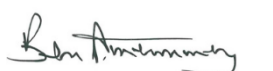



## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30TH JUNE 2019

	June-19 GH¢	June-18 GH¢
Interest Income	174,332,354	234,748,338
Interest Expenses	(84,819,239)	(102,908,953)
<b>Net Interest Income</b>	<b>89,513,115</b>	<b>131,839,385</b>
Commission and Fees Income	21,188,067	24,451,264
Fees and Commissions Expense	(1,347,313)	(2,189,086)
<b>Net Fees and Commissions Income</b>	<b>19,840,754</b>	<b>22,262,178</b>
Net Trading Income	9,960,913	18,221,735
Other Operating Income	4,549,758	1,847
<b>Net Trading Income and Other Operating Income</b>	<b>14,510,670</b>	<b>18,223,582</b>
<b>Total Revenue</b>	<b>123,864,539</b>	<b>172,325,145</b>
Impairment Expense	(1,570,087)	(11,865,878)
Personnel Expenses	(46,800,690)	(40,872,703)
Operating Expenses	(55,867,484)	(58,814,717)
Depreciation and Amortisation	(11,863,252)	(10,307,472)
<b>Net Operating Profit</b>	<b>7,763,026</b>	<b>50,464,375</b>
Other Income	39,315	17,262
<b>Profit Before Tax</b>	<b>7,802,341</b>	<b>50,481,637</b>
Tax Expense	(2,340,702)	(15,144,491)
<b>Profit After Tax</b>	<b>5,461,639</b>	<b>35,337,146</b>
<b>Other Comprehensive Income</b>		
Items that may be reclassified subsequently to Profit and Loss account	-	-
Items that will not be reclassified to Profit and Loss account	-	-
<b>Total Comprehensive Income</b>	<b>5,461,639</b>	<b>35,337,146</b>
Basic Earnings Per Share	0.88	5.72
Diluted Earnings Per Share	0.88	5.72

## UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2019

	June-19 GH¢	June-18 GH¢
<b>ASSETS</b>		
Cash and Cash Equivalents	418,592,930	556,985,278
Investment Securities	282,768,952	745,977,496
Advances to Banks	465,553,240	670,604,514
Loans and Advances to Customers	925,201,820	833,684,996
Investment in Other Securities	3,570,979	3,266,644
Other Assets Accounts	388,158,739	121,715,511
Current Taxation	21,444,009	-
Investment Property	52,229,000	-
Property and Equipment	48,585,847	82,404,696
Intangible Assets	17,937,377	17,632,079
<b>Total Assets</b>	<b>2,624,042,893</b>	<b>3,032,271,214</b>
<b>LIABILITIES &amp; SHAREHOLDERS FUNDS</b>		
<b>LIABILITIES</b>		
Deposits from Customers	1,698,289,512	2,026,562,184
Borrowings	545,393,861	587,080,127
Other Liabilities	122,832,688	162,001,718
Current Tax Liability	-	3,500,935
Deferred Tax Liability	2,038,512	276,637
Employee Benefit Obligations	3,793,920	3,935,531
<b>Total Liabilities</b>	<b>2,372,348,494</b>	<b>2,783,357,132</b>
<b>SHAREHOLDERS' FUNDS</b>		
Stated Capital	208,800,000	208,800,000
Deposit for Shares	-	1,260,000
Revaluation Reserve	21,609,359	17,771,052
Credit Risk Reserve	32,915,466	47,958,324
Statutory Reserve	65,246,693	50,245,193
Other Reserves	1,118,804	(31,801)
Income Surplus	(77,995,923)	(77,088,686)
<b>Total Shareholders' Fund</b>	<b>251,694,398</b>	<b>248,914,082</b>
<b>Total Liabilities &amp; Shareholders' Funds</b>	<b>2,624,042,893</b>	<b>3,032,271,214</b>

