

# FIRST ATLANTIC BANK LIMITED

## SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2022

### SUMMARY STATEMENT OF COMPREHENSIVE INCOME

in thousands of GHS

	DEC 2022	DEC 2021
Interest Income	571,958	385,713
Interest Expense	(159,461)	(86,962)
<b>Net Interest Income</b>	<b>412,497</b>	<b>298,751</b>
Fee and Commission Income	136,636	81,412
Fee and Commission Expense	(41,449)	(24,812)
<b>Net Fee and Commission Income</b>	<b>95,187</b>	<b>56,600</b>
Net Trading Income	6,847	33,596
Other Operating Income	2,056	1,997
<b>Operating Income</b>	<b>516,587</b>	<b>390,944</b>
Net impairment losses	(229,824)	(17,809)
Personnel expenses	(112,947)	(102,733)
Depreciation and amortisation	(22,293)	(23,023)
Other expenses	(127,129)	(88,046)
Finance cost on lease liability	(2,738)	(3,709)
<b>Operating Profit</b>	<b>21,656</b>	<b>155,624</b>
Gains from associated companies	299	227
<b>Profit before income tax</b>	<b>21,955</b>	<b>155,851</b>
National Fiscal Stabilisation Levy	(1,083)	(7,793)
Financial Sector Recovery Levy	(1,083)	(5,844)
Income Tax expense	(19,946)	(25,856)
<b>Profit/(Loss) for the year</b>	<b>(157)</b>	<b>116,358</b>
<b>Other comprehensive income</b>		
Items that will never be reclassified subsequently to profit or loss		
Revaluation of land and buildings	359,021	-
Income tax relating to components of other comprehensive income	(89,755)	-
Other comprehensive income net of tax	269,266	-
<b>Total comprehensive income for the year</b>	<b>269,109</b>	<b>116,358</b>

### SUMMARY STATEMENT OF CHANGES IN EQUITY

in thousands of GHS

	Stated capital	Statutory reserve fund	Credit risk reserve	Revaluation Reserve	Income surplus account	Total
<b>Balance at 1 January 2022</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>
Profit for the period	-	-	-	-	(157)	(157)
<b>Other comprehensive income</b>	-	-	-	269,266	-	269,266
<b>Total comprehensive income for the year</b>	-	-	-	269,266	(157)	269,109
Transactions with equity holders	-	-	-	-	-	-
Dividend paid	-	-	-	-	(15,000)	(15,000)
<b>Total transactions with equity holders</b>	-	-	-	-	(15,000)	(15,000)
Transfers from income surplus to reserves and transactions with owners, recorded directly in equity						
Transfer from credit risk reserve	-	-	(6,222)	-	6,222	-
<b>Total other movements in equity</b>	-	-	(6,222)	-	6,222	-
<b>Balance at 31 December 2022</b>	<b>404,570</b>	<b>153,126</b>	<b>50,175</b>	<b>325,693</b>	<b>35,689</b>	<b>969,253</b>
<b>Balance 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 period	-	-	-	-	116,358	116,358
<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>	-	-	-	-	116,358	116,358
Transfers from income surplus to reserves and transactions with owners, recorded directly in equity						
Transfer to statutory risk reserve	-	58,179	-	-	(58,179)	-
Transfer to credit risk reserve	-	-	1,098	-	(1,098)	-
<b>Total other movements in equity</b>	-	58,179	1,098	-	(59,277)	-
<b>Balance 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>

### SUMMARY STATEMENT OF FINANCIAL POSITION

in thousands of GHS

	DEC 2022	DEC 2021
<b>Assets</b>		
Cash and balances with banks	1,990,143	961,689
Non-pledged trading assets	-	462,282
Pledged trading assets	-	167,867
Investment securities	1,661,135	820,240
Loans and advances to customers	1,486,925	1,011,136
Investment in associates	1,474	1,176
Current income tax assets	9,670	13,569
Other assets	1,699,885	1,023,488
Intangible assets	6,242	5,992
Property and equipment	553,615	181,642
Right-of-use assets	19,202	25,921
<b>Total assets</b>	<b>7,428,291</b>	<b>4,675,001</b>
<b>Liabilities</b>		
Deposits from banks	189,415	88,726
Deposits from customers	6,119,100	3,772,886
Deferred income tax liabilities	55,272	11,219
Lease liabilities	13,343	18,415
Other liabilities	81,908	68,609
<b>Total liabilities</b>	<b>6,459,038</b>	<b>3,959,856</b>
Shareholder's fund	-	-
Stated capital	404,570	404,570
Retained earnings	35,689	44,625
Revaluation reserve	325,693	56,427
Statutory reserve fund	153,126	153,126
Credit risk reserve	50,175	56,397
<b>Total shareholders' fund</b>	<b>969,253</b>	<b>715,145</b>
<b>Total liabilities and shareholders' fund</b>	<b>7,428,291</b>	<b>4,675,001</b>

### SUMMARY STATEMENT OF CASH FLOW

in thousands of GHS

	DEC 2022	DEC 2021
<b>Cash flows from operating activities</b>		
Cash generated from/(used in) operating activities	1,152,436	(266,765)
Tax paid	(79,709)	(39,635)
<b>Net cash flow used in operating activities</b>	<b>1,072,727</b>	<b>(306,400)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(33,153)	(29,275)
Purchase of intangible assets	(1,515)	(1,462)
Proceeds from asset disposal	4,931	614
Investment in Associate	-	(500)
<b>Net Cash flow used in investing activities</b>	<b>(29,737)</b>	<b>(30,623)</b>
<b>Cash flow from financing activities</b>		
Payments on lease liabilities	(5,394)	(12,706)
Dividends Paid	(15,000)	-
<b>Net Cash flow from financing activities</b>	<b>(20,394)</b>	<b>(12,706)</b>
Net increase/(decrease) in cash and cash equivalents	1,022,596	(349,729)
Cash and cash equivalents at beginning 1 January	439,747	789,476
<b>Cash and cash equivalents at end 31 December</b>	<b>1,462,343</b>	<b>439,747</b>

#### 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 2022.

#### 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

	2022	2021
Capital adequacy ratio	18%	22%
Non-performing loan (NPL) ratio	12%	9%
Liquid ratio	113%	74%
Off-balance sheet exposure (GHS "000")	532,036	340,661

#### 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

	2022	2021


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