

UNITED BANK FOR AFRICA (SIERRA LEONE) LIMITED

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

<i>In thousands of New Leones</i>	2023	2022
Interest income	512,562	305,481
Interest expense	(43,195)	(26,558)
Net interest income	469,367	278,923
Fees and commission income	157,719	100,262
Fees and commission expense	(31,195)	(18,858)
Net fees and commission income	126,524	81,404
Net trading and foreign exchange income	50,654	21,246
Other income	102	79
Net trading and other income	50,756	21,325
Net operating income	646,647	381,652
Allowance for credit losses on financial assets	(8,353)	(4,869)
Personnel expenses	(52,413)	(41,971)
Depreciation and amortisation	(9,817)	(7,899)
Other operating expenses	(88,254)	(55,739)
Profit before income tax	487,810	271,174
Income tax expense	(122,154)	(67,995)
Profit for the year	365,656	203,179
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurements of defined benefit liability	653	(462)
Related tax	(163)	116
Other comprehensive income net of tax	490	(346)
Total comprehensive income for the year	366,146	202,833
Basic and diluted earnings per share		
(New Leones)	39.44	21.91

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

<i>In thousands of New Leones</i>	2023	2022
Assets		
Cash and bank balances	1,573,471	1,394,568
Investment securities	1,987,235	1,239,323
Loans and advances to customers	465,230	258,191
Other assets	30,358	21,312
Property and equipment	53,154	51,288
Intangible assets	216	-
Current tax assets	-	1,146
Deferred income tax assets	2,059	460
Total assets	4,111,723	2,966,288
Liabilities		
Deposits from customers	2,863,875	2,084,118
Deposits from banks	217,555	117,565
Other liabilities	470,472	324,725
Current tax liabilities	270	-
Total liabilities	3,552,172	2,526,408
Equity		
Share capital	139,086	139,086
Revenue reserve	205,280	141,657
Statutory reserve	205,300	159,593
Credit risk reserve	9,851	-
Other reserves	34	(456)
Total equity	559,551	439,880
Total liabilities and equity	4,111,723	2,966,288


These financial statements were approved by the Board of Directors on 28 March 2024 and were signed on its behalf by:

		
Mrs. Blanche Gooding	Mr. Mohamed Samoura	Dr. Claudius Bart-Williams
Director	Managing Director/CEO	Chairman

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

<i>In thousands of New Leones</i>	2023	2022
Cash flows from operating activities:		
Profit before tax	487,810	271,174
Adjustments for:		
Depreciation and amortisation expense	9,817	7,899
Allowance for credit loss charge on loans and advances	746	3,673
Allowance for credit loss charge on placements	2,492	570
Allowance for credit loss charge on investment securities	13	8
Allowance for credit loss released on off-balance sheet exposure	(19)	(71)
Impairment charge on other assets	5,121	690
Write-off of other assets	18	101
Write-off of property and equipment	68	43
Gain on disposal of property and equipment	-	(18)
Actuarial (gain)/loss	(490)	346
Finance cost on lease liability	2,389	1,755
Net interest income	(469,367)	(278,923)
Foreign currency revaluation gain/loss	(4,224)	52,345
	34,374	59,592
Changes in other operating assets and liabilities		
Change in mandatory cash reserve	(21,307)	(10,387)
Change in loans and advances to customers	(207,785)	(101,343)
Change in other assets	(9,961)	(68,881)
Change in placements with banks	(455,942)	-
Change in deposits from banks	99,990	92,128
Change in deposits from customers	779,757	783,154
Change in other liabilities	(10,480)	(34,684)
Interest received	512,562	305,481
Interest paid on deposits from banks and customers	(40,806)	(24,803)
Income tax paid	(122,500)	(72,596)
Net cash from operating activities	557,902	927,661
Cash flows from investing activities:		
Purchase of investment securities	(1,835,242)	(960,508)
Proceeds from redemption of investment securities	1,087,317	790,105
Acquisition of property and equipment	(11,883)	(17,435)
Acquisition of intangible assets	(84)	-
Proceeds from disposal of property and equipment	-	18
Net cash used in investing activities	(759,892)	(187,820)
Cash flows from financing activities:		
Payment of lease liability	(19,299)	(2,919)
Dividend paid to owners	(77,057)	-
Net cash used in financing activities	(96,356)	(2,919)
Net decrease/increase in cash and cash equivalents	(298,346)	736,922
Cash and cash equivalents at 1 January	1,297,372	560,450
Cash and cash equivalents at 31 December	999,026	1,297,372
Cash and cash equivalents for purposes of the statement of cash flows comprises:		
Cash and balances with Bank of Sierra Leone	343,667	232,540
Due from other banks	1,229,804	1,162,028
Cash and bank balances	1,573,471	1,394,568
Mandatory cash reserve	(118,503)	(97,196)
	1,454,968	1,297,372
Placement with banks above 90 days	(455,942)	-
Treasury bills and other eligible bills	-	-
Cash and cash equivalents at 31 December	999,026	1,297,372

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNITED BANK FOR AFRICA (SL) LIMITED



VERITAS Professional Services Limited
10 Wallace Johnson Street
Email: Info@verita-sl.com
Freetown
Sierra Leone

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of United Bank for Africa (SL) Limited, which comprises of the statement of financial position as at 31 December 2023, the statement of profit and loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year 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 2023, 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 Willams-Tucker.

Freetown

28th March 2024

Chartered Accountants

