

SUMMARY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

in thousands of Ghana Cedis

	2021		2020	
	Bank	Group	Bank	Group
Interest income calculated using the effective interest method	976,587	980,671	924,643	927,350
Interest expense	(511,254)	(511,124)	(404,959)	(404,479)
Net interest income	465,333	469,547	519,684	522,871
Fees and commission income	62,483	75,597	42,007	51,167
Fees and commission expense	(23,745)	(23,745)	(19,662)	(19,662)
Net fees and commission income	38,738	51,852	22,345	31,505
Net trading income	192,634	192,634	130,898	130,898
Net gains on derivative assets	26,466	26,466	731	731
Revenue	723,171	740,499	673,658	686,005
Other income	6,429	5,224	2,149	2,600
Operating income	729,600	745,723	675,807	688,605
Net impairment loss on financial instruments	(82,375)	(82,375)	(86,843)	(86,843)
Personnel expenses	(151,110)	(153,917)	(140,344)	(142,735)
Depreciation and amortisation	(37,721)	(37,883)	(34,435)	(34,596)
Finance cost on lease liabilities	(4,026)	(4,026)	(4,298)	(4,298)
Other expenses	(128,694)	(130,005)	(134,746)	(135,505)
Total operating expenses	(403,926)	(408,206)	(400,666)	(403,977)
Profit before tax	325,674	337,517	275,141	284,628
Income tax expense	(110,435)	(114,665)	(68,172)	(70,825)
Profit for the year and total comprehensive income	215,239	222,852	206,969	213,803
Earnings per share (Ghana cedis per share)				
Basic earnings per share	0.3441	0.3564	0.3304	0.3419
Diluted earnings per share	0.3441	0.3564	0.3304	0.3419

SUMMARY STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

in thousands of Ghana Cedis

	2021		2020	
	Bank	Group	Bank	Group
Assets				
Cash and cash equivalents	1,307,694	1,307,701	1,430,243	1,430,248
Non-pledged trading assets	672,509	672,509	834,131	834,131
Derivative assets held for risk management	26,466	26,466	731	731
Investment Securities	4,946,980	4,974,002	2,463,005	2,482,279
Loans and advances to customers	2,239,520	2,239,520	2,400,950	2,400,950
Investments in Subsidiaries	3,538	-	2,038	-
Current tax assets	-	-	31,245	31,851
Assets held for sale	121,085	121,085	104,493	104,493
Property and equipment	412,938	413,030	418,451	418,525
Intangible assets	74,062	75,076	44,813	45,960
Right-of-use assets	89,070	89,070	84,917	84,917
Deferred tax assets	28,277	28,265	36,377	36,404
Other assets	90,239	93,255	52,021	54,097
Total assets	10,012,378	10,039,979	7,903,415	7,924,586
Liabilities				
Total Deposits	6,312,067	6,308,385	4,428,104	4,425,958
Deposit from banks and other financial institutions	1,150,134	1,146,452	263,803	261,657
Deposits from customers	5,161,933	5,161,933	4,164,301	4,164,301
Borrowings	2,214,267	2,214,267	2,098,225	2,098,225
Current tax liabilities	2,182	2,162	-	-
Lease liabilities	86,128	86,128	85,886	85,886
Other liabilities	140,056	142,355	179,266	181,745
Total liabilities	8,754,700	8,753,297	6,791,481	6,791,814
Shareholders' equity				
Stated capital	400,000	400,000	400,000	400,000
Retained earnings	361,554	390,697	227,273	248,695
Revaluation reserve	102,926	102,926	104,636	104,636
Statutory reserve	393,905	393,905	340,095	340,095
Credit risk reserve	-	-	40,066	40,066
Other reserves	(707)	(846)	(136)	(720)
Total shareholders' equity	1,257,678	1,286,682	1,111,934	1,132,772
Total shareholders' equity and liabilities	10,012,378	10,039,979	7,903,415	7,924,586

