

Annual
Report
& Accounts
2006

TOTAL Banking

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CONTENTS

Notice of Annual General Meeting	2
Five Year Financial Summary	3
Board of Directors, Officials and Registered Office, Etc.	4
Profile of Board of Directors	5
Chairman's Statement	7
Managing Director's Review	9
Report of the Directors	14
Report of the Auditors	18
Profit and Loss Accounts	19
Balance Sheets	21
Cash Flow Statement	23
Notes to the Financial Statements	24
Proxy Form	45
Resolution to be Passed	47

NOTICE OF ANNUAL GENERAL MEETING OF CAL BANK LIMITED
TO BE HELD ON THURSDAY 22ND, MARCH 2007 AT 10.00 AM
AT THE OSU EBEN-EZER PRESBYTERIAN CHURCH HALL, ACCRA

PLEASE NOTE AND NOTICE IS HEREBY GIVEN that the Annual General Meeting of CAL Bank Limited will be held at 10.00 am on Thursday 22nd March, 2007 at the Osu Eben-Ezer Presbyterian Church Hall, Accra to transact the following business:

1. To receive and consider the Reports of the Directors and the Auditors and the Accounts of the company for the year ended 31st December 2006.
2. To declare a final dividend for the year ended 31st December 2006
3. To order the Directors to fix the remuneration of the Auditors
4. To re-elect retiring Directors
5. To elect a new Director

Any other business

Dated this 22nd day of February 2007

By Order of the Board.



ALEXANDER WILLIAMS
COMPANY SECRETARY

NOTE

A member has the right to appoint a Proxy to attend and vote instead of him/her; such proxy need not be a member of the Company.

A copy of the Instrument appointing the Proxy may be deposited at the office of the Registrar, NTHC, MARTCO House, 1st. Floor, Okai Mensah Link, off Kwame Nkrumah Avenue, Adabraka, P. O. Box KIA 9563, Airport, Accra not later than 10.00 am on Wednesday 21st March 2007.

A Proxy Form is enclosed.

FIVE YEAR FINANCIAL SUMMARY

	2006 ¢'m	2005 ¢'m	2004 ¢'m	2003 ¢'m	2002 ¢'m
Interest Income	162,671	132,658	95,491	76,633	54,642
Interest Expense	<u>(68,224)</u>	<u>(51,674)</u>	<u>(46,365)</u>	<u>(42,908)</u>	<u>(29,103)</u>
Net Interest Income	94,447	80,984	49,126	33,725	25,539
Commissions and Fees	37,510	29,480	28,871	20,295	16,583
Other Operating Income	<u>50,129</u>	<u>18,071</u>	<u>23,503</u>	<u>22,892</u>	<u>13,968</u>
Operating Income	182,086	128,535	101,500	76,912	56,090
Operating Expenses	(88,435)	(68,626)	(48,811)	(36,394)	(28,217)
Charge for Bad and Doubtful Debts	<u>(27,700)</u>	<u>(16,532)</u>	<u>(7,890)</u>	<u>(7,454)</u>	<u>(3,984)</u>
Operating Profit	65,951	43,377	44,799	33,064	23,889
Other Income	<u>2,072</u>	<u>1,173</u>	<u>832</u>	<u>669</u>	<u>178</u>
Profit before Exceptional Item and Tax	68,023	44,550	45,631	33,733	24,067
Exceptional Item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,238</u>
Profit before Taxation	68,023	44,550	45,631	33,733	29,305
Taxation	(21,010)	(17,847)	(10,812)	(12,274)	(10,890)
Profit after Taxation	<u>47,013</u>	<u>26,703</u>	<u>34,819</u>	<u>21,459</u>	<u>18,415</u>
Total Assets	1,570,084	971,286	825,535	587,823	409,195
Total Deposits	879,147	624,376	535,438	384,002	268,477
Loans and Advances	856,801	397,920	301,317	217,903	155,135
Shareholders Equity	214,385	183,408	165,975	74,074	56,115
Earnings per Share (¢)	296	170	224	15,241	13,234
Dividend per Share (¢)	75	55	50	2,515	3,558
Number of Shares ('000)	158,627	157,076	15,093	1,391	1,391
Return on Assets	3.0%	2.7%	4.2%	3.2%	4.5%
Return on Equity	21.2%	14.6%	21.0%	29.0%	32.8%
Capital Adequacy Ratio	13.1%	21.9%	18.6%	10.9%	11.5%
Cost/Income Ratio	47.9%	53.4%	48.1%	47.3%	50.3%

CAL BANK LIMITED

Board of Directors, Officials and Registered Office, etc.

BOARD OF DIRECTORS

George Victor Okoh (Chairman)
Frank Brako Adu Jnr. (Managing Director)
Malcolmn Dermott Pryor
Paarock VanPercy
Alhaji A. Abu Banda
Robert A. Lindsay
James Chamberlain Brenner (Appointed: 17/03/06)
Lincoln Yesu Rathnam (Resigned: 9/11/06)

SECRETARY

Alexander Williams

SOLICITORS

Agyemang & Associates
3rd Floor, America House, Tudu
P. O. Box 2959
Accra
Ghana

Reindorf Chambers
61 Jones Nelson Road
Adabraka
P. O. Box 821
Accra
Ghana

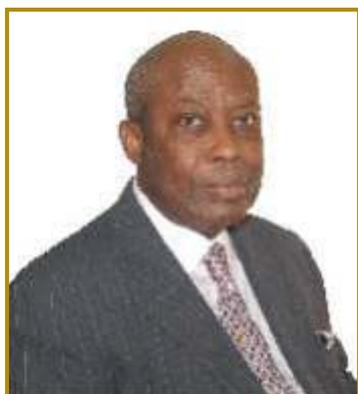
AUDITORS

KPMG
Chartered Accountants
25 Liberia Road
P. O. Box 242
Accra
Ghana

REGISTERED OFFICE

23 Independence Avenue
P. O. Box 14596
Accra
Ghana

BOARD OF DIRECTORS



Mr. George Victor Okoh

Mr. Okoh is a Chartered Accountant and Chairman of the Board. He also chairs the Board of Directors of Lister Medical Services Limited and Premium Investment Limited. He is a Director of Pasico Limited, Metropolitan (MET) Insurance Company Limited, Trapeq Limited and Balfos Limited.

Mr. Frank Brako Adu, Jnr

Mr. Adu is an Investment Banker and the Managing Director of the Bank. He is the Vice Chairman of the Council of the Ghana Stock Exchange and Chairman of its Listing Committee, member of the Board of Ghana Leasing Company and the African Investment Bank in Benin. He chairs the Board of the Roman Ridge School and the National Health Insurance Council.



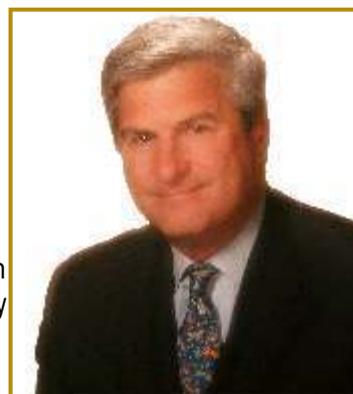
Mr. Malcolm D. Pryor

Mr. Pryor is an Investment Banker and the Chairman and founding partner of Pryor, Counts & Co., Inc, an investment-banking firm in the USA. He is also a Board member of Pepboys-Manny, Moe and Jack a New York Stock Exchange member firm, the Fox Cancer Orchestra in Philadelphia and the Wachovia Regional Foundation.

Malcolm is the President and CEO of South African Economic Development Fund (SAEDF) based in South Africa.

James Chamberlain Brenner ("Jim")

Jim is the President and CEO of Broad Cove Partners, and a Director of its Middle-East North Africa regional affiliate, RHMK. He is also the Chairman of the Board of the Overseas Vote Foundation; a bipartisan non-profit organization dedicated to simplifying the voter registration process for military and civilians citizens living outside of the United States. Jim was an executive in the Global Alliance Group of State Street Bank and was invited by the Overseas Private Investment Corporation (OPIC) and other international financial institutions to study the emerging market investment funds, and facilitate the first global meeting of private equity fund program managers.



BOARD OF DIRECTORS



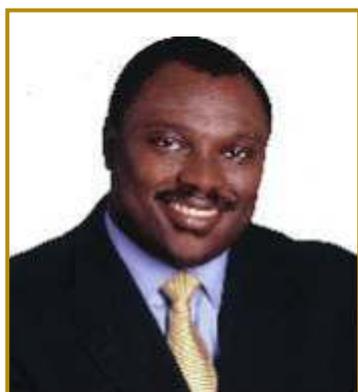
Mr. Paarock VanPercy

Mr. VanPercy is the Managing Associate of AfriCapital Associates, a business and financial advisory firm. He is Chairman of CAL Asset Management Company Limited, and is a member of the Board of Directors of Ghana Leasing Company, Buipe Resources Development Company Limited, The Liberian Bank for Development and Investment, and Executive Director of Afri Holdings Ltd a Mauritius based company.

Mr. VanPercy is a Fellow of the Institute of Chartered Accountants in England & Wales.

Alhaji Asoma Abu Banda

Alhaji Banda, a Businessman is the Chairman of OT Africa Line and the Antrak Group of Companies. He is also a Director of Antrak Transport Company and has established the first Ghanaian owned airline company.



Robert Ahomka Lindsay

Mr. Robert Ahomka-Lindsay is a Banker and Entrepreneur with business interests in the optical, financial services and real estate. His career included being the Vice-President - Public Affairs and Communication and the Director, and Africa Revenue Management for the Africa Group of the Coca Cola Company, working with National Westminster Bank and ACTIS. He is on the Presidential Economic Advisory Boards of Ghana, Senegal, Mali, Uganda, and Tanzania, a Director of Medical Students for South Africa, a board member of Africa Investor (UK) and the Trustee of The Coca-Cola Foundation.

Robert is the CEO of the Ghana Investment Promotion Centre and a member of the board of directors of the Ghana Broadcasting Corporation.

Alexander Williams

Mr. Williams a Legal Practitioner and Secretary to the Board, is a member of the Ghana Bar Association and the International Bar Association. He is the Association of Bankers representative for the Private Enterprise Foundation on the Commercial Court Users. Alex is a guest lecturer at the National Banking College.



CHAIRMAN'S STATEMENT



I am delighted to welcome our esteemed shareholders to our Annual General Meeting for the year ended 31st December 2006 and wish you all a happy golden jubilee celebration. The year just gone by which is under review has been full of challenges, but I am glad to announce that we have surmounted all the challenges and ended the year on a good note.

Economic Environment

In the face of increasing petroleum prices on the world market, the country's economy remained resilient with improving economic fundamentals. Inflation dropped to 10.5% at the end of 2006, with the Cedi depreciating by 1.33% against the US dollar, the country's major trading currency. Government's foreign reserves have improved to about four months of import cover, with inward remittances exceeding US\$ 2 billion in 2006.

