

First National Bank Ghana Limited

Unaudited Financial Statements for the half-year ended 30 June 2019



STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana Cedis)

| | 2019 | 2018 |
|--|---------------|-----------------|
| Interest income | 42,593 | 13,868 |
| Interest expense | (8,449) | (5,520) |
| Net interest income | 34,144 | 8,348 |
| Fees and commission income | 4,267 | 1,970 |
| Fees and commission expense | (1,637) | (756) |
| Net fees and commission | 2,630 | 1,214 |
| Net trading income | 12,360 | 7,622 |
| Other income | (1,629) | 969 |
| Operating income | 47,505 | 18,153 |
| Net impairment loss on financial assets | (7,452) | (3,674) |
| Personnel expenses | (23,698) | (23,052) |
| Operating lease expense | (507) | (4,476) |
| Depreciation and amortisation | (6,254) | (3,306) |
| Other operating expenses | (7,302) | (7,611) |
| Profit/(Loss) before tax | 2,292 | (23,966) |
| Income tax (expense)/credit | (36) | 2,412 |
| Profit/(Loss) for the period | 2,256 | (21,554) |
| Total comprehensive income for the period | 2,256 | (21,554) |

STATEMENT OF CASH FLOWS

(All amounts are in thousands of Ghana Cedis)

| | 30 June 2019 | 30 June 2018 |
|---|-----------------|----------------|
| Cash flows from operating activities | | |
| Profit/(loss) for the period | 2,256 | (21,554) |
| Adjustments for: | | |
| Depreciation and amortisation | 6,254 | 3,306 |
| Impairment on financial assets | 7,452 | 3,674 |
| Net interest income | (34,144) | (8,348) |
| Income tax expense | 36 | (2,412) |
| Change in non-pledged trading assets | (5,955) | (4,470) |
| Change in loans and advances | (118,995) | (31,212) |
| Change in investment securities | (21,630) | (9,746) |
| Change in other assets | 1,390 | 1,874 |
| Change in deposits from banks | (1,131) | - |
| Change in deposits from customers | 115,812 | 54,696 |
| Change in other liabilities | 9,067 | 12,845 |
| Change in deferred tax | (36) | (1,739) |
| Interest received | 40,531 | 14,512 |
| Interest paid | (7,158) | (5,217) |
| Net cash from/(used in) operating activities | (6,251) | 6,209 |
| Cash flows from investing activities | | |
| Purchases of property and equipment | (1,229) | (3,278) |
| Net cash used in investing activities | (1,229) | (3,278) |
| Cash flows from financing activities | | |
| Proceeds from issue of ordinary shares | - | 17,784 |
| Payment of finance lease liability | (3,601) | - |
| Net cash from/(used in) financing activities | (3,601) | 17,784 |
| Net increase/(decrease) in cash and cash equivalents | (11,081) | 20,715 |
| Cash and cash equivalents at 1 January | 225,205 | 77,525 |
| Cash and cash equivalents at 30 June | 214,124 | 98,240 |

STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Ghana Cedis)

| | 30 June 2019 | 30 June 2018 |
|-------------------------------------|----------------|----------------|
| Assets | | |
| Cash and cash equivalents | 214,124 | 98,240 |
| Non-pledged trading assets | 54,113 | 46,294 |
| Loans and advances | 98,811 | 55,933 |
| Investment securities | 363,733 | 78,811 |
| Intangible assets | - | 59 |
| Deferred tax assets | 3,233 | 2,888 |
| Other assets | 12,852 | 11,023 |
| Property and equipment | 18,403 | 22,917 |
| Right-of-use assets | 24,432 | - |
| Total assets | 789,701 | 316,165 |
| Liabilities | | |
| Deposits from banks | 158 | - |
| Deposits from customers | 298,638 | 158,070 |
| Other liabilities | 35,584 | 31,518 |
| Finance lease liabilities | 23,412 | - |
| Total liabilities | 357,792 | 189,588 |
| Equity | | |
| Stated capital | 505,850 | 162,017 |
| Contribution towards capital | - | 26,604 |
| Income surplus - (deficit) | (73,941) | (62,044) |
| Total equity | 431,909 | 126,577 |
| Total liabilities and equity | 789,701 | 316,165 |

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Michael Larbie
Chairman


Richard Hudson
Chief Executive Officer



Notes to the unaudited financial statements for the period ended 30 June 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

| | June 2019 | June 2018 |
|-------------------------------------|-----------|-----------|
| a) Capital Adequacy Ratio (CAR) | 99% | 59% |
| b) Non-Performing Loans (NPL) Ratio | 12% | 13% |

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.

4. Defaults in statutory liquidity and accompanying sanctions

| | June 2019 | June 2018 |
|--|-----------|-----------|
| (a) Times defaulted in statutory liquidity | n/a | n/a |
| (b) Sanctions | nil | nil |

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