

Union Capital Limited
Consolidated Financial Statements (Un-Audited)
As at and for the half year ended 30 June 2022



Union Capital Limited
Consolidated Balance Sheet (Un-audited) as at 30 June 2022

Figures in BDT

Particulars	Notes	30-Jun-22	31-Dec-21
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		68,026	68,026
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		93,600,471	122,943,914
	4.a	93,668,497	123,011,940
Balance with other banks and financial institutions			
In Bangladesh		1,083,464,770	1,205,184,172
Outside Bangladesh		-	-
	5.a	1,083,464,770	1,205,184,172
Money at call and short notice			
		-	-
Investments			
Government		-	-
Others		588,424,616	594,117,690
	6.a	588,424,616	594,117,690
Loans, advances and leases			
Loans, advances and leases		13,392,256,306	13,356,830,468
Bills purchased and discounted		-	-
	7.a	13,392,256,306	13,356,830,468
Fixed assets including land, building, furniture and fixtures			
	8.a	420,970,072	430,343,514
Other assets			
	9.a	733,616,175	720,490,234
Non-banking assets			
	10	519,570,004	519,570,004
TOTAL ASSETS		16,831,970,440	16,949,548,021
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.a	3,408,941,197	3,617,967,788
Deposits and other accounts			
Term deposits	12.a	8,444,948,802	8,605,845,739
Other deposits	13	307,687,157	181,197,248
		8,752,635,959	8,787,042,987
Other liabilities	14.a	6,144,973,523	5,218,556,937
Total liabilities		18,306,550,679	17,623,567,712
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	(3,652,216,295)	(2,851,655,742)
Total equity attributable to equity holders of the Company		(1,474,580,466)	(674,019,913)
Non-controlling interest		227	222
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		16,831,970,440	16,949,548,021
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	(8.54)	(3.91)


Chairman


Director


Managing Director & CEO (CC)


Company Secretary (CC)



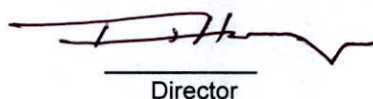

Chief Financial Officer

Union Capital Limited
Consolidated Profit and Loss Account (Un-Audited)
For the half year ended 30 June 2022

Figures in BDT

Particulars	Notes	30-Jun-22	30-Jun-21	Apr,22- Jun,22	Apr,21- Jun,21
Interest income	18.a	289,056,310	459,500,530	121,422,588	244,846,435
Interest paid on deposits and borrowings etc.	19.a	(491,181,588)	(550,735,796)	(226,739,803)	(260,094,067)
Net interest income		(202,125,278)	(91,235,266)	(105,317,215)	(15,247,631)
Investment income	20.a	13,480,302	38,434,694	5,084,166	18,444,739
Fees, commissions, exchange and brokerage	21.a	73,668,276	109,701,120	26,303,333	66,613,307
Other operating income	22.a	15,929,514	12,433,747	11,831,395	5,901,341
		103,078,092	160,569,561	43,218,895	90,959,386
Total operating income		(99,047,186)	69,334,295	(62,098,321)	75,711,755
Salaries and other employee benefits	23.a	93,876,859	77,769,448	56,396,379	41,947,021
Rent, taxes, insurance, electricity etc.	24.a	1,903,974	2,034,574	1,156,249	1,321,584
Legal expenses	25.a	378,606	2,877,097	353,050	431,740
Postage, stamp, telecommunication etc.	26.a	2,343,583	2,300,072	1,339,661	1,248,353
Stationery, printing, advertisements etc.	27.a	1,405,938	1,327,176	755,767	554,750
Managing Director's salary and fees	28	-	4,060,000	-	2,230,000
Directors' fees	29.a	72,500	75,000	46,250	40,000
Depreciation and repair of assets	30.a	18,931,177	19,894,099	9,143,342	9,986,907
Other expenses	31.a	21,137,443	25,810,970	7,982,080	14,600,150
Total operating expenses		140,050,080	136,148,437	77,172,778	72,360,504
Profit/(loss) before provision		(239,097,266)	(66,814,142)	(139,271,099)	3,351,251
Provision for loans, advances, leases and investments					
Provision for loans, advances and leases		538,038,169	36,840,902	532,193,965	22,019,549
Provision for diminution in value of investments		2,373,508	11,890,260	1,140,106	10,239,526
Total provision		540,411,677	48,731,162	533,334,071	32,259,075
Total profit/(loss) before tax		(779,508,943)	(115,545,304)	(672,605,170)	(28,907,824)
Provision for taxation					
Current tax		16,845,354	25,241,370	7,557,438	13,719,105
Deferred tax		4,206,251	4,762,083	2,217,148	1,929,300
		21,051,605	30,003,454	9,774,587	15,648,404
Net profit/(loss) after tax		(800,560,548)	(145,548,758)	(682,379,756)	(44,556,228)
Retained surplus/(loss)		(800,560,548)	(145,548,758)	(682,379,756)	(44,556,228)
Attributable to					
Shareholders of the Company		(800,560,553)	(145,548,769)	(682,379,756)	(44,556,234)
Non-controlling interest		5.2	11	(0.5)	5.7
Weighted average no. of outstanding share		172,573,843	172,573,843	172,573,843	172,573,843
Earnings per share	34.a	(4.64)	(0.84)	(3.95)	(0.26)


Chairman


Director


Managing Director & CEO (CC)


Company Secretary (CC)



Chief Financial Officer



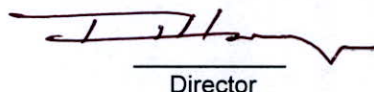
Union Capital Limited
Consolidated Cash Flow Statement (Un-audited) for the half year ended 30 June 2022

