

# 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 JUNE 2021

	2021	2020
Interest income	732,137	464,801
Interest expense	(427,706)	(242,590)
<b>Net interest income</b>	<b>304,432</b>	<b>222,212</b>
Fee and commission income	38,202	25,059
Fee and commission expense	(4,477)	(2,531)
<b>Net fee and commission income</b>	<b>33,725</b>	<b>22,528</b>
Net trading income	28,225	18,358
Other income	1,540	3,990
<b>Operating income</b>	<b>367,922</b>	<b>267,088</b>
Impairment loss on loans and advances	(8,455)	(4,802)
Impairment loss on other financial assets	(35,926)	(17,250)
Personnel expenses	(160,939)	(122,605)
Depreciation and amortisation	(26,806)	(29,068)
Other expenses	(103,390)	(79,424)
<b>Profit before income tax</b>	<b>32,406</b>	<b>13,939</b>
Income tax charge	(10,455)	(7,697)
National fiscal stabilisation levy	(1,620)	(403)
Financial Sector Recovery Levy	(848)	-
<b>Profit for the period</b>	<b>19,482</b>	<b>5,839</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	14,647	328
Deferred income tax relating to other comprehensive income item	(3,662)	(82)
<b>Total comprehensive income</b>	<b>30,467</b>	<b>6,085</b>

### UNAUDITED SUMMARY STATEMENT OF FINANCIAL POSITION AS AT JUNE 30 2021

	2021	2020
<b>ASSETS</b>		
Cash and bank balances	867,155	994,883
Investment securities	7,002,046	8,387,033
Non-pledged trading assets	779,878	997,100
Loans and advances to customers	971,321	558,646
Intangible assets	27,701	21,967
Right-of-use asset	76,730	95,580
Property and equipment	139,596	98,033
Deferred income tax assets	3,896	6,266
Other assets	150,540	77,214
<b>Total assets</b>	<b>10,018,863</b>	<b>11,236,722</b>
<b>LIABILITIES</b>		
Deposits from customers	6,832,436	5,586,507
Borrowed funds	1,701,232	787,150
Lease liabilities	92,435	89,208
Other liabilities	798,744	4,274,030
<b>Total liabilities</b>	<b>9,424,848</b>	<b>10,736,894</b>
<b>EQUITY</b>		
Stated capital	450,000	450,000
Retained earnings	44,585	14,603
Fair value reserve	32,005	(2,218)
Statutory reserve	67,425	37,443
<b>Total equity</b>	<b>594,015</b>	<b>499,828</b>
<b>Total equity and liabilities</b>	<b>10,018,863</b>	<b>11,236,722</b>

### SUMMARY STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021

	2021	2020
Profit before income tax	32,406	13,939
<i>Adjustments for:</i>		
Depreciation and amortisation	26,806	29,068
Impairment losses on loans and advances	8,455	4,802
Impairment losses on other financial assets	35,926	17,250
Net Interest income	(304,432)	(222,212)
Fair value changes on staff loan recognised in profit or loss	2,438	1,155
Unrealised exchange loss on lease liability	3,524	6,779
Profit on disposal	(99)	(92)
Fair value gains on trading assets	(2,796)	-
	<b>(197,771)</b>	<b>(149,312)</b>
<i>Changes in:</i>		
Loans and advances to customers	(109,585)	(330,768)
Other assets	37,350	30,819
Investment securities	58,712	(705,548)
Non-pledged trading assets	59,340	989,976
Deposits from customers	(33,682)	490,157
Borrowed funds	154,165	88,866
Other liabilities	(98,060)	134,610
Mandatory cash reserve	2,695	(49,016)
<b>Cash flow used in operations</b>	<b>70,935</b>	<b>649,096</b>
Interest received	201,861	556,133
Interest paid	(67,563)	(312,926)
Corporate taxes paid	(4,811)	(13,714)
	<b>129,487</b>	<b>229,493</b>
<b>Net cash flow used in operating activities</b>	<b>2,652</b>	<b>729,277</b>
<b>Cash flow from investing activities</b>		
Acquisition of property and equipment	(27,248)	(27,165)
Acquisition of intangible assets	(4,062)	11,001
<b>Net cash flow generated from investing activities</b>	<b>(31,309)</b>	<b>(16,165)</b>
<b>Cash flow from financing activities</b>		
Payment of principal portion of lease liabilities	(11,284)	(19,363)
<b>Net cash flow generated from financing activities</b>	<b>(11,284)</b>	<b>(19,363)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(39,942)</b>	<b>693,749</b>
Balance at 1 January	769,178	399,226
<b>Cash and cash equivalents at 30 June</b>	<b>729,237</b>	<b>1,092,975</b>

### SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021

	Stated Capital	Retained earnings	Statutory reserve	Fair value reserve	Total
<b>Balance at 1 January 2021</b>	450,000	34,844	57,684	21,020	563,548
Profit for the period	-	19,482	-	-	19,482
Fair value adjustment on investment securities	-	-	-	10,985	10,985
<b>Total comprehensive income for the year</b>	-	19,482	-	10,985	30,467
<b>Regulatory and other reserve transfers</b>					
Transfer to statutory reserve	-	(9,741)	9,741	-	-
<b>Net transfer to reserves</b>	-	(9,741)	9,741	-	-
<b>Balance at 30 June 2021</b>	<b>450,000</b>	<b>44,585</b>	<b>67,425</b>	<b>32,005</b>	<b>594,015</b>
<b>Balance at 1 January 2020</b>	450,000	11,684	34,524	(2,464)	493,743
Profit for the period	-	5,839	-	-	5,839
Fair value adjustment on investment securities	-	-	-	246	246
<b>Total comprehensive income for the period</b>	-	5,839	-	246	6,085
<b>Regulatory and other reserve transfers</b>					
Transfer to statutory reserve	-	(2,919)	2,919	-	-
<b>Net transfer to reserves</b>	-	(2,919)	2,919	-	-
<b>Balance at 30 June 2020</b>	<b>450,000</b>	<b>14,603</b>	<b>37,443</b>	<b>(2,218)</b>	<b>499,828</b>

# Consolidated Bank (Ghana) Limited

## Unaudited Summary Financial Statements

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



**CBG**  
CONSOLIDATED BANK GHANA LTD.

### 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 Bank's financial statements have been prepared on a historical cost basis and 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).

#### 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, 2020. 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.

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.

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.

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 and Cyber & Information Security Committees 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:

	June 2021	June 2020
Non-performing loan ratio	0.11%	0.06%
Capital Adequacy Ratio	19.8%	20.7%
Common equity tier 1 ratio	18.2%	20.6%
Leverage ratio	4.7%	3.7%
Liquidity ratio	72.4%	71.0%
Default in statutory liquidity (Times)	Nil	Nil
Default in statutory liquidity Sanctions	Nil	Nil

#### 7. CONTINGENT LIABILITIES

	June 2021	June 2020
Letters of credit	339,145	265,318
Letters of guarantee	114,675	84,678
Undrawn commitments	125,634	43,271
	<b>579,454</b>	<b>393,267</b>

#### 8. STATED CAPITAL

	June 2021		June 2020	
	No. of shares	Proceeds	No. of shares	Proceeds
Authorised	100,000,000		100,000,000	
Issued and fully paid up capital				
Ordinary shares of no par value	100,000	450,000	100,000	450,000

**Welbeck Abra-Appiah**  
(Chairman)

**Daniel Wilson Addo**  
(Managing Director)