

First National Bank Ghana Limited

Unaudited Financial Statements for the nine months ended 30 September 2019



Unaudited statement of comprehensive income for the period ended 30 September 2019

(All amounts are in thousands of Ghana Cedis)

	30 September 2019	30 September 2018
Interest income	66,735	22,099
Interest expense	(15,493)	(8,342)
Net interest income	51,242	13,757
Fees and commission income	7,303	3,198
Fees and commission expense	(3,077)	(1,005)
Net fees and commission income	4,226	2,193
Net trading income	17,763	10,363
Other income	(2,893)	642
Operating income	70,338	26,955
Net impairment loss on financial assets	(8,320)	(2,555)
Personnel expenses	(36,207)	(35,209)
Operating lease expense	(1,256)	(6,700)
Depreciation and amortisation	(9,468)	(4,773)
Other operating expenses	(10,968)	(11,655)
Profit/(Loss) before tax	4,119	(33,937)
Income tax	(36)	2,412
Profit/(Loss) for the period	4,083	(31,525)
Total comprehensive income for the period	4,083	(31,525)

Unaudited statement of cash flows for the period ended 30 September 2019

(All amounts are in thousands of Ghana Cedis)

	30 September 2019	30 September 2018
Cash flows from operating activities		
Profit/(loss) for the period	4,083	(31,525)
Adjustments for:		
Depreciation and amortisation	9,468	4,773
Impairment on financial assets	8,320	2,555
Net interest income	(51,242)	(13,757)
Income tax expense	36	(2,412)
Change in non-pledged trading assets	17,514	7,875
Change in loans and advances	(32,270)	(51,388)
Change in investment securities	(153,698)	-
Change in other assets	(5,508)	668
Change in deposits from banks	(1,241)	11,844
Change in deposits from customers	190,976	66,323
Change in other liabilities	(4,315)	18,320
Change in deferred tax	(77)	(1,739)
Interest received	66,018	20,929
Interest paid	(13,813)	(8,215)
Net cash from/(used in) operating activities	(34,251)	24,251
Cash flows from investing activities		
Purchases of property and equipment	(772)	(3,512)
Net cash used in investing activities	(772)	(3,512)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	27,169
Payment of finance lease liability	(5,774)	-
Net cash (used in)/from financing activities	(5,774)	27,169
Net (decrease)/increase in cash and cash equivalents	27,705	47,908
Cash and cash equivalents at 1 January	225,205	77,525
Cash and cash equivalents at 30 September	252,910	125,433

Unaudited statement of financial position as at 30 September 2019

(All amounts are in thousands of Ghana Cedis)

	30 September 2019	30 September 2018
Assets		
Cash and cash equivalents	252,910	125,433
Non-pledged trading assets	30,644	33,949
Loans and advances	108,583	77,351
Investment securities	398,436	69,701
Intangible assets	-	44
Deferred tax assets	3,274	2,888
Other assets	19,750	12,229
Property and equipment	17,151	21,701
Right-of-use assets	22,741	-
Total assets	853,489	343,296
Liabilities		
Deposits from banks	48	11,844
Deposits from customers	373,802	169,697
Other liabilities	22,202	36,993
Finance lease liabilities	23,365	-
Total liabilities	419,417	218,534
Equity		
Stated capital	505,850	198,006
Income (deficit)/surplus	(71,778)	(73,244)
Total equity	434,072	124,762
Total liabilities and equity	853,489	343,296

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Notes to the unaudited financial statements for the period ended 30 September 2019

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

	30 September 2019	30 September 2018
a) Capital Adequacy Ratio (CAR)	124%	51%
b) Non-Performing Loans (NPL) Ratio	1.8%	10.5%

3. Qualitative disclosures

First National Bank Ghana Limited 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 Risk, Capital and Compliance Committee (RCCC), the Audit Committee 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, the Bank of Ghana and the overall liquidity has always been within the regulatory limit of the Bank of Ghana. The Bank 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 a summary report, including any exceptions and remedial action taken, is submitted regularly to ALCCO on a quarterly basis.

RCCC 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 frameworks, policies and methodologies applied in the management of the Bank's credit exposures.

4. Defaults in statutory liquidity and accompanying sanctions

	September 2019	September 2018
(a) Times defaulted in statutory liquidity	n/a	n/a
(b) Sanctions	nil	nil

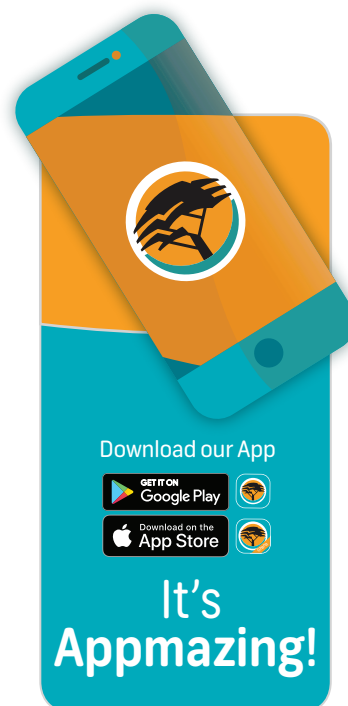
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