(419,343,900)	(419,343,900)
Redemption of preference share	-	(100,000,000)	-	-	(100,000,000)
Dividend on preference shares	-	-	-	(30,883,565)	(30,883,565)
Issuance of bonus share (year 2016)	142,299,603	-	-	(142,299,603)	-
Balance as at 30 September 2017	1,565,295,637	300,000,000	414,474,598	(441,582,185)	1,838,188,050
Balance as at 1 January 2016	1,329,902,836	500,000,000	364,815,071	164,915,661	2,359,633,568
Net profit for the third quarter 2016	-	-	-	99,641,333	99,641,333
Redemption of preference share	-	(100,000,000)	-	-	(100,000,000)
Dividend on preference shares	-	-	-	(40,280,819)	(40,280,819)
Payment of cash dividend (year 2015)	-	-	-	(66,495,142)	(66,495,142)
Issuance of bonus share (year 2015)	93,093,198	-	-	(93,093,198)	-
Balance as at 30 September 2016	1,422,996,034	400,000,000	364,815,071	64,687,834	2,252,498,940

sd/-
Chairman

sd/-
Director

sd/-
Managing Director & CEO

sd/-
Company Secretary

sd/-
Chief Financial Officer

Union capital Limited

Selected explanatory notes to the Consolidated Financial Statements (Un-audited) as at and for the third quarter ended 30 September 2017

1.0 Domicile, legal form and country of incorporation

Union Capital Limited (The Company) is registered as a public limited company under the Companies Act, 1994 with the Registrar of Joint Stock Companies and Firms (RJSC) of Bangladesh on 09 August 1998. On 12 August 1998, the Company obtained permission from Bangladesh Bank to operate as a non-banking financial institution under the Financial Institutions Act, 1993. The Company went for Initial Public Offer in May 2007 and listed its shares in both Dhaka Stock Exchange and Chittagong Stock Exchange in July 2007.

The registered office of the Company is located at Noor Tower (5th floor), 73 Sonargaon Road, Dhaka 1205. The operations of the Company is being carried out through its 8 (eight) offices located in Dhaka, Gazipur, Narshingdi, Chittagong, Sylhet and Bogra.

2.0 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 2016 as they provide an update to previously reported information.

3.0 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 2016

3.1 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'.

3.2 Earnings per share (EPS)

Earnings per share has been calculated based on number of shares outstanding for the period ended 30 September 2017 and profit for the same period. The number of shares outstanding for the period was 156.53 million. Earnings per share for the preceding third quarter of 2016 has also been calculated based on 156.53 million shares.

During the period ended 30 September 2017, we have maintained provision for loans and leases and diminution in value of investments was BDT 458,194,586 which is 171% higher than the comparative figure of 2016 resulting in a significant decrease in the EPS for the period ended 30 September 2017.

3.3 Net assets value per share (NAV)

During the period ended 30 September 2017, NAV arrived at BDT 13.36 per share which is BDT 2.82 less than that of 2016. NAV decreased due to decrease of total shareholder equity as a result of incurring loss of BDT 310.85 million during the period.

3.4 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.

3.5 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/-
Chairman

sd/-
Director

sd/-
Managing Director & CEO

sd/-
Company Secretary

sd/-
Chief Financial Officer

Union Capital Limited
Notes to the audited financial statements

Figures in BDT

As at	30-Sep-17	31-Dec-16
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4.0 CASH

In hand

Local currency	64,000	64,000
Foreign currencies	-	-
	64,000	64,000

Balance with Bangladesh Bank

Local currency	161,975,252	184,577,238
Foreign currencies	-	-
	161,975,252	184,577,238

Balance as at 30 September

162,039,252 184,641,238

4.a CASH (Consolidated)

In hand

Union Capital Ltd.	64,000	64,000
UniCap Securities Ltd.	25,000	25,000
UniCap Investments Ltd.	5,989	10,000
	94,989	99,000

Balance with Bangladesh Bank

Union Capital Ltd.	161,975,252	184,577,238
UniCap Securities Ltd.	-	-
UniCap Investments Ltd.	-	-

