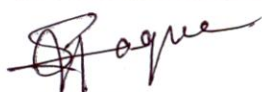


**Union Capital Limited**  
**Consolidated Financial Statements (Un-Audited)**  
**As at and for the Half Year ended 30 June 2023**

**Union Capital Limited**  
**Consolidated Balance Sheet (Un-audited) as at 30 June 2023**

Figures in BDT

Particulars	Notes	30-Jun-23	31-Dec-22
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
In hand (including foreign currencies)		83,026	83,026
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		86,582,113	86,337,246
	4.a	86,665,139	86,420,272
<b>Balance with other banks and financial institutions</b>			
In Bangladesh		1,370,218,829	1,256,371,889
Outside Bangladesh		-	-
	5.a	1,370,218,829	1,256,371,889
<b>Money at call and short notice</b>			
<b>Investments</b>			
Government		-	-
Others		528,204,501	547,594,443
	6.a	528,204,501	547,594,443
<b>Loans, advances and leases</b>			
Loans, advances and leases		12,760,545,775	12,996,132,409
Bills purchased and discounted		-	-
	7.a	12,760,545,775	12,996,132,409
<b>Fixed assets including land, building, furniture and fixtures</b>	8.a	429,705,590	437,336,382
<b>Other assets</b>	9.a	711,718,182	754,602,298
<b>Non-banking assets</b>	10	435,539,159	435,539,159
<b>TOTAL ASSETS</b>		<b>16,322,597,175</b>	<b>16,513,996,851</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11.a	3,058,330,420	3,210,588,407
<b>Deposits and other accounts</b>			
Term deposits	12.a	8,241,040,280	8,318,252,524
Other deposits	13	114,026,529	160,342,897
		<b>8,355,066,809</b>	<b>8,478,595,421</b>
Other liabilities	14.a	8,675,571,326	7,561,182,859
<b>Total liabilities</b>		<b>20,088,968,555</b>	<b>19,250,366,687</b>
<b>Shareholders' equity</b>			
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	(5,944,006,996)	(4,914,005,454)
<b>Total equity attributable to equity holders of the Company</b>		<b>(3,766,371,167)</b>	<b>(2,736,369,625)</b>
Non-controlling interest		(214)	(210)
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>16,322,597,175</b>	<b>16,513,996,851</b>
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Other contingent liabilities		-	-
<b>Other commitments</b>			
Undisbursed contracted loans, advances and leases		-	-
<b>TOTAL OFF BALANCE SHEET ITEMS</b>		<b>-</b>	<b>-</b>
<b>Net assets value per share (NAV)</b>	<b>37.a</b>	<b>(21.82)</b>	<b>(15.86)</b>

  
Chairman

  
Director

  
Managing Director & CEO (CC)

  
Company Secretary (CC)

  
Chief Financial Officer

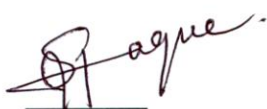




**Union Capital Limited**  
**Consolidated Profit and Loss Account (Un-Audited)**  
**For the half year (Q2) ended 30 June 2023**

Figures in BDT

Particulars	Notes	30-Jun-23	30-Jun-22	Apr,23- Jun,23	Apr,22- Jun,22
Interest income	18.a	166,051,055	289,056,310	98,149,413	121,422,588
Interest paid on deposits and borrowings etc.	19.a	(370,712,853)	(491,181,588)	(186,964,950)	(226,739,803)
<b>Net interest income</b>		<b>(204,661,797)</b>	<b>(202,125,278)</b>	<b>(88,815,537)</b>	<b>(105,317,215)</b>
Investment income	20.a	5,356,156	13,480,302	5,288,443	5,084,166
Fees, commissions, exchange and brokerage	21.a	44,371,894	73,668,276	26,035,652	26,303,333
Other operating income	22.a	9,510,541	15,929,514	8,141,518	11,831,395
		<b>59,238,591</b>	<b>103,078,092</b>	<b>39,465,613</b>	<b>43,218,895</b>
<b>Total operating income</b>		<b>(145,423,206)</b>	<b>(99,047,186)</b>	<b>(49,349,924)</b>	<b>(62,098,321)</b>
Salaries and other employee benefits	23.a	84,787,839	93,876,859	47,523,629	56,396,379
Rent, taxes, insurance, electricity etc.	24.a	2,071,946	1,903,974	1,335,430	1,156,249
Legal expenses	25.a	884,120	378,606	481,051	353,050
Postage, stamp, telecommunication etc.	26.a	2,310,080	2,343,583	1,197,548	1,339,661
Stationery, printing, advertisements etc.	27.a	1,409,193	1,405,938	647,915	755,767
Managing Director's salary and fees	28	-	-	-	-
Directors' fees	29.a	117,500	72,500	41,250	46,250
Depreciation and repair of assets	30.a	17,232,355	18,931,177	9,196,067	9,143,342
Other expenses	31.a	14,999,791	21,137,443	7,904,915	7,982,080
<b>Total operating expenses</b>		<b>123,812,825</b>	<b>140,050,080</b>	<b>68,327,804</b>	<b>77,172,778</b>
<b>Profit/(loss) before provision</b>		<b>(269,236,031)</b>	<b>(239,097,266)</b>	<b>(117,677,727)</b>	<b>(139,271,099)</b>
<b>Provision for loans, advances, leases and investments</b>					
Provision for loans, advances and leases		742,242,168	538,038,169	647,535,808	532,193,965
Provision for diminution in value of investments		(129,015)	2,373,508	(275,010)	1,140,106
<b>Total provision</b>		<b>742,113,153</b>	<b>540,411,677</b>	<b>647,260,798</b>	<b>533,334,071</b>
<b>Total profit/(loss) before tax</b>		<b>(1,011,349,184)</b>	<b>(779,508,943)</b>	<b>(764,938,525)</b>	<b>(672,605,170)</b>
Provision for taxation					
Current tax		15,386,248	16,845,354	8,713,224	7,557,438
Deferred tax		3,266,113	4,206,251	1,783,663	2,217,148
		<b>18,652,361</b>	<b>21,051,605</b>	<b>10,496,888</b>	<b>9,774,587</b>
<b>Net profit/(loss) after tax</b>		<b>(1,030,001,545)</b>	<b>(800,560,548)</b>	<b>(775,435,413)</b>	<b>(682,379,756)</b>
<b>Retained surplus/(loss)</b>		<b>(1,030,001,545)</b>	<b>(800,560,548)</b>	<b>(775,435,413)</b>	<b>(682,379,756)</b>
<b>Attributable to</b>					
Shareholders of the Company		(1,030,001,541)	(800,560,553)	(775,435,411)	(682,379,756)
Non-controlling interest		(3.3)	5.21	(1.55)	(0.50)
<b>Weighted average no. of outstanding share</b>		<b>172,573,843</b>	<b>172,573,843</b>	<b>172,573,843</b>	<b>172,573,843</b>
<b>Earnings per share</b>	34.a	<b>(5.97)</b>	<b>(4.64)</b>	<b>(4.49)</b>	<b>(3.95)</b>

  
Chairman

  
Director

  
Managing Director & CEO (CC)

  
Company Secretary (CC)

