



Q3-2013 Unaudited Results

ACCRA, GHANA - 30th October, 2013

CAL Bank, (Ghana Stock Exchange: CAL) is pleased to announce its unaudited results for the third quarter ended 30th September, 2013.

The Group's Financial Highlights for the Third Quarter 2013:

Continued momentum in Income & Profit growth

- Net Interest Income grew by 95.6% y/y from GH¢55.2m to GH¢107.9m driven by sustained loan book growth and improved yields on government securities as interest rates have risen.
- Net Fees and Commissions grew by 51.8% to GH¢22.1m (Q3 2012: GH¢14.6m) driven by volume increases in loans & advances as well as trade related activities.
- Net Trading Income rose to GH¢17.1m (Q3 2012: GH¢11.7m) owing to increased foreign exchange trade volumes.
- Other Income grew by 224.6% y/y from GH¢3.0m to GH¢9.6m driven largely by Corporate Finance activities.
- Total Income grew by 85.6% to GH¢156.6m y/y.
- Total Operating Expenses growth was contained at 66.6% y/y (GH¢32.8m to GH¢54.6m) compared to 85.6% growth in Total Income. Hence, Cost-to-income ratio improved to 34.8% from 38.8% the previous year.
- Staff cost growth of 81.2% y/y was due to a structured staff training and development drive in 2013 and performance-linked compensation. Market-based improvements in staff conditions of service were implemented to enhance staff retention.
- Credit Loss Expenses grew marginally by 13.1% to GH¢11.1m. This was due to the strengthening of loan monitoring teams that improve early identification & addressing of impaired loans.
- Profit before Tax grew 117.6% y/y to GH¢91m.

Pick up in asset growth over Q2-2013

- Total Assets grew by 39.4% y/y to GH¢1.4b driven largely by growth in loans & advances.
- Loans and Advances grew by 50.4% y/y to GH¢960.3m driven by energy and gas, mining and commerce sectors. A significant contribution to loan growth came from major mandates won in corporate finance loan syndications that the Bank also participated in.
- Fixed Asset growth from GH¢29.9m to GH¢42.8m y/y was driven by revaluation of landed property, opening of 1 additional branch with 2 more under construction (Total Branches 19) and the increase in total ATMs to 72.
- Customer deposits increased by 27.2% y/y to GH¢742.1m through deepened key corporate customer relationships, new customer acquisitions from new branch openings and from the “CAL Deposit and Win” Promotion held in Q3-2013.
- Total Liabilities increased by 38.8% y/y to GH¢1.2b from GH¢841m through additional long and short term borrowings.

Key Ratios - Improved Earnings and Returns

- Shareholders' funds of GH¢259.1m, an increase of 41.7% (GH¢182.8m in Q3'12).
- Return on Average Equity of 40.2% (31.1% in Q3'12).
- Return on Average Assets of 7.3% (4.7% Q3'12).
- Earnings per Share up 113% from GH¢0.0571 to GH¢ 0.1216 y/y.
- Share price appreciation year to date is 160.5%, currently trading at GH¢1.03.

Profit & Loss - Sustained NIM Expansion and Contained Costs

- Net Operating Income of GH¢145.5m, an increase of 95.2% (GH¢74.6m in Q3'12).
- Profit before Income Tax of GH¢90.9m, an increase of 117.6% (GH¢41.8m in Q3'12).
- Profit after Tax of GH¢66.7m, an increase of 113% (GH¢31.3m in Q3'12).
- Net Interest Margin of 13.6% (10.3% in Q3'12).
- Cost/Income Ratio decreased from 38.8% to 34.8% y/y.

Balance Sheet - Controlled Growth of Risk Assets

- Total assets of GH¢1.43b, an increase of 39.4% (GH¢1.0m in Q3'12).
- Net Loans & Advances of GH¢960.2m, an increase of 50.4% (GH¢ 638.4m in Q3'12).
- Customer Deposits increased by 27.2% to GH¢742.1m (GH¢583.5m in Q3'12).
- Capital Adequacy Ratio increased to 19.3% (17.4% in Q3'12).
- NPL Ratio decreased to 5.8% from 7.9% Q3'12.
- Loan to Deposit Ratio of 129.3% from 109.4% in Q3'12.

FOR FURTHER INFORMATION:**CAL Bank**

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Notes to the Editors:

The Bank commenced operations as a local merchant bank in 1990 with the sole aim of providing truly differentiated world-class banking solutions. CAL acquired a Universal Banking License in 2004 and in the same year undertook an initial public offer that was 4.5 times oversubscribed.

The operations of the Bank are backed by experienced managers in key functional areas with a combined experience of over 100 years in banking and finance. The CAL Bank team provides the required solutions to clients and is supported by a strong IT platform that has seen the Bank being recognized for its innovative products in ICT & Electronic Banking since 2007.

Operations and Subsidiaries

CAL Bank's growth strategy is to focus on the growing Ghanaian corporate business sector. Since 2006, the Bank has developed its retail banking operations with specialized products and services to serve the needs of its growing retail clientele. The Bank currently has three wholly owned subsidiaries. CAL Brokers Limited is a locally incorporated securities broker and a licensed dealing member of the Ghana Stock Exchange. CAL Asset Management Company Limited is licensed as a fund manager and investment advisor by the Securities & Exchange Commission of Ghana. CAL Bank Nominees Limited ("CAL Nominees") holds and administers assets as a custodian.

Branch Network

The Bank has embarked on an expansion program and will continue to expand its footprint by increasing the number of branches throughout the country. Internationally, CAL Bank benefits from strong correspondent banks all over the world. This enables us handle all international transactions quickly and effectively.

More information available at: www.calbank.net / www.calbank.investoreports.com