

FIRST ATLANTIC BANK LIMITED

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

in thousands of GHS

	DEC 2023	DEC 2022
Interest income	847,589	571,958
Interest expense	(185,003)	(159,461)
Net interest income	662,586	412,497
Fee and commission income	183,984	136,636
Fee and commission expense	(60,118)	(41,449)
Net fee and commission income	123,866	95,187
Net trading income	254,854	6,847
Other income	3,719	2,056
Operating income	1,045,025	516,587
Net impairment charge	(77,307)	(229,824)
Modification loss	(289,120)	-
Personnel expenses	(145,807)	(112,947)
Depreciation and amortisation	(32,208)	(22,293)
Other expenses	(175,107)	(127,129)
Finance cost on lease liability	(2,364)	(2,738)
Operating profit	323,112	21,656
Gain from associated companies	230	299
Profit before income tax	323,342	21,955
Financial Sector Recovery Levy	(16,167)	(1,083)
Growth and Sustainability Levy	(16,167)	(1,083)
Income tax expense	(107)	(19,946)
Profit/(Loss) for the year	290,901	(157)
Other comprehensive income		
<i>Items that will never be reclassified subsequently to profit or loss</i>		
Revaluation of land and buildings	-	359,021
Income tax relating to components of other comprehensive income	-	(89,755)
Other comprehensive income for the year net of tax	-	269,266
Total comprehensive income for the year	290,901	269,109
Earnings per share (Ghana pesewas)	87.05	(0.05)

SUMMARY STATEMENT OF CHANGES IN EQUITY

in thousands of GHS

Year ended 31 December 2023	Stated Capital	Statutory Reserve Fund	Credit Risk Reserve	Revaluation Reserve	Retained Earnings	Total
Balance at 1 January 2023	404,570	153,126	50,175	325,693	35,689	969,253
Profit for the year	-	-	-	-	290,901	290,901
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	290,901	290,901
Regulatory transfers						
Transfer to statutory risk reserve	-	145,451	-	-	(145,451)	-
Transfer from credit risk reserve	-	-	93,199	-	(93,199)	-
Total other movements in equity	-	145,451	93,199	-	(238,650)	-
Balance at 31 December 2023	404,570	298,577	143,374	325,693	87,940	1,260,154
Balance at 1 January 2022	404,570	153,126	56,397	56,427	44,625	715,145
Loss 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						
Dividends Paid	-	-	-	-	(15,000)	(15,000)
Total transactions with equity holders	-	-	-	-	(15,000)	(15,000)
Regulatory transfers						
Transfer from credit risk reserve	-	-	(6,222)	-	6,222	-
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

SUMMARY STATEMENT OF FINANCIAL POSITION

in thousands of GHS

	DEC 2023	DEC 2022
Assets		
Cash and cash equivalents	3,226,881	1,990,143
Non-pledged trading securities	8,411	-
Investment securities	2,059,377	1,661,135
Loans and advances to customers	1,702,104	1,486,925
Investment in associates	1,704	1,474
Deferred Income tax assets	8,954	-
Current Income tax assets	64,714	9,670
Other assets	2,789,753	1,699,885
Intangible assets	20,115	6,242
Property and equipment	559,232	553,615
Right-of-use assets	25,014	19,202
Total assets	10,466,259	7,428,291
Liabilities		
Deposits from banks	150,377	189,415
Deposits from customers	8,972,969	6,119,100
Deferred income tax liabilities	-	55,272
Other liabilities	71,130	81,908
Lease Liabilities	11,629	13,343
Total liabilities	9,206,105	6,459,038
Equity		
Stated capital	404,570	404,570
Retained Earnings	87,940	35,689
Revaluation reserve	325,693	325,693
Statutory reserve fund	298,577	153,126
Credit risk reserve	143,374	50,175
Total equity	1,260,154	969,253
Total equity and liabilities	10,466,259	7,428,291

SUMMARY STATEMENT OF CASH FLOWS

in thousands of GHS

	DEC 2023	DEC 2022
Profit before tax	323,343	21,955
<i>Adjustments for:</i>		
Depreciation and amortisation expense	32,208	22,293
Impairment on financial instruments	78,122	229,824
Modification loss	289,120	-
Gain on disposal of property and equipment	(365)	(1,832)
Interest charged on finance lease	2,364	2,738
Loss on derecognition of right-of-use asset	49	377
Share of profit of associate	(230)	(299)
<i>Changes in operating assets and liabilities</i>		
Loans and advances to customers	(243,280)	(530,698)
Non-pledged trading assets (maturing over 91 days)	(8,411)	462,282
Pledged trading assets (maturing over 91 days)	-	167,867
Investment securities	(438,912)	(935,090)
Other assets	(1,089,868)	(660,772)
Restricted cash	(285,387)	(85,048)
Deposits from customers	2,853,869	2,346,213
Deposits from banks and other financial institutions	(39,038)	100,689
Other liabilities	(15,682)	11,937
Cash generated from operating activities	1,457,902	1,152,436
Cash flows from operating activities	1,457,902	1,152,436
Cash used in operating activities	(146,807)	(79,709)
Net cash flows from operating activities	1,311,095	1,072,727
Cash flows from investing activities		
Purchase of property and equipment	(31,857)	(33,153)
Purchase of intangible assets	(16,439)	(1,515)
Proceeds from asset disposal	947	4,931
Net cash flows used in investing activities	(47,349)	(29,737)
Cash flows from financing activities		
Payments on lease liabilities	(13,925)	(5,394)
Dividends Paid	-	(15,000)
Net cash flows from financing activities	(13,925)	(20,394)
Net increase in cash and cash equivalents	1,249,821	1,022,596
Cash and cash equivalents at 1 January	1,462,343	439,747
Cash and cash equivalents at 31 December	2,712,164	1,462,343



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FIRST ATLANTIC BANK LIMITED

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 summary financial statements of First Atlantic Bank Limited (the 'Bank') for the year ended 31 December 2023.

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 with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana (ICAG), 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

	2023	2022
Capital adequacy ratio	17%	18%
Non-performing loan (NPL) ratio	18%	12%
Liquid ratio	101%	113%

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

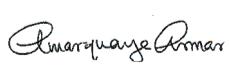
	2023	2022
(1a) Default in statutory liquidity (times)	Nil	1
(1b) Sanctions (GHS)	Nil	Nil
(2a) Default in prudential requirements (times)	1	5
(2b) Sanctions (GHS "000")	12	8,535

8. Corporate Social Responsibility

The Bank spent a total of GHS 364,449 on Corporate Social Responsibilities during the year.

9. Approval of financial statements

The Board of Directors approved the financial statements on 26th March, 2024 and were signed on their behalf by:



Amarquaye Armah
(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 2023, 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 2023 comprise:

- the summary statement of financial position as at 31 December 2023;
- 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 with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana (ICAG), 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 28 March 2024. 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/2024/028)
Chartered Accountants
Accra, Ghana
28 March 2024




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