

FBNBANK GHANA LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

(All amounts are expressed in Ghana Cedis)

	2017	2016
Interest income	84,153,774	74,899,124
Interest expense	(32,034,962)	(21,884,371)
Net interest income	52,118,812	53,014,753
Fee and commission income	7,656,488	7,748,978
Fee and commission expense	(320,368)	(304,644)
Net fee and commission income	7,336,120	7,444,334
Net trading income	10,797,457	4,801,375
Other income	2,827	-
Operating income	70,255,216	65,260,462
Loans and advances impairment charge	(1,744,723)	(16,997,453)
Personnel expenses	(20,349,561)	(18,234,623)
Depreciation and amortisation	(4,811,655)	(3,108,644)
Operating expenses	(25,171,752)	(20,512,417)
Profit before income tax	18,157,525	4,406,327
Income tax expense	(5,818,425)	(988,190)
National stabilisation levy	(907,876)	(220,316)
Profit for the year after tax	11,431,224	3,197,821
Other comprehensive income	-	-
Total comprehensive income for the year	11,431,224	3,197,821
Earnings per share		
Earnings per share (basic and diluted)	0.19	0.05

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

(All amounts are expressed in Ghana Cedis)

	2017	2016
Assets		
Cash and cash equivalents	184,398,779	291,480,370
Investment securities	264,478,502	149,412,931
Loans and advances	66,706,038	93,149,172
Current income tax asset	-	920,162
Other assets	8,474,071	8,595,716
Investment in associates	8,088,100	8,088,100
Property and equipment	12,187,720	11,494,124
Intangible assets	1,384,603	1,869,018
Deferred income tax asset	585,662	-
Total assets	546,303,475	555,410,593
Liabilities		
Customer deposits	293,167,852	277,968,975
Deposits from banks and other financial institutions	115,656,164	158,641,528
Other liabilities	12,042,243	16,151,461
Current income tax liability	379,822	-
Deferred income tax liability	-	22,559
Total liabilities	422,246,081	452,784,423
Shareholders' funds		
Stated capital	60,000,000	60,000,000
Income surplus	26,282,147	16,891,574
Statutory reserve	32,919,164	30,061,358
Credit risk reserve	3,567,131	4,384,286
Capital surplus	1,288,952	1,288,952
Total shareholders' funds	124,057,394	112,626,170
Total liabilities and shareholders' funds	546,303,475	555,410,593


Gbenga Odeyemi
Managing Director/CEO


Hon. Joseph Yiekeh Chirch
(Chairman)

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

(All amounts are expressed in Ghana Cedis)

	2017	2016
Cash flows from operating activities		
Profit before income tax	18,157,525	4,406,327
Adjustment for:		
Depreciation and amortisation	4,811,655	3,109,644
Impairment charge on loans and advances	2,123,468	19,396,290
Gain on disposal of property and equipment	(2,827)	-
Changes in loans and advances to customers	24,319,665	8,198,459
Changes in restricted balances	(2,327,323)	(7,273,234)
Changes in other assets	495,858	(984,745)
Changes in customer deposits	15,198,977	74,655,635
Changes in deposits from banks and other financial institutions	(42,985,364)	36,226,473
Changes in other liabilities	(3,121,914)	6,088,941
Changes in investment securities	(10,494,652)	(19,027,082)
Cash (used in)/generated from operations	(23,314,940)	124,794,708
Tax paid	(5,009,875)	(1,583,814)
National stabilisation levy paid	(895,180)	(254,204)
Net cash (used in)/generated from operating activities	(29,819,995)	122,956,990
Cash flows from investing activities		
Purchase of property and equipment	(4,238,612)	(3,197,194)
Purchase of intangible assets	(862,389)	(549,040)
Proceeds from disposal of property and equipment	82,992	58,456
Net cash used in investing activities	(5,018,009)	(3,687,778)
(Decrease)/increase in cash and cash equivalents	(34,838,004)	119,268,912
Analysis of changes in cash and cash equivalents		
Cash and cash equivalents at 1 January	389,395,029	270,126,117
(Decrease)/increase in cash and cash equivalents	(34,838,004)	119,268,912
Cash and cash equivalents at 31 December	354,557,025	389,395,029

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

(All amounts are expressed in Ghana Cedis)

