

CAL BANK LIMITED

UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 31ST MARCH 2016

CAL BANK LIMITED
UN-AUDITED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 31ST MARCH 2016
in thousands of Ghana Cedis

| | The Bank | | The Group | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2016 | 2015 | 2016 | 2015 |
| Interest Income | 139,659 | 109,486 | 140,895 | 110,712 |
| Interest Expense | (65,568) | (54,649) | (65,475) | (54,540) |
| Net Interest Income | 74,091 | 54,837 | 75,420 | 56,172 |
| Fees and Commissions Income | 19,200 | 18,467 | 19,200 | 18,466 |
| Fees and Commissions Expense | (680) | (1,382) | (680) | (1,382) |
| Net Fees and Commissions | 18,520 | 17,085 | 18,520 | 17,084 |
| Net Trading Income | 10,362 | 17,357 | 10,315 | 17,275 |
| Other Income | 1,461 | 2,749 | 3,113 | 4,075 |
| | 11,823 | 20,106 | 13,428 | 21,350 |
| Total Income | 104,434 | 92,028 | 107,368 | 94,606 |
| Credit Loss Expenses | (4,946) | (5,228) | (4,946) | (5,228) |
| Net Operating Income | 99,488 | 86,800 | 102,422 | 89,378 |
| Staff Costs | (25,405) | (20,021) | (25,876) | (20,611) |
| Administration and General Expenses | (14,251) | (8,479) | (14,646) | (8,785) |
| Depreciation and Amortisation | (1,443) | (2,088) | (1,450) | (2,097) |
| Total Operating Expenses | (41,099) | (30,588) | (41,972) | (31,493) |
| Operating Profit | 58,389 | 56,212 | 60,450 | 57,885 |
| Profit From Disposal of Non-Current Assets | 0 | 56 | 0 | 56 |
| Profit Before Income Tax | 58,389 | 56,268 | 60,450 | 57,941 |
| Income Tax Expense | (16,057) | (14,067) | (16,580) | (14,546) |
| National Fiscal Stabilization levy | (2,919) | (2,813) | (3,010) | (2,876) |
| Profit For The Period | 39,413 | 39,388 | 40,860 | 40,519 |
| Basic Earnings Per Share (Ghana Cedis per share) | 0.0719 | 0.0718 | 0.0745 | 0.0739 |
| Diluted Earnings Per Share (Ghana Cedis per share) | 0.0719 | 0.0718 | 0.0745 | 0.0739 |

CAL BANK LIMITED**UN-AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE QUARTER ENDED 31ST MARCH 2016***in thousands of Ghana Cedis*

| | The Bank | | The Group | |
|---|-----------------|---------------|------------------|---------------|
| | 2016 | 2015 | 2016 | 2015 |
| Profit for the Period | 39,413 | 39,388 | 40,860 | 40,519 |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Available-For-Sale Financial Assets | 7 | (13) | 7 | (13) |
| Total Comprehensive Income for the Period | 39,420 | 39,375 | 40,867 | 40,506 |

CAL BANK LIMITED
UN-AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2016
in thousands of Ghana Cedis

| | The Bank | | The Group | |
|---|------------------|------------------|------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Assets | | | | |
| Cash and balances with Bank of Ghana | 347,729 | 346,259 | 347,729 | 346,259 |
| Items in Course of Collection from Other Banks | 23,806 | 12,570 | 23,806 | 12,570 |
| Investment in Government Securities | 310,933 | 894,244 | 311,284 | 895,014 |
| Due from Banks and Other Financial Institutions | 384,759 | 245,259 | 395,783 | 253,378 |
| Loans and Advances to Customers | 1,966,110 | 1,466,761 | 1,966,110 | 1,466,761 |
| Investment in Other Securities | 0 | 0 | 4,605 | 1,427 |
| Investment in Subsidiaries | 2,028 | 2,028 | 0 | 0 |
| Other Assets | 56,146 | 45,624 | 58,478 | 47,411 |
| Current Tax Assets | 583 | 0 | 583 | 39 |
| Deferred Tax Assets | 10,192 | 0 | 10,217 | 0 |
| Property, Plant and Equipment | 156,916 | 84,468 | 157,024 | 84,625 |
| Total Assets | 3,259,202 | 3,097,213 | 3,275,619 | 3,107,484 |
| Liabilities | | | | |
| Customer Deposits | 1,597,489 | 1,363,070 | 1,597,479 | 1,363,060 |
| Due to Banks and Other Financial Institutions | 61,765 | 42,778 | 61,331 | 43,521 |
| Borrowings | 933,277 | 1,174,867 | 933,277 | 1,174,867 |
| Accruals and Other Liabilities | 121,387 | 67,307 | 122,931 | 67,840 |
| Current Tax Liabilities | 0 | 7,582 | 100 | 7,777 |
| Deferred Tax Liabilities | 0 | 9,902 | 3 | 9,905 |
| Total Liabilities | 2,713,918 | 2,665,506 | 2,715,121 | 2,666,970 |
| Shareholders' Equity | | | | |
| Stated Capital | 100,000 | 100,000 | 100,000 | 100,000 |
| Statutory Reserve Fund | 149,193 | 129,188 | 149,193 | 129,188 |
| Capital Surplus | 19,430 | 20,830 | 18,733 | 19,990 |
| Retained Earnings | 239,062 | 147,598 | 254,973 | 157,245 |
| Other Reserves | 37,599 | 34,091 | 37,599 | 34,091 |
| Total Shareholders' Equity | 545,284 | 431,707 | 560,498 | 440,514 |
| Total Liabilities and Shareholders' Equity | 3,259,202 | 3,097,213 | 3,275,619 | 3,107,484 |

