

First National Bank Ghana Limited

Unaudited Financial Statements for the quarter ended 31 March 2019

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana Cedis)

	2019	2018
Interest income	19,549	7,050
Interest expense	(1,984)	(2,484)
Net interest income	17,565	4,566
Fees and commission income	1,873	854
Fees and commission expense	(718)	(215)
Net fees and commission income	1,155	639
Net trading income	7,105	5,871
Other (expense)/ income	(426)	174
Operating income	25,399	11,250
Net impairment loss on financial assets	(1,727)	(3,741)
Personnel expenses	(12,491)	(10,862)
Operating lease expenses	(2,440)	(2,256)
Depreciation and amortisation	(1,437)	(1,283)
Other operating expenses	(4,404)	(3,699)
Profit/(Loss) before income tax	2,900	(10,591)
Income tax expense	(76)	(132)
Profit/(Loss) for the period	2,824	(10,723)
Total comprehensive income for the period	2,824	(10,723)

STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Ghana Cedis)

	2019	2018
Assets		
Cash and cash equivalents	188,392	50,966
Non-pledged trading assets	32,730	43,570
Loans and advances	83,630	49,583
Investment securities	310,240	77,077
Intangible assets	15	261
Deferred tax assets	3,233	-
Other assets	14,307	28,773
Property and equipment	19,494	23,628
Total assets	652,041	273,858
Liabilities		
Deposits from banks	4,735	-
Deposits from customers	186,732	117,753
Deferred tax liability	-	1,568
Other liabilities	27,793	20,653
Total liabilities	219,260	139,974
Equity		
Stated capital	505,850	170,837
Contribution towards capital	-	8,832
Credit risk reserves	2,153	-
Income surplus (deficit)	(75,222)	(45,785)
Total equity	432,781	133,884
Total liabilities and equity	652,041	273,858

STATEMENT OF CASH FLOWS

(All amounts are in thousands of Ghana Cedis)

	31 March 2019	31 March 2018
Cash flows from operating activities		
Profit/(loss) for the period	2,824	(10,723)
Adjustments for:		
Depreciation and amortisation	1,437	1,283
Impairment on financial assets	1,727	3,741
Net interest income	(17,565)	(4,566)
Income tax expense	76	132
Change in non-pledged trading assets	15,428	(1,746)
Change in investment securities	(65,502)	-
Change in loans and advances	(724)	(24,806)
Change in other assets	(65)	(15,876)
Change in deposits from banks	3,446	-
Change in deposits from customers	3,906	14,672
Change in other liabilities	1,276	1,980
Change in deferred tax	(76)	173
Interest received	19,295	4,141
Interest paid	(1,763)	(2,336)
Net cash used in operating activities	(36,280)	(33,931)
Cash flows from investing activities		
Purchases of property and equipment	(533)	(1,460)
Net cash used in investing activities	(533)	(1,460)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	8,832
Net cash generated from financing activities	-	8,832
Net decrease in cash and cash equivalents	(36,813)	(26,559)
Cash and cash equivalents at 1 January	225,205	77,525
Cash and cash equivalents at 31 March	188,392	50,966


Michael Larbie (Chairman)


Richard Hudson (Chief Executive Officer)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

for the quarter ended 31 March 2019

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 2019	March 2018
a) Capital Adequacy Ratio (CAR)	139%	79%
b) Non-Performing Loans (NPL) Ratio	13%	14%

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 the Asset, Liability and Capital Management Committee (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 monthly basis.

The Board of Directors has delegated responsibility for the management of credit risk to a Management Credit 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 2019	March 2018
a) Default in statutory liquidity (number of times)	n/a	n/a
b) Sanctions	nil	nil