

# **CAL BANK LIMITED**

**UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2014**

**CAL BANK LIMITED**
**UN-AUDITED CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2014**
*in thousands of Ghana Cedis*

	The Bank		The Group	
	2014	2013	2014	2013
Interest Income	246,414	195,610	248,725	195,854
Interest Expense	(119,005)	(88,335)	(118,868)	(87,960)
<b>Net Interest Income</b>	<b>127,409</b>	<b>107,275</b>	<b>129,857</b>	<b>107,894</b>
Fees and Commissions Income	40,048	23,356	40,037	23,356
Fees and Commissions Expense	(2,131)	(1,268)	(2,131)	(1,268)
<b>Net Fees and Commissions</b>	<b>37,917</b>	<b>22,088</b>	<b>37,906</b>	<b>22,088</b>
Net Trading Income	64,388	16,028	64,577	17,047
Other Income	6,360	7,683	8,459	9,582
	<b>70,748</b>	<b>23,711</b>	<b>73,036</b>	<b>26,629</b>
<b>Total Income</b>	<b>236,074</b>	<b>153,074</b>	<b>240,799</b>	<b>156,610</b>
Credit Loss Expenses	(15,350)	(11,100)	(15,350)	(11,100)
<b>Net Operating Income</b>	<b>220,724</b>	<b>141,974</b>	<b>225,449</b>	<b>145,511</b>
Staff Costs	(44,453)	(32,237)	(45,591)	(33,145)
Administration and General Expenses	(24,743)	(18,291)	(25,462)	(18,660)
Depreciation and Amortisation	(3,995)	(2,700)	(4,053)	(2,743)
<b>Total Operating Expenses</b>	<b>(73,191)</b>	<b>(53,228)</b>	<b>(75,106)</b>	<b>(54,548)</b>
<b>Profit Before Income Tax</b>	<b>147,533</b>	<b>88,746</b>	<b>150,343</b>	<b>90,963</b>
Income Tax Expense	(36,883)	(22,186)	(37,580)	(22,609)
National Fiscal Stabilization levy	(7,377)	(1,696)	(7,481)	(1,696)
<b>Profit For The Period</b>	<b>103,273</b>	<b>64,864</b>	<b>105,282</b>	<b>66,658</b>
Basic Earnings Per Share (Ghana Cedis per share)	0.1884	0.1183	0.1920	0.1216
Diluted Earnings Per Share (Ghana Cedis per share)	0.1884	0.1183	0.1920	0.1216

**CAL BANK LIMITED**
**UN-AUDITED CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2014**
*in thousands of Ghana Cedis*

	The Bank		The Group	
	2014	2013	2014	2013
Interest Income	93,461	68,853	94,332	69,510
Interest Expense	(43,999)	(30,919)	(43,896)	(30,914)
<b>Net Interest Income</b>	<b>49,462</b>	<b>37,934</b>	<b>50,436</b>	<b>38,596</b>
Fees and Commissions Income	12,095	7,743	12,086	7,743
Fees and Commissions Expense	(651)	(386)	(651)	(386)
<b>Net Fees and Commissions</b>	<b>11,444</b>	<b>7,357</b>	<b>11,435</b>	<b>7,357</b>
Net Trading Income	37,868	8,295	37,699	8,506
Other Income	653	1,371	1,554	1,938
	<b>38,521</b>	<b>9,666</b>	<b>39,253</b>	<b>10,444</b>
<b>Total Income</b>	<b>99,427</b>	<b>54,957</b>	<b>101,124</b>	<b>56,397</b>
Credit Loss Expenses	(8,561)	(2,337)	(8,561)	(2,337)
<b>Net Operating Income</b>	<b>90,866</b>	<b>52,620</b>	<b>92,563</b>	<b>54,060</b>
Staff Costs	(17,502)	(11,073)	(17,923)	(11,367)
Administration and General Expenses	(10,033)	(6,691)	(10,335)	(6,851)
Depreciation and Amortisation	(1,650)	(930)	(1,669)	(944)
<b>Total Operating Expenses</b>	<b>(29,185)</b>	<b>(18,694)</b>	<b>(29,927)</b>	<b>(19,162)</b>
<b>Profit Before Income Tax</b>	<b>61,681</b>	<b>33,926</b>	<b>62,636</b>	<b>34,898</b>
Income Tax Expense	(15,420)	(8,481)	(16,174)	(8,683)
<b>Profit Attributable to Equity Holders</b>	<b>43,177</b>	<b>23,749</b>	<b>43,330</b>	<b>24,470</b>

