

First National Bank Ghana Limited

Unaudited Financial Statements for the period ended 30 September 2020



Statement of comprehensive income

(All amounts are in thousands of Ghana Cedis)

for the period ended 30 September

	2020	2019
Interest income	136,480	66,735
Interest expense	(69,441)	(15,493)
Net interest income	67,039	51,242
Fees and commission income	11,161	7,303
Fees and commission expense	(3,427)	(3,077)
Net fees and commission	7,734	4,226
Net trading income	29,243	17,763
Other (expense)/ income	(1,183)	(2,893)
Operating income	102,833	70,338
Net impairment loss on financial assets	(12,000)	(8,320)
Personnel expenses	(48,659)	(36,207)
Operating lease expense	(2,715)	(1,256)
Depreciation and amortisation	(14,349)	(9,468)
Other operating expenses	(21,117)	(10,967)
Profit before income tax	3,993	4,120
Income tax expense	(190)	(36)
Profit for the period	3,803	4,084
Total comprehensive income for the period	3,803	4,084

Statement of financial position

(All amounts are in thousands of Ghana Cedis)

as at 30 September

	2020	2019
Assets		
Cash and cash equivalents	381,497	252,910
Non-pledged trading assets	48,993	30,644
Loans and advances	654,387	108,583
Investment securities	833,516	398,436
Intangible assets	97,060	-
Deferred tax assets	-	3,274
Other assets	77,352	19,750
Property and equipment	64,471	39,892
Total assets	2,157,276	853,489
Liabilities		
Deposits from banks	504	48
Deposits from customers	990,891	373,802
Deferred tax liability	2,917	-
Other liabilities	624,535	45,567
Total liabilities	1,618,847	419,417
Equity		
Stated capital	607,795	505,850
Statutory reserves	1,347	-
Income surplus	(70,713)	(71,778)
Total equity	538,429	434,072
Total liabilities and equity	2,157,276	853,489

Statement of cash flows

(All amounts are in thousands of Ghana Cedis)

for the period ended 30 September

	2020	2019
Cash flows from operating activities		
Profit for the period	3,803	4,084
Adjustments for:		
Depreciation and amortisation	14,349	9,468
Impairment of financial assets	12,000	8,320
Net interest income	(67,039)	(51,242)
Income tax expense	190	36
Change in non-pledged trading assets	(19,417)	17,514
Change in investment securities	(342,480)	(153,698)
Change in loans and advances	(560,717)	(32,270)
Change in other assets	(45,430)	(5,508)
Change in deposits from banks	(1,244)	(1,241)
Change in deposits from customers	503,342	190,976
Change in other liabilities	560,223	(4,315)
Change in deferred tax	5,401	(77)
Interest received	146,721	66,017
Interest paid	(66,310)	(13,813)
Net cash from/(used in) operating activities	143,392	34,251
Cash flows from investing activities		
Purchases of property and equipment	(42,073)	(772)
Purchases of intangible assets	(98,907)	-
Net cash used in investing activities	(140,980)	(772)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	101,945	-
Payment of finance lease liability	(9,280)	(5,774)
Net cash from/(used in) financing activities	92,665	(5,774)
Net increase/(decrease) in cash and cash equivalents	95,077	27,705
Cash and cash equivalents at 1 January	286,420	225,205
Cash and cash equivalents at 30 September	381,497	252,910



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Joseph Tetteh (Chairman)

Dominic Adu (Chief Executive Officer)



Statement of changes in equity for the period ended 30 September 2019

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contribution towards capital	Credit risk reserve	Statutory reserve	Income surplus	Total equity
Balance at 1 January 2019	505,850	-	3,189	-	(79,051)	429,988
Profit for the year	-	-	-	-	4,084	4,084
Total comprehensive income	-	-	-	-	4,084	4,084
Transactions with owners						
Transfer from credit risk reserve	-	-	(3,189)	-	3,189	-
Total transactions with owners	-	-	(3,189)	-	3,189	-
Balance at 30 September 2019	505,850	-	-	-	(71,778)	434,072

Statement of changes in equity for the period ended 30 September 2020

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contribution towards capital	Credit risk reserve	Statutory reserve	Income surplus	Total equity
Balance at 1 January 2020	505,850	-	-	1,347	(74,516)	432,681
Profit for the year	-	-	-	-	3,803	3,803
Total comprehensive income	-	-	-	-	3,803	3,803
Transactions with owners						
Issue of ordinary shares	101,945	-	-	-	-	101,945
Total transactions with owners	101,945	-	-	-	-	101,945
Balance at 30 September 2020	607,795	-	-	1,347	(70,713)	538,429

Notes to the unaudited financial statements

(for the period ended 30 September 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

	September 2020	September 2019
a) Capital Adequacy Ratio (CAR)	49.7%	124.0%
b) Non-Performing Loans (NPL) Ratio	5.4%	1.8%

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 quarterly 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

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



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