

CALBANK LIMITED
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2019

CALBANK LIMITED

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2019

in thousands of Ghana Cedis

	2019		2018	
	Bank	Group	Bank	Group
Interest Income	409,552	410,639	367,935	367,935
Interest Expense	(167,337)	(167,100)	(183,036)	(181,506)
Net Interest Income	242,215	243,539	184,899	186,429
Fees and Commissions Income	22,521	27,183	28,826	28,826
Fees and Commissions Expense	(4,891)	(4,945)	(945)	(945)
Net Fees and Commission Income	17,630	22,238	27,881	27,881
Net Trading Income	29,323	29,134	9,331	9,485
Other Income	5,516	5,643	3,276	9,910
	34,839	34,777	12,607	19,395
Operating Income	294,684	300,554	225,387	233,705
Net Impairment Loss on Financial Assets	(53,300)	(53,300)	(21,499)	(21,499)
Personnel Expenses	(63,001)	(64,710)	(55,751)	(57,500)
Depreciation and Amortisation	(10,122)	(10,169)	(5,227)	(5,244)
Other Expenses	(49,303)	(49,991)	(41,956)	(42,579)
Profit Before Income Tax	118,958	122,384	100,954	106,883
Income Tax Expense	(35,687)	(36,868)	(28,772)	(30,646)
Profit For The Period	83,271	85,516	72,182	76,237
Other Comprehensive Income, Net of Income Tax Items that may be reclassified subsequently to profit or loss:				
Available-For-Sale Financial Assets	11,169	11,169	8,038	8,038
Total Comprehensive Income for the Period	94,440	96,685	80,220	84,275
Earnings Per Share (Ghana Cedis per share)				
Basic	0.2658	0.2730	0.2304	0.2433
Diluted	0.2658	0.2730	0.2304	0.2433

CALBANK LIMITED
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019
in thousands of Ghana Cedis

	2019		2018	
	Bank	Group	Bank	Group
Assets				
Cash and Cash Equivalents	771,633	771,633	596,978	596,984
Investment Securities	2,407,993	2,420,673	1,522,479	1,527,796
Loans and Advances to Customers	2,499,933	2,499,933	2,135,111	2,135,111
Investments in Subsidiaries	2,038	0	2,038	0
Current Tax Assets	617	1,327	0	198
Property, Plant and Equipment	453,968	455,266	304,796	304,874
Intangible Assets	16,697	16,697	17,566	17,566
Deferred Tax Assets	14,890	14,900	17,706	17,706
Other Assets	62,758	66,941	75,563	78,889
Total Assets	6,230,527	6,247,370	4,672,237	4,679,124
Liabilities				
Deposits From Banks and Other Financial Institutions	94,537	91,387	72,843	49,027
Deposits From Customers	3,743,021	3,743,021	2,843,975	2,843,975
Borrowings	1,400,861	1,400,861	880,053	880,053
Current Tax Liabilities	0	103	5,034	5,415
Deferred Tax Liabilities	0	3	0	2
Other Liabilities	163,174	165,824	159,781	161,384
Total Liabilities	5,401,593	5,401,199	3,961,686	3,939,856
Shareholders' Equity				
Stated Capital	400,000	400,000	350,000	350,000
Income Surplus	97,973	115,775	95,706	124,933
Revaluation Reserve	62,246	62,246	63,526	63,526
Statutory Reserve	265,600	265,600	172,335	172,335
Regulatory Credit Risk Reserve	8,585	8,585	28,109	28,109
Other Reserves	(5,470)	(6,035)	875	365
Total Shareholders' Equity	828,934	846,171	710,551	739,268
Total Liabilities and Shareholders' Equity	6,230,527	6,247,370	4,672,237	4,679,124

CAL BANK LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2019

in thousands of Ghana Cedis

2019

The Bank	Stated Capital	Statutory Reserve	Revaluation Reserve	Income Surplus	Other Reserves		Regulatory Credit Risk Reserve	Total Equity
					Treasury Shares	Fair Value Reserves		
Balance at 1 January 2019	400,000	244,782	62,246	58,140	-	(16,638)	16,042	764,572
Total comprehensive income								
Profit				83,271				83,271
Other comprehensive income								
Available-for-sale financial assets	-					11,169		11,169
Transactions with shareholders								
Dividend paid				(30,077)				(30,077)
Transfer to/from reserves								
Statutory reserve		20,818		(20,818)				-
Regulatory credit risk reserve				7,457			(7,457)	-
Balance at 30 June 2019	400,000	265,600	62,246	97,973	0	(5,470)	8,585	828,934

