



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 | | |
| 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 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 |
| Adjustments for: | | |
| 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) |
| Changes in operating assets and liabilities | | |
| 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 | | |
| Cash used in operating activities | 1,457,902 | 1,152,436 |
| Tax paid | (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

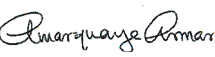
| | 2023 | 2022 |
|---|------|-------|
| (1a) Default in statutory liquidity (times) | Nil | 1 |
| (1b) Sanctions (GHS) | Nil | Nil |
| (2a) Default in prudential requirements (times) | 1 | 5 |
| (2b) Sanctions (GHS “000”) | 12 | 8,535 |

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 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 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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