

First National Bank Ghana Limited

Unaudited financial statements for the half-year ended 30 June 2023



Statement of comprehensive income

(All amounts are in thousands of Ghana Cedis)

for the half-year ended 30 June

	2023	2022
Interest income	244,912	124,865
Interest expense	(147,114)	(67,402)
Net interest income	97,798	57,463
Fees and commission income	41,206	25,436
Fees and commission expense	(12,832)	(5,961)
Net fees and commission	28,374	19,475
Net trading income	49,999	39,349
Other (expense) / income	(25,738)	(4,449)
Other income	24,261	34,900
Operating income	150,433	111,838
Net impairment loss on financial assets	(21,677)	(5,788)
Operating Income net of impairment	128,756	106,050
Personnel expenses	(82,153)	(62,328)
Operating lease expense	(5,315)	(2,815)
Depreciation and amortisation	(10,855)	(10,614)
Other operating expenses	(39,040)	(23,544)
Total operating expenses	(137,363)	(99,301)
Profit/(Loss) before tax	(8,607)	6,749
Income tax expense	-	-
Profit/(Loss) for the period	(8,607)	6,749
Total comprehensive income for the period	(8,607)	6,749

Statement of financial position

(All amounts are in thousands of Ghana Cedis)

as at 30 June

	2023	2022
Assets		
Cash and cash equivalents	1,024,778	830,126
Non-pledged trading assets	830	3,753
Loans and advances	1,053,464	907,763
Investment securities	1,542,210	932,047
Derivative financial assets	394	13,055
Intangible assets	12,143	75,993
Deferred tax assets	797	797
Other assets	92,487	47,764
Property and equipment	50,310	50,001
Total assets	3,777,413	2,861,299
Liabilities		
Deposits from other banks	17,207	515
Deposits from customers	2,559,305	1,561,360
Derivative financial liabilities	259	5,217
Other liabilities	202,628	121,855
Borrowings	760,699	619,285
Total liabilities	3,540,098	2,308,232
Equity		
Stated capital	662,914	622,847
Statutory reserves	1,713	1,713
Retained earnings	(427,312)	(71,493)
Total equity	237,315	553,067
Total liabilities and equity	3,777,413	2,861,299

Statement of cash flows

(All amounts are in thousands of Ghana Cedis)

for the half-year ended 30 June

	2023	2022
Cash flows from operating activities		
Profit/(Loss) for the period	(8,607)	6,749
Adjustments for:		
Depreciation and amortisation	10,855	10,614
Impairment of financial assets	21,677	5,788
Net interest income	(97,798)	(57,463)
Translation (gain)/loss	25,738	4,449
Change in non-pledged trading assets	3,383	109,452
Change in loans and advances	96,716	(36,012)
Change in investment securities	(737,222)	(157,233)
Change in other assets	163,361	8,594
Change in deposits from banks	16,088	(212,091)
Change in deposits from customers	512,329	375,301
Change in other liabilities	(188,444)	(4,449)
Change in derivative financial assets	32,897	(3,901)
Change in derivative financial liabilities	(17,126)	2,443
Change in restricted balances with Bank of Ghana	173,492	(4,111)
Interest received	241,920	122,149
Interest paid	(150,434)	(62,553)
Net cash from/(used in) operating activities	98,825	107,726
Cash flows from investing activities		
Purchases of property and equipment	(3,916)	(3,995)
Purchases of intangible assets	(1,673)	-
Net cash (used in) investing activities	(5,589)	(3,995)
Cash flows from financing activities		
Payment of finance lease liability	(17,974)	(6,303)
Net cash (used in) financing activities	(17,974)	(6,303)
Net increase/(decrease) in cash and cash equivalents	75,262	97,428
Cash and cash equivalents at 1 January	533,361	436,612
Effect of exchange rate changes on cash and cash equivalents	72,815	79,068
Cash and cash equivalents at 30 June	681,438	613,108

Cash and cash equivalents in the statement of financial position include restricted cash balance of GHS343,340 (2022:GHS217,018) with Bank of Ghana. But restricted balances are excluded in the cash and cash equivalents for cash flow purposes.

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2023

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Emmanuel Idun (Chairman)

25 July 2023

Warren Adams (Chief Executive Officer)

25 July 2023



Statement of changes in equity for the half-year ended 30 June 2023

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contribution towards capital	Credit risk reserve	Statutory reserve	Income surplus/ (deficit)	Total equity
Balance at 1 January 2023	622,847	40,067	-	1,713	(418,705)	245,922
Loss for the period	-	-	-	-	(8,607)	(8,607)
Total comprehensive income	-	-	-	-	(8,607)	(8,607)
Contributions towards capital	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Issue of ordinary shares	40,067	(40,067)	-	-	-	-
Transfer from credit risk reserve	-	-	-	-	-	-
Total transactions with owners	40,067	(40,067)	-	-	-	-
Balance at 30 June 2023	662,914	-	-	1,713	(427,312)	237,315

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	Income surplus/ (deficit)	Total equity
Balance at 1 January 2022	622,847	-	-	1,713	(78,242)	546,318
Profit for the period	-	-	-	-	6,749	6,749
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	6,749	6,749
Issue of ordinary shares	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Contributions towards capital	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance at 30 June 2022	622,847	-	-	1,713	(71,493)	553,067

Notes to the unaudited financial statements

(for the half-year ended 30 June 2023)

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

	June 2023	June 2022
a) Capital Adequacy Ratio (CAR)	16.11%	34.13%
b) Non-Performing Loans (NPL) Ratio	11.70%	4.59%

3. Qualitative disclosures

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

- 1 Credit Risk 2 Liquidity Risk 3 Market Risk 4 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 and cash reserving requirements imposed by its local regulator, Bank of Ghana, and the overall liquidity has always been within the regulatory requirements of Bank of Ghana. The daily liquidity position as well as future funding requirements is monitored and managed by Treasury.

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 regularly 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. Defaults in statutory liquidity and accompanying sanctions

	June 2023	June 2022
a) Default in statutory liquidity (number of times)	n/a	n/a
b) Sanctions (GHS'000)	12	60

Corporate Investment Banking



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