

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2020

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

	June 2020	June 2019
Interest income	310,341	220,165
Interest expense	(147,327)	(69,056)
Net interest income	163,014	151,109
Fees and commission income	30,639	22,638
Fees and commission expense	(4,718)	(4,258)
Net fees and commission income	25,921	18,380
Net trading and revaluation income	28,063	30,644
Other income	7	33
Net trading and other income	28,070	30,677
Operating income	217,005	200,166
Allowance for credit losses on financial assets	(16,196)	(9,816)
Employee benefit expenses	(31,087)	(24,549)
Depreciation and amortisation	(6,090)	(1,863)
Other operating expenses	(30,305)	(24,406)
Profit before income tax	133,327	139,532
Income tax expense	(39,844)	(40,671)
Profit for the period	93,483	98,861
Other comprehensive income		
<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)	862	1,497
Total comprehensive income for the period	94,345	100,358
Basic and diluted earnings per share (Ghana cedis)	0.01	0.01

UNAUDITED STATEMENT OF CASHFLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2020

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

	June 2020	June 2019
Cash flows from operating activities		
Profit before income tax	133,327	139,532
<i>Adjustments for:</i>		
Depreciation and amortisation	6,090	1,863
Allowance for credit loss on financial assets	16,196	9,816
Gain on disposal of property and equipment	(6)	(7)
Write-off of property and equipment	100	8
Foreign currency exchange difference on borrowings	-	6,293
Net interest income	(163,014)	(151,109)
	(7,307)	6,396
Change in operating assets and liabilities		
Change in mandatory reserve deposits	(1,602)	(23,110)
Change in loans and advances to customers	(41,147)	(100,893)
Change in other assets	(17,276)	40,189
Change in placements with banks	(56,174)	(157,770)
Change in deposits from banks	(1,238,363)	(348,043)
Change in deposits from customers	16,021	231,099
Change in other liabilities	11,408	(28,185)
Interest received	310,341	220,165
Interest paid	(147,327)	(55,882)
Income tax paid	(41,660)	(40,630)
Net cash used in operating activities	(1,213,086)	(256,664)
Cash flows from investing activities		
Purchase of investment securities	(666,935)	(1,198,342)
Proceeds from sale/redemption of investment securities	2,017,534	1,684,185
Purchase of property and equipment	(4,418)	(2,167)
Proceeds from sale of property and equipment	7	7
Purchase of intangible assets	(19)	-
Net cash from investing activities	1,346,169	483,683
Cash flows from financing activities		
Repayment of borrowings	-	(127,203)
Interest paid	-	(13,174)
Net cash used in financing activities	-	(140,377)
Net increase in cash and cash equivalents	133,083	86,642
Cash and cash equivalents at 1 January	351,270	434,429
Cash and cash equivalents at 30 June	484,353	521,071
<i>Cash and cash equivalents for the purpose of statement of cashflow comprises:</i>		
Cash and balances with Bank of Ghana	228,169	293,364
Due from other banks less than 90 days	469,346	460,995
	697,515	754,359
Less mandatory deposit reserve	(235,482)	(234,582)
	462,033	519,777
Short term treasury bills	22,320	1,294
Cash and cash equivalents at 30 June	484,353	521,071

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

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

	June 2020	June 2019
Assets		
Cash and cash equivalents	754,189	912,129
Investment securities:		
- At amortised cost	1,186,541	1,041,760
- At fair value through other comprehensive income	352,089	643,842
Loans and advances to customers	986,883	725,499
Other assets	46,980	41,948
Property and equipment	46,552	51,257
Intangible assets	154	969
Income tax asset	7,333	2,894
Deferred tax asset	371	66
Total assets	3,381,092	3,420,364
Liabilities		
Deposits from customers	2,354,821	2,345,817
Deposits from banks	-	233,504
Other liabilities	101,962	99,689
Total liabilities	2,456,783	2,679,010
Equity		
Stated capital	400,000	400,000
Income surplus	252,786	125,110
Fair value reserve	2,140	2,263
Credit risk reserve	8,381	-
Statutory reserve	261,002	213,981
Total equity	924,309	741,354
Total liabilities and equity	3,381,092	3,420,364

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2020

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

For the six months ended 30 June 2020

	Stated capital	Income surplus	Statutory reserve	Credit risk reserve	Fair value reserve	Total
At 31 December 2019	400,000	159,303	261,002	8,381	1,278	829,964
Profit for the period	-	93,483	-	-	-	93,483
Other comprehensive income	-	-	-	-	862	862
Total comprehensive income for the period	-	93,483	-	-	862	94,345
Transfer between reserves	-	-	-	-	-	-
At 30 June 2020	400,000	252,786	261,002	8,381	2,140	924,309

For the six months ended 30 June 2019

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

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, 2019 (Act 992) 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 2019. The Bank has not early adopted any 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.

3. Quantitative Disclosures

	June 2020	June 2019
Capital adequacy ratio	21.59%	13.06%
Non-performing loans ratio	44.71%	67.36%

4. Qualitative Disclosures

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 2020	June 2019
Default in statutory liquidity	1	Nil
Sanctions (GHS'000)	53	-
Default in prudential requirement (times)	Nil	2
Sanctions (GHS'000)	-	36

Honourable Kwamena Bartels
Director

Olalekan Balogun
MD/CEO

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