

First National Bank Ghana Limited

Unaudited Financial Statements for the quarter ended 31 March 2020



Statement of comprehensive income

(All amounts are in thousands of Ghana Cedis)

for the quarter ended 31 March

	2020	2019
Interest income	30,113	19,549
Interest expense	(14,092)	(1,984)
Net interest income	16,021	17,565
Fees and commission income	3,194	1,873
Fees and commission expense	(1,028)	(718)
Net fees and commission	2,166	1,155
Net trading income	9,133	7,105
Other (expense)/ income	74	(426)
Operating income	27,394	25,399
Net impairment loss on financial assets	(248)	(1,727)
Personnel expenses	(13,483)	(12,491)
Operating lease expense	(655)	(2,440)
Depreciation and amortisation	(3,287)	(1,437)
Other operating expenses	(5,257)	(4,435)
Profit/(Loss) before income tax	4,464	2,869
Income tax expense	-	(76)
Profit/(Loss) for the period	4,464	2,793
Total comprehensive income for the period	4,464	2,793

Statement of cash flows

(All amounts are in thousands of Ghana Cedis)

for the quarter ended 31 March

	2020	2019
Cash flows from operating activities		
Profit for the period	4,464	2,793
Adjustments for:		
Depreciation and amortisation	3,287	1,437
Impairment on financial assets	248	1,727
Net interest income	(16,021)	(17,565)
Income tax expense	-	76
Change in non-pledged trading assets	(51,412)	15,428
Change in investment securities	(82,646)	(65,502)
Change in loans and advances	(23,530)	(724)
Change in other assets	(14,766)	(65)
Change in deposits from banks	(1,653)	3,446
Change in deposits from customers	128,153	3,906
Change in other liabilities	3,619	1,276
Change in deferred tax	-	(76)
Interest received	29,878	19,326
Interest paid	(11,398)	(1,763)
Net cash used in operating activities	(31,777)	(36,280)
Cash flows from investing activities		
Purchases of property and equipment	(586)	(533)
Net cash used in investing activities	(586)	(533)
Cash flows from financing activities		
Contribution towards capital	20,000	-
Payment of finance lease liability	(2,609)	-
Net cash generated from financing activities	17,391	-
Net decrease in cash and cash equivalents	(14,972)	(36,813)
Cash and cash equivalents at 1 January	286,420	225,205
Cash and cash equivalents at 31 March	271,448	188,392

Statement of financial position

(All amounts are in thousands of Ghana Cedis)

as at 31 March

	2020	2019
Assets		
Cash and cash equivalents	271,448	188,392
Non-pledged trading assets	80,988	32,730
Loans and advances	128,952	83,630
Investment securities	573,682	310,240
Intangible assets	-	15
Deferred tax assets	2,674	3,233
Other assets	46,688	14,307
Property and equipment	36,440	19,494
Total assets	1,140,872	652,041
Liabilities		
Deposits from banks	95	4,735
Deposits from customers	615,702	186,732
Other liabilities	67,930	27,793
Total liabilities	683,727	219,260
Equity		
Stated capital	505,850	505,850
Contribution towards capital	20,000	-
Statutory reserves	1,347	-
Credit risk reserves	-	2,153
Income surplus (deficit)	(70,052)	(75,222)
Total equity	457,145	432,781
Total liabilities and equity	1,140,872	652,041

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Joseph Tetteh (Chairman)

Richard Hudson (Chief Executive Officer)



Statement of changes in equity for the quarter ended 31 March 2019

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contributions towards capital	Credit risk reserve	Statutory reserve	Retained earnings	Total equity
Balance at 1 January 2019	505,850	-	3,189	-	(79,051)	429,988
Profit for the year	-	-	-	-	2,793	2,793
Total comprehensive income	-	-	-	-	2,793	2,793
Transactions with owners						
Transfer from credit risk reserve	-	-	(1,036)	-	1,036	-
Total transactions with owners	-	-	(1,036)	-	1,036	-
Balance at 31 March 2019	505,850	-	2,153	-	(75,222)	432,781

Statement of changes in equity for the quarter ended 31 March 2020

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contributions towards capital	Credit risk reserve	Statutory reserve	Retained earnings	Total equity
Balance at 1 January 2020	505,850	-	-	1,347	(74,516)	432,681
Profit for the year	-	-	-	-	4,464	4,464
Total comprehensive income	-	-	-	-	4,464	4,464
Transactions with owners						
Contribution towards capital	-	20,000	-	-	-	20,000
Total transactions with owners	-	20,000	-	-	-	20,000
Balance at 31 March 2020	505,850	20,000	-	1,347	(70,052)	457,145

Notes to the unaudited financial statements

(for the quarter ended 31 March 2020)

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

	March 2020	March 2019
a) Capital Adequacy Ratio (CAR)	98%	139%
b) Non-Performing Loans (NPL) Ratio	0.51%	14%

3. Qualitative disclosures

First National Bank Ghana Limited (the bank) 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 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 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 Risk Committee. The committee is responsible for the independent monitoring and oversight of the credit risk management process within the bank as well as the approval of risk procedure, frameworks, policies and methodologies applied in the management of the bank's credit exposures.

4. Defaults in statutory liquidity and accompanying sanctions

	March 2020	March 2019
a) Default in statutory liquidity (number of times)	n/a	n/a
b) Sanctions	n/a	n/a



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