



Full Year Unaudited Results FY2012

ACCRA, GHANA - 1 February 2013

CAL Bank, (Ghana Stock Exchange: CAL) the Ghanaian universal bank which recently admitted private equity and development finance capital in a highly successful oversubscribed private placement, is pleased to announce its unaudited results for the full year ended December 31, 2012.

CAL Bank released its FY12 unaudited results with a Group EPS of GHS 0.0943, up 38.5% y/y as a result of the doubling of its Profit-after-tax during the period. As at 1st February 2013, the stock was trading at a PE and PB of 6x and 1.38x respectively against 4x and 0.94x at the end of the Q3-2012.

CEO of CAL Bank Frank Adu Jnr. commented: *"In 2012, our Group Total Income grew by 87.7% y/y to GHS 133.2m driven largely by loan book growth in the corporate sector and investments in government securities. Notably, Net interest income (NII) grew by 105.7% y/y to GHS 85.1m. Key drivers of NII growth were the 81.6% growth in Loans & Advances across business sectors and improved cost of funding, with an 8.6% drop in interest expense/interest income ratio from 45.4% to 41.5%. Overall Non-Interest Revenue (NIR) increased substantially by 62.5% y/y. Key NIR drivers were the 69.8% increase in fees & commissions from lending, trade finance activities, advisory fees through substantial mandates completed and a 48.9% increase in Trading (FX) Income."*

A Credit Loss Expense of GHS 17.5m was recorded in the period resulting from prudent credit reviews of the loan book. The 52.3% increase in credit loss expense is not incommensurate with the significant 81.6% expansion in the loan portfolio over the period. However, with this loan book growth, CAL's NPL ratio reduced to 5.0% in FY12 from 9.6% in the previous year, attesting to an improved quality of risk assets.

In terms of operating efficiency, there was considerable reduction in Cost-to-income ratio, from 50.9% in FY11 to 36.7% in FY12. Staff costs grew by 60.8% due to improved conditions of service for our staff and increased organizational training for our human resources to meet the demands of our future growth. However, the modest 35.3% y/y growth in Total operating costs, relative to Total income growth (87.7% y/y) was achieved through continued prudent cost management. Consequently, Profit-before-Tax (PBT) registered a remarkable growth of 186.2% y/y to GHS 66.8m.

CFO Mr. Philip Owiredu commented on the phenomenal increase in the Bank's balance sheet: *"Our Group Total asset size increased by GHS 43.7% to GHS 1.16 billion in FY12. The growth*

in Net loans and advances has resulted in a higher Loan-to-Deposit Ratio of 99.2% versus 72.5% in FY11. This ratio is well within the Bank's target, given CAL Bank's funding support from long term borrowings sourced from DFIs. With these excellent results, CAL's FY12 ROAA was 5.2% (2.6% in FY11) and ROAE was 35.0% (20.2% in FY11). Our excellent performance throughout 2012 and investor confidence in the Bank's ability to deliver on its defined future growth strategy is clearly reflecting in our soaring share price."

The Group's Financial Highlights – 31st December 2012

- Shareholders' Funds up 135.1% to GHS 207.7 million. (GHS 88.4 million in 2011)
- Capital Adequacy Ratio of 19.9%. (11.6 % in 2011)
- Cost/income ratio at 36.7%(50.9% in 2011)
- RoAE at 35.0% (20.2% in 2011)
- RoAA at 5.2%(2.6 % in 2011)
- NPL Ratio down to 5.0% from 9.6% in 2011

Profit & Loss – remarkable profit growth driven by Interest Income

- Net Operating Income of GHS 115.7 million, an increase of 94.5% (GHS 59.5 million in 2011)
- Profit before Tax of GHS 66.8 million an increase of 186.2% (GHS 23.4 million in 2011)
- Profit after Tax of GHS 51.7 million, an increase of 205.0% (GHS 16.9 million in 2011)

Balance Sheet – substantial balance sheet growth driven by risk assets

- Total assets of GHS 1.16 billion, an increase of 43.7%. (GHS 809.4 million in 2011)
- Net Loans and Advances of GHS 747.4 million, an increase of 81.6% (GHS 411.6 million in 2011)
- Customer Deposits up 29.9% to GHS 794.6 million (GHS 611.7 million in 2011)
- Loan/deposit ratio of 99.2% (72.5% in 2011)

FOR FURTHER INFORMATION:

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Notes to the Editors:

CAL Bank commenced operations in July 1990, and is considered to be one of the most innovative banks in Ghana.

The Bank mobilizes resources in world financial markets, and channels them to the Ghanaian market. In this way, CAL Bank supports the development of the national economy, focusing particularly on the manufacturing and export sectors.

With its highly skilled professional and motivated staff, CAL Bank plays an important role in the Ghanaian financial sector by providing wholesale banking services to corporate clients with sound financial bases and competent management. Much emphasis is placed on the economic viability and technical feasibility of each project, as well as the marketability of the client's products and services.

Having acquired a universal Banking License in 2004, CAL has included a retail-banking arm to its operations with specialized products and services to cater for the retail market. To complement retail banking and in line with its expansion programme, CAL is in the process of opening several branches in major cities and business districts in Ghana.

More information available at www.calbank.net