

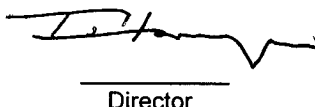
Union Capital Limited
Consolidated Financial Statements (Un-Audited)
As at and for the half year ended 30 June 2021

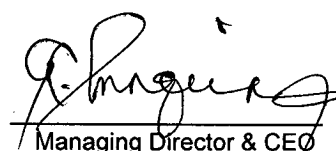
Union Capital Limited
Consolidated Balance Sheet (Un-audited) as at 30 June 2021

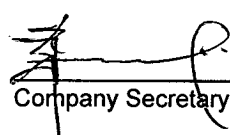
Figures in BDT

Particulars	Notes	30-Jun-21	31-Dec-20
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		68,026	68,026
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		97,142,083	93,413,504
	4.a	97,210,109	93,481,530
Balance with other banks and financial institutions			
In Bangladesh		1,100,916,516	1,110,544,571
Outside Bangladesh		-	-
	5.a	1,100,916,516	1,110,544,571
Money at call and short notice			
Investments			
Government		-	-
Others		992,738,043	1,000,867,776
	6.a	992,738,043	1,000,867,776
Loans, advances and leases			
Loans, advances and leases		13,461,257,522	13,292,412,646
Bills purchased and discounted		-	-
	7.a	13,461,257,522	13,292,412,646
Fixed assets including land, building, furniture and fixtures	8.a	449,512,209	467,810,752
Other assets	9.a	656,660,834	608,684,030
Non-banking assets	10	519,570,004	523,770,004
TOTAL ASSETS		17,277,865,237	17,097,571,308
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.a	3,800,179,598	3,789,955,056
Deposits and other accounts			
Term deposits	12.a	8,507,104,229	8,621,712,648
Other deposits	13	192,912,577	175,724,824
		8,700,016,806	8,797,437,472
Other liabilities	14.a	4,211,648,111	3,798,609,301
Total liabilities		16,711,844,515	16,386,001,829
Shareholders' equity			
Paid up capital	15	1,725,738,430	1,725,738,430
Statutory reserve	16	451,897,399	451,897,399
Retained earnings/(loss)	17.a	(1,611,615,329)	(1,466,066,561)
Total equity attributable to equity holders of the Company		566,020,499	711,569,268
Non-controlling interest		222	211
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		17,277,865,237	17,097,571,308
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Other contingent liabilities		-	-
Other commitments			
Undisbursed contracted loans, advances and leases		-	-
TOTAL OFF BALANCE SHEET ITEMS		-	-
Net assets value per share (NAV)	37.a	3.28	4.12


Chairman


Director


Managing Director & CEO


Company Secretary



Chief Financial Officer




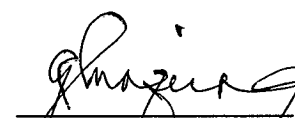
Union Capital Limited
Consolidated Profit and Loss Account (Un-Audited)
For the half year ended 30 June 2021

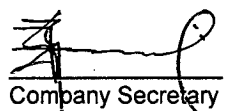
Figures in BDT

Particulars	Notes	30-Jun-21	30-Jun-20	Apr,21- Jun,21	Apr,20- Jun,20
Interest income	18.a	459,500,530	446,875,116	244,846,435	174,655,946
Interest paid on deposits and borrowings etc.	19.a	(550,735,796)	(649,182,210)	(260,094,067)	(302,560,635)
Net interest income		(91,235,266)	(202,307,095)	(15,247,631)	(127,904,688)
Investment income	20.a	38,434,694	466,107	18,444,739	(834,347)
Fees, commissions, exchange and brokerage	21.a	109,701,120	33,299,081	66,613,307	1,886,269
Other operating income	22.a	12,433,747	69,935,619	5,901,341	424,266
Total operating income		69,334,295	(98,606,287)	75,711,755	(126,428,501)
Salaries and other employee benefits	23.a	77,769,448	92,384,597	41,947,021	45,581,578
Rent, taxes, insurance, electricity etc.	24.a	2,034,574	1,483,689	1,321,584	(3,860,491)
Legal expenses	25.a	2,877,097	686,334	431,740	241,667
Postage, stamp, telecommunication etc.	26.a	2,300,072	2,566,715	1,248,353	1,199,742
Stationery, printing, advertisements etc.	27.a	1,327,176	721,359	554,750	50,682
Managing Director's salary and fees	28	4,060,000	4,060,000	2,230,000	2,230,000
Directors' fees	29.a	75,000	30,000	40,000	-
Depreciation and repair of assets	30.a	19,894,099	24,366,027	9,986,907	15,840,098
Other expenses	31.a	25,810,970	14,608,936	14,600,150	4,404,596
Total operating expenses		136,148,437	140,907,656	72,360,504	65,687,872
Profit/(loss) before provision		(66,814,142)	(239,513,943)	3,351,251	(192,116,373)
Provision for loans, advances, leases and investments					
Provision for loans, advances and leases		36,840,902	(26,208,496)	22,019,549	25,254,772
Provision for diminution in value of investments		11,890,260	321,660	10,239,526	-
Total provision (release)		48,731,162	(25,886,836)	32,259,075	25,254,772
Total profit/(loss) before tax		(115,545,304)	(213,627,107)	(28,907,824)	(217,371,145)
Provision for taxation					
Current tax		25,241,370	27,617,690	13,719,105	2,611,775
Deferred tax		4,762,083	-	1,929,300	-
		30,003,454	27,617,690	15,648,404	2,611,775
Net profit/(loss) after tax		(145,548,758)	(241,244,797)	(44,556,228)	(219,982,920)
Retained surplus/(loss)		(145,548,758)	(241,244,797)	(44,556,228)	(219,982,920)
Attributable to					
Shareholders of the Company		(145,548,769)	(241,244,789)	(44,556,234)	(219,982,914)
Non-controlling interest		11.0	(8.66)	5.7	(6.2)
Weighted average no. of outstanding share		172,573,843	172,573,843	172,573,843	172,573,843
Earnings per share	34.a	(0.84)	(1.40)	(0.26)	(1.27)

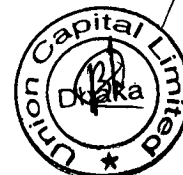

Chairman


Director


Managing Director & CEO


Company Secretary


Chief Financial Officer




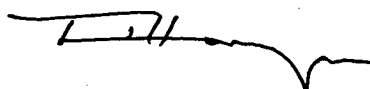
Union Capital Limited

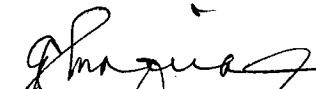
Consolidated Cash Flow Statement (Un-audited) for the half year ended 30 June 2021