Balance as at 30 September

161,975,252 184,577,238

5.0 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

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

Fixed deposit account

People's Leasing and Financial Services Ltd.	-	50,000,000
International Leasing and Financial Services Ltd.	500,000,000	100,000,000
Bangladesh Industrial Finance Company Limited	100,000,000	140,000,000
Modhumoti Bank Limited, Dhanmondi Branch	50,000,000	55,000,000
The Farmers Bank Ltd., Motijheel Branch	200,000,000	300,000,000
Social Islami Bank Limited, Bashundhara Branch	700,000,000	700,000,000
	1,550,000,000	1,345,000,000

Current account

Bank Alfalah Limited, Gulshan Branch	14,286	23,116
BASIC Bank Limited, Shantinagar Branch	1	1
BASIC Bank Limited, Bangshal Branch	13,853	1
BASIC Bank Limited, Mirpur Branch	5,652	-
BRAC Bank Limited, Gulshan Branch	70,539	70,539
Bank Asia Limited, Moghbazar Branch	3,805	82
Bank Asia Limited, Bashundhara Branch	9,881	399
Dhaka Bank Limited, Kakrail Branch	1,889,940	1,891,205
Eastern Bank Limited, Head office	10,000	-
Mutual Trust Bank Limited, Dilkusha Branch	392,938	393,513
Modhumoti Bank Limited, Dhanmondi Branch	7,900	3,785
Modhumoti Bank Limited, Dhanmondi Branch	287,810	-
Midland Bank Ltd, Gulshan Branch	26,522	2,965
National Credit and Commerce Bank Ltd., Mirpur-10 Branch	-	258
National Credit and Commerce Bank Ltd. Bonani Branch	1,425	-
NRB Bank Limited, Corporate Branch	933,814	933,814
Shahjalal Islami Bank Limited, Dhaka Main Branch	453	453

Union Capital Limited**Notes to the audited financial statements**

Figures in BDT

As at	30-Sep-17	31-Dec-16
Shahjalal Islami Bank Limited, Elephant Road Branch	1,941	4,536,682
Southeast Bank Limited, Islamic Banking Branch	710,180	710,755
Southeast Bank Limited, Mirpur Branch	3,683	4,404
Southeast Bank Limited, Satmosjid Road Branch	3,850	4,425
Social Islami Bank Limited, Eskaton Branch	10,000	-
State Bank of India, Dhaka Office	78,498	79,223
The Premier Bank Limited, Karwan Bazar Branch	32,072	32,647
United Commercial Bank Limited, New Eskaton Branch	-	5,448,516
Uttara Bank Limited, Local Office	17,983	18,558
	4,527,026	14,155,341
Short term deposit		
AB Bank Limited, Karwan Bazar Branch	12,507	13,622
Dutch Bangla Bank Limited, Karwan Bazar Branch	10,000	-
HSBC, Dhaka Main Office	86,280	86,280
HSBC, Dhaka Main Office	516,102	516,102
Southeast Bank Limited, Islamic Banking Branch	2,558,914	2,529,758
Southeast Bank Limited,	10,000	-
Bank Asia Limited, Corporate Branch	28,836,500	173,103,013
Bank Asia Limited, Corporate Branch	9,655	-
Dhaka Bank Limited, Local Office	3,262,794	2,091,480
Dutch Bangla Bank Limited, Karwan Bazar Branch	17,313,568	25,810,582
Mutual Trust Bank Limited, Principal Branch	105,989	3,904,381
Jamuna Bank Limited, Sonargaon Road Branch	1,157,843	2,347,979
FAS Finance & Investment Ltd.	70,000,000	-
International leasing and financial services ltd.	210,000,000	-
Premier Leasing & Finance Ltd.	200,000,000	-
First Finance Limited	120,000,000	-
Reliance Finance Ltd.	270,000,000	-
	923,880,152	210,403,197
Balance as at 30 September	2,478,407,178	1,569,558,538

Fixed deposits are maintained with commercial banks and non-bank financial institutions for maintaining statutory liquidity reserve as required by Bangladesh Bank. Bangladesh Bank regulations require to maintain statutory liquidity reserve (SLR) @ 5% including the CRR of 2.5% on total liabilities, excluding deposits and borrowings from banks and financial institutions. Union Capital Limited maintains this reserve mostly in the form of fixed deposits and short term deposits.

