

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 2020	30 JUNE 2019
Interest income	464,801	545,538
Interest expense	(242,590)	(321,763)
Net interest income	222,212	223,775
Fee and commission income	25,059	17,529
Fee and commission expense	(2,531)	(12)
Net fee and commission income	22,528	17,516
Net trading income	18,358	33,405
Other income	3,990	-
Operating income	267,088	274,697
Impairment loss on financial assets	(22,052)	(572)
Personnel expenses	(122,605)	(101,474)
Depreciation and amortisation	(15,509)	(16,723)
Other expenses	(92,983)	(105,534)
Profit before income tax	13,939	50,394
Income tax charge	(7,697)	(6,792)
National fiscal stabilisation levy	(403)	(2,520)
Profit for the period	5,839	41,082
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	328	-
Deferred income tax relating to other comprehensive income item	(82)	-
	246	-
Total comprehensive income	6,085	41,082

SUMMARY STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED

	30 JUNE 2020	30 JUNE 2019
Profit before income tax	13,939	50,394
<i>Adjustments for:</i>		
Depreciation and amortisation	15,509	16,723
Impairment loss on financial assets	22,052	572
<i>Changes in:</i>		
Loans and advances to customers	(330,768)	(19,838)
Other assets	30,819	(81,100)
Deposits from customers	490,157	765,328
Due to other banks	88,866	(36,820)
Other liabilities	134,610	147,737
Cash flow generated from operations	465,184	842,997
Tax paid	(13,714)	(7,931)
Net cash flow generated from operating activities	451,470	835,066
Cash flow from investing activities		
Acquisition of property and equipment	(16,164)	(12,000)
Purchases of investment securities maturing over 91 days	(1,999,713)	(1,580,058)
Proceeds from redemption of investment securities	2,627,846	-
Net cash flow generated from investing activities	611,968	(1,592,058)
Cash flow from financing activities		
Payment of principal portion of lease liabilities	(19,363)	-
Net cash flow used in financing activities	(19,363)	-
Net increase in cash and cash equivalents	1,044,074	(756,992)
Balance at 1 January	399,226	1,554,242
Cash and cash equivalents at 30 June	1,443,300	797,250

UNAUDITED SUMMARY STATEMENT OF FINANCIAL POSITION AS AT

	30 JUNE 2020	30 JUNE 2019
ASSETS		
Cash and cash equivalents	994,883	169,487
Investment securities	5,383,887	7,813,883
MFI and S&L bond	4,000,000	-
Loans and advances to customers	558,646	23,384
Intangible assets	21,967	7,153
Right-of-use asset	95,580	-
Property and equipment	98,033	112,801
Deferred income tax assets	6,266	5,177
Other assets	77,214	182,657
Total assets	11,236,476	8,314,542
LIABILITIES		
Deposits from customers	5,586,507	6,277,642
Due to other banks	787,150	1,138,000
MFI and S&L holding account	3,597,973	-
Lease liabilities	89,208	-
Other liabilities	676,057	430,658
Total liabilities	10,736,894	7,846,300
EQUITY		
Stated capital	450,000	450,000
Retained earnings	14,357	(2,299)
Fair value reserve	(2,218)	-
Statutory reserve	37,443	20,541
Total equity	499,582	468,242
Total equity and liabilities	11,236,476	8,314,542

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2020

	Stated Capital	Retained earnings	Statutory reserve	Fair value reserve	Total
Balance at 1 January 2020	450,000	11,684	34,524	(2,464)	493,743
Profit for the period	-	5,839	-	-	5,839
Fair value reserve	-	(246)	-	246	-
Total comprehensive income for the period	450,000	17,277	34,524	(2,218)	499,582
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	(2,919)	2,919	-	-
Net transfer to reserves	-	(2,919)	2,919	-	-
Balance at 30 June 2020	450,000	14,357	37,443	(2,218)	499,582
Balance at 1 January 2019	450,000	(22,840)	-	-	427,160
Profit for the period	-	41,082	-	-	41,082
Fair value reserve	-	-	-	-	-
Total comprehensive income for the period	450,000	18,242	-	-	468,242
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	(20,541)	20,541	-	-
Net transfer to reserves	-	-	-	-	-
Balance at 30 June 2019	450,000	(2,299)	20,541	-	468,242

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. 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.

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.

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 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 2020	June 2019
Non-performing loan ratio	0.06%	0.0%
Capital Adequacy Ratio	20.72%	33.1%
Default in statutory liquidity (Times)	Nil	Nil
Default in statutory liquidity Sanctions	Nil	Nil

4. CONTINGENT LIABILITIES

	June 2020	June 2019
Letters of credit	265,318	17,876
Letters of guarantee	84,678	8,447
	<u>349,996</u>	<u>26,323</u>



Welbeck Abra-Appiah
(Chairman)



Daniel Wilson Addo
(Managing Director)

