3RD QUARTER
FINANCIAL STATEMENTS
AS ON 30 SEPTEMBER, 2018 (UN-AUDITED)

As per regulation 21 of the Dhaka Stock Exchange (Listing) Regulations, 2015, United Finance Limited is pleased to publish its 3rd Quarter Financial Statements (un-audited).

UNITED FINANCE LIMITED

- **Deposit Opportunities**
- **Working Capital Solutions**
- **Asset Financing Options**

BALANCE SHEET (UN-AUDITED)
AS AT 30 SEPTEMBER, 2018

(Taka '000)

	30-SEP-18	31-DEC-17
PROPERTY AND ASSETS		
Cash including balance with Bangladesh bank and its agent	308,345	275,644
Balance with banks and other financial institutions	3,478,629	3,813,430
Money at call and short notice	-	-
Investments	954,727	1,180,822
Lease, loans and advances	17,823,668	16,959,820
Fixed assets including furniture and fixtures	252,549	262,651
Other assets	1,630,622	1,451,964
Total assets	**24,448,539**	**23,944,331**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from banks, other financial institutions and agents	1,603,018	2,474,979
Deposits and other accounts	16,631,957	15,609,568
Other liabilities	3,160,476	2,838,882
Total liabilities	**21,395,450**	**20,923,429**
Capital/Shareholders' equity		
Paid-up capital	1,871,146	1,782,044
Statutory reserve	774,000	774,000
Share premium	3,750	3,750
General reserve	191,000	255,000
Retained earnings	213,193	206,108
Total shareholders' equity	**3,053,089**	**3,020,902**
Total liabilities and shareholders' equity	**24,448,539**	**23,944,331**
Net Asset Value per share in Taka	**16.32**	**16.14**
Off Balance Sheet items		
Contingent liabilities	**3,465**	**32,500**

CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER, 2018

(Taka '000)

	30-SEP-18	30-SEP-17
CASH FROM OPERATING ACTIVITIES		
Revenue receipts	1,980,764	1,519,421
Dividend receipts	36,893	26,921
Interest payments	(1,163,207)	(751,199)
Payments to employees and suppliers	(492,164)	(470,213)
Payments for other operating activities	(75,941)	(30,762)
Income tax paid	(114,679)	(135,800)
Changes in operating assets and liabilities	(1,034,866)	178,684
	(863,198)	**337,052**
CASH FROM INVESTING ACTIVITIES		
Investment in shares	120,095	(177,969)
Investment in commercial bond	106,000	(104,000)
Purchase of fixed assets	(14,289)	(35,150)
Proceeds from sale of fixed assets	2,348	4,687
	214,155	**(312,432)**
CASH FROM FINANCING ACTIVITIES		
Receipts of long term loans	829,150	422,376
Repayments of long term loans	(337,474)	(264,332)
Dividend paid	(144,734)	(168,286)
	346,942	**(10,242)**
Net increase/(decrease) in cash and cash equivalents	**(302,101)**	**14,378**
Opening cash and cash equivalents	4,089,074	4,399,510
Closing cash and cash equivalents	**3,786,973**	**4,413,888**
Net operating cash flow per share in Taka	**(4.61)**	**1.80**

Note:

1. Net operating cash flow per share decreased on September 30, 2018 due to higher repayment of short term borrowing compared to the same period of last year.

PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER, 2018

(Taka '000)

	JAN-SEP '18	JAN-SEP '17	JUL-SEP'18	JUL-SEP'17
OPERATING INCOME				
Interest income	1,824,169	1,385,715	655,169	478,823
Interest paid on deposits, borrowings, etc.	(1,205,741)	(856,779)	(413,049)	(305,215)
Net interest income	**618,429**	**528,936**	**242,120**	**173,608**
Investment income	87,740	83,879	27,675	29,702
Commission, exchange and brokerage	-	-	-	-
Other operating income	95,301	101,337	29,994	28,826
Total operating income (A)	**801,470**	**714,152**	**299,790**	**232,136**
OPERATING EXPENSES				
Salaries and allowances	255,170	242,802	85,058	78,904
Rent, taxes, insurance, electricity, etc.	38,528	43,746	15,204	14,548
Legal expenses	9,706	10,284	3,061	2,734
Postage, stamp, telecommunication, etc.	6,665	6,171	1,954	2,054
Stationery, printing, advertisements, etc.	3,522	3,207	875	910
Managing Director's salary and benefits	7,324	6,697	2,192	2,273
Directors' fees	288	204	115	70
Auditors' fees	259	227	86	73
Charges on loan losses	-	-	-	-
Depreciation and repair of assets	34,432	34,384	10,185	13,842
Other expenses	42,006	30,866	13,254	6,993
Total operating expenses (B)	**397,901**	**378,587**	**131,984**	**122,400**
Profit before provision against lease, loans and advances (C=A-B)	**403,569**	**335,564**	**167,806**	**109,736**
Provision for lease, loans and advances	60,000	45,000	10,000	15,000
Provision for diminution in value of investments	-	-	-	-
Other provisions	-	-	-	-
Total provision (D)	**60,000**	**45,000**	**10,000**	**15,000**
Operating profit before tax E=(C-D)	**343,569**	**290,564**	**157,806**	**94,736**
Provision for taxation (F)	133,178	111,000	51,840	36,477
Net profit after tax (E-F)	**210,391**	**179,564**	**105,967**	**58,260**
Appropriations				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
	-	-	-	-
Retained surplus	**210,391**	**179,564**	**105,967**	**58,260**
Earnings Per Share in Taka	**1.12**	**0.96**	**0.57**	**0.31**

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER, 2018

(Taka '000)