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

Union Capital Ltd.	2,478,407,178	1,569,558,538
UniCap Securities Ltd.	350,935,486	199,026,208
UniCap Investments Ltd.	227,468,353	55,805,967
	3,056,811,017	1,824,390,714
Less: Inter-company transactions	-	-
Balance as at 30 September	3,056,811,017	1,824,390,714

Union Capital Limited
Notes to the audited financial statements

Figures in BDT

As at	30-Sep-17	31-Dec-16
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6.0 INVESTMENTS

The investment is made up as under:

Government securities	-	-
Other investments	458,465,617	457,124,080
Balance as at 30 September	458,465,617	457,124,080

This represents investment made by the Company in listed securities.

6.1 Other investments

Ordinary share	No. of Company	Market Value	Cost	
			30-Jun-17	2016
Listed securities	11	475,204,089	458,465,617	457,124,080
Total	11	475,204,089	458,465,617	457,124,080

Sector wise investment in listed securities at cost

Banking companies	94,587,438	16,518,488
Non Banking Financial Institutions	77,156,412	-
Insurance companies	-	14,381,778
Fuel & power	76,841,746	9,646,268
Manufacturing companies and others	209,880,021	416,577,546
	458,465,617	457,124,080

6.a INVESTMENTS (consolidated)

Union Capital Ltd.	458,465,617	457,124,080
UniCap Securities Ltd.	730,982,068	748,105,089
UniCap Investments Ltd.	421,476,167	404,130,914
Balance as at 30 September	1,610,923,852	1,609,360,083

7.0 LOANS, ADVANCES AND LEASES

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

Lease finance	1,957,521,434	1,948,222,279
Advance against lease finance	118,867,902	14,500,000
Term finance	8,817,286,415	8,405,475,684
Home loan	2,111,712	2,492,285
Loan to subsidiaries	6,148,635,478	5,976,628,723
Loan against deposits	5,340,992	18,745,690
Staff loan	30,901,142	33,107,907
Balance as at 30 September	17,080,665,075	16,399,172,568

7.a LOANS, ADVANCES AND LEASES (consolidated)

Union Capital Ltd.	17,080,665,075	16,399,172,568
UniCap Securities Ltd.	1,376,767,848	992,490,310
UniCap Investments Ltd.	5,722,551,726	5,688,730,428
	24,179,984,648	23,080,393,306
Less: Inter-company transactions	6,148,635,478	5,976,628,723
Balance as at 30 September	18,031,349,170	17,103,764,583

Union Capital Limited
Notes to the audited financial statements

Figures in BDT

As at	30-Sep-17	31-Dec-16
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7.a 1 This includes the margin loan transferred from Union Capital Limited to UniCap Investments Limited, one of its subsidiaries on 1 January 2014 as a result of separation of its merchant banking operations.

8.0 FIXED ASSETS INCLUDING LAND, BUILDING, FURNITURE AND FIXTURES

Furniture and fixtures	6,974,972	7,076,288
Office decoration	18,152,392	15,766,847
Electric equipment	27,714,850	27,021,510
Owned vehicles	12,535,992	12,535,992
Leased vehicles	3,760,000	3,760,000
Intangible assets (software)	1,541,381	1,122,881
Mobile phones	452,600	367,085
Staff appliances	-	41,329
Total cost	71,132,187	67,691,932
Less: Accumulated depreciation and amortization	55,586,011	53,721,741
Written down value at the end of the third quarter	15,546,176	13,970,191

Details are shown in **Annexure - A**

8.a FIXED ASSETS INCLUDING LAND, BUILDING, FURNITURE AND FIXTURES (consolidated)

Union Capital Ltd.	15,546,176	13,970,191
UniCap Securities Ltd.	28,916,748	17,905,944
UniCap Investments Ltd.	5,466,647	3,901,167
Balance as at 30 September	49,929,571	35,777,302

9.0 OTHER ASSETS

Investment in subsidiary	422,498,771	347,498,771
Accrued interest	67,283,764	114,667,905
Others	12,399,922	13,274,318
Income generating other assets	502,182,457	475,440,994
Advance office rent	4,008,695	3,821,660
Advance to employees	1,068,818	785,805
Deposits with T & T, water etc.	87,500	37,500
Advance corporate tax	1,385,102,705	1,185,250,440
Receivable against sale of shares	7,692,901	87,269,018
Transfer price receivable	1,287,376	1,287,376
Deferred tax assets	10,609,399	10,480,802
Others	270,932,271	348,891,836
Non income generating other assets	1,680,789,665	1,637,824,437
Balance as at 30 September	2,182,972,122	2,113,265,431

Management considers all the other assets as good.

