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# 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)
Net Interest Income	412,497	298,751
Fee and Commission Income	136,636	81,412
Fee and Commission Expense	(41,449)	(24,812)
Net Fee and Commission Income	95,187	56,600
Net Trading Income	6,847	33,596
Other Operating Income	2,056	1,997
Operating Income	516,587	390,944
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)
Operating Profit	21,656	155,624
Gains from associated companies	299	227
Profit before income tax	21,955	155,851
National Fiscal Stabilisation Levy	(1,083)	(7,793)
Financial Sector Recovery Levy	(1,083)	(5,844)
Income Tax expense	(19,946)	(25,856)
Profit/(Loss) for the year	(157)	116,358
Other comprehensive income		
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	-
Total comprehensive income for the year	269,109	116,358

### SUMMARY STATEMENT OF FINANCIAL POSITION

in thousands of GHS

	DEC 2022	DEC 2021
Assets		
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
Total assets	7,428,291	4,675,001
Liabilities		
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
Total liabilities	6,459,038	3,959,856
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
Total shareholders' fund	969,253	715,145
Total liabilities and shareholders' fund	7,428,291	4,675,001

### SUMMARY STATEMENT OF CASH FLOW

in thousands of GHS

	DEC 2022	DEC 2021
Cash flows from operating activities		
Cash generated from/(used in) operating activities	1,152,436	(266,765)
Tax paid	(79,709)	(39,635)
Net cash flow used in operating activities	1,072,727	(306,400)
Cash flows from investing activities		
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)
Net Cash flow used in investing activities	(29,737)	(30,623)
Cash flow from financing activities		
Payments on lease liabilities	(5,394)	(12,706)
Dividends Paid	(15,000)	-
Net Cash flow from financing activities	(20,394)	(12,706)
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
Cash and cash equivalents at end 31 Detember	1,462,343	439,747

### SUMMARY STATEMENT OF CHANGES IN EQUITY

in thousands of GHS

	Stated capital	Statutory reserve fund	Credit risk reserve	Revaluation Reserve	Income surplus account	Total
Balance at 1 January 2022	404,570	153,126	56,397	56,427	44,625	715,145
Profit for the period	-	-	-	-	(157)	(157)
Other comprehensive income	-	-	-	269,266	-	269,266
Total comprehensive income for the year	-	-	-	269,266	(157)	269,109
Transactions with equity holders	-	-	-	-	-	-
Dividend paid	-	-	-	-	(15,000)	(15,000)
Total transactions with equity holders	-	-	-	-	(15,000)	(15,000)
Transfers from income surplus to reserves and transactions with owners, recorded directly in equity	-	-	(6,222)	-	6,222	-
Transfer from credit risk reserve	-	-	-	-	-	-
Total other movements in equity	-	-	(6,222)	-	6,222	-
Balance at 31 December 2022	404,570	153,126	50,175	325,693	35,689	969,253
Balance at 1 January 2021	404,570	94,947	55,299	56,427	(12,456)	598,787
Profit for the period	-	-	-	-	116,358	116,358
Other comprehensive income	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	116,358	116,358
Transfers from income surplus to reserves and transactions with owners, recorded directly in equity	-	58,179	-	-	(58,179)	-
Transfer to statutory risk reserve	-	-	1,098	-	(1,098)	-
Transfer to credit risk reserve	-	-	-	-	-	-
Total other movements in equity	-	58,179	1,098	-	(59,277)	-
Balance at 31 December 2021	404,570	153,126	56,397	56,427	44,625	715,145

#### 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

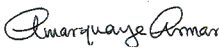
	2022	2021
(1a) Default in statutory liquidity (times)	1	Nil
(1b) Sanctions (GHS)	Nil	Nil
(2a) Default in prudential requirements (times)	5	1
(2b) Sanctions (GHS “000”)	8,535	12

#### 8. Corporate Social Responsibility

The Bank spent a total of GHS 1,789,893.97 on Corporate Social Responsibilities during the year.

#### 9. Approval of financial statements

The Board of Directors approved the financial statements on 17th April 2023 and were signed on their behalf by:

  
Amarquaye Armar  
(Chairman)

  
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 2022, 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 2022 comprise:

- the summary statement of financial position as at 31 December 2022;
- 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 April 2023. 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 (ICAG/F/2023/028)  
Chartered Accountants  
Accra, Ghana  
April 2023