  
Chief Financial Officer

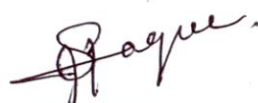




**Union Capital Limited**
**Consolidated Cash Flow Statement (Un-audited) for the half year ended 30 June 2023**

Figures in BDT

Particulars	30-Jun-23	30-Jun-22	
<b>Cash flows from operating activities</b>			
Interest receipts	167,509,016	223,029,800	
Interest payments	(184,201,405)	(292,728,953)	
Fee and commission receipts	44,326,325	73,101,492	
Recoveries of loans previously written off	9,133,525	15,475,624	
Dividend receipts	15,830,307	14,306,473	
Cash payments to employees	(83,496,531)	(93,183,118)	
Cash payments to suppliers and management expenses	(7,847,977)	(8,124,452)	
Income taxes paid	(10,125,462)	(13,926,407)	
Receipts from other operating activities	422,585	1,020,674	
Payments for other operating activities	(14,999,791)	(21,137,443)	
Cash generated before changes in operating assets and liabilities	(63,449,408)	(102,166,310)	
<b>Increase/decrease in operating assets and liabilities</b>			
Purchase of trading securities (treasury bills)	-	-	
Loans, advances and leases to banks and financial institutions	-	-	
Loans, advances and leases to customers	235,175,229	(141,175,959)	
Other assets	41,139,607	(10,229,792)	
Deposits from banks and other financial institutions	(4,000,000)	15,012,241	
Deposits from customers	(119,528,612)	(49,419,269)	
Net draw down/(payment) of short term loan	(7,650,000)	(20,441,872)	
Other liabilities	166,080,420	341,903,035	
<b>Cash generated from operating assets and liabilities</b>	<b>311,216,643</b>	<b>135,648,384</b>	
<b>Net cash generated from/(used in) operating activities</b>	<b>247,767,236</b>	<b>33,482,074</b>	
<b>Cash flows from investing activities</b>			
Proceeds from sale of securities	60,283,019	186,469,877	
Payments for purchases of securities	(40,260,247)	(172,674,644)	
Purchase of property, plant and equipment	(9,090,213)	(9,755,434)	
Proceeds from sale of property, plant and equipment	-	-	
<b>Net cash generated from/(used in) investing activities</b>	<b>10,932,559</b>	<b>4,039,799</b>	
<b>Cash flows from financing activities</b>			
Receipts of long term loan	17,400,000	-	
Repayment of long term loan	(162,007,987)	(188,584,718)	
<b>Net cash generated from/(used in) financing activities</b>	<b>(144,607,987)</b>	<b>(188,584,718)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>114,091,807</b>	<b>(151,062,845)</b>	
Effects of exchange rate changes on cash and cash equivalents	-	-	
Cash and cash equivalents at beginning of the half year	1,342,792,161	1,328,196,112	
<b>Cash and cash equivalents at end of the half year</b>	<b>1,456,883,968</b>	<b>1,177,133,267</b>	
<b>Cash and cash equivalents at end of the half year represents</b>			
Cash in hand	83,026	68,026	
Balance with Bangladesh Bank and its agent bank	86,582,113	93,600,471	
Balance with other banks and financial institutions	1,370,218,829	1,083,464,770	
	<b>1,456,883,968</b>	<b>1,177,133,267</b>	
<b>Net operating cash flows per share</b>	<b>36.a</b>	<b>1.44</b>	<b>0.19</b>

  
Chairman

  
Director

  
Managing Director & CEO (CC)

  
Company Secretary (CC)

  
Chief Financial Officer





**Union Capital Limited**  
**Consolidated statement of changes in shareholders' equity**  
**For the half year (Q2) ended 30 June 2023**

Figures in BDT

Particulars	Paid-up capital	Statutory reserve	Retained earnings/(loss)	Non-controlling interest	Total
Balance as at 1 January 2023	1,725,738,430	451,897,399	(4,914,005,454)	(210)	(2,736,369,835)
Net profit/(loss) for the half year ended 2023	-	-	(1,030,001,541)	(3)	(1,030,001,545)
<b>Balance as at 30 June 2023</b>	<b>1,725,738,430</b>	<b>451,897,399</b>	<b>(5,944,006,996)</b>	<b>(214)</b>	<b>(3,766,371,380)</b>

**For the half year (Q2) ended 30 June 2022**

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)
<b>Balance as at 30 June 2022</b>	<b>1,725,738,430</b>	<b>451,897,399</b>	<b>(3,652,216,295)</b>	<b>227</b>	<b>(1,474,580,239)</b>

  
Chairman

  
Director

  
Managing Director & CEO (CC)

  
Company Secretary (CC)

  
Chief Financial Officer



**Union Capital Limited**  
**Balance Sheet (Un-audited) as at 30 June 2023**

Figures in BDT

Particulars	Notes	30-Jun-23	31-Dec-22
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
In hand (including foreign currencies)		34,000	34,000
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		86,582,113	86,337,246
	4	<b>86,616,113</b>	<b>86,371,246</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh		1,124,185,286	1,017,442,143
Outside Bangladesh		-	-
	5	<b>1,124,185,286</b>	<b>1,017,442,143</b>
<b>Money at call and short notice</b>			
<b>Investments</b>			
Government		-	-
Others		38,500,108	36,188,733
	6	<b>38,500,108</b>	<b>36,188,733</b>
<b>Loans, advances and leases</b>			
Loans, advances and leases		12,550,037,838	12,817,124,812
Bills purchased and discounted		-	-
	7	<b>12,550,037,838</b>	<b>12,817,124,812</b>
<b>Fixed assets including land, building, furniture and fixtures</b>	8	390,848,060	398,877,480
<b>Other assets</b>	9	1,239,032,949	1,244,558,909
<b>Non-banking assets</b>	10	435,539,159	435,539,159
<b>TOTAL ASSETS</b>		<b>15,864,759,513</b>	<b>16,036,102,482</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11	2,941,245,945	3,088,344,023
<b>Deposits and other accounts</b>			
Term deposits	12	8,241,040,280	8,318,252,524
Other deposits	13	114,026,529	160,342,897
		<b>8,355,066,809</b>	<b>8,478,595,421</b>
Other liabilities	14	8,236,421,383	7,127,981,734
<b>Total liabilities</b>		<b>19,532,734,137</b>	<b>18,694,921,178</b>
<b>Shareholders' equity</b>			
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	(5,845,610,453)	(4,836,454,525)
<b>Total shareholders' equity</b>		<b>(3,667,974,624)</b>	<b>(2,658,818,696)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>15,864,759,513</b>	<b>16,036,102,482</b>
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Other contingent liabilities		-	-
<b>Other commitments</b>			
Undisbursed contracted loans, advances and leases		-	-
<b>TOTAL OFF BALANCE SHEET ITEMS</b>		<b>-</b>	<b>-</b>
<b>Net assets value per share (NAV)</b>		<b>(21.25)</b>	<b>(15.41)</b>

  
Chairman

  
Director

  
Managing Director & CEO (CC)

  
Company Secretary (CC)

