

Consolidated Bank (Ghana) Limited

Summary Financial Statements

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



SUMMARY UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2023

	2023	2022
Interest income	493,451	376,257
Interest expense	(371,822)	(225,024)
Net interest income	121,629	151,233
Fee and commission income	41,876	27,989
Fee and commission expense	(1,637)	(984)
Net fee and commission income	40,239	27,005
Net trading income	33,999	33,598
Other operating income	1,311	96
Operating income	197,178	211,931
Impairment losses on loans and advances	(9,189)	(12,321)
Impairment release on other financial assets	80,863	-
Personnel expenses	(119,577)	(102,376)
Depreciation and amortisation	(23,230)	(16,081)
Other expenses	(115,994)	(65,533)
Profit before income tax	10,051	15,620
Income tax credit /(charge)	1,435	(7,931)
Financial sector recovery levy	(503)	(781)
National fiscal stabilisation levy	(503)	(781)
Profit for the period	10,482	6,127
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Changes in the fair value of debt instruments at fair value through other comprehensive income	-	4,451
Deferred income tax charge relating to other comprehensive income items	-	(1,113)
	-	3,338
Total comprehensive income	10,482	9,465

SUMMARY UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	2023	2022
ASSETS		
Cash and bank balances	1,091,642	1,565,501
Investment securities	7,095,003	5,188,575
Non-pledged trading assets	-	1,652,989
Loans and advances to customers	1,886,370	1,622,808
Intangible assets	33,877	32,938
Right-of-use assets	85,708	60,406
Property and equipment	218,154	147,685
Current income tax asset	9,251	-
Deferred income tax assets	540,947	17,413
Other assets	205,884	142,751
Total assets	11,166,835	10,431,066
LIABILITIES		
Deposits from customers	8,244,085	6,369,272
Borrowed funds	2,678,427	2,454,095
Lease liabilities	122,303	73,404
Other liabilities	824,422	723,286
Total liabilities	11,869,237	9,620,056
EQUITY		
Stated capital	627,784	627,784
Retained earnings	(1,429,241)	74,038
Fair value reserve	-	12,310
Statutory reserve	99,056	96,878
Total equity	(702,402)	811,010
Total equity and liabilities	11,166,835	10,431,066

SUMMARY UNAUDITED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2023

	2023	2022
Profit before income tax	10,051	15,620
<i>Adjustments for:</i>		
Depreciation and amortisation	23,230	16,081
Impairment losses on loans and advances	9,189	12,321
Impairment release on other financial assets	(80,863)	-
Net interest income	(121,629)	(151,233)
Unrealised exchange losses on leases	27,404	1,831
Profit on disposal	-	20
Fair value changes recognised in profit or loss (staff loan)	1,807	1,691
	(130,810)	(103,667)
<i>Changes in:</i>		
Loans and advances to customers	176,388	(315,485)
Other assets	(75,805)	(20,687)
Investment securities	(975,029)	1,540,260
Non-pledged trading assets	-	(675,487)
Deposits from customers	402,993	(381,803)
Mandatory cash reserve	(48,359)	30,544
Borrowed funds	99,279	27,300
Other liabilities	86,985	28,258
Cash flow generated from /(used in) operations	(464,358)	129,235
Interest received	1,154,081	374,566
Interest paid	(302,722)	(223,193)
Taxes and levies paid	-	(5,704)
Net cash flow generated from operating activities	387,001	274,904
Cash flow from investing activities		
Acquisition of property and equipment	(35,209)	(5,908)
Proceeds from disposal of property and equipment	-	175
Acquisition of intangible assets	(1,035)	(6,068)
Net cash flow used in investing activities	(36,244)	(11,802)
Cash flow from financing activities		
Payment of principal portion of lease liabilities	(1,791)	(5,181)
Net cash flow used in financing activities	(1,791)	(5,181)
Net increase in cash and cash equivalents	348,966	257,921
Balance at beginning of the year	1,928,562	796,638
Cash and cash equivalents at 31 March	2,277,528	1,054,559

SUMMARY UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

	Stated Capital	Retained earnings	Statutory reserve	Fair value reserve	Total
Balance at 1 January 2023	627,784	(1,434,482)	93,815	-	(712,883)
Profit for the period		10,482			10,482
Fair value adjustment on investment securities				-	-
Total comprehensive profit for the period	-	10,482	-	-	10,482
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	(5,241)	5,241	-	-
Net transfer to reserves	-	(5,241)	5,241	-	-
Balance at 31 March 2023	627,784	(1,429,241)	99,056	-	(702,402)
	Stated Capital	Retained earnings	Statutory reserve	Fair value reserve	Total
Balance at 1 January 2022	627,784	70,974	93,815	8,972	801,544
Profit for the period		6,127			6,127
Fair value adjustment on investment securities	-			3,338	3,338
Total comprehensive income for the period	-	6,127	-	3,338	9,465
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	(3,063)	3,063	-	-
Net transfer to reserves	-	(3,063)	3,063	-	-
Balance at 31 March 2022	627,784	74,038	96,878	12,310	811,010

Consolidated Bank (Ghana) Limited

Summary Financial Statements

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



NOTES TO THE SUMMARY 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, 2022. 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 committee and the Technology, Cyber & Information Security committees of the Board are responsible for developing and monitoring the Bank's risk management policies over specified areas.

Key risk ratios for the Bank are summarised below :

	March 2023	March 2022
Non-performing loan ratio	26.73%	0.73%
Capital adequacy ratio	(7.61%)	20.08%
Common equity tier 1/RWA	(7.61%)	19.73%
Leverage ratio	(2.74%)	6.16%
Liquidity ratio	123.37%	97.59%
Default in statutory liquidity (times)	Nil	Nil
Default in statutory liquidity sanctions (GHS'000)	Nil	Nil

7. CONTINGENT LIABILITIES

	March 2023	March 2022
Letters of credit	253,732	209,745
Letters of guarantee	231,871	156,347
Undrawn commitments	31,550	117,702
	517,154	483,795

Welbeck Abra-Appiah
(Chairman)

Daniel Wilson Addo
(Managing Director)