

# First National Bank Ghana Limited

Unaudited Financial Statements for the quarter ended 31 March 2021



## Statement of comprehensive income

(All amounts are in thousands of Ghana Cedis)

For the quarter ended 31 March

	2021	2020
Interest income	56,749	30,113
Interest expense	(30,845)	(14,092)
<b>Net interest income</b>	<b>25,904</b>	<b>16,021</b>
Fee and commission income	6,558	3,194
Fee and commission expense	(1,608)	(1,028)
<b>Net fees and commission</b>	<b>4,950</b>	<b>2,166</b>
Net trading income	17,608	9,133
Other operating income	(1,008)	74
<b>Operating income</b>	<b>47,454</b>	<b>27,394</b>
Impairment allowance	2,488	(248)
Personnel expenses	(25,930)	(13,483)
Operating lease expense	(1,164)	(655)
Depreciation and amortisation	(5,904)	(3,287)
Other operating expenses	(12,115)	(5,257)
<b>Profit before tax</b>	<b>4,829</b>	<b>4,464</b>
National fiscal stabilisation levy	-	-
Income tax	-	-
<b>Profit for the period</b>	<b>4,829</b>	<b>4,464</b>
<b>Total comprehensive income for the period</b>	<b>4,829</b>	<b>4,464</b>

## Statement of cash flows

(All amounts are in thousands of Ghana Cedis)

For the quarter ended 31 March

	2021	2020
<b>Cash flows from operating activities</b>		
Profit for the period	4,829	4,464
<i>Adjustments for:</i>		
Depreciation and amortisation	5,904	3,287
Impairment allowance	(2,488)	248
Exchange difference on borrowings	(2,669)	-
Net interest income	(25,904)	(16,021)
Change in non-pledged trading assets	(1,223)	(51,412)
Change in loans and advances	52,176	(23,530)
Change in investment securities	7,417	(82,646)
Change in other assets	(35,556)	(14,766)
Change in deposits from banks	187	(1,653)
Change in deposits from customers	(191,620)	128,153
Change in other liabilities	2,246	3,619
Change in derivative financial assets	(1,272)	-
Change in derivative financial liabilities	1,249	-
Change in restricted balances with Bank of Ghana	7,683	63,357
Interest received	56,950	29,878
Interest paid	(33,724)	(11,398)
<b>Net cash generated from operating activities</b>	<b>(155,815)</b>	<b>31,580</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(1,174)	(586)
<b>Net cash used in investing activities</b>	<b>(1,174)</b>	<b>(586)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	-	20,000
Payment of lease liability	(5,140)	(2,609)
<b>Net cash generated from/(used in) financing activities</b>	<b>(5,140)</b>	<b>17,391</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(162,129)</b>	<b>48,385</b>
Cash and cash equivalents at 1 January	420,294	189,404
<b>Cash and cash equivalents at 31 March</b>	<b>258,165</b>	<b>237,789</b>

## Statement of financial position

(All amounts are in thousands of Ghana Cedis)

As at 31 March

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	385,351	271,448
Non-pledged trading assets	188,076	80,988
Loans and advances	703,416	128,952
Investment securities	635,805	573,682
Derivative financial assets	2,628	1,430
Intangible assets	85,700	-
Deferred tax assets	-	2,674
Other assets	104,787	45,258
Property and equipment and right-of-use assets	59,233	36,440
<b>Total assets</b>	<b>2,164,996</b>	<b>1,140,872</b>
<b>Liabilities</b>		
Deposits from banks	8,435	95
Deposits from customers	997,882	615,702
Derivative financial liability	2,099	409
Borrowings	480,486	-
Deferred tax liability	2,639	-
Other liabilities	133,269	67,521
<b>Total liabilities</b>	<b>1,624,810</b>	<b>683,727</b>
<b>Equity</b>		
Stated capital	607,795	505,850
Contribution towards capital	-	20,000
Statutory reserve	1,713	1,347
Income surplus - (deficit)	(69,322)	(70,052)
<b>Total equity</b>	<b>540,186</b>	<b>457,145</b>
<b>Total liabilities and equity</b>	<b>2,164,996</b>	<b>1,140,872</b>

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Michael Larbie (Director)

  
Dominic Adu (Chief Executive Officer)



### 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	Income Surplus	Total equity
<b>Balance at 1 January 2020</b>	505,850	-	-	1,347	(74,516)	432,681
Profit for the period	-	-	-	-	4,464	4,464
<b>Total comprehensive income</b>	-	-	-	-	<b>4,464</b>	<b>4,464</b>
<b>Transactions with owners</b>						
Transfer to credit risk reserve	-	-	-	-	-	-
Contribution towards capital	-	20,000	-	-	-	20,000
Total transactions with owners	-	20,000	-	-	-	20,000
<b>Balance at 31 March 2020</b>	<b>505,850</b>	<b>20,000</b>	<b>-</b>	<b>1,347</b>	<b>(70,052)</b>	<b>457,145</b>

### Statement of changes in equity for the quarter ended 31 March 2021

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contributions towards capital	Credit risk reserve	Statutory reserve	Income Surplus	Total equity
<b>Balance at 1 January 2021</b>	607,795	-	-	1,713	(74,151)	535,357
Profit for the period	-	-	-	-	4,829	4,829
<b>Total comprehensive income</b>	-	-	-	-	<b>4,829</b>	<b>4,829</b>
<b>Transactions with owners</b>						
Issue of ordinary shares	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Transfer from credit risk reserve	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>607,795</b>	<b>-</b>	<b>-</b>	<b>1,713</b>	<b>(69,322)</b>	<b>540,186</b>

## Notes to the Unaudited Financial Statements

(for the quarter ended 31 March 2021)

### 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 2021	March 2020
a) Capital Adequacy Ratio (CAR)	40.62%	98.00%
b) Non-Performing Loans (NPL) Ratio	3.00%	0.51%

### 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 quarterly 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 2021	March 2020
a) Default in statutory liquidity (number of times)	n/a	n/a
b) Sanctions	n/a	n/a

