

UMB-UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2020

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30TH JUNE 2020

	June-20 GH¢	June-19 GH¢
Interest Income	158,049,477	174,332,354
Interest Expenses	(75,208,869)	(84,819,239)
Net Interest Income	82,840,607	89,513,115
Commission and Fees Income	20,356,867	21,188,067
Fees and Commissions Expense	(1,408,571)	(1,347,313)
Net Fees and Commissions Income	18,948,296	19,840,754
Net Trading Income	11,267,133	9,960,913
Other Operating Income	2,748,287	4,549,758
Net Trading Income and Other Operating Income	14,015,420	14,510,671
Total Revenue	115,804,323	123,864,540
Impairment Expense	(7,861,503)	(1,570,087)
Personnel Expenses	(43,760,617)	(46,800,690)
Operating Expenses	(49,241,605)	(55,867,484)
Depreciation and Amortization	(9,561,163)	(11,863,252)
Net Operating Profit	5,379,435	7,763,027
Other Income	15,312,742	39,315
Profit Before Tax	20,692,177	7,802,342
Tax Expense	(4,655,740)	(2,340,702)
Profit After Tax	16,036,437	5,461,640
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	16,036,437	5,461,640
Basic Earnings Per Share	1.42	0.88
Diluted Earnings Per Share	1.42	0.88

UNAUDITED CASH FLOW STATEMENTS FOR THE HALF YEAR ENDED 30TH JUNE 2020

	June-20 GH¢	June-19 GH¢
Reconciliation of Loss Before Taxation to Cash Generated from Operations		
Profit/(Loss) After Taxation	16,036,437	5,461,640
Adjustments For:		
Depreciation and Amortization	9,561,163	11,863,252
Impairment on Financial Assets	7,861,503	1,039,236
Net Interest Income	(82,840,607)	(89,513,115)
Income Tax Expense	4,655,740	2,340,702
(Profit)/ Loss on Disposal of Fixed Assets	(193,204)	-
Profit/(Loss) before working capital changes	(44,918,969)	(68,808,285)
(Increase)/decrease in Investment securities	(265,185,064)	38,536,997
(Increase)/decrease in Advances to Banks	(695,444)	7,542,568
(Increase)/decrease in loans and advances to Customers	(76,828,067)	(177,127,167)
(Increase)/decrease in Other Investments	(77,623,031)	-
(Increase)/decrease in Other Assets Accounts	(2,392,864)	(5,477,061)
Increase/(decrease) in Deposits From customers	399,707,028	(18,925,921)
Increase/(decrease) in Borrowings	97,863,469	200,667,754
Increase/(decrease) in Other Liabilities	28,603,057	(77,834,007)
	58,530,115	(101,425,122)
Interest and Taxation		
Interest and Dividend Received	168,647,861	171,469,857
Interest Paid	(75,660,686)	(85,729,547)
Income Tax Paid	(500,527)	(461,709)
Net Cash generated from / (used in) Operations	151,016,763	(16,146,521)
Investing activities		
Purchase of Property and Equipment	(3,190,493)	(1,072,325)
Purchase of Intangible Asset	(593,039)	(1,720,032)
Proceeds from Sale of Assets	253,767	-
Net Cash used in Investing Activities	(3,529,765)	(2,792,357)
Increase/(decrease) in Cash and Cash Equivalents	147,486,998	(18,938,878)
Cash and Cash Equivalents at 31st Dec	456,040,317	437,531,808
Effect of Exchange Rate Fluctuation	-	-
Cash and Cash Equivalents at End of Period	603,527,315	418,592,930

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

	June-20 GH¢	June-19 GH¢
ASSETS		
Cash and Cash Equivalents	603,527,315	418,592,930
Investment Securities	582,677,077	282,768,952
Advances to Banks	478,267,690	465,553,240
Loans and Advances to Customers	947,268,011	925,201,820
Other Investments	84,202,646	3,570,979
Other Assets Accounts	389,239,252	388,158,739
Current Taxation	20,552,915	21,444,009
Investment Property	62,374,000	52,229,000
Property and Equipment & Right of Use of Assets	94,079,436	48,585,847
Intangible Assets	13,311,453	17,937,377
Total Assets	3,275,499,797	2,624,042,893
LIABILITIES & SHAREHOLDERS' FUNDS		
LIABILITIES		
Deposits from Customers	2,224,446,069	1,698,289,512
Borrowings	405,848,277	545,393,861
Other Liabilities	170,342,005	122,832,689
Current Tax Liability	-	-
Deferred Tax Liability	4,049,812	2,038,512
Employee Benefit Obligations	4,610,081	3,793,920
Total Liabilities	2,809,296,245	2,372,348,494
SHAREHOLDERS' FUNDS		
Stated Capital	457,513,977	208,800,000
Revaluation Reserve	21,609,359	21,609,359
Credit Risk Reserve	35,820,067	32,915,466
Statutory Reserve	65,246,693	65,246,693
Other Reserves	3,638,644	1,118,804
Income Surplus	(117,625,188)	(77,995,923)
Total Shareholders' Fund	466,203,552	251,694,399
Total Liabilities & Shareholders' Funds	3,275,499,797	2,624,042,893

Signed
Benjamin Amenumey
Chief Executive Officer

Signed
Ras Boateng
Board Chairman

EXTRACTS OF NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH JUNE 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).

3. Quantitative Disclosures

	2020	2019
Capital Adequacy Ratio	20.40%	11.49%
Gross Non-Performing Loan Ratio	18.81%	13.89%

4. 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.

5. Other Disclosures

	2020	2019
Default in Statutory Liquidity	8 times	3 times
Default in Statutory Liquidity Sanction	Nil	Nil