9.a OTHER ASSETS (consolidated)

Union Capital Ltd.	2,182,972,122	2,113,265,431
UniCap Securities Ltd.	341,764,309	449,229,464
UniCap Investments Ltd.	260,237,677	239,685,055
	2,784,974,108	2,802,179,950
Less: Inter-company transactions	605,499,315	722,692,260
Balance as at 30 September	2,179,474,794	2,079,487,689

Union Capital Limited
Notes to the audited financial statements

Figures in BDT

As at	30-Sep-17	31-Dec-16
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10.0 Non-banking assets

Non-banking assets	220,427,544	215,129,173
Balance as at 30 September	220,427,544	215,129,173

This represents assets owned under the 'Certificate of Ownership' given by the competent court under section 33(7) of Artha Rin Adalat Ain 2003.

11.0 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS

Borrowings from other banks

In Bangladesh

Secured long term loans		
Bank loan	2,857,087,433	2,162,338,268
Un secured		
Bangladesh Bank (Small Enterprise refinancing scheme-JICA)	416,929,915	497,704,419
Bangladesh Bank (Women entrepreneur refinance scheme)	83,579,762	87,384,524
Bangladesh Bank (Agriculture refinance scheme)	32,625,000	31,562,500
Short term borrowing and call loan	785,992,644	297,969
	1,319,127,321	616,949,412
	4,176,214,754	2,779,287,680
Outside Bangladesh	-	-
Borrowings from banks	4,176,214,754	2,779,287,680

Borrowings from financial institutions

The UAE-Bangladesh Investment Company Limited	33,518,235	37,807,834
Balance as at 30 September	4,209,732,989	2,817,095,514

Loans are secured by way of first charge on all fixed and floating assets of the Company, ranking pari passu among all the lenders. The period of such loans ranges from three to five years.

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

Union Capital Limited	4,209,732,989	2,817,095,514
UniCap Securities Limited	1,409,243,881	1,175,169,784
UniCap Investments Limited	3,757,404,689	3,767,404,689
	9,376,381,559	7,759,669,986
Less: Inter-company transactions	4,302,454,051	4,340,309,097
Balance as at 30 September	5,073,927,508	3,419,360,889

12.0 Term Deposits

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

Banks and financial institutions	7,250,000,000	6,420,000,000
Other institutions	4,932,261,756	4,932,261,756
Total institutional deposits	12,182,261,756	11,352,261,756
Term deposit	166,129,266	800,176,665
Income deposit	156,230,000	156,230,000
Monthly savings scheme	5,157,600	6,168,500
Total individual deposits	327,516,866	962,575,165
Balance as at 30 September	12,509,778,622	12,314,836,921

Union Capital Limited
Notes to the audited financial statements

Figures in BDT

As at	30-Sep-17	31-Dec-16
12.a Term deposits (consolidated)		
Union Capital Limited	12,509,778,622	12,314,836,921
UniCap Securities Limited	-	-
UniCap Investments Limited	-	-
	12,509,778,622	12,314,836,921
Less: Inter-company transactions	-	-
Balance as at 30 September	12,509,778,622	12,314,836,921

13.0 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	44,248,386	49,707,340
Term finance advance	351,612,388	168,743,596
Cash security	480,532,638	597,933,686
Balance as at 30 September	876,393,412	816,384,622

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.a Other deposits (consolidated)

Union Capital Limited	876,393,412	816,384,622
UniCap Securities Limited	-	-
UniCap Investments Limited	-	-
	876,393,412	816,384,622
Less: Inter-company transactions	-	-
Balance as at 30 September	876,393,412	816,384,622

14.0 OTHER LIABILITIES

Provision for loans, advances and leases	926,147,658	480,627,756
Provision for diminution in value of investments	380,411	20,660,394
Provision for other assets	5,376,000	4,311,000
Interest suspense	296,745,214	196,068,900
Provision for tax	1,402,639,721	1,375,613,230
Financial expenses payable	477,285,352	474,094,193
Deferred liability-employee gratuity	14,081,576	12,528,500
Dividend on preference shares	18,801,371	37,917,806
Excise duty	6,451,699	6,952,711
Withholding tax payable	11,275,426	898,085
VAT payable	538,570	620,752
Accrued expenses and other payable	4,706,893	5,835,320
Balance as at 30 September	3,164,429,891	2,616,128,647

