

UMB-UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2020

	March-20 GH¢	March-19 GH¢
Interest Income	74,590,116	88,044,104
Interest Expenses	(36,088,641)	(40,402,693)
Net Interest Income	38,501,475	47,641,411
Commission and Fees Income	9,680,779	9,602,810
Fees and Commissions Expense	(578,603)	(703,090)
Net Fees and Commissions Income	9,102,176	8,899,720
Net Trading Income	3,804,180	5,744,901
Other Operating Income	2,640,081	-
Net Trading Income and Other Operating Income	6,444,261	5,744,901
Total Revenue	54,047,912	62,286,032
Impairment Expense	6,876,528	(531,874)
Personnel Expenses	(23,013,482)	(23,340,583)
Operating Expenses	(25,153,582)	(29,410,304)
Depreciation and Amortization	(4,955,333)	(6,780,312)
Net Operating Profit	7,802,043	2,222,959
Other Income	259,478	3,866
Profit Before Tax	8,061,521	2,226,825
Tax Expense	(2,418,456)	(668,048)
Profit After Tax	5,643,065	1,558,777
Other Comprehensive Income		
Items that may be reclassified subsequently to Profit and loss account	-	-
Items that will not be reclassified to Profit and Loss account	-	-
Total Comprehensive Income	5,643,065	1,558,777
Basic Earnings Per Share	0.50	0.25
Diluted Earnings Per Share	0.50	0.25

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	March-20 GH¢	March-19 GH¢
ASSETS		
Cash and Cash Equivalents	384,760,173	396,196,520
Investment Securities	318,517,380	360,980,802
Advances to Banks	537,641,940	470,797,043
Loans and Advances to Customers	889,744,513	818,732,294
Investment in Other Securities	6,579,615	3,570,979
Other Assets Accounts	404,636,807	334,194,283
Current Taxation	22,539,935	22,654,955
Investment Property	111,961,952	52,229,000
Property and Equipment	45,796,282	51,354,928
Intangible Assets	14,947,688	18,838,603
Total Assets	2,737,126,285	2,529,549,407
LIABILITIES & SHAREHOLDERS FUNDS		
LIABILITIES		
Deposits from Customers	1,843,839,971	1,673,101,591
Borrowings	283,948,825	457,561,727
Other Liabilities	159,867,417	145,262,119
Deferred Tax Liability	4,049,812	2,038,512
Employee Benefit Obligations	4,610,081	3,793,920
Total Liabilities	2,296,316,105	2,281,757,870
SHAREHOLDERS' FUNDS		
Stated Capital	457,513,977	208,800,000
Revaluation Reserve	21,609,359	21,609,359
Credit Risk Reserve	8,800,919	-
Statutory Reserve	65,246,693	65,246,693
Other Reserves	3,638,644	1,118,804
Income Surplus	(115,999,413)	(48,983,319)
Total Shareholders Fund	440,810,180	247,791,537
Total Liabilities & Shareholders Funds	2,737,126,285	2,529,549,407

Signed
Benjamin Amenumey
Chief Executive Officer

Signed
Ras Boateng
Board Chairman

UNAUDITED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

	March-20 GH¢	March-19 GH¢
Reconciliation of loss before taxation to cash generated from operations		
Profit/(Loss) after taxation	5,643,065	1,558,777
Adjustments For:		
Depreciation and Amortisation	4,955,333	6,780,312
Impairment on Financial Assets	(6,876,528)	49,003
Net Interest Income	(38,501,475)	(47,641,411)
Income Tax Expense	2,418,456	668,048
(Profit)/ Loss on Disposal of Fixed Assets	(193,204)	-
Profit/(Loss) before working capital changes	(32,554,354)	(38,585,271)
(Increase)/decrease in Investment Securities	19,412,567	(27,194,323)
(Increase)/decrease in Advances to Banks	(69,838,342)	11,610,454
(Increase)/decrease in Loans and Advances to Customers	(9,493,009)	(75,355,796)
(Increase)/decrease in Other Assets Accounts	(16,288,496)	48,487,395
Increase/(decrease) in Deposits from Customers	20,826,868	(41,372,466)
Increase/(decrease) in Borrowings	(22,362,913)	112,728,087
Increase/(decrease) in Other Liabilities	21,418,509	(56,012,905)
	(88,879,171)	(65,694,825)
Interest and Taxation		
Interest and Dividend Received	59,653,725	69,686,106
Interest Paid	(39,939,467)	(43,946,845)
Income Tax Paid	(250,264)	-
Net Cash generated from / (used in) Operations	(69,415,176)	(39,955,564)
Investing Activities		
Purchase of Property and Equipment	(1,564,642)	(379,552)
Purchase of Intangible Asset	(554,093)	(1,000,172)
Proceeds from Sale of Assets	253,767	-
Net Cash used in Investing Activities	(1,864,968)	(1,379,724)
Increase/(decrease) in Cash and Cash Equivalents	(71,280,144)	(41,335,288)
Cash and Cash Equivalents at 31st Dec	456,040,317	437,531,808
Cash and Cash Equivalents at End of Period	384,760,173	396,196,520

EXTRACTS OF NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

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, 2019 (Act 992) and the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930).

4 Quantitative Disclosures

	2020	2019
Capital Adequacy Ratio	20.89%	13.64%
Gross Non-Performing Loan Ratio	14.92%	23.59%

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

	2020	2019
Default in Statutory Liquidity	8 times	Nil
Default in Statutory Liquidity Sanction	Nil	Nil