  
Chief Financial Officer





**Union Capital Limited**  
**Profit and Loss Account (Un-Audited)**  
**For the half year (Q2) ended 30 June 2023**

Figures in BDT

Particulars	Notes	30-Jun-23	30-Jun-22	Apr,23- Jun,23	Apr,22- Jun,22
Interest income	18	138,014,923	245,776,773	83,727,681	101,435,967
Interest paid on deposits and borrowings etc.	19	(353,500,872)	(474,983,132)	(176,259,439)	(219,805,765)
<b>Net interest income</b>		<b>(215,485,949)</b>	<b>(229,206,359)</b>	<b>(92,531,758)</b>	<b>(118,369,798)</b>
Investment income	20	1,154,466	3,392,792	543,063	1,625,090
Fees, commissions, exchange and brokerage	21	160,269	710,831	102,862	92,007
Other operating income	22	9,133,525	15,475,624	7,966,750	11,462,180
		<b>10,448,260</b>	<b>19,579,247</b>	<b>8,612,675</b>	<b>13,179,277</b>
<b>Total operating income</b>		<b>(205,037,689)</b>	<b>(209,627,112)</b>	<b>(83,919,083)</b>	<b>(105,190,521)</b>
Salaries and other employee benefits	23	41,488,585	47,259,679	23,685,221	27,666,256
Rent, taxes, insurance, electricity etc.	24	1,118,141	988,997	750,079	633,314
Legal expenses	25	838,122	378,606	435,053	353,050
Postage, stamp, telecommunication etc.	26	718,436	670,747	412,265	457,871
Stationery, printing, advertisements etc.	27	737,184	712,077	356,408	388,713
Managing Director's salary and fees	28	-	-	-	-
Directors' fees	29	85,000	60,000	25,000	40,000
Depreciation and repair of assets	30	8,121,565	9,915,076	3,942,246	4,873,727
Other expenses	31	5,893,081	7,598,072	2,573,887	2,474,562
<b>Total operating expenses</b>		<b>59,000,114</b>	<b>67,583,254</b>	<b>32,180,159</b>	<b>36,887,493</b>
<b>Profit/(loss) before provision</b>		<b>(264,037,803)</b>	<b>(277,210,366)</b>	<b>(116,099,242)</b>	<b>(142,078,014)</b>
<b>Provision for loans, advances, leases and investments</b>					
Provision for loans, advances and leases		742,242,168	538,038,169	647,535,808	532,193,965
Provision for diminution in value of investments		(129,015)	2,373,508	(275,010)	1,140,106
<b>Total provision</b>		<b>742,113,153</b>	<b>540,411,677</b>	<b>647,260,798</b>	<b>533,334,071</b>
<b>Total profit/(loss) before tax</b>		<b>(1,006,150,956)</b>	<b>(817,622,043)</b>	<b>(763,360,040)</b>	<b>(675,412,085)</b>
Provision for taxation					
Current tax		-	-	-	-
Deferred tax		3,004,972	3,051,856	1,561,887	1,880,506
		<b>3,004,972</b>	<b>3,051,856</b>	<b>1,561,887</b>	<b>1,880,506</b>
<b>Net profit/(loss) after tax</b>		<b>(1,009,155,928)</b>	<b>(820,673,899)</b>	<b>(764,921,927)</b>	<b>(677,292,591)</b>
<b>Retained surplus/(loss)</b>		<b>(1,009,155,928)</b>	<b>(820,673,899)</b>	<b>(764,921,927)</b>	<b>(677,292,591)</b>
<b>Weighted average no. of outstanding share</b>		<b>172,573,843</b>	<b>172,573,843</b>	<b>172,573,843</b>	<b>172,573,843</b>
<b>Earnings per share</b>	<b>34</b>	<b>(5.85)</b>	<b>(4.76)</b>	<b>(4.43)</b>	<b>(3.92)</b>

  
Chairman

  
Director

  
Managing Director & CEO (CC)

  
Company Secretary (CC)

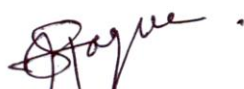
  
Chief Financial Officer



**Union Capital Limited**  
**Cash Flow Statement (Un-audited) for the half year ended 30 June 2023**

Figures in BDT

Particulars	30-Jun-23	30-Jun-22
<b>Cash flows from operating activities</b>		
Interest receipts	138,426,329	143,443,917
Interest payments	(161,232,585)	(273,425,650)
Fee and commission receipts	114,700	144,047
Recoveries of loans previously written off	9,133,525	15,475,624
Dividend receipts	1,126,250	2,561,780
Cash payments to employees	(40,080,780)	(45,408,929)
Cash payments to suppliers and management expenses	(4,112,335)	(3,909,012)
Income taxes paid	(531,866)	(100,230)
Receipts from other operating activities	45,569	566,784
Payments for other operating activities	(5,893,081)	(7,598,072)
Cash generated before changes in operating assets and liabilities	(63,004,274)	(168,249,740)
<b>Increase/decrease in operating assets and liabilities</b>		
Loans, advances and leases to customers	266,675,568	70,757,742
Other assets	5,411,210	2,521,128
Deposits from banks and other financial institutions	(4,000,000)	15,012,241
Deposits from customers	(119,528,612)	(49,419,269)
Net draw down/(payment) of short term loan	(7,650,000)	(20,441,872)
Other liabilities	171,533,115	347,804,553
<b>Cash generated from operating assets and liabilities</b>	<b>312,441,281</b>	<b>366,234,523</b>
<b>Net cash generated from/(used in) operating activities</b>	<b>249,437,007</b>	<b>197,984,782</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of securities	3,810,056	13,997,340
Payments for purchases of securities	(5,978,465)	(8,754,914)
Purchase of property, plant and equipment	(832,510)	(1,167,114)
Proceeds from sale of property, plant and equipment	-	-
<b>Net cash used in investing activities</b>	<b>(3,000,919)</b>	<b>4,075,312</b>
<b>Cash flows from financing activities</b>		
Receipts of long term loan	-	-
Repayment of long term loan	(139,448,078)	(153,427,890)
<b>Net cash generated from/(used in) financing activities</b>	<b>(139,448,078)</b>	<b>(153,427,890)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>106,988,010</b>	<b>48,632,204</b>
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the half year	1,103,813,389	1,043,709,712
<b>Cash and cash equivalents at end of the half year</b>	<b>1,210,801,399</b>	<b>1,092,341,916</b>
<b>Cash and cash equivalents at end of the half year represents</b>		
Cash in hand	34,000	34,000
Balance with Bangladesh Bank and its agent bank	86,582,113	93,600,471
Balance with other banks and financial institutions	1,124,185,286	998,707,445
	<b>1,210,801,399</b>	<b>1,092,341,916</b>
<b>Net operating cash flows per share</b>	<b>36</b>	<b>1.45</b>
		<b>1.15</b>

  
Chairman

  
Director

  
Managing Director & CEO (CC)

  
Company Secretary (CC)

  
Chief Financial Officer





**Union Capital Limited**  
**Statement of Changes in equity**  
**For the half year (Q2) ended 30 June 2023**

Figures in BDT

Particulars	Paid-up capital	Statutory reserve	Retained earnings/(loss)	Total
Balance as at 1 January 2023	1,725,738,430	451,897,399	(4,836,454,525)	(2,658,818,696)
Net profit/(loss) for the half year ended 2023	-	-	(1,009,155,928)	(1,009,155,928)
<b>Balance as at 30 June 2023</b>	<b>1,725,738,430</b>	<b>451,897,399</b>	<b>(5,845,610,453)</b>	<b>(3,667,974,624)</b>

**For the half year (Q2) ended 30 June 2022**

Figures in BDT

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)
<b>Balance as at 30 June 2022</b>	<b>1,725,738,430</b>	<b>451,897,399</b>	<b>(3,720,472,328)</b>	<b>(1,542,836,499)</b>

  
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 (Q2) ended 30 June 2023**

#### **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 2022 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 2022.

#### **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 2023 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 2022 has also been calculated based on 172.57 million shares.

EPS for the period ended 30 June 2023 has been decreased from the same period of previous year due to i) decreasing interest income resulting from increased non-performing loans, ii) increasing provision requirement for increased non-performing loans and iii) decreasing brokerage commission due to sluggish trend in capital market.

#### **3.4 Net assets value per share (NAV)**

During the period ended 30 June 2023, NAV stands at BDT (21.82) per share which was BDT (15.86) as on 31 December 2022. NAV for the half year of 2023 has been decreased from the 31 December 2022 due to incurring consolidated loss of Tk.103.00 crore which has decreased net assets value by the same amount as on 30 June 2023.

#### **3.5 Date of authorization**

The Board of Directors has authorized these financial statements for public issue on 07 September 2023.

