

CALBANK LIMITED
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018

CALBANK LIMITED

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2018

in thousands of Ghana Cedis

	2018		2017	
	Bank	Group	Bank	Group
Interest Income	367,935	367,935	328,467	329,509
Interest Expense	(183,036)	(181,506)	(167,167)	(166,694)
Net Interest Income	184,899	186,429	161,300	162,815
Fees and Commissions Income	28,826	28,826	24,189	24,185
Fees and Commissions Expense	(945)	(945)	(996)	(996)
Net Fees and Commission Income	27,881	27,881	23,193	23,189
Net Trading Income	9,331	9,485	33,261	33,283
Other Income	3,276	9,910	2,451	6,510
	12,607	19,395	35,712	39,793
Operating Income	225,387	233,705	220,205	225,797
Net Impairment Loss on Financial Assets	(21,499)	(21,499)	(34,656)	(34,656)
Personnel Expenses	(55,751)	(57,500)	(48,510)	(49,849)
Depreciation and Amortisation	(5,227)	(5,244)	(3,580)	(3,596)
Other Expenses	(41,956)	(42,579)	(35,044)	(36,183)
Profit Before Income Tax	100,954	106,883	98,415	101,513
Income Tax Expense	(28,772)	(30,646)	(26,926)	(28,036)
Profit For The Period	72,182	76,237	71,489	73,477
Other Comprehensive Income, Net of Income Tax Items that may be reclassified subsequently to profit or loss:				
Available-For-Sale Financial Assets	8,038	8,038	(4,249)	(4,249)
Total Comprehensive Income for the Period	80,220	84,275	67,240	69,228
Earnings Per Share (Ghana Cedis per share)				
Basic	0.1152	0.1217	0.1304	0.1340
Diluted	0.1152	0.1217	0.1304	0.1340

CALBANK LIMITED
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018
in thousands of Ghana Cedis

	2018		2017	
	Bank	Group	Bank	Group
Assets				
Cash and Cash Equivalents	596,978	596,984	542,646	557,074
Investment Securities	1,522,479	1,527,796	1,130,505	1,135,179
Loans and Advances to Customers	2,135,111	2,135,111	1,905,437	1,905,437
Investments in Subsidiaries	2,038	0	2,038	0
Current Tax Assets	0	198	40,214	40,750
Deferred Tax Assets	17,706	17,706	6,007	6,019
Intangible Assets	17,566	17,566	12,274	12,274
Other Assets	75,563	78,889	180,968	183,144
Property, Plant and Equipment	304,796	304,874	258,988	259,086
Total Assets	4,672,237	4,679,124	4,079,077	4,098,963
Liabilities				
Deposits From Banks and Other Financial Institutions	72,843	49,027	104,294	102,181
Deposits From Customers	2,843,975	2,843,975	2,423,242	2,423,222
Borrowings	880,053	880,053	863,704	863,704
Current Tax Liabilities	5,034	5,415	0	25
Deferred Tax Liabilities	0	2	0	2
Other Liabilities	159,781	161,384	117,827	120,634
Total Liabilities	3,961,686	3,939,856	3,509,067	3,509,768
Shareholders' Equity				
Stated Capital	350,000	350,000	100,000	100,000
Income Surplus	95,706	124,933	172,380	192,117
Revaluation Reserve	63,526	63,526	63,413	62,861
Statutory Reserve	172,335	172,335	154,103	154,103
Credit Risk Reserve	28,109	28,109	90,906	90,906
Other Reserves	875	365	(10,792)	(10,792)
Total Shareholders' Equity	710,551	739,268	570,010	589,195
Total Liabilities and Shareholders' Equity	4,672,237	4,679,124	4,079,077	4,098,963

CAL BANK LIMITED

UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2018

in thousands of Ghana Cedis

Attributable to equity holders

The Bank	Stated Capital	Statutory Reserve	Revaluation Reserve	Retained Earnings	Other Reserves		Regulatory Credit Risk Reserve	Total Equity
					Treasury Shares	Fair Value Reserves		
Balance at 1 January 2018	100,000	163,312	63,526	275,883		(7,163)	51,869	647,427
Total comprehensive income								
Profit				72,182				72,182
Other comprehensive income								
Available-for-sale financial assets						8,038		8,038
Transactions with shareholders								
Bonus Issue	78,320			(78,320)				
Transfer to/from reserves								
Statutory reserve		9,023		(9,023)				0
Regulatory credit risk reserve				23,760			(23,760)	0
IFRS 9 Impact on opening balance				(17,096)				(17,096)
Additional transfer to stated capital	171,680			(171,680)				
Balance at 30 June 2018	350,000	172,335	63,526	95,706	0	875	28,109	710,551