Figures in BDT

Particulars	30-Jun-22	30-Jun-21	
Cash flows from operating activities			
Interest receipts	223,029,800	321,828,588	
Interest payments	(292,728,953)	(367,555,894)	
Fee and commission receipts	73,101,492	109,597,959	
Recoveries of loans previously written off	15,475,624	12,278,812	
Dividend receipts	14,306,473	10,948,119	
Cash payments to employees	(93,183,118)	(86,402,474)	
Cash payments to suppliers and management expenses	(8,124,452)	(9,005,832)	
Income taxes paid	(13,926,407)	(20,461,157)	
Receipts from other operating activities	1,020,674	258,096	
Payments for other operating activities	(21,137,443)	(25,810,970)	
Cash generated before changes in operating assets and liabilities	(102,166,310)	(54,324,754)	
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	(141,175,959)	(222,029,293)	
Other assets	(10,229,792)	(23,863,603)	
Deposits from banks and other financial institutions	15,012,241	(92,694,506)	
Deposits from customers	(49,419,269)	(4,726,160)	
Net draw down/(payment) of short term loan	(20,441,872)	81,290,462	
Other liabilities	341,903,035	355,557,191	
Cash generated from operating assets and liabilities	135,648,384	93,534,092	
Net cash generated from/(used in) operating activities	33,482,074	39,209,338	
Cash flows from investing activities			
Proceeds from sale of securities	186,469,877	522,621,269	
Payments for purchases of securities	(172,674,644)	(487,418,421)	
Purchase of property, plant and equipment	(9,755,434)	(9,892,904)	
Proceeds from sale of property, plant and equipment	-	647,161	
Net cash generated from/(used in) investing activities	4,039,799	25,957,105	
Cash flows from financing activities			
Receipts of long term loan	-	-	
Repayment of long term loan	(188,584,718)	(71,065,920)	
Net cash generated from/(used in) financing activities	(188,584,718)	(71,065,920)	
Net (decrease)/increase in cash and cash equivalents	(151,062,845)	(5,899,476)	
Effects of exchange rate changes on cash and cash equivalents	-	-	
Cash and cash equivalents at beginning of the half year	1,328,196,112	1,204,026,101	
Cash and cash equivalents at end of the half year	1,177,133,267	1,198,126,625	
Cash and cash equivalents at end of the half year represents			
Cash in hand	68,026	68,026	
Balance with Bangladesh Bank and its agent bank	93,600,471	97,142,083	
Balance with other banks and financial institutions	1,083,464,770	1,100,916,516	
	1,177,133,267	1,198,126,625	
Net operating cash flows per share	36.a	0.19	0.23



Chairman



Director



Managing Director & CEO (CC)



Company Secretary (CC)



Chief Financial Officer



Union Capital Limited

Consolidated Statement of Changes in shareholders' equity (Un-audited)

For the half year ended 30 June 2022

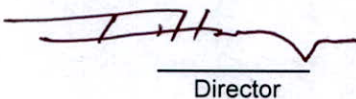
Figures in BDT

Particulars	Paid-up capital	Statutory reserve	Retained earnings/(loss)	Non-controlling interest	Total
Balance as at 1 January 2022	1,725,738,430	451,897,399	(2,851,655,742)	222	(674,019,691)
Net profit/(loss) for the half year ended 2022	-	-	(800,560,553)	5	(800,560,548)
Balance as at 30 June 2022	1,725,738,430	451,897,399	(3,652,216,295)	227	(1,474,580,239)

For the half year ended 30 June 2021

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	(1,611,615,330)	222	566,020,721


Chairman


Director


Managing Director & CEO (CC)


Company Secretary (CC)



Chief Financial Officer



Union Capital Limited
Balance Sheet (Un-audited) as at 30 June 2022

Figures in BDT

Particulars	Notes	30-Jun-22	31-Dec-21
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		34,000	34,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4	93,600,471	122,943,914
		93,634,471	122,977,914
Balance with other banks and financial institutions			
In Bangladesh		998,707,445	920,731,798
Outside Bangladesh	5	-	-
		998,707,445	920,731,798
Money at call and short notice			
Investments			
Government		-	-
Others	6	43,597,037	47,410,131
		43,597,037	47,410,131
Loans, advances and leases			
Loans, advances and leases		11,536,073,732	11,712,581,595
Bills purchased and discounted	7	-	-
		11,536,073,732	11,712,581,595
Fixed assets including land, building, furniture and fixtures	8	407,785,978	410,760,609
Other assets	9	1,235,080,232	1,238,199,680
Non-banking assets	10	519,570,004	519,570,004
TOTAL ASSETS		14,834,448,899	14,972,231,731
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	3,241,836,370	3,415,706,133
Deposits and other accounts			
Term deposits	12	8,444,948,802	8,605,845,739
Other deposits	13	307,687,157	181,197,248
		8,752,635,959	8,787,042,987
Other liabilities	14	4,382,813,069	3,491,645,211
Total liabilities		16,377,285,398	15,694,394,331
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	(3,720,472,328)	(2,899,798,429)
Total shareholders' equity		(1,542,836,499)	(722,162,600)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		14,834,448,899	14,972,231,731
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	(8.94)	(4.18)


Chairman


Director


Managing Director & CEO (CC)


Company Secretary (CC)





Chief Financial Officer

Union Capital Limited
Profit and Loss Account
For the half year ended 30 June 2022

Figures in BDT

Particulars	Notes	30-Jun-22	30-Jun-21	Apr,22- Jun,22	Apr,21- Jun,21
Interest income	18	245,776,773	438,393,902	101,435,967	228,903,756
Interest paid on deposits and borrowings etc.	19	(474,983,132)	(528,826,465)	(219,805,765)	(250,815,550)
Net interest income		(229,206,359)	(90,432,563)	(118,369,798)	(21,911,794)
Investment income	20	3,392,792	(4,687,176)	1,625,090	1,392,673
Fees, commissions, exchange and brokerage	21	710,831	153,383	92,007	112,759
Other operating income	22	15,475,624	12,511,623	11,462,180	6,869,869
		19,579,247	7,977,830	13,179,277	8,375,301
Total operating income		(209,627,112)	(82,454,733)	(105,190,521)	(13,536,493)
Salaries and other employee benefits	23	47,259,679	42,876,340	27,666,256	23,018,600
Rent, taxes, insurance, electricity etc.	24	988,997	1,129,215	633,314	745,299
Legal expenses	25	378,606	2,877,097	353,050	431,740
Postage, stamp, telecommunication etc.	26	670,747	708,872	457,871	464,840
Stationery, printing, advertisements etc.	27	712,077	652,795	388,713	234,903
Managing Director's salary and fees	28	-	4,060,000	-	2,230,000
Directors' fees	29	60,000	75,000	40,000	40,000
Depreciation and repair of assets	30	9,915,076	10,265,640	4,873,727	5,106,608
Other expenses	31	7,598,072	8,695,906	2,474,562	3,975,605
Total operating expenses		67,583,254	71,340,865	36,887,493	36,247,595
Profit/(loss) before provision		(277,210,366)	(153,795,598)	(142,078,014)	(49,784,088)
Provision for loans, advances, leases and investments					
Provision for loans, advances and leases		538,038,169	36,840,902	532,193,965	22,019,549
Provision for diminution in value of investments		2,373,508	(1,437,021)	1,140,106	(3,087,755)
Total provision		540,411,677	35,403,881	533,334,071	18,931,794
Total profit/(loss) before tax		(817,622,043)	(189,199,479)	(675,412,085)	(68,715,882)
Provision for taxation					
Current tax		-	-	-	-
Deferred tax		3,051,856	5,213,733	1,880,506	1,856,491
		3,051,856	5,213,733	1,880,506	1,856,491
Net profit/(loss) after tax		(820,673,899)	(194,413,212)	(677,292,591)	(70,572,373)
Retained surplus/(loss)		(820,673,899)	(194,413,212)	(677,292,591)	(70,572,373)
Weighted average no. of outstanding share		172,573,843	172,573,843	172,573,843	172,573,843
Earnings per share	34	(4.76)	(1.13)	(3.92)	(0.41)


