

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

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

	Sept 2019	Sept 2018
Interest income	336,734	380,698
Interest expense	(114,067)	(119,517)
Net interest income	222,667	261,181
Fees and commission income	34,058	37,684
Fees and commission expense	(6,820)	(3,957)
Net fees and commission income	27,238	33,727
Net trading and revaluation income	41,499	31,942
Other operating income	83	309
Net trading and other income	41,582	32,251
Net operating income	291,487	327,159
Allowance for credit losses on financial assets	(2,451)	(67,261)
Employee benefit expenses	(36,280)	(37,025)
Depreciation and amortisation	(2,815)	(2,797)
Other operating expenses	(32,472)	(48,010)
Profit before income tax	217,469	172,066
Income tax expense	(64,090)	(44,307)
Profit for the period	153,379	127,759
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)	56	-
Total comprehensive income for the period	153,435	127,759
Basic and diluted earnings per share (Ghana cedis per share)	0.02	0.03

UNAUDITED STATEMENT OF CASHFLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

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

	Sept 2019	Sept 2018
Cash flows from operating activities		
Profit before income tax	217,469	172,066
<i>Adjustments for:</i>		
Depreciation and amortisation	2,815	2,797
Allowance for credit loss on loans to customers	(2,654)	67,156
Allowance for credit loss on other assets	5,105	105
Gain on disposal of property and equipment	(27)	(263)
Write-off of property and equipment	8	36
Foreign currency exchange difference on borrowings	6,293	8,986
Net interest income	(222,667)	(261,181)
	6,342	(10,298)
Change in operating assets and liabilities		
Change in mandatory reserve deposits	(922)	1,090
Change in loans and advances to customers	(312,604)	406,100
Change in other assets	34,751	(32,784)
Change in placements with banks	(531,645)	-
Change in deposits from banks	321,675	327,462
Change in deposits from customers	9,222	(10,900)
Change in other liabilities	(26,308)	38,371
Interest received	336,734	380,698
Interest paid	(100,893)	(116,347)
Income tax paid	(67,734)	(57,029)
Net cash (used in)/from operating activities	(331,382)	926,363
Cash flows from investing activities		
Purchase of investment securities	(1,886,042)	(1,533,224)
Proceeds from sale/redemption of investment securities	2,154,968	33,354
Purchase of property and equipment	(2,311)	(1,525)
Proceeds from sale of property and equipment	29	263
Purchase of intangible assets	-	(12)
Net cash from/(used in) investing activities	266,644	(1,501,144)
Cash flows from financing activities		
Proceeds from borrowings	-	110,454
Repayment of borrowings	(127,203)	-
Interest paid on borrowings	(13,174)	(3,170)
Net cash (used in)/from financing activities	(140,377)	107,284
Net decrease in cash and cash equivalents	(205,115)	(467,497)
Cash and cash equivalents at 1 January	434,429	1,309,468
Cash and cash equivalents at 30 September	229,314	841,971
<i>Cash and cash equivalents for the purpose of statement of cashflow comprises:</i>		
Cash and balances with Bank of Ghana	296,359	274,018
Mandatory deposit reserve	(212,394)	(206,277)
	83,965	67,741
Due from other banks	144,467	617,400
Short term treasury bills	882	156,830
Cash and cash equivalents at 30 September	229,314	841,971

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

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

	Sept 2019	Sept 2018
Assets		
Cash and cash equivalents	972,471	891,418
Investment securities:		
- At amortised cost	1,533,099	867,688
- At fair value through other comprehensive income	420,161	1,068,328
Loans and advances to customers	898,078	604,488
Other assets	38,854	64,069
Property and equipment	51,156	27,950
Intangible assets	260	740
Income tax asset	4,849	5,459
Deferred tax asset	546	2,097
Total assets	3,919,474	3,532,237
Liabilities		
Deposits from customers	2,123,940	2,062,772
Deposits from banks	903,222	583,061
Borrowings	-	121,964
Other liabilities	97,881	116,808
Deferred tax liability	-	1,200
Total liabilities	3,125,043	2,885,805
Equity		
Stated capital	400,000	74,659
Income surplus	179,628	361,205
Fair value reserve	822	(394)
Statutory reserve	213,981	210,962
Total equity	794,431	646,432
Total liabilities and equity	3,919,474	3,532,237

