

# FIRST ATLANTIC BANK LIMITED

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

### (UNAUDITED) STATEMENT OF COMPREHENSIVE INCOME

in thousands of GHS

	SEPT 2021	SEPT 2020
Interest income	244,176	201,629
Interest expense	(60,397)	(61,802)
<b>Net interest income</b>	<b>183,779</b>	<b>139,827</b>
Fee and commission income	44,601	35,941
Net trading income	22,326	43,863
Other income	900	1,635
<b>Operating income</b>	<b>251,606</b>	<b>221,266</b>
Impairment losses on financial assets	(8,735)	(25,093)
Personnel expenses	(62,240)	(56,706)
Depreciation and amortisation	(16,422)	(15,340)
Other expenses	(56,888)	(51,836)
<b>Profit before income tax</b>	<b>107,321</b>	<b>72,291</b>
Income tax expense	(14,691)	(18,073)
National fiscal stabilisation levy	(5,366)	(3,615)
Financial sector recovery levy	(4,025)	-
<b>Profit for the year after income tax</b>	<b>83,239</b>	<b>50,603</b>
<b>Other comprehensive income, net of income tax</b>		
Unrealised gains on fair value changes on available-for-sale securities, net of tax	-	(2,493)
<b>Total comprehensive income for the period</b>	<b>83,239</b>	<b>48,110</b>

### (UNAUDITED) STATEMENT OF CASH FLOW

in thousands of GHS

	SEPT 2021	SEPT 2020
<b>Cash flows from operating activities</b>		
Cash (used in)/generated from operating activities	(8,184)	6,814
Tax paid	(23,405)	(16,800)
<b>Net cash flow used in operating activities</b>	<b>(31,589)</b>	<b>(9,986)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(14,742)	-
Purchase of intangible assets	(929)	(2,522)
Proceeds from asset disposal	378	-
<b>Net Cash flow used in investing activities</b>	<b>(15,293)</b>	<b>(2,522)</b>
<b>Cash flow from financing activities</b>		
Payments on lease liabilities	(5,337)	(2,413)
<b>Net Cash flow from financing activities</b>	<b>(5,337)</b>	<b>(2,413)</b>
Net decrease in cash and cash equivalents	(52,219)	(14,921)
Cash and cash equivalents at beginning 1 January	771,158	703,021
<b>Cash and cash equivalents at end 30 September</b>	<b>718,939</b>	<b>688,100</b>

### (UNAUDITED) STATEMENT OF FINANCIAL POSITION

in thousands of GHS

	SEPT 2021	SEPT 2020
<b>Assets</b>		
Cash and cash equivalents	718,939	688,100
Investment securities	1,392,672	1,085,506
Loans and advances to customers	728,616	622,388
Investment in associates	449	127
Current tax assets	12,221	-
Intangible assets	5,136	6,781
Other assets	1,065,110	480,024
Property and equipment	177,552	183,156
Right-of-Use Assets	20,337	-
<b>Total assets</b>	<b>4,121,032</b>	<b>3,066,082</b>
<b>Liabilities</b>		
Deposits from banks	10,194	31,354
Deposits from customers	3,378,721	2,331,723
Current tax liabilities	-	6,477
Deferred tax liabilities	10,250	16,086
Other liabilities	22,564	104,226
Lease liabilities	17,277	-
<b>Total liabilities</b>	<b>3,439,006</b>	<b>2,489,866</b>
<b>Equity</b>		
Stated capital	404,570	403,745
Income surplus account	81,799	48,135
Revaluation reserve	56,427	50,765
Statutory reserve fund	94,947	51,313
Credit risk reserve	44,283	26,011
Other reserves	-	(3,753)
<b>Total equity</b>	<b>682,026</b>	<b>576,216</b>
<b>Total equity and liabilities</b>	<b>4,121,032</b>	<b>3,066,082</b>



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FIRST ATLANTIC BANK LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2021

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(UNAUDITED) STATEMENT OF CHANGES IN EQUITY

in thousands of GHS

	Stated capital	Statutory reserve fund	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	-	-	-	-	83,239	-	83,239
Other comprehensive income							
Net change in fair value of available-for-sale financial assets net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	83,239	-	83,239
Transfers from income surplus to reserves and transactions with owners, recorded directly in equity							
Transfer from credit risk reserve	-	-	(11,016)	-	11,016	-	-
Write-off of investment in associate	-	-	-	-	-	-	-
Total other movements in equity	-	-	(11,016)	-	11,016	-	-
Balance at 30 September 2021	404,570	94,947	44,283	56,427	81,799	-	682,026
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
Other comprehensive income							
Net change in fair value of available-for-sale financial assets net of tax	-	-	-	-	-	(2,493)	(2,493)
Total comprehensive income for the year	-	-	-	-	50,603	(2,493)	48,111
Transfers from income surplus to reserves and transactions with owners, recorded directly in equity							
Transfer from 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)
Balance at 30 September 2020	403,745	51,313	26,011	50,765	48,135	(3,753)	576,216

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

	SEPT 2021	SEPT 2020
Capital adequacy ratio (CRD)	21%	29%
Non-performing loan (NPL) ratio	15%	24%
Liquid ratio	163%	148%

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

	SEPT 2021	SEPT 2020
(1a) Default in statutory liquidity (times)	Nil	Nil
(1b) Sanctions (GHS '000)	Nil	Nil
(2a) Default in prudential requirements (times)	1	Nil
(2b) Sanctions (GHS '000)	12	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)