14.a OTHER LIABILITIES (consolidated)

Union Capital Limited	3,164,429,891	2,616,128,647
UniCap Securities Limited	1,022,728,988	932,295,119
UniCap Investments Limited	2,601,818,037	2,357,265,372
	6,788,976,917	5,905,689,138
Less: Inter-company transactions	2,029,181,971	1,936,513,115
Balance as at 30 September	4,759,794,946	3,969,176,023

Union Capital Limited
Notes to the audited financial statements

Figures in BDT

As at	30-Sep-17	31-Dec-16
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15.0 Share capital

As at 30 September 2017, a total number of 156,529,564 (2016: 142,299,603) 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:

142,999,603 ordinary shares of Tk.10 each	1,422,996,034	1,329,902,836
Bonus shares	142,299,603	93,093,198
Total 156,529,564	1,565,295,637	1,422,996,034

16.0 Preference share capital

30 cumulative non-convertible preference share of Tk. 10,000,000 each	300,000,000	400,000,000
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16.1 Details of preference share capital

The Company issued 50 cumulative non-convertible redeemable preference share of Tk. 10,000,000 each 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. Particulars of the subscribers are as follows:

Name of subscriber	No. of shares	Amount subscribed	Outstanding	Outstanding
Bangladesh Fund	10	100,000,000	60,000,000	80,000,000
National Housing Finance Co. Ltd.	10	100,000,000	60,000,000	80,000,000
NRB Global Bank Ltd.	5	50,000,000	30,000,000	40,000,000
DBH Corporation Ltd.	5	50,000,000	30,000,000	40,000,000
Uttara Finance & Investment Co. Ltd.	5	50,000,000	30,000,000	40,000,000
Brac Bank Ltd.	5	50,000,000	30,000,000	40,000,000
Midland Bank Ltd.	5	50,000,000	30,000,000	40,000,000
NRB Bank Ltd.	5	50,000,000	30,000,000	40,000,000
Total	50	500,000,000	300,000,000	400,000,000

As per the Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions issued by Bangladesh Bank in 2011, preference shares except non-cumulative irredeemable preference shares are considered as part of Tier-II capital of the capital base for financial institutions. As per DFIM Circular 1 dated 29 January 2017 pertaining call borrowing on the basis of equity, preference share has been considered as part of equity. Considering the merit of the above regulation and directive of Bangladesh Bank, the preference share floated by Union Capital Limited has been classified as equity in the "Shareholders' equity" section in both the consolidated and separate balance sheet & statement of changes in equity of the company.

17.0 STATUTORY RESERVE

Balance as on 1 January	414,474,598	364,815,071
Add: Transferred from profit during the quarter	-	49,659,527
Balance as at 30 September	414,474,598	414,474,598

Union Capital Limited
Notes to the audited financial statements

Figures in BDT

As at	30-Sep-17	31-Dec-16
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18.0 Retained earnings

Balance as on 1 January	150,944,883	164,915,661
Less: Issuance of bonus shares (2016)	(142,299,603)	(93,093,198)
Less: Cash dividend (2015)	-	(66,495,142)
Add: Profit after tax for the year	(419,343,900)	248,297,634
Less: Dividend on preference shares	(30,883,565)	(53,020,545)
Less: Transferred to statutory reserve	-	(49,659,527)
Balance as at 30 September	(441,582,185)	150,944,883

18.a RETAINED EARNINGS (consolidated)

Balance as on 1 January	193,332,146	197,184,426
Less: Issuance of bonus shares (2016)	(142,299,603)	(93,093,198)
Less: Cash dividend paid (2015)	-	(66,495,142)
Add: Profit after tax for the year	(310,852,123)	258,416,131
Less: Dividend on preference shares	(30,883,565)	(53,020,545)
Less: Transferred to statutory reserve	-	(49,659,527)
Balance as at 30 September	(290,703,145)	193,332,146

Union Capital Limited
Notes to the audited financial statements

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For the third quarter ended 30 September

