

FIRST ATLANTIC BANK LIMITED

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts are expressed in thousands of Ghana cedis)

	2019	2018
Interest income	229,494	177,193
Interest expense	(64,553)	(92,424)
Net interest income	164,941	84,769
Fee and commission income	61,133	47,191
Fee and commission expense	(12,424)	(7,407)
Net fee and commission income	48,709	39,784
Net trading income	35,684	40,237
Other operating income	3,555	38
Operating income	252,889	164,828
Net impairment losses	(79,022)	(11,991)
Personnel expenses	(66,016)	(53,750)
Depreciation and amortisation	(20,888)	(13,978)
Other expenses	(80,800)	(51,791)
Finance costs on lease liability	(4,099)	-
Operating profit	2,064	33,318
Gain from associated companies	40	-
Profit before income tax	2,104	33,318
National Fiscal Stabilisation Levy	(105)	(1,666)
Income tax expense	(543)	(12,686)
Profit for the year	1,456	18,966
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to statement of profit or loss		
Net (loss)/gain on on debt instruments measured at FVOCI, net of tax	(9,503)	4,444
Total comprehensive income for the year	(8,047)	23,410
Earnings per share - (Ghana pesewas)	0.47	8.36

STATEMENT OF FINANCIAL POSITION

(All amounts are expressed in thousands of Ghana cedis)

	2019	2018
Assets		
Cash and balances with banks	703,021	663,181
Non-pledged trading assets	202,970	123,973
Pledged assets	-	405,011
Investment securities	851,716	2,800
Loans and advances to customers	454,658	387,231
Investment in associates	354	314
Current income tax assets	14,575	-
Other assets	358,531	124,264
Intangible assets	4,944	6,738
Property and equipment	151,404	132,539
Right-of-use assets	30,839	-
Total assets	2,773,012	1,846,051
Liabilities		
Deposits from banks	51,389	105,573
Deposits from customers	2,044,685	1,249,472
Current income tax liabilities	-	425
Deferred income tax liabilities	14,721	22,084
Borrowings	110,757	-
Lease liabilities	21,612	-
Other liabilities	24,199	125,865
Total liabilities	2,267,363	1,503,419
Shareholders' funds		
Stated capital	404,570	233,506
Retained earnings - (deficit)	(64,420)	(792)
Revaluation reserve	50,765	50,765
Statutory reserve fund	52,041	51,313
Credit risk reserve	64,356	-
Other reserves	(1,663)	7,840
Total shareholders' funds	505,649	342,632
Total liabilities and shareholders' funds	2,773,012	1,846,051

STATEMENT OF CHANGES IN EQUITY

(All amounts are expressed in thousands of Ghana cedis)

Year ended 31 December 2019	Stated capital	Statutory reserve	Credit risk reserve	Revaluation Reserve	Retained earnings (deficit)	Other reserves	Total
At 1 January 2019	233,506	51,313	-	50,765	(792)	7,840	342,632
Profit for the year	-	-	-	-	1,456	-	1,456
Other comprehensive income	-	-	-	-	-	-	-
Net loss on debt instruments measured at FVOCI, net of tax	-	-	-	-	-	(9,503)	(9,503)
Total comprehensive income for the year	-	-	-	-	1,456	(9,503)	(8,047)
Transactions with shareholders							
Transfer to statutory risk reserve	-	728	-	-	(728)	-	-
Transfer to credit risk reserve	-	-	64,356	-	(64,356)	-	-
Proceeds from shares issued	106,470	-	-	-	-	-	106,470
Issue of ordinary shares as consideration for business combination	64,594	-	-	-	-	-	64,594
	171,064	728	64,356	-	(65,084)	-	171,064
At 31 December 2019	404,570	52,041	64,356	50,765	(64,420)	(1,663)	505,649
Year ended 31 December 2018							
At 1 January 2018	96,610	41,830	6,913	50,765	27,152	3,396	226,666
Profit for the year	-	-	-	-	18,966	-	18,966
Other comprehensive income	-	-	-	-	-	-	-
Net gain on debt instruments measured at FVOCI, net of tax	-	-	-	-	-	4,444	4,444
Total comprehensive income for the year	-	-	-	-	18,966	4,444	23,410
Transactions with owners							
Transfer to statutory reserve	-	9,483	-	-	(9,483)	-	-
Transfer to credit risk reserve	-	-	(6,913)	-	6,913	-	-
Proceeds from shares issued	92,556	-	-	-	-	-	92,556
Bonus issue of shares	44,340	-	-	-	(44,340)	-	-
	136,896	9,483	(6,913)	-	(46,910)	-	92,556
At 31 December 2018	233,506	51,313	-	50,765	(792)	7,840	342,632