Chairman


Director


Managing Director & CEO (CC)


Company Secretary (CC)


Chief Financial Officer



Union Capital Limited
Cash Flow Statement (Un-audited) for the half year ended 30 June 2022

Figures in BDT

Particulars	Notes	30-Jun-22	30-Jun-21
Cash flows from operating activities			
Interest receipts		143,443,917	313,733,749
Interest payments		(273,425,650)	(343,122,678)
Fee and commission receipts		144,047	50,222
Recoveries of loans previously written off		15,475,624	12,278,812
Dividend receipts		2,561,780	463,989
Cash payments to employees		(45,408,929)	(52,001,340)
Cash payments to suppliers and management expenses		(3,909,012)	(6,420,671)
Income taxes paid		(100,230)	(412,994)
Receipts from other operating activities	32	566,784	103,161
Payments for other operating activities	33	(7,598,072)	(8,695,906)
Cash generated before changes in operating assets and liabilities		(168,249,740)	(84,023,656)
Increase/decrease in operating assets and liabilities			
Loans, advances and leases to customers		70,757,742	(122,493,913)
Other assets	38	2,521,128	7,472,118
Deposits from banks and other financial institutions		15,012,241	(92,694,506)
Deposits from customers		(49,419,269)	(4,726,160)
Net draw down/(payment) of short term loan		(20,441,872)	81,290,462
Other liabilities	39	347,804,553	248,954,532
Cash generated from operating assets and liabilities		366,234,523	117,802,533
Net cash generated from/(used in) operating activities		197,984,782	33,778,877
Cash flows from investing activities			
Proceeds from sale of securities		13,997,340	72,191,791
Payments for purchases of securities		(8,754,914)	(73,185,285)
Purchase of property, plant and equipment		(1,167,114)	(3,071,618)
Proceeds from sale of property, plant and equipment		-	623,161
Net cash used in investing activities		4,075,312	(3,441,951)
Cash flows from financing activities			
Receipts of long term loan		-	-
Repayment of long term loan		(153,427,890)	(41,784,441)
Net cash generated from/(used in) financing activities		(153,427,890)	(41,784,441)
Net (decrease)/increase in cash and cash equivalents		48,632,204	(11,447,515)
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the half year		1,043,709,712	968,258,353
Cash and cash equivalents at end of the half year		1,092,341,916	956,810,838
Cash and cash equivalents at end of the half year represents			
Cash in hand		34,000	34,000
Balance with Bangladesh Bank and its agent bank		93,600,471	97,142,083
Balance with other banks and financial institutions		998,707,445	859,634,755
		1,092,341,916	956,810,838
Net operating cash flows per share	36	1.15	0.20


Chairman


Director


Managing Director & CEO (CC)


Company Secretary (CC)


Chief Financial Officer



Union Capital Limited
Statement of Changes in shareholders' equity (Un-audited)
For the half year ended 30 June 2022

Figures in BDT

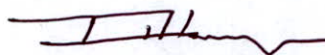
Particulars	Paid-up capital	Statutory reserve	Retained earnings/(loss)	Total
Balance as at 1 January 2022	1,725,738,430	451,897,399	(2,899,798,429)	(722,162,600)
Net profit/(loss) for the half year ended 2022	-	-	(820,673,899)	(820,673,899)
Balance as at 30 June 2022	1,725,738,430	451,897,399	(3,720,472,328)	(1,542,836,499)

For the half year ended 30 June 2021


Figures in BDT

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


Chairman


Director


Managing Director & CEO (CC)


Company Secretary (CC)


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 2022

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 2021 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 2021.

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/(loss) 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 2022 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 2021 has also been calculated based on 172.57 million shares.

EPS for the period ended 30 June 2022 has been decreased from the same period of previous year due to i) decreasing interest income resulting from increased non-performing loans and ii) increasing provision requirement for increased non-performing loans.

3.4 Net assets value per share (NAV)

During the period ended 30 June 2022, NAV stands at BDT (8.54) per share which was BDT (3.91) as on 31 December 2021. NAV for the half year ended 30 June 2022 has been decreased from the 31 December 2021 due to incurring consolidated loss of Tk.80 crore which has reduced net assets value by the same amount as on 30 June 2022.

3.5 Date of authorization

The Board of Directors has authorized these financial statements for public issue on 28 July 2022.

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 2022

Figures in BDT

As at	30-Jun-22	31-Dec-21
4 CASH		
In hand		
Local currency	34,000	34,000
Foreign currencies	-	-
	34,000	34,000
Balance with Bangladesh Bank		
Local currency	93,600,471	122,943,914
Foreign currencies	-	-
	93,600,471	122,943,914
Balance as at 30 June	93,634,471	122,977,914
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.	93,600,471	122,943,914
UniCap Securities Ltd.	-	-
UniCap Investments Ltd.	-	-
	93,600,471	122,943,914
Balance as at 30 June	93,668,497	123,011,940
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	201,921,862	186,251,367
International Leasing and Financial Services Ltd.	719,869,554	668,428,489
Community Bank Bangladesh Limited	2,324,000	2,324,000
	924,115,416	857,003,856
Current account		
Bank Alfalah Limited, Gulshan Branch	256	601
Agrani Bank Limited, Panthpath Branch	217,790	1,218,135
Bank Asia Limited, Bashundhara Branch	6,372	6,717
BASIC Bank Limited, Shantinagar Branch	1	1
Dhaka Bank Limited, Kakrail Branch	580,177	1,929,240
Midland Bank Ltd, Gulshan Branch	4,657	142
Modhumoti Bank Limited, Dhanmondi Branch	94,805	1,124,173
National Credit and Commerce Bank Ltd., Banani Branch	36,198	36,342
NRB Bank Limited, Corporate Branch	33,357	33,357
Shahjalal Islami Bank Limited, Elephant Road Branch	783	-
Shahjalal Islami Bank Limited, Gulshan Branch	2,583	2,583
Social Islami Bank Limited, Eskaton Branch	425,579	426,629
Southeast Bank Limited, Mirpur Branch	9,411	9,411
Southeast Bank Limited, Satmosjid Road Branch	-	285
Sonali Bank Limited Sonargaon Road Branch	194,230	194,230
United Commercial Bank Limited, New Eskaton Branch	1,340,997	4,756,308
WooriBank-Dhaka Branch	81,064	5,417
Uttara Bank Limited, Local Office	13,785	13,785
	3,042,045	9,757,356