2017

2016

19.0 INCOME STATEMENT

Income

Interest, discount and similar income (note 20)	1,230,636,780	1,400,191,411
Dividend income (note 22)	4,862,535	9,748,524
Fees, commission, exchange and brokerage (note 23)	7,680,170	8,910,945
Gains less losses arising from investment in securities (note 22)	(34,958,894)	(17,223,581)
Other operating income (note 24)	30,505,024	34,713,627
Total income	1,238,725,615	1,436,340,926

Expenses

Interest paid on deposits, borrowings etc. (Note 21)	1,036,488,219	925,285,120
Administrative expenses (note 19.1)	109,779,675	79,609,319
Depreciation and impairment on company assets	7,320,330	5,389,802
Other operating expenses	19,388,811	13,389,254
Provision for leases, loans, advances and investments	458,194,586	268,447,181
Total expenses	1,631,171,621	1,292,120,676

19.1 ADMINISTRATIVE EXPENSES

Salary and allowances (note 25)	81,574,823	56,778,790
Rent, taxes, insurance, electricity, etc (note 26)	13,379,177	11,691,587
Legal expenses (note 27)	1,530,643	589,780
Postage, stamp, telecommunication, etc (note 28)	1,500,182	1,410,493
Stationery, printings, advertisements, etc (note 29)	4,323,140	3,145,960
Managing Director's salary and allowances (note 30)	6,428,710	4,928,710
Directors' fees (note 31)	928,000	1,064,000
Auditors' fees	115,000	-
	109,779,675	79,609,319

20.0 INTEREST INCOME

Income from lease finance	119,002,267	182,231,824
Income from term finance	663,021,492	734,721,284
Income from home finance	174,923	297,745
Interest on loan to subsidiaries	289,099,169	422,535,048
Interest on bank deposits	157,887,891	59,187,165
Income form other finance	1,451,038	1,218,345
Total	1,230,636,780	1,400,191,411

20.a INTEREST INCOME (consolidated)

Union Capital Limited	1,230,636,780	1,400,191,411
UniCap Securities Limited	105,549,315	93,676,096
UniCap Investments Limited	216,594,662	376,490,346
	1,552,780,757	1,870,357,852
Less: Inter-company transactions	289,099,169	422,535,048
	1,263,681,588	1,447,822,804

For the third quarter ended 30 September **2017** **2016**

21.0 INTEREST PAID ON DEPOSITS, BORROWINGS, etc.

Interest on bank loan	189,554,000	102,752,279
Interest on JICA fund	17,387,157	19,314,329
Interest on Agriculture refinance fund	1,373,722	645,226
Interest on women entrepreneur fund	3,601,817	2,521,897
Interest on term deposits	767,277,073	725,708,204
Interest on money at call & short notice	24,416,361	30,010,061
Interest on cash security deposit	31,334,302	43,558,650
Bank charges	1,543,787	774,475
Total	1,036,488,219	925,285,120

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

Union Capital Limited	1,036,488,219	925,285,120
UniCap Securities Limited	121,925,963	112,544,887
UniCap Investments Limited	246,915,094	367,609,233
	1,405,329,276	1,405,439,240
Less: Inter-company transactions	289,099,169	422,535,048
	1,116,230,107	982,904,192

22.0 INVESTMENT INCOME

Capital gain/(loss) on sale of securities	(34,958,894)	(17,223,581)
Dividend income	4,862,535	9,748,524
Total	(30,096,359)	(7,475,057)

22.a INVESTMENT INCOME (consolidated)

Union Capital Limited	(30,096,359)	(7,475,057)
UniCap Securities Limited	36,486,108	38,410,921
UniCap Investments Limited	38,643,639	(2,090,112)
	45,033,388	28,845,753
Less: Inter-company transactions	-	-
	45,033,388	28,845,753

23.0 FEES, COMMISSIONS, EXCHANGE AND BROKERAGE

Processing and documentation fees	7,680,170	8,910,945
Total	7,680,170	8,910,945

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

Union Capital Limited	7,680,170	8,910,945
UniCap Securities Limited	294,238,053	112,390,638
UniCap Investments Limited	30,424,374	31,745,001
	332,342,597	153,046,584

Union Capital Limited
Notes to the audited financial statements

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For the third quarter ended 30 September **2017** **2016**

24.0 OTHER OPERATING INCOME

Delinquent charge	5,170,816	-
Renewals and proceeds	9,638,289	14,083,037
Gain/(loss) on sale of fixed assets	(53,302)	-
Recovery from written off accounts	15,749,221	20,630,590
Total	30,505,024	34,713,627

