

UNITED BANK FOR AFRICA (SIERRA LEONE) LIMITED

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

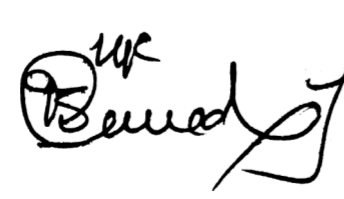


STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

<i>In thousands of New Leones</i>	2022	2021
Interest income	305,481	177,748
Interest expense	(26,558)	(14,092)
Net interest income	278,923	163,656
Fees and commission income	100,262	61,708
Fees and commission expense	(18,858)	(13,432)
Net fees and commission income	81,404	48,276
Net trading and foreign exchange income	21,246	20,433
Other income	79	136
Net trading and other income	21,325	20,569
Net operating income	381,652	232,501
Allowance for credit losses on financial assets	(4,869)	(919)
Personnel expenses	(41,971)	(26,443)
Depreciation	(7,899)	(6,442)
Other operating expenses	(55,739)	(40,011)
Profit before income tax	271,174	158,686
Income tax expense	(67,995)	(40,025)
Profit for the year	203,179	118,661
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss</i>		
Re-measurements of defined benefit liability	(462)	(219)
Related tax	116	55
Other comprehensive income net of tax	(346)	(164)
Total comprehensive income for the year	202,833	118,497
Basic and diluted earnings per share (New Leones)	21.91	12.80

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

<i>In thousands of New Leones</i>	2022	2021
Assets		
Cash and bank balances	1,394,568	647,258
Investment securities	1,239,323	1,068,928
Loans and advances to customers	258,191	160,521
Other assets	21,312	5,567
Property and equipment	51,288	41,795
Current tax assets	1,146	-
Deferred income tax assets	460	-
Total assets	2,966,288	1,924,069
Liabilities		
Deposits from customers	2,084,118	1,300,964
Deposits from banks	117,565	25,437
Other liabilities	324,725	256,762
Current tax liabilities	-	1,359
Deferred tax liabilities	-	504
Total liabilities	2,526,408	1,585,026
Equity		
Share capital	139,086	139,086
Revenue reserve	141,657	91,229
Statutory reserve	159,593	108,798
Credit risk reserve	-	40
Other reserves	(456)	(110)
Total equity	439,880	339,043
Total liabilities and equity	2,966,288	1,924,069

These financial statements were approved by the Board of Directors on 29 March 2023 and were signed on its behalf by:




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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

<i>In thousands of New Leones</i>	2022	2021
Cash flows from operating activities:		
Profit before tax	271,174	158,686
<i>Adjustments for:</i>		
Depreciation expense	7,899	6,442
Allowance for credit loss charge/ release on loans and advances	3,673	(3)
Allowance for credit loss charge on placements	570	805
Allowance for credit loss charge on investment securities	8	7
Allowance for credit loss release/ charge on off-balance sheet exposure	(71)	66
Impairment charge on other assets	690	101
Write-off of other assets	101	-
Write-off of property and equipment	43	229
Gain on disposal of property and equipment	(18)	-
Actuarial loss/gain	346	164
Finance cost on lease liability	1,755	1,012
Net interest income	(278,923)	(163,656)
Foreign currency revaluation loss	52,345	14,928
	59,592	18,781
Changes in other operating assets and liabilities		
Change in mandatory cash reserve	(10,387)	(27,280)
Change in loans and advances to customers	(101,343)	(101,047)
Change in other assets	(68,881)	(16,479)
Change in deposits from banks	92,128	(49,111)
Change in deposits from customers	783,154	513,605
Change in other liabilities	(34,684)	22,027
Interest received	305,481	177,748
Interest paid on deposits from banks and customers	(24,803)	(13,080)
Income tax paid	(72,596)	(37,500)
Net cash from operating activities	927,661	487,664
Cash flows from investing activities:		
Purchase of investment securities	(960,508)	(1,081,162)
Proceeds from redemption of investment securities	790,105	841,489
Acquisition of property and equipment	(17,435)	(16,025)
Proceeds from disposal of property and equipment	18	-
Net cash used in investing activities	(187,820)	(255,698)
Cash flows from financing activities:		
Payment of lease liability	(2,919)	(1,527)
Net cash used in financing activities	(2,919)	(1,527)
Net increase in cash and cash equivalents	736,922	230,439
Cash and cash equivalents at 1 January	560,450	330,011
Cash and cash equivalents at 31 December	1,297,372	560,450
<i>Cash and cash equivalents for purposes of the statement of cash flows comprises:</i>		
<i>In thousands of New Leones</i>	2022	2021
Cash and balances with Bank of Sierra Leone	232,540	108,992
Due from other banks	1,162,028	538,266
Cash and bank balances	1,394,568	647,258
Mandatory cash reserve	(97,196)	(86,808)
	1,297,372	560,450
Treasury bills and other eligible bills	-	-
Cash and cash equivalents at 31 December	1,297,372	560,450

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 2022, 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 2022, 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

Chartered Accountants

Date 31 March 2023

