

FBNBANK GHANA LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2015

STATEMENT OF COMPREHENSIVE INCOME

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

	2015	2014
Interest income	66,857,744	58,795,017
Interest expense	(15,733,184)	(14,141,138)
Net interest income	51,124,560	44,653,879
Net fees and commission income	5,460,142	3,813,833
Other operating income	5,907,515	6,837,876
Operating income	62,492,217	55,305,588
Loan and advances impairment charge	(4,972,133)	(8,742,980)
Personnel expenses	(13,907,914)	(16,142,155)
Depreciation and amortisation	(2,532,436)	(1,096,016)
Operating expenses	(12,711,787)	(11,096,116)
Profit before tax	28,367,947	18,228,321
Income tax expense	(8,744,429)	(6,542,014)
National stabilisation levy	(1,555,816)	(908,921)
Profit for the year after tax	18,067,702	10,777,386
Other comprehensive income	-	-
Total comprehensive income for the year	18,067,702	10,777,386

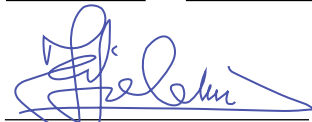
STATEMENT OF FINANCIAL POSITION

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

	2015	2014
Assets		
Cash and balances with Bank of Ghana	38,226,758	35,398,720
Due from other banks	193,712,150	115,133,307
Investment securities	63,385,165	37,913,203
Loans and advances	120,741,921	155,755,674
Other assets	10,907,663	1,636,117
Investments in associates	5,158,520	5,158,520
Property and equipment	10,290,433	8,425,560
Intangible assets	2,494,575	633,788
Deferred income tax asset	933,163	59,275
Total assets	445,850,348	360,114,164
Liabilities		
Customer deposits	207,530,793	166,464,004
Due to other banks	118,197,502	84,136,527
Other liabilities	10,062,520	10,424,339
Current income tax liability	631,184	2,326,807
Total liabilities	336,421,999	263,351,677
Shareholders' funds		
Stated capital	60,000,000	60,000,000
Income surplus	10,580,594	11,222,140
Statutory reserve	28,462,447	19,428,596
Regulatory credit risk reserve	9,096,356	4,822,799
Revaluation reserve	1,288,952	1,288,952
Shareholders' funds	109,428,349	96,762,487
Total liabilities and shareholders' funds	445,850,348	360,114,164



Hon. Joseph Yieleh Chireh
Chairman



Oluseyi Oyefeso
(Managing Director/CEO)

STATEMENT OF CASH FLOWS

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

	2015	2014
Cash flows from operating activities		
Profit before income tax	28,367,947	18,228,321
Adjustment for:		
Depreciation and amortisation	2,532,436	1,096,016
Impairment charge on loans and advances	4,972,133	8,742,980
Changes in loans and advances to customers	30,041,621	(44,649,250)
Changes in mandatory reserve deposits	(4,106,679)	(1,808,806)
Changes in other assets	(9,188,648)	799,483
Changes in customer deposits	41,066,789	1,601,851
Changes in due from other banks	34,060,975	37,136,232
Changes in other liabilities	204,048	5,148,754
Changes in investment securities	11,761,185	20,067,631
Cash generated from operations	139,711,807	46,363,212
Tax paid	(11,313,940)	(2,279,913)
National stabilisation levy paid	(2,204,582)	(205,635)
Net cash generated from operating activities	126,193,285	43,877,664
Cash flows from investing activities		
Purchase of property and equipment	(5,923,954)	(6,001,212)
Purchase of intangible assets	(334,142)	(134,942)
Net cash used in investing activities	(6,258,096)	(6,136,154)
Cash flows from financing activities		
Dividend paid to equity holders	(5,401,840)	-
Net cash from financing activities	(5,401,840)	-
Increase in cash and cash equivalents	114,533,349	37,741,510
Analysis of changes in cash and cash equivalents		
Cash and cash equivalents at 1 January	155,592,768	117,851,258
Increase in cash and cash equivalents	114,533,349	37,741,510
Cash and cash equivalents at 31 December	270,126,117	155,592,768

STATEMENT OF CHANGES IN EQUITY

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

	Stated Capital	Income Surplus	Statutory Reserves	Regulatory credit risk reserve	Revaluation reserve	Total
Year ended 31 December 2015						
At 1 January 2015	60,000,000	11,222,140	19,428,596	4,822,799	1,288,952	96,762,487
Profit for the year	-	18,067,702	-	-	-	18,067,702
Total comprehensive income	-	18,067,702	-	-	-	18,067,702
Transfer to statutory reserve	-	(9,033,851)	9,033,851	-	-	-
Transfer to regulatory credit risk reserve	-	(4,273,557)	-	4,273,557	-	-
Interim dividend paid for 2015	-	(5,401,840)	-	-	-	(5,401,840)
Total transactions with owners	-	(18,709,248)	9,033,851	4,273,557	-	(5,401,840)
At 31 December 2015	60,000,000	10,580,594	28,462,447	9,096,356	1,288,952	109,428,349
Year ended 31 December 2014						
At 1 January 2014	60,000,000	1,035,562	14,039,903	9,620,684	1,288,952	85,985,101
Profit for the year	-	10,777,386	-	-	-	10,777,386
Total comprehensive income	-	10,777,386	-	-	-	10,777,386
Transfer to statutory reserve	-	(5,388,693)	5,388,693	-	-	-
Transfer from regulatory credit risk reserve	-	4,797,885	-	(4,797,885)	-	-
Total transactions with owners	-	(590,808)	5,388,693	(4,797,885)	-	-
At 31 December 2014	60,000,000	11,222,140	19,428,596	4,822,799	1,288,952	96,762,487

FBNBANK GHANA LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2015

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of FBNBank Ghana Limited set out on pages 11 to 60. These financial statements comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility 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 with the requirements of 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

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 2015 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).

REPORT ON OTHER LEGAL 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:

- I. 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;
- II. 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;
- III. The balance sheet (statement of financial position) and profit and loss account (part of statement of comprehensive income) are in agreement with the books of account.

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

- I. We were able to obtain all the information and explanations required for the efficient performance of our duties as auditor;
- II. 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;
- III. In our opinion, the Bank's transactions were within its powers; and
- IV. The Bank in all material respects complied with the requirements of the Banking Act, 2004 (Act 673) as amended.



PricewaterhouseCoopers (ICAG/F/2016/028)
Chartered Accountants
Signed by: Oseini Amui (ICAG/P/1139)
Accra, Ghana
30 March 2016



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

	2015	2014
Capital Adequacy Ratio	27%	31%
Non-Performing Loans (NPL) Ratio	8.78%	2.37%

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.

	2015	2014
Default in Statutory Liquidity(Number)	Nil	1
Default in Statutory Liquidity Sanction (GHS)	Nil	6,000

The financial statements of the Bank were approved by the Board of Directors on 16 February 2016 and signed on their behalf by:

On behalf of the Board


Hon. Joseph Yieleh Chireh
Chairman


Oluseyi Oyefeso
(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 2015.

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 2015, 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 recommend to shareholders the payment of an interim dividend of GH¢0.09 per share (2014: Nil) amounting to GH¢5,401,840 (2014: Nil).

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 16 February 2016 and signed on their behalf by:

On behalf of the Board


Hon. Joseph Yieleh Chireh
Chairman


Oluseyi Oyefeso
(Managing Director/CEO)

For all enquiries, call: 026 601 9888 or visit www.fbnbankghana.com

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