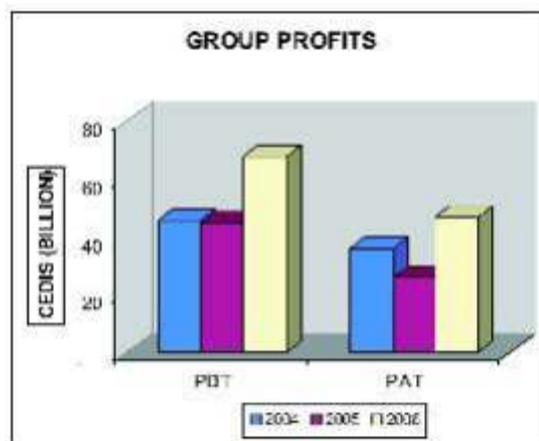
As expected, in the face of the improving economy, market rates followed a downward trend with the Bank of Ghana prime rate reducing to 12.5% at the end of the year compared to 16.5% at the end of the previous year. This resulted in the benchmark ratio of the 91 day treasury bill reducing from 11.5% at the end of 2005 to 9.96% at the end of the year under review.

With the intense competition within the financial sector and the improved economic parameters of the country supported by the Government's 2007 budget which is focused on improving the capital market and using the private sector as the vehicle through which the benchmarks set in the budget will be achieved, we are well positioned to take your Bank forward.

Current Year's Performance

The group achieved a profit before tax of ₵68.0 billion which is 52% above the amount of ₵44.6 billion achieved the previous year. This translated into a net profit after tax of ₵47.0 billion also an improvement of 76% over the previous year's amount of ₵26.7 billion.

The balance sheet size of the group has increased from ₵971 billion as at December 2005 to ₵1,570 billion an increase of 62%. Shareholders funds increased from ₵183 billion to ₵214 billion; representing an increase of 17%.



The bank's stock price realized an appreciation of 10.25% from a price of ₵2,000 at the end of 2005 to ₵2,205 at the end of the year under review.

Dividend

The Board of Directors is recommending a dividend of ₦75 per share, an increase of 36% over the previous year and representing a payout ratio of 25% of profit after tax for 2006. The dividend will be paid on 27th April 2007 to shareholders on the Register at the close of business on 15th March 2007.

Corporate Governance

In accordance with good corporate governance procedures the Board ensured the maintenance of good internal control procedures, adherence to rules and regulations and compliance with legal requirements through scheduled meetings of the Board and the Audit sub-committee. Through this regular review procedures, the Board is satisfied that the systems in place are adequate to manage the risk inherent in the business which continues to be a viable concern.

Directorship

On the 9th November 2006, the Board accepted the resignation of Dr. Lincoln Yesu Rathnam from the Board after two years of dedicated service to your Company. I will like to take this opportunity to thank Dr. Lincoln Yesu Rathnam for his immense contribution to CAL Bank.

As a result of Dr. Rathnam's resignation, the Board has nominated Mrs. Leonora Awua-Kyeremanten to sit on the Board.

The Way Forward

With the stable economic fundamentals laid by the government and the excellent platforms established by the Board and management of your company, we are well positioned to take advantage of the opportunities ahead of us, which are to be converted into increased profitability, growth and enhanced shareholder value.

Obviously these achievements would not have been possible without the cherished support of our dedicated staff, customers and shareholders throughout the year. We will continue to count on this support to enable us achieve the milestones set for ourselves.

Thank You



George Victor Okoh

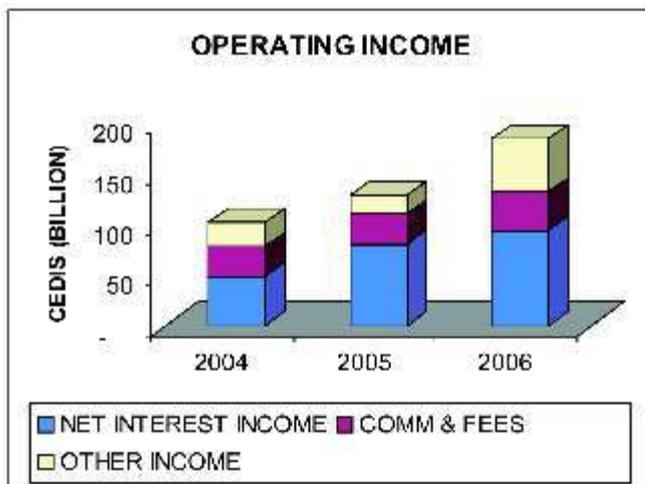
MANAGING DIRECTOR'S REVIEW

"Your legacy should be that you made it better than it was when you got it" – Lee Iacocca

Introduction

The year under review saw a further deepening of the stable macro economic environment. Coupled with this was the intensifying competition in the industry and the licensing of more Banks, I am however delighted to announce to our valued shareholders that in spite of all the challenges of increased competition, the year has been a successful one.

Our planned transformation from a Merchant Bank to a Universal Bank has to a large extent been successful and the necessary platform required to propel us into the phase of growth has been laid.



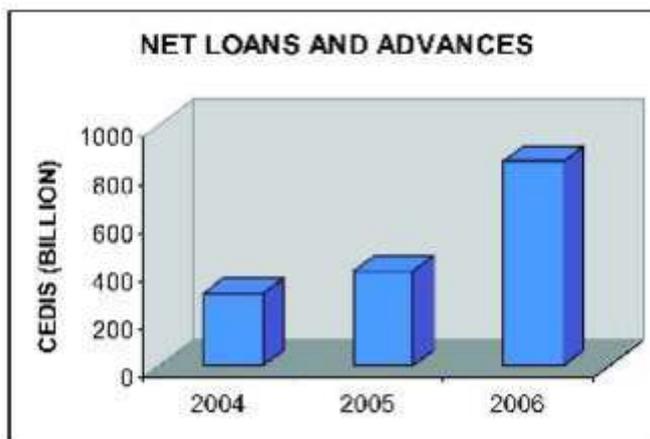
Current Year's Performance

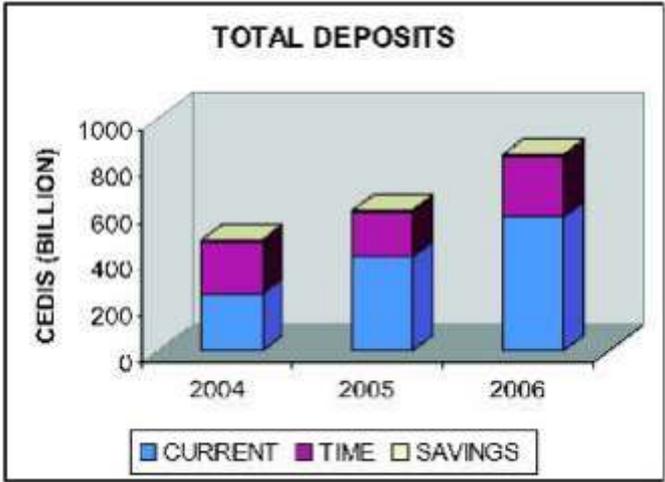
The group's operating profit before tax amounted to ₦68.0 billion compared to ₦44.6 billion in the previous year an increase of 52 %. This resulted in an increase in profit after tax of 76% from the previous year's amount of ₦26.7 billion to ₦47.0 billion. Also implying a better management of our tax obligations.

The profit after tax for the Bank amounted to ₦45.5 billion which is 25% above the amount of ₦36.3 billion as per the forecast in our offer document when we went

public, and 63% above the previous year's performance of ₦28.0 billion. We therefore continue to deliver and exceed the promises we made to the public when we went public.

The remarkable increase in profitability was achieved against a backdrop of a significant charge for bad and doubtful debts. This level of charge was necessitated by the need to fully recognize the losses on some impaired loans which were identified in prior years. We continue to pursue these loans for recovery and are sure that we will successfully recover these presently impaired loans.





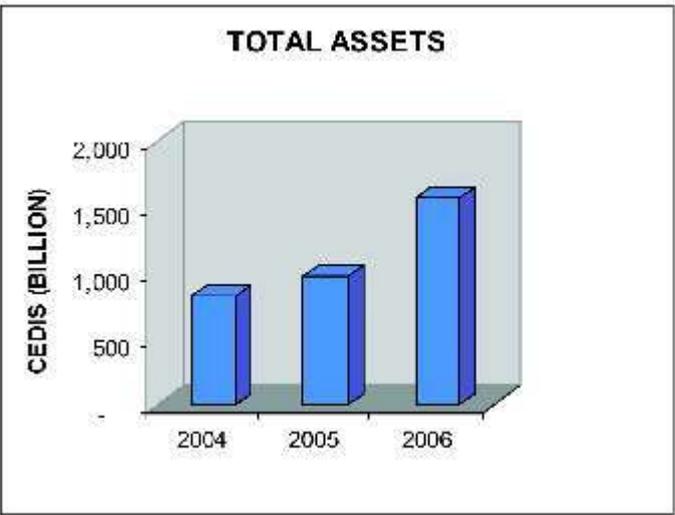
The group's total assets increased from ₵971 billion in 2005 to ₵1,570 billion, a growth of 62%. This is attributable to a phenomenal growth in net advances of 115%. Property, plant and equipment also registered a growth of 40% as a result of our branch roll out program.

This growth was funded by a 41% growth in deposits from ₵624 billion in the previous year to ₵879 billion in 2006 and an increase in borrowings of 243% from ₵116 billion in 2005 to ₵398 billion at

the end of 2006 including an amount of US\$10 million from the Proparco an International Funding Agency and a further US\$5 million from Ghana International Bank, for the purposes of funding our advances growth.

Shareholders equity continued to grow, increasing from ₵183 billion to ₵214 billion a growth of 17%. The efficient use of our capital resulted in a capital adequacy ratio of 13% at the end of the year.

Having achieved a significant growth in profitability and asset size, a dividend of ₵75 per share, representing a pay



out ratio of 25% and an increase of 36% above the amount paid for the 2005 financial year end, is being proposed to shareholders. The amount is informed by the need to maintain some level of capital to ensure our growth is sustained into the future as well as significantly satisfying the expectations of shareholders.



The Year's Activities

Expansion Program

The Bank's expansion program continued in earnest. Though we promised to increase our branch network by four in the IPO document, in 2006 we opened three new branches at Takoradi Market Circle, Tema Fishing Harbour, and Derby Avenue and also opened the Tarkwa branch in February 2007. This brings the total number of new branches opened since we went to market to five and our total branch network to eight. We are currently in the development stage of two new branches, one on the Spintex Road and the other at Suame in Kumasi. We have obtained further leases at various strategic locations to enable us increase our branch network to twelve by the end of 2007 as mentioned in my report for 2005.

ATM Deployment & Visa Platform

Our ATM deployment which is an integral part of the branch roll out is also on course, all new branches automatically do come with an ATM on site. We are however going beyond this and deploying off-site ATMs to ensure that we reach out to our customers through the use of alternative delivery channels (ADC). We have achieved our objective of joining the VISA platform and have recently started issuing VISA cards useable on our ATMs and other platforms.