Union Capital Limited

Notes to the financial statements

As at and for the period ended 30 June 2022

Figures in BDT

As at	30-Jun-22	31-Dec-21
Short term deposit		
Community Bank BD Limited, Gulshan Branch	4,149	4,149
Bank Asia Limited, Corporate Branch	176,271	824,291
Bank Asia Limited, Corporate Branch	1,363,684	1,121,215
Bank Asia Limited, Gulshan Branch	74,896	74,511
Dhaka Bank Limited, Local Office	200,843	1,538,452
Dhaka Bank Limited, Kakrail Branch	10,659,688	2,498,620
Dutch Bangla Bank Limited, Karwan Bazar Branch	29,516	33,578
Dutch Bangla Bank Limited, Karwan Bazar Branch	5,436,662	25,596,965
IFIC Bank Limited, Gulshan Branch	53,096,031	16,167,425
Jamuna Bank Limited, Sonargaon Road Branch	5,545	6,071
Modhumoti Bank Limited, Banglamotor-Branch	48,763	48,895
AB Bank Limited, Gulshan Branch	347,375	346,850
Mutual Trust Bank Limited, Principal Branch	23,681	24,120
Southeast Bank Limited, Islamic Banking Branch	3,059	3,610
Southeast Bank Limited, R k Mission Road Branch	79,821	5,681,834
	71,549,984	53,970,586
Balance as at 30 June	998,707,445	920,731,798

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

Union Capital Ltd.	998,707,445	920,731,798
UniCap Securities Ltd.	72,126,959	240,698,517
UniCap Investments Ltd.	12,630,366	43,753,857
	1,083,464,770	1,205,184,172
Less: Inter-company transactions	-	-
Balance as at 30 June	1,083,464,770	1,205,184,172

6 INVESTMENTS

The investment is made up as under:

Government securities	-	-
Other investments	43,597,037	47,410,131
Balance as at 30 June	43,597,037	47,410,131

This represents investment made by the Company in listed securities.

6.a INVESTMENTS (consolidated)

Union Capital Ltd.	43,597,037	47,410,131
UniCap Securities Ltd.	273,531,798	272,323,814
UniCap Investments Ltd.	271,295,781	274,383,744
Balance as at 30 June	588,424,616	594,117,690

7 LOANS, ADVANCES AND LEASES

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

Lease finance	1,463,722,386	1,465,296,333
Term finance	5,525,991,126	5,482,975,074
Home loan	251,699,478	251,699,478
Loan to subsidiaries	4,275,392,503	4,491,676,875
Loan against deposits	15,699,811	15,879,811
Staff loan	3,568,428	5,054,024
Balance as at 30 June	11,536,073,732	11,712,581,595



Union Capital Limited

Notes to the financial statements

As at and for the period ended 30 June 2022

Figures in BDT

As at	30-Jun-22	31-Dec-21
7.a LOANS, ADVANCES AND LEASES (consolidated)		
Union Capital Ltd.	11,536,073,732	11,712,581,595
UniCap Securities Ltd.	759,292,103	659,804,864
UniCap Investments Ltd	5,372,282,974	5,476,120,885
	17,667,648,809	17,848,507,343
Less: Inter-company transactions	4,275,392,503	4,491,676,875
Balance as at 30 June	13,392,256,306	13,356,830,468

8 FIXED ASSETS INCLUDING LAND, BUILDING, FURNITURE AND FIXTURES

Furniture and fixtures	9,329,071	9,329,071
Floor Space	415,891,104	415,891,104
Office decoration	18,427,353	18,427,353
Electric equipment	30,478,523	30,401,523
Owned vehicles	10,825,597	10,825,597
Leased vehicles	2,230,000	2,230,000
Right-of-use assets	9,819,755	3,858,850
Intangible assets (software)	1,840,528	1,840,528
Mobile phones	452,600	452,600
Total cost	499,294,531	493,256,626
Less: Accumulated depreciation and amortization	91,508,553	82,496,017
Written down value as at 30 June	407,785,978	410,760,609

Details are shown in Annexure - A

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

Union Capital Ltd.	407,785,978	410,760,609
UniCap Securities Ltd.	11,045,780	15,892,967
UniCap Investments Ltd.	2,138,314	3,689,938
Balance as at 30 June	420,970,072	430,343,514

9 OTHER ASSETS

Investment in subsidiary	997,498,641	997,498,641
Accrued interest	16,228,324	16,535,781
Others	33,977,951	33,966,316
Income generating other assets	1,047,704,916	1,048,000,738
Advance office rent	2,268,854	1,849,854
Advance to employees	665,905	665,905
Deposits with T & T, water etc.	84,000	84,000
Receivable from brokerage house against sale of shares	2,136,817	1,864,820
Transfer price receivable	1,287,376	1,287,376
Process Sharing receivable	178,631,941	178,631,941
Others	2,300,423	5,815,046
Non income generating other assets	187,375,316	190,198,942
Balance as at 30 June	1,235,080,232	1,238,199,680

Management considers all the other assets as good.

9.1.a Deferred tax asset (consolidated)

Union Capital Limited	-	-
UniCap Securities Limited	6,773,381	7,996,148
UniCap Investments Limited	398,951	50,179
Balance as at 30 June	7,172,331	8,046,328



Union Capital Limited

Notes to the financial statements

As at and for the period ended 30 June 2022

Figures in BDT

As at	30-Jun-22	31-Dec-21
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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	397,966,222	3,462,845	967,850
		Tax base	312,168,289	14,877,765	2,245,375
	ROU	Carrying amount	9,819,755	7,582,936	1,170,465
Liabilities	Employee gratuity fund	Carrying amount	-	12,163,077	-
		Tax base	-	-	-
	Lease obligation	Carrying amount	9,925,666	4,846,110	956,809
			(85,692,022)	20,841,171	1,063,869
Applicable tax rate			37.50%	32.50%	37.50%
Deferred tax assets/(liabilities) as on June 30,2022			(32,134,502)	6,773,381	398,951
Deferred tax assets/(Liabilities) as on December 31,2021			(29,082,646)	7,952,335	374,392
Deferred tax expense/(income) during the period			3,051,856	1,178,954	(24,559)

9.a OTHER ASSETS (consolidated)

Union Capital Ltd.	1,235,080,232	1,238,199,680
UniCap Securities Ltd.	532,152,602	513,060,059
UniCap Investments Ltd.	369,754,675	393,246,818
	2,136,987,509	2,144,506,556
Less: Inter-company transactions	1,403,371,334	1,424,016,323
Balance as at 30 June	733,616,175	720,490,234