#### **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 2023**

Figures in BDT

As at	30-Jun-23	31-Dec-22
<b>4 CASH</b>		
<b>In hand</b>		
Local currency	34,000	34,000
Foreign currencies	-	-
	34,000	34,000
<b>Balance with Bangladesh Bank</b>		
Local currency	86,582,113	86,337,246
Foreign currencies	-	-
	86,582,113	86,337,246
<b>Balance as at 30 June</b>	<b>86,616,113</b>	<b>86,371,246</b>
<b>4.a CASH (Consolidated)</b>		
<b>In hand</b>		
Union Capital Ltd.	34,000	34,000
UniCap Securities Ltd.	40,000	40,000
UniCap Investments Ltd.	9,026	9,026
	83,026	83,026
<b>Balance with Bangladesh Bank</b>		
Union Capital Ltd.	86,582,113	86,337,246
UniCap Securities Ltd.	-	-
UniCap Investments Ltd.	-	-
	86,582,113	86,337,246
<b>Balance as at 30 June</b>	<b>86,665,139</b>	<b>86,420,272</b>
<b>5 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS</b>		
<b>This represents balance with various banks and financial institutions in Bangladesh.</b>		
<b>Fixed deposit account</b>		
Bangladesh Industrial Finance Company Limited	235,739,743	209,667,767
International Leasing and Financial Services Ltd.	835,455,221	775,669,366
Community Bank Bangladesh Limited	2,418,122	2,418,122
	1,073,613,086	987,755,255
<b>Current account</b>		
Bank Alfalah Limited, Gulshan Branch	-	256
Agrani Bank Limited, Panthpath Branch	214,100	214,445
BASIC Bank Limited, Shantinagar Branch	-	1
Dhaka Bank Limited, Kakrail Branch	3,419,551	4,058,346
Midland Bank Ltd, Gulshan Branch	-	378
Modhumoti Bank Limited, Dhanmondi Branch	81,479	91,104
National Credit and Commerce Bank Ltd., Banani Branch	-	345
NRB Bank Limited, Corporate Branch	25,683	25,683
Shahjalal Islami Bank Limited, Elephant Road Branch	1,157	1,951
Shahjalal Islami Bank Limited, Gulshan Branch	1,720	2,238
Social Islami Bank Limited, Eskaton Branch	75,919	76,564
United Commercial Bank Limited, New Eskaton Branch	900,026	3,843,614
WooriBank-Dhaka Branch	6,114	18,155
Uttara Bank Limited, Local Office	-	13,785
	4,725,750	8,346,865



# Union Capital Limited

## Notes to the financial statements

As at and for the period ended 30 June 2023

Figures in BDT

As at	30-Jun-23	31-Dec-22
<b>Short term deposit</b>		
Community Bank BD Limited, Gulshan Branch	2,274	2,829
Bank Asia Limited, Corporate Branch	8,207	305,249
Bank Asia Limited, Corporate Branch	51,734	46,438
Bank Asia Limited, Gulshan Branch	75,434	75,188
Dhaka Bank Limited, Local Office	327,436	1,268,896
Dhaka Bank Limited, Kakrail Branch	34,275	332,825
Dutch Bangla Bank Limited, Karwan Bazar Branch	27,946	29,666
Dutch Bangla Bank Limited, Karwan Bazar Branch	4,123,145	4,381,105
IFIC Bank Limited, Gulshan Branch	40,845,050	9,631,157
Jamuna Bank Limited, Sonargaon Road Branch	4,491	5,017
Modhumoti Bank Limited, Banglamotor-Branch	48,402	48,586
AB Bank Limited, Gulshan Branch	-	209
Mutual Trust Bank Limited, Principal Branch	6,274	6,731
Southeast Bank Limited, Islamic Banking Branch	1,938	2,500
Southeast Bank Limited, R k Mission Road Branch	289,844	5,203,627
	<b>45,846,450</b>	<b>21,340,023</b>
<b>Balance as at 30 June</b>	<b>1,124,185,286</b>	<b>1,017,442,143</b>

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

Union Capital Ltd.	1,124,185,286	1,017,442,143
UniCap Securities Ltd.	154,729,667	182,483,937
UniCap Investments Ltd.	91,303,877	56,445,809
	1,370,218,829	1,256,371,889
Less: Inter-company transactions	-	-
<b>Balance as at 30 June</b>	<b>1,370,218,829</b>	<b>1,256,371,889</b>

### 6 INVESTMENTS

The investment is made up as under:

Government securities	-	-
Other investments	38,500,108	36,188,733
<b>Balance as at 30 June</b>	<b>38,500,108</b>	<b>36,188,733</b>

This represents investment made by the Company in listed securities and unlisted securities.

### 6.a INVESTMENTS (consolidated)

Union Capital Ltd.	38,500,108	36,188,733
UniCap Securities Ltd.	222,739,738	223,244,315
UniCap Investments Ltd.	266,964,656	288,161,394
<b>Balance as at 30 June</b>	<b>528,204,501</b>	<b>547,594,443</b>

### 7 LOANS, ADVANCES AND LEASES

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

Lease finance	1,335,933,546	1,382,162,287
Term finance	5,480,407,223	5,524,658,387
Home loan	274,426,604	274,426,604
Loan to subsidiaries	5,434,208,559	5,610,815,536
Loan against deposits	22,887,470	22,086,819
Staff loan	2,174,436	2,975,179
<b>Balance as at 30 June</b>	<b>12,550,037,838</b>	<b>12,817,124,812</b>





**Union Capital Limited**

**Notes to the financial statements**

**As at and for the period ended 30 June 2023**

Figures in BDT

As at	30-Jun-23	31-Dec-22
<b>7.a LOANS, ADVANCES AND LEASES (consolidated)</b>		
Union Capital Ltd.	12,550,037,838	12,817,124,812
UniCap Securities Ltd.	556,374,994	559,396,751
UniCap Investments Ltd.	5,088,341,502	5,230,426,382
	<b>18,194,754,334</b>	<b>18,606,947,945</b>
Less: Inter-company transactions	5,434,208,559	5,610,815,536
<b>Balance as at 30 June</b>	<b>12,760,545,775</b>	<b>12,996,132,409</b>

**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	30,588,523	30,588,523
Owned vehicles	10,825,597	10,825,597
Leased vehicles	2,230,000	2,230,000
Right-of-use assets	8,194,727	8,979,849
Intangible assets (software)	2,310,528	2,310,528
Mobile phones	452,600	452,600
<b>Total cost</b>	<b>498,249,503</b>	<b>499,034,625</b>
Less: Accumulated depreciation and amortization	107,401,443	100,157,145
<b>Written down value as at 30 June</b>	<b>390,848,060</b>	<b>398,877,480</b>

Details are shown in **Annexure - A**

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

Union Capital Ltd.	390,848,060	398,877,480
UniCap Securities Ltd.	32,834,303	37,753,834
UniCap Investments Ltd.	6,023,227	705,068
<b>Balance as at 30 June</b>	<b>429,705,590</b>	<b>437,336,382</b>

**9 OTHER ASSETS**

Investment in subsidiary	997,498,641	997,498,641
Accrued interest	6,542,498	14,889,589
Others	39,045,313	34,680,821
<b>Income generating other assets</b>	<b>1,043,086,452</b>	<b>1,047,069,051</b>
Advance office rent	2,214,854	2,214,854
Advance to employees	665,905	665,905
Deposits with T & T, water etc.	134,000	134,000
Receivable from brokerage house against sale of shares	7,292,234	8,963,636
Transfer price receivable	1,287,376	1,287,376
Process Sharing receivable	178,631,941	178,631,941
Others	5,720,187	5,592,146
<b>Non income generating other assets</b>	<b>195,946,497</b>	<b>197,489,858</b>
<b>Balance as at 30 June</b>	<b>1,239,032,949</b>	<b>1,244,558,909</b>

Management considers all the other assets as good.

**9.1.a Deferred tax asset (consolidated)**

Union Capital Limited	-	-
UniCap Securities Limited	8,771,059	8,911,501
UniCap Investments Limited	93,055	123,072
<b>Balance as at 30 June</b>	<b>8,864,114</b>	<b>9,034,573</b>



**Union Capital Limited**
**Notes to the financial statements**
**As at and for the period ended 30 June 2023**

Figures in BDT

 As at 30-Jun-23 31-Dec-22
**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	382,653,333	4,075,740	622,625
		Tax base	280,289,857	25,457,433	932,550
	ROU	Carrying amount	8,194,727	28,758,565	5,400,601
Liabilities	Employee gratuity fund	Carrying amount	-	14,703,462	-
		Tax base	-	-	-
	Lease obligation	Carrying amount	8,380,854	24,568,169	5,338,822
			<b>(102,177,349)</b>	<b>31,894,760</b>	<b>248,146</b>
Applicable tax rate			37.50%	27.50%	37.50%
Deferred tax assets/(liabilities) as on June 30,2023			(38,316,494)	8,771,059	93,055
Deferred tax assets/(Liabilities) as on December 31,2022			(35,311,522)	9,002,182	123,072
Deferred tax expense/(income) during the period			<b>3,004,972</b>	<b>231,123</b>	<b>30,017</b>

