

First National Bank Ghana Limited

Unaudited financial statements for the half-year ended 30 June 2022



Statement of comprehensive income

(All amounts are in thousands of Ghana Cedis)

	For the half-year ended 30 June	
	2022	2021
Interest income	124,865	110,854
Interest expense	(67,402)	(60,626)
Net interest income	57,463	50,228
Fees and commission income	25,436	15,748
Fees and commission expense	(5,961)	(3,223)
Net fees and commission	19,475	12,525
Net trading income	39,349	30,155
Other (expense)/ income	(4,449)	(2,994)
Other income	34,900	27,161
Operating income	111,838	89,914
Net impairment loss on financial assets	(5,788)	(5,032)
Operating income net of impairment	106,050	84,882
Personnel expenses	(62,328)	(53,086)
Operating lease expense	(2,815)	(2,301)
Depreciation and amortisation	(10,614)	(11,745)
Other operating expenses	(23,544)	(24,382)
Total operating expenses	(99,301)	(91,514)
Profit/(Loss) before income tax	6,749	(6,632)
Income tax	-	-
National fiscal stabilisation levy	-	-
Profit/(Loss) for the period	6,749	(6,632)
Total comprehensive income for the period	6,749	(6,632)

Statement of cash flows

(All amounts are in thousands of Ghana Cedis)

	For the half-year ended 30 June	
	2022	2021
Cash flows from operating activities		
Profit/(Loss) for the period	6,749	(6,632)
<i>Adjustments for:</i>		
Depreciation and amortisation	10,614	11,745
Impairment of financial assets	5,788	5,032
Net interest income	(57,463)	(50,228)
Translation (gain)/loss	4,449	2,994
Change in non-pledged trading assets	109,452	(6,241)
Change in investment securities	(157,233)	77,718
Change in loans and advances	(36,012)	7,969
Change in other assets	8,594	(26,533)
Change in deposits from banks	(212,091)	59,149
Change in deposits from customers	375,301	(168,315)
Change in other liabilities	(4,449)	(27,434)
Change in derivative financial assets	(3,901)	998
Change in derivative financial liabilities	2,443	(655)
Change in restricted balances with BoG	(4,111)	(33,104)
Interest received	122,149	108,976
Interest paid	(62,553)	(49,644)
Net cash from/(used in) operating activities	107,726	(94,205)
Cash flows from investing activities		
Purchases of property and equipment	(3,995)	(8,245)
Net cash from/(used in) investing activities	(3,995)	(8,245)
Cash flows from financing activities		
Payment of finance lease liability	(6,303)	(8,544)
Net cash from/(used in) financing activities	(6,303)	(8,544)
Net increase in cash and cash equivalents	97,428	(110,994)
Cash and cash equivalents at 1 January	436,612	420,294
Effect of exchange rate changes on cash and cash equivalents	79,068	(3,058)
Cash and cash equivalents at 30 June	613,108	306,242

Statement of financial position

(All amounts are in thousands of Ghana Cedis)

	as at 30 June	
	2022	2021
Assets		
Cash and cash equivalents	830,126	474,215
Non-pledged trading assets	3,753	193,094
Loans and advances	907,763	676,851
Investment securities	932,047	635,253
Derivative financial assets	13,055	358
Intangible assets	75,993	84,245
Other assets	47,764	94,514
Property and equipment	50,001	59,518
Deferred tax asset	797	-
Total assets	2,861,299	2,218,048
Liabilities		
Deposits from banks	515	67,397
Deposits from customers	1,561,360	1,021,187
Derivative financial liabilities	5,217	195
Deferred tax liability	-	2,639
Other liabilities	121,855	101,188
Borrowings	619,285	496,717
Total liabilities	2,308,232	1,689,323
Equity		
Stated capital	622,847	607,795
Statutory reserves	1,713	1,713
Retained earnings	(71,493)	(80,783)
Total equity	553,067	528,725
Total liabilities and equity	2,861,299	2,218,048

Cash and cash equivalents in the statement of financial position include restricted cash balance of GHS217,018 (2021:GHS167,973) with Bank of Ghana. But restricted balances are excluded in the cash and cash equivalents for cash flow purposes.

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Emmanuel Idun (Chairman)


Dominic Adu (Chief Executive Officer)



Statement of changes in equity for the half-year ended 30 June 2022

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contribution towards capital	Credit risk reserve	Statutory reserve	Retained earnings	Total equity
Balance at 1 January 2022	622,847	-	-	1,713	(78,242)	546,318
Profit for the period	-	-	-	-	6,749	6,749
Total comprehensive income	-	-	-	-	6,749	6,749
Transactions with owners						
Issue of ordinary shares	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance at 30 June 2022	622,847	-	-	1,713	(71,493)	553,067

Statement of changes in equity for the half-year ended 30 June 2021

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contribution towards capital	Credit risk reserve	Statutory reserve	Retained earnings	Total equity
Balance at 1 January 2021	607,795	-	-	1,713	(74,151)	535,357
Loss for the period	-	-	-	-	(6,632)	(6,632)
Total comprehensive income	-	-	-	-	(6,632)	(6,632)
Transactions with owners						
Issue of ordinary shares	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance at 30 June 2021	607,795	-	-	1,713	(80,783)	528,725

Notes to the Unaudited Financial Statements

(for the half-year ended 30 June 2022)

1. Significant accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG).

2. Quantitative disclosures

a) Capital Adequacy Ratio (CAR)	June 2022	June 2021
	34.13%	38.42%
b) Non-Performing Loans (NPL) Ratio	5.04%	4.59%

3. Qualitative disclosures

First National Bank Ghana Limited (the bank) is exposed to:

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk

The Board of Directors has overall responsibility for the establishment and oversight of the bank's risk management framework. The Board has established the bank's Asset, Liability and Capital Committee (ALCCO), the Risk Committee (RISCO) and the Executive Committee (EXCO) which are responsible for developing and monitoring risk management policies in their specified areas.

The bank maintains liquidity limit imposed by its local regulator, Bank of Ghana and the overall liquidity has always been within the regulatory limit of Bank of Ghana. Treasury department monitors all branches to ensure that the bank maintains optimum liquid assets. The daily liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by ALCCO.

Daily reports on the liquidity position of the bank are submitted to senior management and summary report, including any exceptions and remedial action taken, is submitted to ALCCO on a quarterly basis.

The Board of Directors has delegated responsibility for the management of credit risk to a Management Credit Risk Committee. The committee is responsible for the independent monitoring and oversight of the credit risk management process within the bank as well as the approval of risk procedure, frameworks, policies and methodologies applied in the management of the bank's credit exposures.

4. Compliance with statutory liquidity requirement

	June 2022	June 2021
a) Default in statutory liquidity (number of times)	n/a	n/a
b) Default in statutory liquidity sanction (GHS'000)	n/a	n/a
c) Other regulatory penalties (GHS'000)	60	n/a

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