10 NON-BANKING ASSETS

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

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	2,371,687,813	2,377,391,835
Preference share	37,500,000	47,500,000
	2,409,187,813	2,424,891,835
Bangladesh Bank (Small Enterprise refinancing scheme-JICA)	16,911,135	25,323,015
Bangladesh Bank (Women entrepreneur refinance scheme)	1,925,000	2,625,000
Bangladesh Bank (Small Enterprise refinancing scheme-DP2)	500,000	1,008,333
Bangladesh Bank (Renewable energy and environment friendly sector)	66,614,011	72,165,179
Short term borrowing and call loan	746,698,411	889,692,771
	832,648,557	990,814,298
	3,241,836,370	3,415,706,133
Outside Bangladesh	-	-
Balance as at 30 June	3,241,836,370	3,415,706,133



Union Capital Limited

Notes to the financial statements

As at and for the period ended 30 June 2022

Figures in BDT

As at	30-Jun-22	31-Dec-21
11.a Borrowings from other banks, financial institutions and agents (consolidated)		
Union Capital Limited	3,241,836,370	3,415,706,133
UniCap Securities Limited	331,186,457	418,555,368
UniCap Investments Limited	3,383,857,303	3,444,269,683
	6,956,880,130	7,278,531,184
Less: Inter-company transactions	3,547,938,933	3,660,563,396
Balance as at 30 June	3,408,941,197	3,617,967,788
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	3,289,710,782	3,274,698,541
Other institutions	4,378,127,011	4,463,485,061
Total institutional deposits	7,667,837,793	7,738,183,602
Term deposit	541,860,214	620,862,599
Income deposit	225,974,135	235,822,738
Monthly savings scheme	9,276,660	10,976,800
Total individual deposits	777,111,009	867,662,137
Balance as at 30 June	8,444,948,802	8,605,845,739
12.a Term deposits (consolidated)		
Union Capital Limited	8,444,948,802	8,605,845,739
UniCap Securities Limited	-	-
UniCap Investments Limited	-	-
	8,444,948,802	8,605,845,739
Less: Inter-company transactions	-	-
Balance as at 30 June	8,444,948,802	8,605,845,739
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	77,324,707	79,088,490
Term finance advance	192,383,224	61,696,598
Cash security	37,979,226	40,412,160
Balance as at 30 June	307,687,157	181,197,248
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	1,631,701,632	1,093,606,121
Provision for diminution in value of investments	2,373,508	-
Provision for other assets and accrued interest	84,747,032	84,747,032
Special provision	146,511,545	146,568,885
Interest suspense	637,313,231	468,785,275
Provision for tax	91,641,683	91,741,913
Deferred tax liabilities	32,134,502	29,082,646
Financial expenses payable	1,242,166,537	1,040,609,055
Lease liability	9,925,666	4,086,748
Deferred liability-employee gratuity	17,024,935	15,250,227
Dividend on preference shares	32,831,123	30,290,199
Excise duty	74,900	4,536,370
Withholding tax payable	4,068	3,791,625
VAT payable	586	1,050,222
Accrued expenses and other payable (note 14.1)	454,362,121	477,498,893
Balance as at 30 June	4,382,813,069	3,491,645,211



Union Capital Limited

Notes to the financial statements

As at and for the period ended 30 June 2022

Figures in BDT

As at	30-Jun-22	31-Dec-21
14.1 Accrued expenses and other payable		
Management expenses	4,106,631	5,073,761
Unclaim dividend account (note 14.1.1)	6,926	6,926
Payable for purchase of assets	51,701,925	51,822,925
Others payables (suspended interest)	398,546,639	420,595,281
Balance as at 30 June	454,362,121	477,498,893

14.1.1 Unclaim dividend account

Year	Stock dividend in number	Fractional Dividend
2018 Fractional dividend	379	6,926
Balance as at 30 June	379	6,926

14.a OTHER LIABILITIES (consolidated)

Union Capital Limited	4,382,813,069	3,491,645,211
UniCap Securities Limited	833,393,661	799,944,798
UniCap Investments Limited	2,062,093,056	2,184,598,088
	7,278,299,786	6,476,188,098
Less: Inter-company transactions	1,133,326,263	1,257,631,161
Balance as at 30 June	6,144,973,523	5,218,556,937

15 Share capital

As at 30 June 2022, a total number of 172,573,843 (2021: 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
bonus shares	-	-
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

17 Retained earnings/(loss)

Balance as on 1 January	(2,899,798,429)	(1,463,917,249)
Add: Profit/(loss) after tax during the period	(820,673,899)	(1,435,881,180)
Balance as at 30 June	(3,720,472,328)	(2,899,798,429)

17.a RETAINED EARNINGS/(loss) (consolidated)

Balance as on 1 January	(2,851,655,742)	(1,466,066,561)
Add: Profit/(loss) after tax during the period	(800,560,553)	(1,385,589,182)
Balance as at 30 June	(3,652,216,295)	(2,851,655,742)



Union Capital Limited
Notes to the financial statements
As at and for the period ended 30 June 2022

Figures in BDT

For the period ended	30-Jun-22	30-Jun-21
18 INTEREST INCOME		
Income from lease finance	43,719,322	77,864,342
Income from term finance	181,237,403	332,152,311
Interest on loan to subsidiaries	18,715,628	26,706,965
Interest on bank deposits	2,028,325	1,451,966
Income form other finance	76,095	218,318
Total	245,776,773	438,393,902

18.a INTEREST INCOME (consolidated)

Union Capital Limited	245,776,773	438,393,902
UniCap Securities Limited	31,358,963	24,971,036
UniCap Investments Limited	30,636,201	22,842,557
	307,771,938	486,207,495
Less: Inter-company transactions	18,715,628	26,706,965
	289,056,310	459,500,530

19 INTEREST PAID ON DEPOSITS, BORROWINGS, etc.

Interest on bank loan	94,180,957	112,512,259
Interest on JICA fund	413,080	1,263,498
Interest on Agriculture refinance fund	-	4,931
Interest on women entrepreneur fund	55,014	110,168
Interest on SMEDP2 fund	4,006	31,720
Interest on financing brick kiln efficiency project	1,708,764	1,938,207
Interest on term deposits	341,994,117	370,828,825
Interest on money at call & short notice	32,596,008	34,962,166
Interest on cash security deposit	1,281,713	1,817,477
Interest on preference share	2,540,924	4,664,726
Bank charges	119,325	495,018
Interest on lease rent	89,224	197,470
Total	474,983,132	528,826,465