The Group	Stated Capital	Statutory Reserve	Revaluation Reserve	Income Surplus	Other Reserves		Regulatory Credit Risk Reserve	Total Equity
					Treasury Shares	Fair Value Reserves		
Balance at 1 January 2019	400,000	244,782	62,246	73,666	(584)	(16,707)	16,042	779,445
Total comprehensive income								
Profit				85,516				85,516
Other comprehensive income								
Available-for-sale financial assets						11,169		11,169
Transactions with shareholders								
Dividend paid				(30,073)				(30,073)
Net changes in CAL Shares held by subsidiaries				27	87			114
Bonus Issue								0
Transfer to/from reserves								
Statutory reserve		20,818		(20,818)				0
Regulatory credit risk reserve				7,457			(7,457)	0
Balance at 30 June 2019	400,000	265,600	62,246	115,775	(497)	(5,538)	8,585	846,171

2018

The Bank	Stated Capital	Statutory Reserve	Revaluation Reserve	Income Surplus	Other Reserves		Regulatory Credit Risk Reserve	Total Equity
					Treasury Shares	Fair Value Reserves		
Balance at 1 January 2018	100,000	163,312	63,526	275,883	-	(7,163)	51,869	647,427
Total comprehensive income								
Profit				72,182				72,182
Other comprehensive income								
Available-for-sale financial assets	-					8,038		8,038
Transfer to/from reserves								
Statutory reserve		9,023		(9,023)				-
Regulatory credit risk reserve				23,760			(23,760)	-
IFRS 9 Impact on opening balance				(17,096)				(17,096)
Transfer to stated capital	250,000			(250,000)				
Balance at 30 June 2018	350,000	172,335	63,526	95,706	0	875	28,109	710,551

The Group	Stated Capital	Statutory Reserve	Revaluation Reserve	Income Surplus	Other Reserves		Regulatory Credit Risk Reserve	Total Equity
					Treasury Shares	Fair Value Reserves		
Balance at 1 January 2018	100,000	163,312	63,526	301,133	(518)	(7,252)	51,869	672,070
Total comprehensive income								
Profit				76,237				76,237
Other comprehensive income								
Net change in revaluation surplus								0
Available-for-sale financial assets						8,038		8,038
Transactions with shareholders								
Net changes in CAL Shares held by subsidiaries				(78)	97			19
Transfer to/from reserves								
Statutory reserve		9,023		(9,023)				0
Regulatory credit risk reserve				23,760			(23,760)	0
IFRS 9 Impact on opening balance				(17,096)				(17,096)
Transfer to stated capital	250,000			(250,000)				
Balance at 30 June 2018	350,000	172,335	63,526	124,933	(421)	786	28,109	739,268

CALBANK LIMITED
UNAUDITED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2019
in thousands of Ghana Cedis

	2019		2018	
	Bank	Group	Bank	Group
Cash Flows From Operating Activities				
Profit For The Period	83,271	85,516	72,182	76,237
Adjustments for:				
Depreciation And Amortisation	10,122	10,169	5,227	5,244
Impairment on Financial Assets	53,300	53,300	21,499	21,499
Net Interest Income	(242,215)	(243,539)	(184,899)	(186,429)
Income Tax Expense	35,687	36,868	28,772	30,646
Gain on Disposal of Property and Equipment	(115)	(115)		
	(59,950)	(57,801)	(57,219)	(52,803)
Change in Loans and Advances to Customers	(107,287)	(112,337)	(321,437)	(321,437)
Change in Other Assets	5,769	4,122	(24,524)	(20,076)
Change in Deposits From Banks and Other Financial Institutions	15,325	18,965	415,774	415,774
Change in Customer Deposits	674,870	674,870	(12,070)	(20,395)
Change in Other Liabilities	(8,823)	(11,505)	41,336	41,599
	579,854	574,115	99,079	95,465
Interest and dividends received	386,938	388,025	371,686	371,686
Interest paid	(176,876)	(176,639)	(178,316)	(180,041)
Income Tax Paid	(43,576)	(44,703)	(24,597)	(25,684)
Net Cash Used In Operating Activities	686,390	682,997	210,633	208,623
Cash Flows From Investing Activities				
Disposal/(Purchase) of Investment Securities	(592,716)	(588,808)	(43,332)	(41,316)
Purchase of Property and Equipment	(10,638)	(11,162)	(30,936)	(30,936)
Proceeds From Sale of Property and Equipment	121	121	0	0
Net Cash Used in Investing Activities	(603,233)	(599,849)	(74,268)	(72,252)
Cash Flows from Financing Activities				
Dividends Paid	(30,077)	(30,073)	0	0
Net Changes in Borrowings	80,988	80,988	(51,763)	(51,763)
Net Cash from Financing Activities	50,911	50,915	(51,763)	(51,763)
Net Change in Cash and Cash Equivalents	134,068	134,063	84,602	84,608
Cash and Cash Equivalents at 1 January	637,565	637,570	512,376	512,376
Cash and Cash Equivalents at 30 June 2019	771,633	771,633	596,978	596,984

