

Consolidated Bank (Ghana) Limited

Unaudited 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 2022

	2022	2021
Interest income	376,257	367,527
Interest expense	(225,024)	(216,145)
Net interest income	151,233	151,382
Fee and commission income	27,989	16,080
Fee and commission expense	(984)	(1,975)
Net fee and commission income	27,005	14,106
Net trading income	33,598	13,830
Other operating income	96	116
Operating income	211,931	179,434
Impairment losses on financial assets	(12,321)	(21,888)
Personnel expenses	(102,376)	(78,231)
Depreciation and amortisation	(16,081)	(12,231)
Other expenses	(65,533)	(53,115)
Profit before income tax	15,620	13,970
Income tax charge	(7,931)	(3,492)
Financial sector recovery levy	(781)	-
National fiscal stabilisation levy	(781)	(698)
Profit for the year	6,127	9,779
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	4,451	28,536
Deferred income tax charge relating to other comprehensive income items	(1,113)	(7,134)
	3,338	21,402
Total comprehensive income	9,465	31,181

SUMMARY UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	2022	2021
ASSETS		
Cash and bank balances	1,565,501	1,008,709
Investment securities	5,188,575	6,681,792
Non-pledged trading assets	1,652,989	1,065,511
Loans and advances to customers	1,622,808	933,991
Intangible assets	32,938	29,442
Right-of-use assets	60,406	83,882
Property and equipment	147,685	120,899
Deferred income tax assets	17,413	1,089
Other assets	142,751	161,639
Total assets	10,431,066	10,086,957
LIABILITIES		
Deposits from customers	6,369,272	7,026,868
Borrowed funds	2,454,095	1,548,608
Lease liabilities	73,404	97,699
Other liabilities	723,286	810,965
Current income tax liability	-	8,089
Total liabilities	9,620,056	9,492,229
EQUITY		
Stated capital	627,784	450,000
Retained earnings	74,038	39,733
Fair value reserve	12,310	42,422
Statutory reserve	96,878	62,573
Total equity	811,010	594,728
Total equity and liabilities	10,431,066	10,086,957

SUMMARY UNAUDITED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2022

	2022	2021
Profit before income tax	15,620	13,970
<i>Adjustments for:</i>		
Depreciation and amortisation	16,081	12,231
Impairment losses on financial assets	12,321	21,888
Net interest income	(151,233)	(151,382)
Unrealised exchange losses on leases	1,831	1,831
Profit on disposal	20	-
Fair value changes recognised in profit or loss (staff loan)	1,691	1,270
	(103,667)	(100,192)
<i>Changes in:</i>		
Loans and advances to customers	(315,485)	(72,255)
Other assets	(20,687)	26,251
Investment securities	1,540,260	378,966
Non-pledged trading assets	(675,487)	(226,294)
Deposits from customers	(381,803)	160,750
Mandatory cash reserve	30,544	(12,860)
Borrowed funds	27,300	(66,022)
Other liabilities	28,258	(91,102)
Cash flow used in operations	129,235	(2,758)
Interest received	374,566	528,064
Interest paid	(223,193)	(59,498)
Taxes and levies paid	(5,704)	-
Net cash flow used in operating activities	274,904	465,808
Cash flow from investing activities		
Acquisition of property and equipment	(5,908)	(8,017)
Proceeds from disposal of property and equipment	175	-
Acquisition of intangible assets	(6,068)	(3,163)
Net cash flow generated from investing activities	(11,802)	(11,180)
Cash flow from financing activities		
Payment of principal portion of lease liabilities	(5,181)	(6,021)
Net cash flow generated from financing activities	(5,181)	(6,021)
Net increase in cash and cash equivalents	257,921	448,607
Balance at beginning of the year	796,638	769,179
Cash and cash equivalents at 31 March	1,054,559	1,217,786

SUMMARY UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2022

	Stated Capital	Retained earnings	Statutory reserve	Fair value reserve	Total
Balance at 1 January 2022	627,784	70,974	93,815	8,972	801,545
Profit for the period		6,127			6,127
Fair value adjustment on investment securities				3,338	3,338
Total comprehensive income for the year	-	6,127	-	3,338	9,465
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	(3,063)	3,063	-	-
Net transfer to reserves	-	(3,063)	3,063	-	-
Balance at 31 March 2022	627,784	74,038	96,878	12,310	811,010
Balance at 1 January 2021	450,000	34,844	57,684	21,020	563,548
Profit for the period		9,779			9,779
Fair value adjustment on investment securities	-			21,402	21,402
Total comprehensive income for the year	-	9,779	-	21,402	31,181
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	(4,889)	4,889	-	-
Net transfer to reserves	-	(4,889)	4,889	-	-
Balance at 31 March 2021	450,000	39,733	62,573	42,422	594,728

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



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. 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 :

	March 2022	March 2021
Non-performing loan ratio	0.73%	0.08%
Capital adequacy ratio	20.08%	19.14%
Common equity tier 1/RWA	19.73%	18.16%
Leverage ratio	6.16%	4.62%
Liquidity ratio	97.59%	59.44%
Default in statutory liquidity (times)	Nil	Nil
Default in statutory liquidity sanctions (GHS'000)	Nil	Nil

7. CONTINGENT LIABILITIES

	March 2022	March 2021
Letters of credit	569,361	209,745
Letters of guarantee	204,980	156,347
Undrawn commitments	36,001	117,702
	810,341	483,795

Welbeck Abra-Appiah
(Chairman)

Daniel Wilson Addo
(Managing Director)

Business Loans

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