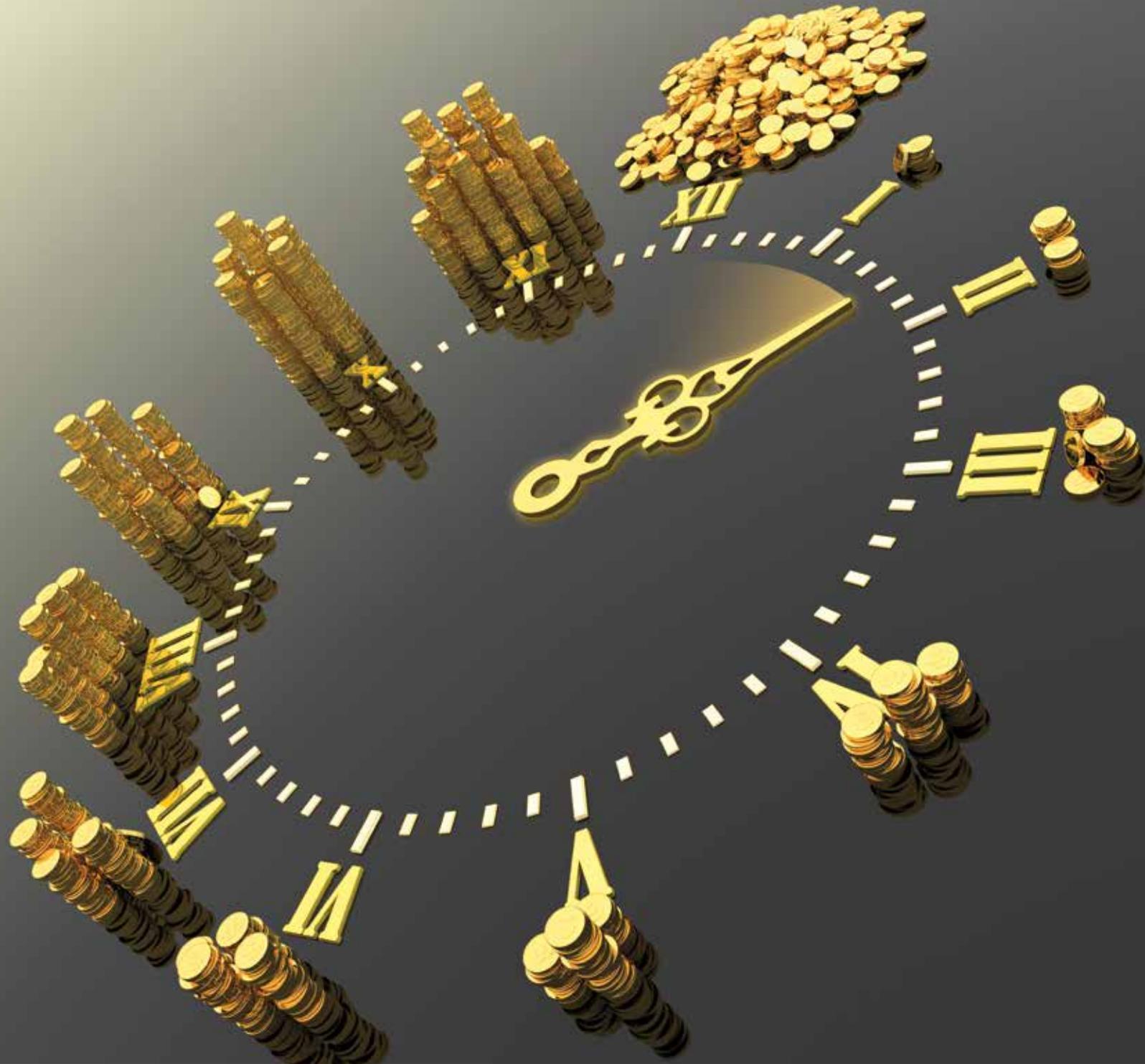
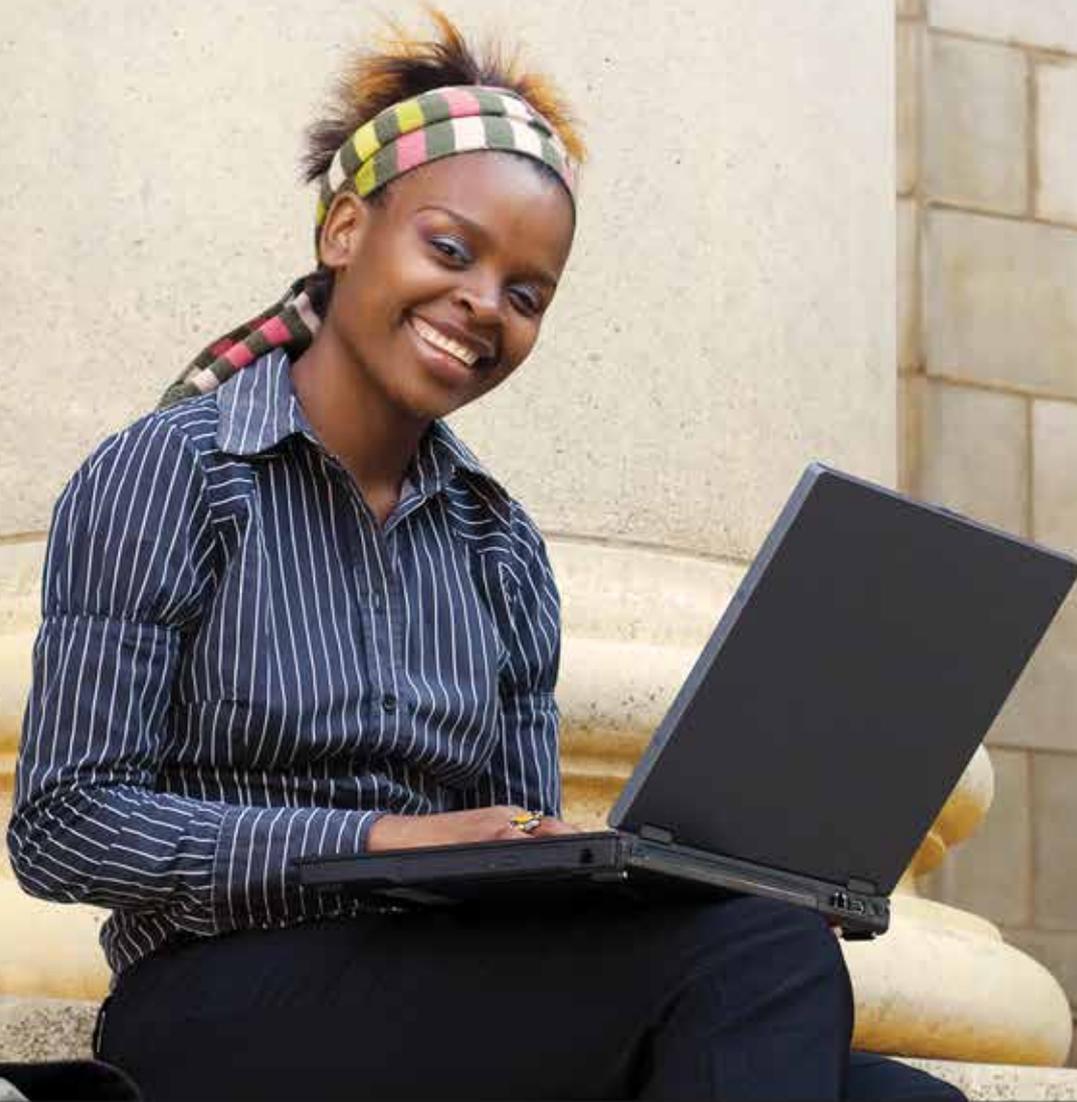


ANNUAL REPORT 2012



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Our individual financial successes depend entirely on how appropriate we regulate our monies at all times. This is why CAL Bank has specially designed CAL Student Account to help students better manage their finances to guarantee them sound financial future. Every fulltime student of the age 18 and above can sign up to this Account.

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NOTICE OF ANNUAL GENERAL MEETING OF CAL BANK LIMITED TO BE HELD ON WEDNESDAY, 27 MARCH 2013 AT THE GHANA COLLEGE OF PHYSICIANS AND SURGEONS, RIDGE, ACCRA

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CAL Bank Limited will be held at 10 a.m. on Wednesday, 27 March 2013 at the Conference Auditorium of the Ghana College of Physicians and Surgeons, Ridge, Accra to transact the following business:

AGENDA

1. To receive and consider the Reports of the Directors and the Auditors, and the Accounts of the Company for the year ended December 31, 2012
2. To declare a final dividend for the year ended December 31, 2012
3. To authorise the Directors to fix the fees of the Auditors
4. To re-elect Directors retiring by rotation
5. To re-elect a newly appointed Director
6. To approve directors' remuneration

Dated this 25th day of February 2013

BY ORDER OF THE BOARD

**DEHANDS SERVICES LIMITED
COMPANY SECRETARY**

A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. Such a proxy need not be a member of the Company.

The appointment of a proxy will not prevent a member from subsequently attending and voting at the Meeting in person. Where a member attends the Meeting in person, the proxy appointment shall be deemed to be revoked.

A copy of the Form of Proxy may be deposited at the registered office of the Registrar of the Company, Computershare Pan Africa Ghana Limited, 23 Eleventh Lane, Osu R.E., Accra, Ghana, or posted to the Registrar at P.O. Box CT2215 Cantonments, Accra, to arrive not later than 10 a.m. on 25th March 2013.

FIVE YEAR CONSOLIDATED FINANCIAL SUMMARY

in thousands of Ghana Cedis

	2012	2011	2010	2009	2008
Interest Income	145,660	75,814	69,750	64,256	38,113
Interest Expense	(61,084)	(34,420)	(32,675)	(41,621)	(21,682)
Net Interest Income	84,576	41,394	37,075	22,635	16,431
Commissions and fees	25,824	14,646	9,288	6,534	6,185
Other Operating Income	22,654	14,904	7,450	10,087	11,943
Operating Income	133,054	70,944	53,813	39,256	34,559
Total Operating Expenses	(48,865)	(36,135)	(28,328)	(25,450)	(21,177)
Credit Loss Expense	(17,461)	(11,465)	(12,849)	(3,476)	(2,186)
Operating Profit	66,728	23,344	12,636	10,330	11,196
Other Income	126	8	(38)	185	303
Profit before income tax	66,854	23,352	12,598	10,515	11,499
Income Tax Expenses	(15,203)	(5,187)	(2,502)	(1,949)	(2,431)
National Fiscal Stabilisation levy	-	(1,260)	(630)	(263)	-
Profit after Taxation	51,651	16,905	9,466	8,303	9,068
Total assets	1,162,855	809,364	509,992	452,812	338,902
Total Deposits	794,556	611,719	296,625	277,602	176,660
Loans and Advances	747,385	411,582	256,634	214,715	190,938
Total Shareholders' Equity	207,424	88,354	78,778	58,424	37,428
Earnings per share (Ghana Cedis per share)	0.0942	0.0681	0.0392	0.0441	0.5350
Dividends per share (Ghana Cedis per share)	0.0350	0.0260	0.0130	0.0120	0.0145
Number of Shares ('000)	548,262	248,262	246,103	238,803	167,211
Return on Assets	4.4%	2.1%	1.9%	1.8%	2.7%
Return on Equity	24.9%	19.1%	12.0%	14.2%	24.5%
Capital Adequacy Ratio	20.0%	11.6%	16.1%	15.5%	12.1%
Cost-to-Income Ratio	36.7%	50.9%	52.7%	64.5%	60.7%

CAL BANK LIMITED
BOARD OF DIRECTORS, OFFICIALS AND REGISTERED OFFICE

BOARD OF DIRECTORS

Paarock Asuman VanPercy (Chairman)
Frank Brako Adu Jnr. (Managing Director)
Malcolm Dermott Pryor
James Chamberlain Brenner
Leonora Agyarko
Dr. Kobina Quansah
Philip Owiredu
Ernest Kakra Essamuah
Eduardo Gutierrez (Appointed: 24/05/12)
Charles Asare (Appointed: 01/11/12)

SECRETARY

Dehands Services Limited
2nd Floor, Opeibea House
37 Liberation Road
P.O.Box CT 9347, Cantonments
Accra
Ghana

SOLICITORS

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

AUDITORS

Deloitte & Touche
4 Liberation Road
P. O. Box GP 453
Accra
Ghana

REGISTERED OFFICE

23 Independence Avenue
P. O. Box 14596
Accra
Ghana

REGISTRAR

Computershare Pan Africa Ghana Limited
23 Eleventh Lane
Osu R.E.
P. O. Box CT 2215
Cantonments
Accra
Ghana

BOARD OF DIRECTORS



Mr. Paarock A. VanPercy
Chairman



Mr. Frank B. Adu Jnr.
Managing Director



Mr. Philip Owiredu
Executive Director



Ms. Leonora Agyarko
Member



Mr. James C. Brenner
Member



Dr. Kobina Quansah
Member



Mr. Ernest K. Essamuah
Member



Mr. Malcolm D. Pryor
Member



Mr. Charles K. Asare
Member



Mr. Eduardo Gutierrez
Member



Mr. Jojo Acquah
Company Secretary
Dehands Services Ltd.

Mr. Paarock A. VanPercy - Chairman

Mr. VanPercy is Director-General of the Ghana National Communications Authority. Prior to this, he worked as an Investment Banker for over twenty years. He is a Chartered Accountant by training and is a Fellow of the Institute of Chartered Accountants in England & Wales.

He is the Chairman of CAL Asset Management Company Limited and holds directorships on the Boards of the Liberia Bank for Development and Investment, Afri Invest Management Company Limited, and Afri Holdings Limited.

Mr. Frank B. Adu Jnr. - Managing Director

Mr. Frank Adu Jnr. is an investment Banker and the Managing Director of the Bank. He is the Chairman of the Ghana Stock Exchange (GSE) Securities Depository Company, the Roman Ridge School, Golden Beach Hotels Group of Ghana (La Palm Beach Hotel, Elmina Beach Resort and Busua Beach Resort).

He is a member of the Board of Okyeman Environmental Foundation and the University College of Agriculture and Environment

Mr. Philip Owiredu - Executive Director

Mr. Owiredu is the Executive Director of CAL Bank. Prior to this, he was the Director of the bank's Financial Control Department, which is responsible for all financial and management accounting support and compliance with legal and regulatory requirements. Mr. Owiredu joined the Bank in December 2004 from KPMG where he was Senior Manager after eight years. He is a fellow of the Association of Chartered Certified Accountants (UK).

Ms. Leonora Agyarko - Member

Ms. Leonora Agyarko is a Lawyer and a member of the International Federation of Women Lawyers (FIDA). She is a Board Member of The Christian Community Mutual Fund (CCMF), AFS Intercultural Programs and Clark Sustainable Resources Developments Ltd.

Mr. James C. Brenner - Member

Mr. Brenner is the President and CEO of Broad Cove Partners, and a Director of Ghana Home Loans Limited and is a member and founding Chairman of the Board of the Overseas Vote Foundation.

Dr. Kobina Quansah - Member

Dr. Kobina Quansah, a banker by profession, is the Chairman of Vodafone Ghana and Core Nett Limited. He is a director of Newmont Ghana Gold Limited and Pioneer Aluminium Kitchenware Limited. He is a member of the Executive Council of Fintrade Foundation.

Mr. Ernest K. Essamuah - Member

Mr. Essamuah is a qualified solicitor and barrister, was admitted to the Ghana Bar in October 1992 after studying at the University of Ghana and qualifying from the Ghana Law School. He has over twenty years experience as a Private Legal Practitioner. He practised at da Rocha Chambers from 1992 to 2000 and is currently in private legal practice.

