

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2022**

|  | 30 JUN 2022<br>GH¢ | 30 JUN 2021<br>GH¢ |
|--|--------------------|--------------------|
| Interest Income                                  | 239,129,019        | 190,958,327        |
| Interest Expense                                 | (130,400,824)      | (82,115,509)       |
| <b>Net Interest Income</b>                       | <b>108,728,195</b> | <b>108,842,818</b> |
| Fees and Commission Income                       | 36,820,538         | 27,257,983         |
| Fees and Commission Expense                      | (1,543,946)        | (1,777,102)        |
| <b>Net Fees and Commission Income</b>            | <b>35,276,592</b>  | <b>25,480,881</b>  |
| Net Trading Income                               | 69,646,577         | 10,996,541         |
| Other Operating Income                           | 5,097,825          | 17,938,340         |
| <b>Net Trading and Other Income</b>              | <b>74,744,402</b>  | <b>28,934,881</b>  |
| <b>Total Operating Income</b>                    | <b>218,749,189</b> | <b>163,258,580</b> |
| Impairment Expense                               | (45,653,425)       | (10,982,100)       |
| Personnel Expense                                | (66,447,835)       | (55,740,327)       |
| Operating Expense                                | (61,539,506)       | (62,626,294)       |
| Depreciation and Amortisation                    | (8,625,372)        | (7,951,471)        |
| <b>Profit Before Income Tax</b>                  | <b>36,483,051</b>  | <b>25,958,388</b>  |
| Income Tax Expense                               | (12,769,068)       | (9,085,436)        |
| <b>Profit After Tax</b>                          | <b>23,713,983</b>  | <b>16,872,952</b>  |
| <b>Other Comprehensive Income</b>                |                    |                    |
| Other Comprehensive Income Net of Income Tax     | -                  | -                  |
| <b>Total Comprehensive Income for the Period</b> | <b>23,713,983</b>  | <b>16,872,952</b>  |
| Basic Earnings Per Share                         | 2.10               | 1.50               |
| Diluted Earnings Per Share                       | 2.10               | 1.50               |

**UNAUDITED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2022**

|   | 30 JUN 2022<br>GH¢   | 30 JUN 2021<br>GH¢   |
|---|----------------------|----------------------|
| <b>Operating Activities</b>                         |                      |                      |
| Profit After Tax                                    | 23,713,983           | 16,872,952           |
| <b>Adjustments for:</b>                             |                      |                      |
| Depreciation and Amortization                       | 8,625,372            | 7,951,471            |
| Impairment on Financial Assets                      | 45,653,425           | 10,982,100           |
| Net Interest Income                                 | (108,728,195)        | (108,842,818)        |
| Income Tax Expense                                  | 12,769,068           | 9,085,436            |
| Profit on Disposal of Fixed Assets                  | -                    | (41,038)             |
|   | <b>(17,966,347)</b>  | <b>(63,991,897)</b>  |
| <b>Changes in:</b>                                  |                      |                      |
| Advances to Banks                                   | 20,438,804           | (62,999,511)         |
| Loans and Advances to Customers                     | (207,733,481)        | (51,784,636)         |
| Other Assets  | (27,998,098)         | 4,309,732            |
| Deposits from Customers                             | 222,682,709          | 342,178,396          |
| Other Liabilities                                   | 38,367,148           | (12,940,087)         |
| <b>Cash From Operations</b>                         | <b>27,790,735</b>    | <b>154,771,997</b>   |
| Interest and Dividend Received                      | 209,291,181          | 169,943,278          |
| Interest Paid                                       | (122,281,831)        | (86,371,298)         |
| Income Tax Paid                                     | (24,291,144)         | (17,561,273)         |
| <b>Net Cash From Operating Activities</b>           | <b>90,508,941</b>    | <b>220,782,704</b>   |
| <b>Investing Activities</b>                         |                      |                      |
| Purchase of Property and Equipment                  | (6,062,842)          | (2,786,534)          |
| Purchase of Intangible Assets                       | (5,783,355)          | (150,144)            |
| Proceeds from Sale of Fixed Assets                  | -                    | 51,089               |
| Purchase of Investment Securities                   | (209,127,067)        | (18,038,177)         |
| <b>Net Cash Used in Investing Activities</b>        | <b>(220,973,264)</b> | <b>(20,923,766)</b>  |
| <b>Financing Activities</b>                         |                      |                      |
| Proceeds from/(Repayment of) Borrowings             | 430,839,481          | (130,000,000)        |
| <b>Net Cash From/(Used in) Financing Activities</b> | <b>430,839,481</b>   | <b>(130,000,000)</b> |
| <b>Net Increase in Cash and Cash Equivalents</b>    | <b>300,375,158</b>   | <b>69,858,938</b>    |
| Cash and Cash Equivalents at 01 January             | 625,115,091          | 662,777,046          |
| Effect of Exchange Rate Fluctuations                | (16,025)             | -                    |
| <b>Cash and Cash Equivalents at 30 June</b>         | <b>925,474,224</b>   | <b>732,635,984</b>   |