Figures in BDT

Particulars	30-Jun-21	30-Jun-20
Cash flows from operating activities		
Interest receipts	321,828,588	155,251,635
Interest payments	(367,555,894)	(337,955,733)
Fee and commission receipts	109,597,959	32,707,841
Recoveries of loans previously written off	12,278,812	68,940,580
Dividend receipts	10,948,119	12,466,246
Cash payments to employees	(86,402,474)	(99,783,611)
Cash payments to suppliers and management expenses	(9,005,832)	(17,721,950)
Income taxes paid	(20,461,157)	(16,226,814)
Receipts from other operating activities	258,096	1,586,279
Payments for other operating activities	(25,810,970)	(14,608,936)
Cash generated before changes in operating assets and liabilities	(54,324,754)	(215,344,462)
Increase/decrease in operating assets and liabilities		
Purchase of trading securities (treasury bills)	-	-
Loans, advances and leases to banks and financial institutions	-	-
Loans, advances and leases to customers	(222,029,293)	277,748,881
Other assets	(23,863,603)	141,091,064
Deposits from banks and other financial institutions	(92,694,506)	(315,055,080)
Deposits from customers	(4,726,160)	(726,691,710)
Net draw down/(payment) of short term loan	81,290,462	(93,022,101)
Other liabilities	355,557,191	579,778,620
Cash generated from operating assets and liabilities	93,534,092	(136,150,326)
Net cash generated from/(used in) operating activities	39,209,338	(351,494,788)
Cash flows from investing activities		
Proceeds from sale of securities	522,621,269	146,305,798
Payments for purchases of securities	(487,418,421)	(146,383,863)
Purchase of property, plant and equipment	(9,892,904)	(5,331,006)
Proceeds from sale of property, plant and equipment	647,161	35,000
Net cash generated from/(used in) investing activities	25,957,105	(5,374,071)
Cash flows from financing activities		
Receipts of long term loan	-	16,000,780
Repayment of long term loan	(71,065,920)	(341,045,632)
Net cash generated from/(used in) financing activities	(71,065,920)	(325,044,852)
Net (decrease)/increase in cash and cash equivalents	(5,899,476)	(681,913,710)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the half year	1,204,026,101	1,624,247,726
Cash and cash equivalents at end of the half year	1,198,126,625	942,334,016
Cash and cash equivalents at end of the half year represents		
Cash in hand	68,026	73,026
Balance with Bangladesh Bank and its agent bank	97,142,083	149,203,329
Balance with other banks and financial institutions	1,100,916,516	793,057,661
	1,198,126,625	942,334,016
Net operating cash flows per share	36.a	0.23
		(2.04)

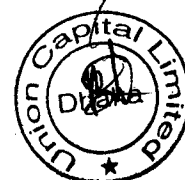

Chairman


Director


Managing Director & CEO


Company Secretary



Chief Financial Officer



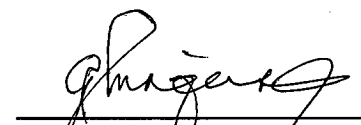
Union Capital Limited
Consolidated statement of changes in shareholders' equity (Un-audited)
For the half year ended 30 June 2021

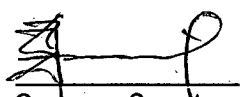
Figures in BDT

Particulars	Paid-up capital	Statutory reserve	Retained earnings/(loss)	Non-controlling interest	Total
Balance as at 1 January 2021	1,725,738,430	451,897,399	(1,466,066,561)	211	711,569,479
Net profit/(loss) for the half year ended 2021	-	-	(145,548,769)	11	(145,548,758)
Balance as at 30 June 2021	1,725,738,430	451,897,399	(1,611,615,329)	222	566,020,721
Balance as at 1 January 2020	1,725,738,430	451,897,399	(933,699,011)	218	1,243,937,035
Net profit/(loss) for the half year ended 2020	-	-	(241,244,789)	(8.66)	(241,244,797)
Balance as at 30 June 2020	1,725,738,430	451,897,399	(1,174,943,800)	209	1,002,692,238

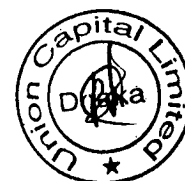

Chairman


Director


Managing Director & CEO


Company Secretary

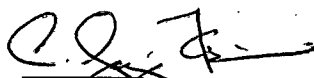

Chief Financial Officer

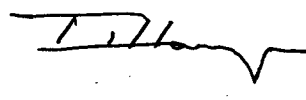


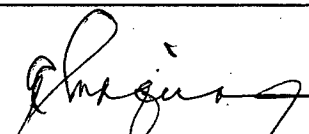
Union Capital Limited
Balance Sheet (Un-audited) as at 30 June 2021

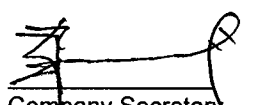
Figures in BDT

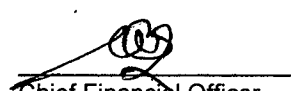
Particulars	Notes	30-Jun-21	31-Dec-20
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		34,000	34,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		97,142,083	93,413,504
	4	97,176,083	93,447,504
Balance with other banks and financial institutions			
In Bangladesh		859,634,755	874,810,849
Outside Bangladesh		-	-
	5	859,634,755	874,810,849
Money at call and short notice			
Investments			
Government		-	-
Others		37,884,632	42,042,303
	6	37,884,632	42,042,303
Loans, advances and leases			
Loans, advances and leases		11,872,614,264	11,803,304,768
Bills purchased and discounted		-	-
	7	11,872,614,264	11,803,304,768
Fixed assets including land, building, furniture and fixtures	8	420,799,535	430,606,491
Other assets	9	1,236,777,711	1,240,049,829
Non-banking assets	10	519,570,004	523,770,004
TOTAL ASSETS		15,044,456,984	15,008,031,748
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	3,464,810,843	3,425,304,822
Deposits and other accounts			
Term deposits	12	8,507,104,229	8,621,712,648
Other deposits	13	192,912,577	175,724,824
		8,700,016,806	8,797,437,472
Other liabilities	14	2,360,323,967	2,071,570,874
Total liabilities		14,525,151,616	14,294,313,168
Shareholders' equity			
Paid up capital	15	1,725,738,430	1,725,738,430
Statutory reserve	16	451,897,399	451,897,399
Retained earnings/(loss)	17	(1,658,330,461)	(1,463,917,249)
Total shareholders' equity		519,305,368	713,718,580
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		15,044,456,984	15,008,031,748
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Other contingent liabilities		-	-
Other commitments			
Undisbursed contracted loans, advances and leases		-	-
TOTAL OFF BALANCE SHEET ITEMS		-	-
Net assets value per share (NAV)	37	3.01	4.14


Chairman


Director


Managing Director & CEO


Company Secretary

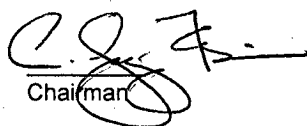

Chief Financial Officer

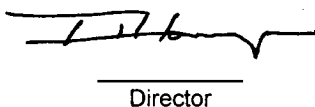


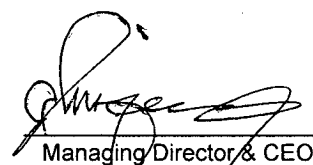
Union Capital Limited
Profit and Loss Account (Un-Audited)
For the half year ended 30 June 2021

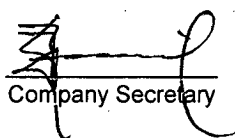
Figures in BDT

Particulars	Notes	30-Jun-21	30-Jun-20	Apr,21- Jun,21	Apr,20- Jun,20
Interest income	18	438,393,902	428,916,897	228,903,756	163,318,547
Interest paid on deposits and borrowings etc.	19	(528,826,465)	(621,400,555)	(250,815,550)	(287,937,355)
Net interest income		(90,432,563)	(192,483,658)	(21,911,794)	(124,618,808)
Investment income	20	(4,687,176)	743,539	1,392,673	-
Fees, commissions, exchange and brokerage	21	153,383	631,890	112,759	23,730
Other operating income	22	12,511,623	68,940,580	6,869,869	20,000
Total operating income		(82,454,733)	(122,167,649)	(13,536,493)	(124,575,078)
Salaries and other employee benefits	23	42,876,340	53,890,575	23,018,600	25,111,559
Rent, taxes, insurance, electricity etc.	24	1,129,215	909,519	745,299	38,316
Legal expenses	25	2,877,097	686,334	431,740	241,667
Postage, stamp, telecommunication etc.	26	708,872	745,383	464,840	291,107
Stationery, printing, advertisements etc.	27	652,795	400,198	234,903	3,320
Managing Director's salary and fees	28	4,060,000	4,060,000	2,230,000	2,230,000
Directors' fees	29	75,000	30,000	40,000	-
Depreciation and repair of assets	30	10,265,640	11,320,225	5,106,608	5,668,014
Other expenses	31	8,695,906	8,022,376	3,975,605	3,036,542
Total operating expenses		71,340,865	80,064,610	36,247,595	36,620,525
Profit/(loss) before provision		(153,795,598)	(202,232,259)	(49,784,088)	(161,195,603)
Provision for loans, advances, leases and investments					
Provision for loans, advances and leases		36,840,902	(26,208,496)	22,019,549	25,254,772
Provision for diminution in value of investments		(1,437,021)	321,660	(3,087,755)	-
Total provision (release)		35,403,881	(25,886,836)	18,931,794	25,254,772
Total profit/(loss) before tax		(189,199,479)	(176,345,423)	(68,715,882)	(186,450,375)
Provision for taxation					
Current tax		-	20,685,870	-	-
Deferred tax		5,213,733	-	1,856,491	-
		5,213,733	20,685,870	1,856,491	-
Net profit/(loss) after tax		(194,413,212)	(197,031,293)	(70,572,373)	(186,450,375)
Retained surplus/(loss)		(194,413,212)	(197,031,293)	(70,572,373)	(186,450,375)
Weighted average no. of outstanding share		172,573,843	172,573,843	172,573,843	172,573,843
Earnings per share	34	(1.13)	(1.14)	(0.41)	(1.08)