The Group	Stated Capital	Statutory Reserve	Revaluation Reserve	Retained Earnings	Other Reserves		Regulatory Credit Risk Reserve	Total Equity
					Treasury Shares	Fair Value Reserves		
Balance at 1 January 2018	100,000	163,312	63,526	301,133	(518)	(7,252)	51,869	672,070
Total comprehensive income								
Profit				76,237				76,237
Other comprehensive income								
Available-for-sale financial assets						8,038		8,038
Transactions with shareholders								
Dividend paid								0
Net changes in CAL Shares held by subsidiaries				(78)	97			19
Bonus Issue	78,320			(78,320)				0
Transfer to/from reserves								
Statutory reserve		9,023		(9,023)				0
Regulatory credit risk reserve				23,760			(23,760)	0
IFRS 9 Impact on opening balance				(17,096)				(17,096)
Additional transfer to stated capital	171,680			(171,680)				
Balance at 30 June 2018	350,000	172,335	63,526	124,933	(421)	786	28,109	739,268

CALBANK LIMITED
UNAUDITED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2018
in thousands of Ghana Cedis

	2018		2017	
	Bank	Group	Bank	Group
Cash Flows From Operating Activities				
Profit For The Period	72,182	76,237	71,489	73,477
Adjustments for:				
Depreciation And Amortisation	5,227	5,244	3,580	3,596
Impairment on Financial Assets	21,499	21,499	34,656	34,656
Net Interest Income	(184,899)	(186,429)	(161,300)	(162,815)
Income Tax Expense	28,772	30,646	26,926	28,036
	(57,219)	(52,803)	(24,649)	(23,050)
Change in Investment Securities	(43,332)	(41,314)	(917,320)	(917,409)
Change in Loans and Advances to Customers	(321,437)	(321,437)	143,553	143,553
Change in Other Assets	(24,524)	(20,076)	(39,265)	(39,233)
Change in Customer Deposits	415,774	415,774	914,895	914,885
Change in Deposits From Banks and Other Financial Institutions	(12,070)	(20,395)	34,548	32,668
Change in Other Liabilities and Provisions	41,336	41,599	11,636	12,853
	55,747	54,151	148,047	147,317
Interest and dividends received	371,686	371,685	328,467	329,509
Interest paid	(178,316)	(180,041)	(167,167)	(166,694)
Income Tax Paid	(24,597)	(25,684)	(23,268)	(24,007)
Net Cash Used In Operating Activities	167,302	167,308	261,430	263,075
Cash Flows From Investing Activities				
Purchase of Property and Equipment	(30,936)	(30,936)	(93,792)	(93,789)
Net Cash Used in Investing Activities	(30,936)	(30,936)	(93,792)	(93,789)
Cash Flows from Financing Activities				
Net Changes in Borrowings	(51,763)	(51,763)	(178,748)	(178,748)
Net Cash from Financing Activities	(51,763)	(51,763)	(178,748)	(178,748)
Net Change in Cash and Cash Equivalents	84,602	84,608	(11,110)	(9,462)
Cash and Cash Equivalents at 1 January	512,376	512,376	553,756	566,536
Cash and Cash Equivalents at 30 June 2018	596,978	596,984	542,646	557,074

SIGNIFICANT ACCOUNTING POLICIES

The Condensed Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG). Except as indicated below, the Condensed Financial Statements have been prepared using the same accounting policies and methods used in preparation of our audited 2017 Annual Consolidated Financial Statements. Our significant accounting policies and future changes in accounting policies and disclosures that are not yet effective are described in Note 3 of our audited 2017 Annual Consolidated Financial Statements.

Changes in accounting policies

On 1 January 2018 the Bank adopted IFRS 9 Financial Instruments (IFRS 9). As a result of the application of IFRS 9, we changed our accounting policies with regards to the classification and measurement of financial assets, and allowance for credit losses. These new policies were applicable from 1 January 2018. As permitted by the transition provisions of IFRS 9, we elected not to restate comparative period results; accordingly, all comparative period information is presented in accordance with our previous accounting policies, as described in our 2017 Annual Report. Adjustments to carrying amounts of financial assets and liabilities at the date of initial application (1 January 2018) were recognized in opening Retained Earnings. The total adjustment of the adoption of IFRS 9 on the opening balance of the Bank and Group's equity on 1 January 2018 was GHS 17.1 million.

QUANTITATIVE DISCLOSURES

		2018	2017
(i)	Capital Adequacy Ratio	21.5%	20.3%
(ii)	Non-Performing Loan Ratio	9.9%	12.6%

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 30 June 2018 are consistent with those followed for the year ended 31 December, 2017.

		2018	2017
(iii)	Default in Statutory Liquidity (Times)	Nil	Nil
	Default in Statutory Liquidity Sanction (GH¢'000)	Nil	Nil

OTHER DISCLOSURES

(i) The authorised shares of the Bank was increased from 1,000,000,000 ordinary shares to 2,000,000,000 ordinary shares as approved by the shareholders at the 2018 Annual General Meeting on 3 May 2018.

(ii) The stated capital of the Bank was increased by GHS250 million through a transfer from income surplus as approved by the shareholders at the 2018 Annual General Meeting on 3 May 2018.

"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