

FIRST ATLANTIC BANK LIMITED

SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018

(UNAUDITED) STATEMENT OF COMPREHENSIVE INCOME

in thousands of GHS

	June 2018	June 2017
Interest income	96,315	107,688
Interest expense	(53,247)	(57,123)
Net interest income	43,068	50,565
Net fee and commission income	22,361	15,517
Net trading income	21,136	9,589
Other income	435	338
Operating income	87,000	76,009
Impairment losses on loans and advances	(7,415)	(10,000)
Personnel expenses	(27,725)	(22,941)
Depreciation and amortisation	(6,975)	(5,817)
Other expenses	(28,227)	(23,109)
Profit before income tax	16,657	14,142
Income tax expense	(5,605)	(3,536)
National stabilisation levy	(833)	(707)
Profit for the year after income tax	10,220	9,899
Other comprehensive income, net of income tax		
Unrealised gains/(loss) on fair value changes on available-for-sale securities, net of tax	3,487	-
Total comprehensive income for the period	13,706	9,899

(UNAUDITED) STATEMENT OF FINANCIAL POSITION

in thousands of GHS

	June 2018	June 2017
Assets		
Cash and cash equivalents	395,161	330,462
Trading assets	737,131	709,772
Loans and advances to customers	260,188	265,277
Investment in associates	1,627	340
Current tax assets	1,733	-
Intangible assets	6,819	5,834
Other assets	40,194	17,564
Property and equipment	134,965	134,738
Total assets	1,577,818	1,463,987
Liabilities		
Due from banks and other BoG regulated FIs	29,956	159,171
Deposits from customers	1,209,078	1,048,007
Borrowings	-	12,625
Current tax liabilities	-	586
Deferred tax liabilities	18,480	16,997
Other liabilities	11,029	9,429
Total liabilities	1,268,543	1,246,815
Equity		
Stated capital	168,678	96,610
Deposit for shares	18,608	-
Income surplus account	15,297	10,059
Revaluation reserve	50,765	50,765
Statutory reserve fund	41,830	31,934
Credit risk reserve	7,214	27,575
Other reserves	6,883	229
Total equity	309,275	217,172
Total equity and liabilities	1,577,818	1,463,987

(UNAUDITED) STATEMENT OF CHANGES IN EQUITY

in thousands of GHS

	Stated capital	Statutory reserve	Credit risk reserve	Revaluation reserve	Income surplus account	Other reserves	Total
Balance at 1 January 2018	96,610	41,830	7,214	50,765	30,418	3,396	230,233
Profit for the period	-	-	-	-	10,220	-	10,220
Other comprehensive income							
Net change in fair value of available-for-sale financial assets net of tax	-	-	-	-	-	3,487	3,487
Total comprehensive income for the year	-	-	-	-	10,220	3,487	13,706
Transfers from income surplus to reserves & transactions with owners, recorded directly in equity							
Capital introduced	65,335	-	-	-	-	-	65,335
Bonus issue of shares	25,340	-	-	-	(25,340)	-	-
Total other movements in equity	90,676	-	-	-	(25,340)	-	65,335
Balance at 30 June 2018	187,286	41,830	7,214	50,765	15,297	6,883	309,275
Balance at 1 January 2017	96,610	31,934	27,575	50,765	160	229	207,273
Profit for the period	-	-	-	-	9,899	-	9,899
Other comprehensive income	-	-	-	-	-	-	-
Revaluation gain on property net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	9,899	-	9,899
Transfers from income surplus to reserves & transactions with owners, recorded directly in equity							
Transfer to credit risk reserve	-	-	-	-	-	-	-
Total other movements in equity	-	-	-	-	-	-	-
Balance at 30 June 2017	96,610	31,934	27,575	50,765	10,059	229	217,172

(UNAUDITED) STATEMENT OF CASH FLOWS

in thousands of GHS

	June 2018	June 2017
Cash flows from operating activities		
Profit for the period	16,657	14,142
Adjusted for:		
Depreciation and amortisation	6,975	5,817
Impairment on financial assets	7,415	10,000
Net interest income	(43,068)	(50,565)
	(12,020)	(20,606)
Changes in trading assets		
Change in trading assets	(39,314)	47,652
Change in loans and advances to customers	(16,853)	(42,120)
Change in other assets	(20,182)	(3,146)
Change in deposits from banks	(37,446)	18,227
Change in deposits from customers	(152,499)	5,192
Other liabilities	4,866	(16,574)
	(261,428)	9,231
Interest received	93,144	110,032
Interest paid	(72,033)	(49,648)
Income tax paid	(6,763)	(4,949)
Net cash generated from operating activities	(259,099)	44,060
Cash flows from investing activities		
Purchase of property and equipment	(3,482)	(12,466)
Purchase of intangible assets	(1,643)	(1,371)
Investment in associate	(1,500)	-
Change in borrowings	-	(929)
Net cash flows from investing activities	(6,626)	(14,766)
Cash flows from financing activities		
Proceeds from issue of shares	65,335	-
Net cash generated from financing activities	65,335	-
Net increase in cash and cash equivalents	(200,390)	29,294
Cash and cash equivalents at start of year	595,551	301,168
Cash and cash equivalents at end of year	395,161	330,462

1. Significant accounting policies

"The financial statements have been prepared 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).

Basis of preparation

The published summary financial statements of the Bank are in accordance with the Bank of Ghana Guide for Publication for Banks and Bank of Ghana licenced financial institutions."

2. Quantitative disclosures

	June 2018	June 2017
Capital adequacy ratio	31%	29%
Non-performing loan (NPL) ratio	16%	23%

3. Qualitative disclosures

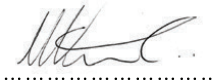
The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the Bank's business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance.

Risk management is carried out by the Risk Management Department under policies approved by the Board of Directors. Risk Management Department identifies, evaluates and manages financial risks in close cooperation with the operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and use of non-derivative financial instruments. The most important types of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risk


4. Defaults in statutory liquidity and accompanying sanctions

	June 2018	June 2017
(a) Default in statutory liquidity	Nil	Nil
(b) Sanctions	Nil	Nil

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


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Director
Karen Akiwumi Tanoh
(Chairman)


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Director
Odun Odunfa
(MD/CEO)