Product Development

During the year we were also successful in launching our SMS banking services, where our customers are able to carry out various transactions on their mobile phones. These transactions includes the purchase of mobile phone top ups from all the service providers, checking of last three account transactions and account balances, ordering bank statements, ordering of cheque books, stopping the use of cards as well as changing one's PIN. This product has been developed as one of the ADCs to ensure the delivery of banking services from your Bank to our customers at their convenience and in their own comfort.

We are in the process of developing other ADCs to serve as one of the platforms which will be used to ensure the continued growth of your Bank and shareholder value.

Consumer and Retail Banking

The Consumer and Retail Banking unit of the Bank has also realized consistent growth since we obtained our universal license. A range of retail and consumer loan products have been developed including the CAL employees scheme, CAL workers scheme, Auto loans, CAL School and Pharma schemes and the Tripartite scheme. A new retail deposit product, KiddySave, has just been launched. We also committed during the year to financing the SME Sector over the next 3 years to the tune of approximately ₵300 billion and this has started in earnest.

Asset Management

During the year the Asset Management unit of the Bank completed its transformation of becoming a fully fledged company fully owned by the Bank known as CAL Asset Management Company Limited and started operations on 1st July 2006. This brings to three the fully owned subsidiaries of the Bank and an Associated Company and deepens our resolve of becoming a truly universal Bank.

Shareholder Value

Your share continued to be the most actively traded stock on the Ghana Stock Exchange. This trading included a significant (8.16%) acquisition of CAL shares by FCMB of Nigeria. Similarly SSNIT also acquired 10.8% shares in the Bank. It is our hope that we can leverage these new relationships to the benefit of your Bank.

The price of ¢2,205 at the end of the year compared to ¢2,000 at the end of 2005, represents an appreciation of 10.25% in the stock value. With a dividend of ¢75 per share the return on the stock including capital gains amounts to 14% which is comparable to the return on the Government risk free five year bond.

It is also worth noting that this return has been achieved in a year in which the capital market has been bearish due to a lack of liquidity and the competitive use of capital. The GSE All-Share Index appreciated by 4.97% in the year which is an indication of the general performance of the capital market. The Bank ended the year with a P/E ratio of 8 against an average market P/E of 21, an indication of the high inherent value in your stock, CAL Bank shares is the preferred stock to hold.

The year saw the exit of two significant shareholders who were bought out by two new shareholders. With the exception of these exits, the top twenty shareholders remained relatively the same signifying the confidence in the stock.

Human Capital

Aligned to our growth strategy is our human capital development. The first set of our 'graduate trainees' graduated during the year and have been successfully integrated into the Bank. This integration also included national service personnel who had been taken through various training programs within the Bank. As a continuation of this program we have taken on about thirty-five national service personnel who will also be taken through rigorous training programs and the successful ones integrated into the Bank. This program is to ensure we build up adequate human capital resource to successfully roll out our expansion program and ensure continuity.

Social Responsibility

In focusing our strengths on the growth of your bank and increasing shareholder value we did not forget our responsibility to the larger society. We continued to lend our support whenever needed and where it aligns with our corporate social responsibility objectives. Our focus on this responsibility however largely remains with our adopted foster homes whose children we continued to support through our scholarship program. At Christmas we also ensured they had a good taste of the season's festivities by treating about 250 children from seven foster homes to our annual party. We have reached the point where we believe our support to these children should be taken to another level and therefore have begun exploring the possibility of setting up a CAL Foundation which would receive an agreed percentage of the Bank's revenues for the purpose of providing an alternative life, a better life for abandoned and less fortunate children in foster homes.

We also learnt support to organisations such as Princess Marie Louise Hospital, George Benneh Foundation, Northern Ghana Education Trust Fund, Ghana National Trust Fund and the Ghana National Heart Foundation, to name a few, in the pursuit of their various social objectives.

Conclusion

As mentioned in my introduction, in spite of all the challenges, we have been able to turn out a good performance and the fundamentals required to ensure consistent growth in profitability, asset size and increased shareholder value have been put in place.

The bold moves which I referred to in my previous reports have been taken and with the continued immense support of staff, coupled with the continuing support of all our stakeholders, especially our customers and shareholders, we will endeavour to deliver value for money to all.

Thank you.

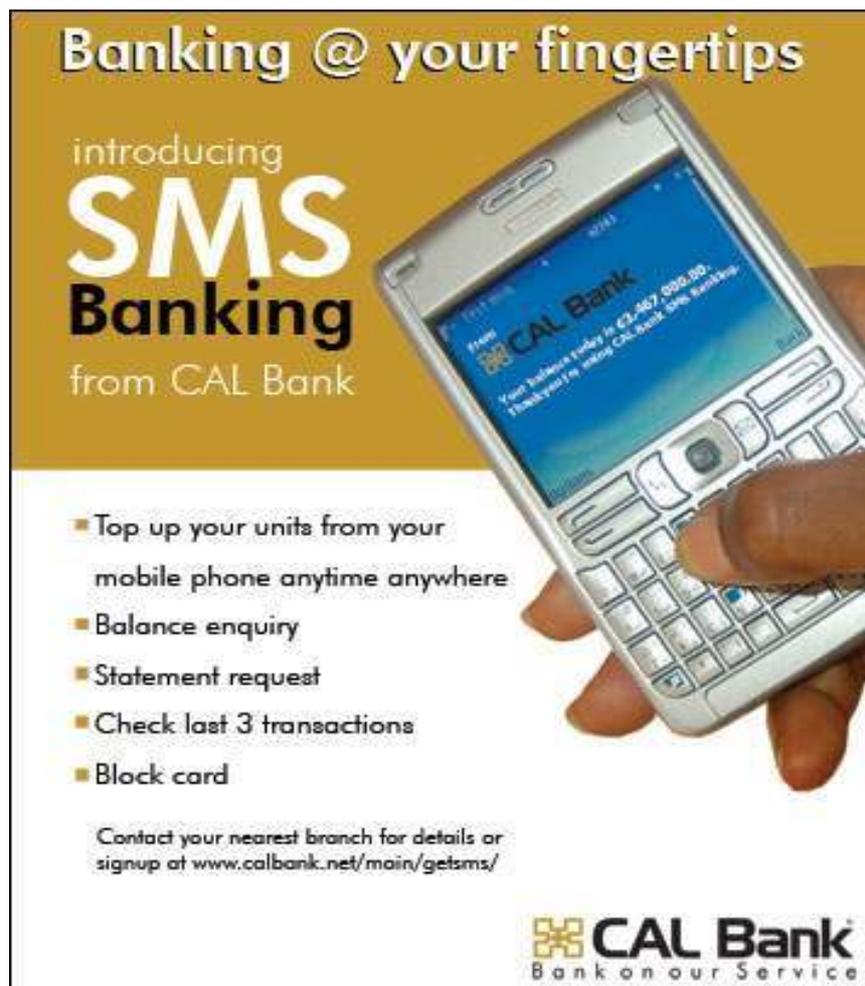


Frank Brako Adu Jr.

CAL Bank - Bank on our Service



"NSAA"



Banking @ your fingertips

introducing
SMS Banking
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- Balance enquiry
- Statement request
- Check last 3 transactions
- Block card

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Bank on our Service

CAL BANK LIMITED

Report of the Directors TO THE MEMBERS OF CAL BANK LIMITED

Financial Statements and Dividend

The Board of Directors has the pleasure to submit this report on the company for the year ended 31st December 2006.

Statement of Directors Responsibilities

The directors are responsible for the preparation of the consolidated financial statements for the financial year, which give a true and fair view of the state of affairs of the group and the profit or loss and cash flows for the period. In preparing these consolidated financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are reasonable and prudent and followed the Ghana Accounting Standards.

Financial Statement	¢'m
Profit for the year ended 31st December 2006	
before taxation is	68,023
from which is deducted taxation of	<u>(21,010)</u>
giving a profit for the year after taxation of	47,013
to which is added balance on Income Surplus Account brought forward	32,615
Less: Transfer of Statutory Reserve Fund	<u>(11,375)</u>
giving a cumulative amount available for distribution of	68,253
out of which a proposed dividend of ¢75 per share amounting to is to be paid	(11,897)
	<hr/>
leaving a balance on Income Surplus Account carried forward of	<u>56,356</u>

Nature of Business

The nature of business of the company is as follows:

- To carry on the business of banking;
- ☞ To carry on the business of underwriters of securities, finance house and issuing house;
- ☞ To undertake corporate finance operations, loan syndications and securities portfolio management;
- To engage in counseling and negotiation in acquisitions and mergers of companies and
- ☞ undertakings;
- To engage in the business of acceptance of bills of exchange, dealing in bullion, export trade
- ☞ development and financing;
- To carry on the business of hire-purchase financing and the business of financing the operations of
- ☞ leasing companies; and
- To engage in the counseling and financing of industrial, agricultural, mining, service and
- ☞ commercial ventures, subject to the relevant rules and regulations for the time being in force on that behalf.

Report of the Directors TO THE MEMBERS OF CAL BANK LIMITED

Substantial Shareholders

Details of the Bank's twenty largest shareholders are disclosed in Note 39

Board Changes

On 9th November 2006, the Board accepted the resignation of Dr. Lincoln Yesu Rathnam and has nominated for appointment by the shareholders, Mrs. Leonora Awua-Kyeremanten, Coordinator of the National Governance Programme.

Retirement and Re-Election of Board members

The following Board members will be retiring in compliance with Section 298(a) of the Companies Code 1963, Act 179 and Regulation 78(a) of the Regulations of the company.

Mr. Malcolmn Dermott Pryor and
Mr. Paarock VanPercy.

Messrs. Pryor and VanPercy who are eligible have offered themselves for re-election.

Election of Board member

The Board has also nominated Mrs. Leonora Kyeremanten to fill the vacancy created in the number of directors following the resignation of Dr. Rathnam.

Mrs. Leonora Awua-Kyerematen is the Co-ordinator of the National Governance Programme. She is Lawyer by Profession having been called to the bar in 1978. Prior to her appointment as the National Programme Co-ordinator, Mrs. Awua-Kyerematen was the Programme Manager on Good Governance (GPOG/UNDP) and in 1987 acted as the Managing Director of the Ghana Tourist Development Company Ltd. She spearheaded the support to the six Governance Institutions namely: Parliament, the Judiciary, the Electoral Commission, the Commission on Human Rights and Administrative Justice, the National Media Commission and the National Commission on Civic Education in the design and implementation of their ten-year strategic business plans. She also pioneered the implementation of the fast track courts in Ghana and the introduction of Alternative Dispute Resolution that ensures easy and cheaper access to justice. She has supported the co-ordination of national elections and training of women to participate in politics and policy.

Mrs. Awua-Kyerematen was a pioneering member of the National Anti-Corruption Coalition and its first Chairperson. She is an alumnus of the Salsburg Seminars, Austria and the Kennedy School of Government, Harvard.