**CAL BANK LIMITED****UN-AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2014***in thousands of Ghana Cedis*

	<b>The Bank</b>		<b>The Group</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Profit for the Period</b>	103,273	64,864	105,282	66,658
<b>Other comprehensive Income</b>				
Available-For-Sale Financial Assets	(5)	22	(5)	22
<b>Total Comprehensive Income for the Period</b>	<b>103,268</b>	<b>64,886</b>	<b>105,277</b>	<b>66,680</b>

**CAL BANK LIMITED****UN-AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2014***in thousands of Ghana Cedis*

	The Bank		The Group	
	2014	2013	2014	2013
<b>Assets</b>				
Cash and balances with Bank of Ghana	184,456	105,805	184,456	105,805
Items in Course of Collection from Other Banks	13,220	15,073	13,220	15,073
Investment in Government Securities	584,794	232,838	585,033	233,091
Due from Banks and Other Financial Institutions	151,658	44,203	157,413	48,331
Loans and Advances to Customers	1,200,146	960,269	1,200,146	960,269
Investment in Other Securities	0	0	1,550	1,306
Investment in Subsidiaries	2,028	1,128	0	0
Other Assets	29,511	13,899	31,796	15,346
Deferred Tax Assets	1,921	4,612	1,921	4,612
Property, Plant and Equipment	62,356	42,707	62,442	42,837
<b>Total Assets</b>	<b>2,230,090</b>	<b>1,420,532</b>	<b>2,237,977</b>	<b>1,426,668</b>
<b>Liabilities</b>				
Customer Deposits	926,108	742,110	926,098	742,100
Due to Banks and Other Financial Institutions	32,614	25,179	32,740	23,796
Borrowings	828,414	340,900	828,414	340,900
Accruals and Other Liabilities	73,682	50,043	74,132	52,134
Current Tax Liabilities	12,181	8,602	12,318	8,628
<b>Total Liabilities</b>	<b>1,872,999</b>	<b>1,166,834</b>	<b>1,873,702</b>	<b>1,167,558</b>
<b>Shareholders' Equity</b>				
Stated Capital	100,000	100,000	100,000	100,000
Statutory Reserve Fund	114,992	75,600	114,992	75,600
Capital Surplus	21,048	19,442	20,651	19,045
Retained Earnings	98,382	43,732	105,963	49,541
Other Reserves	22,669	14,924	22,669	14,924
<b>Total Shareholders' Equity</b>	<b>357,091</b>	<b>253,698</b>	<b>364,275</b>	<b>259,110</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,230,090</b>	<b>1,420,532</b>	<b>2,237,977</b>	<b>1,426,668</b>

**CAL BANK LIMITED****UN-AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2014***in thousands of Ghana Cedis*

<b>The Bank</b>	<b>Stated Capital</b>	<b>Statutory Reserve</b>	<b>Capital Surplus</b>	<b>Retained Earnings</b>	<b>Fair Value Reserve</b>	<b>Regulatory Credit Risk Reserve</b>	<b>Total</b>
Opening Balance at 1st January	100,000	89,173	21,048	52,177	(3,805)	23,599	<b>282,192</b>
Transfer to/ from Reserves		25,819		(28,699)		2,881	<b>0</b>
Dividends paid to equity holders				(29,069)			<b>(29,069)</b>
Total Comprehensive Income for the Period				103,273	(5)		<b>103,268</b>
<b>Closing Balance at 31st March</b>	<b>100,000</b>	<b>114,992</b>	<b>21,048</b>	<b>98,382</b>	<b>(3,810)</b>	<b>26,480</b>	<b>357,091</b>

  