Chairman


Director


Managing Director & CEO


Company Secretary


Chief Financial Officer



Union Capital Limited
Cash Flow Statement (Un-audited) for the half year ended 30 June 2021

Figures in BDT

Particulars	Notes	30-Jun-21	30-Jun-20
Cash flows from operating activities			
Interest receipts		313,733,749	151,176,310
Interest payments		(343,122,678)	(323,067,075)
Fee and commission receipts		50,222	40,650
Recoveries of loans previously written off		12,278,812	68,940,580
Dividend receipts		463,989	586,175
Cash payments to employees		(52,001,340)	(60,754,376)
Cash payments to suppliers and management expenses		(6,420,671)	(5,829,833)
Income taxes paid		(412,994)	(6,257,164)
Receipts from other operating activities	32	103,161	591,240
Payments for other operating activities	33	(8,695,906)	(8,022,376)
Cash generated before changes in operating assets and liabilities		(84,023,656)	(182,595,868)
Increase/decrease in operating assets and liabilities			
Purchase of trading securities (treasury bills)		-	-
Loans, advances and leases to banks and financial institutions		-	-
Loans, advances and leases to customers		(122,493,913)	517,768,805
Other assets	38	7,472,118	14,951,875
Deposits from banks and other financial institutions		(92,694,506)	(315,055,080)
Deposits from customers		(4,726,160)	(788,232,727)
Net draw down/(payment) of short term loan		81,290,462	(93,022,101)
Other liabilities account of customers		-	-
Other liabilities	39	248,954,532	405,697,730
Cash generated from operating assets and liabilities		117,802,533	(257,891,498)
Net cash generated from/(used in) operating activities		33,778,877	(440,487,366)
Cash flows from investing activities			
Proceeds from sale of securities		72,191,791	536,654
Payments for purchases of securities		(73,185,285)	-
Purchase of property, plant and equipment		(3,071,618)	(4,581,425)
Proceeds from sale of property, plant and equipment		623,161	-
Investment in UniCap Investments Limited		-	-
Net cash used in investing activities		(3,441,951)	(4,044,771)
Cash flows from financing activities			
Receipts of long term loan		-	-
Repayment of long term loan		(41,784,441)	(68,192,177)
Net cash generated from/(used in) financing activities		(41,784,441)	(68,192,177)
Net (decrease)/increase in cash and cash equivalents		(11,447,515)	(512,724,314)
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the half year		968,258,353	1,365,738,909
Cash and cash equivalents at end of the half year		956,810,838	853,014,595
Cash and cash equivalents at end of the half year represents			
Cash in hand		34,000	39,000
Balance with Bangladesh Bank and its agent bank		97,142,083	149,203,329
Balance with other banks and financial institutions		859,634,755	703,772,266
		956,810,838	853,014,595
Net operating cash flows per share	36	0.20	(2.55)

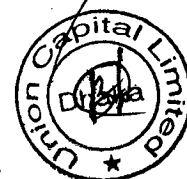
Chairman

Director

Managing Director & CEO

Company Secretary

Chief Financial Officer

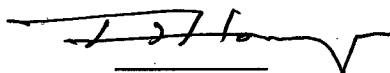


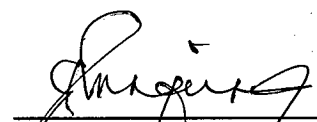
Union Capital Limited
Statement of Changes in shareholders' equity (Un-audited)
For the half year ended 30 June 2021

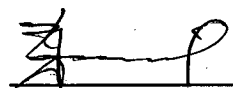
Figures in BDT


Particulars	Paid-up capital	Statutory reserve	Retained earnings/(loss)	Total
Balance as at 1 January 2021	1,725,738,430	451,897,399	(1,463,917,249)	713,718,580
Net profit/(loss) for the half year ended 2021	-	-	(194,413,212)	(194,413,212)
Balance as at 30 June 2021	1,725,738,430	451,897,399	(1,658,330,461)	519,305,368
Balance as at 1 January 2020	1,725,738,430	451,897,399	(965,211,171)	1,212,424,658
Net profit/(loss) for the half year ended 2020	-	-	(197,031,293)	(197,031,293)
Balance as at 30 June 2020	1,725,738,430	451,897,399	(1,162,242,464)	1,015,393,366


Chairman


Director


Managing Director & CEO


Company Secretary


Chief Financial Officer



Union capital Limited

Selected explanatory notes to the Consolidated Financial Statements (Un-audited) as at and for the half year ended 30 June 2021

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 bti Landmark, Level 8, Plot-16, Gulshan Avenue, Gulshan-1, Dhaka 1212. The operations of the Company is being carried out through its 5 (five) offices located in Dhaka, Gazipur, Chattogram, Sylhet and Bogura.

2.0 Reporting

This half yearly financial statements have been prepared based on International Accounting Standard (IAS) 34: Interim Financial Reporting.

These interim financial statements should be read in conjunction with the published financial statements for the year ended 31 December 2020 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 2020.

3.1 Statement of compliance

These financial statements have been prepared on going concern concept following accrual basis of accounting in accordance with International Accounting Standards and International Financial Reporting Standards and the Companies Act 1994, the Financial Institutions Act 1993, Securities Exchange Rules 1987, the Listing Regulations and other applicable laws and regulations. The presentation of financial statements has been made as per the requirement of DFIM Circular no. 11 issued on 23 December 2009 by Bangladesh Bank.

3.2 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'.

3.3 Earnings per share (EPS)

Earnings per share has been calculated based on number of shares outstanding for the half-year ended 30 June 2021 and profit for the same period. The number of shares outstanding for the period was 172.57 million. Earnings per share for the half-year ended 30 June 2020 has also been calculated based on 172.57 million shares.

EPS for the half-year ended 30 June 2021 has been increased from the same period of previous year due to decrease of interest expense on deposits & borrowings, salaries & other employee benefits and increase of investment income, other operating income.

3.4 Net assets value per share (NAV)

During the half-year ended 30 June 2021, NAV stands at BDT 3.28 per share which was BDT 4.12 as on 31 December 2020. NAV as on 30 June 2021 has been decreased from 31 December 2020 due to incurring consolidated loss of Tk.14.55 crore for the first half of 2021 which has decreased the net assets value by the same amount.

3.5 Date of authorization

The Board of Directors has authorized these financial statements for public issue on 31 August 2021.

3.6 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.

3.7 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.