**9.a OTHER ASSETS (consolidated)**

Union Capital Ltd.	1,239,032,949	1,244,558,909
UniCap Securities Ltd.	474,200,861	497,814,552
UniCap Investments Ltd.	195,351,894	207,362,486
	<b>1,908,585,704</b>	<b>1,949,735,947</b>
Less: Inter-company transactions	1,196,867,522	1,195,133,649
<b>Balance as at 30 June</b>	<b>711,718,182</b>	<b>754,602,298</b>

**10 NON-BANKING ASSETS**

Non-banking assets	435,539,159	435,539,159
<b>Total</b>	<b>435,539,159</b>	<b>435,539,159</b>

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	2,130,688,636	2,258,139,466
Preference share	24,900,000	26,500,000
	<b>2,155,588,636</b>	<b>2,284,639,466</b>
Bangladesh Bank (Small Enterprise refinancing scheme-JICA)	6,345,632	10,491,713
Bangladesh Bank (Women entrepreneur refinance scheme)	900,000	1,350,000
Bangladesh Bank (Small Enterprise refinancing scheme-DP2)	-	250,000
Bangladesh Bank (Renewable energy and environment friendly sector)	55,511,677	61,062,844
Short term borrowing and call loan	722,900,000	730,550,000
	<b>785,657,309</b>	<b>803,704,557</b>
	<b>2,941,245,945</b>	<b>3,088,344,023</b>

**Outside Bangladesh**

Borrowings from banks	2,941,245,945	3,088,344,023
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**Borrowings from financial institutions**

The UAE-Bangladesh Investment Company Limited	-	-
<b>Balance as at 30 June</b>	<b>2,941,245,945</b>	<b>3,088,344,023</b>





**Union Capital Limited**
**Notes to the financial statements**
**As at and for the period ended 30 June 2023**

Figures in BDT

As at	30-Jun-23	31-Dec-22
<b>11.a Borrowings from other banks, financial institutions and agents (consolidated)</b>		
Union Capital Limited	2,941,245,945	3,088,344,023
UniCap Securities Limited	237,361,747	257,955,976
UniCap Investments Limited	3,083,124,338	3,245,343,550
	<b>6,261,732,030</b>	<b>6,591,643,549</b>
Less: Inter-company transactions	3,203,401,610	3,381,055,142
<b>Balance as at 30 June</b>	<b>3,058,330,420</b>	<b>3,210,588,407</b>
<b>12 Term Deposits</b>		
This comprises interest bearing deposits from individuals and organizations for period ranging from 3 months to 10 years.		
Banks and financial institutions	3,278,421,116	3,282,421,116
Other institutions	4,230,320,470	4,290,760,295
<b>Total institutional deposits</b>	<b>7,508,741,586</b>	<b>7,573,181,411</b>
Term deposit	518,551,179	527,765,758
Income deposit	206,024,135	209,324,285
Monthly savings scheme	7,723,380	7,981,070
<b>Total individual deposits</b>	<b>732,298,694</b>	<b>745,071,113</b>
<b>Balance as at 30 June</b>	<b>8,241,040,280</b>	<b>8,318,252,524</b>
<b>12.a Term deposits (consolidated)</b>		
Union Capital Limited	8,241,040,280	8,318,252,524
UniCap Securities Limited	-	-
UniCap Investments Limited	-	-
	8,241,040,280	8,318,252,524
Less: Inter-company transactions	-	-
<b>Balance as at 30 June</b>	<b>8,241,040,280</b>	<b>8,318,252,524</b>
<b>13 Other deposits</b>		
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.		
<b>Breakup of other deposits on the basis of category of finance is as under</b>		
Lease advance	47,666,533	46,135,975
Term finance advance	40,274,737	78,821,663
Cash security	26,085,259	35,385,259
<b>Balance as at 30 June</b>	<b>114,026,529</b>	<b>160,342,897</b>
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.		
<b>14 OTHER LIABILITIES</b>		
Provision for loans, advances and leases	2,933,248,016	2,190,553,302
Provision for diminution in value of investments	2,966,708	3,095,723
Provision for other assets and accrued interest	344,895,914	344,895,914
Special provision	100,467,865	100,920,410
Interest suspense	2,466,079,812	2,372,295,608
Interest suspense others	522,420,131	444,496,377
Provision for tax	90,930,598	91,462,464
Deferred tax liabilities (note 9.1.b)	38,316,494	35,311,522
Financial expenses payable	1,611,897,909	1,421,249,519
Lease liability	8,380,854	9,156,969
Deferred liability-employee gratuity	19,315,047	17,907,114
Dividend on preference shares	39,669,759	38,049,862
Excise duty	247,650	129,300
Withholding tax payable	-	899,063
VAT payable	204,901	532,198
Accrued expenses and other payable (note 14.1)	57,379,725	57,026,389
<b>Balance as at 30 June</b>	<b>8,236,421,383</b>	<b>7,127,981,734</b>





**Union Capital Limited**

**Notes to the financial statements**

**As at and for the period ended 30 June 2023**

Figures in BDT

As at	30-Jun-23	31-Dec-22
<b>14.1 Accrued expenses and other payable</b>		
Management expenses	3,557,419	4,137,249
Unclaim dividend account (note 14.1.1)	-	-
Payable for purchase of assets	51,701,925	51,701,925
Others payables	2,120,381	1,187,215
<b>Balance as at 30 June</b>	<b>57,379,725</b>	<b>57,026,389</b>

**14.1.1 Unclaim dividend account**

Year	Stock dividend in number	Fractional Dividend
<b>Balance as at 30 June</b>	-	-

In accordance to comply with the BSEC's Directive No. BSEC/CMRRCD/2021/03 dated 14 January 2021 and BSEC's letter having reference no. SEC/SRMIC/165-2020/pat-1/182 dated 19 July 2021, we have already deposited Tk. 1,399,558 against unclaimed or undistributed or unsettled Cash & Fractional Dividend for the year 2008 to 2018 to Capital Market Stabilization Fund (CMSF) SND A/C No: 00310311521301 of Community Bank Bangladesh Limited, Corporate Branch, Gulshan.

**14.a OTHER LIABILITIES (consolidated)**

Union Capital Limited	8,236,421,383	7,127,981,734
UniCap Securities Limited	754,143,949	757,515,065
UniCap Investments Limited	3,650,082,306	3,637,981,944
	12,640,647,638	11,523,478,742
Less: Inter-company transactions	3,965,076,311	3,962,295,883
<b>Balance as at 30 June</b>	<b>8,675,571,326</b>	<b>7,561,182,859</b>

**15 Share capital**

As at 30 June 2023, a total number of 172,573,843 (2022: 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	-	-
<b>Total 172,573,843</b>	<b>1,725,738,430</b>	<b>1,725,738,430</b>

**16 STATUTORY RESERVE**

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

**17 Retained earnings/(loss)**

Balance as on 1 January	(4,836,454,525)	(2,899,798,429)
Add: Profit/(loss) after tax during the period	(1,009,155,928)	(1,936,656,096)
<b>Balance as at 30 June</b>	<b>(5,845,610,453)</b>	<b>(4,836,454,525)</b>

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

Balance as on 1 January	(4,914,005,454)	(2,851,655,742)
Add: Profit/(loss) after tax during the period	(1,030,001,541)	(2,062,349,712)
<b>Balance as at 30 June</b>	<b>(5,944,006,996)</b>	<b>(4,914,005,454)</b>





