

FIRST ATLANTIC BANK LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2019

(UNAUDITED) STATEMENT OF COMPREHENSIVE INCOME

in thousands of GHS

	September 2019	September 2018
Interest income	159,247	136,144
Interest expense	(46,371)	(72,944)
Net interest income	112,876	63,200
Net fee and commission income	45,050	34,444
Net trading income	34,288	31,831
Other income	236	496
Operating income	192,450	129,971
Impairment losses on loans and advances	(20,658)	(8,372)
Personnel expenses	(49,280)	(41,588)
Depreciation and amortisation	(11,430)	(10,162)
Other expenses	(68,569)	(41,683)
Profit before income tax	42,513	28,166
Income tax expense	(12,371)	(7,783)
National fiscal stabilisation levy	(2,126)	(1,408)
Profit for the year after income tax	28,016	18,975
Other comprehensive income, net of income tax		
Unrealised (loss)/gain on fair value changes on available-for-sale securities, net of tax	(17,646)	10,679
Total comprehensive income for the period	10,370	29,654

(UNAUDITED) STATEMENT OF FINANCIAL POSITION

in thousands of GHS

	September 2019	September 2018
Assets		
Cash and cash equivalents	768,053	375,491
Trading assets	642,995	652,155
Loans and advances to customers	524,235	282,811
Investment in associates	18,877	127
Current tax assets	-	2,741
Intangible assets	6,235	6,346
Other assets	327,345	58,579
Property and equipment	132,411	135,290
Total assets	2,420,151	1,513,540
Liabilities		
Due from banks and other BoG regulated FIs	69,157	33,768
Deposits from customers	1,790,240	1,104,398
Current tax liabilities	576	-
Deferred tax liabilities	14,069	22,116
Other liabilities	27,698	28,034
Total liabilities	1,901,740	1,188,316
Equity		
Stated capital	403,745	168,678
Deposit for shares	-	18,608
Income surplus account	(7,827)	24,054
Revaluation reserve	50,765	50,765
Statutory reserve fund	51,313	41,830
Credit risk reserve	30,221	7,214
Other reserves	(9,806)	14,075
Total equity	518,411	325,224
Total equity and liabilities	2,420,151	1,513,540

(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	-	-	-	-	28,016	-	28,016
Other comprehensive income							
Net change in fair value of available-for-sale financial assets net of tax	-	-	-	-	-	(17,646)	(17,646)
Total comprehensive income for the year	-	-	-	-	28,016	(17,646)	10,370
Transfers from income surplus to reserves and transactions with owners, recorded directly in equity							
Transfers to credit risk reserves	-	-	30,221	-	(30,221)	-	-
Capital introduced	170,239	-	-	-	-	-	170,239
Tax on shares issue	-	-	-	-	(4,830)	(4,830)	-
Total other movements in equity	170,239	-	30,221	-	(35,051)	-	165,409
Balance at 30 September 2019	403,745	51,313	30,221	50,765	(7,827)	(9,806)	518,411
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							
Revaluation gain on property net of tax	-	-	-	-	-	-	-
Net change in fair value of AFS financial instruments	-	-	-	-	10,679	10,679	-
Total comprehensive income for the year	-	-	-	-	18,975	10,679	29,654
Transfers from income surplus to reserves and transactions with owners, recorded directly in equity							
Transfer to credit risk reserve	46,729	-	-	-	-	-	46,729
Capital introduced	25,339	-	-	-	(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	309,616

(UNAUDITED) STATEMENT OF CASH FLOWS

in thousands of GHS

	September 2019	September 2018
Cash flows from operating activities		
Profit for the period	42,513	28,166
Adjusted for:		
Depreciation and amortisation	11,430	10,162
Impairment on financial assets	20,657	8,372
Net interest income	(112,876)	(63,200)
	(38,276)	(16,500)
Changes in trading assets		
Change in trading assets	(129,665)	62,067
Change in loans and advances to customers	(83,504)	(50,817)
Change in other assets	(154,591)	(38,567)
Change in deposits from banks	(55,638)	(33,642)
Change in deposits from customers	409,144	(255,630)
Other liabilities	4,250	21,871
	(10,004)	(294,718)
Interest received	151,519	134,145
Interest paid	(46,250)	(93,270)
Income tax paid	(13,258)	(6,889)
Net cash generated from operating activities	43,731	(277,232)
Cash flows from investing activities		
Purchase of property and equipment	(4,913)	(6,520)
Purchase of intangible assets	(1,102)	(1,644)
Net cash flows from investing activities	(6,015)	(8,164)
Cash flows from financing activities		
Proceeds from issue of shares	67,156	65,337
Net cash generated from financing activities	67,156	65,337
Net increase in cash and cash equivalents	104,871	(220,059)
Cash and cash equivalents at start of year	663,181	595,550
Cash and cash equivalents at end of year	768,053	375,491

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 2019	September 2018
Capital adequacy ratio	32%	23%
Common equity tier 1 to Risk weighted assets ratio	30%	25%
Non-performing loans ratio	25%	15%

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 2019	September 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)