He holds non stipendiary directorships at Lodestar Investment Limited and Tranquillity Spa Limited.

Mr. Malcolm D. Pryor - Member

Mr. Pryor has worked as an Investment Banker for thirty four years. He began his career as an Institutional Fixed Income Salesman with Goldman Sachs & Co. He was Chief Executive Officer of Pryor, Counts & Co., Inc for twenty four years. For the past four years he has been Chief Executive of a Private Equity Fund investing in the Southern Africa region (SAEDF).

He has been a principal investor in Western and Central Africa since 1987 principally in the financial services sector; as a founding shareholder of CAL Bank, the African Export Import Bank and Ghana Home Loans as well as a founding shareholder of Merchant Bank of East Africa. He has been a member of the New York Cocoa and Coffee Exchange and the Philadelphia Stock Exchange as a market maker in equity options.

He served on the Board of Directors of both listed and unlisted Companies in Retailing, Health Care, Hospitality, Insurance and Engineering services. He was recently recognised as a leader in the area of Africa Investing by the Wharton School of the University of Pennsylvania.

Charles Asare - Member

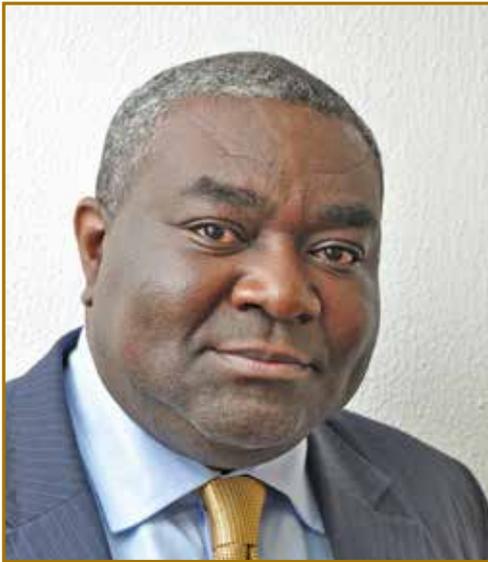
Mr. Charles Kwame Asare has over 25 years of banking and finance experience in corporate Africa and the USA. He currently works as a consultant specialising in financial and management advisory assignments with private and public sector institutions. He was the Chief Financial and Operating Officer for GPHA Inc. of Philadelphia until 2007. He also served as the Director General of the Social Security and National Insurance Trust (SSNIT) of Ghana from 1998 to 2001. Prior to SSNIT, from 1994-1998, Mr. Asare headed HSBC Equator Bank's (subsidiary of the HSBC Bank Group) West African operations providing financial, advisory and fund management services, to companies and governments. From 1990-1994, he was an Assistant General Manager at Ecobank Ghana Limited, responsible for business development in corporate banking and corporate finance. Mr. Asare holds an MBA from Tuck Business School, Dartmouth College, USA and a BA (Economics) Degree from Haverford College, USA.

Mr. Eduardo Gutierrez - Member

Mr. Eduardo Gutierrez has fifteen years of African private equity experience. He is a partner of Development Partners International, a London-based, private equity fund. He was previously an Executive Director of Brait South Africa Limited and Brait Private Equity. Mr Gutierrez has served on the boards of directors of numerous companies.

He is a qualified chartered accountant, trained at KPMG in South Africa, where he worked on and managed statutory audits of a number of companies across various industries before becoming a Senior Consultant in their Forensic & Investigative Accounting Group.

CHAIRMAN'S REPORT



Introduction

Distinguished shareholders, it is with great pride that I welcome you to the Annual General Meeting for the year ended 31st December 2012. I am happy to report that once again, your Bank has delivered superior results for the period, in spite of certain economic challenges experienced during 2012.

The year 2012 marked the end of our three year strategy, 2010 to 2012, which sought to propel the Bank to the top position of the second tier of banks. I am happy to report to you that we have been successful in achieving this objective. Furthermore, we have strengthened our balance sheet and enhanced our income generation ability whilst focusing on delivering superior value to our shareholders, customers and all other stakeholders.

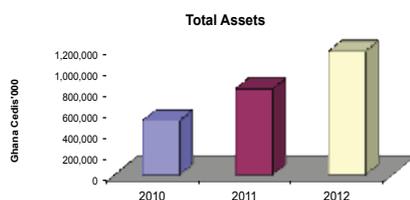
Economic Review

The economy recorded a real GDP growth of 7.3%, despite the worsening of some economic indicators during the year. Significant depreciation of the cedi against the United States Dollar occurred during the first half of the year, however the Central Bank was able to address the situation towards the end of the year.

Inflation at the end of December 2012 is estimated at 8.8%, this was marginally higher than the previous year's rate of 8.58%. Interest rates went up during the year with the 91 – Day Treasury bill rate closing the year at 23.12%, compared to 10.67% the previous year.

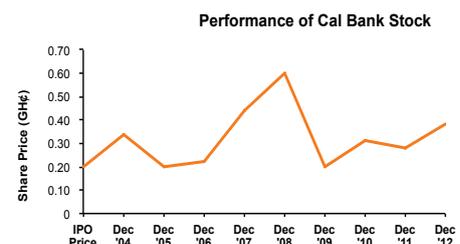
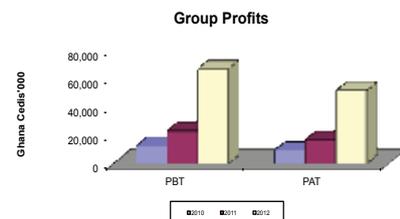
Financial Review

Both the Bank and the Group achieved record profit after tax of GH¢49.5 million and GH¢51.6 million respectively. This reflects an increase of 168% and 204% over the previous year respectively. There was a general improvement across all areas of activity including the subsidiaries that contributed over GH¢2 million to the group profitability.



The record performance was achieved through revenue maximization and cost reduction efforts. Prudent cost management measures put in place to ensure that expenditure is effectively managed and obtaining value for money played a pivotal role in ensuring that all the revenue generated was well preserved, thereby creating value for our shareholders.

In delivering this superior performance, the strong balance sheet which has been built over the past few years was essential. The Group's balance sheet size increased by 44% and this strengthened balance sheet will be prudently managed to ensure continuous value creation for all stakeholders.



The Bank's stock price closed the year at GH¢0.38, an increase of 52% from GH¢0.25 achieved the previous year, a reflection of the confidence the market has in your stock and your Bank. We expect the trend to continue into 2013 and beyond.

Dividend

CAL Bank's commitment to delivering superior returns to our shareholders is demonstrated by ensuring we pay an appreciable dividend to our shareholders on an annual basis whilst retaining profit in accordance with statutory regulations and future growth. The Board is therefore pleased to recommend a dividend payment of GH¢0.035 per share, amounting to GH¢19.2 million.

Corporate Governance

Effective corporate governance is a part of our identity. The CAL Board Charter continues to provide a clear framework for directors to execute our duties and also serve as a benchmark in evaluating performance in accordance with best practice.

Your Board continues to enhance its knowledge and equip itself to effectively steer the affairs of your Bank. In this regard, your Board has been trained on issues pertaining to Anti-Money Laundering.

Directorship

During the period under review, Mr. Charles Asare was appointed to fill the vacant position created as a result of the demise of Mr. Joel Hyde. He is due for retirement and has offered himself for re-appointment.

In accordance with the regulations of the Bank and the Companies Code, Mr. Paarock A. VanPercy, Dr Kobina Quansah and Mr. Malcolm D. Pryor are due for retirement and offer themselves for re-election.

The Year Ahead

We have put in place a comprehensive business plan for the next three years that should take us into the first tier group of banks. Through the disciplined execution of our business plan, we expect to continue with the Bank's growth and development.

Distinguished shareholders, I feel proud to say that even in the face of a very challenging operating environment and stiff competition, CAL Bank has maintained its culture of outstanding performance and industry leadership in innovation. As a Bank, we are monitoring developments both in the local and global economy to ensure we take advantage of emerging opportunities to create and enhance value.

Conclusion

Ladies and Gentlemen, on behalf of the Board, I would like to thank you very sincerely for your unwavering support. The future though challenging, remains promising for all of us and we will continue to put to good use the resource you have entrusted us with and continue to enhance its value every year.

The success story we tell today would not have been possible without our valued customers, to them we say a big thank you. And to the management and staff who put their hands to the mill everyday to churn out this impressive performance we say good work done and may you continue to be up to the task ahead and outperform what you did in 2012.

May God bless you all.

Thank you.

MANAGING DIRECTOR'S REPORT

"Your legacy should be that you made it better than it was when you got it."

Lee Iacocca – Chairman and CEO, Chrysler Corporation



Introduction

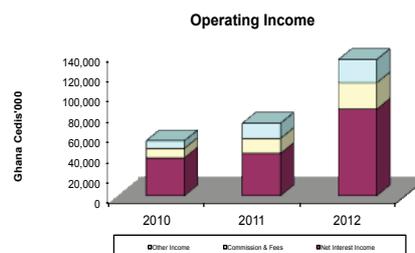
The year 2012 was characterized by varied events and issues both locally and internationally. These had an adverse impact on the performance of business all over the world. The Euro zone crisis persisted during the year whilst the US struggled to make modest gains in its economy. China although experienced growth in its economy, suffered a decline compared to prior years.

Locally, the country experienced one of the most challenging years in its recent economic history, with the cedi depreciating by 20% against the US dollar, the country's major trading currency. The 91 day Treasury bill rate increased from 10.67% at the beginning of the year to 23.12% at the end of the year an increase of 167%. The country experienced the demise of its sitting President and also held a fiercely contested election at the end of the year.

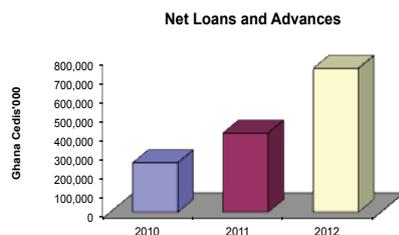
In spite of these there was an appreciable level of growth in the local economy estimated at 7.3%. We positioned ourselves properly through various efforts to take advantage of the several opportunities and made very significant improvements in the financial performance and strength of your Bank.

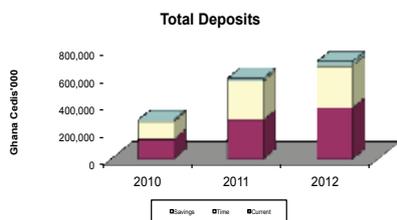
Financial Performance

The group results for the year ended 31st December, 2012 was strong as we sustained our culture of superior performance driven essentially by our people, technology and excellent customer service. The group reported an annual operating profit before tax of GH¢66.9 million compared to GH¢23.3 million in the previous year, an increase of 185%. Group profit after tax was GH¢51.7 million compared to the previous year's amount of GH¢17.0 million, reflecting an increase of 204%. The increased profitability was as a result of prudent measures taken to enhance income and effective measures put in place to manage costs during the period resulting in a significant increase in all our income lines.



Total assets size of the group increased from GH¢809 million in the previous year to GH¢1.2 billion, an increase of 44%. Significant growth was realized in investment in government securities of 55% and 82% in loans and advances, funded mainly by growth in customer deposits from GH¢612 million to GH¢795 million an increase of 30%, increase in borrowings from GH¢93 million to GH¢131 million and additional capital of GH¢75 million raised during the period. The growth in balance sheet is a reflection of our ability to develop our presence in our target markets and provide the platform for sustainable growth in our profitability.





Shareholders' funds at the end of the period amounted to GH¢207 million compared to the previous year's amount of GH¢88 million, an increase of 135%. This was achieved through profit retention and the successful private placement exercise that raised GH¢75 million. The increased shareholders' funds enabled the Bank to increase its single obligor limit resulting in our ability to take up bigger sized transactions

arising out of the growth in the economy and business opportunities.

We continued to enhance the skill sets of our relationship team, enabling us foster deeper relationships with our clients and increasing our share of wallet of their businesses. We also made significant inroads in building new relationships with new clients, all these in pursuit of building a business with sustained growth into the future.



Operational Performance

Through the disciplined execution of our business plan and strategy, we were able to sustain the Bank's growth and development. We have consolidated our presence in high growth sectors in the corporate banking segment of the market and continue to develop our retail banking offering.

The Bank consolidated the operations of its expanded branch network during the year to aggressively sell our products and deliver our superior service to our clients. We also continued with the ATM network expansion bringing our total ATMs deployed to 50 at the end of the year.

To remain competitive, we have made significant investments in technology and training to optimize the actions of our systems and employees. This has been a critical element in achieving the Bank's strategy. In accordance with best practice and in conformity with the Anti-Money Laundering Act, 2008 Act 749 the Bank acquired the Omni Enterprise Anti-Money Laundering software to enhance our risk management practices. The Bank also undertook an Anti-Money Laundering training for all staff to ensure we instill the risk management culture and practices into our staff. We will continue to invest in our people and new technology to improve our efficiency which will reflect in our profitability.

Social Responsibility

The Bank is still strongly committed to supporting the needy and destitute in society principally through education, support of local communities, sports development and above all acting fairly, ethically and with integrity in everything that we do.

The Bank continues to offer support to children in various foster homes by providing educational support from the primary through to the tertiary level. Some of these children who have graduated are currently in the employ of the Bank and have contributed to the current performance of the Bank.

CAL continues to develop beach soccer in the country by sponsoring the Cal Bank Beach Soccer Championship, which has aided the rapid development and growth of Beach Soccer in Ghana. From just ten clubs in 2010, the Ghana Beach Soccer Association increased its membership to twenty clubs with over 600 registered beach soccer players in 2012.

Our significant contribution to the construction of a new ward at the Princess Marie Louis Hospital for children was acknowledged when the ward was commissioned earlier this year.

Plans are far advanced towards the adoption of a ward at the 37 Military Hospital that will be named the CAL Bank Ward. The ward will be renovated to modern standards and supported to deliver good service to the sick in line with the Bank's quality service standards.

Subsidiaries

In tandem with the Bank's performance, CAL Brokers and CAL Asset Management also delivered equally good performance by contributing over GH¢2 million to the Group's profit after tax accounting for 4.2% of group profitability. These subsidiaries continue to maintain their leadership in their respective industries.

Funds under management held by CAL Asset Management amounted to GH¢123 million compared to GH¢115 million at the end of the previous year.

Our custody offering being managed through CAL Nominees Limited has also started making an impact on the market and signed up thirteen institutions for service provision during the year.

Conclusion

With the current stabilization in the economy and the increasing opportunities opening up in the country, we expect 2013 to be a more promising year. We will therefore endeavour to deliver our best and ensure we maintain the growth momentum we have had in the past. Our commitment to sustaining and improving shareholder value is unwavering; with your support your Bank can only grow from strength to strength.

The next period of operations, 2013, holds enormous promise for CAL Bank. We are positioned through our improved systems and a well-motivated workforce to continue to deliver good value to all stakeholders in an increasingly complex and dynamic industry.

CAL Bank now stands out among our industry peers and in business at large as distinctively able to keep moving into the future, and to keep generating differentiating value for our clients, our employees, owners and all stakeholders. This has been possible through the committed adherence to our strategic plans which are generally planned on three year cycles. A new strategic plan for 2013 to 2015 will commence in January 2013.

Let me close by expressing my pride in the CAL team, the Directors, management, staff and all other stakeholders for bringing us to this point, and my gratitude to you, our shareholders, for your unwavering support. I trust we can continue to count on your support in the years ahead and together build a Ghanaian Bank of international repute.

Thank you.

