

United Bank for Africa (Ghana) Limited

Unaudited Financial Statements for the Quarter Ended 31 March 2018



UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2018

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

	2018	2017
Interest income	107,521,385	174,722,623
Interest expense	(40,572,283)	(34,806,246)
Net interest income	66,949,102	139,916,377
Fee and commission income	11,457,181	6,610,226
Fee and commission expense	(465,429)	(439,589)
Net fee and commission income	10,991,752	6,170,637
Net trading income	6,835,173	5,931,025
Other operating income	98,688	841
Net trading and other income	6,933,861	5,931,866
Operating income	84,874,715	152,018,880
Net impairment loss on financial assets	(1,168,443)	(5,153,017)
Personnel expenses	(12,606,668)	(14,144,712)
Depreciation and amortisation	(948,318)	(854,842)
Other expenses	(17,094,754)	(29,141,725)
Profit before tax	53,056,532	102,724,584
Income tax expense	(14,547,776)	(31,346,811)
Profit after tax	38,508,756	71,377,773
Other comprehensive income		
Fair value loss on available-for-sale financial assets	(190,043)	-
Total comprehensive income for the period	38,318,713	71,377,773

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

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

	2018	2017
Assets		
Cash and cash equivalents	540,649,256	838,068,748
Investment securities	1,919,979,190	1,439,740,469
Loans and advances to customers	873,880,426	1,533,473,435
Other assets	48,941,295	42,998,639
Property and equipment	28,741,062	14,222,016
Intangible assets	992,959	1,513,519
Income tax asset	5,224,612	-
Deferred tax asset	2,261,926	2,186,757
Total assets	3,420,670,726	3,872,203,583
Liabilities		
Customer deposits	2,345,112,698	3,042,519,255
Deposits from banks	328,358,483	312,863,406
Borrowings	111,299,984	-
Other liabilities	78,646,835	99,695,971
Current tax liability	-	15,585,855
Deferred tax liability	543,201	679,098
Total liabilities	2,863,961,201	3,471,343,585
Shareholders' funds		
Stated capital	74,659,061	74,659,061
Income surplus	287,924,365	106,056,041
Credit risk reserve	-	52,648,517
Fair value reserve	(866,277)	-
Statutory reserve	194,992,376	167,496,379
Shareholders' funds	556,709,525	400,859,998
Total liabilities and Shareholders' funds	3,420,670,726	3,872,203,583

UNAUDITED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2018

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

	2018	2017
Cash flows from operating activities		
Profit before tax	53,056,532	102,724,584
<i>Adjustments for:</i>		
Depreciation	805,700	716,148
Amortisation	142,618	138,694
Gain on disposal of property and equipment	(95,505)	(841)
Impairment charge on loans and advances	1,168,443	5,153,017
Net interest income	(66,949,102)	(139,916,377)
	(11,871,314)	(31,184,775)
Change in operating assets and liabilities		
Change in mandatory reserve deposits	(27,144,088)	(6,890,750)
Change in loans and advances to customers	193,414,383	307,019,120
Change in other assets	(18,140,086)	(241,470)
Change in deposits from banks	72,759,101	26,803,797
Change in customer deposits	271,440,877	68,907,499
Change in other liabilities	4,862,210	(53,890,545)
Interest received	107,521,385	174,722,623
Interest paid	(40,572,283)	(34,806,246)
Income tax paid	(24,255,828)	(15,107,444)
Net cash from operating activities	528,014,357	435,331,809
Cash flows from investing activities		
Purchase of investment securities	(314,981,265)	(120,493,265)
Proceeds from sale of investment securities	6,153,698	22,656,665
Purchase of property and equipment	(696,440)	(574,304)
Purchase of intangible assets	-	(471,106)
Proceeds from sale of property and equipment	95,505	841
Net cash used in investing activities	(309,428,502)	(98,881,169)
Cash flows from financing activities		
Proceeds from borrowings	110,110,000	-
Net cash from financing activities	110,110,000	-
Net increase in cash and cash equivalents	328,695,855	336,450,640
Cash and cash equivalents at 1 January	1,309,467,868	1,381,162,529
Cash and cash equivalents at 31 March	1,638,163,723	1,717,613,169

Cash and cash equivalents for the purpose of statement of cash flow comprise:

	2018	2017
Cash on hand and balances with Bank of Ghana	260,777,561	326,342,388
Mandatory deposit reserves	(234,511,270)	(304,251,926)
	26,266,291	22,090,462
Due from other banks	279,871,695	511,726,360
Short term treasury bills	1,332,025,737	1,183,796,347
Cash and cash equivalents at 31 March	1,638,163,723	1,717,613,169

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

1. Summary of significant accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The accounting policies applied in the preparation of these financial statements are consistent with the accounting policies applied in the financial statements for the year ended 31 December 2017. These accounting policies have been consistently applied to all the periods presented.

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

2. Quantitative disclosures

	March 2018	March 2017
i. Capital adequacy ratio	27.91%	19.64%
ii. Non-Performing Loan Ratio	52.61%	29.46%

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 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