Particulars	Share Capital	Statutory Reserve	Share Premium	General Reserve	Retained Earnings	Total
Balance as at 31 December, 2017	1,782,044	774,000	3,750	255,000	206,108	3,020,902
Cash dividend paid for the year 2017	-	-	-	-	(178,204)	(178,204)
Stock dividend for the year 2017	89,102	-	-	-	(89,102)	-
Net profit for third quarter ended 2018	-	-	-	-	210,391	210,391
Appropriation made during the year	-	-	-	(64,000)	64,000	-
Balance as at 30 September, 2018	**1,871,146**	**774,000**	**3,750**	**191,000**	**213,193**	**3,053,089**
Balance as at 30 September, 2017	**1,782,044**	**722,700**	**3,750**	**255,000**	**180,771**	**2,944,265**

Chief Financial Officer | Company Secretary | Managing Director

Director | Chairman

Notes to the Financial Statements (Unaudited)
For the third quarter ended 30 September 2018

1. Basis of preparation

The Financial Statements have been prepared in condensed form in accordance with the requirements of Bangladesh Accounting Standard (BAS)-34 "Interim Financial Reporting", Bangladesh Financial Reporting Standards (BFRSs), the provisions of the Securities & Exchange Rules 1987, the requirements of the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank and the Companies Act 1994.

1.1 Statement of compliance

The financial statements are complied with Bangladesh Financial Reporting Standards (BFRSs), the requirements of the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the provisions of the Securities & Exchange Rules 1987 and the Financial Reporting Act 2015.

1.2 Comparative information

Last year's figures and account titles have been rearranged to conform current year's presentation in accordance with the Bangladesh Bank DFIM Circular no. 11 dated December 23, 2009.

1.3 Reporting currency

The figures appearing in these financial statements have been rounded off to the nearest thousand of Taka.

1.4 Off-Balance sheet items

Off-Balance Sheet items represent guarantees issued to banks for opening letter of credit for equipment and machinery.

2.0 Investment in marketable securities **Taka '000**

Business Segment	No. of shares in '000	Cost price	Market price
Insurance	4,200	15,000	105,840

Investments in marketable securities are valued at cost at the Balance Sheet date. As of September 30, 2018, there was Taka 90,840 gross unrealised gain on investment in marketable securities.

3.0 Composition of Shareholders' Equity:

Particulars	No. of shares in '000	Face value	Taka '000
Paid-up Capital	187,115	10	1,871,146
Share Premium			3,750
Preference Share Capital			NIL
Statutory Reserve			774,000
General Reserve			191,000
Retained Earnings			213,193
Total Shareholders' Equity			**3,053,089**

Date of issue & other information:

Date	Types of paid-up capital	No. of shares in '000	Face value per share	Taka '000
27-04-1989	Sponsors Share Capital	7	100	700
23-11-1989	Sponsors Share Capital	618	100	61,800
27-03-1994	Initial Public Offering	75	100	7,500
18-04-2005	Bonus (100%)	700	100	70,000
20-04-2006	Bonus (50%)	700	100	70,000
25-03-2008	Bonus (10%)	210	100	21,000
31-03-2009	Bonus (14.29%)	330	100	33,000
25-03-2010	Bonus (100%)	2,640	100	264,000
09-06-2011	Bonus (75%)	3,960	100	396,000
	Before split	**9,240**		**924,000**
	After split	**92,400**	10	**924,000**
09-04-2012	Bonus (20%)	18,480	10	184,800
28-03-2013	Bonus (15%)	16,632	10	166,320
10-04-2014	Bonus (10%)	12,751	10	127,512
23-04-2015	Bonus (10%)	14,026	10	140,263
21-04-2016	Bonus (10%)	15,429	10	154,290
27-04-2017	Bonus (5%)	8,486	10	84,859
26-04-2018	Bonus (5%)	8,910	10	89,102
	Paid up capital	**187,115**		**1,871,146**

Taka '000

4.0 Net Asset Value Per Share (NAV):	30-Sep-18	31-Dec-17
Total Shareholders' equity	3,053,089	3,020,902
Number of shares outstanding	187,115	178,204
NAV per share	**16.32**	**16.95**
NAV per share (Restated)	**16.32**	**16.14**

5.0 Earnings Per Share (EPS):	30-Sep-18	30-Sep-17
Net profit after tax	210,391	179,564
Number of shares outstanding	187,115	178,204
EPS	**1.12**	**1.01**
EPS (Restated)	**1.12**	**0.96**

6.0 Net Operating Cash Flow Per Share (NOCFPS):	30-Sep-18	30-Sep-17
Net cash from operating activities	(863,198)	337,052
Number of shares outstanding	187,115	178,204
NOCFPS	**(4.61)**	**1.89**
NOCFPS (Restated)	**(4.61)**	**1.80**

7.0 Reconciliation of Operating Activities of Cash Flows:

Particulars	30-Sep-18	30-Sep-17
Net Profit After Tax	210,391	179,564
Depreciation	22,852	17,594
Provision for lease and loans	60,000	45,000
Provision for taxation	133,178	111,000
Profit on sale of fixed assets	(809)	(691)
Increase in short term loans	(1,363,638)	111,690
Increase in lease and loans	(863,849)	(2,670,655)
Income tax paid	(114,679)	(135,800)
Increase in deposit and other accounts	1,022,389	2,528,100
Increase in other liabilities	94,946	168,816
Increase in other assets	(63,978)	(17,566)
Cash flows from operating activities	**(863,198)**	**337,052**

8.0 Events after the Reporting Period

No other events occurred after the balance sheet date, which could materially affect the amounts or disclosures in these financial statements.

Chief Financial Officer | Company Secretary | Managing Director

AMAR STOCK