

UNIVERSAL MERCHANT BANK LIMITED CONDENSED ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

UNIVERSAL MERCHANT BANK LIMITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 GH¢000	2016 GH¢000
Interest Income	461,244	303,330
Interest Expense	(246,769)	(160,267)
Net Interest Income	214,475	143,063
Fees and Commission Income	44,740	31,203
Fees and Commission Expense	(1,028)	(1,983)
Net Fees and Commission Income	43,712	29,220
Net Trading Income	20,412	17,115
Other Operating Income	8,710	6,936
Net Trading and Other Income	29,122	24,051
Total Revenue	287,309	196,334
Impairment Expense	29,805	11,194
Personnel Expense	63,620	50,316
Operating Expense	107,135	91,435
Depreciation and Amortisation	18,124	13,343
Operating Income	68,625	30,046
Other Income	31	341
(Loss) on derecognition of financial Assets at amortised cost	-	(3,000)
Profit Before Tax	68,656	27,387
Share of Associate's (loss)/Profit	(151)	87
Taxation	(20,866)	(7,030)
Profit for the Year	47,639	20,444
Other Comprehensive Income		
Items that are or may be reclassified to profit or loss		
Fair value gain / (loss) of Available for Sale Equity Investments	42	(37)
Deferred tax (charge) on fair value gain	(10)	-
Items that will never be reclassified to profit or loss		
Actuarial gain/ (loss) on defined benefit obligations	27	(1,434)
Deferred tax (charge)/released on actuarial gain and revaluation gain	(7)	359
Total comprehensive income for the year	52	(1,112)
Basic Earnings Per Share (in Gh¢)	7.7161	3.3113
Diluted Earnings Per Share (in Gh¢)	7.7161	3.3113

UNIVERSAL MERCHANT BANK LIMITED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 GH¢000	2016 GH¢000
Profit before taxation	68,656	27,387
Adjustments For:		
Depreciation & amortisation	18,124	13,343
(Gain)/loss on disposal of property and equipment	(1)	-
(Gain)/loss on disposal of de-recognition of financial assets	-	3,000
Allowance for Employee Benefit	895	-
Property and Equipment Adjustment	(171)	-
Profit before working capital changes	87,503	43,730

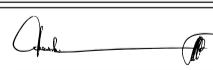
UNIVERSAL MERCHANT BANK LIMITED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2017

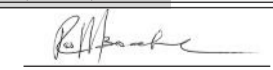
	2017 GH¢000	2016 GH¢000
(Increase)/decrease in investment securities	(198,857)	(405,999)
(Increase)/decrease in loan and advances to banks	(62,745)	(288,038)
(Increase)/decrease in loans & advances to customers	21,945	(112,813)
(Increase)/decrease in other assets accounts	(10,116)	2,838
Increase/(decrease) in deposits from customers	542,846	507,789
Increase/(decrease) in borrowings	(155,586)	578,139
Increase/(decrease) in other liabilities	(237,842)	262,216
Employee benefit paid	(391)	(232)
Cash generated from/(used in) operations	(13,243)	587,630
Corporate tax paid	(22,905)	(4,800)
Net Cash used in operating activities	(36,148)	582,830
Investing activities		
Purchase of property and equipment	(17,427)	(23,000)
Purchase of intangible asset	(4,410)	(13,082)
Proceeds from sale of assets	124	-
Net cash used in investing activities	(21,713)	(36,082)
Increase/ (Decrease) in Cash and Cash Equivalents	(57,861)	546,748
Cash and cash equivalents at 1 January	874,645	329,699
Effect of Exchange Rate Fluctuations	-	(1,802)
Cash and cash equivalents at 31 December	816,784	874,645

There were no cashflows from financing activities.

UNIVERSAL MERCHANT BANK LIMITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	2017 GH¢000	2016 GH¢000
ASSETS		
Cash and Cash Equivalents	816,784	874,645
Investment Securities	862,188	663,331
Loans and Advances to Banks	350,783	288,038
Loans and Advances to Customers	730,961	752,906
Investment in Other Securities	3,268	3,377
Other Assets	142,368	132,252
Property and Equipment	64,848	61,657
Intangible Assets	14,305	13,735
Total Assets	2,985,505	2,789,941
Liabilities		
Deposits from Customers	1,948,855	1,406,009
Borrowings	589,930	745,516
Other Liabilities	229,503	467,345
Current Taxation	687	525
Deferred Tax Liability	276	2,460
Employee Benefit Obligations	3,936	3,459
Total Liabilities	2,773,187	2,625,314
Shareholders' Funds		
Stated Capital	208,800	208,800
Credit Risk Reserve	44,623	39,415
Revaluation Reserves	17,771	17,771
Income Surplus	(109,090)	(127,702)
Statutory Reserve Fund	50,245	26,426
Available for Sale Reserve	(8)	(40)
Other Reserves	(23)	(43)
Total Shareholders' Fund	212,318	164,627
Total Liabilities and Shareholders' Fund	2,985,505	2,789,941


John Awuah
CEO


Ras Boateng
Board Chairperson

UNIVERSAL MERCHANT BANK LIMITED CONDENSED ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017



INDEPENDENT AUDITOR'S REPORT

To the Members of Universal Merchant Bank Limited

Opinion

The condensed financial statements, which comprise the statement of financial position at 31 December 2017, and the statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited financial statements of Universal Merchant Bank Limited for the year ended 31 December 2017.

In our opinion, the accompanying condensed financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis described in the notes.

Condensed Financial Statements

The condensed financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act 1963, (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited financial statements of Universal Merchant Bank Limited. Reading the condensed financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 27 March 2018. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the current period.

Directors' Responsibility for the Condensed Financial Statements

The directors are responsible for the preparation of the condensed financial statements in accordance with the basis described in the notes.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the condensed financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is **Anthony K. Sarpong (ICAG/P/1369)**.

For and on behalf of:
KPMG: (ICAG/F/2018/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELNKPE
P O BOX GP 242
ACCRA

27 March 2018

EXTRACT OF NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Significant Accounting Policy

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738).

2. Quantitative Disclosures

	2017	2016
Capital Adequacy Ratio (CAR)	10.20%	10.30%
Liquidity Ratio	71%	60%
Non-Performing Loans Ratio	17%	10.6%

3. Risk Management

The Bank's activities expose it to a variety of operational and financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the Bank's business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance. The most important types of risk include:

- Credit Risk
- Liquidity Risk
- Market Risk (includes currency, interest rate and other price risk)
- Operational Risk

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established a Risk Oversight Committee and a Risk Department to assist in the discharge of this responsibility.

4. Other Disclosures

	2017	2016
Default in Statutory Liquidity	Nil	Nil
Default in Statutory Liquidity Sanction	Nil	Nil

The Financial Statements in this publication is an extract from the financial statements for the year ended 31st December 2017. The full set of the financial statements is available for inspection at the Bank's Head Office.