

# First National Bank Ghana Limited

Unaudited financial statements for the nine months ended 30 September 2023



## Statement of comprehensive income

(All amounts are in thousands of Ghana Cedis)

For the nine months ended 30 September

	2023	2022
Interest income	361,146	203,723
Interest expense	(212,235)	(115,919)
<b>Net interest income</b>	<b>148,911</b>	<b>87,804</b>
Fees and commission income	59,294	39,661
Fees and commission expense	(21,970)	(9,900)
<b>Net fees and commission</b>	<b>37,324</b>	<b>29,761</b>
Net trading income	57,982	55,522
Other (expense)/income	(27,539)	(19,384)
<b>Other income</b>	<b>30,443</b>	<b>36,138</b>
<b>Operating income</b>	<b>216,678</b>	<b>153,703</b>
Net impairment loss on financial assets	(6,704)	(10,867)
<b>Operating Income net of impairment</b>	<b>209,974</b>	<b>142,836</b>
Personnel expense	(126,505)	(94,784)
Operating lease expense	(9,050)	(4,594)
Depreciation and amortisation	(15,520)	(16,575)
Other operating expense	(58,502)	(38,731)
<b>Total operating expense</b>	<b>(209,577)</b>	<b>(154,684)</b>
<b>Profit/(Loss) before tax</b>	<b>397</b>	<b>(11,848)</b>
<b>Profit/(Loss) for the period</b>	<b>397</b>	<b>(11,848)</b>
<b>Total comprehensive income for the period</b>	<b>397</b>	<b>(11,848)</b>

## Statement of cash flows

(All amounts are in thousands of Ghana Cedis)

For the nine months ended 30 September

	2023	2022
<b>Cash flows from operating activities</b>		
Profit/(Loss) for the period	397	(11,848)
Adjustments for:		
Depreciation and amortisation	15,520	16,575
Impairment of financial assets	6,704	10,867
Net interest income	(148,911)	(87,804)
Translation gain	27,539	19,384
Change in non-pledged trading assets	3,132	84,838
Change in loans and advances	78,927	(158,084)
Change in investment securities	(577,371)	19,387
Change in other assets	139,450	8,486
Change in deposits from banks	2,510	(138,263)
Change in deposits from customers	269,114	395,139
Change in other liabilities	(185,205)	44,343
Change in derivative financial assets	32,990	5,884
Change in derivative financial liabilities	(17,229)	(245)
Change in restricted balances with Bank of Ghana	262,735	(91,445)
Interest received	358,431	200,097
Interest paid	(273,083)	(135,557)
<b>Net cash (used in)/from operating activities</b>	<b>(4,350)</b>	<b>181,754</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(5,792)	(9,329)
Purchases of intangible assets	(1,812)	-
<b>Net cash (used in) investing activities</b>	<b>(7,604)</b>	<b>(9,329)</b>
<b>Cash flows from financing activities</b>		
Payment of finance lease liability	(23,798)	(17,456)
<b>Net cash (used in) financing activities</b>	<b>(23,798)</b>	<b>(17,456)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(35,752)</b>	<b>154,969</b>
Cash and cash equivalents at 1 January	533,361	436,612
Effect of exchange rate changes on cash and cash equivalents	15,772	23,548
<b>Cash and cash equivalents at 30 September</b>	<b>513,381</b>	<b>615,129</b>

## Statement of financial position

(All amounts are in thousands of Ghana Cedis)

as at 30 September

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	767,478	919,481
Non-pledged trading assets	1,081	28,367
Loans and advances	1,096,353	1,211,761
Investment securities	1,388,959	813,770
Derivative financial assets	301	3,270
Intangible assets	12,234	75,549
Deferred tax assets	797	797
Other assets	116,489	50,139
Property and equipment	50,241	49,909
<b>Total assets</b>	<b>3,433,933</b>	<b>3,153,043</b>
<b>Liabilities</b>		
Deposits from other banks	3,629	74,343
Deposits from customers	2,328,859	1,737,895
Derivative financial liabilities	156	2,529
Other liabilities	199,453	154,907
Borrowings	655,517	648,899
<b>Total liabilities</b>	<b>3,187,614</b>	<b>2,618,573</b>
<b>Equity</b>		
Stated capital	662,914	622,847
Statutory reserves	1,713	1,713
Retained earnings	(418,308)	(90,090)
<b>Total equity</b>	<b>246,319</b>	<b>534,470</b>
<b>Total liabilities and equity</b>	<b>3,433,933</b>	<b>3,153,043</b>

Cash and cash equivalents in the statement of financial position include restricted cash balance of GHS254,097 (2022:GHS304,352) with Bank of Ghana. But restricted balances are excluded in the cash and cash equivalents for cash flow purposes.

## Proud winner



Emmanuel Idun (Chairman)  
26 October 2023

Warren Adams (Chief Executive Officer)  
26 October 2023



## Statement of changes in equity for the nine months ended 30 September 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 for the period	-	-	-	-	397	397
Total comprehensive income	-	-	-	-	397	397
Issue of ordinary shares	40,067	(40,067)	-	-	-	-
Total transactions with owners	40,067	(40,067)	-	-	-	-
Balance at 30 September 2023	662,914	-	-	1,713	(418,308)	246,319

## Statement of changes in equity for the nine months ended 30 September 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
Loss for the period	-	-	-	-	(11,848)	(11,848)
Total comprehensive income	-	-	-	-	(11,848)	(11,848)
Balance at 30 September 2022	622,847	-	-	1,713	(90,090)	534,470

## Notes to the summary financial statements

(for the nine months ended 30 September 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

	September 2023	September 2022
a) Capital Adequacy Ratio (CAR)	17.55%	26.20%
b) Non-Performing Loans (NPL) Ratio	9.19%	4.25%

### 3. Qualitative disclosures

First National Bank Ghana Limited (the bank) is exposed to:

- 1 Credit Risk 2 Liquidity Risk 3 Market Risk 4 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.

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

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

### Corporate Investment Banking

It's not about the deals we do  
It's about what those deals do

Change to First National Bank

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