

# First National Bank Ghana Limited

Unaudited Financial Statements for the half-year ended 30 June 2018

## STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana Cedis)

	2018	2017
Interest income	13,868	15,229
Interest expense	(5,520)	(2,405)
<b>Net interest income</b>	<b>8,348</b>	<b>12,824</b>
Fee and commission income	1,970	747
Fee and commission expense	(756)	(259)
<b>Net fees and commission income/(expense)</b>	<b>1,214</b>	<b>488</b>
Net trading income	7,622	5,373
Other income	969	(2,389)
<b>Total operating income</b>	<b>18,153</b>	<b>16,296</b>
Impairment charge on financial assets	(3,674)	(94)
Personnel expenses	(23,052)	(15,606)
Operating lease expense	(4,476)	(3,994)
Depreciation and amortisation	(3,306)	(2,475)
Other operating expenses	(7,611)	(5,603)
<b>Profit/(Loss) before income tax</b>	<b>(23,966)</b>	<b>(11,476)</b>
Income tax expense	2,412	1,020
<b>Profit/(Loss) after income tax</b>	<b>(21,554)</b>	<b>(10,456)</b>
<b>Other comprehensive income, net of income tax</b>		
Gains on available-for-sale financial assets	-	1,251
<b>Other comprehensive income (net of income tax)</b>	<b>-</b>	<b>1,251</b>
<b>Total comprehensive income for the period</b>	<b>(21,554)</b>	<b>(9,205)</b>

## STATEMENT OF CASH FLOWS

(All amounts are in thousands of Ghana Cedis)

	2018	2017
<b>Cash flows from operating activities</b>		
Profit/(loss) for the period	(21,554)	(10,456)
Adjustments for:		
Depreciation and amortisation	3,306	2,475
Impairment on financial assets	3,674	94
Net interest income	(8,348)	(12,824)
Income tax expense	(2,412)	(1,020)
	<b>(25,334)</b>	<b>(21,731)</b>
Change in non-pledged trading assets	(4,470)	(13,847)
Change in loans and advances	(31,212)	(8,602)
Change in other assets	1,874	(568)
Change in deposits from customers	54,696	(96,307)
Change in other liabilities	12,845	3,790
Change in deferred tax	(1,739)	545
	<b>31,994</b>	<b>(114,989)</b>
Interest received	14,512	14,179
Interest paid	(5,217)	(2,281)
<b>Net cash (used in)/generated from operating activities</b>	<b>15,955</b>	<b>(124,822)</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	(9,746)	(13,254)
Purchases of property and equipment	(3,278)	(2,292)
<b>Net cash used in investing activities</b>	<b>(13,024)</b>	<b>(15,546)</b>
<b>Cash flows from financing activities</b>		
Capital contribution from shareholder	17,784	8,593
<b>Net cash generated from financing activities</b>	<b>17,784</b>	<b>8,593</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>20,715</b>	<b>(131,775)</b>
Cash and cash equivalents at 1 January	77,525	174,501
<b>Cash and cash equivalents at period end</b>	<b>98,240</b>	<b>42,726</b>

## STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Ghana Cedis)

	2018	2017
<b>Assets</b>		
Cash and bank balances	98,240	42,726
Non-pledged trading assets	46,294	30,293
Loans and advances	55,933	11,797
Investment securities	78,811	76,036
Intangible assets	59	745
Deferred tax asset	2,888	-
Other assets	11,023	7,256
Property and equipment	22,917	21,458
<b>Total assets</b>	<b>316,165</b>	<b>190,311</b>
<b>Liabilities</b>		
Deposits from customers	158,070	39,091
Deferred tax liability	-	921
Other liabilities	31,518	15,045
<b>Total liabilities</b>	<b>189,588</b>	<b>55,057</b>
<b>Equity</b>		
Stated capital	162,017	153,237
Contribution towards capital	26,604	-
Other reserves	-	5,149
Income surplus (deficit)	(62,044)	(23,132)
<b>Total</b>	<b>126,577</b>	<b>135,254</b>
<b>Total liabilities and equity</b>	<b>316,165</b>	<b>190,311</b>

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

for the period ended 30 June 2018

### 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

	2018	2017
a). Capital Adequacy Ratio (CAR)	59%	244%
b). Non-Performing Loans (NPL) Ratio	13%	n/a

### 3. Qualitative disclosures

First National Bank Ghana Limited is exposed to:

- Credit Risk
- Liquidity Risk
- Market Risks
- 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 the Asset, Liability and Capital Management Committee (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 monthly basis.

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



**First National Bank**  
How can we help you?

First National Bank Ghana Limited, a subsidiary of FirstRand Group, South Africa.