**Union Capital Limited**  
**Notes to the financial statements**  
**As at and for the period ended 30 June 2023**

Figures in BDT

For the period ended	30-Jun-23	30-Jun-22
<b>18 INTEREST INCOME</b>		
Income from lease finance	29,000,895	43,719,322
Income from term finance	100,350,870	181,237,403
Interest on loan to subsidiaries	7,869,029	18,715,628
Interest on bank deposits	738,906	2,028,325
Income from other finance	55,223	76,095
<b>Total</b>	<b>138,014,923</b>	<b>245,776,773</b>
<b>18.a INTEREST INCOME (consolidated)</b>		
Union Capital Limited	138,014,923	245,776,773
UniCap Securities Limited	9,537,398	31,358,963
UniCap Investments Limited	26,367,763	30,636,201
	173,920,084	307,771,938
Less: Inter-company transactions	7,869,029	18,715,628
	<b>166,051,055</b>	<b>289,056,310</b>
<b>19 INTEREST PAID ON DEPOSITS, BORROWINGS, etc.</b>		
Interest on bank loan	96,308,014	94,180,957
Interest on JICA fund	281,180	413,080
Interest on women entrepreneur fund	27,063	55,014
Interest on SMEDP2 fund	6,158	4,006
Interest on financing brick kiln efficiency project	1,425,193	1,708,764
Interest on term deposits	226,054,498	341,994,117
Interest on money at call & short notice	26,828,052	32,596,008
Interest on cash security deposit	529,944	1,281,713
Interest on preference share	1,619,897	2,540,924
Bank charges	123,424	119,325
Interest on lease rent	297,450	89,224
<b>Total</b>	<b>353,500,872</b>	<b>474,983,132</b>
<b>19.a INTEREST PAID ON DEPOSITS, BORROWINGS etc. (consolidated)</b>		
Union Capital Limited	353,500,872	474,983,132
UniCap Securities Limited	24,268,187	31,270,536
UniCap Investments Limited	812,823	3,643,548
	378,581,882	509,897,216
Less: Inter-company transactions	7,869,029	18,715,628
	<b>370,712,853</b>	<b>491,181,588</b>
<b>20 INVESTMENT INCOME</b>		
Capital gain/(loss) on sale of securities	142,966	1,429,332
Dividend income	1,011,500	1,963,460
<b>Total</b>	<b>1,154,466</b>	<b>3,392,792</b>
<b>20.a INVESTMENT INCOME (consolidated)</b>		
Union Capital Limited	1,154,466	3,392,792
UniCap Securities Limited	2,516,259	4,518,038
UniCap Investments Limited	1,685,431	5,569,471
	5,356,156	13,480,302
Less: Inter-company transactions	-	-
	<b>5,356,156</b>	<b>13,480,302</b>



**Union Capital Limited**  
**Notes to the financial statements**  
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Figures in BDT

For the period ended	30-Jun-23	30-Jun-22
<b>21 FEES, COMMISSIONS, EXCHANGE AND BROKERAGE</b>		
Processing and documentation fees	114,700	144,047
Renewals and proceeds	45,569	566,784
<b>Total</b>	<b>160,269</b>	<b>710,831</b>
<b>21.a FEES, COMMISSIONS, EXCHANGE AND BROKERAGE (consolidated)</b>		
Union Capital Limited	160,269	710,831
UniCap Securities Limited	36,766,998	62,657,706
UniCap Investments Limited	7,444,627	10,299,739
	<b>44,371,894</b>	<b>73,668,276</b>
<b>22 OTHER OPERATING INCOME</b>		
Recoveries of loans written off	9,133,525	15,475,624
<b>Total</b>	<b>9,133,525</b>	<b>15,475,624</b>
<b>22.a OTHER OPERATING INCOME (consolidated)</b>		
Union Capital Limited	9,133,525	15,475,624
UniCap Securities Limited	205,376	271,658
UniCap Investments Limited	171,640	182,232
	<b>9,510,541</b>	<b>15,929,514</b>
Less: Inter-company transactions	-	-
	<b>9,510,541</b>	<b>15,929,514</b>
<b>23 SALARIES AND OTHER EMPLOYEE BENEFITS</b>		
Salaries & allowances	41,488,585	47,259,679
<b>Total</b>	<b>41,488,585</b>	<b>47,259,679</b>
<b>23.a SALARIES AND OTHER EMPLOYEE BENEFITS (consolidated)</b>		
Union Capital Limited	41,488,585	47,259,679
UniCap Securities Limited	35,617,357	35,867,236
UniCap Investments Limited	7,681,897	10,749,943
<b>Total</b>	<b>84,787,839</b>	<b>93,876,859</b>
<b>24 RENT, TAXES, INSURANCE, ELECTRICITY etc.</b>		
Office rent, rates and taxes	-	-
Insurance	464,116	219,742
Power and electricity	654,025	769,255
<b>Total</b>	<b>1,118,141</b>	<b>988,997</b>
<b>24.1 DISCLOSURE RELATED TO RENT, RATE AND TAXES:</b>		
Actual rent expenses	1,129,960	1,094,766
Less: Reclassification of rent expenses (as per IFRS 16:)	1,129,960	1,094,766
<b>Total</b>	<b>-</b>	<b>-</b>
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.		
<b>24.a RENT, TAXES, INSURANCE, ELECTRICITY etc. (consolidated)</b>		
Union Capital Limited	1,118,141	988,997
UniCap Securities Limited	646,672	670,092
UniCap Investments Limited	307,133	244,885
<b>Total</b>	<b>2,071,946</b>	<b>1,903,974</b>





**Union Capital Limited**  
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Figures in BDT

For the period ended	30-Jun-23	30-Jun-22
<b>24.a.1 DISCLOSURE RELATED TO RENT, RATE AND TAXES:</b>		
Actual rent , taxes, insurance, electricity		
Union Capital Limited	2,248,101	2,083,763
UniCap Securities Limited	7,401,967	7,513,234
UniCap Investments Limited	1,659,215	1,715,301
Less: Reclassification of rent expenses (as per IFRS 16:)		
Union Capital Limited	1,129,960	1,094,766
UniCap Securities Limited	6,755,295	6,843,142
UniCap Investments Limited	1,352,082	1,470,416
<b>Total</b>	<b>2,071,946</b>	<b>1,903,974</b>

**25 LEGAL EXPENSES**

Court fees	-	-
Legal Expenses	64,111	
Professional Fees	774,011	378,606
<b>Total</b>	<b>838,122</b>	<b>378,606</b>

**25.a LEGAL EXPENSES (consolidated)**

Union Capital Limited	838,122	378,606
UniCap Securities Limited	-	-
UniCap Investments Limited	45,998	-
<b>Total</b>	<b>884,120</b>	<b>378,606</b>

**26 POSTAGE, STAMP, TELECOMMUNICATION etc.**

Postage	29,225	30,820
Telegram, telex, fax and e-mail	480,780	405,180
Telephone - office	208,431	234,747
<b>Total</b>	<b>718,436</b>	<b>670,747</b>

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

Union Capital Limited	718,436	670,747
UniCap Securities Limited	1,336,372	1,413,621
UniCap Investments Limited	255,271	259,215
<b>Total</b>	<b>2,310,080</b>	<b>2,343,583</b>

**27 STATIONERY, PRINTING, ADVERTISEMENTS etc.**

Printing and stationery	444,825	463,706
Advertisement	292,359	248,371
Publicity	-	-
<b>Total</b>	<b>737,184</b>	<b>712,077</b>

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

Union Capital Limited	737,184	712,077
UniCap Securities Limited	533,730	587,989
UniCap Investments Limited	138,279	105,872
<b>Total</b>	<b>1,409,193</b>	<b>1,405,938</b>



**Union Capital Limited**  
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For the period ended	30-Jun-23	30-Jun-22
<b>28 MANAGING DIRECTOR'S SALARY AND FEES</b>	-	-

In addition to remuneration, the Managing Director & CEO is also provided with Company's car and cell phone.

As per the paragraph 17 of IAS 24: "Related party Disclosures" regarding key management personnel, Managing Director is the key management personnel. His benefit is given below:

(a) Short term employee benefits:	-	-
(b) Post-employment benefits;	-	-
(c) Other long-term benefits	-	-
(d) Termination benefits; and	-	-
(e) Share-based payment	-	-
<b>Total</b>	-	-

Managing Director & CEO is the key management personnel of Union Capital Limited which was vacant since 01 January 2022. Therefore, the amount of compensation paid to key management personnel was nil during the period from January 2023 to June 2023.