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

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

For the nine months ended 30 September 2019

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

For the nine months ended 30 September 2018

	Stated capital	Income surplus	Statutory reserves	Fair value reserve	Total
At 31 December 2017	74,659	279,799	194,992	(676)	548,774
<i>Changes on initial application of IFRS 9</i>	-	(30,383)	-	282	(30,101)
At 1 January 2018	74,659	249,416	194,992	(394)	518,673
Profit for the period	-	127,759	-	-	127,759
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	127,759	-	-	127,759
Transfer between reserves	-	(15,970)	15,970	-	-
At 30 September 2018	74,659	361,205	210,962	(394)	646,432

United Bank for Africa (Ghana) Limited

Unaudited Condensed Financial Statements for the Nine Months Ended 30 September 2019

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

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, 1963 (Act 179) 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 2018, except for the adoption of new standards effective 1 January 2019. The Bank applied IFRS 16, Leases for the first time. The nature and effect of the changes on adoption of IFRS 16 are disclosed below. Several other amendments and interpretations apply for the first time in 2019 but do not have any material impact of the financial statements of the Bank. The Bank has not early adopted any other 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.

Changes in accounting policies

IFRS 16, 'Leases'

On 1 January 2019, the Bank adopted IFRS 16, Leases. The standard replaced IAS 17, Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases. While lessor accounting under IFRS 16 is substantially unchanged from IAS 17, lessees are now required to account for most leases under a single on-balance sheet model. As permitted by the standard, the Bank elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less (short term leases) and lease contracts for which the underlying asset is of low value (low value assets).

As permitted by the transitional provisions, the Bank elected to adopt IFRS 16 using the modified retrospective approach. As a result, the Bank's comparative figures were not restated and the cumulative effect of initially applying the standard was recognised as an adjustment to the opening balance of retained earnings at the date of initial application. The total impact of the adoption of IFRS 16 on the opening balance of the Bank's equity on 1 January 2019 was a reduction of GHS 829,786. Total assets and total liabilities also increased by GHS 22,287,334 and GHS 23,117,121 respectively.

3. Quantitative Disclosures

	Sept 2019	Sept 2018
Capital adequacy ratio	29.25%	29.61%
Capital adequacy ratio per Capital Requirements Directive (CRD)	18.24%	-
Gross non-performing loans ratio	52.10%	73.70%

4. Qualitative Disclosure

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 2019	Sept 2018
Default in statutory liquidity	Nil	Nil
Sanctions (GHS '000)	-	-
Default in prudential requirement (times)	2	Nil
Sanctions (GHS '000)	36	-



Honourable Kwamena Bartels
Director



Isong Udom
MD/CEO



THE ANNUAL UBA FOUNDATION NATIONAL ESSAY COMPETITION 2019

Essay topic

Investigative Journalism is seen as "Invasion of Privacy". Discuss

Prizes to be won

1st \$5000

2nd \$3000

3rd \$2000

Deadline

Friday 1st Nov, 2019

The UBA Foundation in collaboration with the Ministry of Education and the Ghana Education Service is offering all Senior High School students in Ghana, the opportunity to hone their writing skills and develop their intellectual capabilities in the 6th Edition of the National Essay Competition.

How to Win

- Applicants should send in handwritten essay entries of not more than seven hundred and fifty words on the selected topic to UBA Foundation, United Bank for Africa (Ghana) Ltd Heritage Tower, Ambassadorial Enclave, off Liberia Road Ridge, PMB 29 Ministries-Accra, Ghana or call 0302634060. You could also deliver your essay application to UBA branch closer to you.
- Applicants must submit their complete contact information (name & address of school, telephone number, residential and email addresses).
- Applicants must attach photocopies of their original birth certificates or international passport data pages.
- Entries close on Friday 1st November 2019. Late entries will not be accepted.
- Applicants must be Senior High School students schooling in Ghana.
- The educational grant is only applicable to applications who intend to study in an African University.
- The decision of the judge is final.

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