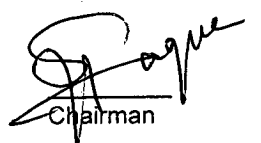


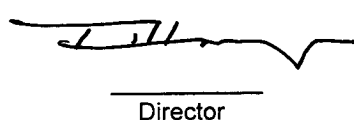
**Union Capital Limited**  
**Consolidated Financial Statements (Un-Audited)**  
**As at and for the third quarter ended 30 September 2023**

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

Figures in BDT

Particulars	Notes	30-Sep-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)	4.a	88,870,435	86,337,246
		88,953,461	86,420,272
<b>Balance with other banks and financial institutions</b>			
In Bangladesh		1,463,765,977	1,256,371,889
Outside Bangladesh	5.a	-	-
		1,463,765,977	1,256,371,889
<b>Money at call and short notice</b>			
		-	-
<b>Investments</b>			
Government		-	-
Others	6.a	526,592,645	547,594,443
		526,592,645	547,594,443
<b>Loans, advances and leases</b>			
Loans, advances and leases		12,594,840,575	12,996,132,409
Bills purchased and discounted	7.a	-	-
		12,594,840,575	12,996,132,409
<b>Fixed assets including land, building, furniture and fixtures</b>	8.a	422,186,266	437,336,382
<b>Other assets</b>	9.a	751,080,325	754,602,298
<b>Non-banking assets</b>	10	435,539,159	435,539,159
<b>TOTAL ASSETS</b>		<b>16,282,958,408</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	3,026,364,031	3,210,588,407
<b>Deposits and other accounts</b>			
Term deposits	12.a	8,178,258,320	8,318,252,524
Other deposits	13	116,916,769	160,342,897
		8,295,175,089	8,478,595,421
Other liabilities	14.a	8,973,036,620	7,561,182,859
<b>Total liabilities</b>		<b>20,294,575,740</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	(6,189,252,882)	(4,914,005,454)
<b>Total equity attributable to equity holders of the Company</b>		<b>(4,011,617,053)</b>	<b>(2,736,369,625)</b>
Non-controlling interest		(279)	(210)
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>16,282,958,408</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>(23.25)</b>	<b>(15.86)</b>

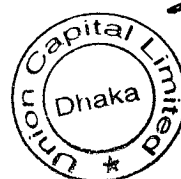
  
Chairman

  
Director

  
Managing Director & CEO (CC)

  
Company Secretary (CC)

  
Chief Financial Officer



**Union Capital Limited**  
**Consolidated Profit and Loss Account (Un-Audited)**  
**For the third quarter ended 30 September 2023**

Figures in BDT

Particulars	Notes	30-Sep-23	30-Sep-22	Jul,23- Sep,23	Jul,22- Sep,22
Interest income	18.a	250,010,196	432,868,491	83,959,140	143,812,181
Interest paid on deposits and borrowings etc.	19.a	(557,709,368)	(679,824,688)	(186,996,515)	(188,643,100)
<b>Net interest income</b>		<b>(307,699,172)</b>	<b>(246,956,197)</b>	<b>(103,037,375)</b>	<b>(44,830,919)</b>
Investment income	20.a	7,911,080	17,485,189	2,554,924	4,004,887
Fees, commissions, exchange and brokerage	21.a	63,240,385	124,097,379	18,868,491	50,429,103
Other operating income	22.a	15,352,619	19,802,160	5,842,078	3,872,646
		<b>86,504,084</b>	<b>161,384,728</b>	<b>27,265,493</b>	<b>58,306,636</b>
<b>Total operating income</b>		<b>(221,195,088)</b>	<b>(85,571,469)</b>	<b>(75,771,882)</b>	<b>13,475,717</b>
Salaries and other employee benefits	23.a	127,151,995	135,543,204	42,364,156	41,666,345
Rent, taxes, insurance, electricity etc.	24.a	3,231,322	3,257,637	1,159,376	1,353,663
Legal expenses	25.a	1,218,837	1,128,826	334,717	750,220
Postage, stamp, telecommunication etc.	26.a	3,449,372	3,652,181	1,139,293	1,308,598
Stationery, printing, advertisements etc.	27.a	2,218,987	2,919,568	809,794	1,513,630
Managing Director's salary and fees	28	-	-	-	-
Directors' fees	29.a	316,500	181,250	199,000	108,750
Depreciation and repair of assets	30.a	24,720,888	27,842,218	7,488,533	8,911,040
Other expenses	31.a	22,911,117	36,736,847	7,911,326	15,599,404
<b>Total operating expenses</b>		<b>185,219,019</b>	<b>211,261,731</b>	<b>61,406,194</b>	<b>71,211,651</b>
<b>Profit /(loss) before provision</b>		<b>(406,414,106)</b>	<b>(296,833,200)</b>	<b>(137,178,076)</b>	<b>(57,735,934)</b>
<b>Provision for loans, advances, leases and investments</b>					
Provision for loans, advances and leases		853,155,183	605,951,318	110,913,015	67,913,149
Provision for diminution in value of investments		(301,147)	3,007,493	(172,132)	633,985
<b>Total provision</b>		<b>852,854,036</b>	<b>608,958,811</b>	<b>110,740,883</b>	<b>68,547,134</b>
<b>Total profit/(loss) before tax</b>		<b>(1,259,268,142)</b>	<b>(905,792,011)</b>	<b>(247,918,959)</b>	<b>(126,283,068)</b>
<b>Provision for taxation</b>					
Current tax		11,091,654	30,477,023	(4,294,594)	13,631,668
Deferred tax		4,887,700	6,254,578	1,621,587	2,048,327
		<b>15,979,354</b>	<b>36,731,601</b>	<b>(2,673,007)</b>	<b>15,679,996</b>
<b>Net profit/(loss) after tax</b>		<b>(1,275,247,496)</b>	<b>(942,523,612)</b>	<b>(245,245,952)</b>	<b>(141,963,064)</b>
<b>Retained surplus/(loss)</b>		<b>(1,275,247,496)</b>	<b>(942,523,612)</b>	<b>(245,245,952)</b>	<b>(141,963,064)</b>
<b>Attributable to</b>					
Shareholders of the Company		(1,275,247,427)	(942,523,622)	(245,245,886)	(141,963,069)
Non-controlling interest		(69.0)	9.92	(65.70)	4.7
<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>(7.39)</b>	<b>(5.46)</b>	<b>(1.42)</b>	<b>(0.82)</b>

  
Chairman

  
Director

  
Managing Director & CEO (CC)

  
Company Secretary (CC)

  
Chief Financial Officer

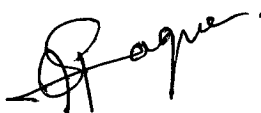


**Union Capital Limited**

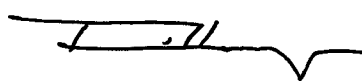
**Consolidated Cash Flow Statement (Un-audited) for the third quarter ended 30 September 2023**

