

# First National Bank Ghana Limited

## Unaudited Financial Statements for the half-year ended 30 June 2016

### STATEMENT OF COMPREHENSIVE INCOME

(All amounts are expressed in thousands of Ghana cedis)

	Half-year ended 30 June 2016	Half-year ended 30 June 2015
Interest income	14,383	-
Interest expense	(53)	-
<b>Net interest income</b>	<b>14,330</b>	<b>-</b>
Fees and commission expense	(104)	-
Other operating income	1,535	47,375
<b>Total operating income</b>	<b>15,761</b>	<b>47,375</b>
Impairment charge on loans and advances	33	-
Personnel expenses	(11,278)	(12)
Operating lease expense	(3,747)	-
Depreciation	(1,306)	-
Other operating expenses	328	(4,526)
<b>(Loss) / profit before income tax</b>	<b>(209)</b>	<b>42,837</b>
Income tax expense	435	(11,943)
<b>Profit after income tax</b>	<b>226</b>	<b>30,894</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>226</b>	<b>30,894</b>

### STATEMENT OF CASH FLOWS

(All amounts are expressed in thousands of Ghana cedis)

	Half-year ended 30 June 2016	Half-year ended 30 June 2015
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax	(209)	42,837
Adjustments for:		
Depreciation	2,286	-
Unrealised forex gain	(497)	(48,298)
Impairment on loans and advances	(33)	-
Change in loans and advances	(1,070)	-
Change in government securities	(12,990)	-
Change in other assets	(1,347)	(4,090)
Change in deposits from customers	5,118	-
Change in other liabilities	(1,689)	890
<b>Net cash (used in)/generated from operating activities</b>	<b>(10,431)</b>	<b>(8,661)</b>
<b>Cash flows from investing activities</b>		
Purchases of intangible assets	(1,267)	-
Purchases of property and equipment	(12,312)	-
<b>Net cash used in investing activities</b>	<b>(13,579)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	-	16,758
Capital contribution from shareholder	-	-
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>16,758</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(24,010)</b>	<b>(8,097)</b>
Cash and cash equivalents at 1 January	34,990	122,259
Effect of exchange rate fluctuations on cash held	-	48,298
<b>Cash and cash equivalents at period end</b>	<b>10,980</b>	<b>178,654</b>

### STATEMENT OF FINANCIAL POSITION

(All amounts are expressed in thousands of Ghana cedis)

	30 June 2016	30 June 2015
<b>Assets</b>		
Cash and bank balances	10,980	178,654
Government securities	108,860	-
Loans and advances to staff	2,435	-
Property and equipment	21,264	461
Intangible assets	1,267	-
Deferred tax asset	447	-
Other assets	5,984	4,090
<b>Total assets</b>	<b>151,237</b>	<b>183,205</b>
<b>Liabilities</b>		
Deposits from customers	6,582	-
Deferred income tax liability	-	11,944
Other liabilities	12,183	1,383
<b>Total liabilities</b>	<b>18,765</b>	<b>13,327</b>
<b>Equity</b>		
Stated capital	136,758	138,618
Other reserves	12	-
Income surplus (deficit)	(4,298)	31,260
<b>Total</b>	<b>132,472</b>	<b>169,878</b>
<b>Total liabilities and equity</b>	<b>151,237</b>	<b>183,205</b>

	2016 GH¢	2015 GH¢
<b>Loan classification by status</b>		
Gross loans	2,435,000	Nil
Performing loans	2,435,000	Nil
Non-Performing loans	Nil	Nil
NPL(%)	Nil	Nil
Capital Adequacy Ratio(CAR)	232%	Nil
<b>Breach of statutory limits</b>		
Minimum liquidity reserves	Nil	Nil
Penalty for breach limits	Nil	Nil

### Qualitative disclosures

The types and degree of financial risks an organization may be exposed to depend largely on the size and complexity of business activities. However First National Bank Ghana limited is generally 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 compliance of 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 is 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 its Board 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.