

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2011**



**UNITED LEASING**

**1.01 Basis of accounting**

The financial statements have been prepared on a going concern basis following accrual method of accounting except for the cash flow statement. The disclosures have been made in conformity with the Bangladesh Financial Reporting Standards, the Companies Act 1994, the Financial Institutions Act 1993, the Securities and Exchange Commission Rules 1987, the Guidelines from Bangladesh Bank and the Listing Regulation of Dhaka Stock Exchange.

**1.02 Earning per share**

Earning per share has been calculated in accordance with BAS 33 "Earning Per Share". Retrospective recognition has been given in previous year's figure for issuance of bonus shares during the financial year.

**1.03 Non-operating income**

Non-operating income arose from divestment of share of Duncan Properties Pvt. Limited.

**1.04 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.

**1.05 Reporting currency**

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

**1.06 Off-Balance Sheet items**

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

**If undelivered please return to:**

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**HALF YEARLY REPORT 2011  
(UN-AUDITED)**

**BALANCE SHEET (UN-AUDITED)  
AS AT JUNE 30, 2011**

	30-Jun-11 (Taka '000)	31-Dec-10 (Taka '000)
<b>PROPERTY AND ASSETS</b>		
Cash including balance with Bangladesh bank and its agent	115,659	104,358
Balance with banks and other financial institutions	883,582	577,837
Money at call and short notice	-	320,000
Investments	107,609	158,455
Lease, loans and advances	7,930,119	7,594,465
Fixed assets including premises, furniture and fixtures	64,205	42,827
Other assets	600,230	461,817
Non - financial institutional assets	-	-
<b>Total assets</b>	<b>9,701,404</b>	<b>9,259,759</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
Borrowing from banks, other financial institutions and agents	1,005,080	1,360,318
Deposits and other accounts	5,046,735	4,511,632
Other liabilities	1,953,970	1,766,867
<b>Total liabilities</b>	<b>8,005,785</b>	<b>7,638,817</b>
<b>Capital / Shareholders' equity</b>		
Paid-up capital	924,000	528,000
Statutory reserve	380,000	380,000
Share premium	3,750	3,750
General reserve	271,000	271,000
Retained surplus	116,869	438,192
<b>Total shareholders' equity</b>	<b>1,695,619</b>	<b>1,620,942</b>
<b>Total liabilities and shareholders' equity</b>	<b>9,701,404</b>	<b>9,259,759</b>
<b>Net asset value per share (NAV)</b>	<b>183.51</b>	<b>307.00</b>
<b>Restatement of NAV</b> (considering outstanding no. of shares)	<b>183.51</b>	<b>175.43</b>
<b>Off Balance Sheet items</b>		
Contingent liabilities	<b>82,452</b>	<b>34,505</b>

**CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2011**

	30-Jun-11 (Taka '000)	30-Jun-10 (Taka '000)
<b>CASH FROM OPERATING ACTIVITIES</b>		
Revenue receipts	608,936	581,038
Interest payments	(252,633)	(333,224)
Payments to employees and suppliers	(99,753)	(81,673)
Changes in operating assets and liabilities	238,783	358,269
Income tax paid	(158,900)	(55,020)
	<b>336,432</b>	<b>469,389</b>
<b>CASH FROM INVESTING ACTIVITIES</b>		
Other investment	50,845	846
Purchase of fixed assets	(29,436)	(14,326)
Divestment of shares	-	281,260
	<b>21,409</b>	<b>267,780</b>
<b>CASH FROM FINANCING ACTIVITIES</b>		
Receipts of loans	16,355	257,305
Repayment of loans	(371,592)	(180,320)
Cash dividend paid	(5,558)	(15,078)
	<b>(360,795)</b>	<b>61,906</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,954)</b>	<b>799,077</b>
Opening cash and cash equivalents	1,002,195	856,289
<b>Closing cash and cash equivalents</b>	<b>999,241</b>	<b>1,655,366</b>
<b>Net operating cash flow per share</b>	<b>36.41</b>	<b>88.90</b>
<b>Net operating cash flow per share</b> (restated)	<b>36.41</b>	<b>50.80</b>

**PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2011**

	JAN-JUN'11 (Taka '000)	JAN-JUN'10 (Taka '000)	APR-JUN'11 (Taka '000)	APR-JUN'10 (Taka '000)
<b>OPERATING INCOME</b>				
Interest income	555,336	545,043	287,834	273,611
Interest paid on deposits, borrowings, etc.	(263,187)	(304,514)	(129,528)	(152,525)
Net interest income	<b>292,149</b>	<b>240,529</b>	<b>158,306</b>	<b>121,086</b>
Investment income	8,469	5,651	5,407	3,921
Commission, exchange and brokerage	-	-	-	-
Other operating income	45,454	27,141	7,110	17,782
<b>Total operating income (A)</b>	<b>346,072</b>	<b>273,321</b>	<b>170,823</b>	<b>142,789</b>
<b>OPERATING EXPENSES</b>				
Salaries and allowances	52,048	31,188	33,038	19,195
Rent, taxes, insurance, electricity, etc.	21,674	15,755	10,387	8,318
Legal expenses	1,544	1,922	872	906
Postage, stamp, telecommunication, etc.	2,006	1,309	1,114	813
Stationery, printing, advertisements, etc.	1,903	1,445	1,106	810
Managing Director's salary and benefits	2,456	2,410	1,176	1,205
Directors' fees	96	141	68	60
Auditors' fees	68	63	35	31
Charges on loan losses	-	-	-	-
Depreciation and repair of assets	15,296	10,673	9,755	6,195
Other expenses	12,015	15,269	6,483	7,941
<b>Total operating expenses (B)</b>	<b>109,106</b>	<b>80,175</b>	<b>64,034</b>	<b>45,474</b>
<b>Profit before provision against lease, loans and advances (C=A-B)</b>	<b>236,966</b>	<b>193,145</b>	<b>106,789</b>	<b>97,315</b>
Provision against lease, loans and investments	12,500	30,000	(3,412)	15,000
Provision for diminution in value of investments	-	-	-	-
Other provisions	-	-	-	-
<b>Total provision (D)</b>	<b>12,500</b>	<b>30,000</b>	<b>(3,412)</b>	<b>15,000</b>
<b>Operating profit before tax (C-D)</b>	<b>224,466</b>	<b>163,145</b>	<b>103,377</b>	<b>82,315</b>
Non-operating income	-	212,189	-	212,189
<b>Total profit before tax</b>	<b>224,466</b>	<b>375,334</b>	<b>103,377</b>	<b>294,504</b>
Provision for taxation	110,189	124,000	48,355	80,876
<b>Net profit after tax</b>	<b>114,277</b>	<b>251,334</b>	<b>55,022</b>	<b>213,628</b>
<b>Appropriations</b>				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
<b>Retained surplus</b>	<b>114,277</b>	<b>251,334</b>	<b>55,022</b>	<b>213,628</b>
<b>Earnings per share (EPS)</b>	<b>12.37</b>	<b>47.60</b>	<b>10.42</b>	<b>40.46</b>
<b>EPS without non-operating income</b> (restated)	<b>12.37</b>	<b>7.68</b>	<b>5.95</b>	<b>3.60</b>

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2011**

	(Taka '000)				
	Share Capital & Premium	Statutory Reserve	General Reserve	Retained Earnings	Total
Balance as at December 31, 2010	531,750	380,000	271,000	438,192	1,620,942
Cash dividend paid for the year 2010	-	-	-	(39,600)	(39,600)
Stock dividend for the year 2010	396,000	-	-	(396,000)	-
Net profit for half-year ended June 30	-	-	-	114,277	114,277
<b>Balance as at June 30, 2011</b>	<b>927,750</b>	<b>380,000</b>	<b>271,000</b>	<b>116,869</b>	<b>1,695,619</b>
<b>Balance as at June 30, 2010</b>	<b>531,750</b>	<b>300,000</b>	<b>406,000</b>	<b>256,717</b>	<b>1,494,467</b>

Sd/-  
**Syed Ehsan Quadir**  
Managing Director

Sd/-  
**Zafar Ullah Khan, FCA**  
Chief Financial Officer