Figures in BDT

Particulars	30-Sep-23	30-Sep-22	
<b>Cash flows from operating activities</b>			
Interest receipts	251,468,157	412,552,582	
Interest payments	(267,665,542)	(398,128,525)	
Fee and commission receipts	63,194,816	123,521,020	
Recoveries of loans previously written off	14,261,907	18,524,218	
Dividend receipts	16,544,841	15,360,553	
Cash payments to employees	(132,078,911)	(134,672,652)	
Cash payments to suppliers and management expenses	(12,100,580)	(12,169,895)	
Income taxes paid	(15,900,512)	(25,581,231)	
Receipts from other operating activities	1,136,281	1,854,301	
Payments for other operating activities	(22,911,117)	(36,736,847)	
Cash generated before changes in operating assets and liabilities	(104,050,662)	(35,476,477)	
<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	664,761,902	(252,501,753)	
Other assets	6,384,700	127,695,342	
Deposits from banks and other financial institutions	(7,600,000)	14,922,575	
Deposits from customers	(175,820,332)	(265,973,190)	
Net draw down/(payment) of short term loan	(7,650,000)	(29,040,283)	
Other liabilities	(376,655)	546,009,945	
<b>Cash generated from operating assets and liabilities</b>	<b>479,699,615</b>	<b>141,112,636</b>	
<b>Net cash generated from/(used in) operating activities</b>	<b>375,648,953</b>	<b>105,636,158</b>	
<b>Cash flows from investing activities</b>			
Proceeds from sale of securities	83,060,987	276,912,908	
Payments for purchases of securities	(59,428,433)	(246,452,008)	
Purchase of property, plant and equipment	(12,779,853)	(13,651,604)	
Proceeds from sale of property, plant and equipment	-	-	
<b>Net cash generated from/(used in) investing activities</b>	<b>10,852,700</b>	<b>16,809,296</b>	
<b>Cash flows from financing activities</b>			
Receipts of long term loan	57,600,000	-	
Repayment of long term loan	(234,174,376)	(309,034,187)	
<b>Net cash generated from/(used in) financing activities</b>	<b>(176,574,376)</b>	<b>(309,034,187)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>209,927,277</b>	<b>(186,588,733)</b>	
Effects of exchange rate changes on cash and cash equivalents	-	-	
Cash and cash equivalents at beginning of the third quarter	1,342,792,161	1,328,196,112	
<b>Cash and cash equivalents at end of the third quarter</b>	<b>1,552,719,438</b>	<b>1,141,607,379</b>	
<b>Cash and cash equivalents at end of the third quarter represents</b>			
Cash in hand	83,026	83,026	
Balance with Bangladesh Bank and its agent bank	88,870,435	95,724,785	
Balance with other banks and financial institutions	1,463,765,977	1,045,799,568	
	<b>1,552,719,438</b>	<b>1,141,607,379</b>	
<b>Net operating cash flows per share</b>	<b>36.a</b>	<b>2.18</b>	<b>0.61</b>



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 third quarter ended 30 September 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 third quarter 2023	-	-	(1,275,247,427)	(69)	(1,275,247,496)
<b>Balance as at 30 September 2023</b>	<b>1,725,738,430</b>	<b>451,897,399</b>	<b>(6,189,252,882)</b>	<b>(279)</b>	<b>(4,011,617,332)</b>

**For the third quarter ended 30 September 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 third quarter 2022	-	-	(942,523,622)	10	(942,523,612)
<b>Balance as at 30 September 2022</b>	<b>1,725,738,430</b>	<b>451,897,399</b>	<b>(3,794,179,364)</b>	<b>232</b>	<b>(1,616,543,304)</b>



Chairman



Director



Managing Director & CEO (CC)



Company Secretary (CC)



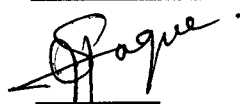
Chief Financial Officer



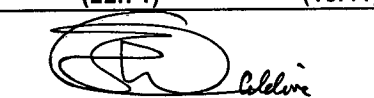
**Union Capital Limited**  
**Balance Sheet (Un-audited) as at 30 September 2023**


Figures in BDT

Particulars	Notes	30-Sep-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)	4	88,870,435	86,337,246
		<b>88,904,435</b>	<b>86,371,246</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh		1,191,341,296	1,017,442,143
Outside Bangladesh	5	-	-
		<b>1,191,341,296</b>	<b>1,017,442,143</b>
<b>Money at call and short notice</b>			
<b>Investments</b>			
Government		-	-
Others	6	38,884,385	36,188,733
		<b>38,884,385</b>	<b>36,188,733</b>
<b>Loans, advances and leases</b>			
Loans, advances and leases		12,630,946,901	12,817,124,812
Bills purchased and discounted	7	-	-
		<b>12,630,946,901</b>	<b>12,817,124,812</b>
<b>Fixed assets including land, building, furniture and fixtures</b>	8	387,003,136	398,877,480
<b>Other assets</b>	9	1,241,624,442	1,244,558,909
<b>Non-banking assets</b>	10	435,539,159	435,539,159
<b>TOTAL ASSETS</b>		<b>16,014,243,754</b>	<b>16,036,102,482</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11	2,879,785,296	3,088,344,023
<b>Deposits and other accounts</b>			
Term deposits	12	8,178,258,320	8,318,252,524
Other deposits	13	116,916,769	160,342,897
		<b>8,295,175,089</b>	<b>8,478,595,421</b>
Other liabilities	14	8,757,774,496	7,127,981,734
<b>Total liabilities</b>		<b>19,932,734,881</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	(6,096,126,956)	(4,836,454,525)
<b>Total shareholders' equity</b>		<b>(3,918,491,127)</b>	<b>(2,658,818,696)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>16,014,243,754</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>(22.71)</b>	<b>(15.41)</b>

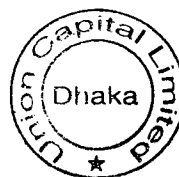
  
Chairman

  
Director

  
Managing Director & CEO (CC)

  
Company Secretary (CC)

