



Full Year 2017 Audited Results  
Accra, Ghana – 22<sup>nd</sup> March, 2018

CAL Bank (Ghana Stock Exchange: 'CAL') announces its audited results for the year ended 2017.

The Highlights of the Group's FY-2017 results (y/y) are:

**Profit & Loss**

- Net Interest Income grew by 39.7% from GHS 251.3m to GHS 351m
- Operating Income increased by 25.9% to GHS 462.2m (GHS 367.2m in FY 2016)
- Net impairment Loss decreased by 72.4% to GHS 55m from GHS 199.2m in FY 2016
- Operating expenses decreased by 30.5% to GHS 243.4m (GHS 350.1m in FY 2016)
- Profit before Income tax increased by 1,183% to GHS 218.9m (GHS 17m in FY 2016)
- Profit after Income tax increased by 1,397.8% to GHS 153m (GHS 10.2m in FY 2016)
- Cost/Income Ratio decreased to 40.8% from 41.1% in FY 2016

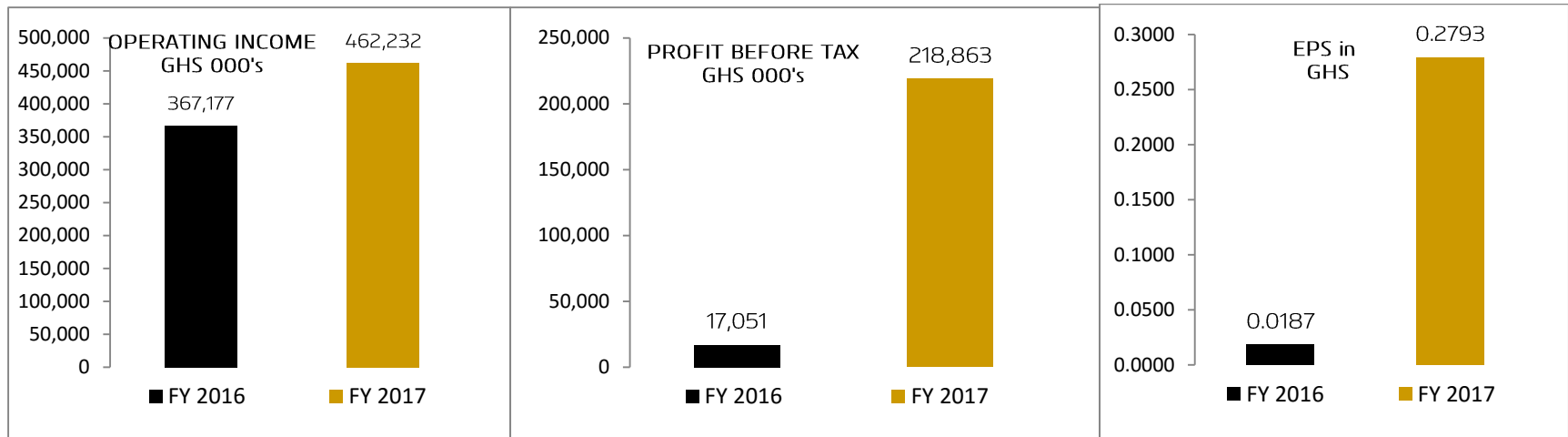
**Balance Sheet**

- Total Assets increased by 16.7% to GHS 4.2b (GHS 3.6b in FY 2016)
- Loans & Advances decreased by 5.7% to GHS 1.9b (GHS 2.0b at FY 2016)
- Total Customer deposits increased by 5.2% to GHS 2.5b (GHS 2.4b in FY 2016)
- Borrowings increased by 62.7% to GHS 931.8m (GHS 572.8m in FY 2016)
- Capital Adequacy ratio increased to 21.9% (19.3% in FY 2016)
- NPL ratio increased to 10.9% (8.0% in FY 2016)

