

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2022

	2022	2021
Interest income	1,724,198	1,485,497
Interest expense	(1,109,086)	(861,115)
Net interest income	615,112	624,382
Fee and commission income	149,689	88,012
Fee and commission expense	(13,041)	(8,260)
Net fee and commission income	136,648	79,752
Net trading income	191,213	69,914
Other operating income	3,780	4,639
Operating income	946,753	778,687
Impairment losses on loans and advances	(301,727)	(21,687)
Impairment losses on other financial assets	(1,809,310)	(48,377)
Personnel expenses	(428,089)	(332,753)
Depreciation and amortisation	(72,538)	(55,305)
Other expenses	(341,212)	(217,909)
(Loss)/profit before income tax	(2,006,123)	102,656
Income tax credit/ (charge)	500,667	(21,412)
Financial sector recovery levy	-	(3,850)
National fiscal stabilisation levy	-	(5,133)
(Loss)/profit for the year	(1,505,456)	72,261
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	(11,962)	(16,064)
Deferred income tax credit relating to other comprehensive income items	2,990	4,016
	(8,972)	(12,048)
Total comprehensive (loss)/income	(1,514,428)	60,213

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
(Loss)/Profit before income tax	(2,006,123)	102,656
<i>Adjustments for:</i>		
Depreciation and amortisation	72,538	55,305
Impairment losses on loans and advances	301,727	21,687
Impairment losses on other financial assets	1,809,310	48,377
Net interest income	(615,112)	(624,382)
Profit on disposal	(103)	(110)
Interest expense on lease liabilities	5,760	4,452
Unrealised exchange losses on leases	27,019	3,636
	(404,984)	(388,379)
<i>Changes in:</i>		
Loans and advances to customers	(1,026,595)	(490,431)
Other assets	(65,080)	17,320
Investment securities	412,611	113,983
Non-pledged assets	971,140	(127,255)
Deposits from customers	1,085,716	(115,043)
Mandatory cash reserve	(545,342)	(342,797)
Borrowed funds	202,280	812,166
Other liabilities	46,139	66,712
Cash flow generated from/(used in) operations	675,885	(453,724)
Interest received	1,718,438	1,480,938
Interest paid	(1,103,326)	(856,663)
Taxes and levies paid	(33,857)	(40,255)
Net cash flow generated from operating activities	1,257,140	130,296
Cash flow from investing activities		
Acquisition of property and equipment	(84,847)	(45,755)
Proceeds from disposal of property and equipment	259	164
Acquisition of intangible assets	(4,175)	(12,483)
Net cash flow used in investing activities	(88,763)	(58,074)
Cash flow from financing activities		
Payment of principal portion of lease liabilities	(36,453)	(44,763)
Net cash flow used in financing activities	(36,453)	(44,763)
Net increase in cash and cash equivalents	1,131,924	27,459
Balance at beginning of the year	796,638	769,179
Cash and cash equivalents at 31 December	1,928,562	796,638

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	2022	2021
ASSETS		
Cash and bank balances	1,435,682	1,332,426
Investment securities	6,119,974	6,731,794
Non-pledged trading assets	-	971,140
Loans and advances to customers	2,056,142	1,330,480
Intangible assets	37,533	30,217
Right-of-use assets	97,477	68,308
Property and equipment	189,714	146,608
Current income tax asset	9,251	223
Deferred income tax assets	539,512	17,507
Other assets	131,083	122,461
Total assets	10,616,368	10,751,164
LIABILITIES		
Deposits from customers	7,836,791	6,751,075
Borrowed funds	2,629,076	2,426,796
Lease liabilities	124,094	78,585
Other liabilities	739,290	693,163
Total liabilities	11,329,251	9,949,619
EQUITY		
Stated capital	627,784	627,784
Retained earnings	(1,434,482)	70,974
Fair value reserve	-	8,972
Statutory reserve	93,815	93,815
Total equity	(712,883)	801,545
Total equity and liabilities	10,616,368	10,751,164