Mrs. Awua-Kyerematen is a member of the Ghana Bar Association, the International Federation of Women Lawyers (FIDA). She serves on the Board of Directors of Rights and Voice Initiative (RAVI) an NGO and is an executive member of the Christian Council of Ghana.

Report of the Directors TO THE MEMBERS OF CAL BANK LIMITED (CONT'D)

Subsidiaries

CAL Brokers Limited, a securities brokerage company and a licensed dealing member of the Ghana Stock Exchange, CAL Investments Limited, a non-bank financial institution and CAL Asset Management Company Limited, a licensed fund management company.

Associated Undertakings

Ghana Leasing Company Limited (a non-banking financial institution) and Transaction Management Services Limited (in liquidation) both incorporated in Ghana.

Committees of the Board

To strengthen its corporate governance, the Board has the Audit and Compensation Committees with the following membership:

Audit Committee

George Victor Okoh	-	Chairman
Robert Ahomka-Lindsay	-	Member
Paarock VanPercy	-	Member

The Audit Committee which is made up of the non-executive directors, performs the following functions:

- recommend the appointment of external auditors;
- review with the auditors the scope of the examinations;
- review with the auditors their report on the financial statements;
- review the adequacy of systems of internal controls and compliance with policies;
- provide a direct channel of communication between the board and the auditors;
- report to the board on all issues of significant extraordinary financial transactions; and
- assist the board in developing policies on controls and operating systems.

Compensation Committee

George Victor Okoh	-	Chairman
Alhaji Asoma Abu Banda	-	Member
Paarock VanPercy	-	Member
Frank Brako Adu Jnr (MD)	-	Ex-Officio

The objectives of the Compensation Committee are to review compensation and make recommendations to the Board for their consideration and approval.

Dividends

The directors recommend the payment of a dividend of ¢75.00 per share for the year ended 31st December 2006.

Auditors

In accordance with Section 134(5) of the Companies Code 1963 KPMG will continue in office as auditors of the group.

Report of the Directors TO THE MEMBERS OF CAL BANK LIMITED (CONT'D)

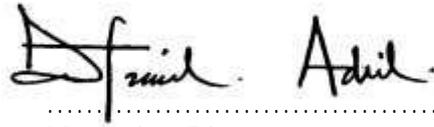
Acknowledgement

The Board of Directors hereby expresses its sincere appreciation for the support, loyalty and dedicated service of the staff and management over the past year.

BY ORDER OF THE BOARD



.....
Chairman



.....
Managing Director

DATED: 16TH FEBRUARY 2007.



**REPORT OF THE AUDITORS
TO THE MEMBERS OF CAL BANK LIMITED**

Report on the Financial Statements

We have audited the financial statements of CAL Bank Limited, which comprise the balance sheets at 31 December 2006, the income statements and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 19 to 44.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with Ghana Accounting Standards, Companies Code, 1963 (Act 179) and the Banking Act, 2004 (Act 673). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of CAL Bank Limited at 31 December 2006, and of its financial performance and cash flows for the year then ended in accordance with Ghana Accounting Standards and in the manner required by the Companies Code, 1963 (Act 179) of Ghana.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179) of Ghana and Section 78 of the Banking Act, 2004 (Act 673) of Ghana.

In our opinion, proper books of account have been kept, and the balance sheet, profit and loss and income surplus accounts are in agreement with the books of account.

The Bank's transactions were within its powers, and the Bank has complied with the relevant provisions of the Banking Act, 2004 (Act 673).

**CHARTERED ACCOUNTANTS
25, LIBERIA ROAD
BOX GP242
ACCRA.**

16 February, 2007

CAL BANK LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

	Notes	2006 ¢m	2005 ¢m
Interest income	4	162,671	132,658
Interest expense	5	<u>(68,224)</u>	<u>(51,674)</u>
Net interest income		94,447	80,984
Commissions and fees	6	37,510	29,480
Other operating income	7	<u>50,129</u>	<u>18,071</u>
Operating Income		182,086	128,535
Total Operating expenses	8	(88,435)	(68,626)
Charge for bad and doubtful debts	11	<u>(27,700)</u>	<u>(16,532)</u>
Operating profit		65,951	43,377
Other Income	9	<u>2,072</u>	<u>1,173</u>
Profit Before Taxation		68,023	44,550
Taxation	12c	(19,349)	(15,560)
National Reconstruction Levy	12c	<u>(1,661)</u>	<u>(2,287)</u>
Profit after taxation transferred to Income Surplus Account		<u>47,013</u>	<u>26,703</u>

INCOME SURPLUS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006

Balance at 1st January		32,615	40,178
Net Profit transferred from Profit and Loss Account		47,013	26,703
Transfer to Statutory Reserve Fund	26	(11,375)	(25,608)
Proposed Dividend at ¢75 per share (2005: ¢55 per share)	38	(11,897)	(8,639)
Dividend paid in respect of employee share options exercised	38	<u>-</u>	<u>(19)</u>
Balance at 31st December		<u>56,356</u>	<u>32,615</u>
Earning per share	37	¢296	¢170
Dividend per share	37	¢75	¢55

CAL BANK LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31ST DECEMBER 2006

	Notes	2006 ¢m	2005 ¢m
Interest income	4	162,583	132,492
Interest expense	5	<u>(68,495)</u>	<u>(51,848)</u>
Net interest income		94,088	80,644
Commissions and fees	6	36,463	28,416
Other operating income	7	<u>49,859</u>	<u>17,951</u>
Operating Income		180,410	127,011
Total Operating expenses	8	(86,480)	(64,833)
Charge for bad and doubtful debts	11	<u>(27,700)</u>	<u>(16,532)</u>
Operating profit		66,230	45,646
Other Income	9	<u>187</u>	<u>32</u>
Profit Before Taxation		66,417	45,678
Taxation	12c	(19,254)	(15,367)
National Reconstruction Levy	12c	<u>(1,661)</u>	<u>(2,284)</u>
Profit after taxation transferred to Income Surplus Account		<u>45,502</u>	<u>28,027</u>

INCOME SURPLUS ACCOUNT
 FOR THE YEAR ENDED 31ST DECEMBER 2006

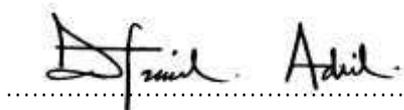
Balance at 1st January		27,026	33,265
Net Profit transferred from Profit and Loss Account		45,502	28,027
Transfer to Statutory Reserve Fund		(11,375)	(25,608)
Proposed Dividend at ¢75 per share (2005: ¢55)	38	(11,897)	(8,639)
Dividend paid in respect of employee Share options exercised	38	<u>-</u>	<u>(19)</u>
Balance at 31st December		<u>49,256</u>	<u>27,026</u>
Earning per share (cedis per share)	37	¢287	¢179
Dividend per share (cedis per share)	37	¢75	¢55

CAL BANK LIMITED
CONSOLIDATED BALANCE SHEET AT 31ST DECEMBER 2006

	Notes	2006 ¢m	2005 ¢m
ASSETS			
Cash and Balance with Bank of Ghana	13	47,423	83,581
Government Securities	14	290,345	192,929
Due from other banks and Financial Institutions	15	259,526	194,667
Investment in other Securities	17(a)	24,721	37,882
Loans and advances	16	856,801	397,920
Other assets	19	18,580	11,452
Taxation	12(b)	500	1,159
Property and Equipment	20(b)	72,188	51,696
TOTAL ASSETS		<u>1,570,084</u>	<u>971,286</u>
LIABILITIES			
Customer Deposits	21	850,329	607,812
Due to banks & other Financial Institution	22	28,818	16,564
Interest payable and other liabilities	23	467,931	160,050
Deferred Taxation	12(d)	8,621	3,452
TOTAL LIABILITIES		<u>1,355,699</u>	<u>787,878</u>
SHAREHOLDERS' FUND			
Stated capital	25	71,429	71,428
Statutory Reserve Fund	26	59,369	47,994
Capital Surplus	27	27,231	31,371
Income surplus		56,356	32,615
Total Shareholders' Funds		<u>214,385</u>	<u>183,408</u>
TOTAL LIABILITIES AND SHAREHOLDERS FUNDS		<u>1,570,084</u>	<u>971,286</u>
Net Asset per Share (cedis per share)	37	¢1,352	¢1,168



Directors



The Directors approved the financial statements on 16th February, 2007.

CAL BANK LIMITED
BALANCE SHEET AT 31ST DECEMBER 2006

	Notes	2006 ¢m	2005 ¢m
ASSETS			
Cash and Balances with Bank of Ghana	13	47,423	83,581
Government Securities	14	288,574	192,218
Due from Other Banks and financial Inst.	15	259,526	194,667
Investment in other Securities	17(a)	21,549	35,156
Loans and Advances	16	856,801	397,920
Investment in Subsidiaries	18	7,100	2,100
Other Assets	19	17,193	11,326
Taxation	12(a)	343	1,026
Property and Equipment	20(a)	72,166	51,696
TOTAL ASSETS		<u>1,570,675</u>	<u>969,690</u>
LIABILITIES			
Customer Deposits	21	853,103	610,933
Due to banks and other Financial Institutions	22	28,818	16,564
Interest payable and other liabilities	23	467,256	159,470
Deferred Taxation	12(d)	8,621	3,452
TOTAL LIABILITIES		<u>1,357,798</u>	<u>790,419</u>
SHAREHOLDERS' FUND			
Stated Capital	25	71,429	71,428
Statutory Reserve Fund	26	59,369	47,994
Capital Surplus	27	32,823	32,823
Income Surplus		49,256	27,026
TOTAL SHAREHOLDERS' FUND		<u>212,877</u>	<u>179,271</u>
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		<u>1,570,675</u>	<u>969,690</u>
Net Asset value per Share (cedi per share)	37	¢1,342	¢1,142



Directors



The Directors approved the financial statements on 16th February, 2007.

CAL BANK LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2006

	2006 C'm	2005 C'm
Net Cash (outflow)/Inflow from Operating Activities (Note 28)	(211,949)	94,111
Returns on Investments and Servicing of Finance		
Dividend Received	440	166
Dividend Paid	(8,639)	(7,774)
Net Cash Outflow from Returns on Investments and Servicing of Finance	(8,199)	(7,608)
Taxation		
Tax Paid	(13,730)	(15,323)
National Reconstruction Levy	(1,451)	(2,360)
	<u>(15,181)</u>	<u>(17,683)</u>
	(235,329)	68,820
Investing Activities		
Purchase of Property and Equipment	(28,581)	(19,112)
Proceeds from Sale of Property and Equipment	187	32
Investments in other securities	14,177	(30,641)
Bank's shares held by subsidiary	(4,140)	(1,452)
Net Cash Outflow from Investing Activities	<u>(18,357)</u>	<u>(51,173)</u>
Net Cash (Outflow)/Inflow before Financing	(253,686)	17,647
Financing		
Increase in Borrowings	328,601	70,043
Repayment of Borrowings	(47,112)	(27,409)
Appreciation in the Level of Borrowings through Exchange Fluctuations	897	396
Proceeds from shares issued	1	840
Net Cash Inflow from Financing	<u>282,387</u>	<u>43,870</u>
Increase in Cash and Cash Equivalents	<u>28,701</u>	<u>61,517</u>
Analysis of Changes in Cash and Cash Equivalents		
Balance at 1st January	278,248	216,731
Net Cash Inflow	<u>28,701</u>	<u>61,517</u>
Balance at 31st December (Note 13(ii))	<u>306,949</u>	<u>278,248</u>

CAL BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006

1. BASIS OF ACCOUNTING

The Bank and its subsidiaries ("The Group") prepare their financial statements under the historical cost basis as modified by the revaluation of leasehold land and buildings and in accordance with Ghana Accounting Standards. The following principal accounting policies have been applied consistently in dealing with items that are considered material in relation to the Group's financial statements.

