

# FIRST ATLANTIC BANK LIMITED

## SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

... refreshingly different!

### SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

in thousands of GHS

	2021	2020
Interest income	385,713	280,889
Interest expense	(86,962)	(83,245)
<b>Net interest income</b>	<b>298,751</b>	197,644
Fee and commission income	81,412	57,441
Fee and commission expense	(24,812)	(12,482)
<b>Net fee and commission income</b>	<b>56,600</b>	44,959
Net trading income	33,596	67,547
Other operating income	1,997	(5,485)
<b>Operating income</b>	<b>390,944</b>	304,665
Net impairment losses	(17,809)	(32,493)
Personnel expenses	(102,733)	(74,681)
Depreciation and amortisation	(23,023)	(20,777)
Other expenses	(88,046)	(70,845)
Finance cost on lease liability	(3,709)	(3,177)
<b>Operating profit</b>	<b>155,624</b>	102,692
Gain from associated companies	227	94
<b>Profit before income tax</b>	<b>155,851</b>	102,786
National Fiscal Stabilisation Levy	(7,793)	(5,139)
Financial Sector Recovery Levy	(5,844)	-
Income tax expense	(25,856)	(11,834)
<b>Profit for the year</b>	<b>116,358</b>	85,813
Other comprehensive income, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>116,358</b>	85,813
Earnings per share – (Ghana pesewas)	34.81	26.63

### SUMMARY STATEMENT OF FINANCIAL POSITION

in thousands of GHS

	2021	2020
<b>Assets</b>		
Cash and balances with banks	961,689	771,158
Non-pledged trading assets	462,282	435,577
Pledged trading assets	167,867	115,594
Investment securities	820,239	757,232
Loans and advances to customers	1,011,135	609,414
Investment in associates	1,176	449
Current income tax assets	13,569	12,383
Other assets	1,023,488	462,525
Intangible assets	5,992	5,074
Property and equipment	181,642	169,866
Right-of-use assets	25,921	23,875
<b>Total assets</b>	<b>4,675,000</b>	3,363,147
<b>Liabilities</b>		
Deposits from banks	88,726	42,370
Deposits from customers	3,772,886	2,649,300
Deferred income tax liabilities	11,219	10,250
Lease liabilities	18,415	20,125
Other liabilities	68,609	42,315
<b>Total liabilities</b>	<b>3,959,855</b>	2,764,360
<b>Shareholders' funds</b>		
Stated capital	404,570	404,570
Retained earnings – (deficit)	44,625	(12,456)
Revaluation reserve	56,427	56,427
Statutory reserve fund	153,126	94,947
Credit risk reserve	56,397	55,299
<b>Total shareholders' funds</b>	<b>715,145</b>	598,787
<b>Total liabilities and shareholders' funds</b>	<b>4,675,000</b>	3,363,147

### SUMMARY STATEMENT OF CHANGES IN EQUITY

in thousands of GHS

Year ended 31 December 2021	Stated capital	Statutory reserve fund	Credit risk reserve	Revaluation Reserve	Retained earning (deficit)	Total
<b>At 1 January 2021</b>	<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 year	-	-	-	-	116,358	116,358
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116,358</b>	<b>116,358</b>
<b>Regulatory and other reserve transfers</b>						
Transfer to statutory risk reserve	-	58,179	-	-	(58,179)	-
Transfer to credit risk reserve	-	-	1,098	-	(1,098)	-
	-	58,179	1,098	-	(59,277)	-
<b>At 31 December 2021</b>	<b>404,570</b>	<b>153,126</b>	<b>56,397</b>	<b>56,427</b>	<b>44,625</b>	<b>715,145</b>

Year ended 31 December 2020	Stated capital	Statutory reserve fund	Credit risk reserve	Revaluation Reserve	Income surplus account	Other reserves	Total
At 1 January 2020	404,570	52,041	64,356	50,765	(64,420)	(1,663)	505,649
Profit for the year	-	-	-	-	85,813	-	85,813
Other comprehensive income	-	-	-	-	-	1,663	1,663
Net loss on debt instruments measured at FVOCI, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	85,813	1,663	87,476
Regulatory and other reserve transfers							
Revaluation gain on property net of tax	-	-	-	5,662	-	-	5,662
Transfer to statutory risk reserve	-	42,906	-	-	(42,906)	-	-
Transfer from credit risk reserve	-	-	(9,057)	-	9,057	-	-
	-	42,906	(9,057)	5,662	(33,850)	-	5,662
At 31 December 2020	<b>404,570</b>	<b>94,947</b>	<b>55,299</b>	<b>56,427</b>	<b>(12,456)</b>	<b>-</b>	<b>598,787</b>

