

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 2020

	For the period ended 31 March 2020	For the period ended 31 March 2019
Interest income	221,333	267,691
Interest expense	(107,965)	(168,392)
Net interest income	113,368	99,299
Fee and commission income	11,962	8,110
Fee and commission expense	(1,656)	(2,718)
Net fee and commission income	10,306	5,392
Net trading income	7,722	21,241
Other income	96	199
Operating income	131,492	126,130
Impairment loss on financial assets	(2,858)	-
Personnel expenses	(62,200)	(39,802)
Depreciation and amortisation	(8,485)	(20,328)
Other expenses	(49,885)	(49,313)
Profit before income tax	8,065	16,687
Income tax charge	(2,016)	-
National fiscal stabilisation levy	(403)	-
Profit for the period	5,646	16,687
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	(451)	-
Deferred income tax relating to other comprehensive income item	113	-
	(339)	-
Total comprehensive income	5,307	16,687

SUMMARY STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2020

	Period ended 31 March 2020	Period ended 31 March 2019
Profit before income tax	8,065	16,687
<i>Adjustments for:</i>		
Depreciation and amortisation	8,485	20,328
Impairment loss on financial assets	2,858	-
<i>Changes in:</i>		
Loans and advances to customers	(122,638)	(3,546)
Other assets	74,432	(13,783)
Deposits from customers	161,259	(3,658,989)
Due to other banks	(3,699)	(428,021)
Other liabilities	32,454	272,849
Cash flow used in operations	161,217	(3,794,475)
Tax paid	(7,217)	-
Net cash flow used in operating activities	153,999	(3,794,475)
Cash flow from investing activities		
Acquisition of property and equipment	(9,003)	(140,371)
Purchases of investment securities maturing over 91 days	(1,387,416)	(735,531)
Proceeds from redemption of investment securities	2,310,688	3,887,436
Net cash flow generated from investing activities	914,268	3,011,533
Cash flow from financing activities		
Payment of principal portion of lease liabilities	(10,937)	-
Net cash flow generated from financing activities	(10,937)	-
Net increase in cash and cash equivalents	1,057,330	(782,942)
Balance at 1 January	399,226	1,554,242
Cash and cash equivalents at 31 March	1,456,556	771,300

UNAUDITED SUMMARY STATEMENT OF FINANCIAL POSITION AS AT MARCH 31 2020

	2020	2019
Assets		
Cash and cash equivalents	1,351,231	728,044
Investment securities	5,159,454	8,708,061
MFI and S&L bond	4,000,000	-
Loans and advances to customers	350,516	4,314
Intangible assets	14,065	5,371
Right-of-use asset	102,360	-
Property and equipment	105,625	135,001
Deferred income tax assets	6,266	-
Other assets	33,601	3,907
Total assets	11,123,118	9,584,697
Liabilities		
Deposits from customers	5,257,609	7,245,927
Due to other banks	694,585	1,171,676
MFI and S&L holding account	4,000,000	-
Lease liabilities	97,634	-
Other liabilities	573,902	723,246
Total liabilities	10,623,729	9,140,849
Equity		
Stated capital	450,000	450,000
Retained earnings	14,168	(6,152)
Fair value reserve	(2,126)	-
Statutory reserve	37,347	-
Total equity	499,389	443,848
Total equity and liabilities	11,123,118	9,584,697

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 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	-	5,646	-	-	5,646
Fair value reserve	-	(339)	-	339	-
Total comprehensive income for the period	450,000	16,991	34,524	(2,126)	499,389
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	(2,823)	2,823	-	-
Net transfer to reserves	-	(2,823)	2,823	-	-
Balance at 31 March 2020	450,000	14,168	37,347	(2,126)	499,389
Balance at 1 January 2019	450,000	(22,840)	-	-	427,160
Profit for the period	-	16,687	-	-	16,687
Fair value reserve	-	-	-	-	-
Total comprehensive income for the period	450,000	(6,152)	-	-	443,848
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	-	-	-	-
Net transfer to reserves	-	-	-	-	-
Balance at 31 March 2019	450,000	(6,152)	-	-	443,848

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 :

	March 2020	March 2019
Non-performing loan ratio (BoG/IFRS)	0.05%	0.0%
Capital Adequacy Ratio	25.6%	30.5%
Default in statutory liquidity (Times)	Nil	Nil
Default in statutory liquidity Sanctions	Nil	Nil

4. CONTINGENT LIABILITIES

	March 2020	March 2019
Letters of credit	187,350	-
Letters of guarantee	43,666	6,251
	<u>231,016</u>	<u>6,251</u>



Welbeck Abra-Appiah
(Chairman)



Daniel Wilson Addo
(Managing Director)