Accounting Policies

a. Consolidation

The consolidated financial statements of the Group include the financial statements of the Bank and its subsidiaries CAL Investments Limited, CAL Brokers Limited and CAL Asset Management Limited made up to 31st December, each year.

The Associated Undertakings; Ghana Leasing Company Limited and Transaction Management Services Limited (in liquidation) are included in the consolidated financial statements under the equity method of accounting.

b. Foreign Currency

Assets and liabilities denominated in foreign currencies are translated into cedis at exchange rates ruling at the Bank's financial year-end. Gains and losses resulting from currency translation or exchange are included in the profit or loss for the year.

c. Income Recognition

The recognition of interest income ceases when the payment of interest or principal is in doubt. Interest is included in income thereafter only when it is received. Loans are returned to the accruals basis only when doubt about collectibility is removed and when the outstanding arrears of interest and principal are received.

Commissions and fees are credited to income when earned.

d. Investments

Investments in securities redeemable at fixed dates are purchased with the intention of being held to maturity. These are initially recognized at cost and subsequently adjusted to give effect to amortisation of premiums and discounts on purchase over the period to redemption. Trade investments are stated at cost.

e. Loans and Advances

Advances are stated in the balance sheet at the amount of principal and interest outstanding less any provision for bad and doubtful debts and interest held in suspense.

f. Provision for Bad and Doubtful Debts

Provisions for bad and doubtful debts are made, having regard to specific risks.

The provisions are made in respect of those advances that have been individually reviewed and specifically identified as bad or doubtful. In determining the level of provisions required, management considers numerous factors including, but not limited to, domestic economic conditions, the composition of the advances portfolio and prior bad debt experience.

Provisions made during the year (less amounts released and recoveries of advances previously written off) are charged as a separate amount in the profit and loss account. Advances are written off eighteen months after a facility has been classified as a loss.

In compliance with Bank of Ghana requirement, a general provision of 1% is also made on net current contingent liabilities (off balance sheet items).

g. Property and Equipment

Property and Equipment owned by the Group are stated at gross values less accumulated depreciation. Depreciation is computed using the straight line method so as to write off the gross value of the assets over the estimated useful lives of the assets. The depreciation rates in use are as follows:-

Land & Buildings	-	Over remaining useful life of lease
Motor Vehicles	-	20%
Equipment	-	33 $\frac{1}{3}$ %
Furniture & Fittings	-	7 years

h. Taxation

The Group provides for taxes at the current rates on taxable profits and capital gains.

i. Deferred Taxation

Provision is made for deferred tax liability using the liability method. Provision is made for deferred tax asset to the extent that there is certainty of realisation.

j. Post Balance Sheet Events

Events subsequent to the balance sheet date are reflected only to the extent that they relate to the financial statements and the effect is material.

2a. PERCENTAGE OF GROSS NON-PERFORMING LOANS

Percentage of Gross Non-Performing Loans to total credit portfolio is 7.9% (2005: 16.9%)

2b. UNSECURED CONTINGENT LIABILITIES AND COMMITMENTS

Amount of unsecured contingencies and commitments amounted to ₵382 billion (2005: ₵175 billion).

3. SOCIAL RESPONSIBILITY

Amount spent on fulfilling social responsibility was ₵489 million (2005: ₵495 billion).

4. INTEREST INCOME

	2006		2005	
	The Bank C'm	The Group C'm	The Bank C'm	The Group C'm
Placements, Special Deposits etc.	5,150	5,150	7,851	7,851
Investment Securities	44,216	44,304	32,946	33,112
Loans and Advances	<u>113,217</u>	<u>113,217</u>	<u>91,695</u>	<u>91,695</u>
	<u>162,583</u>	<u>162,671</u>	<u>132,492</u>	<u>132,658</u>

5. INTEREST EXPENSE

Current Accounts	21,568	21,454	9,786	9,766
Time and other Deposits	25,838	25,681	30,687	30,533
Overnight and Call Accounts	1,933	1,933	1,802	1,802
Borrowings	<u>19,156</u>	<u>19,156</u>	<u>9,573</u>	<u>9,573</u>
	<u>68,495</u>	<u>68,224</u>	<u>51,848</u>	<u>51,674</u>

6. COMMISSIONS & FEES

Letters of Credit & Guarantees	6,385	6,385	7,259	7,259
Foreign Transfers	5,734	5,734	2,476	2,476
Other Commissions	10,160	10,160	11,941	12,654
Other Fees	<u>14,184</u>	<u>15,231</u>	<u>6,740</u>	<u>7,091</u>
	<u>36,463</u>	<u>37,510</u>	<u>28,416</u>	<u>29,480</u>

7. OTHER OPERATING INCOME

Gain on Exchange	43,401	43,401	8,917	8,917
Other Income	<u>6,458</u>	<u>6,728</u>	<u>9,034</u>	<u>9,154</u>
	<u>49,859</u>	<u>50,129</u>	<u>17,951</u>	<u>18,071</u>

8. TOTAL OPERATING EXPENSES

Staff Cost (Note 10)	37,646	38,650	27,516	28,001
Advertising and Marketing	4,719	4,739	4,480	4,480
Admin Expenses	3,058	3,058	1,992	1,992
Training	2,212	2,212	1,272	1,272
Depreciation	8,086	8,089	5,808	5,808
Directors' Emoluments	2,621	2,621	2,384	2,384
Auditors' Remuneration	300	370	252	299
Others	27,838	28,236	21,129	22,482
Diminution in value of Shares held in associated company	<u>-</u>	<u>460</u>	<u>-</u>	<u>1,908</u>
	<u>86,480</u>	<u>88,435</u>	<u>64,833</u>	<u>68,626</u>

9. OTHER INCOME

	2006		2005	
	The Bank €'m	The Group €'m	The Bank €'m	The Group €'m
Profit on Disposal of Plant and Equipment (Note 20)	187	187	32	32
Groups share of Associated Company's Operating Profit	-	1,476	-	1,141
Miscellaneous Income	-	409	-	-
	<u>187</u>	<u>2,072</u>	<u>32</u>	<u>1,173</u>

10. STAFF COST

Salaries and Bonuses	25,894	26,561	17,167	17,436
Social Security Contribution	2,590	2,674	1,845	2,052
Others	9,162	9,415	8,504	8,513
	<u>37,646</u>	<u>38,650</u>	<u>27,516</u>	<u>28,001</u>

The average number of persons employed by the bank during the year was 252 (2005: 187)

11. BAD AND DOUBTFUL DEBTS EXPENSE

	2006		2005	
	The Bank €'m	The Group €'m	The Bank €'m	The Group €'m
Net Specific Credit Risk Provision	22,463	22,463	14,862	14,862
General Provision	<u>4,669</u>	<u>4,669</u>	<u>823</u>	<u>823</u>
Total On-Balance Sheet Provision	27,132	27,132	15,685	15,685
General Provision on Off-Balance Sheet Items	2,079	2,079	847	847
Bad Debts Recovered	<u>(1,511)</u>	<u>(1,511)</u>	<u>-</u>	<u>-</u>
	<u>27,700</u>	<u>27,700</u>	<u>16,532</u>	<u>16,532</u>

12. TAXATION

	Balance 1/1/06 €'m	Payments during the year €'m	Charge for the year €'m	Balance 31/12/06 €'m
(a) The Bank				
Income Tax				
1998-2004	(505)	-	-	(505)
2005	(845)	-	-	(845)
2006	-	(13,571)	14,041	470
	<u>(1,350)</u>	<u>(13,571)</u>	<u>14,041</u>	<u>(880)</u>
Capital Gains Tax				
2001	(54)	-	-	(54)
	<u>(1,404)</u>	<u>(13,571)</u>	<u>14,041</u>	<u>(934)</u>
Dividend Tax				
1997-2002	13	-	-	13
2006	-	(40)	43	3
	<u>13</u>	<u>(40)</u>	<u>43</u>	<u>16</u>
National Reconstruction Levy				
2001-20034	430	-	-	430
2005	(65)	-	-	(65)
2006	-	(1,451)	1,661	210
	<u>365</u>	<u>(1,451)</u>	<u>1,661</u>	<u>575</u>
Total	<u>(1,026)</u>	<u>(15,062)</u>	<u>15,745</u>	<u>(343)</u>
(b) The Group				
Income Tax				
1999-2004	(483)	-	-	(483)
2005	(990)	-	-	(990)
2006	-	(13,690)	14,136	446
	<u>(1,473)</u>	<u>(13,690)</u>	<u>14,136</u>	<u>(1,027)</u>
Capital Gains Tax				
2001	(54)	-	-	(54)
	<u>(1,527)</u>	<u>(13,690)</u>	<u>14,136</u>	<u>(1,081)</u>
Dividend Tax				
1997 - 2002	13	-	-	13
2006	-	(40)	43	3
	<u>13</u>	<u>(40)</u>	<u>43</u>	<u>16</u>

12. TAXATION (CONT'D)

National Reconstruction Levy

2002-2004	428	-	-	428
2005	(73)	-	-	(73)
2006		(1,451)	16 61	210
	<u>355</u>	<u>(1,451)</u>	<u>1,661</u>	<u>565</u>
Total	<u>(1,159)</u>	<u>(15,181)</u>	<u>15,840</u>	<u>(500)</u>

(c) Tax Charge for the Year	2006		2005	
	The Bank ¢'m	The Group ¢'m	The Bank ¢'m	The Group ¢'m
Income Tax	14,085	14,180	14,140	14,333
Deferred Tax	5,169	5,169	1,227	1,227
	<u>19,254</u>	<u>19,349</u>	<u>15,367</u>	<u>15,560</u>
National Reconstruction Levy	<u>1,661</u>	<u>1,661</u>	<u>2,284</u>	<u>2,287</u>

The National Reconstruction levy is based on a rate of 2.5% and nil (2005 5% and 3.5%) of profit before tax for the bank and its subsidiaries respectively.