**29 DIRECTORS' FEES**

Total fees paid	85,000	60,000
<b>Total</b>	<b>85,000</b>	<b>60,000</b>

**29.a DIRECTORS' FEES (consolidated)**

Union Capital Limited	85,000	60,000
UniCap Securities Limited	12,500	6,250
UniCap Investments Limited	20,000	6,250
<b>Total</b>	<b>117,500</b>	<b>72,500</b>

**30 DEPRECIATION AND REPAIR OF ASSETS**

Depreciation of fixed assets-freehold	7,139,813	8,927,151
Depreciation of right-of-use assets	841,517	847,127
Amortization of intangible assets	104,485	85,385
Repairs and maintenance of assets	35,750	55,413
<b>Total</b>	<b>8,121,565</b>	<b>9,915,076</b>

**30.a DEPRECIATION AND REPAIR OF ASSETS (consolidated)**

Union Capital Limited	8,121,565	9,915,076
UniCap Securities Limited	6,610,387	6,923,572
UniCap Investments Limited	2,500,403	2,092,530
<b>Total</b>	<b>17,232,355</b>	<b>18,931,177</b>

**31 OTHER EXPENSES**

Travelling and conveyance	879,525	1,223,011
Office expenses	948,299	1,068,632
Motor vehicle fuel expenses	343,926	240,526
Motor vehicle spare part expenses	109,174	321,116
Subscription and fees	1,690,578	1,862,334
Books, magazines, newspapers, etc	8,481	4,286
Entertainment and public relation & others	88,943	251,946
Staff Welfare	1,824,155	2,626,221
<b>Total</b>	<b>5,893,081</b>	<b>7,598,072</b>





**Union Capital Limited**  
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For the period ended	30-Jun-23	30-Jun-22
<b>31.a OTHER EXPENSES (consolidated)</b>		
Union Capital Limited	5,893,081	7,598,072
UniCap Securities Limited	8,158,184	12,744,045
UniCap Investments Limited	948,526	795,327
	14,999,791	21,137,443
Less: Inter-company transactions	-	-
<b>Total</b>	<b>14,999,791</b>	<b>21,137,443</b>

**32 RECEIPTS FROM OTHER OPERATING ACTIVITIES**

Renewals and proceeds	45,569	566,784
<b>Total</b>	<b>45,569</b>	<b>566,784</b>

**33 PAYMENTS FOR OTHER OPERATING ACTIVITIES**

Travelling and conveyance	879,525	1,223,011
Motor vehicle expenses	453,100	561,642
Subscription and fees	1,690,578	1,862,334
Office expenses	948,299	1,068,632
Books, magazines, newspapers, etc	8,481	4,286
Entertainment and public relation & staff welfare	1,913,098	2,878,167
<b>Total</b>	<b>5,893,081</b>	<b>7,598,072</b>

**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 second quarter of 2023 has been decreased from the same period of previous year due to decreasing interest income resulting from increased non-performing loan, investment income and other operating income resulting from less recovery from written off clients.

**Profits attributable to ordinary shareholders**

Net profit for the period	(1,009,155,928)	(820,673,899)
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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
<b>Earnings per share</b>	<b>(5.85)</b>	<b>(4.76)</b>



**Union Capital Limited**  
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For the period ended	30-Jun-23	30-Jun-22
<b>34.a EARNINGS PER SHARE (consolidated)</b>		
<b>Profits attributable to ordinary shareholders</b>		
Net profit for the period (consolidated)	(1,030,001,541)	(800,560,553)
EPS for the period ended 30 June 2023 has been decreased from the same period of previous year due to i) decreasing interest income resulting from increased non-performing loans, ii) increasing provision requirement for increased non-performing loans and iii) decreasing brokerage commission due to sluggish trend in capital market.		
<b>Weighted average number of ordinary shares</b>		
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
<b>Earnings per share- consolidated</b>	<b>(5.97)</b>	<b>(4.64)</b>

**35 AVERAGE EFFECTIVE TAX RATE**

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

	2023	2022
Tax expenses	3,004,972	3,051,856
Accounting profit before tax	(1,006,150,956)	(817,622,043)
<b>Average effective tax rate</b>	<b>-0.30%</b>	<b>-0.37%</b>

**35.1 RECONCILIATION OF EFFECTIVE TAX RATE**

		2023	2022
Profit/(loss) before income tax as per profit & loss account		(1,006,150,956)	(817,622,043)
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)	0.00%	-	-
Effect of deferred tax	-0.30%	3,004,972	3,051,856
<b>Reported average effective tax rate &amp; total tax expenses</b>	<b>-0.30%</b>	<b>3,004,972</b>	<b>3,051,856</b>

**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*.

		2023	2022
Tax expenses		18,652,361	21,051,605
Accounting profit before tax		(1,011,349,184)	(779,508,943)
<b>Average effective tax rate</b>		<b>-1.84%</b>	<b>-2.70%</b>

**35.a.1 RECONCILIATION OF EFFECTIVE TAX RATE**

		2023	2022
Profit/(loss) before income tax as per profit & loss account		(1,011,349,184)	(779,508,943)
Income tax as per applicable tax rate	35.83%	-	-
Net inadmissible expenses (including prior years' adjustments)	-0.99%	10,030,092	3,365,053
Tax saving from reduced tax rates (from 0% to 20% for exempted investments income, dividend income, capital)	-0.53%	5,356,156	13,480,302
Effect of deferred tax	-0.32%	3,266,113	4,206,251
<b>Reported average effective tax rate &amp; total tax expenses</b>	<b>-1.84%</b>	<b>18,652,361</b>	<b>21,051,605</b>





**Union Capital Limited**  
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For the period ended	30-Jun-23	30-Jun-22
<b>36 NET OPERATING CASH FLOWS PER SHARE</b>		
Net cash flows from operating activities	249,437,007	197,984,782
Total number of ordinary shares outstanding	172,573,843	172,573,843
<b>Net operating cash flows per share</b>	<b>1.45</b>	<b>1.15</b>
<b>36.a NET OPERATING CASH FLOWS PER SHARE (consolidated)</b>		
Net cash flows from operating activities	247,767,236	33,482,074
Total number of ordinary shares outstanding	172,573,843	172,573,843
<b>Net operating cash flows per share</b>	<b>1.44</b>	<b>0.19</b>
During the first six month of 2023 the company has paid lesser payment against interest payable compared to the previous period due to payment of depositor and more recovery from loan clients. As a result NOCFPS has been increased significantly for the period ended 30 June 2023.		
<b>37 NET ASSET VALUE PER SHARE (NAV)</b>	<b>2023</b>	<b>2022</b>
Net asset (total assets less total liabilities)	(3,667,974,624)	(2,658,818,696)
Total number of ordinary shares outstanding	172,573,843	172,573,843
<b>Net asset value per share (NAV)</b>	<b>(21.25)</b>	<b>(15.41)</b>
During the period ended 30 June 2023, NAV has been decreased from previous year due to incurring loss of about Tk. 100.92 crore and the main reasons for this loss are extra provision required for increased NPL, less interest income resulting from increased NPL and no new disbursement during the period.		
<b>37.a NET ASSET VALUE PER SHARE (NAV) (consolidated)</b>		
Net asset (total assets less total liabilities)	(3,766,371,380)	(2,736,369,835)
Total number of ordinary shares outstanding	172,573,843	172,573,843
<b>Net asset value per share (NAV)</b>	<b>(21.82)</b>	<b>(15.86)</b>
<b>38 (INCREASE)/DECREASE IN OTHER ASSETS</b>		
Accrued interest	8,347,091	307,457
Advance office rent	-	(419,000)
Receivable from brokerage houses against sale of shares	1,671,402	(271,997)
Others	(4,607,283)	2,904,668
	<b>5,411,210</b>	<b>2,521,128</b>
<b>39 INCREASE/(DECREASE) IN OTHER LIABILITIES</b>	<b>171,531,838</b>	<b>347,804,553</b>



Union Capital Limited  
Notes to the financial statements  
As at and for the period ended 30 June 2023

