

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

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

	Sept 2020	Sept 2019
Interest income	413,762	336,734
Interest expense	(180,454)	(114,067)
<b>Net interest income</b>	<b>233,308</b>	<b>222,667</b>
Fees and commission income	42,596	34,058
Fees and commission expense	(8,363)	(6,820)
<b>Net fees and commission income</b>	<b>34,233</b>	<b>27,238</b>
Net trading and revaluation income	36,727	41,499
Other operating income	1,343	83
<b>Net trading and other income</b>	<b>38,070</b>	<b>41,582</b>
<b>Operating income</b>	<b>305,611</b>	<b>291,487</b>
Allowance for credit losses on financial assets	(12,557)	(2,451)
Employee benefit expenses	(45,579)	(36,280)
Depreciation and amortisation	(8,511)	(2,815)
Other operating expenses	(42,812)	(32,472)
Profit before income tax	196,152	217,469
Income tax expense	(56,439)	(64,090)
<b>Profit for the period</b>	<b>139,713</b>	<b>153,379</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to the income statement:</i>		
Fair value changes on investments in debt securities at fair value through other comprehensive income (FVOCI):	4,594	56
Net amount transferred to the income statement	(1,278)	-
<b>Total comprehensive income for the period</b>	<b>143,029</b>	<b>153,435</b>
<b>Basic and diluted earnings per share (Ghana cedis)</b>	<b>0.02</b>	<b>0.02</b>

**UNAUDITED STATEMENT OF CASHFLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

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

	Sept 2020	Sept 2019
<b>Cash flows from operating activities</b>		
Profit before income tax	196,152	217,469
<i>Adjustments for:</i>		
Depreciation and amortisation	8,511	2,815
Allowance for credit losses on financial assets	12,557	2,451
Gain on disposal of property and equipment	(62)	(27)
Write-off of property and equipment	100	8
Foreign currency exchange difference on borrowings	-	6,293
Net interest income	(233,308)	(222,667)
	(16,050)	6,342
<b>Change in operating assets and liabilities</b>		
Change in mandatory reserve deposits	(23,303)	(922)
Change in loans and advances to customers	(127,701)	(312,604)
Change in other assets	(33,683)	34,751
Change in placements with banks	(62,222)	(531,645)
Change in deposits from banks	(1,156,127)	321,675
Change in deposits from customers	233,031	9,222
Change in other liabilities	(7,017)	(26,308)
Interest received	413,762	336,734
Interest paid	(180,454)	(100,893)
Income tax paid	(54,580)	(67,734)
<b>Net cash used in operating activities</b>	<b>(1,014,344)</b>	<b>(331,382)</b>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(1,986,536)	(1,886,042)
Proceeds from sale/redemption of investment securities	3,186,760	2,154,968
Purchase of property and equipment	(5,874)	(2,311)
Proceeds from sale of property and equipment	63	29
Purchase of intangible assets	(19)	-
<b>Net cash from investing activities</b>	<b>1,194,394</b>	<b>266,644</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	-
Repayment of borrowings	-	(127,203)
Interest paid on borrowings	-	(13,174)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(140,377)</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>180,050</b>	<b>(205,115)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>351,270</b>	<b>434,429</b>
<b>Cash and cash equivalents at 30 September</b>	<b>531,320</b>	<b>229,314</b>
<i>Cash and cash equivalents for the purpose of statement of cashflow comprises:</i>		
Cash and balances with Bank of Ghana	306,603	296,359
Less mandatory deposit reserve	(257,183)	(212,394)
	49,420	83,965
Due from other banks	399,726	144,467
Short term treasury bills	82,174	882
<b>Cash and cash equivalents at 30 September</b>	<b>531,320</b>	<b>229,314</b>

**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020**

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

	Sept 2020	Sept 2019
<b>Assets</b>		
Cash and bank balances	768,552	972,471
Investment securities:		
- At amortised cost	1,261,195	1,533,099
- At fair value through other comprehensive income	492,841	420,161
Loans and advances to customers	1,077,009	898,078
Other assets	65,991	38,854
Property and equipment	46,894	51,156
Intangible assets	113	260
Income tax asset	3,659	4,849
Deferred tax asset	-	546
<b>Total assets</b>	<b>3,716,254</b>	<b>3,919,474</b>
<b>Liabilities</b>		
Deposits from customers	2,571,831	2,123,940
Deposits from banks	82,237	903,222
Other liabilities	88,321	97,881
Deferred tax liability	872	-
<b>Total liabilities</b>	<b>2,743,261</b>	<b>3,125,043</b>
<b>Equity</b>		
Stated capital	400,000	400,000
Income surplus	299,016	179,628
Fair value reserve	4,594	822
Credit risk reserve	8,381	-
Statutory reserve	261,002	213,981
<b>Total equity</b>	<b>972,993</b>	<b>794,431</b>
<b>Total liabilities and equity</b>	<b>3,716,254</b>	<b>3,919,474</b>

**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

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

For the nine months ended 30 September 2020

	Stated capital	Income surplus	Statutory reserve	Credit risk reserve	Fair value reserve	Total
<b>At 31 December 2019</b>	<b>400,000</b>	<b>159,303</b>	<b>261,002</b>	<b>8,381</b>	<b>1,278</b>	<b>829,964</b>
Profit for the period	-	139,713	-	-	-	139,713
Net amount transferred to the income statement	-	-	-	-	(1,278)	(1,278)
Fair value change in debt instruments classified as FVOCI	-	-	-	-	4,594	4,594
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>139,713</b>	<b>-</b>	<b>-</b>	<b>3,316</b>	<b>143,029</b>
Transfer between reserves	-	-	-	-	-	-
<b>At 30 September 2020</b>	<b>400,000</b>	<b>299,016</b>	<b>261,002</b>	<b>8,381</b>	<b>4,594</b>	<b>972,993</b>

For the nine months ended 30 September 2019

	Stated capital	Income surplus	Statutory reserve	Credit risk reserve	Fair value reserve	Total
<b>At 31 December 2018</b>	<b>400,000</b>	<b>27,079</b>	<b>213,981</b>	<b>-</b>	<b>766</b>	<b>641,826</b>
Changes on initial application of IFRS 16	-	(830)	-	-	-	(830)
<b>At 1 January 2019</b>	<b>400,000</b>	<b>26,249</b>	<b>213,981</b>	<b>-</b>	<b>766</b>	<b>640,996</b>
Profit for the period	-	153,379	-	-	-	153,379
Fair value change in debt instruments classified as FVOCI	-	-	-	-	56	56
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>153,379</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>153,435</b>
Transfer between reserves	-	-	-	-	-	-
<b>At 30 September 2019</b>	<b>400,000</b>	<b>179,628</b>	<b>213,981</b>	<b>-</b>	<b>822</b>	<b>794,431</b>

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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**

	Sept 2020	Sept 2019
Capital adequacy ratio	21.97%	18.24%
Non-performing loans ratio	41.80%	52.10%
Liquidity ratio	54.96%	79.88%

**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**

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

 Kweku Awotwi  
 Chairman

 Olalekan Balogun  
 MD/CEO