

First National Bank Ghana Limited

Unaudited Financial Statements for the quarter ended 31 March 2018

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana Cedis)

	2018	2017
Interest income	7,050	6,823
Interest expense	(2,484)	(1,154)
Net interest income	4,566	5,669
Fees and commission income	854	275
Fees and commission expense	(215)	(139)
Net fees and commission income/(expense)	639	136
Net trading income	5,871	2,379
Other income	174	(196)
Total operating income	11,250	7,988
Impairment charge on loans and advances	(3,741)	(18)
Personnel expenses	(10,862)	(7,370)
Operating lease expense	(2,256)	(2,017)
Depreciation and amortisation	(1,283)	(1,279)
Other operating expenses	(3,699)	(2,755)
Profit/(Loss) before income tax	(10,591)	(5,451)
Income tax (expense)/credit	(132)	95
Profit/(Loss) after income tax	(10,723)	(5,356)
Other comprehensive income, net of income tax		
Gains on available-for-sale financial assets	-	1,571
Other comprehensive income (net of income tax)	-	1,571
Total comprehensive income for the period	(10,723)	(3,785)

STATEMENT OF CASH FLOWS

(All amounts are in thousands of Ghana Cedis)

	2018	2017
Cash flows from operating activities		
Profit/(loss) for the period	(10,723)	(5,356)
Adjustments for:		
Depreciation and amortisation	1,283	1,279
Impairment on loans and advances	3,741	18
Net interest income	(4,566)	(5,669)
Income tax expense	132	(95)
	(10,133)	(9,823)
Change in non-pledged trading assets	(1,746)	(5,988)
Change in loans and advances	(24,806)	(1,612)
Change in other assets	(15,876)	(1,214)
Change in deposits from customers	14,672	102,355
Change in other liabilities	1,980	3,789
Change in deferred tax	173	(93)
	(25,603)	97,237
Interest received	4,141	6,805
Interest paid	(2,336)	(1,083)
Net cash (used in)/generated from operating activities	(33,931)	(93,136)
Cash flows from investing activities		
Purchase of investment securities	-	(406,411)
Proceeds from sale of investment securities	-	267,000
Purchases of property and equipment	(1,460)	(1,135)
Purchases of intangible assets	-	-
Net cash used in investing activities	(1,460)	(140,546)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	8,832	-
Net cash generated from financing activities	8,832	-
Net (decrease)/increase in cash and cash equivalents	(26,559)	(47,410)
Cash and cash equivalents at 1 January	77,525	79,663
Cash and cash equivalents at 31 March	50,966	32,253

STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Ghana Cedis)

	2018	2017
Assets	50,966	32,253
Cash and cash equivalents	43,570	22,434
Non-pledged trading assets	49,583	4,883
Loans and advances	77,077	91,657
Investment securities	261	932
Intangible assets	28,773	7,902
Other assets	23,628	21,309
Property and equipment	-	0
Total assets	273,858	181,370
Liabilities		
Deposits from customers	117,753	33,043
Deferred tax liability	1,568	1,208
Other liabilities	20,653	15,044
Total liabilities	139,974	49,295
Equity		
Stated capital	170,837	144,644
Contribution towards capital	8,832	0
Other reserves	0	5,470
Income surplus (deficit)	(45,785)	(18,039)
Total	133,884	132,075
Total liabilities and equity	273,858	181,370

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

for the period ended 31 March 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)	79%	137%
b). Non-Performing Loans (NPL) Ratio	14%	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.



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