SUMMARY STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

in thousands of Ghana Cedis

2021 Bank	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
Total comprehensive income							
Profit for the year	-	215,239	-	-	-	-	215,239
Transactions with equity holders of the Bank							
Shares repurchased	-	-	-	-	-	(571)	(571)
Dividends paid to equity holders	-	(68,924)	-	-	-	-	(68,924)
Other transfers							
Transfer to statutory reserve	-	(53,810)	-	53,810	-	-	-
Revaluation gain on disposed PPE	-	1,710	(1,710)	-	-	-	-
Transfer from credit risk reserve	-	40,066	-	-	(40,066)	-	-
Balance at 31 December	400,000	361,554	102,926	393,905	-	(707)	1,257,678

2021 Group	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
Total comprehensive income							
Profit for the year	-	222,852	-	-	-	-	222,852
Transactions with equity holders of the Bank							
Shares repurchased	-	-	-	-	-	(571)	(571)
Dividends paid to equity holders	-	(68,816)	-	-	-	-	(68,816)
Bank's shares held by subsidiaries	-	-	-	-	-	445	445
Other transfers							
Transfer to statutory reserve	-	(53,810)	-	53,810	-	-	-
Revaluation gain on disposed PPE	-	1,710	(1,710)	-	-	-	-
Transfer from credit risk reserve	-	40,066	-	-	(40,066)	-	-
Balance at 31 December	400,000	390,697	102,926	393,905	-	(846)	1,286,682

2020 Bank	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
Total comprehensive income							
Profit for the year	-	206,969	-	-	-	-	206,969
Transactions with equity holders of the Bank							
Shares repurchased	-	-	-	-	-	(136)	(136)
Dividends paid to equity holders	-	(55,766)	-	-	-	-	(55,766)
Other transfers							
Transfer to statutory reserve	-	(51,742)	-	51,742	-	-	-
Remeasurement of employee benefit	-	(6,941)	-	-	-	6,941	-
Transfer to credit risk reserve	-	(40,066)	-	-	40,066	-	-
Balance at 31 December	400,000	227,273	104,636	340,095	40,066	(136)	1,111,934

2020 Group	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
Total comprehensive income							
Profit for the year	-	213,803	-	-	-	-	213,803
Transactions with equity holders of the Bank							
Shares repurchased	-	-	-	-	-	(136)	(136)
Dividends paid to equity holders	-	(55,682)	-	-	-	-	(55,682)
Other transfers							
Transfer to statutory reserve	-	(51,742)	-	51,742	-	-	-
Remeasurement of employee benefit	-	(7,091)	-	-	-	7,091	-
Transfer to credit risk reserve	-	(40,066)	-	-	40,066	-	-
Balance at 31 December	400,000	248,695	104,636	340,095	40,066	(720)	1,132,772

