

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 30 SEPTEMBER 2022

	2022	2021
Interest income	1,232,369	1,098,134
Interest expense	(763,187)	(641,502)
Net interest income	469,182	456,632
Fee and commission income	98,840	63,260
Fee and commission expense	(3,226)	(7,543)
Net fee and commission income	95,614	55,717
Net trading income	122,239	46,305
Other operating income	16,147	4,382
Operating income	703,182	563,037
Impairment losses on loans and advances	(38,370)	(14,708)
Impairment losses on other financial assets	(13,922)	(50,427)
Personnel expenses	(306,770)	(243,156)
Depreciation and amortisation	(50,857)	(41,056)
Other expenses	(229,211)	(156,825)
Profit before income tax	64,052	56,865
Income tax charge	(16,463)	(16,540)
Financial sector recovery levy	(3,203)	(2,145)
National fiscal stabilisation levy	(3,203)	(2,843)
Profit for the period	41,183	35,337
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	(36,753)	16,262
Deferred income tax (charge)/credit relating to other comprehensive income items	9,188	(4,065)
	(27,565)	12,196
Total comprehensive income	13,618	47,533

SUMMARY UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	2022	2021
ASSETS		
Cash and bank balances	2,054,533	1,042,541
Investment securities	7,222,546	7,637,136
Non-pledged trading assets	10,562	49,500
Loans and advances to customers	2,069,990	1,206,302
Intangible assets	42,282	31,464
Right-of-use assets	44,605	69,603
Property and equipment	183,317	144,328
Deferred income tax assets	33,885	5,470
Other assets	174,585	109,147
Total assets	11,836,305	10,295,491
LIABILITIES		
Deposits from customers	7,768,531	6,407,240
Borrowed funds	2,461,745	2,383,403
Lease liabilities	62,968	81,513
Other liabilities	727,897	812,254
Total liabilities	11,021,141	9,684,410
EQUITY		
Stated capital	627,784	450,000
Retained earnings	91,566	52,512
Fair value reserve	(18,593)	33,216
Statutory reserve	114,407	75,353
Total equity	815,164	611,081
Total equity and liabilities	11,836,305	10,295,491

SUMMARY UNAUDITED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	2022	2021
Profit before income tax	64,052	56,865
<i>Adjustments for:</i>		
Depreciation and amortisation	50,857	41,056
Impairment losses on loans and advances	38,370	14,708
Impairment losses on other financial assets	13,922	50,427
Net interest income	(469,182)	(456,632)
Unrealised exchange losses on leases	6,127	5,355
Profit on disposal	(48)	(99)
Fair value changes recognised in profit or loss (staff loan)	4,635	3,500
Fair value (gains)/losses on trading assets	2,383	(1,926)
	(288,884)	(286,747)
<i>Changes in:</i>		
Loans and advances to customers	(672,236)	(344,566)
Other assets	(52,124)	78,743
Investment securities	(524,321)	(576,378)
Non-pledged trading assets	892,989	789,717
Deposits from customers	970,920	(458,878)
Mandatory cash reserve	(116,510)	36,710
Borrowed funds	65,735	1,000,694
Other liabilities	36,018	(73,627)
Cash flow generated from operations	311,586	165,669
Interest received	1,329,208	314,207
Interest paid	(443,766)	(231,920)
Taxes and levies paid	(33,811)	(15,502)
Net cash flow generated from operating activities	1,163,217	232,454
Cash flow from investing activities		
Acquisition of property and equipment	(51,914)	(34,955)
Proceeds from disposal of property and equipment	204	-
Acquisition of intangible assets	(23,711)	(10,581)
Net cash flow used in investing activities	(75,422)	(45,536)
Cash flow from financing activities		
Payment of principal portion of lease liabilities	(15,617)	(22,207)
Net cash flow used in financing activities	(15,617)	(22,207)
Net increase in cash and cash equivalents	1,072,178	164,711
Balance at beginning of the year	796,638	769,178
Cash and cash equivalents at 30 September	1,868,816	933,890

SUMMARY UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Stated Capital	Retained earnings	Statutory reserve	Fair value reserve	Total
Balance at 1 January 2022	627,784	70,975	93,815	8,972	801,546
Profit for the period		41,183			41,183
Fair value adjustment on investment securities				(27,565)	(27,565)
Total comprehensive income for the period	-	41,183	-	(27,565)	13,618
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	(20,592)	20,592	-	-
Net transfer to reserves	-	(20,592)	20,592	-	-
Balance at 30 September 2022	627,784	91,566	114,407	(18,593)	815,164
Balance at 1 January 2021	450,000	34,844	57,684	21,020	563,548
Profit for the period		35,337			35,337
Fair value adjustment on investment securities	-			12,196	12,196
Total comprehensive income for the period	-	35,337	-	12,196	47,533
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	(17,668)	17,668	-	-
Net transfer to reserves	-	(17,668)	17,668	-	-
Balance at 30 September 2021	450,000	52,512	75,352	33,216	611,081

Consolidated Bank (Ghana) Limited

Summary Financial Statements

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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, 2021. 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 :

	September 2022	September 2021
Non-performing loan ratio	2.08%	0.18%
Capital adequacy ratio	15.98%	18.78%
Common equity tier 1/RWA	15.00%	17.03%
Leverage ratio	5.00%	4.52%
Liquidity ratio	97.08%	79.88%
Default in statutory liquidity (times)	Nil	Nil
Default in statutory liquidity sanctions (GHS'000)	-	-

7. CONTINGENT LIABILITIES

	September 2022	September 2021
Letters of credit	625,028	369,551
Letters of guarantee	243,650	299,331
Undrawn commitments	34,392	94,376
	903,070	763,258

Welbeck Abra-Appiah
(Chairman)

Daniel Wilson Addo
(Managing Director)