

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2020

(All amounts are in thousands of Ghana Cedis)

| | 2020 | 2019 |
|--|---------------|---------------|
| Interest income | 93,701 | 81,807 |
| Interest expense | (23,658) | (36,251) |
| Net interest income | 70,043 | 45,556 |
| Fee and commission income | 7,700 | 5,656 |
| Fee and commission expense | (225) | (346) |
| Net fee and commission income | 7,475 | 5,310 |
| Net trading income | 1,769 | 6,836 |
| Other income | 53 | 4 |
| Operating income | 79,340 | 57,706 |
| Net impairment loss on financial assets | (4,309) | (6,777) |
| Personnel expenses | (18,186) | (11,816) |
| Depreciation and amortisation | (6,395) | (2,723) |
| Operating expenses | (14,373) | (15,956) |
| Profit before tax | 36,077 | 20,434 |
| Income tax expense | (9,019) | (5,108) |
| National stabilisation levy | (1,804) | (1,022) |
| Profit for the period after tax | 25,254 | 14,304 |
| Other comprehensive income | - | - |
| Total comprehensive income for the period | 25,254 | 14,304 |

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

(All amounts are in thousands of Ghana Cedis)

| | 2020 | 2019 |
|--|------------------|------------------|
| Assets | | |
| Cash and cash equivalent | 474,617 | 181,084 |
| Investment securities | 838,877 | 729,905 |
| Non-pledged trading assets | 45 | - |
| Loans and advances | 218,028 | 66,082 |
| Current income tax assets | - | 843 |
| Other assets | 6,332 | 23,191 |
| Investments in associates | 8,088 | 8,088 |
| Property and equipment | 12,889 | 9,480 |
| Right of use asset | 46,107 | - |
| Intangible assets | 546 | 895 |
| Deferred income tax asset | 4,252 | 992 |
| Total assets | 1,609,781 | 1,020,560 |
| Liabilities | | |
| Customer deposits | 466,991 | 295,371 |
| Deposits from banks and other financial institutions | 540,335 | 214,424 |
| Other liabilities | 64,322 | 51,907 |
| Lease liability | 26,641 | - |
| Current income tax liability | 6,016 | - |
| Total liabilities | 1,104,305 | 561,702 |
| Shareholders' funds | | |
| Stated capital | 400,000 | 400,000 |
| Retained earnings | 8,457 | 4,017 |
| Statutory reserve | 68,080 | 44,771 |
| Credit risk reserve | 27,650 | 8,781 |
| Revaluation reserve | 1,289 | 1,289 |
| Shareholders' funds | 505,476 | 458,858 |
| Total liabilities and shareholders' funds | 1,609,781 | 1,020,560 |

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2020

(All amounts are in thousands of Ghana Cedis)

| | Stated capital | Retained earnings | Statutory reserve | Credit risk reserve | Revaluation reserve | Total |
|---------------------------------------|----------------|-------------------|-------------------|---------------------|---------------------|----------------|
| At 1 January 2019 | 400,000 | (2,761) | 37,619 | 8,407 | 1,289 | 444,554 |
| Profit for the period | - | 14,304 | - | - | - | 14,304 |
| Total comprehensive income | - | 14,304 | - | - | - | 14,304 |
| Transfer to statutory reserve | - | (7,152) | 7,152 | - | - | - |
| Transfer to credit risk reserve | - | (374) | - | 374 | - | - |
| Total transactions with owners | - | (7,526) | 7,152 | 374 | - | - |
| At 30 June 2019 | 400,000 | 4,017 | 44,771 | 8,781 | 1,289 | 458,858 |
| At 1 January 2020 | 400,000 | 3,429 | 55,453 | 20,051 | 1,289 | 480,222 |
| Profit for the period | - | 25,254 | - | - | - | 25,254 |
| Total comprehensive income | - | 25,254 | - | - | - | 25,254 |
| Transfer to statutory reserve | - | (12,627) | 12,627 | - | - | - |
| Transfer to credit risk reserve | - | (7,599) | - | 7,599 | - | - |
| Total transactions with owners | - | (20,226) | 12,627 | 7,599 | - | - |
| At 30 June 2020 | 400,000 | 8,457 | 68,080 | 27,650 | 1,289 | 505,476 |

UNAUDITED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2020

(All amounts are in thousands of Ghana Cedis)

| | 2020 | 2019 |
|---|----------------|-----------------|
| Cash flows from operating activities | | |
| Profit before income tax | 36,077 | 20,434 |
| Adjustment for: | | |
| Depreciation and amortisation | 6,395 | 2,723 |
| Impairment loss on financial assets | 5,218 | 7,961 |
| Gain on disposal of property and equipment | (53) | (4) |
| Changes in loans and advances to customers | 38,741 | (1,993) |
| Changes in restricted balances | (1,254) | 2,307 |
| Changes in other assets | (528) | (8,142) |
| Changes in customer deposits | 117,928 | (8,942) |
| Changes in deposits from banks and other financial institutions | 176,157 | 24,117 |
| Changes in other liabilities | 2,447 | 1,167 |
| Changes in investment securities | (19,124) | (91,237) |
| Sale of trading assets | 1,060 | - |
| Cash generated from/(used in) operations | 363,064 | (51,609) |
| Tax paid | (2,964) | (5,400) |
| National stabilisation levy paid | (630) | (876) |
| Net cash generated from/(used in) operating activities | 359,470 | (57,885) |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (4,070) | (1,434) |
| Purchase of intangible assets | (258) | (173) |
| Proceeds from disposal of property and equipment | 53 | 4 |
| Net cash used in investing activities | (4,275) | (1,603) |
| Increase (Decrease) in cash and cash equivalents | 355,195 | (59,488) |
| Analysis of changes in cash and cash equivalents | | |
| Cash and cash equivalents at 1 January | 163,179 | 243,644 |
| Increase (Decrease) in cash and cash equivalents | 355,195 | (59,488) |
| Cash and cash equivalents at 30 June | 518,374 | 184,156 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020

1.0 Significant Accounting policies

The accounting policies followed for the period ended 30 June, 2020 are consistent with those followed in the financial statements for the year ended 31 December, 2019.

2.0 Quantitative Disclosures

| | JUNE 2020 | JUNE 2019 |
|---------------------------|-----------|-----------|
| Capital Adequacy Ratio | 34.78% | 74.55% |
| Non-Performing Loan Ratio | 21.42% | 38.27% |
| Liquid Ratio | 130.40% | 178.61% |

3.0 Qualitative Disclosures

(i) The Bank's dominant risks are: credit risk, liquidity risk, market risk and operational risk.

(ii) Risk management framework

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.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The risks arising from financial instruments to which the Bank is exposed are financial risks, which includes credit risk, liquidity risk and market risk.

| | JUNE 2020 | JUNE 2019 |
|---|-----------|-----------|
| Default in Statutory Liquidity | Nil | Nil |
| Default in Statutory Liquidity Sanction | Nil | Nil |

4.0 The financial statements do not contain untrue statements, misleading facts or omit material facts to the best of our knowledge.

VICTOR YAW ASANTE
(Managing Director/ CEO)

SEMIU LAMIDI
(Director)

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