  
Benjamin Amenumey  
Ag. CEO

  
Ras Boateng  
Board Chairman

## UNAUDITED CASH FLOW STATEMENTS FOR THE HALF YEAR 30TH JUNE 2019

	June-19 GH¢	June-18 GH¢
Reconciliation of Profit Before Taxation to Cash Generated from Operations		
Profit/(Loss) After Taxation	5,461,639	35,337,146
<b>Adjustments For:</b>		
Depreciation and Amortisation	11,863,252	10,307,472
Impairment on Financial Assets	1,039,236	9,581,214
Net Interest Income	(89,513,115)	(131,839,385)
Income Tax Expense	2,340,702	15,144,491
(Profit)/ Loss on Disposal of Fixed Assets	-	(17,262)
<b>Profit/(Loss) before working capital changes</b>	<b>(68,808,285)</b>	<b>(61,486,324)</b>
(Increase)/decrease in Investment Securities	38,536,997	119,245,972
(Increase)/decrease in Advances to Banks	7,542,568	(329,991,168)
(Increase)/decrease in Loans and Advances to Customers	(177,127,167)	(113,734,092)
(Increase)/decrease in other Assets Accounts	(5,477,060)	21,883,529
Increase/(decrease) in Deposits from Customers	(18,925,921)	91,765,944
Increase/(decrease) in Borrowings	200,667,754	3,232,706
Increase/(decrease) in Other Liabilities	(77,834,007)	(67,500,512)
	(101,425,122)	(336,583,945)
<b>Interest and Taxation</b>		
Interest and Dividend Received	171,469,857	243,311,681
Interest Paid	(85,729,547)	(123,049,744)
Income Tax Paid	(461,709)	(12,331,255)
<b>Net Cash generated from /(used in) Operations</b>	<b>(16,146,521)</b>	<b>(228,653,263)</b>
<b>Investing activities</b>		
Purchase of Property and Equipment	(1,072,325)	(25,282,318)
Purchase of Intangible Asset	(1,720,032)	(5,781,226)
Proceeds from Sale of Assets	-	353,391
<b>Net Cash used in Investing Activities</b>	<b>(2,792,357)</b>	<b>(30,710,153)</b>
<b>Financing Activities</b>		
Deposit for Shares	-	1,260,000
<b>Net Cash generated from /(used in) Financing Activities</b>	<b>-</b>	<b>1,260,000</b>
<b>Increase/(decrease) in Cash and Cash Equivalents</b>	<b>(18,938,878)</b>	<b>(258,103,416)</b>
Cash and Cash Equivalents at 31st Dec	437,531,808	815,552,533
Effect of Exchange Rate Fluctuation	-	(463,839)
<b>Cash and Cash Equivalents at End of Period</b>	<b>418,592,930</b>	<b>556,985,278</b>

## EXTRACTS OF NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2019

### 1. Reporting Entity

Universal Merchant Bank Limited is a Bank incorporated in Ghana. The Bank operates with a Universal Banking license and undertakes all banking services. The address of the Bank's registered office is SSNIT Emporium, Liberation Road, Airport City, Accra.

### 2. 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 Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

### 3. Going Concern and Subsequent Events

The Bank of Ghana (BoG) issued a directive increasing the minimum capital requirement (MCR) to GH¢ 400 million in 2017 with effective compliance by 31 December 2018. The Bank commenced efforts to meet this requirement but the processes were not completed by the deadline. Consequently, as at 31 December 2018, the Bank had not met the MCR.

The Government of Ghana in an effort to support qualifying indigenous banks established Ghana Amalgamated Trust Plc. (GAT) to raise funds and invest in qualifying banks that could not meet the MCR. The Bank is among the banks that qualified to receive the support.

In December 2018, GAT and the Bank signed a provisional agreement to enable GAT invest relevant amount in the equity of the Bank. Bank of Ghana in January 2019, announced that it has evidence of commitment that there has been moves to support the qualifying banks to meet the MCR. Consequently, the Bank is allowed to operate while the GAT complete its investment processes.

The Directors believe that GAT's investment in the bank will be completed before the end of 2019. This belief is based on executed preliminary investment agreement with GAT, confirmation of the commitment of GAT by BoG in January 2019, the parliamentary approval of sovereign guarantee for GAT and other activities undertaken by GAT. The Directors believe that the Bank will be able to realise its assets and settle its maturing obligations in the normal course of business.

### 4. Quantitative Disclosures

	2019	2018
Capital Adequacy Ratio	11.49%	11.45%
Gross Non-Performing Loan Ratio	13.89%	15.63%

### 5. 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.

### 6. Other Disclosures

	2019	2018
Default in Statutory Liquidity	3 times	Nil
Default in Statutory Liquidity Sanction	Nil	Nil