Union Capital Limited

Notes to the financial statements

As at and for the period ended 30 June 2021

Figures in BDT

As at	30-Jun-21	31-Dec-20
4 CASH		
In hand		
Local currency	34,000	34,000
Foreign currencies	-	-
	34,000	34,000
Balance with Bangladesh Bank		
Local currency	97,142,083	93,413,504
Foreign currencies	-	-
	97,142,083	93,413,504
Balance as at 30 June	97,176,083	93,447,504
4.a CASH (Consolidated)		
In hand		
Union Capital Ltd.	34,000	34,000
UniCap Securities Ltd.	25,000	25,000
UniCap Investments Ltd.	9,026	9,026
	68,026	68,026
Balance with Bangladesh Bank		
Union Capital Ltd.	97,142,083	93,413,504
UniCap Securities Ltd.	-	-
UniCap Investments Ltd.	-	-
	97,142,083	93,413,504
Balance as at 30 June	97,210,109	93,481,530
5 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS		
This represents balance with various banks and financial institutions in Bangladesh.		
Fixed deposit account		
Bangladesh Industrial Finance Company Limited	170,151,524	157,164,842
International Leasing and Financial Services Ltd.	613,253,653	571,050,853
	783,405,177	728,215,695
Current account		
Bank Alfalah Limited, Gulshan Branch	1,406	1,406
Agrani Bank Limited, Panthpath Branch	1,221,825	1,221,825
Bank Asia Limited, Bashundhara Branch	7,062	7,982
BASIC Bank Limited, Shantinagar Branch	1	1
Dhaka Bank Limited, Kakrail Branch	1,747,734	2,841,478
Midland Bank Ltd, Gulshan Branch	5,768	25,765
Modhumoti Bank Limited, Dhanmondi Branch	342,739	343,144
National Credit and Commerce Bank Ltd., Banani Branch	36,917	36,917
NRB Bank Limited, Corporate Branch	1,349,794	1,353,139
Shahjalal Islami Bank Limited, Elephant Road Branch	39,268	48,534
Social Islami Bank Limited, Eskaton Branch	430,532	431,282
Southeast Bank Limited, Mirpur Branch	10,446	10,446
Southeast Bank Limited, Satmosjid Road Branch	630	975
Sonali Bank Limited Sonargaon Road Branch	194,380	194,725
United Commercial Bank Limited, New Eskaton Branch	8,602,228	5,768,987
WooriBank-Dhaka Branch	424	424
Uttara Bank Limited, Local Office	14,648	15,338
	14,005,802	12,302,368



Union Capital Limited
Notes to the financial statements
As at and for the period ended 30 June 2021

Figures in BDT

As at	30-Jun-21	31-Dec-20
Short term deposit		
Bank Asia Limited, Corporate Branch	43,474	131,913
Bank Asia Limited, Corporate Branch	323,304	202,328
Bank Asia Limited, Gulshan Branch	955,290	520,623
Dhaka Bank Limited, Local Office	547,892	2,035,005
Dutch Bangla Bank Limited, Karwan Bazar Branch	34,671	34,771
Dutch Bangla Bank Limited, Karwan Bazar Branch	16,117,357	2,040,732
IFIC Bank Limited, Gulshan Branch	38,301,110	125,008,139
Jamuna Bank Limited, Sonargaon Road Branch	6,594	7,114
Modhumoti Bank Limited, Banglamotor-Branch	49,019	49,149
AB Bank Limited, Kakrail Branch	5,011	5,011
AB Bank Limited, Gulshan Branch	341,437	321,437
Mutual Trust Bank Limited, Principal Branch	39,499	40,619
Southeast Bank Limited, Islamic Banking Branch	2,775,063	2,750,676
Southeast Bank Limited, R k Mission Road Branch	2,684,055	1,145,269
	62,223,776	134,292,786
Balance as at 30 June	859,634,755	874,810,849

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

Union Capital Ltd.	859,634,755	874,810,849
UniCap Securities Ltd.	89,366,601	118,849,362
UniCap Investments Ltd.	151,915,159	116,884,360
	1,100,916,516	1,110,544,571
Less: Inter-company transactions	-	-
Balance as at 30 June	1,100,916,516	1,110,544,571

6 INVESTMENTS

The investment is made up as under:

Government securities	-	-
Other investments	37,884,632	42,042,303
Balance as at 30 June	37,884,632	42,042,303

This represents investment made by the Company in listed securities.

6.a INVESTMENTS (consolidated)

Union Capital Ltd.	37,884,632	42,042,303
UniCap Securities Ltd.	611,663,842	590,413,138
UniCap Investments Ltd.	343,189,569	368,412,335
Balance as at 30 June	992,738,043	1,000,867,776

7 LOANS, ADVANCES AND LEASES

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

Lease finance	1,384,877,945	1,276,756,015
Advance against lease finance	120,747,321	213,118,053
Term finance	5,649,433,077	5,514,972,912
Home loan	963,930	963,930
Loan to subsidiaries	4,694,657,219	4,771,645,430
Loan against deposits	16,149,811	16,449,811
Staff loan	5,784,961	9,398,617
Balance as at 30 June	11,872,614,264	11,803,304,768



Union Capital Limited
Notes to the financial statements
As at and for the period ended 30 June 2021

Figures in BDT

As at	30-Jun-21	31-Dec-20
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7.a LOANS, ADVANCES AND LEASES (consolidated)

Union Capital Ltd.	11,872,614,264	11,803,304,768
UniCap Securities Ltd.	648,165,497	542,181,833
UniCap Investments Ltd	5,635,134,980	5,718,571,475
	18,155,914,741	18,064,058,076
Less: Inter-company transactions	4,694,657,219	4,771,645,430
Balance as at 30 June	13,461,257,522	13,292,412,646

8 FIXED ASSETS INCLUDING LAND, BUILDING, FURNITURE AND FIXTURES

Furniture and fixtures	9,329,071	10,473,179
Floor Space	415,891,104	415,891,104
Office decoration	18,427,353	25,504,350
Electric equipment	30,267,425	32,900,107
Owned vehicles	10,825,597	10,825,597
Leased vehicles	2,230,000	2,230,000
Right-of-use assets	4,832,490	5,806,130
Intangible assets (software)	1,840,528	1,919,528
Mobile phones	452,600	452,600
Total cost	494,096,168	506,002,595
Less: Accumulated depreciation and amortization	73,296,633	75,396,104
Written down value as at 30 June	420,799,535	430,606,491

Details are shown in **Annexure - A**

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

Union Capital Ltd.	420,799,535	430,606,491
UniCap Securities Ltd.	23,446,193	30,131,731
UniCap Investments Ltd.	5,266,481	7,072,530
Balance as at 30 June	449,512,209	467,810,752

9 OTHER ASSETS

Investment in subsidiary	997,498,641	997,498,641
Accrued interest	24,329,282	24,324,019
Others	26,400,093	26,760,943
Income generating other assets	1,048,228,016	1,048,583,603
Advance office rent	1,930,854	3,511,854
Advance to employees	680,905	698,901
Deposits with T & T, water etc.	84,000	87,500
Receivable from brokerage house against sale of shares	4,308,639	5,473,601
Transfer price receivable	1,287,376	1,287,376
Process Sharing receivable	178,631,941	178,631,941
Others	1,625,980	1,775,053
Non income generating other assets	188,549,695	191,466,226
Balance as at 30 June	1,236,777,711	1,240,049,829

Management considers all the other assets as good.

9.1.a Deferred tax asset (consolidated)

Union Capital Limited	-	-
UniCap Securities Limited	8,222,575	7,996,148
UniCap Investments Limited	275,402	50,179
Balance as at 30 June	8,497,977	8,046,328



Union Capital Limited

Notes to the financial statements

As at and for the period ended 30 June 2021

Figures in BDT

As at 30-Jun-21 31-Dec-20

9.1.b Deferred tax asset/(liabilities) (consolidated)

Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS) 12: *Income Taxes* and under the guidelines of Bangladesh Bank DFIM circular no.07 dated 31 July 2011.

