

UMB-UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	September-19 GH¢	September-18 GH¢
Interest Income	261,741,293	347,213,739
Interest Expenses	(132,840,783)	(150,161,926)
Net Interest Income	128,900,510	197,051,813
Commission and Fees Income	30,862,566	36,671,633
Fees and Commissions Expense	(2,162,650)	(3,019,958)
Net Fees and Commissions Income	28,699,916	33,651,675
Net Trading Income	15,639,953	21,161,909
Other Operating Income	4,559,919	261,967
Net Trading Income and Other Operating Income	20,199,872	21,423,876
Total Revenue	177,800,298	252,127,364
Impairment Expense	15,199,373	(18,860,804)
Personnel Expenses	(71,974,168)	(63,357,581)
Operating Expenses	(91,688,840)	(90,180,413)
Depreciation and Amortisation	(17,006,068)	(15,888,778)
Net Operating Profit	12,330,595	63,839,788
Other Income	107,403	62,024
Profit Before Tax	12,437,998	63,901,812
Tax Expense	(3,731,399)	(19,170,544)
Profit After Tax	8,706,599	44,731,268
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to Profit and Loss account</i>	-	-
<i>Items that will not be reclassified to Profit and Loss account</i>	-	-
Total Comprehensive Income	8,706,599	44,731,268
<i>Basic Earnings Per Share</i>	1.41	7.24
<i>Diluted Earnings Per Share</i>	1.41	7.24

UNAUDITED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	September-19 GH¢	September-18 GH¢
Reconciliation of loss before taxation to cash generated from operations		
Profit/(Loss) after taxation	8,706,598	44,731,269
Adjustments For:		
Depreciation and Amortisation	17,006,068	15,888,778
Impairment on Financial Assets	(15,730,223)	15,422,023
Net Interest Income	(128,900,510)	(197,051,813)
Income Tax Expense	3,731,399	19,170,544
(Profit)/ Loss on Disposal of Fixed Assets	-	(17,262)
Profit/(Loss) before working capital changes	(115,186,668)	(101,856,461)
(Increase)/decrease in Investment Securities	20,495,752	436,959,207
(Increase)/decrease in Advances to Banks	5,180,925	14,292,103
(Increase)/decrease in Loans and Advances to Customers	(195,502,760)	(227,636,248)
(Increase)/decrease in Other Assets Accounts	(15,426,975)	(28,570,488)
Increase/(decrease) in Deposits from Customers	(26,795,655)	(260,466,728)
Increase/(decrease) in Borrowings	180,668,981	(160,421,441)
Increase/(decrease) in Other Liabilities	(93,979,469)	(69,268,678)
	(240,545,869)	(396,968,734)
Interest and Taxation		
Interest and Dividend Received	248,070,009	356,886,693
Interest Paid	(136,563,674)	(174,624,070)
Income Tax Paid	(923,417)	(18,496,882)
Net Cash generated from / (used in) Operations	(129,962,951)	(233,202,993)
Investing Activities		
Purchase of Property and Equipment	(2,693,050)	(24,296,540)
Purchase of Intangible Asset	(1,991,743)	(10,033,432)
Proceeds from Sale of Assets	-	353,391
Net Cash used in Investing Activities	(4,684,793)	(33,976,581)
Financing Activities		
Increase in Stated Capital	248,713,977	-
Deposit for Shares	-	1,260,000
Net Cash used in Financing Activities	248,713,977	1,260,000
Increase/(decrease) in Cash and Cash Equivalents	114,066,232	(265,919,574)
Cash and Cash Equivalents at 31st December	437,531,808	815,552,533
Cash and Cash Equivalents at End of Period	551,598,040	549,632,959

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	September-19 GH¢	September-18 GH¢
ASSETS		
Cash and Cash Equivalents	551,598,040	549,632,959
Investment Securities	311,593,945	424,952,149
Advances to Banks	481,259,460	333,496,732
Loans and Advances to Customers	947,761,602	943,948,843
Investment in Other Securities	3,570,979	3,266,644
Other Assets Accounts	398,108,656	164,284,967
Current Taxation	20,515,020	-
Investment Property	52,229,000	-
Property and Equipment	46,681,883	77,203,544
Intangible Assets	16,590,963	20,763,587
Total Assets	2,829,909,548	2,517,549,425
LIABILITIES & SHAREHOLDERS' FUND		
LIABILITIES		
Deposits from Customers	1,693,123,801	1,665,682,963
Borrowings	519,878,483	427,751,175
Other Liabilities	107,421,497	160,233,553
Current Tax Liability	-	1,361,360
Deferred Tax Liability	2,038,512	276,637
Employee Benefit Obligations	3,793,920	3,935,531
Total Liabilities	2,326,256,213	2,259,241,219
SHAREHOLDERS' FUND		
Stated Capital	457,513,977	208,800,000
Deposit for Shares	-	1,260,000
Revaluation Reserve	21,609,359	17,771,052
Credit Risk Reserve	41,931,727	86,366,677
Statutory Reserve	65,246,693	50,245,193
Other Reserves	1,118,804	(31,800)
Income Surplus	(83,767,225)	(106,102,916)
Total Shareholders' Fund	503,653,335	258,308,205
Total Liabilities & Shareholders' Fund	2,829,909,548	2,517,549,425

Signed
.....
Benjamin Amenumey
Ag. CEO

Signed
.....
Ras Boateng
Board Chairman

EXTRACTS OF NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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 has principally completed the equity investment process with GAT and has therefore met the minimum capital requirement of Ghc400 million.

4 Quantitative Disclosures

	2019	2018
Capital Adequacy Ratio	22.72%	10.04%
Gross Non-Performing Loan Ratio	14.20%	25.39%

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	15 times	Nil
Default in Statutory Liquidity Sanction	Nil	Nil