SIGNIFICANT ACCOUNTING POLICIES

The Condensed Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG). The Condensed Financial Statements have been prepared using the same accounting policies and methods used in preparation of our audited 2018 Annual Consolidated Financial Statements except for IFRS 16 as indicated below. Our significant accounting policies and future changes in accounting policies and disclosures that are not yet effective are described in Note 4 of our audited 2018 Annual Consolidated Financial Statements.

Changes in accounting policies

On 1 January 2019 the Bank adopted IFRS 16 (Leases) which replaces IAS 17 (Leases). As a result of the application of IFRS 16, we updated our accounting policies with regards to how we recognise, measure, present and disclose leases. These new policies were applicable from 1 January 2019. As permitted by the transition provisions of IFRS 16, we elected not to restate comparative period results; accordingly, all comparative period information is presented in accordance with our previous accounting policies, as described in our 2018 Annual Report.

QUANTITATIVE DISCLOSURES

		2019	2018
(i)	Capital Adequacy Ratio	18.6%	21.5%
(ii)	Non-Performing Loan Ratio	9.0%	9.9%
(iii)	Common Equity Tier 1 Ratio	16.6%	11.8%
(iv)	Leverage Ratio	9.4%	9.2%

QUALITATIVE DISCLOSURES

(i) The Bank's dominant risks are: credit risk, liquidity risk, market risk and operational risk

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. There are in place the Risk Management and Audit sub-committees of the Board and an established Asset and Liability committee (ALCO) which are responsible for developing and monitoring risk management policies in their specified areas.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The process followed in risk management for the period ended 30 June 2019 are consistent with those followed for the year ended 31 December, 2018.

(iii)		2019	2018
	Default in Statutory Liquidity (Times)	Nil	Nil
	Default in Statutory Liquidity Sanction (GH¢'000)	Nil	Nil

"The financial statements do not contain untrue statements, misleading facts or omit material facts to the best of our knowledge."

FRANK B. ADU JNR.
Managing Director

PHILIP OWIREDU
Executive Director

CALBANK LIMITED
UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2019

	2019 GHS'000	2018 GHS'000	+ or (-) %
1. Net Interest Income	243,539	186,429	30.6
Commissions, Fees and Other Income	57,015	47,276	20.6
2. a. Consolidated Operating Profit Before Income Tax	122,384	106,883	14.5
b. Less Income Tax Expense	36,868	30,646	(20.3)
c. Consolidated Operating Profit After Tax	85,516	76,237	12.2
Depreciation Charge	10,169	5,244	(93.9)
3. Operating Profit After Tax as a Percentage of Turnover	28.5%	32.6%	
4. Operating Profit After Tax as a Percentage of Issued Capital and Reserves.	12.0%	10.3%	
5. Earnings Per Share for the Period	GH¢0.2730	GH¢0.2433	

6. Commentary

The group reported an operating profit before income tax of GHS122.4 million and an operating profit after tax of GHS85.5 million compared to GHS106.9 million and GHS76.2 million respectively in the previous year. These represent an increase of 14.5% and 12.2% respectively.

Net interest income increased by 30.6%, mainly as a result of increases in loans and advances, and investment securities over the review period. Commissions, fees and other income increased by 20.6%, compared to the prior year amount of GHS47.3 million.

The balance sheet remained robust, with total assets of the group increasing from GHS4.7 billion to GHS6.2 billion. This represents an increase of 33.5% during the review period.

Basic earnings per share is based on a weighted average number of ordinary shares in issue as at the balance sheet date of 626,584,627 (2018: 626,584,627). Diluted earnings per share is based on a weighted average number of ordinary shares of 626,584,627 (2018: 626,584,627).

7. The tax charge for the period does not include any adjustment for the previous year.