

First National Bank Ghana Limited

Unaudited financial statements for the three months ended 31 March 2023



Statement of comprehensive income

(All amounts are in thousands of Ghana Cedis)

for the three months ended 31 March

	2023	2022
Interest income	122,376	60,389
Interest expense	(75,006)	(33,039)
Net interest income	47,370	27,350
Fees and commission income	22,492	10,461
Fees and commission expense	(7,029)	(2,660)
Net fees and commission	15,463	7,801
Net trading income	25,466	22,067
Other (expense) / income	22,750	(2,935)
	48,216	19,132
Operating income	111,049	54,283
Net impairment loss on financial assets	(54,262)	(3,141)
Operating Income net of impairment	56,787	51,142
Personnel expenses	(40,717)	(28,649)
Operating lease expense	(2,743)	(762)
Depreciation and amortisation	(6,415)	(5,489)
Other operating expenses	(14,716)	(12,157)
Total operating expenses	(64,591)	(47,057)
Profit/(Loss) before tax	(7,804)	4,085
Income tax expense	-	-
Profit/(Loss) for the period	(7,804)	4,085
Total comprehensive income for the period	(7,804)	4,085

Statement of cash flows

(All amounts are in thousands of Ghana Cedis)

for the three months ended 31 March

	2023	2022
Cash flows from operating activities		
Profit/(Loss) for the period	(7,804)	4,085
Adjustments for:		
Depreciation and amortisation	6,415	5,489
Impairment of financial assets	54,262	3,141
Net interest income	(47,370)	(27,350)
Translation (gain)/loss	(22,750)	2,935
Change in non-pledged trading assets	942	10,244
Change in loans and advances	52,638	35,109
Change in investment securities	(482,472)	(234,581)
Change in other assets	191,597	16,472
Change in deposits from banks	449	(174,014)
Change in deposits from customers	294,787	125,600
Change in other liabilities	(222,716)	40,825
Change in derivative financial assets	24,895	6,447
Change in derivative financial liabilities	(10,613)	1,583
Change in restricted balances with Bank of Ghana	276,232	16,844
Interest received	117,536	58,222
Interest paid	(73,939)	(38,243)
Net cash from/(used in) operating activities	152,089	(147,192)
Cash flows from investing activities		
Purchases of property and equipment	(2,679)	(1,666)
Purchases of intangible assets	(1,504)	-
Net cash (used in) investing activities	(4,183)	(1,666)
Cash flows from financing activities		
Payment of finance lease liability	(16,805)	(5,106)
Net cash (used in) financing activities	(16,805)	(5,106)
Net (decrease)/increase in cash and cash equivalents	131,102	(153,964)
Cash and cash equivalents at 1 January	533,361	436,612
Effect of exchange rate changes on cash and cash equivalents	104,834	99,823
Cash and cash equivalents at 31 March	769,297	382,471

Statement of financial position

(All amounts are in thousands of Ghana Cedis)

as at 31 March

	2023	2022
Assets		
Cash and cash equivalents	1,009,897	578,534
Non-pledged trading assets	3,271	102,961
Loans and advances	1,066,118	830,263
Investment securities	1,288,289	1,006,488
Derivative financial assets	8,396	2,707
Intangible assets	12,047	73,523
Deferred tax assets	797	797
Other assets	64,262	39,771
Property and equipment	53,120	51,892
Total assets	3,506,197	2,686,936
Liabilities		
Deposits from other banks	1,568	38,592
Deposits from customers	2,346,261	1,381,331
Derivative financial liabilities	6,772	4,357
Other liabilities	167,999	112,303
Borrowings	745,479	599,950
Total liabilities	3,268,079	2,136,533
Equity		
Stated capital	662,914	622,847
Statutory reserves	1,713	1,713
Retained earnings	(426,509)	(74,157)
Total equity	238,118	550,403
Total liabilities and equity	3,506,197	2,686,936

Cash and cash equivalents in the statement of financial position include restricted cash balance of GHS240,600 (2022:GHS196,063) with Bank of Ghana. But restricted balances are excluded in the cash and cash equivalents for cash flow purposes.

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2023

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Emmanuel Idun (Chairman)

27 April 2023

Warren Adams (Chief Executive Officer)

27 April 2023



Statement of changes in equity for the three months ended 31 March 2023

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contribution towards capital	Credit risk reserve	Statutory reserve	Income surplus/ (deficit)	Total equity
Balance at 1 January 2023	622,847	40,067	-	1,713	(418,705)	245,922
Profit / (Loss) for the period	-	-	-	-	(7,804)	(7,804)
Total comprehensive income	-	-	-	-	(7,804)	(7,804)
Issue of ordinary shares	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Contributions towards capital	40,067	(40,067)	-	-	-	-
Transfer from credit risk reserve	-	-	-	-	-	-
Total transactions with owners	40,067	(40,067)	-	-	-	-
Balance at 31 March 2023	662,914	-	-	1,713	(426,509)	238,118

Statement of changes in equity for the three months ended 31 March 2022

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contribution towards capital	Credit risk reserve	Statutory reserve	Income surplus/ (deficit)	Total equity
Balance at 1 January 2022	622,847	-	-	1,713	(78,242)	546,318
Profit for the period	-	-	-	-	4,085	4,085
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	4,085	4,085
Issue of ordinary shares	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Contributions towards capital	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance at 31 March, 2022	622,847	-	-	1,713	(74,157)	550,403

Notes to the unaudited financial statement

(for the three months ended 31 March 2023)

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 2023	March 2022
a) Capital Adequacy Ratio (CAR)	18.57%	37.24%
b) Non-Performing Loans (NPL) Ratio	8.52%	5.01%

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 and cash reserving requirements imposed by its local regulator, Bank of Ghana, and the overall liquidity has always been within the regulatory requirements of Bank of Ghana. The daily liquidity position as well as future funding requirements is monitored and managed by Treasury.

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.

First National Bank Ghana Limited A subsidiary of the FirstRand Group. Co. Reg. No. CS350172014.

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 2023	March 2022
a) Default in statutory liquidity (number of times)	n/a	n/a
b) Sanctions (GHS'000)	n/a	60

Corporate Investment Banking



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