

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR
THE 1ST QUARTER ENDED 31 MARCH 2023**

	31 MAR 2023 GH¢	31 MAR 2022 GH¢
Interest Income	126,604,210	114,787,519
Interest Expense	(109,238,229)	(57,834,496)
Net Interest Income	17,365,981	56,953,023
Fees and Commission Income	20,238,984	18,659,122
Fees and Commission Expense	(5,085,604)	(733,036)
Net Fees and Commission Income	15,153,380	17,926,086
Net Trading Income	47,409,921	27,904,144
Other Income	723,359	4,501,677
Net Trading and Other Income	48,133,280	32,405,821
Total Operating Income	80,652,641	107,284,930
Impairment Expense	7,888,691	(24,455,396)
Personnel Expense	(36,433,132)	(32,763,999)
Operating Expense	(40,176,267)	(29,965,974)
Depreciation and Amortisation	(5,184,504)	(4,252,830)
Profit Before Income Tax	6,747,429	15,846,731
Income Tax Expense	(2,361,600)	(5,546,356)
Profit After Tax	4,385,829	10,300,375
Other Comprehensive Income		
Loss on investment securities measured at fair value through OCI	(173,658)	-
Other Comprehensive Income/Loss for the Period	(173,658)	-
Total Comprehensive Income for the Period	4,212,171	10,300,375
Basic Earnings Per Share	0.39	0.91
Diluted Earnings Per Share	0.39	0.91

**UNAUDITED STATEMENT OF CASH FLOWS FOR
THE 1ST QUARTER ENDED 31 MARCH 2023**

	31 MAR 2023 GH¢	31 MAR 2022 GH¢
Operating Activities		
Profit After Tax	4,385,829	10,300,375
Adjustments for:		
Depreciation and Amortization	5,184,504	4,252,830
Impairment on Financial Assets	(7,888,691)	24,455,396
Net Interest Income	(17,365,981)	(56,953,023)
Income Tax Expense	2,361,600	5,546,356
	(13,322,739)	(12,398,066)
Changes in:		
Advances to Banks	1,759,054	25,732,877
Loans and Advances to Customers	(23,973,225)	(165,076,637)
Other Assets	192,626,138	(30,778,154)
Deposits from Customers	557,436,417	318,346,931
Other Liabilities	(14,361,060)	57,034,426
Cash From Operations	700,164,585	192,861,377
Interest and Dividend Received	157,248,579	110,334,283
Interest Paid	(123,348,880)	(61,543,857)
Income Tax Paid	(2,590,201)	(6,468,996)
Net Cash From Operating Activities	731,474,083	235,182,807
Investing Activities		
Purchase of Property and Equipment	(61,153,337)	(388,767)
Purchase of Intangible Assets	-	(958,108)
Purchase of Investment Securities	(218,147,230)	(47,483,367)
Net Cash Used in Investing Activities	(279,300,567)	(48,830,242)
Financing Activities		
Proceeds from/(Repayment of) Borrowings	(482,838,013)	108,805,665
Net Cash From/(Used in) Financing Activities	(482,838,013)	108,805,665
Net Increase in Cash and Cash Equivalents	(30,664,497)	295,158,230
Cash and Cash Equivalents at 01 January	1,170,240,588	625,115,091
Effect of Exchange Rate Fluctuations	(258,510)	226,463.00
Cash and Cash Equivalents at 30 June	1,139,317,581	920,046,858

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	31 MAR 2023 GH¢	31 MAR 2022 GH¢
Assets		
Cash and Cash Equivalents	1,139,317,581	920,046,858
Investment Securities	1,386,985,040	1,205,591,292
Advances to Banks	163,025,931	203,105,641
Investments in Associates	1,834,113	1,573,440
Loans and Advances to Customers	1,207,265,411	1,445,373,811
Other Equity Investments	3,340,434	2,967,256
Other Assets	333,890,252	471,011,490
Deferred Tax	173,998,438	45,681,322
Current Taxation	26,866,446	14,402,986
Investment Property	19,570,000	24,332,200
Assets Held for Sale	202,068,289	15,996,952
Property, Equipment and Right of Use of Assets	153,798,980	132,182,184
Intangible Assets	9,769,559	7,218,769
Total Assets	4,821,730,474	4,489,484,201
Liabilities and Shareholders' Funds		
Liabilities		
Deposits from Customers	4,128,198,440	3,237,229,957
Borrowings	230,055,735	482,804,924
Other Liabilities	233,321,891	247,800,073
Employee Benefit Obligations	11,780,503	5,663,447
Total Liabilities	4,603,356,569	3,973,498,401
Shareholders' Funds		
Stated Capital	457,514,102	457,514,102
Revaluation Reserve	28,113,234	28,113,234
Credit Risk Reserve	204,513,087	291,374,633
Statutory Reserve	82,339,690	82,339,690
Other Reserves	(11,461,022)	18,821,509
Income Surplus	(542,645,186)	(362,177,368)
Total Shareholders' Fund	218,373,905	515,985,800
Total Liabilities and Shareholders' Fund	4,821,730,474	4,489,484,201

Signed
Mr. Ernest Kwasi Okoh
Director

Signed
Mr. George Smith-Graham
Director

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2023**

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 SSNT Emporium, Liberation Road, Airport City, Accra.	2. Significant Accounting Policies 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).									
3. Use of Judgements and Estimates 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.	4. Quantitative Disclosures									
	<table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Capital Adequacy Ratio</td> <td>2.65%</td> <td>4.92%</td> </tr> <tr> <td>Gross Non-Performing Loans Ratio</td> <td>29.71%</td> <td>14.39%</td> </tr> </tbody> </table>		2023	2022	Capital Adequacy Ratio	2.65%	4.92%	Gross Non-Performing Loans Ratio	29.71%	14.39%
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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: <ul style="list-style-type: none"> • Credit Risk • Liquidity Risk • Market Risk (includes currency, interest rate and other price risk) • 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 Russia-Ukraine 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 <ul style="list-style-type: none"> • 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. 										
6. Other Disclosures	<table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Default in Statutory Liquidity (No. of Times)</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Default in Statutory Liquidity (Sanctions) (GH¢'m)</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>		2023	2022	Default in Statutory Liquidity (No. of Times)	Nil	Nil	Default in Statutory Liquidity (Sanctions) (GH¢'m)	Nil	Nil
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