

Consolidated Bank Ghana Limited

Unaudited Financial Statements for the six months ended June 30, 2019

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



UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

| ASSETS | |
|-------------------------------------|------------------|
| Cash and cash equivalents | 169,487 |
| Investment securities | 7,813,883 |
| Loans and advances to customers | 23,384 |
| Deferred income tax | 5,177 |
| Property and equipment | 112,801 |
| Intangible assets | 7,153 |
| Other assets | 182,657 |
| Total assets | 8,314,542 |
| LIABILITIES | |
| Deposits from customers | 6,277,642 |
| Due to other banks | 1,138,000 |
| Other liabilities | 430,658 |
| Total liabilities | 7,846,300 |
| EQUITY | |
| Stated capital | 450,000 |
| Statutory Reserve | 20,541 |
| Income surplus | (2,299) |
| Total equity | 468,242 |
| Total liabilities and equity | 8,314,542 |

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2019

| | |
|--|---------------|
| Interest income | 545,538 |
| Interest expense | (321,763) |
| Net interest income | 223,775 |
| Fee and commission income | 17,529 |
| Fee and commission expenses | (12) |
| Net fee and commission income | 17,516 |
| Net trading income | 33,405 |
| Total Operating income | 274,697 |
| Net impairment loss on financial instruments | (572) |
| Personnel expenses | (101,474) |
| Depreciation and amortisation | (16,723) |
| Other expenses | (105,534) |
| Profit before income tax | 50,394 |
| Income tax expense | (6,792) |
| National fiscal stabilisation levy | (2,520) |
| Profit for the period | 41,082 |
| Other comprehensive income, net of tax | - |
| Total comprehensive income | 41,082 |

UNAUDITED CHANGES IN EQUITY AS AT JUNE 30, 2019

| | Stated capital | Statutory reserve | Credit reserve | Income Surplus | Total |
|---------------------------------|----------------|-------------------|----------------|----------------|---------|
| Balance at 1 January 2019 | 450,000 | - | - | (22,840) | 427,160 |
| Profit for the period | | | | 41,082 | 41,082 |
| Transfer to statutory reserve | | 20,541 | - | (20,541) | - |
| Transfer to credit risk reserve | - | - | - | - | - |
| Balance at 30 June 2019 | 450,000 | 20,541 | - | (2,299) | 468,242 |

UNAUDITED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED JUNE 30, 2019

| | |
|--|--------------------|
| Profit before income tax | 50,394 |
| <i>Adjustments for:</i> | |
| Depreciation | 16,723 |
| Impairment loss on financial assets | 572 |
| <i>Changes in:</i> | |
| Loans and advances | (19,838) |
| Other assets | (81,100) |
| Customer deposits | 765,328 |
| Other liabilities | 147,737 |
| Cash flow used in operations | 812,128 |
| Tax paid | (7,931) |
| Net cash flow used in operating activities | 821,492 |
| Cash flow from investing activities | |
| Purchase of property and equipment | (12,000) |
| Purchase of investment securities | (1,580,058) |
| Repayment of borrowings | (36,820) |
| Net cash flow generated from investing activities | (1,628,878) |
| Cash flow from financing activities | - |
| Net cash flow generated from financing activities | - |
| Net decrease in cash and cash equivalents | (756,992) |
| Balance at 1 January | 1,554,242 |
| Cash and cash equivalents at 31 December | 797,250 |
| Cash and cash equivalents: | |
| Cash and bank | 169,487 |
| Investment securities maturing within 90 days | 1,209,099 |
| Less mandatory deposits | (581,336) |
| | 797,250 |

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, 1963 (Act 179) 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.

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 :

June 2019

| | |
|--|------|
| Non-performing loan ratio (BoG/IFRS) | 0.0% |
| Capital Adequacy Ratio | 129% |
| Default in statutory liquidity (Times) | Nil |
| Default in statutory liquidity Sanctions | Nil |

4. CONTINGENT LIABILITIES

| | |
|---|---------------|
| Clean line facilities for letters of credit | 17,876 |
| Letters of guarantee | 8,447 |
| | 26,323 |

Welbeck Abra-Appiah
(Chairman)

Daniel Wilson Addo
(Managing Director)