Deferred tax asset is arrived at as follows:

			Union Capital Limited	UniCap Securities Limited	UniCap Investments Ltd.
Assets	Fixed assets net of depreciation	Carrying amount	415,967,044	4,567,001	1,755,086
		Tax base	348,687,062	20,489,136	2,894,562
	ROU	Carrying amount	4,832,490	18,879,193	3,511,395
Liabilities	Employee gratuity fund	Carrying amount	-	11,477,588	-
		Tax base	-	-	-
	Lease obligation	Carrying amount	4,969,382	16,779,702.0	3,106,323
			(67,143,090)	25,300,232	734,404
Applicable tax rate			37.50%	32.50%	37.50%
Deferred tax assets/(liabilities) as on June 30,2021			(25,178,659)	8,222,575	275,402
Deferred tax assets/(Liabilities) as on December 31,2020			(19,964,926)	7,996,148	50,179
Deferred tax expense/(income) during the period			5,213,733	(226,427)	(225,223)

9.a OTHER ASSETS (consolidated)

Union Capital Ltd.	1,236,777,711	1,240,049,829
UniCap Securities Ltd.	453,277,671	404,103,596
UniCap Investments Ltd.	393,078,676	321,089,379
	2,083,134,059	1,965,242,804
Less: Inter-company transactions	1,426,473,225	1,356,558,774
Balance as at 30 June	656,660,834	608,684,030

10 NON-BANKING ASSETS

Non-banking assets	519,570,004	523,770,004
Total	519,570,004	523,770,004

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 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS

Borrowings from other banks

In Bangladesh

Bank loan	2,317,637,905	2,314,052,753
Preference share	63,000,000	80,000,000
	2,380,637,905	2,394,052,753
Bangladesh Bank (Small Enterprise refinancing scheme-JICA)	40,908,993	61,585,436
Bangladesh Bank (Women entrepreneur refinance scheme)	3,762,500	5,962,500
Bangladesh Bank (Agriculture refinance scheme)	-	500,000
Bangladesh Bank (Small Enterprise refinancing scheme-DP2)	1,333,333	3,310,000
Bangladesh Bank (Renewable energy and environment friendly sector)	74,699,862	77,716,345
Short term borrowing and call loan	963,468,250	882,177,788
	1,084,172,938	1,031,252,069
	3,464,810,843	3,425,304,822

Outside Bangladesh

Borrowings from banks	3,464,810,843	3,425,304,822
Balance as at 30 June	3,464,810,843	3,425,304,822



Union Capital Limited
Notes to the financial statements
As at and for the period ended 30 June 2021

Figures in BDT

As at	30-Jun-21	31-Dec-20
11.a Borrowings from other banks, financial institutions and agents (consolidated)		
Union Capital Limited	3,464,810,843	3,425,304,822
UniCap Securities Limited	578,109,442	633,246,693
UniCap Investments Limited	3,510,043,410	3,574,187,638
	7,552,963,695	7,632,739,153
Less: Inter-company transactions	3,752,784,097	3,842,784,097
Balance as at 30 June	3,800,179,598	3,789,955,056
12 Term Deposits		
This comprises interest bearing deposits from individuals and organizations for period ranging from 3 months to 10 years.		
Banks and financial institutions	3,255,182,064	3,347,876,570
Other institutions	4,401,714,440	4,392,099,959
Total institutional deposits	7,656,896,504	7,739,976,529
Term deposit	602,439,687	626,521,358
Income deposit	235,698,738	241,695,461
Monthly savings scheme	12,069,300	13,519,300
Total individual deposits	850,207,725	881,736,119
Balance as at 30 June	8,507,104,229	8,621,712,648
12.a Term deposits (consolidated)		
Union Capital Limited	8,507,104,229	8,621,712,648
UniCap Securities Limited	-	-
UniCap Investments Limited	-	-
	8,507,104,229	8,621,712,648
Less: Inter-company transactions	-	-
Balance as at 30 June	8,507,104,229	8,621,712,648
13 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 Breakup of other deposits on the basis of category of finance is as under		
Lease advance	81,415,467	62,291,824
Term finance advance	58,724,707	59,339,840
Cash security	52,772,403	54,093,160
Balance as at 30 June	192,912,577	175,724,824
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.		
14 OTHER LIABILITIES		
Provision for loans, advances and leases	494,114,338	457,273,436
Provision for diminution in value of investments	-	1,437,021
Provision for other assets	12,581,556	12,581,556
Interest suspense	337,435,134	324,211,358
Provision for tax	87,798,670	88,617,723
Deferred tax liabilities (note 9.1.b)	25,178,659	19,964,926
Financial expenses payable	1,062,166,301	876,462,514
Lease liability	4,969,382	5,845,442
Deferred liability-employee gratuity	9,222,683	13,722,683
Dividend on preference shares	25,556,808	20,892,082
Excise duty	2,635,072	4,099,350
Withholding tax payable	599	953,378
VAT payable	490,512	1,351,914
Accrued expenses and other payable (note 14.1)	298,174,253	244,157,491
Balance as at 30 June	2,360,323,967	2,071,570,874



Union Capital Limited
Notes to the financial statements
As at and for the period ended 30 June 2021

Figures in BDT

As at	30-Jun-21	31-Dec-20
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14.1 Accrued expenses and other payable

Management expenses	4,064,184	5,644,640
Unclaim dividend by shareholder (note 14.1.1)	1,399,558	1,399,558
Payable for purchase of assets	51,701,925	53,091,091
Others payables	241,008,586	184,022,202
Balance as at 30 June	298,174,253	244,157,491

14.1.1 Unclaim dividend by shareholder

Year	Stock dividend in number	Cash and Fractional Dividend
2008 Fractional stock dividend	-	254
2009 Fractional stock dividend	-	4,233
2010 Fractional stock dividend	2,535	190
2011 Cash & Fractional stock dividend	249	524,719
2012 Fractional stock dividend	136	1,506
2013 Fractional stock dividend	291	2,079
2014 Fractional stock dividend	317	10,147
2015 Cash & Fractional stock dividend	242	824,164
2016 Fractional stock dividend	427	15,942
2017 Fractional stock dividend	207	9,398
2018 Fractional stock dividend	379	6,927
Balance as at 30 June	4,783	1,399,558

14.a OTHER LIABILITIES (consolidated)

Union Capital Limited	2,360,323,967	2,071,570,874
UniCap Securities Limited	782,684,535	614,903,596
UniCap Investments Limited	2,439,487,314	2,400,056,298
	5,582,495,816	5,086,530,767
Less: Inter-company transactions	1,370,847,706	1,287,921,466
Balance as at 30 June	4,211,648,111	3,798,609,301

15 Share capital

As at 30 June 2021, a total number of 172,573,843 (2020: 172,573,843) 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:

172,573,843 ordinary shares of Tk.10 each	1,725,738,430	1,725,738,430
Total 172,573,843	1,725,738,430	1,725,738,430

16 STATUTORY RESERVE

Balance as on 1 January	451,897,399	451,897,399
Add: Transferred from profit during the year	-	-
Balance as at 30 June	451,897,399	451,897,399



Union Capital Limited

Notes to the financial statements

As at and for the period ended 30 June 2021

Figures in BDT

As at		30-Jun-21	31-Dec-20
17	Retained earnings/(loss)		
	Balance as on 1 January	(1,463,917,249)	(965,211,171)
	Add: Profit/(loss) after tax during the period	(194,413,212)	(498,706,078)
	Balance as at 30 June	(1,658,330,461)	(1,463,917,249)
17.a	RETAINED EARNINGS/(loss) (consolidated)		
	Balance as on 1 January	(1,466,066,561)	(933,699,011)
	Add: Profit/(loss) after tax during the period	(145,548,769)	(532,367,550)
	Balance as at 30 June	(1,611,615,329)	(1,466,066,561)



Union Capital Limited
Notes to the financial statements
As at and for the period ended 30 June 2021

Figures in BDT

For the period ended	30-Jun-21	30-Jun-20
18 INTEREST INCOME		
Income from lease finance	77,864,342	83,499,222
Income from term finance	332,152,311	258,643,910
Interest on loan to subsidiaries	26,706,965	28,539,134
Interest on bank deposits	1,451,966	57,799,553
Income form other finance	218,318	435,078
Total	438,393,902	428,916,897