SUMMARY STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

in thousands of Ghana Cedis

	2021		2020	
	Bank	Group	Bank	Group
Cash from operating activities				
Profit for the year	215,239	222,852	206,969	213,803
Adjustments for:				
Depreciation and amortisation	37,721	37,883	34,435	34,596
Net impairment loss on financial instruments	82,375	82,375	86,843	86,843
Net interest income	(465,333)	(469,547)	(519,684)	(522,871)
Net gains on derivative assets	(26,466)	(26,466)	(731)	(731)
Income tax expense	110,435	114,665	68,172	70,825
Unrealised exchange loss	79,122	79,122	78,699	78,699
Profit from disposal of property and equipment	(1,552)	(1,552)	-	-
Finance cost on lease liabilities	4,026	4,026	4,298	4,298
Cash generated from/(used in) operations before changes in operating assets and liabilities	35,567	43,358	(40,999)	(34,538)
Changes in:				
Loans and advances to customers	116,463	116,463	438,701	438,701
Other assets	(11,752)	(12,692)	(4,401)	(4,016)
Derivative assets	(25,735)	(25,735)	4,115	4,115
Deposit from banks and other financial institutions	886,568	885,032	93,714	99,751
Deposits from customers	970,480	970,480	481,043	481,043
Other liabilities	(39,818)	(39,998)	72,807	72,467
Asset held for sale	(16,592)	(16,592)	(160)	(160)
Cash generated from operating activities	1,915,181	1,920,316	1,044,820	1,057,363
Interest received	943,382	946,526	919,787	921,500
Interest paid	(489,116)	(488,986)	(427,791)	(427,474)
Finance charges on lease liability paid	(4,298)	(4,298)	(4,585)	(4,585)
Income taxes paid	(68,908)	(72,513)	(116,594)	(119,321)
Net cash flows from operating activities	2,296,241	2,301,045	1,415,637	1,427,483
Cash flows from investing activities				
Disposal / (acquisition) of trading assets	161,622	161,622	(708,359)	(708,359)
Acquisition of investment securities	(2,487,570)	(2,494,378)	(60,782)	(72,662)
Acquisition of property and equipment	(34,364)	(34,405)	(4,223)	(4,246)
Proceeds from disposal of property and equipment	16,491	16,491	243	243
Acquisition of intangible assets	(34,170)	(34,176)	(21,323)	(21,350)
Increase in equity share of subsidiary	(1,500)	-	-	-
Net cash flows used in investing activities	(2,379,491)	(2,384,846)	(832,444)	(844,374)
Cash flows from financing activities				
Dividends paid	(68,924)	(68,816)	(55,766)	(55,682)
Proceeds from borrowings	7,451,365	7,451,365	3,113,570	3,113,570
Repayment of borrowings	(7,411,921)	(7,411,921)	(3,107,315)	(3,107,315)
Payment of lease liabilities	(15,132)	(15,132)	(11,257)	(11,257)
Repurchase of issued shares	(571)	(126)	(136)	(136)
Net cash flows used in financing activities	(45,183)	(44,630)	(60,904)	(60,820)
Net (decrease)/increase in cash and cash equivalents	(128,433)	(128,431)	522,289	522,289
Cash and cash equivalents at 1 January	1,430,243	1,430,248	898,290	898,295
Effect of exchange rate fluctuations on cash and cash equivalents held	5,884	5,884	9,664	9,664
Cash and cash equivalents at 31 December	1,307,694	1,307,701	1,430,243	1,430,248

NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

Basis of Preparation

The summary financial statements are prepared in accordance with the requirements of the Guide for Financial Publication for Banks and Bank of Ghana Licensed Financial Institutions and in the form and manner required by the Securities and Exchange Commission Regulations, 2003 as applicable to summary financial statements. The Guide require the summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG). The accounting policies applied in the preparation of the audited financial statements, from which the summary financial statements were derived, are in accordance with IFRSs and are consistent with the accounting policies applied in the preparation of the previous annual audited financial statements.

	2021		2020	
	Bank	Group	Bank	Group
Quantitative Disclosures				
Capital Adequacy Ratio	24.5%	25.1%	21.9%	22.3%
Non-Performing Loans Ratio	11.2%	11.2%	13.5%	13.5%
Liquid Ratio	233.3%	234.6%	216.7%	217.6%
Tier 1 capital ratio	22.5%	23.1%	19.9%	20.3%
Tier 2 capital ratio	2.0%	2.0%	2.0%	2.0%
Leverage ratio	9.3%	9.5%	9.9%	10.1%
Dividends paid per share (Ghana Cedis per share)	0.1100	0.1100	0.0890	0.0890
Compliance with statutory liquidity requirement				
(i) Default in Statutory Liquidity	Nil	Nil	Nil	Nil
(ii) Default in Statutory Liquidity Sanction (GHS'000)	Nil	Nil	Nil	Nil
(iii) Other Regulatory Penalties (GHS'000)**	548	548	84	84

**Other regulatory penalties incurred relates to the Bank having financial exposures in respect of a group of connected persons in excess of the regulatory threshold as at 31 December 2020. This regulatory breach was resolved in February 2021.

