United Bank for Africa (Ghana) Limited
UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2017

UBA
United Bank for Africa

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2017
(All amounts are expressed in Ghana cedis unless otherwise stated)

	2017	2016
Interest income	**330,033,900**	218,308,400
Interest expense	**(75,526,533)**	(136,994,552)
Net interest income	**254,507,367**	81,313,848
Fee and commission income	**13,263,136**	10,370,153
Net trading income	**13,690,143**	6,447,981
Other operating income	**1,191**	70,704
Net fees and commissions income	**26,954,470**	16,888,838
Operating income	**281,461,837**	98,202,686
Loan impairment charges	**(9,804,765)**	(3,940,349)
Personnel expenses	**(28,243,476)**	(18,260,664)
Depreciation and amortisation	**(1,764,268)**	(1,310,733)
Other operating expenses	**(60,586,619)**	(23,534,690)
Profit/(loss) before taxation	**181,062,709**	51,156,250
Provision for corporate tax	**(54,903,032)**	(15,008,127)
Profit/(loss) for the year after taxation	**126,159,677**	36,148,123
Other comprehensive income	**-**	-
Total comprehensive income	**126,159,677**	36,148,123

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017
(All amounts are expressed in Ghana cedis unless otherwise stated)

	2017	2016
Assets		
Cash and cash equivalents	**654,079,843**	341,096,835
Investment securities	**718,596,308**	1,393,759,869
Loans and advances to customers	**1,372,612,060**	589,661,665
Property and equipment	**14,232,041**	13,021,665
Intangible assets	**1,379,271**	1,365,364
Income tax asset	**-**	18,384,670
Deferred income tax asset	**1,507,659**	1,457,420
Other Assets	**84,922,690**	29,104,884
Total assets	**2,847,329,872**	2,387,852,372
Liabilities		
Customer deposits	**2,070,693,841**	1,833,734,666
Other liabilities	**81,898,876**	73,997,916
Current tax liabilities	**24,034,902**	-
Borrowing from Banks	**215,060,350**	179,025,600
Total liabilities	**2,391,687,969**	2,086,758,182
Shareholders' funds		
Share capital	**74,659,061**	74,659,061
Retained earnings	**160,837,946**	76,950,270
Statutory reserve	**167,496,379**	149,484,859
Regulatory credit risk reserve	**52,648,517**	-
Shareholders' funds	**455,641,903**	301,094,190
Total liabilities and shareholders' funds	**2,847,329,872**	2,387,852,372

UNAUDITED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2017
(All amounts are expressed in Ghana cedis unless otherwise stated)

	2017	2016
Profit before tax	181,062,709	51,156,250
Adjustments for:		
Depreciation	**1,458,576**	1,084,028
Amortisation	**305,692**	226,705
Loan impairment charges	**9,804,765**	3,940,349
Profit/Loss on disposal	**1,191**	70,704
Operating profit before working capital changes	**192,632,933**	56,478,036
Decrease /(Increase) in other assets	**(55,817,806)**	490,887,815
Increase / Decrease in other liabilities	**7,900,960**	51,871,462
Increase / Decrease in customer deposit	**236,959,175**	897,040,196
Decrease / Increase in loans and advances	**(786,449,326)**	(263,006,335)
Increase / Decrease in government securities	**675,163,560**	(926,229,209)
Increase / Decrease in borrowing from banks	**36,034,750**	(271,051,990)
Changes in working capital	**113,791,313**	(20,488,061)
Cash from operations	**306,424,246**	35,989,975
Corporate tax paid	**(25,179,073)**	(19,050,876)
National Stabilization Levy paid	**(5,035,814)**	(3,175,146)
Net cashflows from operating activities	**276,209,359**	13,763,953
Investing Activities		
Purchase of property ,plant and equipment	**(1,695,712)**	(6,533,702)
Purchase of intangible assets	**(503,856)**	(567,680)
Proceeds from sale of property and equipment	**1,191**	70,704
Net cash flow used in investing activities	**(2,198,377)**	(7,030,678)
Net change in cash and cash equivalents	**274,010,981**	6,733,275
Analysis of changes in cash and cash equivalents for the period		
Cash and cash equivalents as at 1st July	**915,555,545**	908,822,270
Net change in cash and cash equivalents	**274,010,981**	6,733,275
Cash and cash equivalents as at 30th June	**1,189,566,526**	915,555,545

1. QUANTITATIVE DISCLOSURES

	2017	2016
i. Non-Performing Loan Ratio	20.74%	9.10%
ii. Capital Adequacy Ratio	22.75%	25.74%

2. DISCLOSURES-QUALITATIVE

i. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).
ii. The bank's activities expose it to a variety of risks and those activities involve the analysis,evaluation,acceptance and management of some degree of risk or combination of risks.Taking risks is core to the bank's business and are an inevitable consequence of being in business.The bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance. The most significant types of risk include:
a. Credit risk is the risk of suffering financial loss, should any of the Bank's customers, clients or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises mainly from commercial and consumer loans and advances, credit cards, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as credit derivatives (credit default swaps), financial guarantees, letters of credit, endorsements and acceptances. The Bank is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures'), including non-equity trading portfolio assets, derivatives and settlement balances with market counterparties and reverse repurchase loans. Credit risk is the single largest risk for the Bank's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team, which reports to the Board of Directors and head of each business unit regularly.
b. Liquidity risk is the risk that the Bank is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin calls for derivatives.The Bank's liquidity management process, as carried out within the Bank and monitored by a separate team in Bank Treasury, includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers. The Bank maintains an active presence in global money markets to enable this to happen;
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring the liquidity ratios of the statement of financial position against internal and regulatory requirements; and
- Managing the concentration and profile of debt maturities

c. The Bank takes on exposure to market risks, which is the risk that changes in market prices will affect the banks's income or the value of its holdings of financial instruments.Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.The bank is exposed to interest rate and foreign exchange rate risks.

- Interest Rate Risks arises when there is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing and value at risk that may be undertaken, which is monitored daily by Bank Treasury.

-Foreign Exchange Rate Risk The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily.

d. Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the bank's processes,personnel,technology,infrastructure and from external factors other than credit,market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.Operational risk arise from all of the bank's operations and are faced by all business entities. The primary responsibility for the development and implementation of controls is assigned to senior management within each business unit. Compliance with the bank's standards is supported by a programme of periodic reviews undertaken by Internal audit.

iii.The financial statements do not contain untrue statements,misleading facts or omit material facts to the best of our knowledge.

3. DEFAULTS IN STATUTORY LIQUIDITY AND ACCOMPANYING SANCTIONS

	2017	2016
Default in statutory liquidity (Times)	Nil	Nil
Sanctions	Nil	Nil

Kenneth Orji
(Chairman)

Abiola Bawuah
(MD/CEO)