

# First National Bank Ghana Limited

Unaudited Financial Statements for the half-year ended 30 June 2020



## Statement of comprehensive income

(All amounts are in thousands of Ghana Cedis)

for the half-year ended 30 June

	2020	2019
Interest income	76,539	42,593
Interest expense	(37,659)	(8,449)
<b>Net interest income</b>	<b>38,880</b>	<b>34,144</b>
Fees and commission income	6,378	4,267
Fees and commission expense	(2,140)	(1,637)
<b>Net fees and commission</b>	<b>4,238</b>	<b>2,630</b>
Net trading income	22,532	12,360
Other (expense)/ income	(2,307)	(1,629)
<b>Operating income</b>	<b>63,343</b>	<b>47,505</b>
Net impairment loss on financial assets	(5,275)	(5,763)
Personnel expenses	(28,282)	(23,698)
Operating lease expense	-	(507)
Depreciation and amortisation	(7,989)	(6,254)
Other operating expenses	(14,883)	(7,302)
<b>Profit before income tax</b>	<b>6,914</b>	<b>3,981</b>
Income tax expense	(190)	(36)
<b>Profit for the period</b>	<b>6,724</b>	<b>3,945</b>
<b>Total comprehensive income for the period</b>	<b>6,724</b>	<b>3,945</b>

## Statement of financial position

(All amounts are in thousands of Ghana Cedis)

as at 30 June

	2020	2019
<b>Assets</b>		
Cash and cash equivalents	460,637	214,124
Non-pledged trading assets	61,791	54,113
Loans and advances	662,171	98,811
Investment securities	685,094	365,757
Intangible assets	98,279	-
Deferred tax assets	-	3,233
Other assets	45,474	12,852
Property and equipment	68,144	42,835
<b>Total assets</b>	<b>2,081,590</b>	<b>791,725</b>
<b>Liabilities</b>		
Deposits from banks	189	158
Deposits from customers	950,524	298,638
Deferred tax liability	2,916	-
Other liabilities	586,611	58,996
<b>Total liabilities</b>	<b>1,540,240</b>	<b>357,792</b>
<b>Equity</b>		
Stated capital	607,795	505,850
Statutory reserves	1,347	-
Income surplus (deficit)	(67,792)	(71,917)
<b>Total equity</b>	<b>541,350</b>	<b>433,933</b>
<b>Total liabilities and equity</b>	<b>2,081,590</b>	<b>791,725</b>

## Statement of cash flows

(All amounts are in thousands of Ghana Cedis)

for the half-year ended 30 June

	2020	2019
<b>Cash flows from operating activities</b>		
Profit for the period	6,724	3,945
Adjustments for:		
Depreciation and amortisation	7,989	6,254
Impairment of financial assets	5,275	5,763
Net interest income	(38,880)	(34,144)
Income tax expense	190	36
Change in non-pledged trading assets	(32,215)	(5,955)
Change in investment securities	(561,776)	(20,246)
Change in loans and advances	(194,058)	(121,019)
Change in other assets	(13,552)	1,390
Change in deposits from banks	(1,559)	(1,131)
Change in deposits from customers	462,975	115,812
Change in other liabilities	522,300	9,067
Change in deferred tax	5,400	(36)
Interest received	77,566	41,171
Interest paid	(33,526)	(7,158)
<b>Net cash from/(used in) operating activities</b>	<b>212,853</b>	<b>(6,251)</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(36,400)	(1,229)
Purchases of intangible assets	(98,945)	-
<b>Net cash used in investing activities</b>	<b>(135,345)</b>	<b>(1,229)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	101,945	-
Payment of finance lease liability	(5,236)	(3,601)
<b>Net cash from/(used in) financing activities</b>	<b>96,709</b>	<b>(3,601)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>174,217</b>	<b>(11,081)</b>
Cash and cash equivalents at 1 January	286,420	225,205
<b>Cash and cash equivalents at 30 June</b>	<b>460,637</b>	<b>214,124</b>



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Joseph Tetteh (Chairman)

Dominic Adu (Chief Executive Officer)



### Statement of changes in equity for the half-year ended 30 June 2019

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contribution towards capital	Credit risk reserve	Statutory reserve	Retained earnings	Total equity
<b>Balance at 1 January 2019</b>	505,850	-	3,189	-	(79,051)	429,988
Profit for the year	-	-	-	-	3,945	3,945
<b>Total comprehensive income</b>	-	-	-	-	<b>3,945</b>	<b>3,945</b>
<b>Transactions with owners</b>						
Transfer from credit risk reserve	-	-	(3,189)	-	3,189	-
Total transactions with owners	-	-	(3,189)	-	3,189	-
<b>Balance at 30 June 2019</b>	<b>505,850</b>	-	-	-	<b>(71,917)</b>	<b>433,933</b>

### Statement of changes in equity for the half-year ended 30 June 2020

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contribution towards capital	Credit risk reserve	Statutory reserve	Retained earnings	Total equity
<b>Balance at 1 January 2020</b>	505,850	-	-	1,347	(74,516)	432,681
Profit for the year	-	-	-	-	6,724	6,724
<b>Total comprehensive income</b>	-	-	-	-	<b>6,724</b>	<b>6,724</b>
<b>Transactions with owners</b>						
Issue of ordinary shares	101,945	-	-	-	-	101,945
Total transactions with owners	101,945	-	-	-	-	101,945
<b>Balance at 30 June 2020</b>	<b>607,795</b>	-	-	<b>1,347</b>	<b>(70,052)</b>	<b>541,350</b>

### Notes to the unaudited financial statements

(for the half-year ended 30 June 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

	June 2020	June 2019
a) Capital Adequacy Ratio (CAR)	51.37%	99%
b) Non-Performing Loans (NPL) Ratio	0.15%	12%

#### 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 limits imposed by its local regulator, Bank of Ghana and the overall liquidity has always been within the regulatory limit of Bank of Ghana. The bank's 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 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 reports, including any exceptions and remedial action taken, is submitted to ALCCO on a monthly basis.

The Board of Directors has delegated responsibility for the management of credit risk to the 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

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



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