18.a INTEREST INCOME (consolidated)

Union Capital Limited	438,393,902	428,916,897
UniCap Securities Limited	24,971,036	28,699,292
UniCap Investments Limited	22,842,557	17,798,061
	486,207,495	475,414,250
Less: Inter-company transactions	26,706,965	28,539,134
	459,500,530	446,875,116

19 INTEREST PAID ON DEPOSITS, BORROWINGS, etc.

Interest on bank loan	112,512,259	113,541,508
Interest on JICA fund	1,263,498	2,359,419
Interest on Agriculture refinance fund	4,931	90,645
Interest on women entrepreneur fund	110,168	287,519
Interest on SMEDP2 fund	31,720	310,507
Interest on financing brick kiln efficiency project	1,938,207	1,975,291
Interest on term deposits	370,828,825	445,070,532
Interest on money at call & short notice	34,962,166	46,434,910
Interest on cash security deposit	1,817,477	3,048,706
Interest on preference share	4,664,726	6,190,115
Bank charges	495,018	1,893,933
Interest on lease rent	197,470	197,470
Total	528,826,465	621,400,555

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

Union Capital Limited	528,826,465	621,400,555
UniCap Securities Limited	42,962,700	50,967,990
UniCap Investments Limited	5,653,597	5,352,800
	577,442,761	677,721,344
Less: Inter-company transactions	26,706,965	28,539,134
	550,735,796	649,182,210

20 INVESTMENT INCOME

Capital gain/(loss) on sale of securities	(5,151,165)	157,364
Dividend income	463,989	586,175
Total	(4,687,176)	743,539

20.a INVESTMENT INCOME (consolidated)

Union Capital Limited	(4,687,176)	743,539
UniCap Securities Limited	26,666,263	(2,919,941)
UniCap Investments Limited	16,455,607	2,642,509
	38,434,694	466,107
Less: Inter-company transactions	-	-
	38,434,694	466,107



Union Capital Limited
Notes to the financial statements
As at and for the period ended 30 June 2021

Figures in BDT

For the period ended	30-Jun-21	30-Jun-20
21 FEES, COMMISSIONS, EXCHANGE AND BROKERAGE		
Processing and documentation fees	50,222	40,650
Renewals and proceeds	103,161	591,240
Total	153,383	631,890
21.a FEES, COMMISSIONS, EXCHANGE AND BROKERAGE (consolidated)		
Union Capital Limited	153,383	631,890
UniCap Securities Limited	92,293,233	29,250,528
UniCap Investments Limited	17,254,505	3,416,664
	109,701,120	33,299,081
22 OTHER OPERATING INCOME		
Gain/(loss) on sale of fixed assets	232,811	-
Recoveries of loans written off	12,278,812	68,940,580
Total	12,511,623	68,940,580
22.a OTHER OPERATING INCOME (consolidated)		
Union Capital Limited	12,511,623	68,940,580
UniCap Securities Limited	(289,100)	675,279
UniCap Investments Limited	211,224	319,761
	12,433,747	69,935,619
Less: Inter-company transactions	-	-
	12,433,747	69,935,619
23 SALARIES AND OTHER EMPLOYEE BENEFITS		
Salaries & allowances	42,876,340	53,890,575
Total	42,876,340	53,890,575
23.a SALARIES AND OTHER EMPLOYEE BENEFITS (consolidated)		
Union Capital Limited	42,876,340	53,890,575
UniCap Securities Limited	26,313,073	31,756,526
UniCap Investments Limited	8,580,035	6,737,496
Total	77,769,448	92,384,597
24 RENT, TAXES, INSURANCE, ELECTRICITY etc.		
Office rent, rates and taxes	233,917	618,113
Insurance	225,658	77,601
Power and electricity	669,640	213,805
Total	1,129,215	909,519
24.1 DISCLOSURE RELATED TO RENT, RATE AND TAXES:		
Actual rent expenses	1,307,447	1,769,567
Less: Reclassification of rent expenses (as per IFRS 16:)	1,073,530	1,151,454
Total	233,917	618,113

In addition to the above mentioned change in rent expense, implementation of IFRS 16 has resulted in charging of depreciation against Right-of-use asset as disclosed in Annexure A and of Interest expense on lease rent, as disclosed in Note 19.



Union Capital Limited
Notes to the financial statements
As at and for the period ended 30 June 2021

Figures in BDT

For the period ended	30-Jun-21	30-Jun-20
24.a RENT, TAXES, INSURANCE, ELECTRICITY etc. (consolidated)		
Union Capital Limited	1,129,215	909,519
UniCap Securities Limited	578,019	408,574
UniCap Investments Limited	327,340	165,596
Total	2,034,574	1,483,689

24.a.1 DISCLOSURE RELATED TO RENT, RATE AND TAXES:

Actual rent , taxes, insurance, electricity		
Union Capital Limited	2,202,745	2,060,973
UniCap Securities Limited	8,171,447	8,268,380
UniCap Investments Limited	1,797,756	1,636,012
Less: Reclassification of rent expenses (as per IFRS 16:)		
Union Capital Limited	1,073,530	1,151,454
UniCap Securities Limited	7,593,428	7,859,806
UniCap Investments Limited	1,470,416	1,470,416
Total	2,034,574	1,483,689

25 LEGAL EXPENSES

Court fees	591,000	-
Professional Fees	2,286,097	686,334
Total	2,877,097	686,334

25.a LEGAL EXPENSES (consolidated)

Union Capital Limited	2,877,097	686,334
UniCap Securities Limited	-	-
UniCap Investments Limited	-	-
Total	2,877,097	686,334

26 POSTAGE, STAMP, TELECOMMUNICATION etc.

Postage	29,657	51,673
Telegram, telex, fax and e-mail	386,366	310,264
Telephone - office	292,849	383,446
Total	708,872	745,383

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

Union Capital Limited	708,872	745,383
UniCap Securities Limited	1,293,993	1,545,629
UniCap Investments Limited	297,207	275,703
Total	2,300,072	2,566,715

27 STATIONERY, PRINTING, ADVERTISEMENTS etc.

Printing and stationery	362,578	243,170
Advertisement	290,217	157,028
Publicity	-	-
Total	652,795	400,198

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

Union Capital Limited	652,795	400,198
UniCap Securities Limited	585,681	226,178
UniCap Investments Limited	88,700	94,983
Total	1,327,176	721,359



Union Capital Limited
Notes to the financial statements
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For the period ended	30-Jun-21	30-Jun-20
28 MANAGING DIRECTOR'S SALARY AND FEES	4,060,000	4,060,000
In addition to remuneration, the Managing Director & CEO is also provided with Company's car and cell phone.		
29 DIRECTORS' FEES		
Total fees paid	75,000	30,000
Total	75,000	30,000
29.a DIRECTORS' FEES (consolidated)		
Union Capital Limited	75,000	30,000
UniCap Securities Limited	-	-
UniCap Investments Limited	-	-
Total	75,000	30,000
30 DEPRECIATION AND REPAIR OF ASSETS		
Depreciation of fixed assets-freehold	9,156,689	10,102,862
Depreciation of right-of-use assets	973,640	973,640
Amortization of intangible assets	92,668	81,090
Repairs and maintenance of assets	42,643	162,633
Total	10,265,640	11,320,225
30.a DEPRECIATION AND REPAIR OF ASSETS (consolidated)		
Union Capital Limited	10,265,640	11,320,225
UniCap Securities Limited	7,057,502	10,926,621
UniCap Investments Limited	2,570,958	2,119,182
Total	19,894,099	24,366,027
31 OTHER EXPENSES		
HR development	2,556	-
Travelling and conveyance	2,072,760	2,695,279
Office expenses	2,309,963	1,031,090
Motor vehicle fuel expenses	363,455	229,671
Motor vehicle spare part expenses	162,793	52,901
Subscription and fees	1,600,051	1,837,478
Books, magazines, newspapers, etc	1,822	7,942
Entertainment and public relation & others	119,250	114,308
Staff Welfare	2,063,256	2,053,707
Total	8,695,906	8,022,376
31.a OTHER EXPENSES (consolidated)		
Union Capital Limited	8,695,906	8,022,376
UniCap Securities Limited	16,640,433	6,153,059
UniCap Investments Limited	474,630	433,501
	25,810,970	14,608,936
Less: Inter-company transactions	-	-
Total	25,810,970	14,608,936
32 RECEIPTS FROM OTHER OPERATING ACTIVITIES		
Renewals and proceeds	103,161	591,240
Total	103,161	591,240



