

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2020

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

	March 2020	March 2019
Interest income	164,025	107,246
Interest expense	(80,308)	(34,405)
Net interest income	83,717	72,841
Fees and commission income	19,297	10,482
Fees and commission expense	(2,635)	(2,650)
Net fees and commission income	16,662	7,832
Net trading and revaluation income	15,390	16,461
Other operating income	7	25
Net trading and other income	15,397	16,486
Net operating income	115,776	97,159
Allowance for credit losses on financial assets	(3,745)	(2,472)
Employee benefit expenses	(16,350)	(10,569)
Depreciation and amortisation	(2,712)	(895)
Other operating expenses	(14,840)	(16,425)
Profit before income tax	78,129	66,798
Income tax expense	(23,090)	(19,521)
Profit for the period	55,039	47,277
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)	867	(214)
Total comprehensive income for the period	55,906	47,063
Basic and diluted earnings per share (Ghana cedis)	0.01	0.01

UNAUDITED STATEMENT OF CASHFLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2020

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

	March 2020	March 2019
Cash flows from operating activities		
Profit before income tax	78,129	66,798
<i>Adjustments for:</i>		
Depreciation and amortisation	2,712	895
Allowance for credit losses on financial assets	3,745	2,472
Gain on disposal of property and equipment	(6)	-
Write-off of property and equipment	-	8
Foreign currency exchange difference on borrowings	-	6,175
Net interest income	(83,717)	(72,841)
	863	3,507
Change in operating assets and liabilities		
Change in mandatory reserve deposits	23,004	(25,786)
Change in loans and advances to customers	49,371	(53,226)
Change in other assets	(11,675)	56,573
Change in placements with banks	(2,781)	-
Change in deposits from banks	(438,947)	(266,804)
Change in deposits from customers	(230,035)	257,863
Change in other liabilities	7,947	(4,341)
Interest received	164,025	107,246
Interest paid	(80,308)	(34,405)
Income tax paid	(23,490)	(19,367)
Net cash (used)/from operating activities	(542,026)	21,260
Cash flows from investing activities		
Purchase of investment securities	(979,498)	(878,081)
Proceeds from sale/redemption of investment securities	1,937,589	892,956
Purchase of property and equipment	(1,662)	(1,860)
Proceeds from sale of property and equipment	7	-
Purchase of intangible assets	(17)	-
Net cash from investing activities	956,419	13,015
Cash flows from financing activities		
Net cash from financing activities	-	-
Net increase in cash and cash equivalents	414,393	34,275
Cash and cash equivalents at 1 January	351,270	434,429
Cash and cash equivalents at 31 March	765,663	468,704
<i>Cash and cash equivalents for the purpose of statement of cashflow comprises:</i>		
Cash and balances with Bank of Ghana	292,789	445,519
Due from other banks less than 90 days	231,050	259,805
	523,839	705,324
Mandatory deposit reserve	(210,876)	(237,258)
	312,963	468,066
Short term treasury bills	452,700	638
Cash and cash equivalents at 31 March	765,663	468,704

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

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

	March 2020	March 2019
Assets		
Cash and cash equivalents	526,621	705,324
Investment securities:		
- At amortised cost	1,965,552	1,463,083
- At fair value through other comprehensive income	398,752	692,306
Loans and advances to customers	909,816	685,033
Other assets	40,448	18,419
Property and equipment	44,878	57,305
Intangible assets	195	1,144
Income tax asset	5,918	2,864
Deferred tax asset	370	636
Total assets	3,892,550	3,626,114
Liabilities		
Deposits from customers	2,108,765	2,372,581
Deposits from banks	799,416	314,743
Borrowings	-	130,106
Other liabilities	98,499	120,625
Total liabilities	3,006,680	2,938,055
Equity		
Stated capital	400,000	400,000
Income surplus	214,342	73,526
Fair value reserve	2,145	552
Credit risk reserve	8,381	-
Statutory reserve	261,002	213,981
Total equity	885,870	688,059
Total liabilities and equity	3,892,550	3,626,114

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2020

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

For the three months ended 31 March 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	-	55,039	-	-	-	55,039
Fair value change in financial assets classified as FVOCI	-	-	-	-	867	867
Total comprehensive income for the period	-	55,039	-	-	867	55,906
Transfer between reserves	-	-	-	-	-	-
At 31 March 2020	400,000	214,342	261,002	8,381	2,145	885,870

For the three months ended 31 March 2019

	Stated capital	Income surplus	Statutory reserve	Credit risk reserve	Fair value reserve	Total
At 31 December 2018	400,000	27,079	213,981	-	766	641,826
Changes on initial application of IFRS 16	-	(830)	-	-	-	(830)
At 1 January 2019 (IFRS 16)	400,000	26,249	213,981	-	766	640,996
Profit for the period	-	47,277	-	-	-	47,277
Other comprehensive income	-	-	-	-	(214)	(214)
Total comprehensive income for the period	-	47,277	-	-	(214)	47,063
Transfer between reserves	-	-	-	-	-	-
At 31 March 2019	400,000	73,526	213,981	-	552	688,059

United Bank for Africa (Ghana) Limited

Unaudited Condensed Financial Statements for the Three Months Ended 31 March 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 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

	March 2020	March 2019
Capital adequacy ratio	23.8%	15.2%
Non-performing loans ratio	51.2%	71.2%

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

	March 2020	March 2019
Default in statutory liquidity (times)	1	Nil
Sanctions (GHS)	53,000	-
Default in prudential requirement (times)	Nil	Nil
Sanctions (GHS)	-	-



Honourable Kwamena Bartels
Director



Isong Udom
MD/CEO