

# 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

	30 SEPTEMBER 2020	30 SEPTEMBER 2019
Interest income	772,223	794,047
Interest expense	(412,316)	(441,092)
<b>Net interest income</b>	<b>359,907</b>	<b>352,955</b>
Fee and commission income	38,892	24,812
Fee and commission expense	(1,556)	(1,982)
<b>Net fee and commission income</b>	<b>37,335</b>	<b>22,830</b>
Net trading income	26,977	44,348
Other income	7,453	-
<b>Operating income</b>	<b>431,672</b>	<b>420,133</b>
Impairment on loans and advances	(8,485)	(2,982)
Other Impairment	(34,500)	-
Personnel expenses	(185,726)	(159,962)
Depreciation and amortisation	(42,086)	(45,580)
Other expenses	(118,823)	(123,007)
<b>Profit before income tax</b>	<b>42,052</b>	<b>88,601</b>
Income tax charge	(19,850)	(19,200)
National fiscal stabilisation levy	(1,959)	(4,430)
<b>Profit for the period</b>	<b>20,243</b>	<b>64,971</b>
<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	5,874	-
Deferred income tax relating to other comprehensive income item	(1,468)	-
<b>Total comprehensive income</b>	<b>24,648</b>	<b>64,971</b>

### SUMMARY STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	30 SEPTEMBER 2020	30 SEPTEMBER 2019
Profit before income tax	42,052	88,601
<i>Adjustments for:</i>		
Depreciation and amortisation	42,086	45,580
Impairment on financial assets	42,985	2,982
<i>Changes in:</i>		
Loans and advances to customers	(430,386)	(33,656)
Other assets	29,759	(49,025)
Deposits from customers	2,826,308	(55,784)
Due to other banks	741,255	(309,319)
Other liabilities	717,338	40,998
<b>Cash flow generated from operations</b>	<b>4,011,388</b>	<b>(269,623)</b>
Tax paid	(26,604)	(21,089)
<b>Net cash flow generated from operating activities</b>	<b>3,984,784</b>	<b>(290,712)</b>
<b>Cash flow from investing activities</b>		
Acquisition of property and equipment	(26,408)	(24,756)
Purchases of investment securities maturing over 91 days	(5,984,365)	(2,827,352)
Proceeds from redemption of investment securities	4,527,484	1,678,915
<b>Net cash flow generated from investing activities</b>	<b>(1,483,290)</b>	<b>(1,173,193)</b>
<b>Cash flow from financing activities</b>		
Payment of principal portion of lease liabilities	(31,152)	-
<b>Net cash flow generated from financing activities</b>	<b>(31,152)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,470,342</b>	<b>(1,463,905)</b>
Balance at 1 January	399,226	1,554,242
<b>Cash and cash equivalents at 30 September</b>	<b>2,869,568</b>	<b>90,337</b>

### UNAUDITED SUMMARY STATEMENT OF FINANCIAL POSITION AS AT

	30 SEPTEMBER 2020	30 SEPTEMBER 2019
<b>ASSETS</b>		
Cash and cash equivalents	1,352,707	432,184
Investment securities	8,887,026	6,578,343
Loans and advances to customers	658,265	37,202
Intangible assets	22,901	13,096
Right-of-use asset	88,801	208,346
Property and equipment	101,284	109,545
Deferred income tax assets	4,798	5,565
Other assets	99,582	50,582
<b>Total assets</b>	<b>11,215,362</b>	<b>7,434,862</b>
<b>LIABILITIES</b>		
Deposits from customers	7,922,658	5,456,529
Due to other banks	1,439,539	866,489
Lease liabilities	77,419	205,263
Other liabilities	1,257,355	414,450
<b>Total liabilities</b>	<b>10,696,971</b>	<b>6,942,731</b>
<b>EQUITY</b>		
Stated capital	450,000	450,000
Retained earnings	21,805	9,645
Fair value reserve	1,941	-
Statutory reserve	44,645	32,485
<b>Total equity</b>	<b>518,391</b>	<b>492,131</b>
<b>Total equity and liabilities</b>	<b>11,215,362</b>	<b>7,434,862</b>

### SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Stated Capital	Retained Earnings	Statutory Reserve	Fair Value Reserve	Total
Balance at 1 January 2020	450,000	11,684	34,524	(2,464)	493,743
Profit for the period	-	20,243	-	-	20,243
Fair value reserve	-	-	-	4,405	4,405
Total comprehensive income for the period	450,000	31,927	34,524	1,941	518,391
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	(10,121)	10,121	-	-
Net transfer to reserves	-	(10,121)	10,121	-	-
<b>Balance at 30 September 2020</b>	<b>450,000</b>	<b>21,805</b>	<b>44,645</b>	<b>1,941</b>	<b>518,391</b>
Balance at 1 January 2019	450,000	(22,840)	-	-	427,160
Profit for the period	-	64,971	-	-	64,971
Fair value reserve	-	-	-	-	-
Total comprehensive income for the period	450,000	42,131	-	-	492,131
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	(32,485)	32,485	-	-
Net transfer to reserves	-	(32,485)	32,485	-	-
<b>Balance at 30 September 2019</b>	<b>450,000</b>	<b>9,646</b>	<b>32,485</b>	<b>-</b>	<b>492,131</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. 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 and market 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.

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 Committee of the Board is responsible for developing and monitoring the Bank's risk management policies over specified areas.

Key risk ratios for the Bank are summarised below :

	September 2020	September 2019
Non-performing loan ratio	0.06%	0.0%
Capital Adequacy Ratio	19.80%	30.04%
Default in statutory liquidity (Times)	Nil	Nil
Default in statutory liquidity Sanctions	Nil	Nil

#### 4. CONTINGENT LIABILITIES

	September 2020	September 2019
Letters of credit	128,216	1,504
Letters of guarantee	87,484	23,632
	<u>215,700</u>	<u>25,136</u>



**Welbeck Abra-Appiah**  
(Chairman)



**Daniel Wilson Addo**  
(Managing Director)

