

FBNBANK GHANA LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2016

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are expressed in Ghana Cedis unless otherwise stated)

	2016	2015
Interest income	74,899,124	66,857,744
Interest expense	(21,884,371)	(15,733,184)
Net interest income	53,014,753	51,124,560
Fee and commission income	7,748,978	5,713,737
Fee and commission expense	(304,644)	(253,595)
Net fee and commission income	7,444,334	5,460,142
Net Trading Income	4,801,375	5,907,515
Operating income	65,260,462	62,492,217
Loans and advances impairment charge	(18,997,453)	(4,972,133)
Personnel expenses	(18,234,621)	(13,907,914)
Depreciation and amortisation	(3,109,644)	(2,532,436)
Operating expenses	(20,512,417)	(12,711,787)
Profit before tax	4,406,327	28,367,947
Income tax expense	(988,190)	(8,744,429)
National stabilisation levy	(220,316)	(1,555,816)
Profit for the year after tax	3,197,821	18,067,702
Other comprehensive income	-	-
Total comprehensive income for the year	3,197,821	18,067,702
Earnings per share		
Earnings per share (basic and diluted)	0.05	0.30

STATEMENT OF FINANCIAL POSITION

(All amounts are expressed in Ghana Cedis unless otherwise stated)

	2016	2015
Assets		
Cash and cash equivalents	291,480,370	231,938,908
Investment securities	149,412,931	63,385,165
Loans and advances	93,149,172	120,741,921
Current income tax asset	920,162	-
Other assets	8,996,716	10,907,663
Investment in associates	8,088,100	5,158,520
Property and equipment	11,494,124	10,290,433
Intangible assets	1,869,018	2,494,575
Deferred income tax asset	-	933,163
Total assets	565,410,593	445,850,348
Liabilities		
Customer deposits	277,968,875	203,313,240
Deposits from banks and other financial institutions	158,641,528	122,415,055
Other liabilities	16,151,461	10,062,520
Current income tax liability	-	631,184
Deferred income tax liability	22,559	-
Total liabilities	452,784,423	336,421,999
Shareholders' funds		
Stated capital	60,000,000	60,000,000
Income surplus	16,891,574	10,580,594
Statutory reserve	30,061,358	28,462,447
Regulatory credit risk reserve	4,384,286	9,096,356
Capital surplus	1,288,952	1,288,952
Shareholders' funds	112,626,170	109,428,349
Total liabilities and shareholders' funds	565,410,593	445,850,348


Hon. Joseph Yiekeh Chireh
(Chairman)


Gbenga Odeyemi
(Managing Director/CEO)

The financial information presented is an extract from the annual report for the year ended 31 December 2016. The annual report is available for inspection at the Bank's Head Office on the Liberation Road, near Golden Tulip Hotel, Accra

BOARD OF DIRECTORS: Chairman: Hon. Joseph Yiekeh Chireh; Managing Director/CEO: Gbenga Odeyemi; Director: Olusanu Abiodun Otudeku; Director: Abdul Suleiman Kafarsauri; Director: Mrs. Hannah Brenda Amoateng; Director: Mrs. Bashirat Odunewu; Director: Olusegun Alebiosu.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FBNBANK GHANA LIMITED

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of FBNBank Ghana Limited as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738).

What we have audited

We have audited the financial statements of FBNBank Ghana Limited (the "Bank") for the year ended 31 December 2016.

The financial statements on pages 12 to 63 comprise:

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the Report of the Directors, the Corporate Governance Framework and the Value Added Statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion proper books of account have been kept by the Bank, so far as appears from our examination of those books; and
- The Bank's balance sheet (Bank's statement of financial position) and Bank's profit and loss account (part of the Bank's statement of comprehensive income) are in agreement with the books of account.

In accordance with section 78(2) of the Banking Act 673, 2004 we hereby confirm that:

- We were able to obtain all the information and explanations required for the efficient performance of our duties as auditors;
- In our opinion, the accounts give a true and fair view of the state of the Bank's affairs and its results for the year under review;
- In our opinion, the Bank's transactions were within its powers; and
- The Bank in all material respects complied with the requirements of the Banking Act, 2004 (Act 673) as amended.

The engagement partner on the audit resulting in this independent auditor's report is Oseini Amul (ICAG/P/1139).



PricewaterhouseCoopers (ICAG/F/2017/028)
Chartered Accountants
Accra, Ghana
28 March 2017



NOTES TO THE FINANCIAL STATEMENTS

Significant Accounting Policies

The detailed accounting policies which forms part of the annual report have been consistently applied and can be found in the annual financial statements which are available for inspection at the Bank's Head Office at Meridian House, Ring Road Central, Accra.

Quantitative Disclosures

	2016	2015
Capital Adequacy Ratio	33.63%	27.10%
Non-Performing Loans (NPL) Ratio	5.24%	8.78%

Qualitative Disclosures

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. Under this framework, the Board has established a number of separate independent bodies responsible for managing and monitoring risks. These include, Board sub-committees, Credit Committee of management (MCC), Risk Management Department, Asset and Liability Management Committee (ALCO), which are responsible for developing and monitoring the Bank's risk management policies in their specified areas. All Board committees report regularly to the Board of Directors on their activities.

	2016	2015
Default in Statutory Liquidity (Number)	Nil	Nil
Default in Statutory Liquidity Sanction (GHS)	Nil	Nil

The financial statements of the Bank were approved by the Board of Directors on 22 February 2017 and signed on their behalf by:

On behalf of the Board



Hon. Joseph Yiekeh Chireh
(Chairman)



Gbenga Odeyemi
(Managing Director/CEO)

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements of the Bank for the year ended 31 December 2016.

The Bank's directors are responsible for the preparation and fair presentation of the financial statements comprising the statement of financial position at 31 December 2016, the statement of comprehensive income, the statement of changes in equity, statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act 1963 (Act 179), the Banking Act, 2004 (Act 673) (as amended by the Banking (Amendment) Act, 2007 (Act 738)).

The directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

Nature of business

The Bank is licensed to carry out universal banking business in Ghana, and there was no change in the nature of the Bank's business during the period.

Holding Company

FBNBank Ghana is a limited liability company and is incorporated and domiciled in Ghana. The Bank is a subsidiary of FirstBank of Nigeria limited, an FBN Holdings Company.

DIVIDEND

The directors do not recommend the payment of dividend for the 2016 financial year (2015:GHC5,401,840).

Auditor

In accordance with Section 134(5) of the Companies Code, 1963 (Act 179), PricewaterhouseCoopers was appointed as auditor of the Bank at its last annual general meeting and will continue in office.

Approval of the Financial Statement

The financial statements of the Bank were approved by the Board of Directors on 22 February 2017 and signed on their behalf by:

On behalf of the Board



Hon. Joseph Yiekeh Chireh
(Chairman)



Gbenga Odeyemi
(Managing Director/CEO)

The financial information presented in this publication is an extract from the annual report for the year ended 31st December 2016. The annual report is available at the Head Office at the Meridian House, Ring Road Central Accra.

For all enquiries, call: 0266019888, send a mail to
fbn@fbnbankghana.com or visit www.fbnbankghana.com

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