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

Union Capital Limited	474,983,132	528,826,465
UniCap Securities Limited	31,270,536	42,962,700
UniCap Investments Limited	3,643,548	5,653,597
	509,897,216	577,442,761
Less: Inter-company transactions	18,715,628	26,706,965
	491,181,588	550,735,796

20 INVESTMENT INCOME

Capital gain/(loss) on sale of securities	1,429,332	(5,151,165)
Dividend income	1,963,460	463,989
Total	3,392,792	(4,687,176)

20.a INVESTMENT INCOME (consolidated)

Union Capital Limited	3,392,792	(4,687,176)
UniCap Securities Limited	4,518,038	26,666,263
UniCap Investments Limited	5,569,471	16,455,607
	13,480,302	38,434,694
Less: Inter-company transactions	-	-
	13,480,302	38,434,694



Union Capital Limited
Notes to the financial statements
As at and for the period ended 30 June 2022

Figures in BDT

For the period ended	30-Jun-22	30-Jun-21
21 FEES, COMMISSIONS, EXCHANGE AND BROKERAGE		
Processing and documentation fees	144,047	50,222
Renewals and proceeds	566,784	103,161
Total	710,831	153,383
21.a FEES, COMMISSIONS, EXCHANGE AND BROKERAGE (consolidated)		
Union Capital Limited	710,831	153,383
UniCap Securities Limited	62,657,706	92,293,233
UniCap Investments Limited	10,299,739	17,254,505
	73,668,276	109,701,120
22 OTHER OPERATING INCOME		
Gain/(loss) on sale of fixed assets	-	232,811
Recoveries of loans written off	15,475,624	12,278,812
Total	15,475,624	12,511,623
22.a OTHER OPERATING INCOME (consolidated)		
Union Capital Limited	15,475,624	12,511,623
UniCap Securities Limited	271,658	(289,100)
UniCap Investments Limited	182,232	211,224
	15,929,514	12,433,747
Less: Inter-company transactions	-	-
	15,929,514	12,433,747
23 SALARIES AND OTHER EMPLOYEE BENEFITS		
Salaries & allowances	47,259,679	42,876,340
Total	47,259,679	42,876,340
23.a SALARIES AND OTHER EMPLOYEE BENEFITS (consolidated)		
Union Capital Limited	47,259,679	42,876,340
UniCap Securities Limited	35,867,236	26,313,073
UniCap Investments Limited	10,749,943	8,580,035
Total	93,876,859	77,769,448
24 RENT, TAXES, INSURANCE, ELECTRICITY etc.		
Office rent, rates and taxes	-	233,917
Insurance	219,742	225,658
Power and electricity	769,255	669,640
Total	988,997	1,129,215
24.1 DISCLOSURE RELATED TO RENT, RATE AND TAXES:		
Actual rent expenses	1,094,766	1,307,447
Less: Reclassification of rent expenses (as per IFRS 16:)	1,094,766	1,073,530
Total	-	233,917

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 2022

Figures in BDT

For the period ended	30-Jun-22	30-Jun-21
24.a RENT, TAXES, INSURANCE, ELECTRICITY etc. (consolidated)		
Union Capital Limited	988,997	1,129,215
UniCap Securities Limited	670,092	578,019
UniCap Investments Limited	244,885	327,340
Total	1,903,974	2,034,574

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

Actual rent , taxes, insurance, electricity		
Union Capital Limited	2,083,763	2,202,745
UniCap Securities Limited	7,513,234	8,171,447
UniCap Investments Limited	1,715,301	1,797,756
Less: Reclassification of rent expenses (as per IFRS 16:)		
Union Capital Limited	1,094,766	1,073,530
UniCap Securities Limited	6,843,142	7,593,428
UniCap Investments Limited	1,470,416	1,470,416
Total	1,903,974	2,034,574

25 LEGAL EXPENSES

Court fees	-	591,000
Professional Fees	378,606	2,286,097
Total	378,606	2,877,097

25.a LEGAL EXPENSES (consolidated)

Union Capital Limited	378,606	2,877,097
UniCap Securities Limited	-	-
UniCap Investments Limited	-	-
Total	378,606	2,877,097

26 POSTAGE, STAMP, TELECOMMUNICATION etc.

Postage	30,820	29,657
Telegram, telex, fax and e-mail	405,180	386,366
Telephone - office	234,747	292,849
Total	670,747	708,872

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

Union Capital Limited	670,747	708,872
UniCap Securities Limited	1,413,621	1,293,993
UniCap Investments Limited	259,215	297,207
Total	2,343,583	2,300,072

27 STATIONERY, PRINTING, ADVERTISEMENTS etc.

Printing and stationery	463,706	362,578
Advertisement	248,371	290,217
Publicity	-	-
Total	712,077	652,795

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

Union Capital Limited	712,077	652,795
UniCap Securities Limited	587,989	585,681
UniCap Investments Limited	105,872	88,700
Total	1,405,938	1,327,176



Union Capital Limited
Notes to the financial statements
As at and for the period ended 30 June 2022

Figures in BDT

For the period ended	30-Jun-22	30-Jun-21
28 MANAGING DIRECTOR'S SALARY AND FEES	-	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	60,000	75,000
Total	60,000	75,000

29.a DIRECTORS' FEES (consolidated)

Union Capital Limited	60,000	75,000
UniCap Securities Limited	6,250	-
UniCap Investments Limited	6,250	-
Total	72,500	75,000

30 DEPRECIATION AND REPAIR OF ASSETS

Depreciation of fixed assets-freehold	8,927,151	9,156,689
Depreciation of right-of-use assets	847,127	973,640
Amortization of intangible assets	85,385	92,668
Repairs and maintenance of assets	55,413	42,643
Total	9,915,076	10,265,640

30.a DEPRECIATION AND REPAIR OF ASSETS (consolidated)

Union Capital Limited	9,915,076	10,265,640
UniCap Securities Limited	6,923,572	7,057,502
UniCap Investments Limited	2,092,530	2,570,958
Total	18,931,177	19,894,099

31 OTHER EXPENSES

HR development	-	2,556
Travelling and conveyance	1,223,011	2,072,760
Office expenses	1,068,632	2,309,963
Motor vehicle fuel expenses	240,526	363,455
Motor vehicle spare part expenses	321,116	162,793
Subscription and fees	1,862,334	1,600,051
Books, magazines, newspapers, etc	4,286	1,822
Entertainment and public relation & others	251,946	119,250
Staff Welfare	2,626,221	2,063,256
Total	7,598,072	8,695,906

31.a OTHER EXPENSES (consolidated)

Union Capital Limited	7,598,072	8,695,906
UniCap Securities Limited	12,744,045	16,640,433
UniCap Investments Limited	795,327	474,630
	21,137,443	25,810,970
Less: Inter-company transactions	-	-
Total	21,137,443	25,810,970

32 RECEIPTS FROM OTHER OPERATING ACTIVITIES

Renewals and proceeds	566,784	103,161
Total	566,784	103,161



For the period ended	30-Jun-22	30-Jun-21
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33 PAYMENTS FOR OTHER OPERATING ACTIVITIES

HR development	-	2,556
Travelling and conveyance	1,223,011	2,072,760
Motor vehicle expenses	561,642	526,248
Subscription and fees	1,862,334	1,600,051
Office expenses	1,068,632	2,309,963
Books, magazines, newspapers, etc	4,286	1,822
Entertainment and public relation & staff welfare	2,878,167	2,182,506
Total	7,598,072	8,695,906

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

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. EPS for the half-year of 2022 has been decreased from the same period of previous year due to decreasing interest income resulting from increased non-performing loans and increasing provision requirement for increased non-performing loans.

