

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2019**

(All amounts are expressed in thousands of Ghana cedis unless otherwise stated)

	June 2019	June 2018
Interest income	220,165	209,513
Interest expense	(69,056)	(80,840)
<b>Net interest income</b>	<b>151,109</b>	<b>128,673</b>
Fees and commission income	22,638	24,087
Fees and commission expense	(4,258)	(3,072)
<b>Net fees and commission income</b>	<b>18,380</b>	<b>21,015</b>
Net trading and revaluation income	30,644	19,490
Other operating income	33	274
<b>Net trading and other income</b>	<b>30,677</b>	<b>19,764</b>
<b>Net operating income</b>	<b>200,166</b>	<b>169,452</b>
Allowance for credit losses on financial assets	(9,816)	(2,447)
Employee benefit expenses	(20,101)	(24,764)
Depreciation and amortisation	(1,863)	(1,868)
Other operating expenses	(28,854)	(32,811)
<b>Profit before income tax</b>	<b>139,532</b>	<b>107,562</b>
Income tax expense	(40,671)	(34,191)
<b>Profit for the period</b>	<b>98,861</b>	<b>73,371</b>
<b>Other comprehensive income</b>		
<i>Items that will be reclassified to the income statement:</i>		
Fair value changes on financial assets at fair value through other comprehensive income (net of tax)	1,497	-
<b>Total comprehensive income for the period</b>	<b>100,358</b>	<b>73,371</b>
<b>Basic and diluted earnings per share (Ghana cedis per share)</b>	<b>0.01</b>	<b>0.02</b>

**UNAUDITED STATEMENT OF CASHFLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2019**

(All amounts are expressed in thousands of Ghana cedis unless otherwise stated)

	June 2019	June 2018
<b>Cash flows from operating activities</b>		
Profit before income tax	139,532	107,562
<i>Adjustments for:</i>		
Depreciation and amortisation	1,863	1,868
Allowance for credit loss on loans to customers	9,600	2,447
Allowance for credit loss on other assets	216	-
Gain on disposal of property and equipment	(7)	(250)
Write-off of property and equipment	8	-
Foreign currency exchange difference on borrowings	6,293	2,620
Net interest income	(151,109)	(128,673)
	<b>6,396</b>	<b>(14,426)</b>
<b>Change in operating assets and liabilities</b>		
Change in mandatory reserve deposits	(23,110)	9,801
Change in loans and advances to customers	(100,893)	484,256
Change in other assets	40,189	4,712
Change in placements with banks	(157,770)	-
Change in deposits from banks	(348,043)	170,412
Change in deposits from customers	231,099	(98,008)
Change in other liabilities	(28,185)	3,194
Interest received	220,165	209,513
Interest paid	(55,882)	(80,840)
Income tax paid	(40,630)	(43,464)
<b>Net cash (used in)/from operating activities</b>	<b>(256,664)</b>	<b>645,150</b>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(1,198,342)	(447,583)
Proceeds from sale/redemption of investment securities	1,684,185	22,553
Purchase of property and equipment	(2,167)	(1,212)
Proceeds from sale of property and equipment	7	250
<b>Net cash from /(used in) investing activities</b>	<b>483,683</b>	<b>(425,992)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	110,454
Repayment of borrowings	(127,203)	-
Interest paid	(13,174)	-
<b>Net cash (used in)/from financing activities</b>	<b>(140,377)</b>	<b>110,454</b>
<b>Net increase in cash and cash equivalents</b>	<b>86,642</b>	<b>329,612</b>
<b>Cash and cash equivalents at 1 January</b>	<b>434,429</b>	<b>1,309,468</b>
<b>Cash and cash equivalents at 30 June</b>	<b>521,071</b>	<b>1,639,080</b>
<i>Cash and cash equivalents for the purpose of statement of cashflow comprises:</i>		
Cash and balances with Bank of Ghana	293,364	243,051
Due from other banks	460,995	357,652
	<b>754,359</b>	<b>600,703</b>
Mandatory deposit reserve	(234,582)	(197,566)
	<b>519,777</b>	<b>403,137</b>
Short term treasury bills	1,294	1,235,943
<b>Cash and cash equivalents at 30 June</b>	<b>521,071</b>	<b>1,639,080</b>

**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

(All amounts are expressed in thousands of Ghana cedis unless otherwise stated)

	June 2019	June 2018
<b>Assets</b>		
Cash and cash equivalents	912,129	600,703
Investment securities:		
- At amortised cost	1,041,760	1,846,285
- At fair value through other comprehensive income	643,842	94,286
Loans and advances to customers	725,499	581,760
Other assets	41,948	30,043
Property and equipment	51,257	28,469
Intangible assets	969	861
Income tax asset	2,894	1,270
Deferred tax asset	66	2,262
<b>Total assets</b>	<b>3,420,364</b>	<b>3,185,939</b>
<b>Liabilities</b>		
Deposits from customers	2,345,817	1,975,663
Deposits from banks	233,504	426,012
Borrowings	-	113,472
Other liabilities	99,689	78,205
Deferred tax liability	-	543
<b>Total liabilities</b>	<b>2,679,010</b>	<b>2,593,895</b>
<b>Equity</b>		
Stated capital	400,000	74,659
Income surplus	125,110	313,616
Fair value reserve	2,263	(394)
Statutory reserve	213,981	204,163
<b>Total equity</b>	<b>741,354</b>	<b>592,044</b>
<b>Total liabilities and equity</b>	<b>3,420,364</b>	<b>3,185,939</b>