<b>The Group</b>	<b>Stated Capital</b>	<b>Statutory Reserve</b>	<b>Capital Surplus</b>	<b>Income Surplus</b>	<b>Fair Value Reserve</b>	<b>Credit Risk Reserve</b>	<b>Total</b>
Opening Balance at 1st January	100,000	89,173	20,651	57,421	(3,805)	23,599	<b>287,039</b>
Transfer to/ from Reserves		25,819		(28,699)		2,881	<b>0</b>
Dividends paid to equity holders				(28,742)			<b>(28,742)</b>
Total Comprehensive Income for the Period				105,282	(5)		<b>105,277</b>
<b>Closing Balance at 31st March</b>	<b>100,000</b>	<b>114,992</b>	<b>20,651</b>	<b>105,963</b>	<b>(3,810)</b>	<b>26,480</b>	<b>364,275</b>

**CAL BANK LIMITED**
**UN-AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2014**
*in thousands of Ghana Cedis*

	<b>The Group</b>	
	<b>2014</b>	<b>2013</b>
<b>Profit Before Tax for the Period</b>	<b>150,343</b>	<b>90,963</b>
<b>Adjustments for:</b>		
Depreciation And Amortisation	4,053	2,743
Impairment on Financial Assets	15,350	11,100
Profit on Sale of Property and Equipment	0	(36)
Dividend Received	(42)	(49)
Change in Fair Value of Investment Securities Recognised in Income Statement	42	(775)
Employee Benefit Expenses	199	55
Accretion of Deferred Income	(1,653)	(93)
	<b>168,293</b>	<b>103,908</b>
Change in Investment Portfolio	(308,372)	7,633
Change in Loans and Advances to Customers	(234,426)	(223,497)
Change in Other Assets	(17,147)	(2,499)
Change in Customer Deposits	111,397	20,967
Change in Amounts Due to Banks and Other Financial Institutions	(1,859)	(64,092)
Change in Accruals and Other Liabilities	46,234	44,398
Income Tax Paid	(32,393)	(17,063)
<b>Net Cash Flows from Operating Activities</b>	<b>(268,275)</b>	<b>(130,245)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of Property and Equipment	(19,192)	(10,049)
Proceeds from Sale of Equipment	0	36
Change in Treasury Shares	1	3,914
<b>Net Cash Used in Investing Activities</b>	<b>(19,191)</b>	<b>(6,099)</b>
<b>Cash Flows from Financing Activities</b>		
Dividend Income	42	49
Dividends Paid	(28,742)	(19,162)
Net Changes in Borrowings	428,686	202,963
<b>Net Cash from Financing Activities</b>	<b>399,986</b>	<b>183,850</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>112,520</b>	<b>47,507</b>
<b>Analysis of Changes in Cash and Cash Equivalents for the Period</b>		
Cash and Cash Equivalents at 1st January	242,568	121,702
Net Change in Cash and Cash Equivalents	112,520	47,507
<b>Cash and Cash Equivalents at 30th September 2014</b>	<b>355,088</b>	<b>169,209</b>
<b>Analysis of Cash and Cash Equivalents for the Period Ended 30th September</b>		
Cash and Balances with Bank of Ghana	184,455	105,805
Due From Other Banks	157,413	48,331
Items in Course of Collection from Other Banks	13,220	15,073
<b>Total Cash and Cash Equivalents at 30th September 2014</b>	<b>355,088</b>	<b>169,209</b>
<b>Operational cash flows from interest</b>		
Interest paid	86,361	66,264
Interest received	237,186	186,736

## SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed for the period ended 30th September, 2014 are consistent with those followed in the financial statements for the year ended 31st December, 2013.

## QUANTITATIVE DISCLOSURES

		2014	2013
(i)	Capital Adequacy Ratio	23.0%	19.3%
(ii)	Non-Performing Loan Ratio	8.6%	5.8%

## QUALITATIVE DISCLOSURES

(i) The Bank's dominant risks are: credit risk, liquidity risk, market risk and operational risk

(ii) **Risk management framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. There are in place the Risk Management and Audit sub-committees of the Board and an established Asset and Liability committee (ALCO) which are responsible for developing and monitoring risk management policies in their specified areas.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The process followed in risk management for the period ended 30th September, 2014 are consistent with those followed for the year ended 31st December, 2013.

(iii)		2014	2013
	Default in Statutory Liquidity (Times)	Nil	Nil
	Default in Statutory Liquidity Sanction (GH¢'000)	Nil	Nil

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

**FRANK B. ADU JNR.**  
Managing Director

**PHILIP OWIREDU**  
Executive Director