  
Chief Financial Officer

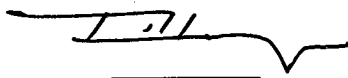


**Union Capital Limited**  
**Profit and Loss Account (Un-Audited)**  
**For the third quarter ended 30 September 2023**

Figures in BDT

Particulars	Notes	30-Sep-23	30-Sep-22	Jul,23- Sep,23	Jul,22- Sep,22
Interest income	18	211,243,454	367,393,014	73,228,531	121,616,241
Interest paid on deposits and borrowings etc.	19	(536,470,497)	(654,920,121)	(182,969,625)	(179,936,989)
<b>Net interest income</b>		<b>(325,227,043)</b>	<b>(287,527,107)</b>	<b>(109,741,094)</b>	<b>(58,320,748)</b>
Investment income	20	1,358,934	3,518,165	204,468	125,373
Fees, commissions, exchange and brokerage	21	270,776	763,606	110,507	52,775
Other operating income	22	14,261,907	18,524,218	5,128,382	3,048,594
		<b>15,891,617</b>	<b>22,805,989</b>	<b>5,443,357</b>	<b>3,226,742</b>
<b>Total operating income</b>		<b>(309,335,426)</b>	<b>(264,721,118)</b>	<b>(104,297,737)</b>	<b>(55,094,006)</b>
Salaries and other employee benefits	23	66,145,003	69,340,137	24,656,418	22,080,458
Rent, taxes, insurance, electricity etc.	24	1,672,992	1,775,424	554,851	786,427
Legal expenses	25	1,129,964	1,006,748	291,842	628,142
Postage, stamp, telecommunication etc.	26	1,052,866	1,029,633	334,430	358,886
Stationery, printing, advertisements etc.	27	1,251,994	1,437,574	514,810	725,497
Managing Director's salary and fees	28	-	-	-	-
Directors' fees	29	220,000	150,000	135,000	90,000
Depreciation and repair of assets	30	12,032,773	14,809,330	3,911,208	4,894,254
Other expenses	31	9,404,469	15,580,328	3,511,388	7,982,256
<b>Total operating expenses</b>		<b>92,910,061</b>	<b>105,129,174</b>	<b>33,909,947</b>	<b>37,545,920</b>
<b>Profit/(loss) before provision</b>		<b>(402,245,487)</b>	<b>(369,850,292)</b>	<b>(138,207,684)</b>	<b>(92,639,926)</b>
<b>Provision for loans, advances, leases and investments</b>					
Provision for loans, advances and leases		853,155,183	605,951,318	110,913,015	67,913,149
Provision for diminution in value of investments		(301,147)	3,007,493	(172,132)	633,985
<b>Total provision</b>		<b>852,854,036</b>	<b>608,958,811</b>	<b>110,740,883</b>	<b>68,547,134</b>
<b>Total profit/(loss) before tax</b>		<b>(1,255,099,523)</b>	<b>(978,809,103)</b>	<b>(248,948,567)</b>	<b>(161,187,060)</b>
<b>Provision for taxation</b>					
Current tax		-	-	-	-
Deferred tax		4,572,908	4,599,231	1,567,936	1,547,375
		<b>4,572,908</b>	<b>4,599,231</b>	<b>1,567,936</b>	<b>1,547,375</b>
<b>Net profit/(loss) after tax</b>		<b>(1,259,672,431)</b>	<b>(983,408,334)</b>	<b>(250,516,503)</b>	<b>(162,734,435)</b>
<b>Retained surplus/(loss)</b>		<b>(1,259,672,431)</b>	<b>(983,408,334)</b>	<b>(250,516,503)</b>	<b>(162,734,435)</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>(7.30)</b>	<b>(5.70)</b>	<b>(1.45)</b>	<b>(0.94)</b>

  
Chairman

  
Director

  
Managing Director & CEO (CC)

  
Company Secretary (CC)

  
Chief Financial Officer

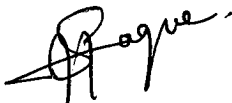


**Union Capital Limited**


**Cash Flow Statement (Un-audited) for the third quarter ended 30 September 2023**

Figures in BDT

Particulars	30-Sep-23	30-Sep-22
<b>Cash flows from operating activities</b>		
Interest receipts	207,985,327	347,077,105
Interest payments	(240,231,514)	(375,529,283)
Fee and commission receipts	225,207	187,247
Recoveries of loans previously written off	14,261,907	18,524,218
Dividend receipts	1,318,784	2,657,530
Cash payments to employees	(70,152,317)	(67,330,577)
Cash payments to suppliers and management expenses	(6,221,548)	(7,284,298)
Income taxes paid	(1,921,657)	(3,038,065)
Receipts from other operating activities	45,569	576,359
Payments for other operating activities	(9,404,469)	(15,580,328)
Cash generated before changes in operating assets and liabilities	(104,094,711)	(99,740,092)
<b>Increase/decrease in operating assets and liabilities</b>		
Loans, advances and leases to customers	449,647,979	(880,420)
Other assets	2,662,183	84,564,799
Deposits from banks and other financial institutions	(7,600,000)	14,922,575
Deposits from customers	(175,820,332)	(265,973,190)
Net draw down/(payment) of short term loan	(7,650,000)	(29,040,283)
Other liabilities	223,859,578	560,701,378
<b>Cash generated from operating assets and liabilities</b>	<b>485,099,408</b>	<b>364,294,859</b>
<b>Net cash generated from/(used in) operating activities</b>	<b>381,004,697</b>	<b>264,554,767</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of securities	4,423,636	32,551,826
Payments for purchases of securities	(6,806,854)	(21,902,323)
Purchase of property, plant and equipment	(1,280,410)	(1,927,463)
Proceeds from sale of property, plant and equipment	-	-
<b>Net cash used in investing activities</b>	<b>(3,663,628)</b>	<b>8,722,040</b>
<b>Cash flows from financing activities</b>		
Receipts of long term loan	-	-
Repayment of long term loan	(200,908,727)	(239,709,361)
<b>Net cash generated from/(used in) financing activities</b>	<b>(200,908,727)</b>	<b>(239,709,361)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>176,432,342</b>	<b>33,567,446</b>
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the third quarter	1,103,813,389	1,043,709,712
<b>Cash and cash equivalents at end of the third quarter</b>	<b>1,280,245,731</b>	<b>1,077,277,158</b>
<b>Cash and cash equivalents at end of the third quarter represents</b>		
Cash in hand	34,000	34,000
Balance with Bangladesh Bank and its agent bank	88,870,435	95,724,785
Balance with other banks and financial institutions	1,191,341,296	981,518,373
	<b>1,280,245,731</b>	<b>1,077,277,158</b>
<b>Net operating cash flows per share</b>	<b>36</b>	<b>2.21</b>
		<b>1.53</b>



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 third quarter ended 30 September 2023**

Figures in BDT

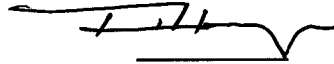
Particulars	Paid-up capital	Statutory reserve	Retained earnings/(loss)	Total
Balance as at 1 January 2023	1,725,738,430	451,897,399	(4,836,454,525)	(2,658,818,696)
Net profit/(loss) for the third quarter 2023	-	-	(1,259,672,431)	(1,259,672,431)
<b>Balance as at 30 September 2023</b>	<b>1,725,738,430</b>	<b>451,897,399</b>	<b>(6,096,126,956)</b>	<b>(3,918,491,127)</b>

**For the third quarter ended 30 September 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 third quarter 2022	-	-	(983,408,334)	(983,408,334)
<b>Balance as at 30 September 2022</b>	<b>1,725,738,430</b>	<b>451,897,399</b>	<b>(3,883,206,763)</b>	<b>(1,705,570,934)</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 third quarter ended 30 September 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 third quarter 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 third quarter ended 30 September 2023 and profit for the same period. The number of shares outstanding for the period was 172.57 million. Earnings per share for the third quarter ended 30 September 2022 has also been calculated based on 172.57 million shares.

