

# Consolidated Bank Ghana Limited

## Unaudited Summary Financial Statements

(All amounts are in thousands of Ghana cedis unless otherwise stated)



### UNAUDITED SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2021

	2021	2020
Interest income	367,527	221,910
Interest expense	(216,145)	(107,965)
<b>Net interest income</b>	<b>151,382</b>	113,946
Fee and commission income	16,080	11,962
Fee and commission expense	(1,975)	(1,656)
<b>Net fee and commission income</b>	<b>14,106</b>	10,306
Net trading income	13,830	7,722
<b>Other income</b>	<b>116</b>	96
Operating income	179,434	132,069
Impairment loss on loans and advances	(4,886)	(2,858)
Impairment loss on other financial assets	(17,002)	-
Personnel expenses	(78,231)	(62,200)
Depreciation and amortisation	(12,231)	(8,485)
Other expenses	(53,115)	(50,462)
<b>Profit before income tax</b>	<b>13,970</b>	8,065
Income tax charge	(3,492)	(2,016)
National fiscal stabilisation levy	(698)	(403)
<b>Profit for the period</b>	<b>9,779</b>	5,646
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified to profit or loss</b>		
Changes in the fair value of debt instruments at fair value through other comprehensive income	28,536	(451)
Deferred income tax relating to other comprehensive income item	(7,134)	113
<b>Total comprehensive income</b>	<b>31,181</b>	5,307

### UNAUDITED SUMMARY STATEMENT OF FINANCIAL POSITION AS AT MARCH 31 2021

	2021	2020
<b>ASSETS</b>		
Cash and bank balances	1,008,709	1,351,231
Investment securities	6,681,792	8,611,061
Non-pledged trading assets	1,065,511	548,055
Loans and advances to customers	933,991	350,516
Intangible assets	29,442	14,065
Right-of-use asset	83,882	102,360
Property and equipment	120,899	105,625
Deferred income tax assets	1,089	6,266
Other assets	161,639	33,601
<b>Total assets</b>	<b>10,086,957</b>	11,122,779
<b>LIABILITIES</b>		
Deposits from customers	7,026,868	5,257,609
Borrowed funds	1,548,608	694,585
Lease liabilities	97,699	97,634
Other liabilities	810,965	4,572,886
Current income tax liability	8,089	1,016
<b>Total liabilities</b>	<b>9,492,228</b>	10,623,729
<b>EQUITY</b>		
Stated capital	450,000	450,000
Retained earnings	39,733	14,506
Fair value reserve	42,422	(2,803)
Statutory reserve	62,573	37,347
<b>Total equity</b>	<b>594,728</b>	499,050
<b>Total equity and liabilities</b>	<b>10,086,957</b>	11,122,779

### SUMMARY STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2021

	2021	2020
Profit before income tax	13,970	8,065
Adjustments for:		
Depreciation and amortisation	12,231	8,485
Impairment losses on loans and advances	4,886	2,858
Impairment losses on other financial assets	17,002	-
Net Interest income	(151,382)	(113,946)
Fair value changes on staff loan recognised in profit or loss	1,270	577
Unrealised exchange loss on lease liability	1,831	3,389
	(100,192)	(90,571)
Changes in:		
Loans and advances to customers	(72,255)	(122,638)
Other assets	26,251	74,432
Investment securities	378,966	821,680
Non-pledged trading assets	(226,294)	(189,742)
Deposits from customers	160,750	161,259
Borrowed funds	(66,022)	(3,699)
Other liabilities	(91,102)	32,454
Mandatory cash reserve	(12,860)	(16,126)
<b>Cash flow used in operations</b>	<b>97,433</b>	773,747
Interest received	528,064	407,661
Interest paid	(59,498)	(22,475)
Corporate taxes paid	-	(7,217)
	468,566	377,969
<b>Net cash flow used in operating activities</b>	<b>565,807</b>	1,061,145
<b>Cash flow from investing activities</b>		
Acquisition of property and equipment	(8,017)	(8,665)
Acquisition of intangible assets	(3,163)	(338)
<b>Net cash flow generated from investing activities</b>	<b>(11,180)</b>	(9,004)
<b>Cash flow from financing activities</b>		
Payment of principal portion of lease liabilities	(6,021)	(10,937)
<b>Net cash flow generated from financing activities</b>	<b>(6,021)</b>	(10,937)
<b>Net increase in cash and cash equivalents</b>	<b>448,606</b>	1,041,204
Balance at 1 January	769,178	399,226
<b>Cash and cash equivalents at 31 March</b>	<b>1,217,785</b>	1,440,430

### SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2021

	Stated Capital	Retained earnings	Statutory reserve	Fair value reserve	Total
<b>Balance at 1 January 2021</b>	450,000	34,844	57,684	21,020	563,548
Profit for the period	-	9,779	-	-	9,779
Fair value adjustment on investment securities	-	-	-	21,402	21,402
<b>Total comprehensive income for the period</b>	-	9,779	-	21,402	31,181
					-
<b>Regulatory and other reserve transfers</b>					
Transfer to statutory reserve	-	(4,889)	4,889	-	-
<b>Net transfer to reserves</b>	-	(4,889)	4,889	-	-
<b>Balance at 31 March 2021</b>	<b>450,000</b>	<b>39,733</b>	<b>62,573</b>	<b>42,422</b>	<b>594,728</b>
<b>Balance at 1 January 2020</b>	450,000	11,683	34,524	(2,464)	493,743
Profit for the period	-	5,646	-	-	5,646
Fair value adjustment on investment securities	-	-	-	(339)	(339)
<b>Total comprehensive income for the period</b>	-	5,646	-	(339)	5,307
<b>Regulatory and other reserve transfers</b>					
Transfer to statutory reserve	-	(2,823)	2,823	-	-
<b>Net transfer to reserves</b>	-	(2,823)	2,823	-	-
<b>Balance at 31 March 2020</b>	<b>450,000</b>	<b>14,506</b>	<b>37,347</b>	<b>(2,803)</b>	<b>499,050</b>

### NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

#### 1. GENERAL INFORMATION

Consolidated Bank (Ghana) Limited, (the Bank) is a limited liability company incorporated and domiciled in Ghana. The registered office is 1st Floor Manet Tower 3, Airport City, Accra. The Bank commenced universal banking operations in August 2018 and operates under the Bank and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

#### 2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 financial statements have been prepared under the historical cost convention.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these summary financial statements are consistent with the accounting policies applied in the audited financial statements of the Bank for the year ended 31 December, 2020. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 4. FUNCTIONAL AND PRESENTATION CURRENCY

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

#### 5. BASIS OF MEASUREMENT

These summary financial statements have been prepared on a historical cost basis except for the following items:

- Non-derivative financial instruments at fair value through profit or loss.
- Non-pledged trading assets which are measured at fair value.

#### 6. RISK MANAGEMENT

The Bank's activities expose the business to risks. These risks are managed in a targeted manner. The core functions of the Bank's risk management are to identify all key risks for the Bank, measure these risks, manage the risk positions and determine capital allocations. The risks arising from financial instruments to which the Bank is exposed are:

- credit risk
- liquidity risk
- market risk
- operational risk

Credit risk is the risk of suffering financial loss, should any of the Bank's customers, clients or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises mainly from commercial and consumer loans and advances and loan commitments arising from such lending activities, but can also arise from credit enhancements, financial guarantees, letters of credit, endorsements and acceptances.

Market risk is the risk that changes in market prices – such as interest rates, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) – will affect the Bank's income or the value of its holdings of financial instruments. The Bank separates exposures to market risk into either trading or non-trading portfolios.

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset when they fall due.

Operational risk is the risk of direct or indirect loss that the Bank will suffer due to an event or action resulting from the failure of its internal processes, people and systems, or from external events. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice. The Bank's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Bank's financial performance. The Bank defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Risk and Cyber & Information Security Committees of the Board is responsible for developing and monitoring the Bank's risk management policies over specified areas.

	March 2021	March 2020
Non-performing loan ratio (BoG/IFRS)	0.08%	0.05%
Capital Adequacy Ratio	19.1%	25.6%
Common equity tier 1 ratio	18.2%	25.4%
Leverage ratio	4.6%	4.1%
Liquidity ratio	59.4%	87.2%
Default in statutory liquidity (Times)	Nil	Nil
Default in statutory liquidity Sanctions	Nil	Nil

#### 7. CONTINGENT LIABILITIES

	March 2021	March 2020
Letters of credit	209,745	187,350
Letters of guarantee	156,347	43,666
Undrawn commitments	117,702	22,099
	<b>483,795</b>	<b>253,115</b>



Welbeck Abra-Appiah  
(Chairman)



Daniel Wilson Addo  
(Managing Director)