24.a OTHER OPERATING INCOME (consolidated)

Union Capital Limited	30,505,024	34,713,627
UniCap Securities Limited	3,410,085	3,572,616
UniCap Investments Limited	156,012	117,743
Total	34,071,121	38,403,986

25.0 SALARIES AND OTHER EMPLOYEE BENEFITS

Salaries & allowances	81,574,823	56,778,790
Total	81,574,823	56,778,790

25.a SALARIES AND OTHER EMPLOYEE BENEFITS (consolidated)

Union Capital Limited	81,574,823	56,778,790
UniCap Securities Limited	48,394,314	31,718,085
UniCap Investments Limited	8,441,287	6,407,111
Total	138,410,424	94,903,986

26.0 RENT, TAXES, INSURANCE, ELECTRICITY etc.

Office rent, rates and taxes	10,909,664	10,016,982
Insurance	994,034	174,584
Power and electricity	1,475,479	1,500,021
Total	13,379,177	11,691,587

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

Union Capital Limited	13,379,177	11,691,587
UniCap Securities Limited	15,573,119	10,390,355
UniCap Investments Limited	3,581,820	3,173,524
Total	32,534,116	25,255,466

27.0 LEGAL EXPENSES

Court fees	60,500	(334,153)
Professional Fees	1,470,143	923,933
Total	1,530,643	589,780

27.a LEGAL EXPENSES (consolidated)

Union Capital Limited	1,530,643	589,780
UniCap Securities Limited	29,600	8,625
UniCap Investments Limited	-	-
Total	1,560,243	598,405

For the third quarter ended 30 September **2017** **2016**

28.0 POSTAGE, STAMP, TELECOMMUNICATION etc.

Postage	166,023	157,685
Telegram, telex, fax and e-mail	378,322	360,959
Telephone - office	955,837	891,849
Total	1,500,182	1,410,493

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

Union Capital Limited	1,500,182	1,410,493
UniCap Securities Limited	2,042,561	1,758,078
UniCap Investments Limited	302,373	124,049
Total	3,845,116	3,292,619

29.0 STATIONERY, PRINTING, ADVERTISEMENTS etc.

Printing and stationery	2,108,004	936,191
Advertisement and publicity	2,215,136	2,209,769
Total	4,323,140	3,145,960

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

Union Capital Limited	4,323,140	3,145,960
UniCap Securities Limited	799,394	421,919
UniCap Investments Limited	326,458	115,352
Total	5,448,992	3,683,231

30.0 MANAGING DIRECTOR'S SALARY AND FEES **6,428,710** **4,928,710**

31.0 DIRECTORS' FEES

The Company pays fees to its Directors for attending the Board meetings and its Committee meetings as permitted by Bangladesh Bank. As per Bangladesh Bank's DFIM circular no. 03 dated 24 February 2010 and subsequent DFIM circular no. 13 dated 30 November 2015, a Director may be paid fees for attending Board or its Committee meetings which shall not exceed Tk. 8,000 for attending each meeting subject to certain limits.

Directors' fees	928,000	1,064,000
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31.a DIRECTORS' FEES (consolidated)

Union Capital Limited	928,000	1,064,000
UniCap Securities Limited	424,850	212,500
UniCap Investments Limited	71,400	82,110
Total	1,424,250	1,358,610

32.0 AUDITORS' FEE

Auditors' fee	100,000	-
VAT on audit fee	15,000	-
Total	115,000	-

32.a AUDITORS' FEE (consolidated)

Union Capital Limited	115,000	-
UniCap Securities Limited	69,000	-
UniCap Investments Limited	49,500	-
Total	233,500	-

For the third quarter ended 30 September **2017** **2016**

33.0 DEPRECIATION AND REPAIR OF ASSETS

Depreciation of fixed assets-freehold	3,827,422	3,440,434
Depreciation of fixed assets-leasehold vehicle	-	148,665
Amortization of intangible assets	170,701	121,038
Repairs and maintenance of assets	172,559	171,721
Office maintenance	3,149,648	1,507,944
Total	7,320,330	5,389,802

33.a DEPRECIATION AND REPAIR OF ASSETS (consolidated)

Union Capital Limited	7,320,330	5,389,802
UniCap Securities Limited	6,512,123	4,243,479
UniCap Investments Limited	1,781,774	1,496,562
Total	15,614,227	11,129,843