FIRST ATLANTIC BANK LIMITED

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

SUMMARY STATEMENT OF CASH FLOWS

(All amounts are expressed in thousands of Ghana cedis)

	2019	2018
Cash flows from operating activities		
Cash used in operating activities	(25,629)	(406,365)
Tax paid	(22,738)	(12,166)
Net cash used in operating activities	(48,367)	(418,531)
Cash flows from investing activities		
Purchase of property and equipment	(28,909)	(7,101)
Purchase of intangible assets	(949)	(2,520)
Proceeds from asset disposal	223	38
Cash from business combination	73,133	-
Net cash flows generated from / (used in) investing activities	43,498	(9,583)
Cash flow from financing activities		
Contribution towards capital	-	106,470
Proceeds from shares issued	-	92,556
Payments on lease liabilities	(6,187)	-
Net cash flows from financing activities	(6,187)	199,026
Net decrease in cash and cash equivalents	(11,056)	(229,088)
Cash and cash equivalents at 1 January	674,517	903,605
Cash and cash equivalents at 31 December	663,461	674,517

1. Reporting entity

First Atlantic Bank Limited (the "Bank") is a limited liability company incorporated under the Companies Act, 2019 (Act 992) and domiciled in Ghana. The Bank operates under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The Bank's principal activities comprise of retail, commercial, corporate, private and investment banking. The address of the Bank's registered office is Atlantic Place, No. 1 Seventh Avenue, Ridge West, Accra, Ghana.

2. Summary Report of the Directors

The directors submit their annual report together with the summarized financial statements of First Atlantic Bank Limited (the 'Bank') for the year ended 31 December 2019.

Statement of Directors' responsibility

The directors are responsible for the preparation of the summarized financial statements for each financial year, which gives a true and fair view of the state of affairs of the Bank and the profit or loss and cash flows for the period in accordance with the Company's Act, 2019 (Act 992) and the Bank's and Specialized Deposit-Taking Institution's Act, 2016 (Act 930) which discloses the state of affairs of the Bank.

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.

3. Summary of significant accounting policies

The principal accounting policies adopted by the Bank in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of measurement

"The financial statements have been prepared under the historical cost convention except for the following:

- Buildings – measured at fair value;
- Financial assets at fair value through profit or loss are measured at fair value; and
- Financial assets at fair value through other comprehensive income (FVOCI) are measured at fair value.

Basis of preparation

The published summary financial statements are in accordance with the Bank of Ghana Guide for Publication for Banks and Bank of Ghana licensed financial Institutions.

4. Corporate Social Responsibility

A total of GHS1,263,029 was spent on Corporate Social Responsibilities during the year.

5. Quantitative disclosures

	2019	2018
Capital adequacy ratio	25%	25%
Non-performing loan (NPL) ratio	26%	16%
Liquidity ratio	80%	91%

6. 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.

7. Defaults in prudential requirements and accompanying sanctions

	2019	2018
(1a) Default in statutory liquidity (times)	Nil	Nil
(1b) Sanctions (GHS)	Nil	Nil
(2a) Default in prudential requirements (times)	Nil	Nil
(2b) Sanctions (GHS "000")	156	Nil

8. Approval of financial statements

The Board of Directors approved the financial statements on 22 October 2020 and were signed on their behalf:

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)

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF FIRST ATLANTIC BANK LIMITED

Our opinion

In our opinion, the accompanying summary financial statements of First Atlantic Bank Limited (the "Bank"), are consistent, in all material respects, with the audited financial statements of the Bank for the year ended 31 December 2019, on the basis described in the notes.

The summary financial statements

The Bank's summary financial statements derived from the audited financial statements for the year ended 31 December 2019 comprise:

- the summary statement of financial position as at 31 December 2019;
- the summary statement of comprehensive income for the year then ended;
- the summary statement of changes in equity for the year then ended;
- the summary statement of cash flows for the year then ended; and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 30 October 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements on the basis described in the notes.


Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

The engagement partner on the audit resulting in this independent auditor's report is Oseini Amui (ICA ICAG/P/1139).

PricewaterhouseCoopers (ICAG/F/2020/028)
Chartered Accountants
Accra, Ghana
30 October 2020





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