

UNITED BANK FOR AFRICA (SL) LIMITED

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021




STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

In thousands of Leones	2021	2020
Interest income	177,748,197	151,593,777
Interest expense	(14,092,016)	(9,677,246)
Net interest income	163,656,181	141,916,531
Fees and commission income	61,707,535	35,434,047
Fees and commission expense	(13,431,936)	(9,233,646)
Net fees and commission income	48,275,599	26,200,401
Net trading and foreign exchange income	20,433,107	18,829,471
Other income	136,513	256,392
Net trading and other income	20,569,620	19,085,863
Net operating income	232,501,400	187,202,795
Allowance for credit losses on financial assets	(918,649)	(169,227)
Personnel expenses	(26,443,591)	(20,571,568)
Depreciation	(6,441,774)	(4,386,591)
Other operating expenses	(40,011,406)	(38,382,469)
Profit before income tax	158,685,980	123,692,940
Income tax expense	(40,024,579)	(30,859,956)
Profit for the year	118,661,401	92,832,984
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurements of defined benefit liability	(218,091)	72,491
Related tax	54,523	(18,123)
Other comprehensive income net of tax	(163,568)	54,368
Total comprehensive income for the year	118,497,833	92,887,352
Basic and diluted earnings per share (Leones)	12,797	22,200

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

In thousands of Leones	2021	2020
Assets		
Cash and bank balances	647,258,482	389,538,861
Investment securities	1,068,927,593	829,260,903
Loans and advances to customers	160,520,562	59,471,101
Other assets	5,567,172	4,117,380
Property and equipment	41,794,180	32,561,078
Current tax assets	-	1,237,157
Total assets	1,924,067,989	1,316,186,480
Liabilities		
Deposits from customers	1,300,963,749	787,358,799
Deposits from banks	25,436,699	74,547,895
Other liabilities	256,760,486	189,523,324
Current tax liabilities	1,358,938	-
Deferred tax liabilities	504,361	630,400
Total liabilities	1,585,024,233	1,052,060,418
Equity		
Share capital	139,085,568	62,723,712
Contribution towards capital	-	76,361,856
Revenue reserve	91,228,609	45,852,925
Statutory reserve	108,798,551	79,133,201
Credit risk reserve	40,228	-
Other reserves	(109,200)	54,368
Total equity	339,043,756	264,126,062
Total liabilities and equity	1,924,067,989	1,316,186,480

These financial statements were approved by the Board of Directors on 29 March 2022 and were signed on its behalf by:

Mrs. Blanche Gooding Director
Mr. Usman Isiaka Managing Director/CEO
Mr. Abdul S. Kargbo Chairman

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

In thousands of Leones	2021	2020
Cash flows from operating activities:		
Profit before tax	158,685,980	123,692,940
<i>Adjustments for:</i>		
Depreciation expense	6,441,774	4,386,591
Allowance for credit loss release on loans and advances	(2,742)	(203,642)
Allowance for credit loss charge on placements	804,767	323,862
Allowance for credit loss charge on investment securities	6,643	9,442
Allowance for credit loss charge on off-balance sheet exposure	65,558	39,565
Allowance for credit loss charge on other assets	100,717	-
Write-off of loans and advances	-	176,154
Write-off of property and equipment	229,393	1,290,470
Actuarial loss/gain	163,568	(72,491)
Gain on disposal of property and equipment	-	(16,992)
Finance cost on lease liability	1,012,131	697,055
Net interest income	(163,656,181)	(141,916,531)
Foreign currency revaluation loss	14,928,008	2,319,132
	18,779,616	(9,274,445)
Changes in other operating assets and liabilities		
Change in mandatory cash reserve	(27,280,156)	(28,072,999)
Change in loans and advances to customers	(101,046,719)	22,827,796
Change in other assets	(16,478,517)	(544,505)
Change in deposits from banks	(49,111,196)	35,765,061
Change in deposits from customers	513,604,950	314,861,831
Change in other liabilities	22,028,139	103,054,459
Interest received	177,748,197	151,593,777
Interest paid on deposits from banks and customers	(13,079,885)	(8,980,191)
Income tax paid	(37,500,000)	(35,604,653)
Net cash from operating activities	487,664,429	545,626,131
Cash flows from investing activities:		
Purchase of investment securities	(1,081,162,433)	(729,878,503)
Proceeds from redemption of investment securities	841,489,100	376,384,700
Acquisition of property and equipment	(16,024,269)	(9,773,331)
Proceeds from disposal of property and equipment	-	16,992
Net cash used in investing activities	(255,697,602)	(363,250,142)
Cash flows from financing activities:		
Payment of lease liabilities	(1,527,362)	-
Net cash used in financing activities	(1,527,362)	-
Net increase in cash and cash equivalents	230,439,465	182,375,989
Cash and cash equivalents at 1 January	330,010,765	147,634,776
Cash and cash equivalents at 31 December	560,450,230	330,010,765

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER (CONTINUED)

Cash and cash equivalents for purposes of the statement of cash flows comprises:

In thousands of Leones	2021	2020
Cash and balances with Bank of Sierra Leone	108,992,207	85,814,050
Due from other banks	538,266,275	303,724,811
Cash and bank balances	647,258,482	389,538,861
Mandatory cash reserve	(86,808,252)	(59,528,096)
	560,450,230	330,010,765
Treasury bills and other eligible bills	-	-
Cash and cash equivalents at 31 December	560,450,230	330,010,765



Independent Auditor's report to the Shareholders of United Bank for Africa (SL) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United Bank for Africa (SL) Limited, which comprise the statement of financial position as at 31 December 2021, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of Sierra Leone.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Sierra Leone, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and those charged with governance for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of Sierra Leone, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Section 108(1) of the Banking Act of Sierra Leone, we report that:

- we were able to obtain all information and explanations required by us for the efficient performance of our duties;
- the Bank's transactions were within its powers; and
- The Engagement Partner on the audit resulting in this independent auditor's report is Dr. Claudius Williams-Tucker.

Freetown
Date 29 March 2022

Chartered Accountants

VERITAS
Chartered Accountants