EPS for the period ended 30 September 2023 has been decreased from the same period of previous year due to i) decreasing interest income due to downgradation of non-performing loans, ii) increasing provision requirement for downgradation of 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 third quarter ended 30 September 2023, NAV stands at BDT (23.25) per share which was BDT (15.86) as on 31 December 2022. NAV as at 30 September 2023 has been decreased from the 31 December 2022 due to incurring consolidated net loss after tax of Tk.127.52 crore which has decreased net assets value by the same amount as on 30 September 2023.

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

The Board of Directors has authorized these financial statements for public issue on 17 October 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 September 2023**

Figures in BDT

As at	30-Sep-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	88,870,435	86,337,246
Foreign currencies	-	-
	88,870,435	86,337,246
<b>Balance as at 30 September</b>	<b>88,904,435</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.	88,870,435	86,337,246
UniCap Securities Ltd.	-	-
UniCap Investments Ltd.	-	-
	88,870,435	86,337,246
<b>Balance as at 30 September</b>	<b>88,953,461</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	245,378,879	209,667,767
International Leasing and Financial Services Ltd.	867,269,472	775,669,366
Community Bank Bangladesh Limited	2,418,122	2,418,122
	1,115,066,473	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	367,003	4,058,346
Midland Bank Ltd, Gulshan Branch	903	378
Modhumoti Bank Limited, Dhanmondi Branch	81,169	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	880	1,951
Shahjalal Islami Bank Limited, Gulshan Branch	1,203	2,238
Social Islami Bank Limited, Eskaton Branch	75,799	76,564
United Commercial Bank Limited, New Eskaton Branch	19,049,605	3,843,614
WooriBank-Dhaka Branch	6,055	18,155
Uttara Bank Limited, Local Office	-	13,785
	19,822,401	8,346,865



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

Figures in BDT

As at	30-Sep-23	31-Dec-22
<b>Short term deposit</b>		
Community Bank BD Limited, Gulshan Branch	2,274	2,829
Bank Asia Limited, Corporate Branch	11,207	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	2,524,431	1,268,896
Dhaka Bank Limited, Kakrail Branch	34,275	332,825
Dutch Bangla Bank Limited, Karwan Bazar Branch	27,431	29,666
Dutch Bangla Bank Limited, Karwan Bazar Branch	5,570,668	4,381,105
IFIC Bank Limited, Gulshan Branch	47,526,284	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	6,129	6,731
Southeast Bank Limited, Islamic Banking Branch	1,938	2,500
Southeast Bank Limited, R k Mission Road Branch	567,724	5,203,627
	<b>56,452,422</b>	<b>21,340,023</b>
<b>Balance as at 30 September</b>	<b>1,191,341,296</b>	<b>1,017,442,143</b>

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

Union Capital Ltd.	1,191,341,296	1,017,442,143
UniCap Securities Ltd.	152,916,157	182,483,937
UniCap Investments Ltd.	119,508,524	56,445,809
	1,463,765,977	1,256,371,889
Less: Inter-company transactions	-	-
<b>Balance as at 30 September</b>	<b>1,463,765,977</b>	<b>1,256,371,889</b>

**6 INVESTMENTS**

The investment is made up as under:

Government securities	-	-
Other investments	38,884,385	36,188,733
<b>Balance as at 30 September</b>	<b>38,884,385</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.	38,884,385	36,188,733
UniCap Securities Ltd.	212,897,100	223,244,315
UniCap Investments Ltd.	274,811,160	288,161,394
<b>Balance as at 30 September</b>	<b>526,592,645</b>	<b>547,594,443</b>

**7 LOANS, ADVANCES AND LEASES**

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

Lease finance	1,316,042,968	1,382,162,287
Term finance	5,397,107,596	5,524,658,387
Home loan	274,426,604	274,426,604
Loan to subsidiaries	5,618,090,033	5,610,815,536
Loan against deposits	23,294,431	22,086,819
Staff loan	1,985,269	2,975,179
<b>Balance as at 30 September</b>	<b>12,630,946,901</b>	<b>12,817,124,812</b>



**Union Capital Limited**

**Notes to the financial statements**

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

Figures in BDT

As at	30-Sep-23	31-Dec-22
<b>7.a LOANS, ADVANCES AND LEASES (consolidated)</b>		
Union Capital Ltd.	12,630,946,901	12,817,124,812
UniCap Securities Ltd.	537,980,231	559,396,751
UniCap Investments Ltd.	5,044,003,476	5,230,426,382
	<b>18,212,930,608</b>	<b>18,606,947,945</b>
Less: Inter-company transactions	5,618,090,033	5,610,815,536
<b>Balance as at 30 September</b>	<b>12,594,840,575</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	7,828,297	8,979,849
Intangible assets (software)	2,310,528	2,310,528
Mobile phones	452,600	452,600
<b>Total cost</b>	<b>497,883,073</b>	<b>499,034,625</b>
Less: Accumulated depreciation and amortization	110,879,937	100,157,145
<b>Written down value as at 30 September</b>	<b>387,003,136</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.	387,003,136	398,877,480
UniCap Securities Ltd.	29,732,951	37,753,834
UniCap Investments Ltd.	5,450,179	705,068
<b>Balance as at 30 September</b>	<b>422,186,266</b>	<b>437,336,382</b>

**9 OTHER ASSETS**

Investment in subsidiary	997,498,641	997,498,641
Accrued interest	7,350,172	14,889,589
Others	40,066,948	34,680,821
<b>Income generating other assets</b>	<b>1,044,915,761</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	7,104,525	8,963,636
Transfer price receivable	1,287,376	1,287,376
Process Sharing receivable	178,631,941	178,631,941
Others	6,670,080	5,592,146
<b>Non income generating other assets</b>	<b>196,708,681</b>	<b>197,489,858</b>
<b>Balance as at 30 September</b>	<b>1,241,624,442</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	8,746,785	8,911,501
UniCap Investments Limited	63,677	123,072
<b>Balance as at 30 September</b>	<b>8,810,462</b>	<b>9,034,573</b>



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

Figures in BDT

As at	30-Sep-23	31-Dec-22
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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	379,174,839	3,492,873	562,403
		Tax base	272,656,559	25,715,966	860,152
	ROU	Carrying amount	7,828,297	26,240,080	4,887,775
Liabilities	Employee gratuity fund	Carrying amount	-	13,900,358	-
		Tax base	-	-	-
	Lease obligation	Carrying amount	7,988,098	21,923,118	4,759,832
			<b>(106,358,479)</b>	<b>31,806,490</b>	<b>169,806</b>
Applicable tax rate			37.50%	27.50%	37.50%
Deferred tax assets/(liabilities) as on September 30,2023			(39,884,430)	8,746,785	63,677
Deferred tax assets/(Liabilities) as on December 31,2022			(35,311,522)	9,002,182	123,072
<b>Deferred tax expense/(income) during the period</b>			<b>4,572,908</b>	<b>255,397</b>	<b>59,395</b>

