

FIRST ATLANTIC BANK LIMITED

SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2018

(UNAUDITED) STATEMENT OF COMPREHENSIVE INCOME in thousands of GHS

	Sept 2018	Sept 2017
Interest income	136,144	152,892
Interest expense	(72,944)	(85,189)
Net interest income	63,200	67,703
Net fee and commission income	34,444	24,047
Net trading income	31,831	14,438
Other income	496	474
Operating income	129,971	106,662
Impairment losses on loans and advances	(8,372)	(11,500)
Personnel expenses	(41,588)	(34,418)
Depreciation and amortisation	(10,162)	(9,151)
Other expenses	(41,683)	(33,817)
Profit before income tax	28,166	17,775
Income tax expense	(7,783)	(4,444)
National stabilisation levy	(1,408)	(889)
Profit for the year after income tax	18,975	12,442
Other comprehensive income, net of income tax		
Unrealised gains/(loss) on fair value changes on available-for-sale securities, net of tax	10,679	-
Total comprehensive income for the period	29,654	12,442

(UNAUDITED) STATEMENT OF FINANCIAL POSITION in thousands of GHS

	Sept 2018	Sept 2017
Assets		
Cash and cash equivalents	375,491	460,633
Trading assets	652,155	563,639
Loans and advances to customers	282,811	252,564
Investment in associates	127	340
Current tax assets	2,741	-
Intangible assets	6,346	5,349
Other assets	58,579	25,439
Property and equipment	135,290	134,179
Total assets	1,513,540	1,442,143
Liabilities		
Due from banks and other BoG regulated FIs	33,768	126,463
Deposits from customers	1,104,398	1,058,065
Borrowings	-	11,985
Current tax liabilities	-	1,676
Deferred tax liabilities	22,116	16,997
Other liabilities	28,034	7,241
Total liabilities	1,188,316	1,222,427
Equity		
Stated capital	168,678	96,610
Deposit for shares	18,608	-
Income surplus account	24,054	12,602
Revaluation reserve	50,765	50,765
Statutory reserve fund	41,830	31,933
Credit risk reserve	7,214	27,575
Other reserves	14,075	229
Total equity	325,224	219,715
Total equity and liabilities	1,513,540	1,442,143

(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	-	-	-	-	18,975	-	18,975
Other comprehensive income							
Net change in fair value of available-for-sale financial assets net of tax	-	-	-	-	-	10,679	10,679
Total comprehensive income for the year	-	-	-	-	18,975	10,679	29,654
Transfers from income surplus to reserves & transactions with owners, recorded directly in equity							
Capital introduced	46,729	-	-	-	-	-	46,729
Bonus issue of shares	25,339	-	-	-	(25,339)	-	-
Total other movements in equity	72,068	-	-	-	(25,339)	-	46,729
Balance at 30 September 2018	168,678	41,830	7,214	50,765	24,054	14,075	306,616
Balance at 1 January 2017	96,610	31,934	27,575	50,765	160	229	207,273
Profit for the period	-	-	-	-	12,442	-	12,442
Other comprehensive income	-	-	-	-	-	-	-
Revaluation gain on property net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	12,442	-	12,442
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 September 2017	96,610	31,934	27,575	50,765	12,602	229	219,715

(UNAUDITED) STATEMENT OF CASH FLOWS in thousands of GHS

	Sept 2018	Sept 2017
Cash flows from operating activities		
Profit for the period	28,166	17,775
Adjusted for:		
Depreciation and amortisation	10,162	9,151
Impairment on financial assets	8,372	11,500
Net interest income	(63,200)	(67,703)
	(16,500)	(29,277)
Changes in trading assets		
Change in trading assets	62,067	193,785
Change in loans and advances to customers	(50,817)	(33,767)
Change in other assets	(38,567)	(8,676)
Change in deposits from banks	(33,642)	(14,480)
Change in deposits from customers	(255,630)	(1,392)
Other liabilities	21,871	(14,222)
	(294,718)	121,246
Interest received	134,145	155,752
Interest paid	(93,270)	(68,546)
Income tax paid	(6,889)	(5,789)
Net cash generated from operating activities	(277,232)	173,387
Cash flows from investing activities		
Purchase of property and equipment	(6,520)	(15,491)
Purchase of intangible assets	(1,644)	-
Change in borrowings	-	1,569
Net cash flows from investing activities	(8,164)	(13,922)
Cash flows from financing activities		
Proceeds from issue of shares	65,337	-
Net cash generated from financing activities	65,337	-
Net increase in cash and cash equivalents	(220,059)	159,465
Cash and cash equivalents at start of year	595,550	301,168
Cash and cash equivalents at end of year	375,491	460,633

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

	September 2018	September 2017
Capital adequacy ratio	33%	27%
Non-performing loan (NPL) ratio	15%	20%

3. Qualitative disclosures

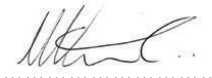
The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the Bank's business, and the operational risks are an inevitable consequence of being 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

	September 2018	September 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)