(d) Deferred Taxation

Balance at 1st January	3,452	3,452	2,225	2,225
Charge to P&L for the year	5,169	5,169	1,227	1,227
Balance at 31st December	<u>8,621</u>	<u>8,621</u>	<u>3,452</u>	<u>3,452</u>

Liabilities up to and including 2002 have been agreed with the tax authorities. All liabilities are subject to agreement with the Internal Revenue Service.

13. CASH AND BALANCES WITH BANK OF GHANA

	2006		2005	
	The Bank ¢'m	The Group ¢'m	The Bank ¢'m	The Group ¢'m
Cash in Hand				
Balances with Bank of Ghana	22,183	22,183	20,466	20,466
	25,240	25,240	63,115	63,115
	<u>47,423</u>	<u>47,423</u>	<u>83,581</u>	<u>83,581</u>

13(i) CASH AND CASH EQUIVALENTS

Cash and balances with Bank of Ghana	47,423	47,423	83,581	83,581
Dues from other banks and Financial Institutions	259,526	259,526	194,667	194,667
	<u>306,949</u>	<u>306,949</u>	<u>278,248</u>	<u>278,248</u>

14. GOVERNMENT SECURITIES

	2006		2005	
	The Bank ¢'m	The Group ¢'m	The Bank ¢'m	The Group ¢'m
Treasury Bills	35,340	37,111	89,240	89,951
Ghana Government Index				
Linked Bonds	-	-	15,148	15,148
Other Bills	253,234	253,234	87,830	87,830
	<u>288,574</u>	<u>290,345</u>	<u>192,218</u>	<u>192,929</u>

15. DUE FROM OTHER BANKS AND FINANCIAL INSTITUTIONS

Nostro Account balances	237,662	237,662	70,770	70,770
Items in course of collection	21,864	21,864	7,897	7,897
Placement with other banks	-	-	116,000	116,000
	<u>259,526</u>	<u>259,526</u>	<u>194,667</u>	<u>194,667</u>

16. LOANS AND ADVANCES TO CUSTOMERS

(a) Analysis by type

Overdrafts	344,319	344,319	274,727	274,727
Term Loans	544,323	544,323	143,344	143,344
Others	<u>29,598</u>	<u>29,598</u>	<u>25,737</u>	<u>25,737</u>
Gross Loans and Advances	<u>918,240</u>	<u>918,240</u>	<u>443,808</u>	<u>443,808</u>
Less:				
Provision for bad and doubtful debts	(35,250)	(35,250)	(26,881)	(26,881)
Interest in Suspense	<u>(26,189)</u>	<u>(26,189)</u>	<u>(19,007)</u>	<u>(19,007)</u>
Net Loans and Advances	<u>856,801</u>	<u>856,801</u>	<u>397,920</u>	<u>397,920</u>

(i) The above constitute loans and advances (including credit bills negotiated) to customers and staff.

(ii) Loan loss provision ratio is 3.8% (2005: 6.1%)

(iii) Gross Non-performing loans ratio is 7.9% (2005: 16.9%)

(iv) Fifty (50) largest exposures (gross funded and non-funded) to total exposures is 67% (2005: 71%)

(v) Total advances written off in line with the bank's policy was ¢31,192 million (2005: ¢14,203 million). The Bank however has a recovery process in place and these amounts are being pursued.

The maximum amount due from officers of the bank during the year amounted to ¢18,826 million (2005: ¢11,963 million)

16. LOANS AND ADVANCES TO CUSTOMERS

(b) Analysis by Business Segments

	2006		2005	
	The Bank ¢'m	The Group ¢'m	The Bank ¢'m	The Group ¢'m
Agriculture, Forestry & Fishing	58,591	58,591	6,339	6,339
Mining and Quarrying	68,885	68,885	1,912	1,912
Manufacturing	151,783	151,783	115,965	115,965
Construction	93,635	93,635	59,680	59,680
Electricity, gas and water	42,323	42,323	3,171	3,171
Commerce and Finance	226,073	226,073	139,985	139,985
Transport, Storage and Communications	24,063	24,063	37,589	37,589
Services	70,437	70,437	9,156	9,156
Miscellaneous	182,450	182,450	70,011	70,011
	<u>918,240</u>	<u>918,240</u>	<u>443,808</u>	<u>443,808</u>
Less:				
Provision for bad and doubtful debts	(35,250)	(35,250)	(26,881)	(26,881)
Interest in Suspense	(26,189)	(26,189)	(19,007)	(19,007)
	<u>856,801</u>	<u>856,801</u>	<u>397,920</u>	<u>397,920</u>

(c) Analysis by type of Customer

Private Enterprises	799,247	799,247	417,868	417,868
Joint Private & State Enterprises	100,046	100,046	13,977	13,977
Public Institutions	121	121	-	-
Staff	18,826	18,826	11,963	11,963
	<u>918,240</u>	<u>918,240</u>	<u>443,808</u>	<u>443,808</u>
Less:				
Provision for bad and doubtful debts	(35,250)	(35,250)	(26,881)	(26,881)
Interest in Suspense	(26,189)	(26,189)	(19,007)	(19,007)
	<u>856,801</u>	<u>856,801</u>	<u>397,920</u>	<u>397,920</u>

(d) Movement in the Bank and Group's provisions for doubtful debts are as follows:

Balance at 1st January	26,881	26,881	15,538	15,538
Charge for the year	27,132	27,132	15,685	15,685
Provision no longer required	(18,763)	(18,763)	(4,342)	(4,342)
	<u>35,250</u>	<u>35,250</u>	<u>26,881</u>	<u>26,881</u>

17. INVESTMENT IN OTHER SECURITIES

(a) Total Investment in Securities	2006		2005	
	The Bank ¢'m	The Group ¢'m	The Bank ¢'m	The Group ¢'m
Investment in Associated Companies	4,069	7,241	4,069	6,225
Trade Investments	<u>17,480</u>	<u>17,480</u>	<u>31,087</u>	<u>31,657</u>
	<u>21,549</u>	<u>24,721</u>	<u>35,156</u>	<u>37,882</u>
 (b) Associated Companies				
Ghana Leasing Company Ltd	4,069	8,133	4,069	6,992
Transaction Management Service	-	-	-	-
Groups share of Associated Company's Operating profit	-	<u>1,476</u>	-	<u>1,141</u>
	<u>4,069</u>	<u>9,609</u>	<u>4,069</u>	<u>8,133</u>
Less impairment loss	-	<u>(2,368)</u>	-	<u>(1,908)</u>
	<u>4,069</u>	<u>7,241</u>	<u>4,069</u>	<u>6,225</u>
 (c) Trade Investments				
Investment in quoted equities	631	631	631	1,201
Securities Discount Company	60	60	60	60
Africa Investment Bank	<u>1,849</u>	<u>1,849</u>	<u>456</u>	<u>456</u>
	<u>2,540</u>	<u>2,540</u>	<u>1,147</u>	<u>1,717</u>
Less: Provision for Investment Loss	<u>(60)</u>	<u>(60)</u>	<u>(60)</u>	<u>(60)</u>
	<u>2,480</u>	<u>2,480</u>	<u>1,087</u>	<u>1,657</u>
Commercial Paper (c(i))	<u>15,000</u>	<u>15,000</u>	<u>30,000</u>	<u>30,000</u>
	<u>17,480</u>	<u>17,480</u>	<u>31,087</u>	<u>31,657</u>

(c(i)) Commercial Paper

Commercial paper was purchased in July 2006 from one corporate body at a rate of 17% maturing after 182 days.

(d) The percentages of interests in Associated Companies are provided below:

Name	Nature of Business	Country of Incorporation	Percentage Interest
Ghana Leasing Company Limited	Leasing of Equipment	Ghana	39.9%
Transaction Management Services Limited	E-card Service Provider	Ghana	25.0%

18. INVESTMENTS IN SUBSIDIARIES

The Principal Subsidiaries are:

Name	Nature of Business	Country of Incorporation	Amounts ¢'m	Percentage Interest
CAL Investments Limited	Investment Management	Ghana	100	100
CAL Brokers Limited	Security Brokerage	Ghana	6,000	100
CAL Asset Management Limited	Fund Management	Ghana	<u>1,000</u>	100
			<u>7,100</u>	

The Investments in Subsidiaries which are stated at cost comprise:

	2006		2005	
	The Bank ¢'m	The Group ¢'m	The Bank ¢'m	The Group ¢'m
Shares	<u>7,100</u>	<u>-</u>	<u>2,100</u>	<u>-</u>

19. OTHER ASSETS

Sundry Debtors	3,300	4,250	530	535
Accrued Interest Receivable	2,843	3,259	5,717	5,838
Prepayments	7,043	7,064	5,015	5,015
Items in transit	<u>4,007</u>	<u>4,007</u>	<u>64</u>	<u>64</u>
	<u>17,193</u>	<u>18,580</u>	<u>11,326</u>	<u>11,452</u>

20. PROPERTY AND EQUIPMENT

(a) The Bank

	Bank Premise ¢'m	Furniture Fixtures & Equipment ¢'m	Motor Vehicles ¢'m	Work in Progress ¢'m	Total ¢'m
Gross Value					
At 1/1/06	38,327	19,090	6,568	7,187	71,172
Additions	4,450	10,810	2,423	10,873	28,556
Disposals	-	-	(271)	-	(271)
Transfers	2,154	-	-	(2,154)	-
At 31/12/06	<u>44,931</u>	<u>29,900</u>	<u>8,720</u>	<u>15,906</u>	<u>99,457</u>
Comprising:					
Cost of Assets Revalued	8,666	-	-	-	8,666
Surplus on Revaluation	26,588	-	-	-	26,588
	<u>35,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,254</u>
Cost of Assets not Revalued	9,677	29,900	8,720	15,906	64,203
	<u>44,931</u>	<u>29,900</u>	<u>8,720</u>	<u>15,906</u>	<u>99,457</u>
Accumulated Depreciation					
At 1/1/06	3,974	12,353	3,149	-	19,476
Charge for the year	2,432	4,313	1,341	-	8,086
Release on Disposal	-	-	(271)	-	(271)
At 31/12/06	<u>6,406</u>	<u>16,666</u>	<u>4,219</u>	<u>-</u>	<u>27,291</u>
Net Book Value					
At 31/12/06	<u>38,525</u>	<u>13,234</u>	<u>4,501</u>	<u>15,906</u>	<u>72,166</u>
At 31/12/05	<u>34,353</u>	<u>6,737</u>	<u>3,419</u>	<u>7,187</u>	<u>51,696</u>

20. PROPERTY AND EQUIPMENT (CONT'D)

(b) The Group

	Bank Premise €'m	Furniture Fixtures & Equipment €'m	Motor Vehicles €'m	Work in Progress €'m	Total €'m
Gross Value					
At 1/1/06	38,327	19,124	6,568	7,187	71,206
Additions	4,450	10,835	2,423	10,873	28,581
Disposals	-	-	(271)	-	(271)
Transfers	2,154	-	-	(2,154)	-
At 31/12/06	<u>44,931</u>	<u>29,959</u>	<u>8,720</u>	<u>15,906</u>	<u>99,516</u>
Comprising:					
Cost of Assets Revalued	8,666	-	-	-	8,666
Surplus on Revaluation	<u>26,588</u>	-	-	-	<u>26,588</u>
	35,254	-	-	-	35,254
Cost of Assets not Revalued	<u>9,677</u>	<u>29,959</u>	<u>8,720</u>	<u>15,906</u>	<u>64,262</u>
	<u>44,931</u>	<u>29,959</u>	<u>8,720</u>	<u>15,906</u>	<u>99,516</u>
Accumulated Depreciation					
At 1/1/06	3,974	12,387	3,149	-	19,510
Charge for the year	2,432	4,316	1,341	-	8,089
Released on Disposal	-	-	(271)	-	(271)
At 31/12/06	<u>6,406</u>	<u>16,703</u>	<u>4,219</u>	-	<u>27,328</u>
Net Book Value					
At 31/12/06	<u>38,525</u>	<u>13,256</u>	<u>4,501</u>	<u>15,906</u>	<u>72,188</u>
At 31/12/05	<u>34,353</u>	<u>6,737</u>	<u>3,419</u>	<u>7,187</u>	<u>51,696</u>

Leasehold Land and Buildings were professionally revalued on the basis of open market value for existing use by Messrs KOA CONSULT, Chartered Surveyors on 31st March, 2004.