**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022**

|   | 30 JUN 2022<br>GH¢   | 30 JUN 2021<br>GH¢   |
|---|----------------------|----------------------|
| <b>Assets</b>                                   |                      |                      |
| Cash and Cash Equivalents                       | 925,474,224          | 732,635,984          |
| Investment Securities                           | 1,381,700,801        | 516,918,391          |
| Advances to Banks                               | 203,910,839          | 388,607,951          |
| Investments in Associates                       | 1,573,440            | 1,497,131            |
| Loans and Advances to Customers                 | 1,506,696,113        | 1,236,912,188        |
| Other Equity Investments                        | 2,967,256            | 4,531,138            |
| Other Assets                                    | 442,521,629          | 413,916,108          |
| Deferred Tax                                    | 39,166,649           | 2,543,565.00         |
| Current Taxation                                | 24,988,378           | 20,347,291           |
| Investment Property                             | 40,329,152           | 62,887,300           |
| Property, Equipment and Right of Use of Assets  | 134,632,949          | 80,521,528           |
| Intangible Assets                               | 10,894,785           | 9,468,307            |
| <b>Total Assets</b>                             | <b>4,714,856,215</b> | <b>3,470,786,882</b> |
| <b>Liabilities and Shareholders' Funds</b>      |                      |                      |
| <b>Liabilities</b>                              |                      |                      |
| Deposits from Customers                         | 3,147,564,093        | 2,609,679,341        |
| Borrowings                                      | 810,668,760          | 195,538,767          |
| Other Liabilities                               | 227,928,725          | 170,814,518          |
| Employee Benefit Obligations                    | 5,663,447            | 4,947,063            |
| <b>Total Liabilities</b>                        | <b>4,191,825,025</b> | <b>2,980,979,689</b> |
| <b>Shareholders' Funds</b>                      |                      |                      |
| Stated Capital                                  | 457,514,102          | 457,514,102          |
| Revaluation Reserve                             | 30,281,193           | 21,609,359           |
| Credit Risk Reserve                             | 65,546,051           | 53,909,038           |
| Statutory Reserve                               | 82,339,690           | 76,814,898           |
| Other Reserves                                  | 10,179,002           | 3,517,453            |
| Income Surplus                                  | (122,828,848)        | (123,557,657)        |
| <b>Total Shareholders' Fund</b>                 | <b>523,031,190</b>   | <b>489,807,193</b>   |
| <b>Total Liabilities and Shareholders' Fund</b> | <b>4,714,856,215</b> | <b>3,470,786,882</b> |

**Signed**  
George Smith-Graham  
**Director**

**Signed**  
Emma Akua Bulley  
**Director**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022**

| <b>1. Reporting Entity</b>  | <b>2. Significant Accounting Policies</b>  |        |  |      |      |                        |        |        |                                  |        |        |
|---|--|--------|--|------|------|------------------------|--------|--------|----------------------------------|--------|--------|
| 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.   | The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).               |        |  |      |      |                        |        |        |                                  |        |        |
| <b>3. Use of Judgements and Estimates</b>   | <b>4. Quantitative Disclosures</b>   |        |  |      |      |                        |        |        |                                  |        |        |
| In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.   | <table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Capital Adequacy Ratio</td> <td>14.83%</td> <td>18.24%</td> </tr> <tr> <td>Gross Non-Performing Loans Ratio</td> <td>17.26%</td> <td>15.20%</td> </tr> </tbody> </table> |        |  | 2022 | 2021 | Capital Adequacy Ratio | 14.83% | 18.24% | Gross Non-Performing Loans Ratio | 17.26% | 15.20% |
|   | 2022   | 2021   |  |      |      |                        |        |        |                                  |        |        |
| Capital Adequacy Ratio  | 14.83%   | 18.24% |  |      |      |                        |        |        |                                  |        |        |
| Gross Non-Performing Loans Ratio  | 17.26%   | 15.20% |  |      |      |                        |        |        |                                  |        |        |
| <b>5. Risk Management</b>   |  |        |  |      |      |                        |        |        |                                  |        |        |
| 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:<br>• Credit Risk<br>• Liquidity Risk<br>• Market Risk (includes currency, interest rate and other price risk)<br>• Operational Risk |  |        |  |      |      |                        |        |        |                                  |        |        |
| The Bank considers its dominant risks to be increasing primarily due to escalating prices and exchange rates across the world due to the Ukraine-Russia war crisis which has limited the supply of oil, gas and grains and significantly impacted economic activities.  |  |        |  |      |      |                        |        |        |                                  |        |        |
| 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   |  |        |  |      |      |                        |        |        |                                  |        |        |
| • In determining significant increase in credit risk, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience, credit assessment and including forward-looking information. Key among them are Ageing analysis, Sectorial Analysis, Early warning signals, etc.  |  |        |  |      |      |                        |        |        |                                  |        |        |
| • Liquidity risks are measured with reference to statutory liquidity ratios and internal guidelines   |  |        |  |      |      |                        |        |        |                                  |        |        |
| • Market risks are measured with respect to fluctuations in the following key market prices; Interest rate, foreign exchange rates, equity prices, credit spreads not relating to obligor's credit standing.  |  |        |  |      |      |                        |        |        |                                  |        |        |
| • Operational risks are measured mainly by frequency of breach of internal policies, procedures, systems, processes and standards.  |  |        |  |      |      |                        |        |        |                                  |        |        |
| <b>6. Other Disclosures</b>   |  |        |  |      |      |                        |        |        |                                  |        |        |
|   | 2022   | 2021   |  |      |      |                        |        |        |                                  |        |        |
| Default in Statutory Liquidity (No. of Times)   | Nil  | Nil    |  |      |      |                        |        |        |                                  |        |        |
| Default in Statutory Liquidity (Sanctions) (GH¢'m)  | Nil  | Nil    |  |      |      |                        |        |        |                                  |        |        |
| *The Full Year 2021 Financial Statement is being finalized for Publication  |  |        |  |      |      |                        |        |        |                                  |        |        |



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