Profits attributable to ordinary shareholders

Net profit for the period	(820,673,899)	(194,413,212)
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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	(4.76)	(1.13)
Earnings per share	(4.76)	(1.13)

34.a EARNINGS PER SHARE (consolidated)

Profits attributable to ordinary shareholders

Net profit for the period (consolidated)	(800,560,553)	(145,548,769)
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Consolidated EPS for the half-year of 2022 has been decreased from the same period of previous year due to decreasing interest income resulting from increased non-performing loans, investment income and increasing provision requirement for increased non-performing loans.

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	(4.64)	(0.84)
Earnings per share- consolidated	(4.64)	(0.84)

35 AVERAGE EFFECTIVE TAX RATE

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

	2022	2021
Tax expenses	3,051,856	5,213,733
Accounting profit before tax	(817,622,043)	(189,199,479)
Average effective tax rate	-0.37%	-2.76%



For the period ended	30-Jun-22	30-Jun-21
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35.1 RECONCILIATION OF EFFECTIVE TAX RATE

	2022	2021
Profit/(loss) before income tax as per profit & loss account	(817,622,043)	(189,199,479)
Income tax as per applicable tax rate	37.50%	-
Net inadmissible expenses (including prior years' adjustments)	0.00%	-
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	-0.37%	3,051,856
Reported average effective tax rate & total tax expenses	-0.37%	3,051,856

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	21,051,605	30,003,454
Accounting profit before tax	(779,508,943)	(115,545,304)
Average effective tax rate	-2.70%	-25.97%

35.a.1 RECONCILIATION OF EFFECTIVE TAX RATE

	2022	2021
Profit/(loss) before income tax as per profit & loss account	(779,508,943)	(115,545,304)
Income tax as per applicable tax rate	35.83%	-
Net inadmissible expenses (including prior years' adjustments)	-0.43%	3,365,053
Tax saving from reduced tax rates (from 0% to 20% for exempted investments income, dividend income, capital gains, etc.)	-1.73%	13,480,302
Effect of deferred tax	-0.54%	4,206,251
Reported average effective tax rate & total tax expenses	-2.70%	21,051,605

36 NET OPERATING CASH FLOWS PER SHARE

Net cash flows from operating activities	197,984,782	33,778,877
Total number of ordinary shares outstanding	172,573,843	172,573,843
Net operating cash flows per share	1.15	0.20

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

Net cash flows from operating activities	33,482,074	39,209,338
Total number of ordinary shares outstanding	172,573,843	172,573,843
Net operating cash flows per share	0.19	0.23

The receipts from operating activities during the half-year of 2022 have been declined significantly due to less recovery from interest as a result of increasing non-performing loan, less recovery in the form of fees & commissions.

37 NET ASSET VALUE PER SHARE (NAV)

	2022	2021
Net asset (total assets less total liabilities)	(1,542,836,499)	(722,162,600)
Total number of ordinary shares outstanding	172,573,843	172,573,843
Net asset value per share (NAV)	(8.94)	(4.18)

NAV for the half-year of 2022 has been decreased from the same period of previous year due to incurring loss of about Tk. 82 crore during the half-year of 2022 and this loss results from decreased interest income due to increasing non-performing loans & increased provision requirement for increased non-performing loans.



Union Capital Limited
Notes to the financial statements
As at and for the period ended 30 June 2022

Figures in BDT

For the period ended	30-Jun-22	30-Jun-21
37.a NET ASSET VALUE PER SHARE (NAV) (consolidated)		
Net asset (total assets less total liabilities)	(1,474,580,240)	(674,019,691)
Total number of ordinary shares outstanding	172,573,843	172,573,843
Net asset value per share (NAV)	(8.54)	(3.91)
38 (INCREASE)/DECREASE IN OTHER ASSETS		
Accrued interest	307,457	(5,263)
Advance office rent	(419,000)	1,581,000
Advance to employees	-	21,496
Receivable from brokerage houses against sale of shares	(271,997)	1,164,962
Others	2,904,668	4,709,923
	2,521,128	7,472,118
39 INCREASE/(DECREASE) IN OTHER LIABILITIES		
Interest suspense	168,527,956	13,223,776
Financial expenses payable	201,557,482	185,703,787
Excise duty	(4,461,470)	(1,464,278)
Withholding tax payable	(3,787,557)	(952,779)
VAT payable	(1,049,636)	(861,402)
Accrued expenses and other payable	(12,982,222)	53,305,428
	347,804,553	248,954,532
40 RECONCILIATION OF NET PROFIT WITH CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	(820,673,899)	(194,413,212)
Items not involved in cash movement:		
Add: Depreciation	9,859,663	10,222,999
Add: Provision for loans and investments	540,411,677	35,403,881
Add/ (Less): Accrued expenses	202,365,060	179,703,737
Add/ (Less): Accrued Income	105,905,562	59,068,666
Less: Gain on disposal of fixed assets	-	(232,811)
Add/(Less): Loss/(gain) on sale of share	(1,429,332)	5,151,165
Increase/(Decrease) in employee gratuity	1,774,708	(4,500,000)
Increase/(Decrease) in Deferred tax	3,051,856	5,213,733
Adjustments to reconcile net profit after tax to net cash provided by operating activities	41,265,295	95,618,158
Increase/decrease in operating assets and liabilities		
(Increase)/decrease in loans, advances	70,757,744	(126,693,913)
(Increase)/decrease in other assets	2,964,007	1,587,869
(Increase)/decrease in non-banking assets	-	4,200,000
Increase/(decrease) in term & other deposits	(235,964,510)	(283,124,453)
Increase/(decrease) in short term borrowing	(20,441,872)	81,290,462
Increase/(decrease) in payable and accrued expenses	170,976,393	248,089,972
Increase/(decrease) in income tax	(100,230)	(412,994)
Increase/(decrease) in interest suspenses	168,527,956	13,223,776
	156,719,488	(61,839,281)
Net cash flows from/(used in) operating activities	197,984,783	33,778,877