Union Capital Limited
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For the period ended	30-Jun-21	30-Jun-20
33 PAYMENTS FOR OTHER OPERATING ACTIVITIES		
HR development	2,556	-
Travelling and conveyance	2,072,760	2,695,279
Motor vehicle expenses	526,248	282,572
Subscription and fees	1,600,051	1,837,478
Office expenses	2,309,963	1,031,090
Books, magazines, newspapers, etc	1,822	7,942
Entertainment and public relation & staff welfare	2,182,506	2,168,015
Total	8,695,906	8,022,376

34 EARNINGS PER SHARE

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

34.1 Basic earnings per share

The calculation of basic earnings per share at 30 June 2021 was based on the profit/(loss) attributable to ordinary shareholders of Tk.(19.44) crore (30 June 2020: Tk.(19.70) crore) and a weighted average number of ordinary shares outstanding for the first half-year ended 30 June 2021 was 172.57 crore.

EPS for the half-year of 2021 has been slightly decreased from the same period of previous year due to decrease of interest expenses on deposits & borrowings, salaries & other employee benefits.

Profits attributable to ordinary shareholders

Net profit for the period	(194,413,212)	(197,031,293)
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Weighted average number of ordinary shares

Ordinary shares at 1 January	172,573,843	172,573,843
Bonus shares issued	-	-
Weighted average number of ordinary shares at reporting date	172,573,843	172,573,843
Restated weighted average number of ordinary shares	172,573,843	172,573,843
Earnings per share	(1.13)	(1.14)
Earnings per share	(1.13)	(1.14)

34.a EARNINGS PER SHARE (consolidated)

Profits attributable to ordinary shareholders

Net profit for the period (consolidated)	(145,548,769)	(241,244,789)
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EPS for the half-year ended 30 June 2021 has been increased from the same period of previous year due to decrease of interest expense on deposits & borrowings, salaries & other employee benefits and increase of investment income, other operating income.

Weighted average number of ordinary shares

Ordinary shares at 1 January	172,573,843	172,573,843
Bonus shares issued	-	-
Weighted average number of ordinary shares at reporting date	172,573,843	172,573,843
Restated weighted average number of ordinary shares	172,573,843	172,573,843
Earnings per share- consolidated	(0.84)	(1.40)
Earnings per share- consolidated	(0.84)	(1.40)

35 AVERAGE EFFECTIVE TAX RATE

The average effective tax rate is calculated below as per International Accounting Standard (IAS) 12: *Income Taxes*.

	2021	2020
Tax expenses	5,213,733	20,685,870
Accounting profit before tax	(189,199,479)	(176,345,423)
Average effective tax rate	-2.76%	-11.73%



Union Capital Limited
Notes to the financial statements
As at and for the period ended 30 June 2021

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For the period ended	30-Jun-21	30-Jun-20
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35.1 RECONCILIATION OF EFFECTIVE TAX RATE

	2021	2020
Profit/(loss) before income tax as per profit & loss account	(189,199,479)	(176,345,423)
Income tax as per applicable tax rate	37.50%	-
Net inadmissible expenses (including prior years' adjustments)	0.00%	20,685,870
Tax saving from reduced tax rates (from 0% to 20% for exempted investments income, dividend income, capital gains, etc.)	0.00%	-
Effect of deferred tax	-2.76%	5,213,733
Reported average effective tax rate & total tax expenses	-2.76%	5,213,733

35.a AVERAGE EFFECTIVE TAX RATE (consolidated)

The consolidated average effective tax rate is calculated below as per International Accounting Standard (IAS) 12: *Income Taxes*.

Tax expenses	30,003,454	27,617,690
Accounting profit before tax	(115,545,304)	(213,627,107)
Average effective tax rate	-25.97%	-12.93%

35.a.1 RECONCILIATION OF EFFECTIVE TAX RATE

	2021	2020
Profit/(loss) before income tax as per profit & loss account	(115,545,304)	(213,627,107)
Income tax as per applicable tax rate	35.83%	-
Net inadmissible expenses (including prior years' adjustments)	11.42%	24,025,369
Tax saving from reduced tax rates (from 0% to 20% for exempted investments income, dividend income, capital gains, etc.)	-33.26%	3,592,321
Effect of deferred tax	-4.12%	4,762,083
Reported average effective tax rate & total tax expenses	-25.97%	30,003,454

36 NET OPERATING CASH FLOWS PER SHARE

Net cash flows from operating activities	33,778,877	(440,487,366)
Total number of ordinary shares outstanding	172,573,843	172,573,843
Net operating cash flows per share	0.20	(2.55)

36.a NET OPERATING CASH FLOWS PER SHARE (consolidated)

Net cash flows from operating activities	39,209,338	(351,494,788)
Total number of ordinary shares outstanding	172,573,843	172,573,843
Net operating cash flows per share	0.23	(2.04)

During the half-year of 2021, the Company has received Tk. 32.18 crore as interest compared to Tk. 15.52 crore in previous period registering 107 % growth. We have also received as fees and commissions amounting Tk.7.69 crore more than the same period of 2020. These two heads have affected mostly to increase NOCFPS in first half-year of 2021 compared to same period of 2020.

37 NET ASSET VALUE PER SHARE (NAV)

	2021	2020
Net asset (total assets less total liabilities)	519,305,368	713,718,580
Total number of ordinary shares outstanding	172,573,843	172,573,843
Net asset value per share (NAV)	3.01	4.14

37.a NET ASSET VALUE PER SHARE (NAV) (consolidated)

Net asset (total assets less total liabilities)	566,020,721	711,569,479
Total number of ordinary shares outstanding	172,573,843	172,573,843
Net asset value per share (NAV)	3.28	4.12



Union Capital Limited
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For the period ended	30-Jun-21	30-Jun-20
38 (INCREASE)/DECREASE IN OTHER ASSETS		
Accrued interest	(5,263)	15,961,992
Advance office rent	1,581,000	81,000
Advance to employees	21,496	(935,917)
Receivable from brokerage houses against sale of shares	1,164,962	(536,654)
Process Sharing receivable	-	-
Advance to purchase of office space	-	-
Receivable from subsidiary companies	-	-
Others	4,709,923	381,454
	7,472,118	14,951,875
39 INCREASE/(DECREASE) IN OTHER LIABILITIES		
Interest suspense	13,223,776	93,561,500
Financial expenses payable	185,703,787	298,136,010
Excise duty	(1,464,278)	(4,248,909)
Withholding tax payable	(952,779)	11,257,373
VAT payable	(861,402)	(489,475)
Accrued expenses and other payable	53,305,428	7,481,231
	248,954,532	405,697,730
40 RECONCILIATION OF NET PROFIT WITH CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	(194,413,212)	(197,031,293)
Items not involved in cash movement:		
Add: Depreciation	10,222,999	11,157,592
Add: Provision for loans and investments	35,403,881	(25,886,836)
Add: Provision for taxation	-	20,685,870
Add/ (Less): Accrued expenses	179,703,737	292,773,006
Add/ (Less): Accrued Income	59,068,666	963,714
Less: Gain on disposal of fixed assets	(232,811)	-
Add/(Less): Loss/(gain) on sale of share	5,151,165	(157,364)
Increase/(Decrease) in employee gratuity	(4,500,000)	-
Increase/(Decrease) in Deferred tax	5,213,733	-
Adjustments to reconcile net profit after tax to net cash provided by operating activities	95,618,158	102,504,689
Increase/decrease in operating assets and liabilities		
(Increase)/decrease in loans, advances	(126,693,913)	517,768,805
(Increase)/decrease in other assets	1,587,869	25,706,945
(Increase)/decrease in non-banking assets	4,200,000	-
Increase/(decrease) in term & other deposits	(283,124,453)	(1,401,423,817)
Increase/(decrease) in short term borrowing	81,290,462	(93,022,101)
Increase/(decrease) in payable and accrued expenses	248,089,972	320,673,777
Increase/(decrease) in income tax	(412,994)	(6,257,164)
Increase/(decrease) in interest suspenses	13,223,776	93,561,500
	(61,839,281)	(542,992,055)
Net cash flows from/(used in) operating activities	33,778,877	(440,487,366)



