

FIRST ATLANTIC BANK LIMITED
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2019



... refreshingly different!

(UNAUDITED) STATEMENT OF COMPREHENSIVE INCOME

in thousands of GHS

	June 2019	June 2018
Interest income	100,648	96,315
Interest expense	(30,687)	(53,247)
Net interest income	69,961	43,068
Fee and commission income	29,954	22,361
Net trading income	23,765	21,136
Other income	241	435
Operating income	123,921	87,000
Impairment losses on loans and advances	(12,600)	(7,415)
Personnel expenses	(32,104)	(27,725)
Depreciation and amortisation	(7,794)	(6,975)
Other expenses	(41,088)	(28,227)
Merger Cost	(5,715)	-
Profit before income tax	24,620	16,657
Income tax expense	(6,155)	(5,605)
National stabilisation levy	(1,231)	(833)
Profit for the year after income tax	17,234	10,220
Other comprehensive income, net of income tax		
Unrealised gains/(loss) on fair value changes on available-for-sale securities, net of tax	(10,944)	3,487
Total comprehensive income for the period	6,290	13,706

(UNAUDITED) STATEMENT OF FINANCIAL POSITION

in thousands of GHS

	June 2019	June 2018
Assets		
Cash and cash equivalents	926,929	395,161
Trading assets	575,470	737,131
Loans and advances to customers	563,019	260,188
Investment in associates	18,877	1,627
Current tax assets	1,280	1,733
Intangible assets	6,769	6,819
Other assets	266,204	40,194
Property and equipment	132,921	134,965
Total assets	2,491,469	1,577,818
Liabilities		
Deposits from banks	107,028	29,956
Deposits from customers	1,826,402	1,209,078
Deferred tax liabilities	16,302	18,480
Other liabilities	21,188	11,029
Total liabilities	1,970,920	1,268,543
Equity		
Stated capital	399,984	168,678
Deposit for Shares	9,980	18,608
Income surplus account	1,928	15,297
Revaluation reserve	50,765	50,765
Statutory reserve fund	51,313	41,830
Credit risk reserve	9,683	7,214
Other reserves	(3,104)	6,883
Total equity	520,549	309,275
Total equity and liabilities	2,491,469	1,577,818

(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	-	-	-	-	17,234	-	17,234
Other comprehensive income							
Net change in fair value of available-for-sale financial assets net of tax	-	-	-	-	-	(10,944)	(10,944)
Total comprehensive income for the year	-	-	-	-	17,234	(10,944)	6,290
Transfers from income surplus to reserves and transactions with owners, recorded directly in equity							
Transfers to credit risk reserves	-	-	9,683	-	(9,683)	-	-
Capital introduced	176,458	-	-	-	-	-	176,458
Tax on shares issue	-	-	-	-	(4,831)	-	(4,831)
Total other movements in equity	176,458	-	9,683	-	(14,514)	-	171,627
Balance at 30 June 2019	409,964	51,313	9,683	50,765	1,928	(3,104)	520,549
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							
Revaluation gain on property net of tax	-	-	-	-	-	-	-
Net change in fair value of AFS financial instruments	-	-	-	-	-	3,487	3,487
Total comprehensive income for the year	-	-	-	-	10,220	3,487	13,706
Transfers from income surplus to reserves and transactions with owners, recorded directly in equity							
Transfer to credit risk reserve	-	-	-	-	-	-	-
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

(UNAUDITED) STATEMENT OF CASH FLOWS

in thousands of GHS

	June 2019	June 2018
Cash flows from operating activities		
Profit for the period	24,620	16,657
Adjusted for:		
Depreciation and amortisation	7,794	6,975
Impairment on financial assets	12,600	7,415
Net interest income	(69,961)	(43,068)
Changes in trading assets	(55,869)	(39,314)
Change in loans and advances to customers	(113,676)	(16,853)
Change in other assets	(88,417)	(20,182)
Change in deposits from banks	(17,779)	(37,446)
Change in deposits from customers	445,158	(152,499)
Other liabilities	(8,710)	4,866
Net cash generated from operating activities	160,707	(261,428)
Interest received	96,127	93,144
Interest paid	(30,406)	(72,033)
Income tax paid	(8,000)	(6,763)
Net cash generated from operating activities	193,481	(259,099)
Cash flows from investing activities		
Purchase of property and equipment	(2,047)	(3,482)
Purchase of intangible assets	(1,060)	(1,643)
Change in investment in associates	(0)	(1,500)
Net cash flows from investing activities	(3,107)	(6,626)
Cash flows from financing activities		
Proceeds from issue of shares	73,374	65,335
Net cash generated from financing activities	73,374	65,335
Net increase in cash and cash equivalents	263,748	(200,390)
Cash and cash equivalents at start of year	663,181	595,551
Cash and cash equivalents at end of year	926,929	395,161

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 2019	June 2018
Capital adequacy ratio	31%	31%
Non-performing loan (NPL) ratio	22%	16%

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 2019	June 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)