CAL BANK LIMITED**UN-AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31ST MARCH 2016***in thousands of Ghana Cedis*

| The Bank | Stated Capital | Statutory Reserve | Capital Surplus | Retained Earnings | Fair Value Reserve | Regulatory Credit Risk Reserve | Total |
|---|-----------------------|--------------------------|------------------------|--------------------------|---------------------------|---------------------------------------|----------------|
| Opening Balance at 1st January | 100,000 | 144,266 | 19,430 | 206,509 | (5,443) | 41,101 | 505,863 |
| Transfer to/ from Reserves | | 4,927 | | (6,861) | | 1,934 | 0 |
| Total Comprehensive Income for the Period | | | | 39,414 | 7 | | 39,421 |
| Closing Balance at 30th March | 100,000 | 149,193 | 19,430 | 239,062 | (5,436) | 43,035 | 545,284 |

| The Group | Stated Capital | Statutory Reserve | Capital Surplus | Retained Earnings | Fair Value Reserve | Credit Risk Reserve | Total |
|---|-----------------------|--------------------------|------------------------|--------------------------|---------------------------|----------------------------|----------------|
| Opening Balance at 1st January | 100,000 | 144,266 | 18,733 | 220,909 | (5,443) | 41,101 | 519,566 |
| Transfer to/ from Reserves | | 4,927 | | (6,861) | | 1,934 | 0 |
| Total Comprehensive Income for the Period | | | | 40,925 | 7 | | 40,932 |
| Closing Balance at 30th March | 100,000 | 149,193 | 18,733 | 254,973 | (5,436) | 43,035 | 560,498 |

CAL BANK LIMITED
UN-AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31ST MARCH 2016
in thousands of Ghana Cedis

| | The Group | |
|--|------------------|------------------|
| | 2016 | 2015 |
| Profit Before Tax for the Period | 60,450 | 57,941 |
| Adjustments for: | | |
| Depreciation And Amortisation | 1,450 | 2,097 |
| Impairment on Financial Assets | 4,946 | 5,228 |
| Profit on Sale of Property and Equipment | 0 | (56) |
| Employee Benefit Expenses | 200 | 314 |
| Accretion of Deferred Income | (337) | 344 |
| | 66,709 | 65,868 |
| Change in Investment Portfolio | (19,271) | (485,703) |
| Change in Loans and Advances to Customers | (169,362) | (136,875) |
| Change in Other Assets | 3,689 | (5,510) |
| Change in Customer Deposits | 15,705 | (11,116) |
| Change in Amounts Due to Banks and Other Financial Institutions | 3,022 | (4,169) |
| Change in Accruals and Other Liabilities | 44,438 | 22,242 |
| Income Tax Paid | (25,680) | (11,015) |
| Net Cash Flows from Operating Activities | (80,750) | (566,278) |
| Cash Flows From Investing Activities | | |
| Purchase of Property and Equipment | (24,724) | (7,805) |
| Proceeds from Sale of Equipment | 0 | 56 |
| Change in Treasury Shares | 0 | 1 |
| Net Cash Used in Investing Activities | (24,724) | (7,748) |
| Cash Flows from Financing Activities | | |
| Net Changes in Borrowings | (186,778) | 337,164 |
| Net Cash from Financing Activities | (186,778) | 337,164 |
| Net Change in Cash and Cash Equivalents | (292,252) | (236,862) |
| Analysis of Changes in Cash and Cash Equivalents for the Period | | |
| Cash and Cash Equivalents at 1st January | 1,059,570 | 849,069 |
| Net Change in Cash and Cash Equivalents | (292,252) | (236,862) |
| Cash and Cash Equivalents at 31st March 2016 | 767,318 | 612,207 |
| Analysis of Cash and Cash Equivalents for the Period Ended 31st March | | |
| Cash and Balances with Bank of Ghana | 347,729 | 346,259 |
| Due From Other Banks | 395,783 | 253,378 |
| Items in Course of Collection from Other Banks | 23,806 | 12,570 |
| Total Cash and Cash Equivalents at 31st March 2016 | 767,318 | 612,207 |
| Operational cash flows from interest | | |
| Interest paid | 21,621 | 18,267 |
| Interest received | 130,901 | 90,406 |

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed for the period ended 31st March, 2016 are consistent with those followed in the financial statements for the year ended 31st December, 2015.

QUANTITATIVE DISCLOSURES

| | | 2016 | 2015 |
|------|---------------------------|-------|-------|
| (i) | Capital Adequacy Ratio | 22.0% | 22.0% |
| (ii) | Non-Performing Loan Ratio | 4.8% | 7.0% |

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 31st March, 2016 are consistent with those followed for the year ended 31st December, 2015.

| (iii) | | 2016 | 2015 |
|-------|---|------|------|
| | 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