Consolidated Bank Ghana LTD 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 2024

	2024	2023
Interest income	449,348	493,451
Interest expense	(217,203)	(371,822)
Net interest income	232,144	121,629
Fee and commission income	53,385	41,876
Fee and commission expense	(1,718)	(1,637)
Net fee and commission income	51,667	40,239
Net trading income	44,343	33,999
Other operating income	303	1,311
Operating income	328,457	197,178
Impairment gains on financial assets	50,020	71,674
Personnel expenses	(157,717)	(119,577)
Depreciation and amortisation	(24,575)	(23,230)
Other expenses	(123,492)	(115,994)
Profit before income tax	72,694	10,051
Income tax charge	(17,281)	1,435
Financial sector recovery levy	(3,635)	(503)
Growth and sustainability levy	(3,635)	(503)
Profit for the period	48,143	10,482
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		-
Deferred income tax charge relating to other comprehensive income items	-	-
	<u> </u>	-
Total comprehensive income	48,143	10,482

SUMMARY UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT		
31 MARCH 2024		

	2024	2023
ASSETS		
Cash and bank balances	2,644,507	1,091,642
Investment securities	8,832,203	7,095,003
Non-pledged trading assets	8,399	-
Loans and advances to customers	2,041,368	1,886,370
Intangible assets	29,443	33,877
Right-of-use assets	95,948	85,708
Property and equipment	254,895	218,154
Current income tax asset	3,179	9,251
Deferred income tax assets	700,050	540,947
Other assets	360,948	205,884
Total assets	14,970,941	11,166,835
LIABILITIES		
Deposits from customers	11,370,297	8,244,085
Borrowed funds	1,060,985	2,678,427
Lease liabilities	115,512	122,303
Other liabilities	1,131,849	824,422
Total liabilities	13,678,643	11,869,237
EQUITY		
Stated capital	3,127,784	627,784
Retained earnings	(1,953,373)	(1,429,241)
Fair value reserve	-	-
Statutory reserve	117,887	99,056
Total equity	1,292,297	(702,402)
Total equity and liabilities	14,970,941	11,166,835
		1 1

	2024	2023
Profit before income tax	72,694	10,051
Adjustments for:		
Depreciation and amortisation	24,575	23,230
Impairment gains on financial assets	(50,020)	(71,674)
Net interest income	(232,144)	(121,629)
Unrealised exchange losses on leases	1,834	27,404
Employee benefit service cost	3,528	2,165
Fair value losses on trading assets	(79)	(1)
Profit on disposal	(36)	-
	(179,648)	(130,454)
Changes in:		
Loans and advances to customers	(79,467)	(789,178)
Other assets	(101,283)	(75,805)
Investment securities	(691,889)	(975,029)
Non-pledged trading assets	(5,320)	-
Deposits from customers	924,901	402,993
Mandatory cash reserve	(110,988)	(269,033)
Borrowed funds	86,888	99,279
Other liabilities	212,470	86,985
Cash flow generated from operations	55,664	(1,650,242)
Interest received	1,572,302	1,154,081
Interest paid	(205,440)	(302,722)
Taxes and levies paid	-	-
Net cash flow generated from/(used in) operating activities	1,422,526	(798,883)
Cash flow from investing activities		
Acquisition of property and equipment	(22,605)	(35,209)
Proceeds from disposal of property and equipment	-	-
Acquisition of intangible assets	(412)	(1,035)
Net cash flow used in investing activities	(23,017)	(36,245)
Cash flow from financing activities		
Payment of principal portion of lease liabilities	(5,620)	(1,791)
Net cash flow used in financing activities	(5,620)	(1,791)
Net increase/(decrease) in cash and cash equivalents	1,393,889	(836,919)
Balance at beginning of the year	1,229,760	1,928,562
Cash and cash equivalents at 31 March	2,623,649	1,091,643

SUMMARY UNAUDITED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024

SUMMARY UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

	Stated Capital	Retained earnings	Statutory reserve	Fair value reserve	Total
Balance at 1 January 2024	3,127,784	(1,977,444)	93,815	-	1,244,154
Profit for the period		48,143			48,143
Fair value adjustment on investment securities				-	-
Total comprehensive income for the period	-	48,143	-	-	48,143
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	(24,072)	24,072	-	-
Net transfer to reserves	-	(24,072)	24,072	-	-
Balance at 31 March 2024	3,127,784	(1,953,373)	117,887	-	1,292,297
	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 income for the period	-	10,482	-	-	10,481
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)

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Consolidated Bank Ghana LTD

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, 2023. 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 2024	MARCH 2023
Non-performing loan ratio	13.44%	26.73%
Capital adequacy ratio	22.30%	(7.61)%
Common equity tier 1/RWA	21.32%	(7.61)%
Leverage ratio	7.62%	(2.74)%
Liquidity ratio	65.13%	123.37%
Default in statutory liquidity (Times)	n/a	n/a
Default in statutory liquidity sanctions (GHS'000)	•	-

7. CONTINGENT LIABILITIES

	MARCH 2024	MARCH 2023
Letters of credit	113,695	253,732
Letters of guarantee	406,957	231,871
Undrawn commitments	55,045	31,550
	575,697	517,154

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Daniel Wilson Ad (Managing Director