

# FIRST ATLANTIC BANK LIMITED

## FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

### (UNAUDITED) STATEMENT OF COMPREHENSIVE INCOME

in thousands of GHS

	JUNE 2021	JUNE 2020
Interest income	155,340	132,239
Interest expense	(39,183)	(41,136)
<b>Net interest income</b>	<b>116,157</b>	<b>91,103</b>
Fee and commission income	28,502	22,173
Net trading income	15,572	32,098
Other income	567	562
<b>Operating income</b>	<b>160,798</b>	<b>145,936</b>
Impairment losses on financial assets	(8,206)	(16,146)
Personnel expenses	(39,321)	(38,378)
Depreciation and amortisation	(10,975)	(10,242)
Other expenses	(35,814)	(35,998)
<b>Profit before income tax</b>	<b>66,482</b>	<b>45,172</b>
Income tax expense	(16,621)	(11,293)
National fiscal stabilisation levy	(3,324)	(2,259)
<b>Profit for the year after income tax</b>	<b>46,537</b>	<b>31,620</b>
<b>Other comprehensive income, net of income tax</b>		
Unrealised gains on fair value changes on available-for-sale securities, net of tax	-	3,890
<b>Total comprehensive income for the period</b>	<b>46,537</b>	<b>35,510</b>

### (UNAUDITED) STATEMENT OF FINANCIAL POSITION

in thousands of GHS

	JUNE 2021	JUNE 2020
<b>Assets</b>		
Cash and cash equivalents	604,605	553,668
Investment securities	1,384,113	1,121,649
Loans and advances to customers	574,039	514,565
Investment in associates	449	126
Current tax assets	5,762	-
Intangible assets	4,175	6,535
Other assets	794,049	410,318
Property and equipment	167,680	154,854
Right-of-Use Assets	21,537	28,038
<b>Total assets</b>	<b>3,556,409</b>	<b>2,789,753</b>
<b>Liabilities</b>		
Deposits from banks	28,816	30,684
Deposits from customers	2,828,833	2,098,575
Current tax liabilities	-	5,518
Deferred tax liabilities	10,250	18,214
Other liabilities	24,326	50,261
Lease liabilities	18,860	22,885
<b>Total liabilities</b>	<b>2,911,085</b>	<b>2,226,137</b>
<b>Equity</b>		
Stated capital	404,570	403,745
Income surplus account	36,254	27,975
Revaluation reserve	56,427	50,765
Statutory reserve fund	94,947	51,313
Credit risk reserve	53,126	27,188
Other reserves	-	2,630
<b>Total equity</b>	<b>645,324</b>	<b>563,616</b>
<b>Total equity and liabilities</b>	<b>3,556,409</b>	<b>2,789,753</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 2021	404,570	94,947	55,299	56,427	(12,456)	-	598,787
Profit for the period	-	-	-	-	46,537	-	46,537
<b>Other comprehensive income</b>							
Net change in fair value of available-for-sale financial assets net of tax	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	46,537	-	46,537
<b>Transfers from income surplus to reserves and transactions with owners, recorded directly in equity</b>							
Transfer to credit risk reserve	-	-	(2,173)	-	2,173	-	-
Write-off of investment in associate	-	-	-	-	-	-	-
<b>Total other movements in equity</b>	-	-	(2,173)	-	2,173	-	-
<b>Balance at 30 June 2021</b>	<b>404,570</b>	<b>94,947</b>	<b>53,126</b>	<b>56,427</b>	<b>36,254</b>	<b>-</b>	<b>645,324</b>
Balance at 1 January 2020	403,745	51,313	30,221	50,765	12,072	(1,260)	546,856
Profit for the period	-	-	-	-	31,620	-	31,620
<b>Other comprehensive income</b>							
Net Change in fair value of AFS net of Tax	-	-	-	-	-	3,890	3,890
<b>Total comprehensive income for the year</b>	-	-	-	-	31,620	3,890	35,510
<b>Transfers from income surplus to reserves and transactions with owners, recorded directly in equity</b>							
Transfer to credit risk reserve	-	-	(3,033)	-	3,033	-	-
Write-off of Investment in associate	-	-	-	-	(18,750)	-	(18,750)
<b>Total other movements in equity</b>	-	-	(3,033)	-	(15,717)	-	(18,750)
<b>Balance at 30 June 2020</b>	<b>403,745</b>	<b>51,313</b>	<b>27,188</b>	<b>50,765</b>	<b>27,975</b>	<b>2,630</b>	<b>563,616</b>



# FIRST ATLANTIC BANK LIMITED

## FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

### (UNAUDITED) STATEMENT OF CASH FLOW

in thousands of GHS

	JUNE 2021	JUNE 2020
<b>Cash flow from operating activities</b>		
Cash used in operating activities	(143,782)	(300,652)
Tax paid	(14,976)	(9,600)
<b>Net cash used in operating activities</b>	<b>(158,758)</b>	<b>(310,252)</b>
<b>Cashflows from investing activities</b>		
Purchase of property and equipment	(5,197)	(5,576)
Purchase of intangible assets	-	(1,764)
Proceeds from asset disposal	256	-
<b>Net cashflows generated (used in) investing activities</b>	<b>(4,941)</b>	<b>(7,340)</b>
<b>Cashflow from financing activities</b>		
Payments on lease liabilities	(2,854)	(803)
<b>Net cashflows from financing activities</b>	<b>(2,854)</b>	<b>(803)</b>
Net decrease in cash and cash equivalents	(166,553)	(318,395)
Cash and cash equivalents at beginning 1 January	771,158	872,063
Cash and cash equivalents at end 30 June	<b>604,605</b>	<b>553,668</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). 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 2020.

#### 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.

### 2. QUANTITATIVE DISCLOSURES

	JUNE 2021	JUNE 2020
Capital adequacy ratio (CRD)	28%	30%
Non-performing loan (NPL) ratio	19%	27%
Liquid ratio	70%	79%

### 3. QUALITATIVE DISCLOSURES

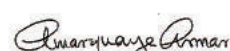
The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the Bank's business, and the operational risks are an inevitable consequence of being 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.

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

	JUNE 2021	JUNE 2020
(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')	Nil	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)



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