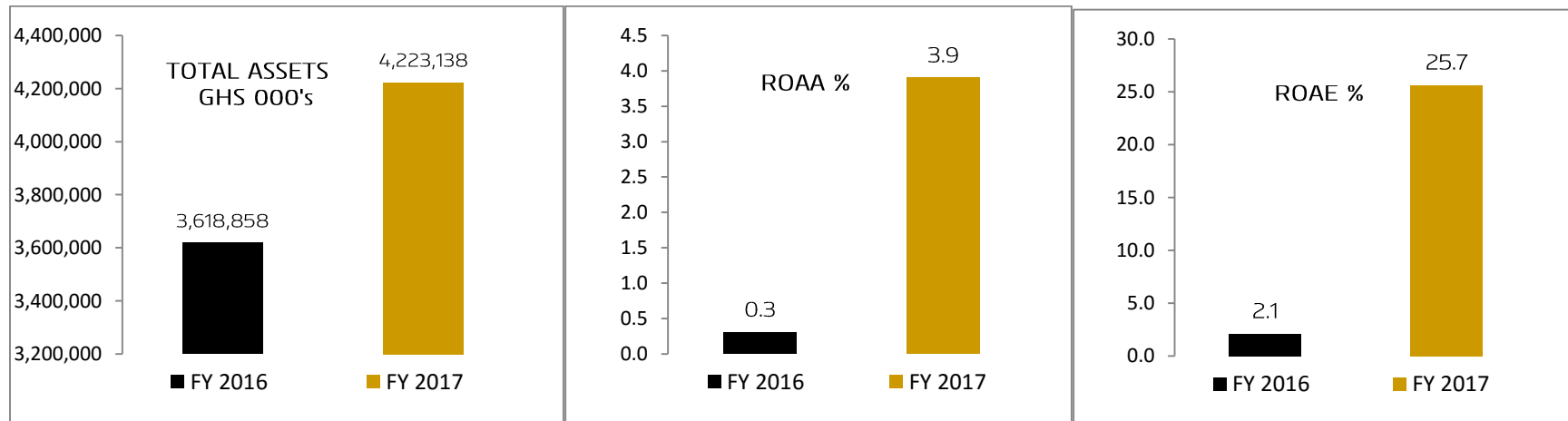
**Shareholder Ratios**

- ROAA increased to 3.9% (0.3% in FY 2016)
- ROAE increased to 25.7% (2.1% in FY 2016)
- Price-to-Book ratio increased to 0.91 (0.82 in FY 2016)
- EPS grew by 1,397.1% to GHS 0.2793 (GHS 0.0187 in Q3 2016)

## FY-2017 - GROUP AUDITED INCOME STATEMENT



## FY-2017 - GROUP AUDITED BALANCE SHEET



CAL Bank's CEO, Mr. Frank B. Adu Jnr, remarked on the Bank's 2017 financial turnaround:

*"Our 2017 results demonstrate our strong recovery over 2016 when we posted minimal profits due to significant write offs of impaired assets, largely from the energy sector. In 2017, we successfully grew our Group Total Income by 25.9% to GHS 462.2m. This growth was principally driven by 39.7% growth in Net Interest Income largely emanating from investment securities. We were challenged to grow our non-funded income which fell by 4% due to a drop in loan-linked commissions and international trade related income. Most significantly in 2017, we successfully contained our Net Impairment Loss expense which decreased by 72.4% due to vigilant and pro-active loan monitoring and risk management. We are extremely proud to have delivered a Profit-After-Tax of GHS 153m to our shareholders in 2017, a remarkable growth of 1,397.8%."*

*"On the cost side, the enhanced operational efficiency strategies initiated in 2016, began to bear fruit in 2017 with a 30.5% reduction in Total Operating costs. This drop was in spite of a 36.4% growth in staff costs due to improved remuneration for our employees in 2017, from greater wage competition within the banking industry. In 2017, we upgraded our banking software to improve process efficiency, we implemented Bank-wide IT applications for electronic workflow and document management and we introduced paperless internal processes. The overall higher operating efficiency culminated in our Cost-to-Income ratio dropping further to 40.8% in 2017."*

*"Our 2017 GHS 1.85 billion loan book was largely unchanged from 2016 as we closely monitored asset quality during the year. We preserved the innate strength of our balance sheet and grew it modestly by 16.7% to GHS 4.2 billion in FY 2017 whilst our Customer deposits grew by 5.2%."*

*"In 2017, we rebranded the Bank to rejuvenate our business franchise and to reflect our digital transformation strategy. We have entered into agreements with key partners to provide technical support on our digitisation journey to enable us maximize convenience for customers. In 2018, we remain more committed than ever to digitisation and we are firmly on track and to deliver consumer banking products and services through user-friendly electronic channels".*

Looking ahead, Mr. Adu concluded: *"In the past 12 months where we have seen banks collapse and the introduction of steep new capital requirements, CAL's strong 2017 capital adequacy ratio of 21.9% is reassurance to our shareholders, that, with their approval, we will meet the new minimum capital requirement through capitalization of income surplus. In 2018, we will continue to preserve our financial strength through adherence to our traditions of prudent risk management, conservative provisioning and maintaining capital ratios well above regulatory levels."*

## **FOR FURTHER INFORMATION:**

### **CAL Bank**

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### **Notes to the Editors:**

The Bank commenced operations as a local merchant bank in 1990 with the sole aim of providing truly differentiated world-class banking solutions. CAL acquired a Universal Banking License in 2004 and in the same year undertook an initial public offer that was 4.5 times oversubscribed.

The operations of the Bank are backed by experienced managers in key functional areas with a combined experience of over 100 years in banking and finance. The CAL Bank team provides the required solutions to clients and is supported by a strong IT platform that has seen the Bank being recognized for its innovative products in ICT & Electronic Banking since 2007.

### **Operations and Subsidiaries**

CAL Bank's growth strategy is to focus on the growing Ghanaian corporate business sector. Since 2006, the Bank has developed its retail banking operations with specialized products and services to serve the needs of its growing retail clientele. The Bank currently has three wholly owned subsidiaries. CAL Brokers Limited is a locally incorporated securities broker and a licensed dealing member of the Ghana Stock Exchange. CAL Asset Management Company Limited is licensed as a fund manager and investment advisor by the Securities & Exchange Commission of Ghana. CAL Bank Nominees Limited ("CAL Nominees") holds and administers assets as a custodian.

### **Branch Network**

The Bank has embarked on an expansion program and will continue to expand its footprint by increasing the number of branches throughout the country. Internationally, CAL Bank benefits from strong correspondent banks all over the world. This enables us handle all international transactions quickly and effectively.

More information available at: [www.calbank.net](http://www.calbank.net) / [www.calbank.investoreports.com](http://www.calbank.investoreports.com)