34.0 OTHER EXPENSES

HR development	371,399	207,287
Travelling and conveyance	5,205,885	3,623,286
Motor vehicle expenses	808,874	770,766
Subscription and fees	3,110,200	2,182,964
Books, magazines, newspapers, etc	26,016	21,614
AGM expenses	1,963,402	1,908,721
Entertainment and public relation & others	7,043,685	4,038,956
Donation	859,350	635,660
Total	19,388,811	13,389,254

34.a OTHER EXPENSES (consolidated)

Union Capital Limited	19,388,811	13,389,254
UniCap Securities Limited	46,595,407	22,224,812
UniCap Investments Limited	1,002,476	557,130
	66,986,695	36,171,195
Less: Inter-company transactions	-	-
Total	66,986,695	36,171,195

35.0 RECEIPTS FROM OTHER OPERATING ACTIVITIES

Delinquent interest, IDCP etc.	5,170,816	-
Renewals and proceeds	9,638,289	14,083,037
Total	14,809,105	14,083,037

36.0 PAYMENTS FOR OTHER OPERATING ACTIVITIES

HR development	371,399	207,287
Travelling and conveyance	5,205,885	3,623,286
Motor vehicle expenses	808,874	770,766
Subscription and fees	3,110,200	2,182,964
Books, magazines, newspapers, etc	26,016	21,614
AGM expenses	1,963,402	1,908,721
Entertainment and public relation & others	7,043,685	4,038,956
Donation	859,350	635,660
Total	19,388,811	13,389,254

For the third quarter ended 30 September	2017	2016
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37.0 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.

37.1 Basic earnings per share

The calculation of basic earnings per share at 30 September 2017 was based on the loss attributable to ordinary shareholders of Tk. (450,227,465) (30 September 2016: Tk. 59,360,514) and a weighted average number of ordinary shares outstanding for the year ended 30 September 2017 was 156,529,563 (30 June 2016: 142,299,603).

During the period ended 30 September 2017, provision for loans and leases and diminution in value of investments was BDT 458,194,586 which is 171% higher than the comparative figure of 2016 resulting in a significant decrease in the EPS for the period ended 30 September 2017

Profits attributable to ordinary shareholders

Net profit for the year	(450,227,465)	59,360,514
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Weighted average number of ordinary shares

Ordinary shares at 1 January	142,299,603	132,990,283
Bonus shares issued	14,229,960	9,309,320
Weighted average number of ordinary shares at 30 September	156,529,563	142,299,603
Restated weighted average number of ordinary shares	156,529,563	156,529,563
Earnings per share	(2.88)	0.42
Earnings per share (restated)	(2.88)	0.38

37.2 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 September 2017 and hence no diluted earnings per share is required to be calculated.

37.a EARNINGS PER SHARE (consolidated)

Profits attributable to ordinary shareholders

Net profit for the year (consolidated)	(341,735,688)	69,584,131
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Weighted average number of ordinary shares

Ordinary shares at 1 January	142,299,603	132,990,283
Bonus shares issued	14,229,960	9,309,320
Weighted average number of ordinary shares at 30 September	156,529,563	142,299,603
Restated weighted average number of ordinary shares	156,529,563	156,529,563
Earnings per share- consolidated	(2.18)	0.49
Earnings per share- consolidated (restated)	(2.18)	0.44

38.0 (INCREASE)/DECREASE IN OTHER ASSETS

Accrued interest	47,384,141	(6,693,026)
Advance office rent	(187,035)	52,063
Advance to employees	(283,013)	(618,139)
Receivable from brokerage houses against sale of shares	79,576,117	152,752,151
Others	70,633,528	(39,593,915)
	197,123,738	105,899,134

Union Capital Limited
Notes to the audited financial statements

Figures in BDT

For the third quarter ended 30 September

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39.0 INCREASE/(DECREASE) IN OTHER LIABILITIES

Interest suspense	100,676,314	65,751,811
Financial expenses payable	3,191,159	(30,184,468)
Excise duty	(501,012)	(428,281)
Withholding tax payable	10,377,341	(11,606,155)
VAT payable	(82,182)	571,137
Accrued expenses and other payable	(17,563,359)	(5,725,596)
	96,098,261	18,378,447