Impairment allowance for the current year was GHS213.4 million as compared to the prior year of GHS239.7 million

Risk Management Framework

The Bank's dominant risks are: credit risk, liquidity risk, market risk and operational risk. To manage these risks, we have designed a Risk Management Framework covering the strategic framework, organisational structure, appetite, operational framework and risk monitoring and reporting. Our risk profile has remained stable over the past three years.

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 Management 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 year ended 31 December, 2021 are consistent with those followed for the year ended 31 December, 2020.

Directors' Responsibility Statement

The Directors are responsible for the preparation of the summary consolidated and separate financial statements comprising the summary statements of financial position as at 31 December 2021 and the summary statements of comprehensive income, changes in equity and cash flows and related notes to the summary financial statements for each financial year which gives a true and fair view of the state of affairs of the Bank and the Group. The directors have prepared these summary financial statements in accordance with the requirements of the Guide for Financial Publication for Banks and Bank of Ghana Licensed Financial Institutions and in the form and manner required by the Securities and Exchange Commission Regulations, 2003 as applicable to summary financial statements. The Guide requires the summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG). The accounting policies applied in the preparation of the audited financial statements, from which the summary financial statements were derived, are in accordance with IFRSs and are consistent with the accounting policies applied in the preparation of the previous annual audited financial statements.

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

The Directors are responsible for ensuring that the Bank and the Group keep proper accounting records that disclose with reasonable accuracy at any time the financial position of the Bank. The directors are also responsible for safeguarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Subsidiaries

CalBrokers Limited (CBL), a company incorporated in Ghana as a securities broker and a licensed dealing member of the Ghana Stock Exchange. CalBrokers Limited resigned from the Ghana Stock Exchange on 13 December 2019 and is currently undergoing voluntary liquidation.

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

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

CalTrustee Limited incorporated in Ghana to manage pension fund on behalf of beneficial owners as per guidelines set out by National Pension Regulatory Authority (NPRA).

Associates

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 Group. These investments have been fully impaired from the Group's book.

The entity's ability to continue as a going concern

The Board of Directors have assessed the Bank and Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future except for CalBrokers Limited that resigned from the Ghana Stock Exchange on 13 December 2019. The Group is seeking the necessary regulatory approvals in order to wind up CalBrokers Limited.

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern. The Bank's capital adequacy and liquidity ratios were not significantly impacted in 2021.

Currently, the impact of COVID-19 on our business and results has not been significant, based on our experience to date, we expect this to continue. Furthermore, the Directors are 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.

Auditor

In accordance with Section 139(5) of the Companies Act, 2019 (Act 992), KPMG will remain in office as auditor of the Bank and Group.

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

BY ORDER OF THE BOARD

Signed
Philip Owiredu
Director

Signed
Nana Otuo Acheampong
Director

Dated 25 February 2022



INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS TO THE MEMBERS OF CALBANK PLC

Opinion

The summary consolidated and separate financial statements, which comprise the summary statements of financial position as at 31 December 2021, and the summary statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited financial statements of CalBank PLC for the year ended 31 December 2021.

In our opinion, the accompanying summary consolidated and separate financial statements are a fair summary of the audited consolidated and separate financial statements, in accordance with the basis described in the notes.

Summary Consolidated and Separate financial statements

The summary consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited financial statements of CalBank PLC. Reading the summary consolidated and separate financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 25 February 2022. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements for the current period.


Directors' Responsibility for the Summary Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of the summary consolidated and separate financial statements in accordance with the basis described in the notes.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are a fair summary of the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

The engagement partner on the audit resulting in this independent auditor's report is Labaran Amidu (ICAG/P/1472).


FOR AND ON BEHALF OF:
KPMG (ICAG/F/2022/038)
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25 February 2022

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