Frank Brako Adu Jnr.

REPORT OF THE DIRECTORS

The Board of Directors has the pleasure to submit this report of the company for the year ended 31st December 2012.

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, the consolidated income statement and consolidated cash flows for the year. In preparing these consolidated financial statements, the directors have selected and applied consistently suitable accounting policies, made judgments and estimates that are reasonable and prudent and followed International Financial Reporting Standards. The directors have made an assessment of the group's ability to continue as a going concern and have no reason to believe the group will not be a going concern in the year ahead.

Financial Statement

GH¢'000

Profit for the year ended 31st December 2012 before taxation is	66,854
from which is deducted taxation of	(15,203)
giving a profit for the year after taxation of	51,651
to which is added balance on Retained Earnings brought forward (excluding amounts transferred to Regulatory Reserves) of	17,233
leaving a balance of	68,884
Less: Transfer to Regulatory Reserves	(22,483)
giving a cumulative amount available for distribution of	46,401
less dividend paid of GH¢0.026 per share amounting to	(5,934)
leaving a balance on Retained Earnings carried forward of	40,467

Nature of Business

The nature of business of the group 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.

Substantial Shareholders

Details of the Bank's twenty largest shareholders are disclosed in Note 37 of the Annual Report

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. They are Mr Paarock VanPercy, Dr. Kobina Quansah and Mr. Malcolm D. Pryor, being eligible, have offered themselves for re-election.

Election of Board Member

At the meeting of the board of directors held on 1st November 2012, Mr. Charles Asare was nominated for appointment as a director for approval by the shareholders. His profile appears below.

Charles Asare

Mr. Charles Kwame Asare has over 25 years of banking and finance experience in corporate Africa and the USA. He currently works as a consultant specialising in financial and management advisory assignments with private and public sector institutions. He was the Chief Financial and Operating Officer for GPHA Inc. of Philadelphia until 2007. He also served as the Director General of the Social Security and National Insurance Trust (SSNIT) of Ghana from 1998 to 2001. Prior to SSNIT, from 1994-1998, Mr. Asare headed HSBC Equator Bank's (subsidiary of the HSBC Bank Group) West African operations providing financial, advisory and fund management services, to companies and governments. From 1990-1994, he was an Assistant General Manager at Ecobank Ghana Limited, responsible for business development in corporate banking and corporate finance. Mr. Asare holds an MBA from Tuck Business School, Dartmouth College, USA and a BA (Economics) Degree from Haverford College, USA.

Subsidiaries

CAL Brokers Limited, a company incorporated in Ghana as a securities broker and a licensed dealing member of the Ghana Stock Exchange.

CAL Asset Management Company Limited, licensed to manage assets by the Securities and Exchange Commission.

CAL Bank Nominees Limited, incorporated in Ghana to hold and administer securities and other assets as a custodian (registered owner) on behalf of beneficial owners.

Associated Undertakings

Ghana Leasing Company Limited (a non-banking financial institution) and Transaction Management Services Limited (in liquidation) both incorporated in Ghana are associated undertakings of the Bank.

Committees of the Board

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

Audit Committee

Dr Kobina Quansah (**Chair**)

Leonora Agyarko

Paarock VanPercy

Ernest Kakra Essamuah

Eduardo Gutierrez

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

- nominate the accounting firm to conduct the annual audit
- discuss with the internal auditor the scope of the examinations
- discuss with the internal auditor special areas of concern
- advise on review of compliance with company policies

- advise on the efficiency studies of selected activities
- review the auditors report with the auditor on completion

Compensation Committee

Leonora Agyarko **(Chair)**
 Paarock VanPercy
 Kobina Quansah
 Frank B. Adu Jnr. (ex-officio)

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

Risk Management Committee

Paarock VanPercy **(Chair)**
 Leonora Agyarko
 Kobina Quansah
 Malcolm D. Pryor
 Frank B. Adu Jnr.

The Risk Management Committee which is made up of four non-executive directors and one executive director, performs the following functions:

- monitor the execution of the Board's risk strategy for different business and geographic markets of operation.
- monitor the effectiveness of the risk management organisational structure
- advise management on the adoption and implementation of an appropriate risk management policy
- keep under review the status and application of risk management responsibilities and accountabilities
- review and monitor any requirement for reporting on risk management to the Board

Going Concern

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Dividend

The directors recommend the payment of a dividend of GH¢0.035 per share to be paid to members.

Auditors

In accordance with Section 134(5) of the Companies Act 1963, (Act 179) Deloitte & Touche will be in office as auditors of the Group.

Acknowledgement

The board of directors hereby expresses its sincere appreciation for the support, loyalty and dedicated service of the staff, management and all stakeholders of the Bank over the past year.

BY ORDER OF THE BOARD



Director



Director

Dated 27th February 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAL BANK LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of CAL Bank Limited on pages 16 to 65 which comprise the consolidated financial position as at 31 December, 2012, consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, together with the summary of significant accounting policies and other explanatory notes, and have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Directors' Responsibility for the Financial Statements

The Bank and its subsidiaries Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Code, 1963 (Act 179), and the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738); and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 as to 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 control 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 management, 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 Bank and its subsidiaries have kept proper accounting records and the financial statements are in agreement with the records in all material respects and given in the prescribed manner, information required by the Companies Act 1963, (Act 179), the Banking Act 2004 (Act 673) as amended by the Banking (Amendment) Act of 2007 (Act 738). The financial statements give a true and fair view of the financial position of the Bank and its subsidiaries as at 31 December 2012, and of their financial performance and cash flow for the year then ended and are drawn up in accordance with the International Financial Reporting Standards (IFRS).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAL BANK LIMITED

Report on Other Legal and Regulatory Requirements (cont'd)

The Ghana Companies Act, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters

We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
- ii. In our opinion proper books of accounts have been kept by the Bank and its Subsidiaries, so far as appears from our examination of those books, and
- iii. The Consolidated Balance Sheet and Consolidated Income Statement of the Bank and its subsidiaries are in agreement with the books of accounts.

The Banking Act 2004 (Act 673), section 78 (2), requires that we state certain matters in our report

We hereby state that;

- i. The accounts give a true and fair view of the state of affairs of the Bank and its subsidiaries and its results for the period under review
- ii. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors
- iii. The Bank and its subsidiaries 's transactions are within their powers and
- iv. The Bank has complied with the provisions of Act 673 and the Banking (Amendment) Act of 2007.

Felix Nana Sackey

Practising Certificate Licence No.: ICAG/P/1131



Signature.....

Deloitte & Touche

Licence Number: ICAG/F/026

Chartered Accountants

Accra, Ghana

28th February,
....., **2013**

CAL BANK LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2012

in thousands of Ghana Cedis

	Note	The Bank		The Group	
		2012	2011	2012	2011
Interest Income	8	145,991	75,138	145,660	75,814
Interest Expense	8	(61,209)	(34,477)	(61,084)	(34,420)
Net Interest Income		84,782	40,661	84,576	41,394
Fees and Commissions Income	9	26,004	15,193	26,977	15,193
Fees and Commissions Expense	9	(1,138)	(534)	(1,153)	(547)
Net Fees and Commissions		24,866	14,659	25,824	14,646
Net Trading Income	10	13,869	10,445	13,869	10,545
Other Operating Income	11	5,723	3,946	8,785	4,359
		19,592	14,391	22,654	14,904
Operating Income		129,240	69,711	133,054	70,944
Credit Loss Expense	20	(17,461)	(11,465)	(17,461)	(11,465)
Net Operating Income		111,779	58,246	115,593	59,479
Staff Costs	12	(25,230)	(16,380)	(26,090)	(17,003)
Administration and General Expenses	13	(19,272)	(14,817)	(19,641)	(16,494)
Depreciation and Amortisation	27,28	(3,068)	(2,473)	(3,134)	(2,638)
Total Operating Expenses		(47,570)	(33,670)	(48,865)	(36,135)
Operating Profit		64,209	24,576	66,728	23,344
Profit From Disposal of Non-Current Assets	27	126	8	126	8
Profit Before Income Tax		64,335	24,584	66,854	23,352
Income Tax Expense	25	(14,883)	(5,017)	(15,203)	(5,187)
National Fiscal Stabilisation levy	25	-	(1,229)	-	(1,260)
PROFIT FOR THE YEAR		49,452	18,338	51,651	16,905
Earnings per share (Ghana Cedis per share)	14				
- Basic		0.0902	0.0739	0.0942	0.0681
- Diluted		0.0902	0.0739	0.0942	0.0681

CAL BANK LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2012

in thousands of Ghana Cedis

	The Bank		The Group	
	2012	2011	2012	2011
Profit for the Year	49,452	18,338	51,651	16,905
Other Comprehensive Income				
Available-For-Sale Financial Assets	(4,217)	648	(4,217)	648
Net Change In Revaluation Surplus	68	10	68	10
Other Comprehensive Income For The Year	(4,149)	658	(4,149)	658
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	45,303	18,996	47,502	17,563

CAL BANK LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2012

in thousands of Ghana Cedis

	Note	The Bank		The Group	
		2012	2011	2012	2011
Assets					
Cash and Balances with Bank of Ghana	15	86,976	67,659	86,976	67,659
Items in Course of Collection from Other Banks	17	22,299	12,431	22,299	12,431
Investment in Government Securities	18	240,319	154,349	240,327	154,880
Due from Banks and Other Financial Institutions	19	10,511	99,172	12,427	122,522
Loans and Advances to Customers	20	747,385	412,565	747,385	411,582
Investment in Other Securities	21	-	-	950	768
Investment in Subsidiaries	23	1,128	1,118	-	-
Other Assets	24	10,720	7,178	12,348	7,911
Deferred Tax Assets	26	4,612	2,167	4,612	2,167
Property, Plant and Equipment	27	34,548	28,762	34,669	28,779
Intangible Assets	28	847	662	862	665
Total Assets		1,159,345	786,063	1,162,855	809,364
Liabilities					
Customer Deposits	29	707,648	564,396	706,667	586,770
Due to Banks and Other Financial Institutions	30	87,888	20,449	87,888	24,949
Borrowings	31	130,707	92,652	130,707	92,652
Accruals and Other Liabilities	32	27,620	15,434	28,782	16,423
Current Tax Liabilities	25	1,438	211	1,387	216
Total Liabilities		955,301	693,142	955,431	721,010
Shareholders' Equity					
Stated Capital	33	100,000	27,725	100,000	27,725
Statutory Reserve Fund	33	43,168	18,442	43,168	18,442
Capital Surplus	33	15,440	15,372	15,131	9,836
Retained Earnings	33	36,778	16,264	40,467	17,233
Other Reserves	33	8,658	15,118	8,658	15,118
Total Shareholders' Equity		204,044	92,921	207,424	88,354
Total Liabilities and Shareholders' Equity		1,159,345	786,063	1,162,855	809,364
Net Assets Value per Share (Ghana Cedi per Share)		0.3722	0.3743	0.3783	0.3559



Director



Director

The Directors approved the financial statements on 27th February 2013

CAL BANK LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2012

in thousands of Ghana Cedis

Attributable to Equity Holders

The Bank	Stated Capital	Statutory Reserve	Capital Surplus	Retained Earnings	Other Reserves		Total Equity
					Fair Value Reserves	Regulatory Credit Risk Reserve	
Balance at 1 January 2011	27,120	13,858	15,362	5,435	110	14,634	76,519
Issue of shares	605	-	-	-	-	-	605
Transfer to/from reserves	-	4,584	-	(4,310)	-	(274)	-
Dividends paid to equity holders	-	-	-	(3,199)	-	-	(3,199)
Total comprehensive income for the year	-	-	10	18,338	648	-	18,996
Balance at 31 December 2011	27,725	18,442	15,372	16,264	758	14,360	92,921
Balance at 1 January 2012	27,725	18,442	15,372	16,264	758	14,360	92,921
Issue of shares	72,275	-	-	-	-	-	72,275
Transfer to/from reserves	-	24,726	-	(22,483)	-	(2,243)	-
Dividends paid to equity holders	-	-	-	(6,455)	-	-	(6,455)
Total comprehensive income for the year	-	-	68	49,452	(4,217)	-	45,303
Balance at 31 December 2012	100,000	43,168	15,440	36,778	(3,459)	12,117	204,044

The Group	Stated Capital	Statutory Reserve	Capital Surplus	Retained Earnings	Other Reserves		Total Equity
					Fair Value Reserves	Regulatory Credit Risk Reserve	
Balance at 1 January 2011	27,120	13,858	15,224	7,832	110	14,634	78,778
Issue of shares	605	-	-	-	-	-	605
Transfer to/from Reserves	-	4,584	-	(4,310)	-	(274)	-
Change in Bank's shares held by subsidiaries	-	-	(5,398)	-	-	-	(5,398)
Dividends paid to equity holders	-	-	-	(3,194)	-	-	(3,194)
Total comprehensive income for the year	-	-	10	16,905	648	-	17,563
Balance at 31 December 2011	27,725	18,442	9,836	17,233	758	14,360	88,354
Balance at 1 January 2012	27,725	18,442	9,836	17,233	758	14,360	88,354
Issue of shares	72,275	-	-	-	-	-	72,275
Transfer to/from Reserves	-	24,726	-	(22,483)	-	(2,243)	-
Change in Bank's shares held by subsidiaries	-	-	5,227	-	-	-	5,227
Dividends paid to equity holders	-	-	-	(5,934)	-	-	(5,934)
Total comprehensive income for the year	-	-	68	51,651	(4,217)	-	47,702
Balance at 31 December 2012	100,000	43,168	15,131	40,467	(3,459)	12,117	207,424

CAL BANK LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2012

in thousands of Ghana Cedis

	The Bank		The Group	
	2012	2011	2012	2011
Profit Before Tax for the Period	64,335	24,584	66,854	23,352
Adjustments for:				
Depreciation and Amortisation	3,068	2,473	3,134	2,638
Impairment on Financial Assets	17,461	11,465	17,461	11,465
Profit on Disposal of non-current assets	(126)	(8)	(126)	(8)
Dividend Received	-	(441)	(20)	(37)
Other Employee Benefit Expenses	219	193	219	193
Impairment of Investment in Associated Company	-	407	-	1,553
Change in Fair Value of Investment Securities	(3,383)	723	(3,383)	984
Other Provisions	-	(1)	-	(1)
Accretion of Deferred Income	1,658	2,111	1,658	2,111
	83,232	41,506	85,797	42,250
Change in Government Securities	(86,814)	(37,453)	(86,291)	(37,860)
Change in Investments in Other Securities	-	86	(182)	909
Change in Investment in Subsidiaries	(10)	(400)	-	-
Change in Loans and Advances to Customers	(354,204)	(169,278)	(355,187)	(168,295)
Change in Other Assets	(3,273)	1,218	(4,168)	880
Change in Customer Deposits	132,306	283,183	108,951	298,544
Change in Amounts Due to Banks and Other Financial Institutions	67,440	6,512	62,940	10,880
Change in Accruals and Other Liabilities	22,919	(2,810)	23,091	(3,188)
Income Tax Paid	(16,034)	(10,131)	(16,409)	(10,451)
Net Cash Flows From Operating Activities	(154,438)	112,433	(181,458)	133,669
Cash Flows From Investing Activities				
Purchase of Property, Plant and Equipment	(9,039)	(4,247)	(9,221)	(4,253)
Proceeds from Sale of Non-current Assets	126	42	126	42
Change in Treasury Shares	-	-	5,227	(5,398)
Net Cash Used in Investing Activities	(8,913)	(4,205)	(3,868)	(9,609)
Cash Flow from Financing Activities				
Dividend Income	-	441	20	37
Dividends Paid	(6,455)	(3,199)	(5,934)	(3,193)
Net Changes in Borrowings	38,055	(15,553)	38,055	(15,553)
Proceeds from Shares Issued	72,275	605	72,275	605
Net Cash Flow from Financing Activities	103,875	(17,706)	104,416	(18,104)
Net Increase/(Decrease) in Cash and Cash Equivalents	(59,476)	90,522	(80,910)	105,956
Analysis of Changes in Cash and Cash Equivalents During the Year				
Cash and Cash Equivalents at 1st January	179,262	88,740	202,612	96,656
Net Change in Cash and Cash Equivalents	(59,476)	90,522	(80,910)	105,956
Cash and Cash Equivalents at 31st December	119,786	179,262	121,702	202,612
Analysis of Cash and Cash Equivalents During the Year				
Cash and Balances with Bank of Ghana	86,976	67,659	86,976	67,659
Due from Banks and Other Financial Institutions	10,511	99,172	12,427	122,522
Items in Course of Collection from Other Banks	22,299	12,431	22,299	12,431
Total Cash and Cash Equivalents	119,786	179,262	121,702	202,612

CAL BANK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2012

(All currency amounts in the notes are in thousands of Ghana Cedis unless otherwise stated)

1. REPORTING ENTITY

Cal Bank Limited (the "Bank") is a bank incorporated in Ghana. The address and registered office of the Bank is 23 Independence Avenue, P.O. Box 14596, Accra, Ghana. The consolidated financial statements of the Bank as at and for the year ended 31st December 2012 comprise the Bank and its subsidiaries (together referred to as the Group). The Group primarily is involved in investment, corporate and retail banking and asset management services.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of measurement

The financial statements are prepared on the historical cost basis except for the following assets and liabilities that are stated at their fair value: financial instruments that are fair value through profit or loss, financial instruments classified as available-for-sale, and leasehold land and buildings.