**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2019**

(All amounts are expressed in thousands of Ghana cedis unless otherwise stated)

**For the six months ended 30 June 2019**

	Stated capital	Income surplus	Statutory reserves	Fair value reserve	Total
<b>At 31 December 2018</b>	<b>400,000</b>	<b>27,079</b>	<b>213,981</b>	<b>766</b>	<b>641,826</b>
<i>Changes on initial application of IFRS 16</i>	-	(830)	-	-	(830)
<b>At 1 January 2019</b>	<b>400,000</b>	<b>26,249</b>	<b>213,981</b>	<b>766</b>	<b>640,996</b>
Profit for the period	-	98,861	-	-	98,861
Other comprehensive income	-	-	-	1,497	1,497
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>98,861</b>	<b>-</b>	<b>1,497</b>	<b>100,358</b>
Transfer between reserves	-	-	-	-	-
<b>At 30 June 2019</b>	<b>400,000</b>	<b>125,110</b>	<b>213,981</b>	<b>2,263</b>	<b>741,354</b>

**For the six months ended 30 June 2018**

	Stated capital	Income surplus	Statutory reserves	Fair value reserve	Total
<b>At 31 December 2017</b>	<b>74,659</b>	<b>279,799</b>	<b>194,992</b>	<b>(676)</b>	<b>548,774</b>
<i>Changes on initial application of IFRS 9</i>	-	(30,383)	-	282	(30,101)
<b>At 1 January 2018</b>	<b>74,659</b>	<b>249,416</b>	<b>194,992</b>	<b>(394)</b>	<b>518,673</b>
Profit for the period	-	73,371	-	-	73,371
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>73,371</b>	<b>-</b>	<b>-</b>	<b>73,371</b>
Transfer between reserves	-	(9,171)	9,171	-	-
<b>At 30 June 2018</b>	<b>74,659</b>	<b>313,616</b>	<b>204,163</b>	<b>(394)</b>	<b>592,044</b>

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

**1. Reporting Entity**

United Bank for Africa (Ghana) Limited ("the Bank") is a limited liability company and is incorporated and domiciled in Ghana. The registered office is Heritage Towers, Ambassadorial Enclave, Accra. The Bank operates under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The Bank is a subsidiary of United Bank for Africa Plc of Nigeria and provides retail, corporate banking and investment banking services.

**2. Basis of Preparation and Significant Accounting Policies**

The condensed financial statements have been prepared in accordance with IAS 34 (Interim Financial Reporting) as issued by the International Accounting Standards Board (IASB). Additional information required under the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) have been included where appropriate.

The accounting policies adopted in the preparation of these condensed financial statements are consistent with those applied in the preparation of the Bank's annual financial statements for the year ended 31 December 2018, except for the adoption of new standards effective 1 January 2019. The Bank applied for the first time, IFRS 16, Leases which required restatement of the financial statements. The nature and effect of the changes are disclosed below. Several other amendments and interpretations apply for the first time in 2019 but do not have any impact of the financial statements of the Bank. The Bank has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

These financial statements are presented in Ghana Cedi which is the Bank's functional currency.

**Changes in accounting policies**

**IFRS 16, 'Leases'**

On 1 January 2019, the Bank adopted IFRS 16, Leases. The standard replaces IAS 17, Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases. While lessor accounting under IFRS 16 is substantially unchanged from IAS 17, lessees are now required to account for most leases under a single on-balance sheet model. As permitted by the standard, the Bank elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less (short term leases) and lease contracts for which the underlying asset is of low value (low value assets).

As permitted by the transitional provisions, the Bank elected to adopt IFRS 16 using the modified retrospective approach. As a result, the Bank's comparative figures were not restated and the cumulative effect of initially applying the standard was recognised as an adjustment to the opening balance of retained earnings at the date of initial application. The total impact of the adoption of IFRS 16 on the opening balance of the Bank's equity on 1 January 2019 was a reduction of GHS 829,786. Total assets and total liabilities also increased by GHS 22,287,334 and GHS 23,117,121 respectively.

**3. Quantitative Disclosures**

	June 2019	June 2018
Capital adequacy ratio	26.49%	29.63%
Capital adequacy ratio per Capital Requirements Directive (CRD)	13.06%	-
Gross non-performing loans ratio	67.36%	72.15%

**4. Qualitative Disclosure**

The Bank's activities expose it to a variety of risks such as credit risk, liquidity risk, operational risks and market risks. 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 Management Committee in support of their risk oversight objectives and responsibilities. There is also a Risk Management Department which has responsibility for the implementation of the Bank's risk control principles, frameworks and processes across the entire risk spectrum.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

**5. Defaults in prudential requirements and accompanying sanctions**

	June 2019	June 2018
Default in statutory liquidity	Nil	Nil
Sanctions (GHS'000)	-	-
Default in prudential requirement (times)	2	Nil
Sanctions (GHS'000)	36	-

Honourable Kwamena Bartels  
Director

Isong Udom  
MD/CEO



**UBA is the only  
Sub-Saharan African bank  
with operations in the US (New York)**

*Partner with us on our 70 years of banking experience.  
Bank on our reliability.*