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 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
Loss for the year		(1,505,456)			(1,505,456)
Fair value adjustment on investment securities				(8,972)	(8,972)
Total comprehensive loss for the year	-	(1,505,456)	-	(8,972)	(1,514,428)
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	-	-	-	-
Net transfer to reserves	-	-	-	-	-
Transactions with owners					
Additional capital issued	-				-
Net Transactions with owners	-	-	-	-	-
Balance at 31 December 2022	627,784	(1,434,482)	93,815	-	(712,883)
	Stated Capital	Retained earnings	Statutory reserve	Fair value reserve	Total
Balance at 1 January 2021	450,000	34,844	57,684	21,020	563,548
Profit for the period		72,261			72,261
Fair value adjustment on investment securities				(12,048)	(12,048)
Total comprehensive income for the year		72,261		(12,048)	60,213
Regulatory and other reserve transfers					
Transfer to statutory reserve	-	(36,131)	36,131	-	-
Net transfer to reserves	-	(36,131)	36,131	-	-
Transactions with owners					
Additional capital issued	177,784				177,784
Net Transactions with owners	177,784	-	-	-	177,784
Balance at 31 December 2021	627,784	70,974	93,815	8,972	801,545

REPORT OF THE DIRECTORS

The Directors have the pleasure in presenting their report and the summary financial statements for the period ended 31 December 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Bank's directors are responsible for the preparation of the financial statements that give a true and fair view of Consolidated Bank (Ghana) Limited's financial position at 31 December 2022, and of the profit or loss and cash flows for the period then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, 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 directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

PRINCIPAL ACTIVITIES

The Bank is licensed to carry out universal banking business in Ghana, and there was no change in the nature of the Bank's business during the period.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Bank were approved by the Board of Directors on 25 April, 2023.

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).

The summary financial statements in this publication is an extract from the financial statements for the year ended 31 December 2022. The full set of the financial statements are available for inspection at the Bank's Head Office at 1st Floor Manet Tower 3, Airport City, Accra.

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, 2022. 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 non-derivative financial instruments.

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:

	2022	2021
Non-performing loan ratio	19.34%	0.71%
Capital Adequacy Ratio	(4.5%)	21.64%
Common equity tier 1/RWA	(4.5%)	21.36%
Leverage ratio	(1.85%)	6.06%
Liquidity ratio	87%	83%
Default in statutory liquidity (Times)	3	1
Default in statutory liquidity Sanctions (GH¢)	-	42,755

7. CONTINGENT LIABILITIES

	2022	2021
Letters of credit	288,757	478,752
Letters of guarantee	358,218	305,111
Undrawn commitments	30,567	52,910
	677,542	836,773

8. CORPORATE SOCIAL RESPONSIBILITIES

The Bank spent a total of GH¢3,627,847 (2021: GH¢3,055,435) on corporate social responsibilities during the year. These are mainly in the form of sponsorships in the areas of agriculture, education, health, security and social partnerships.

The financial statements do not contain any untrue statements, misleading facts or omit material facts to the best of our knowledge.



Welbeck Abra-Appiah
(Chairman)



Daniel Wilson Addo
(Managing Director)

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF CONSOLIDATED BANK (GHANA) LIMITED

OUR OPINION

In our opinion, the accompanying summary financial statements of Consolidated Bank (Ghana) Limited (the "Bank"), are consistent, in all material respects, with the audited financial statements of the Bank for the year ended 31 December 2022, on the basis described in the notes.

THE SUMMARY FINANCIAL STATEMENTS

The Bank's summary financial statements derived from the audited financial statements for the period ended 31 December 2022 comprise:

- the summary statement of financial position as at 31 December 2022;
- the summary statement of comprehensive income for the year then ended;
- the summary statement of changes in equity for the year then ended;
- the summary statement of cash flows for the year then ended; and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited financial statements in our report dated 26 April 2023. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary financial statements on the basis described in the notes.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

The engagement partner on the audit resulting in this independent auditor's report is Michael Asiedu-Antwi (ICAG/P/1138).



PricewaterhouseCoopers
PricewaterhouseCoopers (ICAG/F/2023/028)
 Chartered Accountants
 Accra, Ghana
 26 April 2023