(c) Functional and presentation currency

The consolidated financial statements are presented in Ghana Cedis, which is the Group's functional currency. Except as indicated, financial information presented in Ghana Cedis have been rounded to the nearest thousand.

(d) Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) Information about significant estimation, uncertainty and critical judgements

In applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statement are describe in note 5.

(f) Presentation of financial statements

The Bank presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 4 (c).

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the consolidated income statement unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Bank.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the year ended 31 December 2012. The financial statements of Cal Bank's subsidiaries (including special purpose entities that the Bank consolidates) are prepared for the same reporting year as Cal Bank, using consistent accounting policies.

All intra-group balances, transactions, income and expenses are eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. Control is achieved where the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(ii) Investments in Associates

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial management policy decisions. This is generally demonstrated by the Group holding in excess of 20%, but no more than 50%, of the voting rights.

The Group's investments in associates are initially recorded at cost and increased (or decreased) each year by the Group's share of the post acquisition net income (or loss), or other movements reflected directly in the equity of the associated or jointly controlled entity. Goodwill arising on the acquisition of an associate is included in the carrying amount of the investment (net of any accumulated impairment loss). When the Group's share of losses in an associate equals or exceeds the recorded interest, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the entity.

The Group's share of the results of associates is based on financial statements made up to a date not earlier than three months before the statement of financial position date, adjusted to conform with the accounting policies of the Group. Unrealised gains on transactions are eliminated to the extent of the Group's interest in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of impairment in the asset transferred. In the financial statements of the Group, investments in associates are stated at cost less impairment if any.

(iii) Funds Management

The Group manages and administers assets held in unit trust or other investment vehicles on behalf of investors. The financial statements of these entities are not included in these consolidated financial statements except where the group controls the entity. Information about the group's fund management activities are set out in note 34 (iv).

(b) Foreign Currency

Foreign currency transactions and end of day balances are translated into the functional currency using the published transactional exchange rates by the Bank of Ghana prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost or year-end exchange rates if held at fair value, and the resulting foreign exchange gains and losses are recognised in the income statement or shareholders' equity as appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(c) Interest

Interest income is recognised in the income statement for all interest-bearing financial instruments classified as held to maturity, available for sale or other loans and receivables using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

In calculating the effective interest rate, the Group estimates cash flows (using projections based on its experience of customers' behaviour) considering all contractual terms of the financial instrument but excluding future credit losses. Fees are included in the calculation to the extent that they can be wholly measured and are considered to be an integral part of the effective interest rate. Cash flows arising from the direct and incremental costs of issuing financial instruments are also taken into account in the calculation. Where it is not possible to otherwise estimate reliably the cash flows or the expected life of a financial instrument, effective interest is calculated by reference to the payments or receipts specified in the contract, and the full contractual term.

When a financial asset or a group of similar financial assets have been written down as a result of impairment, contractual effective rate of interest is used to discount the future cash flows for the purpose of measuring the impairment loss.

Interest income and expense on financial assets and liabilities held at fair value through profit or loss is recognised in the income statement in the period they arise.

(d) Fees and commissions

Fees and commission income and expenses that are an integral part of the effective interest rate on financial instruments are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement and arrangement fees and syndication fees are recognised as the related services are performed, usually on time proportionate basis.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

(e) Net Trading Income

Income arises from the margins which are achieved through market-making and customer business and from changes in market value caused by movements in interest and exchange rates, equity prices and other market variables. Trading positions are held at fair value and the resulting gains and losses are included in the income statement, together with interest and dividends arising from long and short positions and funding costs relating to trading activities.

(f) Dividends

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities. Dividends are reflected as a component of net trading income, net income on other financial instruments at fair value or other operating income based on the underlying classification of the equity instrument.

(g) Other Operating Income

Other operating income comprises other income including gains or losses arising on fair value changes in trading assets and liabilities, derecognised available for sale financial assets, and foreign exchange differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(h) Leases

(i) Classification

Leases that the Group assumes substantially all the risks and rewards of ownership of the underlying asset are at its fair value and present value of the minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are classified as operating leases.

(ii) Lease Payments

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(i) Financial assets and liabilities

(i) Categorisation of financial assets and liabilities

The Group classifies its financial assets in the following categories: financial assets held at fair value through profit or loss; loans and receivables and available-for-sale financial assets. Financial liabilities are classified as either held at fair value through profit or loss, or at amortised cost. Management determines the categorisation of its financial assets and liabilities at initial recognition.

(ii) Financial assets and liabilities held at fair value through profit or loss

Financial instruments are classified in this category if they are held for trading, or if they are designated by management under the fair value option. Instruments are classified as held for trading if they are:

- acquired or incurred principally for the purpose of selling or repurchasing in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking or;
- a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial instruments may be designated at fair value through profit or loss (designated under the fair value option) on inception. Financial instruments cannot be taken into or out of this category after inception. Financial instruments designated at fair value are recognised initially at fair value and transaction costs are taken directly to the income statement. Gains and losses arising from changes in fair value are included directly in the income statement. The instruments are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognition.

Financial assets and liabilities may be designated at fair value through profit or loss when the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities on a different basis, or a group of financial assets and/or liabilities is managed and its performance evaluated on a fair value basis.

Regular way purchases and sales of financial instruments held for trading under fair value option are recognised on trade date, being the date on which the Group commits to purchase or sell the asset.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, which are not classified as available for sale and which the Group has no intention to sell immediately or in the near term.

Loans and receivables are initially recognised at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost, using the effective interest method. They are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership.

Regular way purchases and sales of loans and receivables are recognised on contractual settlement.

(iv) Available for sale financial assets

Available for sale investments are non-derivative financial investments that are designated as available for sale and are not categorised as held at fair value through profit and loss, loans and receivables or held to maturity. They are initially recognised at fair value including direct and incremental transaction costs. They are

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

subsequently held at fair value. Gains and losses arising from changes in fair value are included in a separate component of equity until sale when the cumulative gain or loss is transferred to the income statement. Interest determined using the effective interest rate method, impairment losses and translation differences on monetary items are recognised in the income statement. The available for sale financial assets are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership.

Regular way purchases and sales of available for sale financial instruments are recognised on trade date, being the date on which the group commits to purchase or sell the asset.

(v) Financial liabilities measured at amortised cost

This relates to all other liabilities that are not designated at fair value through profit or loss. All financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expired.

(vi) Fair value measurement

The determination of fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices or dealer price quotations. For unlisted securities and financial assets or financial liabilities that are not actively traded, the Group establishes fair value by using valuation techniques. These techniques include the use of arms' length transactions, discounted cash flow analysis, and valuation models and techniques commonly used by market participants. Some or all of the inputs into these models may be derived from market prices or rates or are estimates based on assumptions.

The value produced by a model or other valuation technique may be adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the statement of financial position.

(vii) Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position if, and only if, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

(viii) Amortised cost measurement

"The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment."

(ix) Identification and measurement of impairment

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan and other observable data that suggests adverse changes in the payment status of the borrowers.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on a loan and receivable has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the asset's original

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan and receivable has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure, less cost for obtaining and selling the collateral, whether or not foreclosure is probable. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Group's grading process which considers asset type, industry, geographical location, collateral type, past due status and other relevant factors). These characteristics are relevant to the estimation of future cash flows for group of such assets being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period in which the historical loss experience is based, and to remove the effects of conditions in the historical period that do not exist currently.

To the extent a loan is irrecoverable, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

Impairment losses on available-for-sale financial assets are recognised by transferring the difference between the amortised acquisition cost and current fair value out of equity to the income statement. When the subsequent events cause available-for-sale assets to decrease, the impairment loss is reversed through the income statement.

(j) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with maturities less than three months. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(k) Due from Banks and Other Financial Institutions

This is mainly made up of placements and overnight deposits with banks and other financial institutions. Amounts due from banks and other financial institutions are carried in the statement of financial position at amortised cost, i.e. gross receivable less impairment allowance.

(l) Property, Plant and Equipment

(i) Recognition and measurement

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

The Bank owns landed properties that are revalued every three years. Increases in the carrying amount arising on revaluation are credited to capital surplus. Decreases that offset previous increases of the same asset are charged against the capital surplus.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of Property, Plant and Equipment are recognised in the income statement as incurred.

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of Property, Plant and Equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold Buildings	-	over the remaining life of the lease
Motor Vehicles	-	5 years
Equipment	-	3 years
Furniture and fittings	-	7 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date. Gains and losses on disposals are included in the income statement.

(m) Intangible assets **Software**

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three to five years.

(n) Current and Deferred Taxation

(i) Current Taxation

The Group provides for income taxes at the current tax rates on the taxable profits of the Group. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred Taxation

Deferred income tax is provided, using the balance sheet method, on temporary timing differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax is not recognised for the following temporary differences; the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred income tax is determined using tax rates and legislation enacted or substantially enacted by the balance sheet date and is expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Events After Reporting Date

Events after reporting date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

(p) Deposits, amounts due to Banks and borrowings

This is mainly made up of customer deposit accounts, overnight placements by banks and other financial institutions and medium term borrowings. They are categorised as other financial liabilities carried in the statement of financial position at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(i) Deposits and amounts due to Banks

Deposits and amounts due to Banks are a major source of debt funding for the Group. Deposits are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Group chooses to carry the liabilities at fair value through profit and loss.

(ii) Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowing on an effective interest basis.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless they are remote.

(r) Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are initially recognised at their fair value, and the fair value is amortised over the life of the financial guarantee. The financial guarantees are subsequently carried at the higher of the amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable).

(s) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement when they are due.

(ii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(iv) Defined benefit scheme

The group also provides gratuity benefits to its retirees on health grounds and long-term services. The entitlement to these benefits is usually conditional on the employee remaining in service up to the due date and completion of minimum service period. The expected cost of these benefits are accrued over the period of employment.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(t) Impairment on non-financial assets

The carrying amount of the Group's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in the income statement.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(u) Share capital

(i) Share issue costs

Incremental costs directly attributable to the issue of new shares or options or the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(ii) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the shareholders of the bank. Dividend payable is recognised as a liability in the period in which it is declared (the obligation to pay is established).

(iii) Treasury shares

Where the Company or any member of the Group purchases the Company's shares, the consideration paid is deducted from shareholders' equity (Capital Surplus Account) as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

(v) Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segments) or in providing products and services within a particular economic environment (geographical segment) which is subject to risks and rewards that are different from those of other segments.

Business segments are the primary reporting segments. Group costs are allocated to segments on a reasonable and consistent basis.

(w) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of dilutive potential ordinary shares which comprises share options granted to employees.

(x) New standards and interpretations yet to be adopted

Details presented in note 38.

(y) Environmental and Social Policy

CAL Bank believes environmental protection and social development are among the most pressing issues facing the world today. The Bank therefore regards sustainable and social development as a fundamental aspect of sound business management. Consequently, the Bank is committed to continuing the integration of environmental and social aspects into its business activities.

The bank therefore has put in place an environmental and social management systems (ESMS) and policy which are integrated into our credit assessment process. Our ESMS policy includes sound objectivities and well defined processes, procedures and responsibilities to ensure optimal benefit from this policy.

We continuously improve upon our systems by providing the needed training to our staff. We also communicate with our clients and provide the needed guidelines to ensure a healthy environment and social development.

Our benchmarks are the local legislations as well as the Environmental and Social Policies and Guidelines of the World Bank Group and the Conventions of the International Labour Organisation.

4. FINANCIAL RISK MANAGEMENT

(a) Introduction and overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk • liquidity risk • market risks • operational risks.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Risk Management Committee of the Board assists the Board in carrying out this responsibility. To enable it achieve its purpose, the Committee:

- Reviews and monitors aggregate risk levels in the business and the quality of risk mitigation and controls for all areas of risk to the business
- Makes recommendations to management on areas of improvement
- Informs the Board of progress in implementing improvements.

The Board has also established the Asset and Liability Management Committee (ALCO) and Risk Management Department which are responsible for developing and monitoring risk management policies in their specified areas.

The risk management policies are established to identify and analyse the risks faced by the Group, 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 Group, 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 Audit Committee of the Board is responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in these functions by Internal Audit and Internal Control. Internal Audit and Internal Control undertake both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

All Board committees are made up of non-executive members, with executives in attendance. The committees report regularly to the Board of Directors on their activities.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers and other banks and investment securities. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk and sector risk).

Management of credit risk

The Board of Directors has delegated responsibility for the day-to-day management of credit risk to the Credit Department and the overall management of credit risk to the Risk Management Department. These departments report to the Board on a quarterly basis.

The Credit department's responsibility includes:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to executives of the group. Larger facilities require approval by the Credit Committee or the Board of Directors as appropriate.

- Reviewing and assessing all credit exposures prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties and industries (for loans and advances), and by issuer, credit rating band and market liquidity.
- Developing and maintaining risk grading in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework reflects the varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive / committee as appropriate. Risk grades are subject to regular reviews by the Credit department.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries and product types. Regular reports are provided to Group Credit on the credit quality of loan portfolio and appropriate corrective action is taken.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout in the management of credit risk.

Each business unit is required to implement Group credit policies and procedures. Each business unit reports on all credit related matters to management. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios.

The internal risk grading scale is as follows:

Group's rating	Description of the grade	Average number of days outstanding
Grade A	Current	less than 30 days
Grade B	Other Loans Especially Mentioned (OLEM)	30 days to but less than 90 days
Grade C	Sub-standard	90 days to less than 180 days
Grade D	Doubtful	180 days to less than 360 days
Grade E	Loss	360 days and above

The Risk Management Department monitors and manages the Bank's global credit risk within the appetite approved by the Board and set as limits and controls within the Bank's Risk Management Policy statement. It also promotes and supports the development of good credit risk management practices.

Regular audits of business units and Group Credit processes are undertaken by Internal Audit.