Figures in BDT

For the period ended	30-Jun-23	30-Jun-22
<b>40 RECONCILIATION OF NET PROFIT WITH CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit after tax	(1,009,155,928)	(820,673,899)
Items not involved in cash movement:		
Add: Depreciation	8,085,815	9,859,663
Add: Provision for loans and investments	742,113,153	540,411,677
Add/ (Less): Accrued expenses	191,688,457	202,365,060
Add/ (Less): Accrued Income	526,156	105,905,562
Add/(Less): Loss/(gain) on sale of share	(142,966)	(1,429,332)
Increase/(Decrease) in employee gratuity	1,407,933	1,774,708
Increase/(Decrease) in Deferred tax	3,004,972	3,051,856
Adjustments to reconcile net profit after tax to net cash provided by operating activities	(62,472,408)	41,265,295
Increase/decrease in operating assets and liabilities		
(Increase)/decrease in loans, advances	266,675,568	70,757,744
(Increase)/decrease in other assets	5,411,210	2,964,007
Increase/(decrease) in term & other deposits	(123,528,612)	(235,964,510)
Increase/(decrease) in short term borrowing	(7,650,000)	(20,441,872)
Increase/(decrease) in payable and accrued expenses	(174,843)	170,976,392
Increase/(decrease) in income tax	(531,866)	(100,230)
Increase/(decrease) in interest suspenses	171,707,958	168,527,956
	<b>311,909,415</b>	<b>156,719,487</b>
Net cash flows from/(used in) operating activities	<b>249,437,007</b>	<b>197,984,782</b>

**40.a RECONCILIATION OF NET PROFIT WITH CASH FLOW FROM OPERATING ACTIVITIES (consolidated)**

Net profit after tax	(1,030,001,545)	(800,560,548)
Items not involved in cash movement:		
Add: Depreciation	16,176,488	18,334,859
Add: Provision for loans and investments	742,113,153	540,411,677
Add: Provision for taxation	15,386,248	16,845,354
Add/ (Less): Accrued expenses	186,395,552	185,161,340
Add/ (Less): Accrued Income	12,564,943	8,772,889
Add/(Less): Loss/(gain) on sale of share	(632,831)	(8,102,159)
Increase/(Decrease) in employee gratuity	1,407,933	617,699
Increase/(Decrease) in Deferred tax	3,266,112	4,206,252
Adjustments to reconcile net profit after tax to net cash provided by operating activities	(53,323,947)	(34,312,637)
Increase/decrease in operating assets and liabilities		
(Increase)/decrease in loans, advances	235,175,229	(35,425,838)
(Increase)/decrease in other assets	41,139,607	(7,972,423)
Increase/(decrease) in term & other deposits	(123,528,612)	(34,407,028)
Increase/(decrease) in short term borrowing	(7,650,000)	(20,441,872)
Increase/(decrease) in payable and accrued expenses	(5,627,538)	11,440,324
Increase/(decrease) in income tax	(10,125,462)	(13,926,407)
Increase/(decrease) in interest suspenses	171,707,958	168,527,956
	<b>301,091,182</b>	<b>67,794,712</b>
Net cash flows from/(used in) operating activities	<b>247,767,235</b>	<b>33,482,074</b>





**Union Capital Limited**  
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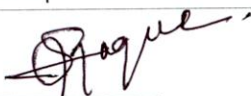
For the period ended **30-Jun-23** **30-Jun-22**

**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.

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 2023 was as under:

Name of the related party	Relationship	Nature of transaction	30-Jun-23	31-Dec-22
Progressive Life Insurance Co. Ltd.	Father of Waqar A. Choudhury, Director, is a Director of Progressive life insurance	Term deposit	113,681,076	112,914,698
Vanguard AML BD Finance Mutual	Common Directors	Term deposit	15,084,375	15,075,000
Vanguard AML Rupali Bank Balanc	Common Directors	Term deposit	26,466,988	34,144,529
UniCap Securities Limited	Subsidiary Company	Inter-company	128,018,062	158,149,033
UniCap Investments Limited	Subsidiary Company	Inter-company	5,484,822,438	4,096,397,964

  
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 2023**

Particulars	Cost			Rate of depreciation	Depreciation			Written down Value
	As at 1 <sup>st</sup> January 2023	Addition during the period/ year	Disposal/ adjustment during the period/ year		As at 1 <sup>st</sup> January 2023	Charged during the period/ year	Disposal/ adjustment during the period/ year	
<b>Freehold assets</b>								
Office space	415,891,104	-	-	2.50%	32,924,718	5,198,638	-	38,123,356
Furniture and fixtures	9,329,071	-	-	20%	7,375,768	578,175	-	7,953,943
Office decoration	18,427,353	-	-	33%	18,264,176	94,447	-	18,358,623
Electrical equipment	30,588,523	-	-	20%	27,098,234	923,169	-	28,021,403
Owned vehicles	13,055,597	-	-	20%	12,433,792	345,383	-	12,779,175
Software	2,310,528	-	-	20%	1,607,881	104,486	-	1,712,367
Mobile Phone	452,600	-	-	20%	452,576	-	-	598,161
Staff appliance	-	-	-	20%	-	-	-	24
<b>Leasehold assets</b>	<b>490,054,776</b>	<b>-</b>	<b>-</b>	<b>20%</b>	<b>100,157,145</b>	<b>7,244,298</b>	<b>-</b>	<b>107,401,443</b>
Right-of-use assets	14,561,441	56,395	-	lease term	5,581,592	841,517	-	6,423,109
<b>As at 30 June 2023</b>	<b>504,616,217</b>	<b>56,395</b>	<b>-</b>		<b>105,738,737</b>	<b>8,085,815</b>	<b>-</b>	<b>113,824,552</b>
<b>As at 31 December 2022</b>	<b>497,151,185</b>	<b>7,465,032</b>	<b>-</b>		<b>86,390,576</b>	<b>19,348,161</b>	<b>-</b>	<b>105,738,737</b>

**Consolidated Schedule of Fixed assets including land, building, furniture and fixtures**  
**As at 30 June 2023**

Particulars	Cost			Rate of depreciation	Depreciation			Written down Value
	As at 1 <sup>st</sup> January 2023	Addition during the period/ year	Disposal/ adjustment during the period/ year		As at 1 <sup>st</sup> January 2023	Charged during the period/ year	Disposal/ adjustment during the period/ year	
<b>Freehold assets</b>								
Office space	415,891,104	-	-	2.50%	32,924,719	5,198,638	-	38,123,357
Furniture and fixtures	13,377,758	-	-	20%	11,190,462	650,150	-	11,840,612
Office decoration	45,571,902	1,690,857	-	33%	44,450,780	473,652	-	44,924,433
Electrical equipment	50,172,935	39,262	-	20%	43,946,628	1,523,114	-	45,469,741
Owned vehicles	21,221,034	-	-	20%	20,599,230	345,383	-	20,944,613
Software	7,180,358	6,500	-	20%	6,280,502	216,799	-	6,497,301
Mobile Phone	512,500	-	-	20%	512,456	-	-	512,456
Staff appliance	-	-	-	20%	-	-	-	44
<b>Leasehold assets</b>	<b>553,927,591</b>	<b>1,736,619</b>	<b>-</b>	<b>20%</b>	<b>159,904,777</b>	<b>8,407,736</b>	<b>-</b>	<b>168,312,513</b>
Right-of-use assets	90,740,287	6,809,078	7,022,790	lease term	47,426,720	7,768,752	7,022,790	48,172,682
<b>As at 30 June 2023</b>	<b>644,667,878</b>	<b>8,545,697</b>	<b>7,022,790</b>		<b>207,331,497</b>	<b>16,176,488</b>	<b>7,022,790.00</b>	<b>216,485,195</b>
<b>As at 31 December 2022</b>	<b>602,164,601</b>	<b>42,503,277</b>	<b>-</b>		<b>171,821,088</b>	<b>35,510,409</b>	<b>-</b>	<b>207,331,497</b>