(c) Summary of Property and Equipment

	2006		2005	
	The Bank €'m	The Group €'m	The Bank €'m	The Group €'m
Gross Value	99,457	99,516	71,206	71,206
Accumulated depreciation	<u>(27,291)</u>	<u>(27,328)</u>	<u>(19,510)</u>	<u>(19,510)</u>
Net Book Value	<u>72,166</u>	<u>72,188</u>	<u>51,696</u>	<u>51,696</u>

(d) Disposal of Property and Equipment

Profit on Disposal of Property and Equipment have been arrived at as follows:-

Cost	271	271	79	79
Accumulated Depreciation	<u>(271)</u>	<u>(271)</u>	<u>(79)</u>	<u>(79)</u>
Net Book Value	-	-	-	-
Disposal Proceeds	<u>187</u>	<u>187</u>	<u>32</u>	<u>32</u>
Profit on Disposals (Note 9)	<u>187</u>	<u>187</u>	<u>32</u>	<u>32</u>

21. CUSTOMERS DEPOSITS	2006		2005	
	The Bank ¢'m	The Group ¢'m	The Bank ¢'m	The Group ¢'m
Current Account	579,693	577,865	409,997	407,787
Time Deposits	259,626	258,680	193,244	192,333
Savings deposits	<u>13,784</u>	<u>13,784</u>	<u>7,692</u>	<u>7,692</u>
	<u>853,103</u>	<u>850,329</u>	<u>610,933</u>	<u>607,812</u>

Analysis by type of depositors

Individual and other private enterprise	712,560	712,560	336,762	333,641
Public enterprises	<u>140,543</u>	<u>137,769</u>	<u>274,171</u>	<u>274,171</u>
	<u>853,103</u>	<u>850,329</u>	<u>610,933</u>	<u>607,812</u>

Twenty largest depositors to total deposit ratio is 58% (2005: 63%).

22. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

Deposits from other banks	<u>28,818</u>	<u>28,818</u>	<u>16,564</u>	<u>16,564</u>
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23. INTEREST PAYABLE AND OTHER LIABILITIES

Creditors	18,744	19,060	6,289	6,786
Accruals	18,188	18,427	11,208	11,291
Borrowings (Note 24)	397,839	397,839	116,349	116,349
Others	20,588	20,708	16,985	16,985
Dividend Payable (Note 38)	<u>11,897</u>	<u>11,897</u>	<u>8,639</u>	<u>8,639</u>
	<u>467,256</u>	<u>467,931</u>	<u>159,470</u>	<u>160,050</u>

24. BORROWINGS

EDIF	2,813	2,813	4,264	4,264
Proparco	92,487	92,487	760	760
SSNIT	65,834	65,834	45,834	45,834
African Development Bank	19,525	19,525	28,866	28,866
GIB London	92,486	92,486	34,183	34,183
Bank of Ghana (Speed Facility)	1,045	1,045	2,442	2,442
State Insurance Company Limited	3,649	3,649	-	-
National Health Insurance Scheme	30,000	30,000	-	-
Zenith Bank Ghana Limited	10,000	10,000	-	-
Agricultural Development Bank	30,000	30,000	-	-
First Atlantic Merchant Bank	50,000	50,000	-	-
Note 23 refers	<u>397,839</u>	<u>397,839</u>	<u>116,349</u>	<u>116,349</u>

24. BORROWINGS (CONT'D)

- i. EDIF - This is a facility granted by the Export Development and Investment Fund to be extended to operators in the export sector. Interest is at a rate of 2.5% per annum.
- ii. Proparco - The facility was granted in 2006 and is made up of 3 drawdowns that have maturity periods between four and eight years for on-lending to the private sector. The interest is at a rate of 7.25% - 7.40% per annum.
- iii. SSNIT - These are several short-term facilities with a maturity period up to one year. Interest rate is tied to the 91-day treasury bill rate ruling on the day of borrowing.
- iv. African Development Bank - This relates to two facilities granted for on-lending to the private Sector. Interest is at a rate of 6 months US Libor plus 2.4% maturing in 2008.
- v. GIB Loan - This represents two facilities were granted for on-lending to the private sector. Interest rate is at a rate of 6-month US Libor plus 3% per annum maturing in 2009.
- vi. Bank of Ghana (Speed Facility) - These are facilities granted under the Small and Micro Enterprise Fund for on-lending to the private sector. Interest is at a rate of 15.8% and 16.4% per annum maturing in 2007.
- vii. National Health Insurance Scheme - This is a short-term facility with a maturity period of twelve months. Interest rate is at 17% per annum.
- viii. Zenith Bank of Ghana, Agricultural Development Bank and First Atlantic Bank- These are overnight borrowings.

25. STATED CAPITAL (The Bank and The Group)

	2006		2005	
	Number ('000)	Value ¢'m	Number ('000)	Value ¢'m
Authorised				
Ordinary shares of no par value	<u>1,000,000</u>		<u>1,000,000</u>	
Issued:				
For cash	31,840	43,429	30,289	43,428
Transfer from Income Surplus	-	28,000	-	28,000
Bonus issue	<u>126,787</u>	-	<u>126,787</u>	-
	<u>158,627</u>	<u>71,429</u>	<u>157,076</u>	<u>71,428</u>

There is no share in treasury and no call or installment unpaid on any share.

26. STATUTORY RESERVE FUND (The Bank and the Group)

	2006 ¢'m	2005 ¢m
At 1st January	47,994	22,386
Prior year adjustment		11,595
Transfer from Income Surplus	<u>11,375</u>	<u>14,013</u>
At 31st December	<u>59,369</u>	<u>47,994</u>

27. CAPITAL SURPLUS

	2006		2005	
	The Bank €'m	The Group €'m	The Bank €'m	The Group €'m
Revaluation Surplus	32,823	32,823	32,823	32,823
Bank's shares held by subsidiary	<u>-</u>	<u>(5,592)</u>	<u>-</u>	<u>(1,452)</u>
	<u>32,823</u>	<u>27,231</u>	<u>32,823</u>	<u>31,371</u>
Revaluation Surplus At 1st January and 31st December	<u>32,823</u>	<u>32,823</u>	<u>32,823</u>	<u>32,823</u>

This arose from revaluation of the Bank's leasehold land and buildings

28. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2006 €'m	2005 €'m
Operating Profit before taxation	68,023	44,550
Items not involving cash flow:		
Depreciation	8,089	5,808
Profit on Sale of Property and Equipment	(187)	(32)
Charge for Bad and Doubtful Debts	27,700	16,532
Revaluation Gain of GGLIB	-	(2,104)
Associated Company profit	(1,476)	(1,141)
Provision for Investment Loss	<u>460</u>	<u>1,908</u>
	102,609	65,521
Adjustment for Item shown separately		
Dividend Received	<u>(440)</u>	<u>(166)</u>
Net Cash Inflow from Trading Activities	102,169	65,355
(Increase)/Decrease in Securities held other than those treated as Investing Activities	(97,416)	56,211
Increase in Advance	(486,581)	(113,135)
(Increase)/Decrease in Other Asset Accounts	(7,128)	2,503
Increase in Deposit & Current Accounts	242,517	127,467
Increase/(Decrease) due to other Banks	12,254	(38,529)
Increase/(Decrease) in Creditors/Accruals (excluding borrowings)	<u>22,236</u>	<u>(5,761)</u>
Net Cash flow from Operating Activities	<u>(211,949)</u>	<u>94,111</u>

29. CONTINGENCIES AND COMMITMENTS

a) Letters of Credit, Guarantees and Indemnities

In common with banks, the group conducts business involving acceptances, guarantees, performance bonds and indemnities.

The majority of these facilities are offset by corresponding obligations of third parties. The group also holds certain securities in its own name on behalf of customers. The values of these securities are not recognised in the consolidated balance sheet.

Letters of credit commit the group to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

Guarantees are generally written by a bank to support performance by a customer to third parties. The group will only be required to meet these obligations in the event of customer's default.

Contingencies and commitments not provided for in the financial statements as at 31 December 2006 in respect of the above amounted to €391 billion (2005: €183 billion) , as detailed below.

	2006 €'m	2005 €'m
Letters of Credit	114,481	18,877
Guarantees and Indemnities	<u>276,380</u>	<u>163,747</u>
	<u>390,861</u>	<u>182,624</u>

The amount of unsecured contingencies and commitments in respect of these at 31st December 2006 was €382 billion (2005: €175 billion).

b) Capital Expenditure

Capital commitments not provided for in the financial statements as at 31st December 2006 amounted to €8,434 million (2005: €766 million).

(c) Pending Legal Claims

At the year end there were two legal cases pending against the bank, instituted by two former employees, alleging wrongful dismissal. Should judgment go in favour of the plaintiffs, likely claims against the bank have been estimated at €765 million. (2005: €466 million.)

30. CONCENTRATION OF ASSETS, LIABILITIES AND OFF BALANCE SHEET ITEMS

Banks take on foreign currency exchange rate exposure on its financial position and cash flows. The table below summarises the bank's exposure to foreign currency exchange rate risks at year-end. The amounts stated in the table are the cedi equivalent of the foreign currencies.