Exposure to Credit Risk	Loans and Advances to Customers	
	2012	2011
Carrying Amount Individually Impaired	747,385	411,582
Grade B	17,138	1,794
Grade C	43	5,781
Grade D	1,008	3,237
Grade E	24,815	23,401
Gross Amount	43,004	34,213
Allowance for Impairment	(27,387)	(20,602)
Carrying Amount	15,617	13,611

4. Financial risk management (continued)

Loans and Advances to Customers

	2012	2011
Collectively Impaired		
Grade B	6	301
Grade C	577	19
Grade D	252	640
Grade E	6,620	4,759
Gross Amount	7,455	5,719
Allowance for Impairment	(6,434)	(5,674)
Carrying Amount	1,021	45
Past due but not Impaired		
Grade B	445	6,700
Grade C	2,399	-
Grade D	242	1,550
Grade E	1,343	3,208
Carrying Amount	4,429	11,458
Loans with renegotiated terms	22,584	21,140
Neither past due nor impaired		
Grade A	703,734	365,328
Total Carrying Amount	747,385	411,582

Impaired loans and securities

Impaired loans and securities are loans and securities for which it has been determined that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/securities agreement(s).

Past due but not impaired loans

Loans and securities where contractual interest or principal payments are past due but it is believed that impairment is not appropriate on the basis of the level of security / collateral available and / or the stage of collection of amounts owed.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring.

Allowances for impairment

An allowance is established for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Write-off policy

The Group writes off a loan / security balance (and any related allowances for impairment losses) when loan review committee determines that the loans / securities are uncollectible. This determination is reached after the loan or security has been classified as "loss" for three consecutive years. All write-offs must be approved by the Board.

Set out below is an analysis of the gross and net (of allowances for impairment) amounts of individually impaired assets by risk grade.

4. Financial risk management (continued)

Loans and Advances to Customers

	31st December 2012		31st December 2011	
	Gross	Net	Gross	Net
Grade B	17,138	8,013	1,794	1,188
Grade C	43	30	5,781	3,073
Grade D	1,008	449	3,237	2,194
Grade E	24,815	7,127	23,401	7,156
Total	43,004	15,619	34,213	13,611

Credit collateral

The Group holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are updated every three years. Collateral generally is not held over loans and advances to banks, except where the counterparty bank assigns securities in the form of treasury bills or government bonds. Collateral usually is not held against investment securities, and no such collateral was held at 31st December 2012 or 2011.

Collateral repossessed

During the year, the bank took possession of an asset with a carrying value of GH¢6.30 million at the year end, which the bank is in the process of selling.

Credit risk concentration

The Group monitors concentrations of credit risk by business segment and by type of customer. An analysis of concentrations of credit risk by business segment at the reporting date is shown below:

	Loans and Advances to Customers	
	2012	2011
Carrying Amount	747,385	411,582
Concentration by sector		
Agriculture, Forestry & Fishing	2,389	2,835
Mining and Quarrying	21,533	7,091
Manufacturing	36,778	42,680
Construction	172,587	112,540
Electricity, gas and water	42,427	8,353
Commerce and Finance	154,372	117,196
Transport, Storage and Communications	28,729	12,602
Services	293,645	112,446
Miscellaneous	28,746	22,115
	781,206	437,858
Allowance for Impairment	(33,821)	(26,276)
	747,385	411,582
Concentration by type of customer		
Private Enterprises	540,152	365,154
Joint Private & State Enterprises	216,921	58,703
Individuals	24,133	14,001
	781,206	437,858
Allowance for Impairment	(33,821)	(26,276)
	747,385	411,582

4. Financial risk management (continued)

Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval / limit monitoring process described earlier.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities.

Management of liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains information regarding the liquidity profile of its financial assets and liabilities and details of other projected cash flows arising from projected future business. The Treasury department then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Group as a whole. The liquidity requirements of business are met through various deposit mobilisation strategies, short-term loans from the inter-bank market to cover any short-term fluctuations and longer term funding to address any structural liquidity requirements.

Exposure to liquidity risk

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.

The following table provides detail on the residual maturity of all financial instruments and other assets and liabilities:

31st December 2012	Carrying Amount	Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	3 - 5 years	More than 5 years
Assets								
Cash and balances with Bank of Ghana	86,976	86,976	-	-	-	-	-	-
Items in Course of Collection from Other Banks	22,299	22,299	-	-	-	-	-	-
Investment in Government Securities	240,327	87,835	37,896	85,089	29,507	-	-	-
Due from Banks and Other Financial Institutions	12,427	12,427	-	-	-	-	-	-
Investment in Other Securities	950	-	-	-	-	391	-	559
Loans and Advances to Customers	747,385	232,548	43,594	20,187	19,326	150,074	146,609	135,047
Other Assets	12,348	-	7,466	4,882	-	-	-	-
Deferred Tax Assets	4,612	-	-	-	-	-	-	4,612
Property and Equipment	34,669	-	-	-	-	-	-	34,669
Intangible Assets	862	-	-	-	-	-	-	862
Total Assets	1,162,855	442,085	88,956	110,158	48,833	150,465	146,609	175,749
Liabilities								
Customer Deposits	706,667	226,682	94,941	167,162	122,337	62,939	21,435	11,171
Due to Banks and Other Financial Institutions	87,889	29,196	6,700	22,729	15,673	10,065	2,015	1,511
Borrowings	130,707	1,137	5,587	5,842	21,808	5,926	68,061	22,346
Accruals and Other Liabilities	28,781	20,468	5,739	2,574	-	-	-	-
Current Tax Liabilities	1,387	-	1,387	-	-	-	-	-
Total Liabilities	955,431	277,483	114,354	198,307	159,818	78,930	91,511	35,028
Cumulative liquidity gap	207,424	164,602	(25,398)	(88,149)	(110,985)	71,535	55,098	140,721

4. Financial risk management (continued)

31st December 2011	Carrying Amount	Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	3 - 5 years	More than 5 years
Assets								
Cash and balances with Bank of Ghana	67,659	67,659	-	-	-	-	-	-
Items in Course of Collection from Other Banks	12,431	12,431	-	-	-	-	-	-
Investment in Government Securities	54,880	56,606	24,422	54,836	19,016	-	-	-
Due from Banks and Other Financial Institutions	122,522	122,522	-	-	-	-	-	-
Investment in Other Securities	768	-	-	-	-	316	-	452
Loans and Advances to Customers	411,582	128,063	24,007	11,117	10,643	82,645	80,737	74,370
Other Assets	7,911	-	4,780	3,131	-	-	-	-
Deferred Tax Assets	2,167	-	-	-	-	-	-	2,167
Property and Equipment	28,779	-	-	-	-	-	-	28,779
Intangible Assets	665	-	-	-	-	-	-	665
Total Assets	809,364	387,281	53,209	69,084	29,659	82,961	80,737	106,433
Liabilities								
Customer Deposits	586,770	188,222	78,833	138,800	101,581	52,261	17,798	9,275
Due to Banks and Other Financial Institutions	24,949	8,288	1,902	6,452	4,449	2,857	572	429
Borrowings	92,652	806	3,960	4,141	15,459	4,201	48,245	15,840
Accruals and Other Liabilities	16,423	11,678	3,276	1,469	-	-	-	-
Current Tax Liabilities	216	-	216	-	-	-	-	-
Total Liabilities	721,010	208,994	88,187	150,862	121,489	59,319	66,615	25,544
Liquidity gap	88,354	178,287	(34,978)	(81,778)	(91,830)	23,642	14,122	80,889

The previous table shows the undiscounted cash flows on the Group's financial liabilities and unrecognised loan commitments on the basis of their earliest possible contractual maturity. The Group's expected cash flows on these instruments vary significantly from this analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance; and unrecognised loan commitments are not all expected to be drawn down immediately.

The table above analyses assets and liabilities of the bank into relevant maturity groupings based on the remaining period at the reporting 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.

Compliance with statutory liquidity requirement

	2012	2011
(i) Default in Statutory Liquidity	Nil	Nil
(ii) Default in Statutory Liquidity Sanction (GH¢'000)	Nil	Nil

(d) Market risks

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Management of market risks

The Group separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios mainly are held by the brokerage subsidiary, and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis.

Overall authority for market risk is vested in ALCO. The Risk Management Department is responsible for the development of detailed risk management policies (subject to review and approval by the Board) and for the day-to-day review of their implementation.

4. Financial risk management (continued)

Exposure to interest rate risk – non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands. The ALCO is the monitoring body for compliance with these limits and is assisted by Risk Management department in its day-to-day monitoring activities.

Exposure to interest rate risk – non-trading portfolios (continued)

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in all yield curves and a 50 bp rise or fall in all yield curves. An analysis of the Group's sensitivity to an increase or decrease in market interest rates (assuming no asymmetrical movement in yield curves and a constant balance sheet position) is as follows:

<i>in thousands of Ghana Cedis</i>	100 bp parallel increase	100 bp parallel decrease	50 bp parallel increase	50 bp parallel decrease
Sensitivity of projected net interest income				
At 31 December 2012	1,729	(1,729)	864	(864)
At 31 December 2011	2,258	(3,610)	1,127	(1,487)

Concentration of assets, liabilities and off balance sheet items

Banks take on foreign currency exchange rate exposure on their 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 Ghana Cedi equivalent of the foreign currencies.

2012	US Dollars	British Pounds	Euro	Others	Total
Assets					
Cash and Balances with Bank of Ghana	12,829	2,367	2,150	138	17,484
Government Securities	-	-	-	-	-
Due from other Banks & Financial Institutions	14,233	2,108	2,160	878	19,379
Investment in other Securities	-	-	-	-	-
Loans and Advances to Customers	283,487	-	3,568	-	287,055
Investment in Subsidiary	-	-	-	-	-
Property, Plant and Equipment	-	-	-	-	-
Other Assets	1,008	9	-	-	1,017
Taxation	-	-	-	-	-
Total Assets	311,557	4,484	7,878	1,016	324,935
Liabilities					
Due to Customers	162,414	3,512	11,218	-	177,144
Due to other Banks	-	-	-	-	-
Due to Central Bank	-	-	-	-	-
Borrowings	118,357	-	-	-	118,357
Other Liabilities	11,837	(804)	(153)	1	10,881
Total Liabilities	292,608	2,708	11,065	1	306,382
Net On-Balance Sheet Position	18,949	1,776	(3,187)	1,015	18,553
Off-Balance Sheet Credit Commitments	211,731	207	7,333	2,599	221,870

2011	US	British	Euro	Others	Total
Assets	Dollars	Pounds			
Cash and Balances with Bank of Ghana	29,161	411	629	-	30,201
Government Securities	-	-	-	-	-
Due from other Banks & Financial Institutions	83,806	3,553	8,116	31	95,506
Investment in other Securities	-	-	-	-	-
Loans and Advances to Customers	199,614	-	3	-	199,617
Investment in Subsidiary	-	-	-	-	-
Property, Plant and Equipment	-	-	-	-	-
Other Assets	1,776	34	6	-	1,816
Taxation	-	-	-	-	-
Total Assets	314,357	3,998	8,754	31	327,140
Liabilities					
Due to Customers	189,403	2,585	8	-	191,996
Due to other Banks	-	-	-	-	-
Due to Central Bank	-	-	-	-	-
Borrowings	84,159	-	-	-	84,159
Other Liabilities	5,129	580	166	-	5,875
Total Liabilities	278,691	3,165	174	-	282,030
Net On-Balance Sheet Position	35,666	833	8,580	31	45,110
Off-Balance Sheet Credit Commitments	45,310	330	12,417	3,430	61,488

(e) Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards

4. Financial risk management (continued)

- risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by Internal Audit, Internal Control, Risk and Compliance Departments. The results of these reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Senior Management Committee, Audit Committee, Risk Management Committee and the Board.

(f) Capital management **Regulatory capital**

The Group's lead regulator, the Bank of Ghana, monitors capital requirements for the Group as a whole. In implementing current capital requirements the Bank of Ghana requires the Group to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Group's regulatory capital is analysed into two tiers:

Tier 1 capital, which includes ordinary share capital, retained earnings and minority interests after deductions for goodwill and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

Tier 2 capital, which includes qualifying subordinated liabilities and the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.

The carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation and investments in the capital of banks and certain other regulatory items are deducted from capital.

The banks operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the period.

There have been no material changes in the Group's management of capital during the period.

4. Financial risk management (continued)

The Group's regulatory capital position at 31 December was as follows:

	The Bank		The Group	
	2012	2011	2012	2011
Tier 1 capital				
Ordinary share capital	100,000	27,725	100,000	27,725
Retained earnings	36,778	16,264	40,467	17,233
Statutory Reserves	43,168	18,442	43,168	18,442
Regulatory Credit Risk Reserve	12,117	14,360	12,117	14,360
Other regulatory adjustments	(19,934)	(18,473)	(18,806)	(17,350)
Total	172,129	58,318	176,946	60,410
Tier 2 capital				
Fair value reserve for available-for-sale securities	(3,459)	758	(3,459)	758
Revaluation Reserves	15,440	15,372	15,131	9,836
Total	11,981	16,130	11,672	10,594
Total regulatory capital	184,110	74,448	188,618	71,004
Risk-weighted assets				
On-balance sheet items	642,172	421,372	646,328	409,043
Off-balance sheet items	234,904	137,633	234,904	137,633
Total risk-weighted assets	877,076	559,005	881,232	546,676
Other Regulatory Adjustments	59,491	52,480	60,654	65,422
Adjusted Asset Base	936,567	611,485	941,886	612,098
Capital ratios				
Capital Adequacy (Total Regulatory Capital as a percentage of Adjusted Asset Base)	19.66%	12.17%	20.03%	11.60%

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer term strategic objectives. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

5. USE OF ESTIMATES AND JUDGEMENTS

Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates.

These disclosures supplement the commentary on financial risk management (see note 4).

Key sources of estimation uncertainty

Allowances for credit losses

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy 3(i)(ix).

The specific counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit Risk function.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar economic characteristics when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items can not yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions.

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3(i)(vi). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Critical accounting judgements made in applying the Group's accounting policies include:

Financial asset and liability classification

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

In classifying financial assets or liabilities as "trading", the Group has determined that it meets the description of trading assets and liabilities set out in accounting policy 3(i).

In designating financial assets or liabilities at fair value through profit or loss, the Group has determined that it has met one of the criteria for this designation set out in accounting policy 3(i)(vi).

6. OPERATING SEGMENTS

The group has five reportable segments. Information regarding each reportable segment is presented below.