For the period ended	30-Jun-22	30-Jun-21
40.a RECONCILIATION OF NET PROFIT WITH CASH FLOW FROM OPERATING ACTIVITIES (consolidated)		
Net profit after tax	(800,560,548)	(145,548,758)
Items not involved in cash movement:		
Add: Depreciation	18,334,859	19,086,549
Add: Provision for loans and investments	540,411,677	48,731,162
Add: Provision for taxation	16,845,354	25,241,370
Add/ (Less): Accrued expenses	185,161,340	185,621,302
Add/ (Less): Accrued Income	8,772,889	(2,097,708)
Less: Gain on disposal of fixed assets	-	(256,811)
Add/(Less): Loss/(gain) on sale of share	(8,102,159)	(27,073,116)
Increase/(Decrease) in employee gratuity	617,699	(4,038,024)
Increase/(Decrease) in Deferred tax	4,206,252	4,762,083
Adjustments to reconcile net profit after tax to net cash provided by operating activities	(34,312,637)	104,428,050
Increase/decrease in operating assets and liabilities		
(Increase)/decrease in loans, advances	(35,425,838)	(168,844,876)
(Increase)/decrease in other assets	(7,972,423)	(25,417,939)
Increase/(decrease) in term & other deposits	(34,407,028)	(97,420,666)
Increase/(decrease) in short term borrowing	(20,441,872)	81,290,462
Increase/(decrease) in payable and accrued expenses	11,440,324	148,211,688
Increase/(decrease) in income tax	(13,926,407)	(20,461,157)
Increase/(decrease) in interest suspenses	168,527,956	13,223,776
	67,794,712	(65,218,711)
Net cash flows from/(used in) operating activities	33,482,074	39,209,338

41 RELATED PARTY TRANSACTIONS

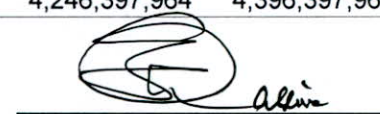
Union Capital in normal course of business carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: Related Party Disclosures. The Company extends loans/leases to related parties including its directors 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 2022, there were no loans/leases to related parties that were charged off except Unicap Investments Limited whose interest has been stopped as per approval from the Board of Directors due to the sluggish capital market for a couple of years and financial condition of UIL.

Union Capital 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 2022 was as under:

Name of the related party	Relationship	Nature of transaction	30-Jun-22	31-Dec-21
Progressive Life Insurance Co. Ltd.	Father of Waqar A. Choudhury, Director, is a Director of Progressive life insurance	Term deposit	110,469,592	98,628,409
Vanguard AML BD Finance Mutual F	Common Directors	Term deposit	15,000,000	15,000,000
Vanguard AML Rupali Bank Balance	Common Directors	Term deposit	39,743,000	41,700,000
UniCap Securities Limited	Subsidiary Company	Inter-company	207,626,480	273,910,852
UniCap Investments Limited	Subsidiary Company	Inter-company	4,246,397,964	4,396,397,964


Chairman


Director


Managing Director & CEO (CC)


Company Secretary (CC)


Chief Financial Officer



UNION CAPITAL LIMITED
Schedule of Fixed assets including land, building, furniture and fixtures
As at 30 June 2022

Particulars	Cost			Rate of depreciation	Depreciation			Written down Value
	As at 1 st January 2022	Addition during the period/ year	Disposal/ adjustment during the period/ year		As at 1 st January 2022	Charged during the period/ year	Disposal/ adjustment during the period/ year	
Freehold assets								
Office space	415,891,104	-	-	2.50%	22,527,438	5,198,639	-	388,165,027
Furniture and fixtures	9,329,071	-	-	20%	6,085,229	651,937	-	2,591,905
Office decoration	18,427,353	-	-	33%	15,927,813	1,339,341	-	1,160,199
Electrical equipment	30,401,523	77,000	-	20%	24,843,273	1,138,326	-	4,496,924
Owned vehicles	10,825,597	-	-	20%	9,017,377	593,208	-	1,215,012
Software	1,840,528	-	-	20%	1,418,011	85,385	-	337,132
Mobile Phone	452,600	-	-	20%	446,877	5,700	-	452,577
Staff appliance	-	-	-	20%	-	-	-	23
	487,167,776	77,000	-		80,266,018	9,012,536	-	397,966,222
Leasehold assets								
Right-of-use assets	7,753,409	6,808,032	-	lease term	3,894,559	847,127	-	9,819,755
Leased vehicles	2,230,000	-	-	20%	2,229,999	-	-	1
As at 30 June 2022	497,151,185	6,885,032	-		86,390,576	9,859,663	-	407,785,978
As at 31 December 2021	507,949,873	940,490	11,739,178		77,343,382	20,396,022	11,348,828	410,760,609

Consolidated Schedule of Fixed assets including land, building, furniture and fixtures
As at 30 June 2022

Particulars	Cost			Rate of depreciation	Depreciation			Written down Value
	As at 1 st January 2022	Addition during the period/ year	Disposal/ adjustment during the period/ year		As at 1 st January 2022	Charged during the period/ year	Disposal/ adjustment during the period/ year	
Freehold assets								
Office space	415,891,104	-	-	2.50%	22,527,440	5,198,639	-	388,165,026
Furniture and fixtures	13,253,488	124,270	-	20%	9,640,111	827,618	-	2,910,029
Office decoration	44,334,696	1,237,206	-	33%	41,017,324	2,080,069	-	2,474,508
Electrical equipment	48,353,876	791,909	-	20%	40,273,927	1,907,895	-	6,963,964
Owned vehicles	18,991,034	-	-	20%	17,093,968	608,016	-	1,289,050
Software	6,557,816	-	-	20%	5,690,523	272,999	-	594,294
Mobile Phone	512,500	-	-	20%	506,757	5,700	-	43
Staff appliance	-	-	-	20%	-	-	-	-
	547,894,514	2,153,385	-		136,750,049	10,900,936	-	402,396,915
Leasehold assets								
Right-of-use assets	52,040,087	6,808,032	-	lease term	32,841,040	7,433,923	-	18,573,156
Leased vehicles	2,230,000	-	-	20%	2,229,999	-	-	1
As at 30 June 2022	602,164,601	8,961,417	-		171,821,088	18,334,859	-	420,970,072
As at 31 December 2021	613,467,276	1,801,803	13,104,478		145,656,524	38,491,452	12,326,888	430,343,514