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

Union Capital Ltd.	1,241,624,442	1,244,558,909
UniCap Securities Ltd.	517,748,101	497,814,552
UniCap Investments Ltd.	184,730,869	207,362,486
	<b>1,944,103,412</b>	<b>1,949,735,947</b>
Less: Inter-company transactions	1,193,023,088	1,195,133,649
<b>Balance as at 30 September</b>	<b>751,080,325</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	2,075,926,028	2,258,139,466
Preference share	20,500,000	26,500,000
	<b>2,096,426,028</b>	<b>2,284,639,466</b>
Bangladesh Bank (Small Enterprise refinancing scheme-JICA)	4,272,591	10,491,713
Bangladesh Bank (Women entrepreneur refinance scheme)	675,000	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>783,359,268</b>	<b>803,704,557</b>
	<b>2,879,785,296</b>	<b>3,088,344,023</b>

**Outside Bangladesh**

Borrowings from banks	2,879,785,296	3,088,344,023
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**Borrowings from financial institutions**

The UAE-Bangladesh Investment Company Limited

Balance as at 30 September	2,879,785,296	3,088,344,023
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**Union Capital Limited**

**Notes to the financial statements**

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

Figures in BDT

As at	30-Sep-23	31-Dec-22
<b>11.a Borrowings from other banks, financial institutions and agents (consolidated)</b>		
Union Capital Limited	2,879,785,296	3,088,344,023
UniCap Securities Limited	233,357,186	257,955,976
UniCap Investments Limited	3,036,623,159	3,245,343,550
	<b>6,149,765,641</b>	<b>6,591,643,549</b>
Less: Inter-company transactions	3,123,401,610	3,381,055,142
<b>Balance as at 30 September</b>	<b>3,026,364,031</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	3,274,821,116	3,282,421,116
Other institutions	4,178,422,752	4,290,760,295
<b>Total institutional deposits</b>	<b>7,453,243,868</b>	<b>7,573,181,411</b>
Term deposit	514,653,157	527,765,758
Income deposit	203,574,135	209,324,285
Monthly savings scheme	6,787,160	7,981,070
<b>Total individual deposits</b>	<b>725,014,452</b>	<b>745,071,113</b>
<b>Balance as at 30 September</b>	<b>8,178,258,320</b>	<b>8,318,252,524</b>
<b>12.a Term deposits (consolidated)</b>		
Union Capital Limited	8,178,258,320	8,318,252,524
UniCap Securities Limited	-	-
UniCap Investments Limited	-	-
	<b>8,178,258,320</b>	<b>8,318,252,524</b>
Less: Inter-company transactions	-	-
<b>Balance as at 30 September</b>	<b>8,178,258,320</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	44,913,673	46,135,975
Term finance advance	46,312,915	78,821,663
Cash security	25,690,181	35,385,259
<b>Balance as at 30 September</b>	<b>116,916,769</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	3,052,809,170	2,190,553,302
Provision for diminution in value of investments	2,794,576	3,095,723
Provision for other assets and accrued interest	344,895,914	344,895,914
Special provision	91,819,726	100,920,410
Interest suspense	2,735,006,982	2,372,295,608
Interest suspense others	564,637,915	444,496,377
Provision for tax	89,540,807	91,462,464
Deferred tax liabilities (note 9.1.b)	39,884,430	35,311,522
Financial expenses payable	1,723,306,712	1,421,249,519
Lease liability	7,988,098	9,156,969
Deferred liability-employee gratuity	13,850,860	17,907,114
Dividend on preference shares	32,231,652	38,049,862
Excise duty	99,950	129,300
Withholding tax payable	1,555,220	899,063
VAT payable	190,338	532,198
Accrued expenses and other payable (note 14.1)	57,162,146	57,026,389
<b>Balance as at 30 September</b>	<b>8,757,774,496</b>	<b>7,127,981,734</b>



**Union Capital Limited**

**Notes to the financial statements**

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

Figures in BDT

As at	30-Sep-23	31-Dec-22
<b>14.1 Accrued expenses and other payable</b>		
Management expenses	3,339,347	4,137,249
Unclaim dividend account (note 14.1.1)	-	-
Payable for purchase of assets	51,701,925	51,701,925
Others payables	2,120,874	1,187,215
<b>Balance as at 30 September</b>	<b>57,162,146</b>	<b>57,026,389</b>

**14.1.1 Unclaim dividend account**

Year	Stock dividend in number	Fractional Dividend
<b>Balance as at 30 September</b>	<b>-</b>	<b>-</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	8,757,774,496	7,127,981,734
UniCap Securities Limited	778,302,611	757,515,065
UniCap Investments Limited	3,922,284,805	3,637,981,944
	13,458,361,912	11,523,478,742
Less: Inter-company transactions	4,485,325,292	3,962,295,883
<b>Balance as at 30 September</b>	<b>8,973,036,620</b>	<b>7,561,182,859</b>

**15 Share capital**

As at 30 September 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 September</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	(1,259,672,431)	(1,936,656,096)
<b>Balance as at 30 September</b>	<b>(6,096,126,956)</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	(1,275,247,427)	(2,062,349,712)
<b>Balance as at 30 September</b>	<b>(6,189,252,882)</b>	<b>(4,914,005,454)</b>





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

Figures in BDT

For the period ended	30-Sep-23	30-Sep-22
<b>18 INTEREST INCOME</b>		
Income from lease finance	43,342,638	59,065,215
Income from term finance	155,469,560	281,601,077
Interest on loan to subsidiaries	11,538,562	24,392,757
Interest on bank deposits	815,572	2,215,870
Income from other finance	77,122	118,095
<b>Total</b>	<b>211,243,454</b>	<b>367,393,014</b>

**18.a INTEREST INCOME (consolidated)**

Union Capital Limited	211,243,454	367,393,014
UniCap Securities Limited	12,686,757	44,678,507
UniCap Investments Limited	37,618,546	45,189,727
	261,548,758	457,261,248
Less: Inter-company transactions	11,538,562	24,392,757
	<b>250,010,196</b>	<b>432,868,491</b>

**19 INTEREST PAID ON DEPOSITS, BORROWINGS, etc.**

Interest on bank loan	154,517,590	131,623,486
Interest on JICA fund	212,531	660,571
Interest on women entrepreneur fund	28,594	85,250
Interest on SMEDP2 fund	-	8,472
Interest on financing brick kiln efficiency project	2,228,327	2,559,943
Interest on term deposits	343,031,392	467,923,630
Interest on money at call & short notice	40,838,478	46,294,295
Interest on cash security deposit	791,893	1,665,497
Interest on preference share	(5,818,210)	3,717,293
Bank charges	193,356	143,845
Interest on lease rent	446,546	237,839
<b>Total</b>	<b>536,470,497</b>	<b>654,920,121</b>

