

# FIRST ATLANTIC BANK LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2021

... refreshingly different!

## (UNAUDITED) STATEMENT OF COMPREHENSIVE INCOME

*in thousands of GHS*

	MARCH 2021	MARCH 2020
Interest income	<b>74,514</b>	64,659
Interest expense	(19,112)	(20,899)
<b>Net interest income</b>	<b>55,402</b>	43,760
Fee and commission income	<b>15,288</b>	10,976
Net trading income	<b>7,979</b>	16,209
Other income	275	152
<b>Operating income</b>	<b>78,944</b>	71,097
Impairment losses on financial assets	(7,618)	(7,000)
Personnel expenses	(17,662)	(19,294)
Depreciation and amortisation	(5,542)	(3,877)
Other expenses	(17,027)	20,255
<b>Profit before income tax</b>	<b>31,095</b>	20,671
Income tax expense	(7,774)	(5,168)
National fiscal stabilisation levy	(1,554)	(1,034)
<b>Profit for the year after income tax</b>	<b>21,767</b>	14,469
<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
<b>Total comprehensive income for the period</b>	<b>21,767</b>	17,200

## (UNAUDITED) STATEMENT OF FINANCIAL POSITION

*in thousands of GHS*

	MARCH 2021	MARCH 2020
<b>Assets</b>		
Cash and cash equivalents	702,206	650,570
Trading assets	1,182,364	841,803
Loans and advances to customers	633,698	586,985
Investment in associates	449	354
Current tax assets	9,609	-
Intangible assets	4,573	7,080
Other assets	634,309	388,208
Property and equipment	190,663	167,975
<b>Total assets</b>	<b>3,357,871</b>	2,642,975
<b>Liabilities</b>		
Deposits from banks	-	33,762
Deposits from customers	2,671,829	2,026,215
Current tax liabilities	-	1,023
Deferred tax liabilities	10,250	17,828
Other liabilities	55,238	41,298
<b>Total liabilities</b>	<b>2,737,317</b>	2,120,126
<b>Equity</b>		
Stated capital	404,570	404,570
Income surplus account	17,131	(49,951)
Revaluation reserve	56,427	50,765
Statutory reserve fund	94,947	52,041
Credit risk reserve	47,479	64,356
Other reserves	-	1,068
<b>Total equity</b>	<b>620,554</b>	522,849
<b>Total equity and liabilities</b>	<b>3,357,871</b>	2,642,975

## (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	<b>404,570</b>	<b>94,947</b>	<b>55,299</b>	<b>56,427</b>	<b>(12,456)</b>	-	<b>598,787</b>
Profit for the period	-	-	-	-	21,767	-	21,766
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,767</b>	-	<b>21,766</b>
<b>Transfers from income surplus to reserves and transactions with owners, recorded directly in equity</b>							
Transfer to credit risk reserve	-	-	(7,820)	-	7,820	-	-
Total other movements in equity	-	-	(7,820)	-	7,820	-	-
Balance at 31 March 2021	<b>404,570</b>	<b>94,947</b>	<b>47,479</b>	<b>56,427</b>	<b>17,131</b>	-	<b>620,554</b>
	=====	=====	=====	=====	=====	=====	=====
Balance at 1 January 2020	404,570	52,041	64,356	50,765	(64,420)	(1,663)	505,649
Profit for the period	-	-	-	-	14,469	-	14,469
Other comprehensive income	-	-	-	-	-	-	-
Revaluation gain on property net of tax	-	-	-	-	-	2,731	2,731
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,469</b>	<b>2,731</b>	<b>17,200</b>
<b>Transfers from income surplus to reserves and transactions with owners, recorded directly in equity</b>							
	=====	=====	=====	=====	=====	=====	=====
Balance at 31 March 2020	404,570	52,041	64,356	50,765	(49,951)	1,068	522,849

# FIRST ATLANTIC BANK LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2021



## (UNAUDITED) STATEMENT OF CASH FLOW

in thousands of GHS

	MARCH 2021	MARCH 2020
<b>Cash flow from operating activities</b>		
Cash used in operating activities	(60,250)	(47,148)
Tax paid	(6,000)	(4,500)
<b>Net cash used in operating activities</b>	<b>(66,250)</b>	<b>(51,648)</b>
<b>Cashflows from investing activities</b>		
Purchase of property and equipment	(1,963)	-
Proceeds from asset disposal	258	-
<b>Net cashflows generated from/(used in) investing activities</b>	<b>(1,705)</b>	<b>-</b>
<b>Cashflow from financing activities</b>		
Payments on lease liabilities	(997)	(803)
<b>Net cashflows from financing activities</b>	<b>(997)</b>	<b>(803)</b>
Net decrease in cash and cash equivalents	(68,952)	(52,451)
Cash and cash equivalents at 1 January	771,158	703,021
<b>Cash and cash equivalents at 31 March</b>	<b>702,206</b>	<b>650,570</b>

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

	MARCH 2021	MARCH 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.

*Amarquaye Armah*

MR. AMARQUAYE ARMAR  
(CHAIRMAN)

*Odun Odunfa*

ODUN ODUNFA  
(MD/CEO)

## 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 licenced financial institutions.

## 2. QUANTITATIVE DISCLOSURES

	MARCH 2021	MARCH 2020
Capital adequacy ratio (CRD)	27%	32%
Non-performing loan (NPL) ratio	13%	25%
Liquid ratio	71%	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.

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