	Stated capital	Income surplus	Statutory reserves	Credit risk reserve	Revaluation reserve	Total
At 1 January 2016	60,000,000	10,580,594	28,462,447	9,096,356	1,288,952	109,428,349
Profit for the year	-	3,197,821	-	-	-	3,197,821
Total comprehensive income	-	3,197,821	-	-	-	3,197,821
Transactions with owners:						
Transfer to statutory reserve	-	(1,598,911)	1,598,911	-	-	-
Transfer from credit risk reserve	-	4,712,070	-	(4,712,070)	-	-
Total transactions with owners	-	3,113,159	1,598,911	(4,712,070)	-	-
At 31 December 2016 and 1 January 2017	60,000,000	16,891,574	30,061,358	4,384,286	1,288,952	112,626,170
Profit for the year	-	11,431,224	-	-	-	11,431,224
Total comprehensive income	-	11,431,224	-	-	-	11,431,224
Transactions with owners:						
Transfer to statutory reserve	-	(2,857,806)	2,857,806	-	-	-
Transfer from credit risk reserve	-	817,155	-	(817,155)	-	-
Total transactions with owners	-	(2,040,651)	2,857,806	(817,155)	-	-
At 31 December 2017	60,000,000	26,282,147	32,919,164	3,567,131	1,288,952	124,057,394

The financial statements of the Bank were approved by the Board of Directors on 5 March 2018 and signed on their behalf by:

On behalf of the Board


Gbenga Odeyemi
Managing Director/CEO


Hon. Joseph Yiekeh Chirch
(Chairman)

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENT TO THE MEMBERS OF FBNBANK GHANA LIMITED

Our opinion
In our opinion, the accompanying summary financial statements of FBN Bank Ghana Limited (the "Bank"), are consistent, in all material respects, with the audited financial statements of the Bank for the year ended 31 December 2017, on the basis described in the notes.

The summary financial statements
The Bank's summary financial statements derived from the audited financial statements for the year ended 31 December 2017 comprise:
- the summary statement of financial position as at 31 December 2017;
- the summary statement of comprehensive income for the year then ended;
- the summary statement of changes in equity for the year then ended;
- the summary statement of cash flows for the year then ended; and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.


The audited financial statements and our report thereon
We expressed an unmodified audit opinion on the audited financial statements in our report dated 27 March 2018. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period.

Directors' responsibility for the summary financial statements
The directors are responsible for the preparation of the summary financial statements on the basis described in the notes.

Auditor's responsibility
Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), Engagements to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is Osei Anum (CACG/1139).


PricewaterhouseCoopers (CACG/2018/0108)
Chartered Accountants
Accra, Ghana
27 March 2018



REPORT OF THE DIRECTORS

The directors submit their report together with the summary financial statements of the Bank for the year ended 31 December 2017.

The Bank's directors are responsible for the preparation of the summary financial statements which are consistent in all material respect with the audited financial statements.

The Bank's directors are also responsible for the preparation and fair presentation of the financial statements comprising the statement of financial position at 31 December 2017, 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) and the Banks and Specialised Deposit-taking Institutions Act, 2016 (Act 930).

Going concern
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 2017 financial year (2016: Nil).

Auditor
The Bank's auditor, PricewaterhouseCoopers, has been in office for four (4) years and will continue in office in accordance with Section 134(5) of the Companies Act, 1963, (Act 179) and Section 81 of the Banks and Specialised Deposit-taking Institutions Act, 2016 (Act 930).

Approval of the financial statements
The financial statements of the Bank were approved by the Board of Directors on 5 March 2018 and signed on their behalf by:

On behalf of the Board


Gbenga Odeyemi
Managing Director/CEO


Hon. Joseph Yiekeh Chirch
(Chairman)

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 Plots No. 6, 7 and 9, Liberation Road, Accra.

Quantitative disclosures

	2017	2016
Capital Adequacy Ratio	52.44%	33.63%
Non-Performing Loans (NPL) Ratio	2.73%	5.24%
Liquid Ratio	109.80%	100.99%

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.

	2017	2016
Default in Statutory Liquidity (Number)	Nil	Nil
Default in Statutory Liquidity Sanction (GHS)	Nil	Nil

The summary financial information presented in this publication is an extract from the annual report of FBNBANK Ghana Limited for the year ended 31 December 2017. The annual report is available for inspection at the Bank's Head Office at Plots No. 6, 7 and 9, Liberation Road, Accra.