# FIRST ATLANTIC BANK LIMITED

## SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021



### SUMMARY STATEMENT OF CASH FLOWS

in thousands of GHS

	2021	2020
<b>Cash (used in)/ generated from operating activities</b>	<b>(266,765)</b>	237,823
Tax and levies paid	(39,635)	(18,800)
<b>Net cashflow (used in) / generated from operating activities</b>	<b>(306,400)</b>	219,023
<b>Cashflows from investing activities</b>		
Purchase of property and equipment	(29,275)	(24,702)
Purchase of intangible assets	(1,462)	(2,522)
Proceeds from asset disposal	614	759
Investment in associate	(500)	-
Net cashflows used in investing activities	(30,623)	(26,465)
<b>Cashflow from financing activities</b>		
Payments on lease liabilities	(12,706)	(3,217)
Net cashflows from financing activities	(12,706)	(3,217)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(349,729)</b>	189,341
Cash and cash equivalents at 1 January	789,476	600,135
<b>Cash and cash equivalents at 31 December</b>	<b>439,747</b>	789,476

#### 1. Reporting entity

First Atlantic Bank Limited (the "Bank") is a limited liability company incorporated and domiciled in Ghana licensed to carry out universal banking activities. The address of the Bank's registered office is Atlantic Place, No. 1 Seventh Avenue, Ridge West, Accra, Ghana.

#### 2. Summary Report of the Directors

The directors submit their annual report together with the summarised financial statements of First Atlantic Bank Limited (the 'Bank') for the year ended 31 December 2021.

#### Statement of Directors' responsibility

The directors are responsible for the preparation of the Bank's financial statements for each financial year, which gives a true and fair view of the state of affairs of the Bank and the profit or loss and cash flows for the period in accordance with the International Financial Reporting Standards 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 directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

#### 3. Basis of Accounting

The Bank's financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

#### 4. Summary of significant accounting policies

The principal accounting policies adopted by the Bank in the preparation of these summary financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of measurement

The summary financial statements have been prepared under the historical cost convention except for the following:

- Buildings measured at fair value;
- Financial assets at fair value through profit or loss are measured at fair value; and
- Financial assets at fair value through other comprehensive income (FVOCI) are measured at fair value.

#### Functional and Presentation Currency

These summary financial statements are presented in Ghana cedis, which is the Bank's functional currency.

#### 5. Quantitative disclosures

	2021	2020
Capital adequacy ratio	22%	27%
Non-performing loan (NPL) ratio	9%	14%
Liquid ratio	60%	113%
Off-balance sheet exposure (GHS '000")	340,661	403,508

#### 6. 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. The 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 and interest rate.

#### 7. Defaults in prudential requirements and accompanying sanctions

	2021	2020
(1a) Default in statutory liquidity (times)	Nil	Nil
(1b) Sanctions (GHS)	Nil	Nil
(2a) Default in prudential requirements (times)	1	2
(2b) Sanctions (GHS '000")	12	58

#### 8. Corporate Social Responsibility

The Bank spent a total of GHS 2,203,757 on Corporate Social Responsibilities during the year.

#### 9. Approval of financial statements

The Board of Directors approved the financial statements on 25th February 2022 and were signed on their behalf by:

*Amarquaye Armar*

Amarquaye Armar  
(Chairman)

*Joe*

Odun Odunfa  
(MD/CEO)

#### INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF FIRST ATLANTIC BANK LIMITED

##### Our opinion

In our opinion, the accompanying summary financial statements of First Atlantic Bank Limited (the "Bank"), are consistent, in all material respects, with the audited financial statements of the Bank for the year ended 31 December 2021, on the basis described in the notes.

##### The summary financial statements

The Bank's summary financial statements derived from the audited financial statements for the year ended 31 December 2021 comprise:

- the summary statement of financial position as at 31 December 2021;
- the summary statement of profit or loss and other comprehensive income for the year then ended;
- the summary statement of changes in equity for the year then ended;
- the summary statement of cash flows for the year then ended; and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

##### The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 3 March 2022. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period.

##### Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements on the basis described in the notes.

##### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

The engagement partner on the audit resulting in this independent auditor's report is Michael Asiedu-Antwi (ICAG/P/1138).

*PricewaterhouseCoopers*

PricewaterhouseCoopers (ICAG/F/2022/028)  
Chartered Accountants  
Accra, Ghana  
3 March 2022