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

Union Capital Limited	536,470,497	654,920,121
UniCap Securities Limited	31,791,830	43,802,916
UniCap Investments Limited	261,197,544	5,494,408
	829,459,871	704,217,445
Less: Inter-company transactions	271,750,503	24,392,757
	<b>557,709,368</b>	<b>679,824,688</b>

**20 INVESTMENT INCOME**

Capital gain/(loss) on sale of securities	312,434	1,458,955
Dividend income	1,046,500	2,059,210
<b>Total</b>	<b>1,358,934</b>	<b>3,518,165</b>

**20.a INVESTMENT INCOME (consolidated)**

Union Capital Limited	1,358,934	3,518,165
UniCap Securities Limited	3,584,281	6,601,297
UniCap Investments Limited	2,967,865	7,365,727
	7,911,080	17,485,189
Less: Inter-company transactions	-	-
	<b>7,911,080</b>	<b>17,485,189</b>



Union Capital Limited  
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As at and for the period ended 30 September 2023

Figures in BDT

For the period ended	30-Sep-23	30-Sep-22
<b>21 FEES, COMMISSIONS, EXCHANGE AND BROKERAGE</b>		
Processing and documentation fees	225,207	187,247
Renewals and proceeds	45,569	576,359
<b>Total</b>	<b>270,776</b>	<b>763,606</b>
<b>21.a FEES, COMMISSIONS, EXCHANGE AND BROKERAGE (consolidated)</b>		
Union Capital Limited	270,776	763,606
UniCap Securities Limited	54,913,480	107,516,955
UniCap Investments Limited	8,056,129	15,816,818
	<b>63,240,385</b>	<b>124,097,379</b>
<b>22 OTHER OPERATING INCOME</b>		
Recoveries of loans written off	14,261,907	18,524,218
<b>Total</b>	<b>14,261,907</b>	<b>18,524,218</b>
<b>22.a OTHER OPERATING INCOME (consolidated)</b>		
Union Capital Limited	14,261,907	18,524,218
UniCap Securities Limited	869,442	1,014,649
UniCap Investments Limited	221,270	263,293
	<b>15,352,619</b>	<b>19,802,160</b>
Less: Inter-company transactions	-	-
	<b>15,352,619</b>	<b>19,802,160</b>
<b>23 SALARIES AND OTHER EMPLOYEE BENEFITS</b>		
Salaries & allowances	66,145,003	69,340,137
<b>Total</b>	<b>66,145,003</b>	<b>69,340,137</b>
<b>23.a SALARIES AND OTHER EMPLOYEE BENEFITS (consolidated)</b>		
Union Capital Limited	66,145,003	69,340,137
UniCap Securities Limited	49,778,387	51,277,314
UniCap Investments Limited	11,228,605	14,925,753
<b>Total</b>	<b>127,151,995</b>	<b>135,543,204</b>
<b>24 RENT, TAXES, INSURANCE, ELECTRICITY etc.</b>		
Office rent, rates and taxes	-	-
Insurance	704,596	439,696
Power and electricity	968,396	1,335,728
<b>Total</b>	<b>1,672,992</b>	<b>1,775,424</b>
<b>24.1 DISCLOSURE RELATED TO RENT, RATE AND TAXES:</b>		
Actual rent expenses	1,726,950	1,627,728
Less: Reclassification of rent expenses (as per IFRS 16:)	1,726,950	1,627,728
<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	1,672,992	1,775,424
UniCap Securities Limited	1,122,051	1,069,444
UniCap Investments Limited	436,280	412,769
<b>Total</b>	<b>3,231,322</b>	<b>3,257,637</b>



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

For the period ended	30-Sep-23	30-Sep-22
<b>24.a.1 DISCLOSURE RELATED TO RENT, RATE AND TAXES:</b>		
Actual rent , taxes, insurance, electricity		
Union Capital Limited	3,399,942	3,403,152
UniCap Securities Limited	11,274,309	11,344,275
UniCap Investments Limited	2,301,188	2,618,394
Less: Reclassification of rent expenses (as per IFRS 16:)		
Union Capital Limited	1,726,950	1,627,728
UniCap Securities Limited	10,152,258	10,274,831
UniCap Investments Limited	1,864,908	2,205,624
<b>Total</b>	<b>3,231,322</b>	<b>3,257,637</b>
<b>25 LEGAL EXPENSES</b>		
Court fees	-	-
Legal Expenses	64,111	-
Professional Fees	1,065,853	1,006,748
<b>Total</b>	<b>1,129,964</b>	<b>1,006,748</b>
<b>25.a LEGAL EXPENSES (consolidated)</b>		
Union Capital Limited	1,129,964	1,006,748
UniCap Securities Limited	-	-
UniCap Investments Limited	88,873	122,078
<b>Total</b>	<b>1,218,837</b>	<b>1,128,826</b>
<b>26 POSTAGE, STAMP, TELECOMMUNICATION etc.</b>		
Postage	37,076	50,042
Telegram, telex, fax and e-mail	674,754	598,219
Telephone - office	341,036	381,372
<b>Total</b>	<b>1,052,866</b>	<b>1,029,633</b>
<b>26.a POSTAGE, STAMP, TELECOMMUNICATION etc. (consolidated)</b>		
Union Capital Limited	1,052,866	1,029,633
UniCap Securities Limited	1,938,755	2,207,530
UniCap Investments Limited	457,751	415,018
<b>Total</b>	<b>3,449,372</b>	<b>3,652,181</b>
<b>27 STATIONERY, PRINTING, ADVERTISEMENTS etc.</b>		
Printing and stationery	674,837	746,069
Advertisement	577,157	691,505
<b>Total</b>	<b>1,251,994</b>	<b>1,437,574</b>
<b>27.a STATIONERY, PRINTING, ADVERTISEMENTS etc.(consolidated)</b>		
Union Capital Limited	1,251,994	1,437,574
UniCap Securities Limited	786,717	1,300,467
UniCap Investments Limited	180,275	181,527
<b>Total</b>	<b>2,218,987</b>	<b>2,919,568</b>



**Union Capital Limited**  
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Figures in BDT

For the period ended	30-Sep-23	30-Sep-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 September 2023.