31st December 2012	Corporate Banking	Retail & Business Banking	Treasury	Brokerage	Asset Man- agement	Others	Totals
Revenues from External Customers							
Interest Income	93,877	12,304	39,108	371	-	-	145,660
Interest Expense	(15,197)	(7,747)	(37,349)	(791)	-	-	(61,084)
Net Interest Income	78,680	4,557	1,759	(420)	-	-	84,576
Net Fees and Commissions	20,163	4,129	3	55	1,474	-	25,824
Net Trading Income	-	-	13,869	-	-	-	13,869
Other Operating Income	4,772	649	-	1,516	17	1,831	8,785
Intersegment Revenue	777	-	-	521	199	-	1,497
Operating Income	104,392	9,335	15,631	1,672	1,690	1,831	134,551
Impairment Charge on Financial Assets	(16,621)	(840)	-	-	-	-	(17,461)
Net Operating Income	87,771	8,495	15,631	1,672	1,690	1,831	117,090
Staff Costs	(3,292)	(3,759)	(595)	(383)	(477)	(17,584)	(26,090)
Administration and General Expenses	(1,538)	(1,734)	(883)	(214)	(156)	(15,116)	(19,641)
Depreciation and Amortisation	-	(643)	-	(55)	(11)	(2,425)	(3,134)
Total Operating Expenses	(4,830)	(6,136)	(1,478)	(652)	(644)	(35,125)	(48,865)
Reportable Segment Profit Before Income Tax	82,941	2,359	14,153	1,020	1,046	(33,294)	68,225
Reportable Segment Assets	691,292	110,605	347,103	3,871	2,048	7,935	1,162,855
Expenditure on non-current assets	-	-	-	-	-	9,221	9,221
Reportable Segment liabilities	399,268	182,606	342,487	574	106	30,390	955,431

6. Operating segments (Continued)

31st December 2011	Corporate Banking	Retail & Business Banking	Treasury	Brokerage	Asset Management	Others	Totals
Revenues from External Customers							
Interest Income	43,188	17,070	14,871	685	-	-	75,814
Interest Expense	(14,397)	(7,290)	(12,663)	(70)	-	-	(34,420)
Net Interest Income	28,791	9,780	2,208	615	-	-	41,394
Net Fees and Commissions	9,684	4,038	3	98	823	-	14,646
Net Trading Income	-	-	10,445	36	-	64	10,545
Other Operating Income	2,912	403	-	(101)	(2)	1,148	4,359
Intersegment Revenue	59	-	-	-	107	-	166
Operating Income	41,446	14,221	12,656	648	928	1,212	71,110
Impairment Charge on Financial Assets	(6,535)	(4,930)	-	-	-	-	(11,465)
Net Operating Income	34,911	9,291	12,656	648	928	1,212	59,645
Staff Costs	(920)	(4,195)	(404)	(235)	(389)	(10,861)	(17,003)
Administration and General Expenses	(429)	(2,253)	(338)	(404)	(129)	(12,942)	(16,494)
Depreciation and Amortisation	-	(920)	-	(149)	(16)	(1,553)	(2,638)
Total Operating Expenses	(1,349)	(7,368)	(742)	(788)	(534)	(25,356)	(36,135)
Reportable Segment Profit Before Income Tax	33,562	1,923	11,914	(140)	394	(24,144)	23,510
Reportable Segment Assets	341,502	110,623	319,233	30,087	1,216	6,703	809,364
Expenditure on non-current assets	-	-	-	-	-	4,253	4,253
Reportable Segment liabilities	221,698	173,061	324,826	499	61	865	721,010
Reconciliation of Segment Revenues		2012		2011			
Total Revenue for Reportable Segments		132,720		69,898			
Other Revenues		1,831		1,212			
Elimination of Intersegment Revenues		(1,497)		(166)			
Total Group Revenue		133,051		70,944			

6. Operating segments (Continued)

Reconciliation of Profit or Loss

	2012	2011
Total profit or loss for reportable segments	101,519	47,653
Other Profit or loss	(33,294)	(24,143)
Elimination of Intersegment profit	(1,497)	(166)
Unallocated Amounts:		
Share of Post-tax (Loss)/Profit of Associated Company	-	-
Proceeds From Disposal of Non-Current Assets	126	8
Total Consolidated Income before tax expense	66,854	23,352

Reconciliation of assets and liabilities

Total assets for reportable segments	1,154,920	802,661
Other Assets	7,935	6,703
Total assets for the Group	1,162,855	809,364
Total liabilities for reportable segments	925,041	720,145
Other liabilities	30,390	865
Total liabilities for the Group	955,431	721,010

7. FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair values

The table below sets out the Group's classification of each class of financial assets and liabilities (excluding accrued interest). The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, in an arms-length transaction between knowledgeable willing parties.

	Trading	Loans and receivables	Available for sale	Other amortised cost	Total carrying amount	Fair value
31st December 2012						
Cash and balances with Bank of Ghana	-	-	-	86,976	86,976	86,976
Items in Course of Collection from Other Banks	-	-	-	22,299	22,299	22,299
Investment in Government Securities	-	240,181	146	-	240,327	240,232
Due from Banks and Other Financial Institutions	-	12,427	-	-	12,427	12,427
Investment in Other Securities	-	-	950	-	950	937
Loans and Advances to Customers	-	747,385	-	-	747,385	747,385
	-	999,993	1,096	109,275	1,110,364	1,110,239
Customer Deposits	-	-	-	706,667	706,667	706,667
Due to Banks and Other Financial Institutions	-	-	-	87,889	87,889	87,889
Borrowings	-	-	-	130,707	130,707	130,707
Accruals and Other Liabilities	-	-	-	28,781	28,781	28,781
	-	-	-	954,044	954,044	954,044
31st December 2011						
Cash and balances with Bank of Ghana	-	-	-	67,659	67,659	67,659
Items in Course of Collection from Other Banks	-	-	-	12,431	12,431	12,431
Investment in Government Securities	-	136,803	18,077	-	154,880	154,796
Due from Banks and Other Financial Institutions	-	122,522	-	-	122,522	122,522
Investment in Other Securities	-	-	768	-	768	768
Loans and Advances to Customers	-	411,582	-	-	411,582	411,582
	-	670,907	18,845	80,090	769,842	769,758
Customer Deposits	-	-	-	586,770	586,770	586,770
Due to Banks and Other Financial Institutions	-	-	-	24,949	24,949	24,949
Borrowings	-	-	-	92,652	92,652	92,652
Accruals and Other Liabilities	-	-	-	16,423	16,423	16,423
	-	-	-	720,794	720,794	720,794

7. Financial assets and liabilities (Continued)

(a) Fair value approximates carrying value due to the minimal credit losses and short-term nature of the financial assets and liabilities.

(b) Financial instruments at fair value are either priced with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using a valuation model, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value. The expected cash flows for each contract are determined either directly by reference to actual cash flows implicit in observable market prices or through modelling cash flows using appropriate financial-markets pricing models. Wherever possible these models use as their basis observable market prices and rates including, for example, interest rate yield curves, equities and commodities prices, option volatilities and currency rates.

(c) The fair value for loans and advances, and other lending is estimated using discounted cash flows, applying either market rates where practicable or, where the counterparty is a bank, rates currently offered by other financial institutions for placings with similar characteristics. In certain cases the fair value approximates carrying value because the instruments are short term in nature or reprice frequently.

(d) Fair values of deposit liabilities payable on demand (interest free, interest bearing and savings deposits) approximate to their carrying value. The fair value of all other deposits and other borrowings (including repurchase agreements and cash collateral on securities lent) is estimated using discounted cash flows, applying either market rates, where practicable, or rates currently offered by the Group for deposits of similar remaining maturities.

(e) Fair values of short-term debt securities in issue are approximately equal to their carrying amount. Fair values of other debt securities in issue are based on quoted prices where available, or where these are unavailable, are estimated using other valuation techniques.

(f) Fair value hierarchy

Fair value measurement

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The determination of fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for a financial asset or financial liability is not actively traded, the Bank establishes fair value by using valuation techniques. These techniques include the use of arms' length transactions, discounted cash flow analysis, and valuation models and techniques commonly used by market participants.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in fair value hierarchy, into which the fair value measurement is categorised.

	Notes	The Bank				The Group			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
2012									
Government Securities	18	-	240,319		240,319	-	240,327	-	240,327
Equity Investment	21,22,23	-	-	1,128	1,128	950	-	-	950
		-	240,319	1,128	241,447	950	240,327	-	241,277
31st December 2011									
Government Securities	18	-	154,349	-	154,349	-	154,880	-	154,880
Equity Investment	21,22,23	-	-	1,118	1,118	768	-	-	768
		-	154,349	1,118	155,467	768	154,880	-	155,648

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Equity Investment			
	The Bank		The Group	
	2012	2011	2012	2011
<i>in thousands of Ghana Cedis</i>				
At 1st January	1,118	1,211	-	1,246
Additions	10	400	-	-
Impairment	-	(493)	-	(1,246)
At 31st December	1,128	1,118	-	-

There were no gains or losses recognised in the statement of comprehensive income relating to equity investments disclosed in the above table for the period ending 31 December 2012 (2011: Nil).

8. NET INTEREST INCOME

	The Bank		The Group	
	2012	2011	2012	2011
Placements, Special Deposits, etc.	1,420	3,690	1,841	4,411
Investment Securities	35,043	10,656	35,068	10,670
Loans and Advances	109,528	60,792	108,751	60,733
Total Interest Income	145,991	75,138	145,660	75,814
INTEREST EXPENSE				
Current Accounts	5,248	4,824	5,248	4,824
Time and other Deposits	45,461	23,640	45,336	23,583
Overnight and Call Accounts	1,499	787	1,499	787
Borrowings	9,001	5,226	9,001	5,226
Total Interest Expense	61,209	34,477	61,084	34,420
Net Interest Income	84,782	40,661	84,563	41,394

Included within interest income from loans and advances for the year ended 31st December 2012 is a total of GH¢2.71 million (2011: GH¢7.93 million) accrued on impaired financial assets.

9. NET FEE AND COMMISSION INCOME

	Note	The Bank		The Group	
		2012	2011	2012	2011
Fee and Commission Income					
Letters of Credit & Guarantees		10,883	4,919	10,883	4,919
Foreign Transfers		3,009	1,928	3,009	1,928
Other Commissions		4,293	3,148	5,266	3,148
Other Fees		7,819	5,198	7,819	5,198
Total Fee and Commission Income		26,004	15,193	26,977	15,193
Fee and Commission Expense					
Inter-bank transaction fees		1,138	534	1,153	547
Total Fee and Commission Expense		1,138	534	1,153	547
Net Fee and Commission Income		24,866	14,659	25,824	14,646
10. NET TRADING INCOME					
Foreign Exchange		13,869	10,445	13,869	10,545
Net Trading Income		13,869	10,445	13,869	10,545
11. OTHER OPERATING INCOME					
Other Income		5,723	3,946	8,785	4,359
		5,723	3,946	8,785	4,359
12. STAFF COSTS					
Salaries and Bonuses		14,662	8,278	15,286	8,698
Social Security Contribution		956	704	993	736
Liability for Defined Benefit Scheme	32	130	137	130	137
Training		512	414	540	461
Other Staff Costs		8,970	6,847	9,141	6,971
		25,230	16,380	26,090	17,003

The number of persons employed by the bank at the end of the year was 516 (2011: 470)

13. ADMINISTRATION AND GENERAL EXPENSES

Advertising and Marketing		4,129	2,060	4,225	2,128
Administration Expenses		2,213	1,804	2,341	1,880
Directors' Emoluments		1,488	1,058	1,496	1,066
Auditors' Remuneration		86	69	104	93
Other Expenses		11,356	9,419	11,475	9,774
Diminution in value of shares held in associated company		-	407	-	1,553
		19,272	14,817	19,641	16,494

Included within directors emoluments for the year ended 31st December 2012 is a total of GH¢ 912,696.88 (2011: GH¢ 685,945) relating to executive directors.

Social Responsibility

Amount spent on fulfilling social responsibility obligations was GH¢233,403 (2011: GH¢141,109).

14. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share as at 31st December 2012 was based on the profit attributable to ordinary shareholders of GH¢51.64 million (2011: GH¢16.91 million) and a weighted average number of ordinary shares outstanding of 548 million (2011: 248 million), calculated as follows:

Profit attributable to ordinary shareholders

in thousands of Ghana Cedis

Net profit for the period attributable to equity holders of the Bank

The Group	
2012	2011
51,651	16,905

Weighted average number of ordinary shares

In thousands of shares

Issued ordinary shares at 1 January

Effect of additional issue of shares

248,262	246,103
300,000	2,159

Weighted average number of ordinary shares at 31 December

548,262	248,262
----------------	----------------

The additional shares issued during the year was concluded on 25th June 2012. The new issued share of 300 million shares ran for six months.

Diluted earnings per share

The calculation of diluted earnings per share as at 31st December 2012 was based on the profit attributable to ordinary shareholders of GH¢51.64 million (2011: GH¢16.91 million) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 548 million (2011: 248 million), calculated as follows:

Profit attributable to ordinary shareholders

in thousands of Ghana Cedis

Profit for the period attributable to ordinary shareholders

The Group	
2012	2011
51,651	16,905

Weighted average number of ordinary shares (diluted)

In thousands of shares

Weighted average number of ordinary shares (basic)

Weighted average number of ordinary shares (diluted) at 31st December

548,262	248,262
548,262	248,262

15. CASH AND BALANCES WITH BANK OF GHANA

	The Bank		The Group	
	2012	2011	2012	2011
Cash in Hand	18,390	10,234	18,390	10,234
Balances with Bank of Ghana	68,586	57,425	68,586	57,425
	86,976	67,659	86,976	67,659

Mandatory reserve deposits representing 9% of the bank total deposit are not available for use in the bank's day to day operations and are non-interest bearing.

	Note	The Bank		The Group	
		2012	2011	2012	2011
16. CASH AND CASH EQUIVALENTS					
Cash and balances with Bank of Ghana	15	86,976	67,659	86,976	67,659
Due from other banks and financial Institutions	19	10,511	99,172	12,427	122,522
Items in course of collection	17	22,299	12,431	22,299	12,431
		119,786	179,262	121,702	202,612
17. ITEMS IN COURSE OF COLLECTION					
Items in course of collection		22,299	12,431	22,299	12,431
		22,299	12,431	22,299	12,431

These are cheques that are still within the banking clearing system as at year end. It is expected that they will clear after the year end.

18. GOVERNMENT SECURITIES

	The Bank		The Group	
Treasury Bills	240,181	136,803	240,181	136,803
Government Bonds	138	17,546	146	18,077
	240,319	154,349	240,327	154,880

Long term government bonds are classified as Available-for-sale and carried at fair value with the fair value movements recognised directly in equity; whilst short-term treasury bills have been classified as loans and receivables and held at amortised cost.

19. DUE FROM OTHER BANKS AND FINANCIAL INSTITUTIONS

	The Bank		The Group	
	2012	2011	2012	2011
Nostro account balances	2,839	83,331	2,839	83,331
Placement with other banks	7,672	15,841	9,588	39,191
	10,511	99,172	12,427	122,522

20. LOANS AND ADVANCES TO CUSTOMERS

	The Bank		The Group	
	2012	2011	2012	2011
(a) Analysis by type				
Overdrafts	195,092	121,464	195,092	120,481
Term Loans	547,176	286,535	547,176	286,535
Other Advances	38,938	30,842	38,938	30,842
Gross Loans and Advances	781,206	438,841	781,206	437,858
Less:				
Identified Impairment	(32,007)	(25,360)	(32,007)	(25,360)
Unidentified Impairment	(1,814)	(916)	(1,814)	(916)
Carrying Amount	747,385	412,565	747,385	411,582

- The above constitute loans and advances (including credit bills negotiated) to customers and staff.
- Loan loss provision ratio is 4.3% of gross advances (2011: 6.0%).
- Gross Non-performing loans ratio per Bank of Ghana requirement is 5.1% (2011: 9.7%).
- Fifty (50) largest exposures (gross funded and non-funded) to total exposures is 76.2% (2011: 77.3%).
- The maximum amount due from officers of the bank during the year amounted to GH¢6.14 million (2011: GH¢5.62 million).

