

FIRST ATLANTIC BANK LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2019

(UNAUDITED) STATEMENT OF COMPREHENSIVE INCOME

in thousands of GHS

	March 2019	March 2018
Interest income	48,631	50,274
Interest expense	(15,642)	(29,088)
Net interest income	32,989	21,186
Fee and commission income	14,288	10,903
Net trading income	11,583	10,480
Other income	82	380
Operating income	58,941	42,949
Impairment losses on loans and advances	(6,000)	(5,016)
Personnel expenses	(14,862)	(13,624)
Depreciation and amortisation	(4,060)	(3,759)
Other expenses	(18,430)	(14,751)
Merger related cost	(5,370)	-
Profit before income tax	10,219	5,799
Income tax expense	(1,455)	(1,450)
National stabilisation levy	(511)	(290)
Profit for the year after income tax	8,254	4,059
Other comprehensive income, net of income tax		
Unrealised gains/(loss) on fair value changes on available-for-sale securities, net of tax	(1,388)	-
Total comprehensive income for the period	6,865	4,059

(UNAUDITED) STATEMENT OF FINANCIAL POSITION

in thousands of GHS

	March 2019	March 2018
Assets		
Cash and cash equivalents	729,661	578,975
Trading assets	518,408	543,838
Loans and advances to customers	546,565	346,242
Investment in associates	18,877	127
Current tax assets	4,677	3,988
Intangible assets	6,564	8,912
Other assets	215,095	29,698
Property and equipment	134,109	143,499
Total assets	2,173,957	1,655,279
Liabilities		
Deposits from banks	37,418	34,540
Deposits from customers	1,570,347	1,316,267
Deferred tax liabilities	19,510	17,300
Other liabilities	20,951	10,501
Total liabilities	1,648,226	1,378,609
Equity		
Stated capital	233,506	142,555
Deposits for shares	176,234	-
Income surplus account	7,462	31,211
Revaluation reserve	50,765	50,765
Statutory reserve fund	51,313	41,830
Credit risk reserve	-	6,913
Other reserves	6,452	3,396
Total equity	525,731	276,670
Total equity and liabilities	2,173,957	1,655,279

(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 2019	233,506	51,313	-	50,765	(792)	7,840	342,632
Profit for the period	-	-	-	-	8,254	-	8,254
Other comprehensive income	-	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets net of tax	-	-	-	-	-	(1,388)	(1,388)
Total comprehensive income for the year	-	-	-	-	8,254	(1,388)	6,865
Transfers from income surplus to reserves and transactions with owners, recorded directly in equity	-	-	-	-	-	-	-
Total other movements in equity	-	-	-	-	-	-	-
Balance at 31 March 2019	233,506	51,313	-	50,765	7,462	6,452	349,497
Balance at 1 January 2018	96,610	41,830	7,214	50,765	30,418	3,396	230,233
Changes in initial application of IFRS 9	-	-	-	-	-	-	-
Increase in impairment provisioning	-	-	-	-	(3,567)	-	(3,567)
Transfer between reserve	-	-	(301)	-	301	-	-
Restated balance as at January 1 2018	96,610	41,830	6,913	50,765	27,152	3,396	226,666
Profit for the period	-	-	-	-	4,059	-	4,059
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	4,059	-	4,059
Transfers from income surplus to reserves and transactions with owners, recorded directly in equity	-	-	-	-	-	-	-
Capital introduced	45,945	-	-	-	-	-	45,945
Total other movements in equity	45,945	-	-	-	-	-	45,945
Balance at 31 March 2018	142,555	41,830	6,913	50,765	31,211	3,396	276,670

(UNAUDITED) STATEMENT OF CASH FLOWS

in thousands of GHS

	March 2019	March 2018
Cash flows from operating activities		
Profit for the period	10,219	5,799
Adjusted for:		
Depreciation and amortisation	4,060	3,759
Impairment on financial assets	6,000	5,016
Net interest income	(32,989)	(21,186)
	(12,710)	(6,612)
Changes in trading assets		
Change in trading assets	14,878	159,095
Change in loans and advances to customers	(110,179)	(104,729)
Change in other assets	(77,000)	(9,686)
Change in deposits from banks	(68,161)	(34,264)
Change in deposits from customers	206,313	(49,158)
Other liabilities	81,114	4,338
	46,965	(34,404)
Interest received	39,980	37,974
Interest paid	(15,361)	(42,623)
Income tax paid	(3,000)	(4,320)
Net cash generated from operating activities	55,874	(49,985)
Cash flows from investing activities		
Purchase of property and equipment	(577)	(9,271)
Purchase of intangible assets	(152)	(3,265)
Change in investment in associates	(0)	-
Net cash flows from investing activities	(730)	(12,536)
Cash flows from financing activities		
Proceeds from issue of shares	-	45,945
Net cash generated from financing activities	-	45,945
Net increase in cash and cash equivalents	55,144	(16,576)
Cash and cash equivalents at start of year	674,517	595,551
Cash and cash equivalents at end of year	729,662	578,975

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 statement have been extracted from the audited financial statement of the Bank in accordance with the Bank of Ghana Guide for Publication for Banks and Bank of Ghana licenced financial institutions."

During the period, the Bank merged with Energy Commercial Bank through a share swap agreement approved by the Bank of Ghana. The results of the first quarter of 2019 reflects the financial position, profits and cash flow of the combined entity.

2. Quantitative disclosures

	March 2019	March 2018
Capital adequacy ratio	30%	26%
Non-performing loan (NPL) ratio	24%	12%

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

	March 2019	March 2018
(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.



Karen Akiwumi Tanoh
(Chairman)



Odun Odunfa
(MD/CEO)