	US Dollars ¢'m	British Pounds ¢'m	Euro ¢'m	Others ¢'m	Total ¢'m
Assets					
Cash and Balances with Bank of Ghana	9,637	4,557	4,158	95	18,447
Government Securities	-	-	-	-	-
Due from other Banks & Financial Institutions	190,719	27,083	-	26,686	244,488
Investment in other Securities	-	-	-	-	-
Loans and Advances to Customers	265,583	2	62,134	-	327,719
Investment in Subsidiary	1,850	-	-	-	1,850
Property, Plant and Equipment	-	-	-	-	-
Other Assets	863	9	33	-	905
Taxation	-	-	-	-	-
Total Assets	468,652	31,651	66,325	26,781	593,409
Liabilities					
Due to Customers	229,283	5,028	13,769	1,170	249,250
Due to other Banks	-	-	6,827	-	6,827
Due to Central Bank	-	-	-	-	-
Borrowings	204,498	-	-	-	204,498
Other Liabilities	3,812	2	6	-	3,820
Total Liabilities	437,593	5,030	20,602	1,170	464,395
Net On-Balance Sheet Position	31,059	26,621	45,723	25,611	129,014
Off-Balance Sheet					
Credit Commitments	91,631	10,833	27,246	260	129,970
		2006 ¢'m			2005 ¢'m
Total Assets		593,409			214,836
Total Liabilities		(464,395)			(222,032)
Net on Balance Sheet Position		129,014			(7,196)
Off-balance sheet credit commitments		129,970			21,783

31. MATURITY OF ASSETS AND LIABILITIES

	0 - 3 months €'m	3 - 6 months €'m	6 - 12 months €'m	Over 1 year €'m	Total €'m
Assets					
Cash and Balances with Central Bank	47,423	-	-	-	47,423
Government Securities	270,696	3,020	14,858	-	288,574
Due from other Bank	259,526	-	-	-	259,526
Investment in other Securities	21,549	-	-	-	21,549
Loans and Advances to Customers	270,237	91,934	75,737	418,893	856,801
Investment in Subsidiaries	-	-	-	7,100	7,100
Property and Equipment	-	-	-	72,166	72,166
Other Assets	6,547	10,646	-	-	17,193
Taxation	-	343	-	-	343
Total Assets	875,978	105,943	90,595	498,159	1,570,675
Liabilities					
Due to customers	509,841	144,924	130,545	67,793	853,103
Due to central bank	-	-	-	-	-
Due to other banks	15,200	5,977	5,562	2,079	28,818
Other borrowed funds	115,148	25,363	52,830	204,498	397,839
Other liabilities	66,181	-	-	3,236	69,419
Deferred Taxation	-	-	-	8,621	8,621
Total Liabilities	706,370	176,264	188,937	286,227	1,357,798
Net Liquidity Gap	169,608	70,321	98,342	211,932	212,877
Net Liquidity Gap					
		2006 €'m		2005 €'m	
Total assets		1,570,675		969,690	
Total liabilities		1,357,798		790,419	
Net liquidity gap		212,877		179,271	

The table above analyses assets and liabilities of the bank into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

The matching and control of the maturities and interest rates of assets and liabilities is fundamental to the management of the bank.

It is unusual for banks to be completely matched since business transacted is often of uncertain term and of different types.

An unmatched position may potentially enhance profitability, but may also increase the risk of losses.

32. RELATED PARTY TRANSACTIONS

Included in loans and advances is an amount of €34,049 million (2005: €3,357 million) granted to an associated company and €2,412 million (2005: €1,626) granted to a company in which a Director has an interest.

33. SHARE SCHEME

(a) Share Option Scheme

The shareholders of the bank on 26th April 2004 approved the following share options scheme for Non Executive Directors and Executive Directors and Senior Management Staff.

Beneficiaries	No. of Shares
Non-Executive Directors	1,859,551
Executive Directors and Senior Management Staff	<u>4,517,783</u>
	<u>6,377,334</u>

The options for Non Executive Directors are exercisable at the option price of €2,000.00 per share over a three-year period in equal amounts commencing January 2005 to December 2007, after which they will lapse. Options not exercised after the respective exercisable date will accumulate and must be exercised by December 31, 2007 after which they will lapse. The options will also lapse when the non-Executive Director ceases to be a Director of the Bank except that the options will automatically become exercisable in cases where the Director resigns on account of ill health, death, change in control or removal by cumulative voting at the AGM of the company.

The options for Senior Management Staff are exercisable at the initial public offering price over a five-year period in equal amounts commencing January 2005 to December 2009, after which they will lapse. Options not exercised after the respective exercisable date will accumulate and must be exercised by December 31, 2009 after which they will lapse. The options will also lapse when the employee leaves the company except they will automatically become exercisable in cases where the employee leaves on account of ill-health, retirement, termination without cause, death and change in control or in other cases as decided by the Board of Directors.

Options Exercised	2006	2005
Options outstanding 1st January	5,945,026	6,377,334
Options exercised	<u>-</u>	<u>(432,308)</u>
Options outstanding at 31st December	<u>5,945,026</u>	<u>5,945,026</u>

(b) Bonus Scheme

The Shareholders of the bank at the Annual General Meeting held on 18th March 2005 passed a resolution to allot a pool of shares of up to 5% of the issued shares at 31st December 2005 amounting to 7,754,639, for distribution to Non-Executive Directors and Executives of the bank over a period of 5 years linked to the performance of the bank and as determined by the Board.

34. SHARE SCHEME (CONT'D)

Bonus Shares Issued

	2006	2005
Bonus shares outstanding 1st January	6,203,712	7,754,639
Bonus shares issued	<u>(1,550,927)</u>	<u>(1,550,927)</u>
Bonus shares outstanding at 31st December	<u>4,652,785</u>	<u>6,203,712</u>

35. ANALYSIS OF SHAREHOLDING

Class of Equity	No. of Shareholders within range	Total Holding	% Holding
1 - 1,000	18,779	10,218,437	6.44
1001 - 5,000	2,929	6,303,074	3.97
5001 - 10,000	393	3,018,593	1.90
Over 10,000	<u>665</u>	<u>139,086,832</u>	<u>87.69</u>
	<u>22,766</u>	<u>158,626,936</u>	<u>100.00</u>

36. DIRECTORS' SHAREHOLDINGS

The Directors named below held the following number of shares in the company at 31st December 2006:

NAME OF DIRECTOR	No. of Shares	%
George Victor Okoh	516,598	0.32
Frank Adu Jnr.	3,360,534	2.12
Malcomn Dermott Pryor	443,305	0.28
Paarock VanPercy	338,885	0.21
Banda Asoma Abu	137,160	0.07
Robert Ahomka-Lindsay	53,711	0.03

37. NUMBER OF SHARES IN ISSUE

Earnings, dividend and net assets per share are based on 158,626,936 (2005: 157,076,009) ordinary shares at the balance sheet date.

38. DIVIDEND

	2006 ¢m	2005 ¢m
Balance at 1st January	8,639	7,755
Proposed dividend	11,897	8,639
Dividend paid	(8,639)	(7,774)
Dividends in respect of employee share options exercised	-	19
Balance at 31st December	<u>11,897</u>	<u>8,639</u>

39. TWENTY LARGEST SHAREHOLDERS

Shareholder	No. of Shares	% Holding
BBGN/International Finance Corporation	26,232,526	16.54
Afare Apeadu Donkor	18,120,000	11.42
Kingdom 5-KR-73 Limited	17,417,000	10.98
First City Monument Bank PLC	12,942,307	8.16
Vanguard Assurance Company Limited	4,876,108	3.07
Pryor Count & Co. Inc.	4,343,642	2.74
Frank Adu Jnr.	3,360,534	2.12
Star Assurance Company Limited	3,175,300	2.00
Ecobank Stockbrokers Limited	2,820,019	1.78
Cal Brokers Equity Holdings	2,735,708	1.72
Global Haulage Company Limited	1,863,315	1.18
Ansah Benjamin Fosu	1,657,460	1.05
Databank Financial Services	1,395,927	0.88
Strategic African Securities Limited	907,247	0.57
Teachers Fund	709,600	0.45
Daniel Ofori	591,200	0.37
DBL/Kwabena Adjei	572,438	0.36
Anthony Oteng-Gyasi	542,930	0.34
Rosemond Awuah Darko	524,060	0.33
Ernestina Ansah	524,060	0.33
	105,311,381	66.39

PROXY FORM

ANNUAL GENERAL MEETING to be held at 10.00 am on 22nd. March 2007 at Osu Eben-Ezer Presbyterian Church Hall, Accra

I/Webeing a member(s) of CAL Bank Limited hereby appoint

*

or failing him/her the Chairman of the Meeting as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held on 22nd March 2007.

Signed thisday of 2007

.....
Shareholder's Signature

Resolutions from the Board	For	Against
1. To receive the 2006 Accounts		
2. To declare the final dividend		
3. To authorise the Directors to fix the remuneration of the Auditors		
4. To re-elect Mr. Malcolm Dermott Pryor		
5. To re-elect Mr. Paarock VanPercy		
6. To elect Mrs. Leonora Awua-Kyeremanten as Director		
Please indicate with an 'X' in the appropriate box how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed the proxy will vote or abstain from voting at his discretion		

... ✕

THIS PROXY FORM SHOULD NOT BE SENT TO THE REGISTRAR IF THE MEMBER WILL BE ATTENDING THE MEETING.

Notes:

A Member (Shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above Proxy Form has been prepared to enable you to exercise your vote if you cannot personally attend.

Provision has been made on the Form for the Chairman of the meeting to act as your proxy but, if you wish, you may insert in the blank space marked * the name of any person whether a Member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the Meeting.

If executed by a Corporation, the Proxy Form should bear its Common Seal or be signed on its behalf by a Director of the Corporation.

Please sign the above Proxy Form and deliver it so as to reach the Registrar, NTHC, Martco House, 1st Floor, Okai Mensah Link, Off Kwame Nkrumah Avenue, Adabraka, P. O. Box KIA 9563, Airport, Accra not later than 10.00 am on Wednesday 21st March 2007.

RESOLUTIONS TO BE PASSED AT THE ANNUAL GENERAL MEETING

BOARD RESOLUTIONS

The Board of Directors will be proposing the following resolutions, which would be put to the Annual General Meeting:

To Receive the 2006 Accounts

The Board shall propose the acceptance of the 2006 Accounts as the true and fair view of the state of affairs of the company for the year ended 31 December 2006.

To Declare a Dividend

The directors recommend the payment of a dividend of €75.00 per share for the year ended 31st December 2006.

To Authorise the Directors to fix the Remuneration of the Auditors

In accordance with Section 134(5) of the Companies Code 1963 KPMG will continue in office as auditors of the group. The Board would request that they fix the fees of the auditors.

To Re-Elect Board members

The following Board members retired in accordance with Section 298(a) of the Companies Code 1963, Act 179 and Regulation 78(a) of the Regulations of the company:

Mr. Malcolm Dermott Pryor and

Mr. Paarock VanPercy

Messrs. Pryor and VanPercy, who are eligible for re-election, have offered themselves to be re-elected as directors of the company.

To Elect a new Board member

With the resignation of Dr. Lincoln Yesu Rathnam from the Board, a vacancy was created in the number of members of the Board. The Board has nominated Mrs. Leonora Awua-Kyeremanten for election to the Board to fill the vacancy created.

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