Loans and advances are carried at amortised cost. There were no loans carried at fair value through profit or loss

Allowances for Identified Impairment

	The Bank		The Group	
	2012	2011	2012	2011
Balance at 1st January	25,360	14,060	25,360	14,060
Impairment Charge for the year	16,688	11,300	16,688	11,300
Write-offs	(10,041)	-	(10,041)	-
Balance at 31st December	32,007	25,360	32,007	25,360

Allowances for Unidentified Impairment

Balance at 1st January	916	561	916	561
Impairment Charge for the year	898	355	898	355
Balance at 31st December	1,814	916	1,814	916

Impairment charge to the income statement

Net increase in impairments	17,457	11,602	17,457	11,602
Excess impairment charge on written off accounts	129	53	129	53
Amounts recovered previously written off	(125)	(190)	(125)	(190)
Net charge to the income statement	17,461	11,465	17,461	11,465

21. INVESTMENT IN OTHER SECURITIES

Available-for-sale investment securities

	The Bank		The Group	
	2012	2011	2012	2011
Available-for-sale investment securities	-	-	950	768
	-	-	950	768

Investment securities that have been designated at fair value through profit or loss are the Group's equity investments in certain entities held by its asset management and brokerage subsidiaries.

	The Bank		The Group	
	2012	2011	2012	2011
Available-for-sale investment securities				
Quoted Equity securities with readily determinable fair values	-	-	950	768
Unquoted securities at cost	-	6	-	6
	-	6	950	774
Less specific allowances for impairment	-	(6)	-	(6)
Carrying Amount	-	-	950	768
Specific allowances for impairment				
Balance at 1 January	-	6	-	6
Charge for the year	-	-	-	-
Balance at 31 December	-	6	-	6
Unquoted equity securities at cost				
Securities Discount Company	-	6	-	6
	-	6	-	6
22. INVESTMENT IN ASSOCIATED COMPANIES				
Ghana Leasing Company Ltd	-	407	-	1,553
	-	407	-	1,553
Less impairment loss	-	(407)	-	(1,553)
Carrying amount	-	-	-	-

The investment in Ghana Leasing Company Limited was impaired when the group's share of losses in the company exceeded the group's interest as described in accounting policy (a) (ii).

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%

23. INVESTMENTS IN SUBSIDIARIES

The Principal Subsidiaries are:

Name	Nature of Business	Country of Incorporation	Amounts Invested	Percentage Interest
CAL Bank Nominees Limited	Custodial Service	Ghana	10	100
CAL Brokers Limited	Security Brokerage	Ghana	600	100
CAL Asset Management	Fund Management	Ghana	518	100
			<u>1,128</u>	

Investments in subsidiaries are stated at cost and comprise:

	The Bank		The Group	
	2012	2011	2012	2011
Investments in Subsidiaries	1,128	1,118	-	-

24. OTHER ASSETS

	The Bank		The Group	
	2012	2011	2012	2011
Sundry Debtors	6,823	4,738	8,452	5,471
Prepayments	3,177	2,440	3,176	2,440
Items in transit	720	-	720	-
	10,720	7,178	12,348	7,911

25. TAXATION

	The Bank			
	Balance 1/1/2012	Payments During the year	Charge for the year	Balance 31/12/2012
Income Tax				
1998 - 2011	124	(242)		(118)
2012	-	(15,705)	17,261	1,556
	124	(15,947)	17,261	1,438
National Fiscal Stabilisation Levy				
2001 - 2011	87	(87)	-	-
2012	-	-	-	-
	87	(87)	-	-
Total	211	(16,034)	17,261	1,438

25. Taxation (continued)

	The Group			
	Balance 1/1/2012	Payments During the year	Charge for the year	Balance 31/12/2012
Income Tax				
1998 - 2011	113	(242)	-	(129)
2012	-	(16,021)	17,537	1,516
	113	(16,263)	17,537	1,387
Dividend Tax				
1997 - 2011	-	-	-	-
2012	-	(43)	43	-
	-	(43)	43	-
National Fiscal Stabilisation Levy				
2001 - 2011	103	(103)	-	-
2012	-	-	-	-
	103	(103)	-	-
Total	216	(16,409)	17,580	1,387

Income Tax Expense

Recognised in the income statement

	Note	The Bank		The Group	
		2012	2011	2012	2011
Current tax expense					
Current year		17,261	8,783	17,580	8,984
Deferred tax expense	26	(2,377)	(2,537)	(2,377)	(2,537)
Total income tax expense		14,884	6,246	15,203	6,447

Reconciliation of effective tax rate

	The Bank		The Group	
	2012	2011	2012	2011
Profit before income tax	64,335	24,584	66,854	23,352
Corporate Tax Rate	25%	25%	25%	25%
Income tax using the domestic corporate tax rate of 25%	16,084	6,146	16,714	5,838
Non-deductible expenses	2,686	3,567	2,376	4,045
Tax on items at different tax rate	43	(75)	43	(75)
Capital Allowances	(697)	(576)	(697)	(576)
Net Tax Effect on unrealised Gains/losses	(856)	(1,508)	(856)	(1,508)
Other	-	1,229	-	1,260
	17,260	8,783	17,580	8,984
Deferred Tax	(2,377)	(2,537)	(2,377)	(2,537)
Overall tax charge	14,883	6,246	15,203	6,447
Effective tax rate	23.1%	25.4%	22.7%	27.6%

26. DEFERRED TAXATION

	The Bank		The Group	
	2012	2011	2012	2011
Balance at 1st January	(2,167)	380	(2,167)	380
Origination/reversal of temporary differences:				
recognised in income statement	(2,377)	(2,537)	(2,377)	(2,537)
recognised in equity	(68)	(10)	(68)	(10)
Balance at 31st December	(4,612)	(2,167)	(4,612)	(2,167)

Recognised deferred tax assets and liabilities

Deferred tax liabilities are attributable to the following:

	2012			2011		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment	-	2,304	2,304	-	2,314	2,314
Others	-	(4,494)	(4,494)	-	(1,934)	(1,934)
Net tax (assets)/liabilities	-	(2,190)	(2,190)	-	380	380

Liabilities up to and including 2009 for the Bank has been agreed with the tax authorities where as liabilities up to and including 2002 for the subsidiaries have also been agreed. All liabilities are subject to agreement with the Internal Revenue Service.

Deferred tax arising from the revaluation of landed properties has been recognised directly in equity. Reversals of temporary differences attributable to this deferred tax liability are also recognised directly in equity.

27. PROPERTY, PLANT AND EQUIPMENT

	The Bank				
	Bank Premises	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	Total
Cost					
Balance at 1st January 2012	23,527	9,467	2,127	3,104	38,225
Additions	3,535	827	116	4,082	8,560
Disposals	-	-	(225)	-	(225)
Surplus on Revaluation	-	-	-	-	-
Transfers	578	555	460	(1,593)	-
Balance at 31st December 2012	27,640	10,849	2,478	5,593	46,560
Accumulated Depreciation					
Balance at 1st January 2012	1,300	7,075	1,088	-	9,463
Charge for the year	959	1,462	353	-	2,774
Released on Disposal	-	-	(225)	-	(225)
Balance at 31st December 2012	2,259	8,537	1,216	-	12,012
Net Book Value					
At 31st December 2012	25,381	2,312	1,262	5,593	34,548
At 31st December 2011	22,227	2,392	1,039	3,104	28,762

27. Property, Plant and Equipment (continued)

	The Group				Total
	Bank Premises	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	
Cost					
Balance at 1st January 2012	23,527	9,537	2,127	3,104	38,295
Additions	3,535	986	116	4,082	8,719
Disposals	-	-	(225)	-	(225)
Transfers	578	555	460	(1,593)	-
Balance at 31st December 2012	27,640	11,078	2,478	5,593	46,789
Accumulated Depreciation					
Balance at 1st January 2012	1,300	7,128	1,088	-	9,516
Charge for the year	959	1,517	353	-	2,829
Released on Disposal	-	-	(225)	-	(225)
Balance at 31st December 2012	2,259	8,645	1,216	-	12,120
Net Book Value					
At 31st December 2012	25,381	2,433	1,262	5,593	34,669
At 31st December 2011	22,227	2,409	1,039	3,104	28,779

Leasehold Land and Buildings were professionally revalued on the basis of open market value for existing use by Messrs APEX VALUATION, SURVEYING & PROPERTY CONSULT Chartered Surveyors on 25th February, 2010.

	The Bank		The Group	
	2012	2011	2012	2011
Summary of Property, Plant and Equipment				
Gross Value	46,560	38,225	46,789	38,295
Accumulated depreciation	(12,012)	(9,463)	(12,120)	(9,516)
Net Book Value	34,548	28,762	34,669	28,779

Disposal of Property, Plant and Equipment

Profit on Disposal of Property, Plant and Equipment has been arrived at as follows:-

Cost	(225)	(114)	(225)	(114)
Accumulated Depreciation	225	80	225	80
Net Book Value	-	(34)	-	(34)
Disposal Proceeds	126	42	126	42
Profit on Disposals	126	8	126	8

28. INTANGIBLE ASSETS

	The Bank		The Group	
	2012	2011	2012	2011
Purchased Software Cost				
Balance at 1st January	1,510	935	1,952	1,377
Acquisitions	479	575	502	575
Balance at 31st December	1,989	1,510	2,454	1,952
Amortisation				
Balance at 1st January	848	602	1,287	892
Charge for the year	294	246	305	395
Balance at 31st December	1,142	848	1,592	1,287
Carrying Amount At 31st December	847	662	862	665

29. CUSTOMER DEPOSITS

	The Bank		The Group	
	2012	2011	2012	2011
Current Account	371,045	282,407	370,064	282,041
Time Deposits	306,508	264,670	306,508	287,410
Savings deposits	30,095	17,319	30,095	17,319
	707,648	564,396	706,667	586,770
Analysis by type of depositors				
Individual and other private enterprise	588,037	496,693	587,222	465,552
Public enterprises	119,611	67,703	119,445	121,218
	707,648	564,396	706,667	586,770

Twenty largest depositors to total deposit ratio is 41% (2011: 45%).

30. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Bank		The Group	
	2012	2011	2012	2011
Deposits from other banks	87,888	20,449	87,888	24,949

31. BORROWINGS

	The Bank		The Group	
	2012	2011	2012	2011
Long-term borrowings				
African Development Bank	11,451	14,476	11,451	14,476
Bank Of Ghana	160	229	160	229
DEG	5,427	6,834	5,427	6,834
Export Development And Investment Fund	194	581	194	581
Ghana International Bank	20,882	30,158	20,882	30,158
PROPARCO	22,047	25,744	22,047	25,744
	60,161	78,022	60,161	78,022
Short-term borrowings				
Export Development And Investment Fund	193	267	193	267
PROPARCO	5,188	477	5,188	477
DEG	2,692	2,263	2,692	2,263
African Development Bank	5,725	4,752	5,725	4,752
Kassardjian Armen	28,297	-	28,297	-
Ghana International Bank	7,572	-	7,572	-
SSNIT	13,340	6,871	13,340	6,871
	63,007	14,630	63,007	14,630
Inter-bank borrowings				
Stanbic Bank Ghana Limited	7,539	-	7,539	-
Carrying Amount	130,707	92,652	130,707	92,652

Long-term borrowings

- African Development Bank – This facility was granted for on-lending to the private sector. Interest is at a rate of 6 months US Libor plus 2.3% maturing in 2015.
- Bank of Ghana – This is a facility granted for on-lending to the private sector. The weighted average interest rate on this facility is 3.1% per annum maturing in 2014.
- DEG - This facility was granted for on-lending to the private sector and expiring in October 2015. Interest is at a rate of 6 months US Libor plus 4.5%
- Ghana International Bank – This facility was granted for on-lending to the private sector. Interest rate is at a rate of US Prime plus 2.5% per annum maturing in 2016.
- Proparco – Three long-term facilities granted for on-lending to the private sector and expiring between October 2014 and October 2018. Interest is at a rate of 6 months US Libor plus 4.5% per annum.
- Export Development And Investment Fund – 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.

Short-term borrowings

- SSNIT – These are several short-term facilities with maturity periods of up to one year. Interest rate is tied to the respective treasury bill/note rates ruling on the day of borrowing. The weighted average interest rate on these facilities is 22.0%.
- Export Development And Investment Fund - This is a portion of long-term facilities with maturity periods up to 2014. The interest rate on these facilities is 2.5% per annum.
- Proparco - This is a portion of long-term facility due in 2013. Interest is at a rate of 6 months US Libor plus 4.5% per annum.
- DEG - This is a portion of long-term facility due in 2013. Interest is at a rate of 6 months US Libor plus 4.5% per annum.
- African Development Bank - This is a portion of long-term facility due in 2013. Interest is at a rate of 6 months US Libor plus 2.3% per annum.
- Kassardjian Armen – This is a facility granted by Kassardjian Armen for on-lending. Interest is at a rate of 4.5% maturing in December 2013.

Inter-bank borrowings

Inter-bank borrowings are at the inter-bank overnight rates prevailing on the date of the transactions from the various counter-parties.

32. ACCRUALS AND OTHER LIABILITIES

	The Bank		The Group	
	2012	2011	2012	2011
Creditors	12,862	7,152	13,592	7,706
Accruals	1,659	1,336	1,659	1,336
Recognised liability for Other Long-term Employee Benefit	484	453	484	453
Short-Term Employee benefits	89	56	89	56
Other liabilities	12,526	6,437	12,958	6,872
	27,620	15,434	28,782	16,423

Movement in the liability for defined benefit obligations

Liability for defined benefit obligations at 1st January	453	365	453	365
Benefits paid by the plan	(99)	(49)	(99)	(49)
Expense charged to income statement	130	137	130	137
Liability for defined benefit obligations at 31st December	484	453	484	453

Expenses recognised in profit or loss

Net actuarial losses/profits recognised during the year	65	70	65	70
Current service costs	-	2	-	2
Interest on obligation	65	65	65	65
	130	137	130	137

Actuarial assumptions

Principal assumptions at the reporting date (expressed in weighted averages)

	The Bank		The Group	
	2012	2011	2012	2011
Discount rate at 31st December	3.0%	3.0%	3.0%	3.0%
Future salary increases	3.0%	3.0%	3.0%	3.0%
Inflation rate	12.0%	12.0%	12.0%	12.0%

Assumptions regarding future mortality based on published statistics and mortality tables.

33. CAPITAL AND RESERVES

Stated Capital

in thousands of Ghana Cedis

	2012		2011	
	Number ('000)	Value	Number ('000)	Value
Authorised:				
Ordinary shares of no par value	1,000,000		1,000,000	
Issued:				
For cash	414,871	93,305	114,871	21,030
Transfer from Retained Earnings	-	6,695	-	6,695
Bonus issue	133,391	-	133,391	-
	548,262	100,000	248,262	27,725

There is no call or instalment unpaid on any share.

At 31st December 2012 the authorised share capital comprised 1 billion ordinary shares (2011: 1 billion) of no par value. All issued shares are fully paid for.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Bank. All shares rank equally with regard to the Bank's residual assets.

Statutory Reserve Fund (The Bank and the Group)

in thousands of Ghana Cedis

	2012	2011
At 1st January	18,442	13,858
Transfer from Retained Earnings	24,726	4,584
At 31st December	43,168	18,442

Capital Surplus

in thousands of Ghana Cedis

	The Bank		The Group	
	2012	2011	2012	2011
Revaluation surplus	15,440	15,372	15,440	15,372
Bank's shares held by subsidiary	-	-	(308)	(5,535)
	15,440	15,372	15,132	9,837
Revaluation Surplus				
At 1st January	15,372	15,362	15,372	15,362
Deferred Tax on Revaluation	68	10	68	10
At 31st December	15,440	15,372	15,440	15,372

Deferred tax on revaluation of the Bank's leasehold land and buildings is recognised directly in equity.

33. Capital and Reserves (continued)

Other Reserves

(i) Share options reserves

The share options reserve is a non-distributable reserve where the fair value of the bank's equity share-based payments to employees and others providing similar services are temporarily warehoused until such a time that the amounts are transferred to stated capital after the payment of stamp duties.