**29 DIRECTORS' FEES**

Total fees paid	220,000	150,000
<b>Total</b>	<b>220,000</b>	<b>150,000</b>

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

Union Capital Limited	220,000	150,000
UniCap Securities Limited	12,500	18,750
UniCap Investments Limited	84,000	12,500
<b>Total</b>	<b>316,500</b>	<b>181,250</b>

**30 DEPRECIATION AND REPAIR OF ASSETS**

Depreciation of fixed assets-freehold	10,541,010	13,333,135
Depreciation of right-of-use assets	1,263,091	1,267,080
Amortization of intangible assets	181,782	137,627
Repairs and maintenance of assets	46,890	71,488
<b>Total</b>	<b>12,032,773</b>	<b>14,809,330</b>

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

Union Capital Limited	12,032,773	14,809,330
UniCap Securities Limited	9,307,954	9,875,266
UniCap Investments Limited	3,380,161	3,157,622
<b>Total</b>	<b>24,720,888</b>	<b>27,842,218</b>

**31 OTHER EXPENSES**

HR development	11,500	-
Travelling and conveyance	2,245,830	1,722,455
Office expenses	1,382,004	6,774,303
Motor vehicle fuel expenses	602,743	424,403
Motor vehicle spare part expenses	197,791	578,285
Subscription and fees	1,854,158	2,002,632
Books, magazines, newspapers, etc	11,172	9,160
AGM expenses	-	272,130
Entertainment and public relation & others	111,734	308,221
Staff Welfare	2,987,537	3,488,739
<b>Total</b>	<b>9,404,469</b>	<b>15,580,328</b>



Union Capital Limited  
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Figures in BDT

For the period ended	30-Sep-23	30-Sep-22
<b>31.a OTHER EXPENSES (consolidated)</b>		
Union Capital Limited	9,404,469	15,580,328
UniCap Securities Limited	11,607,974	19,967,740
UniCap Investments Limited	1,898,674	1,188,779
	22,911,117	36,736,847
Less: Inter-company transactions	-	-
<b>Total</b>	<b>22,911,117</b>	<b>36,736,847</b>

**32 RECEIPTS FROM OTHER OPERATING ACTIVITIES**

Renewals and proceeds	45,569	576,359
<b>Total</b>	<b>45,569</b>	<b>576,359</b>

**33 PAYMENTS FOR OTHER OPERATING ACTIVITIES**

Travelling and conveyance	2,245,830	1,722,455
Motor vehicle expenses	800,534	1,002,688
Subscription and fees	1,854,158	2,002,632
Office expenses	1,382,004	6,774,303
Books, magazines, newspapers, etc	11,172	9,160
Entertainment and public relation & staff welfare	3,099,271	3,796,960
<b>Total</b>	<b>9,404,469</b>	<b>15,580,328</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**

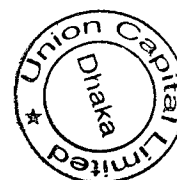
Earnings Per Share (EPS) is calculated in accordance with International Accounting Standard 33: *Earnings Per Share* which has been shown on the face of Profit and Loss account. EPS for the third quarter ended 2023 has been decreased from the same period of previous year due to decreasing interest income resulting from downgradation of 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	(1,259,672,431)	(983,408,334)
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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>(7.30)</b>	<b>(5.70)</b>



**Union Capital Limited**  
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Figures in BDT

For the period ended	30-Sep-23	30-Sep-22
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**34.a EARNINGS PER SHARE (consolidated)**

**Profits attributable to ordinary shareholders**

Net profit for the period (consolidated)	(1,275,247,427)	(942,523,622)
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EPS for the period ended 30 September 2023 has been decreased from the same period of previous year due to i) decreasing interest income due to downgradation of non-performing loans, ii) increasing provision requirement for downgradation of non-performing loans and iii) decreasing brokerage commission due to sluggish trend in capital market.

**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- consolidated</b>	<b>(7.39)</b>	<b>(5.46)</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	4,572,908	4,599,231
Accounting profit before tax	(1,255,099,523)	(978,809,103)
<b>Average effective tax rate</b>	<b>-0.36%</b>	<b>-0.47%</b>

**35.1 RECONCILIATION OF EFFECTIVE TAX RATE**

		2023	2022
Profit/(loss) before income tax as per profit & loss account		(1,255,099,523)	(978,809,103)
Income tax as per applicable tax rate	37.50%	-	-
Effect of deferred tax	-0.36%	4,572,908	4,599,231
<b>Reported average effective tax rate &amp; total tax expenses</b>	<b>-0.36%</b>	<b>4,572,908</b>	<b>4,599,231</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*.

Tax expenses	15,979,354	36,731,601
Accounting profit before tax	(1,259,268,142)	(905,792,011)
<b>Average effective tax rate</b>	<b>-1.27%</b>	<b>-4.06%</b>

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

		2023	2022
Profit/(loss) before income tax as per profit & loss account		(1,259,268,142)	(905,792,011)
Income tax as per applicable tax rate	35.83%	-	-
Net inadmissible expenses (including prior years' adjustments)	-0.25%	3,180,574	12,991,834
Tax saving from reduced tax rates (from 0% to 20% for exempted investments income, dividend income, capital	-0.63%	7,911,080	17,485,189
Effect of deferred tax	-0.39%	4,887,700	6,254,578
<b>Reported average effective tax rate &amp; total tax expenses</b>	<b>-1.27%</b>	<b>15,979,354</b>	<b>36,731,601</b>



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

**36 NET OPERATING CASH FLOWS PER SHARE**

Net cash flows from operating activities	381,004,697	264,554,767
Total number of ordinary shares outstanding	172,573,843	172,573,843
<b>Net operating cash flows per share</b>	<b>2.21</b>	<b>1.53</b>

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

Net cash flows from operating activities	375,648,953	105,636,158
Total number of ordinary shares outstanding	172,573,843	172,573,843
<b>Net operating cash flows per share</b>	<b>2.18</b>	<b>0.61</b>

During the first nine 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 September 2023.

**37 NET ASSET VALUE PER SHARE (NAV)**

	<b>2023</b>	<b>2022</b>
Net asset (total assets less total liabilities)	(3,918,491,127)	(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>(22.71)</b>	<b>(15.41)</b>

During the period ended 30 September 2023, NAV has been decreased from previous year due to incurring net loss after tax of about Tk. 125.97 crore and the main reasons for this loss are extra provision required for downgradation of NPL, less interest income resulting from increased NPL and no new disbursement during the period.

