

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2019

(All amounts are expressed in Ghana Cedis)

|  | 2019              | 2018              |
|--|-------------------|-------------------|
| Interest income                                  | 126,808,437       | 47,851,697        |
| Interest expense                                 | (57,130,206)      | (16,573,082)      |
| <b>Net interest income</b>                       | <b>69,678,231</b> | <b>31,278,615</b> |
| Fee and commission income                        | 8,508,540         | 6,666,321         |
| Fee and commission expense                       | (503,267)         | (231,567)         |
| <b>Net fee and commission income</b>             | <b>8,005,273</b>  | <b>6,434,754</b>  |
| Net trading income                               | 9,473,777         | 12,923,083        |
| Other income                                     | 4,109             | 273,514           |
| <b>Operating income</b>                          | <b>87,161,390</b> | <b>50,909,966</b> |
| Net impairment loss on financial assets          | (7,648,843)       | (687,072)         |
| Personnel expenses                               | (18,471,693)      | (17,091,612)      |
| Depreciation and amortisation                    | (4,166,879)       | (4,872,175)       |
| Operating expenses                               | (24,534,376)      | (19,590,172)      |
| <b>Profit before tax</b>                         | <b>32,339,599</b> | <b>8,668,935</b>  |
| Income tax expense                               | (8,084,897)       | (2,167,234)       |
| National stabilisation levy                      | (1,616,980)       | (433,447)         |
| <b>Profit for the period after tax</b>           | <b>22,637,722</b> | <b>6,068,254</b>  |
| Other comprehensive income                       | -                 | -                 |
| <b>Total comprehensive income for the period</b> | <b>22,637,722</b> | <b>6,068,254</b>  |

The accompanying notes 1 to 4 form part of these financial statements

## UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> SEPTEMBER 2019

(All amounts are expressed in Ghana Cedis)

|  | 2019                 | 2018               |
|--|----------------------|--------------------|
| <b>Assets</b>  |                      |                    |
| Cash and cash equivalent                             | 159,214,198          | 174,509,829        |
| Investment securities                                | 712,134,835          | 178,877,327        |
| Loans and advances                                   | 188,361,262          | 70,638,959         |
| Current income tax assets                            | 459,610              | 236,953            |
| Other assets   | 26,394,849           | 17,647,836         |
| Investments in associates                            | 8,088,100            | 8,088,100          |
| Property and equipment                               | 11,570,349           | 10,773,189         |
| Intangible assets                                    | 717,809              | 1,187,676          |
| Deferred income tax asset                            | 992,097              | 585,662            |
| <b>Total assets</b>                                  | <b>1,107,933,109</b> | <b>462,545,531</b> |
| <b>Liabilities</b>                                   |                      |                    |
| Customer deposits                                    | 294,935,364          | 282,253,315        |
| Deposits from banks and other financial institutions | 291,377,494          | 34,152,186         |
| Other liabilities                                    | 54,428,223           | 18,657,911         |
| <b>Total liabilities</b>                             | <b>640,741,081</b>   | <b>335,063,412</b> |
| <b>Shareholders' funds</b>                           |                      |                    |
| Stated capital                                       | 400,000,000          | 60,000,000         |
| Income surplus                                       | 7,477,163            | 24,427,301         |
| Statutory reserve                                    | 48,938,021           | 34,436,228         |
| Credit risk reserve                                  | 9,487,892            | 7,329,638          |
| Capital surplus                                      | 1,288,952            | 1,288,952          |
| <b>Shareholders' funds</b>                           | <b>467,192,028</b>   | <b>127,482,119</b> |
| <b>Total liabilities and shareholders' funds</b>     | <b>1,107,933,109</b> | <b>462,545,531</b> |

The accompanying notes 1 to 4 form part of these financial statements

## STATEMENT OF CHANGES IN EQUITY AS AT 30<sup>TH</sup> SEPTEMBER 2019

(All amounts are expressed in Ghana Cedis)