(ii) Regulatory credit risk reserve

The regulatory credit risk reserve is a non-distributable reserve required by Bank of Ghana to account for differences between impairment loss on financial assets per IFRS and the specific and general impairment loss on loans and advances and contingent liabilities per the Central Bank's prudential guidelines.

(iii) Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised or impaired.

Dividends

The following dividends were declared and paid by the Bank:

2012	2011
6,455	3,199

After 31st December 2012 the directors proposed a dividend per share of GH¢.035 amounting to GH¢19.19 million in respect of 2012. The dividends have not been provided for in these financial statements and there are no income tax consequences.

Dividend and net assets per share are based on 548,261,549 (2011: 248,261,549) ordinary shares at the balance sheet date.

34. CONTINGENCIES AND COMMITMENTS

(i) 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 31st December 2012 in respect of the above amounted to GH¢234.9 million (2011: GH¢137.6 million), as detailed below:

	2012	2011
Letters of Credit	208,875	114,213
Guarantees and Indemnities	26,029	23,420
	<u>234,904</u>	<u>137,633</u>

The amount of unsecured contingencies and commitments in respect of these at 31st December 2012 was GH¢169.7 million (2011: GH¢70.7 million).

34. Contingencies And Commitments (Continued)

(ii) Capital expenditure

Capital commitments not provided for in the financial statements as at 31st December 2012 was nil (2011: nil).

(iii) Pending legal claims

At the year end there were two legal cases pending against the bank. Should judgment go in favour of the plaintiffs, likely claims against the bank have been estimated at GH¢178,176 (2011: GH¢243,024). No provisions have been made in the financial statements in respect of these amounts

(iv) Funds under management

The group provides custody, trustee, investment management and advisory services to third parties, which involve the group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these financial statements.

Investments and funds being managed by the Group on behalf of clients amounting to GH¢122.9 million (2011: GH¢115.2 million) have not been included in the balance sheet.

35. RELATED PARTY TRANSACTIONS

Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions, or one other party controls both.

Subsidiaries

Details of principal subsidiaries are shown in Note 23.

Associated Company

The Group provides certain banking and financial services to its associated company. These transactions are conducted on similar terms to third-party transactions.

Details of investments in associated company is provided in Note 22.

In aggregate, amounts included in the accounts are as follows:

	For the year ended and as at 31st December	
	2012	2011
Net Interest received	-	116
Loans and advances to customers	-	16,122
Customer accounts	-	114

There are no leasing transactions between related parties for 2012 and 2011

Transactions with Directors and Key Management Personnel

Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of CAL Bank Limited (directly or indirectly) and comprise the Directors and Officers of CAL Bank Limited.

In the ordinary course of business, the group makes loans to companies where a Director or other key management personnel (or any connected person) is also a Director or other key management personnel (or any connected person) of CAL Bank Limited. These loans are made on substantially the same criteria and terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and does not involve more than the normal risk of collectibility or present other unfavourable features.

Details of transactions between directors and other key management personnel (and their connected persons) and the group are as follows:

35. Related Party Transactions (Continued)

Directors, other Key Management Personnel and connected persons

	2012	2011
Loans	14,114	16,090

Included in loans and advances is an amount of GH¢13.07 million (2011: GH¢15.81 million) granted to companies in which Directors have an interests.

No provisions have been recognised in respect of loans to Directors or other key management personnel (or any connected person)

Interest rates charged on loans to staff are at rates below that would be charged in an arm's length transaction. These loans are secured over the assets financed of the respective borrowers.

No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the period end.

Remuneration of Directors and other Key Management Personnel

The following information is presented in accordance with IAS 24 'Related Party Disclosure', which requires disclosure of the employee benefits of directors and other key management personnel.

	2012	2011
Salaries and other short-term benefits	1,496	1,066
Employer social security charges on emoluments	111	75
	1,607	1,141

Employee termination benefits

The Bank has contract with key employees that entitles them to termination benefits of six months salary for every year served.

36. DIRECTORS' SHAREHOLDINGS

The Directors named below held the following number of shares in the company at 31st December 2012

NAME OF DIRECTOR	No. of Shares	%
Frank Brako Adu Jnr.	8,485,776	1.55
Paarock Asuman Vanpercy	1,242,403	0.23
Philip Owiredu	500,658	0.09
Jim Brenner	296,025	0.05
Kobina Quansah	83,492	0.02
	10,608,354	1.93

37. ANALYSIS OF SHAREHOLDING AS AT 31ST DECEMBER 2012

	No. of Shareholders	Holders %	No. of Shares	% of Holding
1 - 1,000	18,730	79.17	10,047,673	1.83
1001 - 5,000	3,706	15.67	8,079,271	1.47
5001 - 10,000	489	2.07	3,709,448	0.68
10,001 - 20,000	309	1.31	4,416,332	0.81
20,001 - 30,000	124	0.52	3,050,222	0.56
30,001 - 40,000	47	0.20	1,617,600	0.30
40,001 - 50,000	40	0.17	1,850,321	0.34
Over 50,000	210	0.89	515,490,682	94.01
	23,655	100.00	548,261,549	100.00

Twenty Largest Shareholders

Shareholder	No. of Shares	% Holding
SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	181,913,182	33.18%
ADP I HOLDING 4	158,817,892	28.97%
PROPARCO	37,632,000	6.86%
STD NOMS TVL PTY/CFC STANBIC NOMINEES LTD AC CENTUM EXOTICS	20,000,000	3.65%
MR DANIEL OFORI	13,455,045	2.45%
ADU JNR, FRANK BRAKO	8,485,776	1.55%
STD NOMS TVL PTY/BNYM/FRONTIER MARKET SELECT FUND 11, L.P.	5,720,580	1.04%
VANGUARD ASSURANCE COMPANY LIMITED	4,532,618	0.83%
SCBN/SSB EATON VANCE TAX-MANAGED EMERGING MARKET FUND	4,406,554	0.80%
SCBN/CITIBANK LONDON ROBECO AFRIKA FONDS N.V.	3,914,900	0.71%
SCGN/JPMC THE FULCRUM AFRICA ALL CAP MASTER FUND	3,904,300	0.71%
SCBN/STANDCHART MAURITIUS RE PINEBRIDGE SUB-SAHARAN AFRICA EQUITY MASTER FUND, LTD	3,700,000	0.67%
DAMSEL/OTENG-GYASI ANTHONY	3,631,070	0.66%
SCBN/ STANDCHART MAURITIUS RE KURA AFRICA FUND	3,602,200	0.66%
COCOBOD END OF SERVICE BENEFIT SCHEME	3,462,593	0.63%
SCBN/STANDCHART MAURITIUS RE FLEMING AFRICA FUND LTD	3,248,171	0.59%
SCBN/BBPLC MAURITIUS RE AFRICAN ALLIANCE AFRICA PIONEER MAST	2,939,958	0.54%
SCBN/BB MAURITIUS RE UBS AG LDN. NUBUKE AFR MULTI STR MASTER	2,678,700	0.49%
ANSAH BENJAMIN FOSU	2,571,551	0.47%
SCGN/JP MORGAN CHASE FULCRUM UCITS SICAV	2,498,600	0.46%
Top 20 shareholders	471,115,690	85.92%
Others	77,145,859	14.08%
Grand Total	548,261,549	100.00%

38. STANDARDS NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 1 - Government Loans — Amendments to IFRS 1

These amendments require first-time adopters to apply the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to IFRS. Entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest. The amendment is effective for annual periods on or after 1 January 2013. The amendment has no impact on the Company.

IFRS 7 - Disclosures — Offsetting Financial Assets and Financial Liabilities Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation.

The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the Company's financial position or performance and will become effective for annual periods beginning on or after 1 January 2013.

IFRS 9 - Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work though the adoption date is subject to the recently issued Exposure Draft on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2012, moved the mandatory effective date to 1 January 2015. In subsequent phases, the Board will address impairment and hedge accounting. The Company will quantify the effect of the adoption of the first phase of IFRS 9 in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 10 – Consolidated Financial Statements, IAS 27 Separate Financial Statements

The standard becomes effective for annual periods beginning on or after 1 January 2013. It replaces the requirements of IAS 27 Consolidated and Separate Financial Statements that address the accounting for consolidated financial statements and SIC 12 Consolidation – Special Purpose Entities. What remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Company is currently assessing the impact of adopting IFRS 10.

IFRS 11 – Joint Arrangements

The standard becomes effective for annual periods beginning on or after 1 January 2013. It replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non-monetary Contributions by Venturers. Because IFRS 11 uses the principle of control in IFRS 10 to define control, the determination of whether joint control exists may change. The adoption of IFRS 11 is not expected to have a significant impact on the accounting treatment of investments currently held by the Company.

IFRS 12 – Disclosure of Involvement with Other Entities

The standard becomes effective for annual periods beginning on or after 1 January 2013. It includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 Interests in Joint Ventures and IAS 28 Investment in Associates. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. One of the most significant changes introduced by IFRS 12 is that an entity is now required to disclose the judgments made to determine whether it controls another entity. Many of these changes were introduced by the IASB in response to the financial crisis. Now, even if the Company concludes that it does not control an entity, the information used to make that judgment will be transparent to users of the financial statements to make their own assessment of the financial impact were the Company to reach a different conclusion regarding consolidation. The standard will not have any impact on the financial position or performance of the Company.

IFRS 13 – Fair Value measurement

The standard becomes effective for annual periods beginning on or after 1 January 2013. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to measure the fair value of financial and non-financial assets and liabilities when required or permitted by IFRS. There are also additional disclosure requirements. Adoption of the standard is not expected to have a material impact on the financial position or performance of the Company.

IAS 1 - Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gains on hedges of net investments, exchange differences on translation of foreign operations, net movements on cash flow hedges and net losses or gains on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans). The amendment affects presentation only and has no impact on the Company's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IAS 19 - Employee Benefits – Amendments

The amendments to IAS 19 remove the option to defer the recognition of actuarial gains and losses, i.e., the corridor mechanism. All changes in the value of defined benefit plans will be recognised in profit or loss and other comprehensive income. The effective date of the standard is 1 January 2013. The amendment has no impact on the Company's financial position or performance.

IAS 27 - Separate Financial Statements (as revised in 2012)

As a consequence of the new IFRS 10 and IFRS 12, what remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements. The Company does not present separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 28 - Investments in Associates and Joint Ventures (as revised in 2012)

As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The revised standard becomes effective for annual periods beginning on or after 1 January 2013.

IAS 32 - Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of “currently has a legally enforceable right to set-off”. It will be necessary to assess the impact to the Company by reviewing settlement procedures and legal documentation to ensure that offsetting is still possible in cases where it has been achieved in the past. In certain cases, offsetting may no longer be achieved. In other cases, contracts may have to be renegotiated. The requirement that the right of set-off be available for all counterparties to the netting agreement may prove to be a challenge for contracts where only one party has the right to offset in the event of default.

The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. This amendments has no effect on the company. These amendments become effective for annual periods beginning on or after 1 January 2014.

IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine

This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The interpretation is effective for annual periods beginning on or after 1 January 2013. The new interpretation will not have an impact on the Company.

Annual Improvements May 2012

These improvements will not have an impact on the Company, but include:

IFRS 1 - First-time Adoption of International Financial Reporting Standards

This improvement clarifies that an entity that stopped applying IFRS in the past and chooses, or is required, to apply IFRS, has the option to re-apply IFRS 1. If IFRS 1 is not re-applied, an entity must retrospectively restate its financial statements as if it had never stopped applying IFRS.

IAS 1 - Presentation of Financial Statements

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

IAS 16 - Property, Plant and Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory

IAS 32 - Financial Instruments, Presentation

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

IAS 34 - Interim Financial Reporting

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures. These improvements are effective for annual periods beginning on or after 1 January 2013.

RESOLUTIONS TO BE PASS AT THE ANNUAL GENERAL MEETING

The Board of Directors will be proposing the following resolutions, which will be put to the 2013 Annual General Meeting:

To Consider the 2012 Accounts and Reports

The Board shall propose for consideration the 2012 Accounts, and reports of the Directors and Auditors thereon, as a true and fair view of the state of affairs of the company for the year ended 31st December 2012.

To Declare a Dividend

The Directors recommend the payment of a dividend of GH¢ 0.035 per share for the year ended 31st December 2012.

To Authorise the Directors to Fix the fees of the Auditors

In accordance with Section 134(10) of the Companies Act, 1963 (Act 179), the Board will request that they be authorised to fix the fees of the auditors.

To Re-elect Directors retiring by rotation

The following Board members, Mr. Paarock A. VanPercy, Dr. Kobina Quansah and Mr. Malcolm D. Pryor will retire in accordance with Section 298(a) of the Companies Act, 1963 (Act 179) and Regulation 78(b) of the Regulations of the company.

Mr. Paarock A. VanPercy, Dr. Kobina Quansah and Mr. Malcolm D. Pryor who are eligible for re-election, have offered themselves to be re-elected as Directors of the company.

To Re-elect a newly Appointed Director

Mr. Charles Asare was appointed by the Board as a director on 1st November 2012 to fill a casual vacancy created following the death of Mr. Joel Hyde in 2011. In accordance with the Bank's Regulations (74[b]), a director appointed to fill a casual vacancy "shall hold office only until the following ordinary general meeting of the Company and shall be eligible for re-election". The Board will recommend to members to approve the re-election of Mr. Charles Asare as a director of the Bank.

To Approve Directors' Remuneration

In accordance with Section 194 of the Companies Act, 1963 (Act 179), the Board will request that shareholders approve the remuneration of directors as disclosed in Note 13 of the 2012 Annual Report.

PROXY FORM

ANNUAL GENERAL MEETING to be held at 10.00 am on 27th March 2013 at Ghana College of Physicians and Surgeons, Ridge, Accra.

I/We
being 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 27th March 2013.

Signed thisday of 2013

.....
Shareholder's Signature

Resolutions from the Board	For	Against
1. To receive the 2012 Accounts		
2. To declare the final dividend		
3. To authorise the Directors to fix the remuneration of the Auditors		
4. To re-elect Mr. Paarock A. VanPercy as a director of the Bank		
5. To re-elect Dr. Kobina Quansah as a director of the Bank		
5. To re-elect Mr. Malcolm D. Pryor as a director of the Bank		
6. To re-elect Mr. Charles Kwame Asare as a director of the Bank		
7. To approve directors' remuneration		
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:

1. 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.
2. 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.
3. 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.
4. Please sign the above Proxy Form and deliver it so as to reach the Registrar, Computershare Pan Africa Ghana Limited, 23 Eleventh lane, Osu R.E., P.O. Box CT 2215 Cantonments, Accra not later than 10.00 am on Monday 25th March 2013.

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The **CAL Home Invest Account** allows you to save towards a mortgage for your dream home. Whether you are buying or building, to qualify for a mortgage you need to have some money at your disposal. With flexible terms and attractive interest rates, the **CAL Home Invest Account** ensures that you save towards your down payment to qualify you for your dream home.

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INDEPENDENCE AVENUE BRANCH

KEJETIA BRANCH

KNUST (TECH) BRANCH

KUMASI NHYIAESO BRANCH

LEGON BRANCH

RING ROAD CENTRAL BRANCH

RING ROAD WEST BRANCH

SPINTEX ROAD BRANCH

SUAME BRANCH

TAKORADI HARBOUR BRANCH

TAKORADI MARKET CIRCLE BRANCH

TARKWA BRANCH

TEMA COMMUNITY 1 BRANCH

TEMA MAIN BRANCH

WEIJA BRANCH

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