

# FIRST ATLANTIC BANK LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2020



## (UNAUDITED) STATEMENT OF COMPREHENSIVE INCOME *in thousands of GHS*

	SEPT 2020	SEPT 2019
Interest income	201,629	159,247
Interest expense	(61,802)	(46,371)
<b>Net interest income</b>	<b>139,827</b>	<b>112,876</b>
Fee and commission income	49,976	45,050
Net trading income	34,343	34,288
Other income	1,635	236
<b>Operating income</b>	<b>225,781</b>	<b>192,450</b>
Impairment losses on loans and advances	(25,093)	(20,658)
Personnel expenses	(56,706)	(49,280)
Depreciation and amortisation	(15,340)	(11,430)
Other expenses	(56,351)	(68,569)
<b>Profit before income tax</b>	<b>72,291</b>	<b>42,513</b>
Income tax expense	(18,073)	(12,371)
National stabilisation levy	(3,615)	(2,126)
<b>Profit for the year after income tax</b>	<b>50,603</b>	<b>28,016</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	(2,493)	(17,646)
<b>Total comprehensive income for the period</b>	<b>48,110</b>	<b>10,370</b>

## (UNAUDITED) STATEMENT OF FINANCIAL POSITION *in thousands of GHS*

	SEPT 2020	SEPT 2019
<b>Assets</b>		
Cash and cash equivalents	688,100	768,053
Trading assets	1,085,506	642,995
Loans and advances to customers	622,388	524,235
Investment in associates	127	18,877
Intangible assets	6,781	6,235
Other assets	480,024	327,345
Property and equipment	183,156	132,411
<b>Total assets</b>	<b>3,066,082</b>	<b>2,420,151</b>
<b>Liabilities</b>		
Deposits from banks	31,354	69,157
Deposits from customers	2,331,723	1,790,240
Current tax liabilities	6,477	576
Deferred tax liabilities	16,086	14,069
Other liabilities	104,226	27,698
<b>Total liabilities</b>	<b>2,489,866</b>	<b>1,901,740</b>
<b>Equity</b>		
Stated capital	403,745	403,745
Income surplus account	48,135	(7,827)
Revaluation reserve	50,765	50,765
Statutory reserve fund	51,313	51,313
Credit risk reserve	26,011	30,221
Other reserves	(3,753)	(9,806)
<b>Total equity</b>	<b>576,216</b>	<b>518,411</b>
<b>Total equity and liabilities</b>	<b>3,066,082</b>	<b>2,420,151</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	(1,260)	546,856
Profit for the period					50,603	-	50,603
<b>Other comprehensive income</b>							
Net change in fair value of available-for-sale financial assets net of tax						(2,493)	(2,493)
<b>Total comprehensive income for the year</b>					<b>50,603</b>	<b>(2,493)</b>	<b>48,110</b>
<b>Transfers from income surplus to reserves and transactions with owners, recorded directly in equity</b>							
Transfer to credit risk reserve			(4,210)		4,210	-	-
Write-off of investment in associate					(18,750)		(18,750)
Total other movements in equity			(4,210)		(14,540)	-	(18,750)
<b>Balance at 30 Sept 2020</b>	<b>403,745</b>	<b>51,313</b>	<b>26,011</b>	<b>50,765</b>	<b>48,135</b>	<b>(3,753)</b>	<b>576,216</b>
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							-
Revaluation gain on property net of tax						(17,646)	(17,646)
<b>Total comprehensive income for the year</b>					<b>28,016</b>	<b>(17,646)</b>	<b>10,370</b>
<b>Transfers from income surplus to reserves and transactions with owners, recorded directly in equity</b>							
Transfer to credit risk reserve	-		30,221		(30,221)		-
Capital introduced	170,239						170,239
Tax on share issue	-					(4,830)	(4,830)
Total other movements in equity	170,239		30,221		(35,051)		165,409
<b>Balance at 30 Sept 2019</b>	<b>403,745</b>	<b>51,313</b>	<b>30,221</b>	<b>50,765</b>	<b>(7,827)</b>	<b>(9,806)</b>	<b>518,411</b>

# FIRST ATLANTIC BANK LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2020



... refreshingly different!

## (UNAUDITED) STATEMENT OF CASH FLOW

in thousands of GHS

	SEPT 2020	SEPT 2019
<b>Cash flows from operating activities</b>		
Profit for the period	<b>72,291</b>	42,513
Adjusted for:		
Depreciation and amortisation	<b>15,340</b>	11,430
Impairment on financial assets	<b>25,093</b>	20,657
Net interest income	<b>(139,827)</b>	(112,876)
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	<b>(27,103)</b>	(38,276)
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<b>Changes in trading assets</b>		
Change in trading assets	<b>13,645</b>	(129,665)
Change in loans and advances to customers	<b>(187,313)</b>	(83,504)
Change in other assets	<b>(91,018)</b>	(154,591)
Change in deposits from banks	<b>(6,537)</b>	(55,638)
Change in deposits from customers	<b>4,428</b>	409,144
Other liabilities	<b>(3,373)</b>	4,250
	-----	-----
	<b>(270,168)</b>	(10,004)
Interest received	<b>198,666</b>	151,519
Interest paid	<b>(66,035)</b>	(46,250)
Income tax paid	<b>(16,800)</b>	(13,258)
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<b>Net cash generated from operating activities</b>	<b>(181,440)</b>	43,731
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<b>Cash flows from investing activities</b>		
Purchase of property and equipment	-	(4,913)
Purchase of intangible assets	<b>(2,522)</b>	(1,102)
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<b>Net cash flows from investing activities</b>	<b>(2,522)</b>	(6,015)
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<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	67,156
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<b>Net cash generated from financing activities</b>	<b>-</b>	67,156
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<b>Net increase in cash and cash equivalents</b>	<b>(183,962)</b>	104,872
Cash and cash equivalents at start of year	<b>872,062</b>	663,181
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<b>Cash and cash equivalents at end of year</b>	<b>688,100</b>	768,053
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### 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). The accounting policies adopted in the preparation of these interim financial statements are consistent with those applied in the preparation of the Bank's annual financial statements for the year ended 31 December 2019.

#### 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 licenced financial institutions.

### 2. QUANTITATIVE DISCLOSURES

	SEPT 2020	SEPT 2019
Capital adequacy ratio (CRD)	<b>29%</b>	32%
Non-performing loan (NPL) ratio	<b>24%</b>	25%
Liquid ratio	<b>75%</b>	79%

### 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 operational risk. Market risk includes currency risk, interest rate and other price risk.

The processes adopted for risk management for the period ended 30 September 2020 are consistent with those adopted for the year ended 31 December 2019.

### 4. DEFAULTS IN PRUDENTIAL REQUIREMENTS AND ACCOMPANYING SANCTIONS

	SEPT 2020	SEPT 2019
(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)	<b>46</b>	Nil

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

*Amarquaye Armah*

MR. AMARQUAYE ARMAR  
(CHAIRMAN)

*Joe*

ODUN ODUNFA  
(MD/CEO)

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