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

Net asset (total assets less total liabilities)	(4,011,617,332)	(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>(23.25)</b>	<b>(15.86)</b>

**38 (INCREASE)/DECREASE IN OTHER ASSETS**

Accrued interest	7,539,417	3,387,686
Advance office rent	-	(378,500)
Advance to employees	-	(90,000)
Receivable from brokerage houses against sale of shares	1,859,111	(5,760,224)
Others	(6,736,345)	87,405,837
	<b>2,662,183</b>	<b>84,564,799</b>

**39 INCREASE/(DECREASE) IN OTHER LIABILITIES** **223,859,578** **560,701,378**



Union Capital Limited  
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For the period ended	30-Sep-23	30-Sep-22
<b>40 RECONCILIATION OF NET PROFIT WITH CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit after tax	(1,259,672,431)	(983,408,334)
Items not involved in cash movement:		
Add: Depreciation	11,985,883	14,737,842
Add: Provision for loans and investments	852,854,036	608,958,811
Add/ (Less): Accrued expenses	295,441,081	279,586,967
Add/ (Less): Accrued Income	(2,985,843)	140,777,565
Add/(Less): Loss/(gain) on sale of share	(312,434)	(1,458,955)
Increase/(Decrease) in employee gratuity	(4,056,254)	2,025,060
Increase/(Decrease) in Deferred tax	4,572,908	4,599,231
<b>Adjustments to reconcile net profit after tax to net cash provided by operating activities</b>	<b>(102,173,054)</b>	<b>65,818,187</b>
<b>Increase/decrease in operating assets and liabilities</b>		
(Increase)/decrease in loans, advances	449,647,979	123,599,106
(Increase)/decrease in other assets	2,662,183	573,810
(Increase)/decrease in non-banking assets	-	84,030,845
Increase/(decrease) in term & other deposits	(183,420,332)	(530,441,453)
Increase/(decrease) in short term borrowing	(7,650,000)	(29,040,283)
Increase/(decrease) in payable and accrued expenses	(258,993,334)	288,352,718
Increase/(decrease) in income tax	(1,921,657)	(3,038,065)
Increase/(decrease) in interest suspenses	482,852,912	264,699,902
	<b>483,177,751</b>	<b>198,736,580</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>381,004,697</b>	<b>264,554,767</b>

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

Net profit after tax	(1,275,247,496)	(942,523,612)
Items not involved in cash movement:		
Add: Depreciation	23,768,656	26,940,544
Add: Provision for loans and investments	852,854,036	608,958,811
Add: Provision for taxation	11,091,654	30,477,023
Add/ (Less): Accrued expenses	289,262,939	270,979,281
Add/ (Less): Accrued Income	12,722,477	8,469,866
Add/(Less): Loss/(gain) on sale of share	(2,630,755)	(11,152,966)
Increase/(Decrease) in employee gratuity	(4,859,359)	868,051
Increase/(Decrease) in Deferred tax	4,887,700	6,254,578
<b>Adjustments to reconcile net profit after tax to net cash provided by operating activities</b>	<b>(88,150,150)</b>	<b>(728,424)</b>
<b>Increase/decrease in operating assets and liabilities</b>		
(Increase)/decrease in loans, advances	664,761,902	32,514,136
(Increase)/decrease in other assets	6,384,700	55,022,948
(Increase)/decrease in non-banking assets	-	84,030,845
Increase/(decrease) in term & other deposits	(183,420,332)	(251,050,615)
Increase/(decrease) in short term borrowing	(7,650,000)	(29,040,283)
Increase/(decrease) in payable and accrued expenses	(483,229,567)	(24,231,120)
Increase/(decrease) in income tax	(15,900,512)	(25,581,231)
Increase/(decrease) in portfolio investments fund	-	-
Increase/(decrease) in interest suspenses	482,852,912	264,699,902
	<b>463,799,103</b>	<b>106,364,582</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>375,648,954</b>	<b>105,636,158</b>





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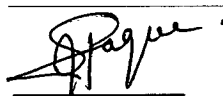
For the period ended **30-Sep-23** **30-Sep-22**

**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.

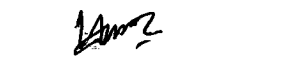
Union Capital also takes term deposits from its related parties. The rates on the term deposits offered to them are also similar to those offered to other depositors. Total exposure with the related parties as at 30 September 2023 was as under:

Name of the related party	Relationship	Nature of transaction	30-Sep-23	31-Dec-22
Progressive Life Insurance Co. Ltd.	Father of Waqar A. Choudhury, Director, is a Director of Progressive life insurance	Term deposit	112,094,994	112,914,698
Vanguard AML BD Finance Mutual	Common Directors	Term deposit	15,378,333	15,075,000
Vanguard AML Rupali Bank Balanc	Common Directors	Term deposit	22,204,418	34,144,529
UniCap Securities Limited	Subsidiary Company	Inter-company	131,687,595	158,149,033
UniCap Investments Limited	Subsidiary Company	Inter-company	5,665,034,379	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 September 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 30 <sup>th</sup> September 2023	Charged during the period/ year	Disposal/ adjustment during the period/ year	
<b>Freehold assets</b>								
Office space	415,891,104	-	-	2.50%	415,891,104	7,797,960	-	375,168,426
Furniture and fixtures	9,329,071	-	-	20%	9,329,071	865,324	-	1,087,979
Office decoration	18,427,353	-	-	33%	18,427,353	141,670	-	21,507
Electrical equipment	30,588,523	-	-	20%	30,588,523	1,341,900	-	2,148,389
Owned vehicles	13,055,597	-	-	20%	13,055,597	394,158	-	227,647
Software	2,310,528	-	-	20%	2,310,528	181,781	-	520,866
Mobile Phone	452,600	-	-	20%	452,600	-	-	24
Staff appliance	-	-	-	20%	-	-	-	-
	<b>490,054,776</b>	-	-		<b>490,054,776</b>	<b>10,722,792</b>	-	<b>379,174,839</b>
<b>Leasehold assets</b>								
Right-of-use assets	14,561,441	111,539	-	lease term	14,672,980	1,263,091	-	7,828,297
As at 30 September 2023	504,616,217	111,539	-		504,727,756	11,985,883	-	387,003,136
As at 31 December 2022	497,151,185	7,465,032	-		504,616,217	19,348,161	-	398,877,480

**Consolidated Schedule of Fixed assets including land, building, furniture and fixtures**  
**As at 30 September 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 30 <sup>th</sup> September 2023	Charged during the period/ year	Disposal/ adjustment during the period/ year	
<b>Freehold assets</b>								
Office space	415,891,104	-	-	2.50%	415,891,104	7,797,960	-	375,168,425
Furniture and fixtures	13,377,758	-	-	20%	13,377,758	990,807	-	1,196,489
Office decoration	45,571,902	1,690,857	-	33%	47,262,759	778,470	-	2,033,509
Electrical equipment	50,172,935	39,262	-	20%	50,212,197	2,260,079	-	4,005,491
Owned vehicles	21,221,034	-	-	20%	21,221,034	394,158	-	227,647
Software	7,180,358	24,200	-	20%	7,204,558	325,543	-	598,513
Mobile Phone	512,500	-	-	20%	512,500	-	-	44
Staff appliance	-	-	-	20%	-	-	-	-
	<b>553,927,591</b>	<b>1,754,319</b>	-		<b>555,681,910</b>	<b>12,547,017</b>	-	<b>383,230,116</b>
<b>Leasehold assets</b>								
Right-of-use assets	90,740,287	6,864,222	-	lease term	90,581,719	11,221,639	7,022,790	38,956,149
As at 30 September 2023	644,667,878	8,618,541	-		646,283,629	23,768,656	7,022,790.00	422,186,266
As at 31 December 2022	602,164,601	42,503,277	-		644,667,878	35,510,409	-	437,336,382

