

# First National Bank Ghana Limited

Unaudited Financial Statements for the half-year ended 30 June 2021



## Statement of comprehensive income

(All amounts are in thousands of Ghana Cedis)

for the half-year ended 30 June

	2021	2020
Interest income	110,854	76,539
Interest expense	(60,626)	(37,659)
<b>Net interest income</b>	<b>50,228</b>	<b>38,880</b>
Fees and commission income	15,748	6,378
Fees and commission expense	(3,223)	(2,140)
<b>Net fees and commission</b>	<b>12,525</b>	<b>4,238</b>
Net trading income	30,155	22,532
Other (expense)/ income	(2,994)	(2,307)
<b>Other income</b>	<b>27,161</b>	<b>20,225</b>
<b>Operating income</b>	<b>89,914</b>	<b>63,343</b>
Net impairment loss on financial assets	(5,032)	(5,275)
Personnel expenses	(53,086)	(28,282)
Operating lease expense	(2,301)	(2,453)
Depreciation and amortisation	(11,745)	(7,989)
Other operating expenses	(24,382)	(12,430)
<b>Profit/(Loss) before income tax</b>	<b>(6,632)</b>	<b>6,914</b>
Income tax expense	-	(190)
<b>Profit/(Loss) for the period</b>	<b>(6,632)</b>	<b>6,724</b>
<b>Total comprehensive income for the period</b>	<b>(6,632)</b>	<b>6,724</b>

## Statement of financial position

(All amounts are in thousands of Ghana Cedis)

as at 30 June

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	474,215	460,637
Non-pledged trading assets	193,094	61,791
Loans and advances	676,851	662,171
Investment securities	635,253	685,094
Derivative financial assets	358	292
Intangible assets	84,245	98,279
Other assets	94,514	45,182
Property and equipment	59,518	68,144
<b>Total assets</b>	<b>2,218,048</b>	<b>2,081,590</b>
<b>Liabilities</b>		
Deposits from banks	67,397	189
Deposits from customers	1,021,187	950,524
Derivative financial liabilities	195	406
Deferred tax liability	2,639	2,916
Other liabilities	101,188	586,205
Borrowings	496,717	-
<b>Total liabilities</b>	<b>1,689,323</b>	<b>1,540,240</b>
<b>Equity</b>		
Stated capital	607,795	607,795
Statutory reserves	1,713	1,347
Income surplus (deficit)	(80,783)	(67,792)
<b>Total equity</b>	<b>528,725</b>	<b>541,350</b>
<b>Total liabilities and equity</b>	<b>2,218,048</b>	<b>2,081,590</b>

  
Michael Larbie (Director)

  
Dominic Adu (Chief Executive Officer)

## Statement of cash flows

(All amounts are in thousands of Ghana Cedis)

for the half-year ended 30 June

	2021	2020
<b>Cash flows from operating activities</b>		
Profit/(Loss) for the period	(6,632)	6,724
Adjustments for:		
Depreciation and amortisation	11,745	7,989
Impairment of financial assets	5,032	5,275
Net interest income	(50,228)	(38,880)
Income tax expense	-	190
Change in non-pledged trading assets	(6,241)	(32,215)
Change in investment securities	77,718	(561,776)
Change in loans and advances	7,969	(194,058)
Change in other assets	(26,533)	(13,552)
Change in deposits from banks	59,149	(1,559)
Change in deposits from customers	(168,315)	462,975
Change in other liabilities	(27,434)	522,300
Change in derivative financial assets	998	-
Change in derivative financial liabilities	(655)	-
Change in deferred tax	-	5,400
Change in restricted balances with BOG	(33,104)	10,124
Interest received	108,912	77,566
Interest paid	(49,644)	(33,526)
<b>Net cash from/(used in) operating activities</b>	<b>97,263</b>	<b>222,977</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(8,245)	(36,400)
Purchases of intangible assets	-	(98,945)
<b>Net cash used in investing activities</b>	<b>(8,245)</b>	<b>(135,345)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	-	101,945
Payment of finance lease liability	(8,544)	(5,236)
<b>Net cash from/(used in) financing activities</b>	<b>(8,544)</b>	<b>96,709</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(114,052)</b>	<b>184,341</b>
Cash and cash equivalents at 1 January	420,294	189,404
<b>Cash and cash equivalents at 30 June</b>	<b>306,242</b>	<b>373,745</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 Period	-	-	-	-	6,724	6,724
<b>Total comprehensive income</b>	-	-	-	-	<b>6,724</b>	<b>6,724</b>
<b>Transactions with owners</b>						
Transfer from credit risk reserve	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>(67,792)</b>	<b>541,350</b>

### Statement of changes in equity for the half-year ended 30 June 2021

(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 2021</b>	607,795	-	-	1,713	(74,151)	535,357
Loss for the Period	-	-	-	-	(6,632)	(6,632)
<b>Total comprehensive income</b>	-	-	-	-	<b>(6,632)</b>	<b>(6,632)</b>
<b>Transactions with owners</b>						
Issue of ordinary shares	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>607,795</b>	-	-	<b>1,713</b>	<b>(80,783)</b>	<b>528,725</b>

### Notes to the unaudited financial statements

(for the half-year ended 30 June 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

	June 2021	June 2020
a) Capital Adequacy Ratio (CAR)	38.42%	51.37%
b) Non-Performing Loans (NPL) Ratio	4.59%	0.15%

#### 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 bank's Senior 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 2021	June 2020
a) Default in statutory liquidity (number of times)	n/a	n/a
b) Sanctions	nil	nil



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