|   | Stated Capital     | Income Surplus     | Statutory Reserves | Credit risk reserve | Capital Surplus  | Total              |
|---|--------------------|--------------------|--------------------|---------------------|------------------|--------------------|
| <b>At 1 January 2018</b>                  | 60,000,000         | 26,282,147         | 32,919,164         | 3,567,131           | 1,288,952        | 124,057,394        |
| Changes on initial application of IFRS 9  | -                  | -                  | -                  | -                   | -                | -                  |
| Increase in impairment provisioning       | -                  | (2,643,529)        | -                  | -                   | -                | (2,643,529)        |
| Transfer from credit risk reserve         | -                  | 2,643,529          | -                  | (2,643,529)         | -                | -                  |
| <b>Restated balance at 1 January 2018</b> | <b>60,000,000</b>  | <b>26,282,147</b>  | <b>32,919,164</b>  | <b>923,602</b>      | <b>1,288,952</b> | <b>121,413,865</b> |
| Profit for the period                     | -                  | 6,068,254          | -                  | -                   | -                | 6,068,254          |
| <b>Total comprehensive income</b>         | <b>-</b>           | <b>6,068,254</b>   | <b>-</b>           | <b>-</b>            | <b>-</b>         | <b>6,068,254</b>   |
| Transfer to statutory reserve             | -                  | (1,517,064)        | 1,517,064          | -                   | -                | -                  |
| Transfer to credit risk reserve           | -                  | (6,406,036)        | -                  | 6,406,036           | -                | -                  |
| Total transactions with owners            | -                  | (7,923,100)        | 1,517,064          | 6,406,036           | -                | -                  |
| <b>At 30 September 2018</b>               | <b>60,000,000</b>  | <b>24,427,301</b>  | <b>34,436,228</b>  | <b>7,329,638</b>    | <b>1,288,952</b> | <b>127,482,119</b> |
| <b>At 1 January 2019</b>                  | <b>400,000,000</b> | <b>(2,761,536)</b> | <b>37,619,160</b>  | <b>8,407,730</b>    | <b>1,288,952</b> | <b>444,554,306</b> |
| Profit for the period                     | -                  | 22,637,722         | -                  | -                   | -                | 22,637,722         |
| <b>Total comprehensive income</b>         | <b>-</b>           | <b>22,637,722</b>  | <b>-</b>           | <b>-</b>            | <b>-</b>         | <b>22,637,722</b>  |
| Transfer to statutory reserve             | -                  | (11,318,861)       | 11,318,861         | -                   | -                | -                  |
| Transfer to credit risk reserve           | -                  | (1,080,162)        | -                  | 1,080,162           | -                | -                  |
| Total transactions with owners            | -                  | (12,399,023)       | 11,318,861         | 1,080,162           | -                | -                  |
| <b>At 30 September 2019</b>               | <b>400,000,000</b> | <b>7,477,163</b>   | <b>48,938,021</b>  | <b>9,487,892</b>    | <b>1,288,952</b> | <b>467,192,028</b> |

The accompanying notes 1 to 4 form part of these financial statements

## UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2019

(All amounts are expressed in Ghana Cedis)

|   | 2019                 | 2018                 |
|---|----------------------|----------------------|
| <b>Cash flows from operating activities</b>                     |                      |                      |
| Profit before income tax  | 32,339,599           | 8,668,935            |
| <b>Adjustment for:</b>  |                      |                      |
| Depreciation and amortisation                                   | 4,166,879            | 4,872,175            |
| Impairment charge on loans and advances                         | 10,328,124           | 911,624              |
| Gain on disposal of property and equipment                      | (4,109)              | (273,514)            |
| Changes in loans and advances to customers                      | (126,700,080)        | (7,488,074)          |
| Changes in restricted balances                                  | 2,909,840            | 1,741,524            |
| Changes in other assets   | (11,346,240)         | (9,173,764)          |
| Changes in customer deposits                                    | (9,378,188)          | (10,914,537)         |
| Changes in deposits from banks and other financial institutions | 101,071,073          | (81,503,978)         |
| Changes in other liabilities                                    | 3,486,641            | 5,626,521            |
| Changes in investment securities                                | (105,668,437)        | (28,659,852)         |
| <b>Cash used in operations</b>                                  | <b>(98,794,898)</b>  | <b>(116,192,940)</b> |
| Tax paid  | (7,993,499)          | (2,784,010)          |
| National stabilisation levy paid                                | (1,209,461)          | (444,300)            |
| <b>Net cash used in operating activities</b>                    | <b>(107,997,858)</b> | <b>(119,421,250)</b> |
| <b>Cash flows from investing activities</b>                     |                      |                      |
| Purchase of property and equipment                              | (4,860,743)          | (2,829,783)          |
| Purchase of intangible assets                                   | (172,855)            | (430,934)            |
| Proceeds from disposal of property and Equipment                | 73,435               | 273,514              |
| <b>Net cash used in investing activities</b>                    | <b>(4,960,163)</b>   | <b>(2,987,203)</b>   |
| <b>Increase in cash and cash equivalents</b>                    | <b>(112,958,021)</b> | <b>(122,408,453)</b> |
| <b>Analysis of changes in cash and cash equivalents</b>         |                      |                      |
| Cash and cash equivalents at 1st January                        | 243,643,603          | 354,557,025          |
| Increase in cash and cash equivalents                           | (112,958,021)        | (122,408,453)        |
| <b>Cash and cash equivalents at 30<sup>th</sup> September</b>   | <b>130,685,582</b>   | <b>232,148,572</b>   |

The accompanying notes 1 to 4 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2019

### 1.0 Significant Accounting policies

The accounting policies followed for the period ended 30th September, 2019 are consistent with those followed in the financial statements for the year ended 31st December, 2018.

### 2.0 Quantitative Disclosures

|                           | SEPTEMBER 2019 | SEPTEMBER 2018 |
|---------------------------|----------------|----------------|
| Capital Adequacy Ratio    | 38.86%         | 46.42%         |
| Non-Performing Loan Ratio | 17.91%         | 19.57%         |
| Liquid Ratio              | 146.62%        | 111.69%        |

### 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.

(iii)

|   | SEPTEMBER 2019 | SEPTEMBER 2018 |
|---|----------------|----------------|
| 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)

JOSEPH VIELEH CHIREH  
(Chairman)



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