

United Bank for Africa (Ghana) Limited

Unaudited Financial Statements for the Half Year Ended 30 June 2018



UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2018

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

	2018	2017
Interest income	209,513,227	330,033,900
Interest expense	(80,840,426)	(75,526,533)
Net interest income	128,672,801	254,507,367
Fee and commission income	24,087,350	13,263,136
Fee and commission expense	(3,072,475)	(3,263,484)
Net fee and commission income	21,014,875	9,999,652
Net trading income	19,490,111	13,690,143
Other operating income	274,430	1,191
Net trading and other income	19,764,541	13,691,334
Operating income	169,452,217	278,198,353
Net impairment loss on financial assets	(2,447,166)	(9,804,765)
Personnel expenses	(24,763,705)	(28,243,476)
Depreciation and amortisation	(1,868,152)	(1,764,268)
Other expenses	(32,811,381)	(57,323,135)
Profit before tax	107,561,813	181,062,709
Income tax expense	(34,191,218)	(54,903,032)
Profit after tax	73,370,595	126,159,677
Other comprehensive income		
Fair value loss on available-for-sale financial assets	-	-
Total comprehensive income for the period	73,370,595	126,159,677

UNAUDITED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2018

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

	2018	2017
Cash flows from operating activities		
Profit before tax	107,561,813	181,062,709
Adjustments for:		
Depreciation	1,593,463	1,458,576
Amortisation	274,689	305,692
Gain on disposal of property and equipment	(249,511)	(1,191)
Net impairment loss on financial assets	2,447,166	9,804,765
Net interest income	(128,672,801)	(254,507,367)
	(17,045,181)	(61,876,816)
Change in operating assets and liabilities		
Change in mandatory reserve deposits	9,800,850	90,291,792
Change in loans and advances to customers	484,256,026	463,228,747
Change in other assets	4,712,236	(41,796,568)
Change in deposits from banks	170,412,443	(70,999,259)
Change in deposits from customers	(98,008,497)	(902,917,915)
Change in other liabilities	3,193,875	(76,723,185)
Interest received	209,513,227	330,033,900
Interest paid	(80,840,426)	(75,526,533)
Income tax paid	(43,464,294)	(25,179,073)
Net cash from operating activities	642,530,259	(371,464,910)
Cash flows from investing activities		
Purchase of investment securities	(447,581,797)	(54,783,625)
Proceeds from sale of investment securities	22,553,129	33,209,459
Purchase of property and equipment	(1,212,406)	(1,695,712)
Purchase of intangible assets	-	(503,856)
Proceeds from sale of property and equipment	249,511	1,191
Net cash used in investing activities	(425,991,563)	(23,772,543)
Cash flows from financing activities		
Proceeds from borrowings	113,073,750	-
Net cash from financing activities	113,073,750	-
Net increase/decrease in cash and cash equivalents	329,612,446	(395,237,453)
Cash and cash equivalents at 1 January	1,309,467,868	1,381,162,529
Cash and cash equivalents at 30 June	1,639,080,314	985,925,076
Cash and cash equivalents for the purpose of statement of cash flow comprise:		
Cash on hand and balances with Bank of Ghana	243,050,674	251,555,106
Mandatory deposit reserves	(197,566,332)	(207,069,384)
	45,484,342	44,485,722
Due from other banks	357,652,121	402,524,737
Short term treasury bills	1,235,943,851	538,914,617
Cash and cash equivalents at 30 June	1,639,080,314	985,925,076

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

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


	2018	2017
Assets		
Cash and cash equivalents	600,702,795	654,079,843
Investment securities	1,940,570,842	718,596,308
Loans and advances to customers	581,760,061	1,372,612,060
Other assets	30,043,819	84,922,690
Property and equipment	28,469,265	14,232,041
Intangible assets	860,888	1,379,271
Income tax asset	1,269,767	-
Deferred tax asset	2,261,926	2,186,757
Total assets	3,185,939,363	2,848,008,970
Liabilities		
Deposits from customers	1,975,663,324	2,070,693,841
Deposits from banks	426,011,825	215,060,350
Borrowings	113,471,996	-
Other liabilities	78,205,214	81,898,876
Current tax liability	-	24,034,902
Deferred tax liability	543,201	679,098
Total liabilities	2,593,895,560	2,392,367,067
Shareholders' funds		
Stated capital	74,659,061	74,659,061
Income surplus	313,614,881	160,837,946
Credit risk reserve	-	52,648,517
Fair value reserve	(393,839)	-
Statutory reserve	204,163,700	167,496,379
Shareholders' funds	592,043,803	455,641,903
Total liabilities and shareholders' funds	3,185,939,363	2,848,008,970

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

1. Significant accounting policies
- The condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG). Except as indicated below, the condensed financial statements have been prepared using the same accounting policies and methods used in preparation of our annual financial statements for 2017. Our significant accounting policies and future changes in accounting policies and disclosures that are not yet effective are disclosed in Note 2 of our annual financial statements for 2017.
- These financial statements are presented in Ghana Cedi which is the Bank's functional currency.
- Changes in accounting polices
- On 1 January 2018, the Bank adopted IFRS 9 Financial Instruments (IFRS 9) and as a result, we changed our accounting policies with regards to the classification and measurement of financial assets, and allowance for impairment loss on financial assets. These new policies were applicable from 1 January 2018. As permitted by the transition provisions on IFRS 9, we elected not to restate comparative period results; accordingly, all comparative period information are presented in accordance with our previous accounting policies, as described in our annual financial statements for 2017. Adjustments to carrying amounts of financial assets and liabilities at the date of initial application (1 January 2018) were recognized in opening retained earnings. The total impact of the adoption of IFRS 9 on the opening balance of the Bank's equity on 1 January 2018 was GHS 30,383,158.
2. Quantitative disclosures
- | | June 2018 | June 2017 |
|-------------------------------|-----------|-----------|
| i. Capital Adequacy Ratio | 29.63% | 22.75% |
| ii. Non-Performing Loan Ratio | 72.15% | 20.74% |
3. 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 the 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.
4. Default in prudential requirements and accompanying sanctions
- | | 2018 | 2017 |
|---|------|------|
| i. Default in statutory liquidity (times) | Nil | Nil |
| ii. Sanctions (GHS) | Nil | Nil |



Kenneth Orji
Chairman



Abiola Bawuah
MD/CEO