

United Bank for Africa (Ghana) Ltd.
Unaudited Condensed Financial Statements for the Six Months Ended 30 June 2021



UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

	June 2021	June 2020
Interest income	228,384	310,341
Interest expense	(74,598)	(147,327)
Net interest income	153,786	163,014
Fees and commission income	35,679	30,639
Fees and commission expense	(7,062)	(4,718)
Net fees and commission income	28,617	25,921
Net trading and revaluation income	19,799	28,063
Other income	898	7
Net trading and other income	20,697	28,070
Operating income	203,100	217,005
Allowance for credit losses on financial assets	(23,756)	(16,196)
Employee benefit expenses	(28,583)	(31,087)
Depreciation and amortisation	(5,774)	(6,090)
Other operating expenses	(23,997)	(30,305)
Profit before income tax	120,990	133,327
Income tax expense	(38,571)	(39,844)
Profit for the period	82,419	93,483
Other comprehensive income		
<i>Items that will be reclassified to the income statement:</i>		
Net change in fair value during the year (net of tax)	1,734	862
Total comprehensive income for the period	84,153	94,345
Basic and diluted earnings per share	0.01	0.01

UNAUDITED STATEMENT OF CASHFLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

	June 2021	June 2020
Cash flows from operating activities		
Profit before income tax	120,990	133,327
<i>Adjustments for:</i>		
Depreciation and amortisation	2,520	6,090
Allowance for credit loss on financial assets	23,756	16,196
Reversal/allowance for credit loss on investment securities	-	-
Reversal/allowance for credit loss on placement	-	-
Allowance for credit loss on other assets	-	-
Gain on disposal of property and equipment	(2)	(6)
Write-off of property and equipment	650	100
Foreign currency exchange difference on borrowings	-	-
Net interest income	(153,786)	(163,014)
	(5,872)	(7,307)
Change in operating assets and liabilities		
Change in mandatory reserve deposits	(73,663)	(1,602)
Change in loans and advances to customers	148,696	(41,147)
Change in other assets	(120,850)	(17,276)
Change in placements with banks	-	(56,174)
Change in deposits from banks	(72,444)	(1,238,363)
Change in deposits from customers	736,627	16,021
Change in other liabilities	290	11,408
Interest received	228,384	310,341
Interest paid	(74,597)	(147,327)
Income tax paid	(42,210)	(41,660)
Net cash used in operating activities	724,361	(1,213,086)
Cash flows from investing activities		
Purchase of investment securities	(1,633,362)	(666,935)
Proceeds from sale/redemption of investment securities	1,045,427	2,017,534
Purchase of property and equipment	(4,485)	(4,418)
Proceeds from sale of property and equipment	(41)	7
Purchase of intangible assets	(18)	(19)
Net cash from investing activities	(592,479)	1,346,169
Cash flows from financing activities		
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents	131,882	133,083
Cash and cash equivalents at 1 January	779,309	351,270
Cash and cash equivalents at 30 June	911,191	484,353
<i>Cash and cash equivalents for the purpose of statement of cashflow comprises:</i>		
Cash and balances with Bank of Ghana	611,224	228,169
Due from other banks less than 90 days	553,791	469,346
	1,165,015	697,515
Less Mandatory reserve	(352,339)	(235,482)
	812,676	462,033
Short term treasury bills	98,515	22,320
Cash and cash equivalents at 30 June	911,191	484,353

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

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

	June 2021	June 2020
Assets		
Cash and bank balances	1,165,015	754,189
Investment securities:	-	-
- At amortised cost	2,032,260	1,186,541
- At fair value through other comprehensive income	267,241	352,089
Loans and advances to customers	936,003	986,883
Other assets	227,052	46,980
Property and equipment	66,084	46,552
Intangible assets	624	154
Income tax asset	2,100	7,333
Deferred tax asset	3,045	371
Total assets	4,699,424	3,381,092
Liabilities		
Deposits from customers	3,523,391	2,354,821
Deposits from banks	-	-
Other liabilities	100,132	101,962
Total liabilities	3,623,523	2,456,783
Equity		
Stated capital	400,000	400,000
Income surplus	364,645	252,786
Fair value reserve	2,580	2,140
Credit risk reserve	7,120	8,381
Statutory reserve	301,556	261,002
Total equity	1,075,901	924,309
Total liabilities and equity	4,699,424	3,381,092

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

For the six months ended 30 June 2021

	Stated capital	Income surplus	Statutory reserve	Credit risk reserve	Fair value reserve	Total
At 31 December 2020	400,000	284,263	301,556	-	846	986,665
Profit for the period	-	82,419	-	-	-	82,419
Other comprehensive income	-	-	-	-	1,734	1,734
Total comprehensive income for the period	-	82,419	-	-	1,734	84,153
Total transfer between reserves	-	(2,037)	-	7,120	-	5,083
At 30 June 2021	400,000	346,645	301,556	7,120	2,580	1,075,901

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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 2020. 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 2021	June 2020
Capital adequacy ratio	24.94%	21.59%
Non-performing loans ratio	27.66%	44.71%
Liquidity ratio	84.44%	67.60%

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 2021	June 2020
Default in statutory liquidity Sanctions (GHS'000)	Nil	1
Default in prudential requirement (times) Sanctions (GHS'000)	-	53
	Nil	Nil
	-	-

Kweku Awotwi
Board Chairman

Olalekan Balogun
MD/CEO



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