Union Capital Limited
Notes to the financial statements
As at and for the period ended 30 June 2021

Figures in BDT

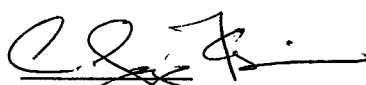
For the period ended	30-Jun-21	30-Jun-20
40.a RECONCILIATION OF NET PROFIT WITH CASH FLOW FROM OPERATING ACTIVITIES (consolidated)		
Net profit after tax	(145,548,758)	(241,244,797)
Items not involved in cash movement:		
Add: Depreciation	19,086,549	23,966,951
Add: Provision for loans and investments	48,731,162	(25,886,836)
Add: Provision for taxation	25,241,370	27,617,690
Add/ (Less): Accrued expenses	185,621,302	323,803,139
Add/ (Less): Accrued Income	(2,097,708)	16,231,920
Less: Gain on disposal of fixed assets	(256,811)	(24,000)
Add/(Less): Loss/(gain) on sale of share	(27,073,116)	6,523,289
Increase/(Decrease) in employee gratuity	(4,038,024)	(535,213)
Increase/(Decrease) in Deferred tax	4,762,083	-
Adjustments to reconcile net profit after tax to net cash provided by operating activities	104,428,049	130,452,142
Increase/decrease in operating assets and liabilities		
(Increase)/decrease in loans, advances	(168,844,876)	289,467,665
(Increase)/decrease in other assets	(25,417,939)	128,824,967
(Increase)/decrease in non-banking assets	4,200,000	-
Increase/(decrease) in term & other deposits	(97,420,666)	(1,041,746,790)
Increase/(decrease) in short term borrowing	81,290,462	(93,022,101)
Increase/(decrease) in payable and accrued expenses	148,211,688	157,194,644
Increase/(decrease) in income tax	(20,461,157)	(16,226,814)
Increase/(decrease) in interest suspenses	13,223,776	93,561,500
	(65,218,711)	(481,946,930)
Net cash flows from/(used in) operating activities	39,209,338	(351,494,788)

41 RELATED PARTY TRANSACTIONS


UCL in normal course of business carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: Related Party Disclosures. The Company extends loans/leases to related parties including its directors and related companies. These related party loans/leases were made at the competitive terms including interest rates and collateral requirements, as those offered to other customers of similar credentials. During 2021, there were no loans/leases to related parties that were charged off.


UCL also takes term deposits from its related parties. The rates on the term deposits offered to them are also similar to those offered to other depositors. Total exposure with the related parties as at 30 June 2021 was as under:

Name of the related party	Relationship	Nature of transaction	30-Jun-21	31-Dec-20
Progressive Life Insurance Co. Ltd.	Father of Waqar A. Choudhury, Director, is a Director of Progressive life insurance	Term deposit	99,245,480	91,972,000
Vanguard AML BD Finance Mutual Fund	Common Directors	Term deposit	15,000,000	15,000,000
Vanguard AML Rupali Bank Balance Fur	Common Directors	Term deposit	41,700,000	41,700,000
UniCap Securities Limited	Subsidiary Company	Inter-company	315,391,196	342,379,407
UniCap Investments Limited	Subsidiary Company	Inter-company	4,557,897,964	4,607,897,964


Chairman


Director


Managing Director & CEO


Company Secretary


Chief Financial Officer



Union Capital Limited
Schedule of fixed assets as at 30 June 2021

Annexure-A

Figures in BDT

Particulars	Cost			Rate of depreciation	Depreciation			Written down Value
	As at 1 Jan 2021	Addition during the period/ year	Disposal/ adjustment during the period/ year		As at 1 Jan 2021	Charged during the period/ year	Disposal/ adjustment during the period/ year	
Freehold assets								
Office space	415,891,104	-	-	2.50%	12,130,158	5,198,637	-	17,328,795
Furniture and fixtures	10,473,178	-	1,144,107	20%	5,679,397	673,526	937,617	5,415,306
Office decoration	25,504,350	-	7,076,997	33%	20,206,455	1,399,170	7,076,983	14,528,642
Electrical equipment	32,900,107	706,392	3,339,074	20%	25,547,863	1,229,033	3,164,178	23,612,718
Owned vehicles	10,825,597	-	-	20%	7,776,397	647,773	-	8,424,170
Software	1,919,528	100,000	179,000	20%	1,396,057	92,669	170,050	2,401,427
Mobile Phone	452,600	-	-	20%	429,777	8,551	-	1,318,676
Staff appliance	-	-	-	20%	-	-	-	438,328
Leasehold assets	497,966,464	806,392	11,739,178		73,166,103	9,249,359	11,348,828	71,066,634
Right-of-use assets	7,753,409	-	-	lease term	1,947,279	973,640	-	2,920,919
Leased vehicles	2,230,000	-	-	20%	2,229,999	-	-	2,229,999
As at 30 June 2021	507,949,873	806,392	11,739,178		77,343,381	10,222,999	11,348,828	76,217,552
As at 31 December 2020	508,010,734	10,308,226	10,369,087		65,718,679	21,930,197	10,305,493	77,343,382
								430,799,535

Consolidated schedule of fixed assets as at 30 June 2021

Particulars	Cost			Rate of depreciation	Depreciation			Written down Value
	As at 1 Jan 2021	Addition during the period/ year	Disposal/ adjustment during the period/ year		As at 1 Jan 2021	Charged during the period/ year	Disposal/ adjustment during the period/ year	
Freehold assets								
Office space	415,891,104	-	-	2.50%	12,130,160	5,198,637	-	17,328,797
Furniture and fixtures	14,307,595	90,000	1,144,107	20%	8,891,923	846,927	937,617	8,801,233
Office decoration	51,411,693	-	7,076,997	33%	43,373,717	2,483,606	7,076,983	38,780,340
Electrical equipment	51,656,572	988,355	3,339,074	20%	40,146,329	2,314,212	3,164,178	39,296,363
Owned vehicles	18,991,034	-	-	20%	15,319,901	914,317	-	16,234,218
Software	6,426,691	100,000	179,000	20%	5,297,762	280,365	170,050	5,408,077
Mobile Phone	512,500	-	-	20%	489,657	8,551	-	498,208
Staff appliance	-	-	-	20%	-	-	-	-
Leasehold assets	559,197,189	1,178,355	11,739,178		125,649,449	12,046,615	11,348,828	126,347,236
Right-of-use assets	52,040,087	-	-	lease term	17,777,076	7,039,934	-	24,817,010
Leased vehicles	2,230,000	-	-	20%	2,229,999	-	-	2,229,999
As at 30 June 2021	613,467,276	1,178,355	11,739,178		145,656,524	19,086,549	11,348,828	153,394,245
As at 31 December 2020	568,735,710	55,684,653	10,953,087		110,951,041	45,583,977	10,878,493	145,656,524
								467,810,752

