

# FIRST ATLANTIC BANK LIMITED

## FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2020

### (UNAUDITED) STATEMENT OF COMPREHENSIVE INCOME

in thousands of GHS

	March 2020	March 2019
Interest income	64,659	48,631
Interest expense	(20,899)	(15,642)
<b>Net interest income</b>	<b>43,760</b>	<b>32,989</b>
Fee and commission income	15,737	14,288
Net trading income	13,247	11,583
Other income	152	82
<b>Operating income</b>	<b>72,896</b>	<b>58,941</b>
Impairment losses on loans and advances	(7,000)	(6,000)
Personnel expenses	(19,294)	(14,862)
Depreciation and amortisation	(3,877)	(4,060)
Other expenses	(22,054)	(18,430)
Merger related cost	-	(5,370)
<b>Profit before income tax</b>	<b>20,670</b>	<b>10,219</b>
Income tax expense	(5,168)	(1,455)
National stabilisation levy	(1,034)	(511)
<b>Profit for the year after income tax</b>	<b>14,469</b>	<b>8,254</b>
<b>Other comprehensive income, net of income tax</b>		
Unrealised gains/(loss) on fair value changes on available-for-sale securities, net of tax	2,731	(1,388)
<b>Total comprehensive income for the period</b>	<b>17,200</b>	<b>6,865</b>

### (UNAUDITED) STATEMENT OF FINANCIAL POSITION

in thousands of GHS

	March 2020	March 2019
<b>Assets</b>		
Cash and cash equivalents	664,482	729,661
Trading assets	841,803	518,408
Loans and advances to customers	595,758	546,565
Investment in associates	18,877	18,877
Current tax assets	-	4,677
Intangible assets	7,080	6,564
Other assets	388,208	215,095
Property and equipment	167,975	134,109
<b>Total assets</b>	<b>2,684,182</b>	<b>2,173,957</b>
<b>Liabilities</b>		
Deposits from banks	33,762	37,418
Deposits from customers	2,026,215	1,570,347
Current tax liabilities	1,023	-
Deferred tax liabilities	17,828	19,510
Other liabilities	41,298	20,951
<b>Total liabilities</b>	<b>2,120,126</b>	<b>1,648,226</b>
<b>Equity</b>		
Stated capital	403,745	233,506
Deposits for shares	-	176,234
Income surplus account	26,541	7,462
Revaluation reserve	50,765	50,765
Statutory reserve fund	51,313	51,313
Credit risk reserve	30,221	-
Other reserves	1,472	6,452
<b>Total equity</b>	<b>564,056</b>	<b>525,731</b>
<b>Total equity and liabilities</b>	<b>2,684,182</b>	<b>2,173,957</b>

### (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 2020	403,745	51,313	30,221	50,765	12,072	(1,259)	546,856
Profit for the period	-	-	-	-	14,469	-	14,469
<b>Other comprehensive income</b>							
Net change in fair value of available-for-sale financial assets net of tax	-	-	-	-	-	2,731	2,731
<b>Total comprehensive income for the year</b>	-	-	-	-	14,469	2,731	17,200
<b>Transfers from income surplus to reserves and transactions with owners, recorded directly in equity</b>							
Capital introduced	-	-	-	-	-	-	-
Bonus issue of shares	-	-	-	-	-	-	-
<b>Total other movements in equity</b>	-	-	-	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>403,745</b>	<b>51,313</b>	<b>30,221</b>	<b>50,765</b>	<b>26,541</b>	<b>1,472</b>	<b>564,056</b>
Balance at 1 January 2019	233,506	51,313	-	50,765	(792)	7,840	342,631
Profit for the period	-	-	-	-	8,254	-	8,254
<b>Other comprehensive income</b>							
Net change in fair value of available-for-sale financial assets net of tax	-	-	-	-	-	(1,388)	(1,388)
<b>Total comprehensive income for the year</b>	-	-	-	-	8,254	(1,388)	6,866
<b>Transfers from income surplus to reserves and transactions with owners, recorded directly in equity</b>							
Transfer to credit risk reserve	-	-	-	-	-	-	-
Capital introduced	-	-	-	-	-	-	-
<b>Total other movements in equity</b>	-	-	-	-	-	-	-
<b>Balance at 31 March 2019</b>	<b>233,506</b>	<b>51,313</b>	<b>-</b>	<b>50,765</b>	<b>7,462</b>	<b>6,452</b>	<b>349,497</b>

### (UNAUDITED) STATEMENT OF CASH FLOWS

in thousands of GHS

	March 2020	March 2019
<b>Cash flows from operating activities</b>		
Profit for the period	20,670	10,219
Adjusted for:		
Depreciation and amortisation	3,877	4,060
Impairment on financial assets	7,000	6,000
Net interest income	(43,760)	(32,989)
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<b>Changes in trading assets</b>		
Change in trading assets	202,703	14,878
Change in loans and advances to customers	(123,591)	(110,179)
Change in other assets	(1,854)	(77,000)
Change in deposits from banks	(1,057)	(68,161)
Change in deposits from customers	(300,140)	206,313
Other liabilities	(3,017)	81,114
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<b>Interest received</b>		
Interest paid	(20,618)	(15,361)
Income tax paid	(4,500)	(3,000)
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<b>Net cash generated from operating activities</b>	<b>(208,279)</b>	<b>(55,874)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	698	(577)
Purchase of intangible assets	-	(152)
Change in investment in associates	-	-
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<b>Net cash flows from investing activities</b>	<b>698</b>	<b>(730)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	-
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<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>(207,581)</b>	<b>55,144</b>
Cash and cash equivalents at start of year	872,063	674,517
<b>Cash and cash equivalents at end of year</b>	<b>664,482</b>	<b>729,662</b>

#### 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, 2019 (Act 992) 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 financial statement of the Bank in accordance with the Bank of Ghana Guide for Publication for Banks and Bank of Ghana licenced financial institutions."

#### 2. Quantitative disclosures

March 2020	March 2019
Capital adequacy ratio	35%
Non-performing loan (NPL) ratio	23%

#### 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 2020	March 2019
(a) Default in statutory liquidity	Nil
(b) Sanctions	Nil

The financial statements do not contain untrue statements, misleading facts or omit material facts to the best of our knowledge.



MR AMARQUAYE ARMAR  
(CHAIRMAN)



ODUN ODUNFA  
(MD/CEO)