

CalBank PLC

A: 23 Independence Avenue P.O.Box 14596 Accra, Ghana

T: +233 (0) 302 680061-69, +233 (0) 302 680079

F: +233 (0) 302 680081, +233 (0) 302 680083

E: customercare@calbank.net www.calbank.net



PRESS RELEASE

CalBank Clarifies Recent Executive and Board Changes Amid Restructuring Efforts

Accra, September 30, 2024 - In light of recent reports, including an article by The High Street Journal titled “*CalBank Fires Significant Number of Top Executives & Non-Executive Directors Amid Efforts to Correct Previous Impairments,*” CalBank PLC seeks to clarify the facts surrounding recent executive and Board changes and to highlight the bank’s ongoing transformation and positive performance.

Board Changes

No director of the bank has been dismissed. Recent changes on the Board stem from the conclusion of directorship terms as part of the bank’s statutory and regulatory governance cycle. Three independent, non-executive directors of the bank were due to retire by statutory rotation at the bank’s 2024 annual general meeting (AGM) held on September 4, 2024, **Mr. Ben Barth, Dr. Cynthia Forson and Mr. Richard Arkutu. Mr. Barth did not seek renomination** when his tenure expired, while the terms of **Dr. Forson and Mr. Arkutu** concluded at the AGM. All three retired directors provided exceptional service to the bank during their tenure.

Due to a **pending injunction application filed by two minority shareholders**, that sought to injunct the consideration of some resolutions at the 2024 AGM, the process of reappointing directors has been delayed. Currently, the following persons continue to serve as directors of the bank:

- **Joe Mensah** (*Board Chairman*)
- **Kofi Osafo-Mafo**
- **Kweku B. Korsah**
- **Solomon Asamoah**
- **Nana Otuo Acheampong**
- **Carl Selasi Asem** (*Managing Director*)

The bank is preparing for an **Extraordinary General Meeting (EGM)**, where new directors will be appointed to restore the full complement of the Board, in line with governance standards and regulation.

Addressing Legacy Issues and Driving Transformation

A significant portion of the challenges faced by CalBank have been **legacy-related**. The current Board, through its duty of candour, has taken proactive steps to **clean up** the balance sheet, strengthen risk management, and set the bank on a path to future success. Key initiatives include:

- **Improved Risk Management Structures**: Significant efforts have been made to enhance the bank's **Credit and Market Risk** frameworks. These improvements have not only reduced exposure to bad loans but have also ensured that **none of the loans booked during this Board's tenure have gone bad** – a testament to the robust oversight now in place.
- **Making the Right Provisions**: In a demonstration of transparency and responsible governance, the Board ensured that appropriate provisions were made for troubled legacy accounts. This decision was critical in positioning the bank to address its past challenges while focusing on future opportunities.
- **Stepping Up Recovery Efforts**: The Board has spearheaded aggressive recovery efforts for non-performing loans, further stabilising the bank's financial standing and improving its risk profile.
- **Changes in Deposit Profile**: Under the Board's leadership, CalBank has significantly **improved its deposit profile**, attracting more stable and long-term deposits, which has strengthened the bank's balance sheet and supported its liquidity.
- **Management Personnel Changes**: In keeping with the Board's commitment to upholding the core principles of transparency and accountability at all levels of the bank, a number of senior-level management appointments were terminated or reassigned in June 2024 in accordance with due process.
- **Strategic Recruitments**: In a bid to bolster leadership, CalBank has made key appointments, including **Carl Asem as the new Managing Director**, as well as new experienced senior hires in the retail division. These appointments have brought in fresh perspectives and expertise, which are already contributing to the bank's improved operational performance.

Positive Financial Performance and Growth Trajectory

Despite facing challenges related to legacy issues, CalBank's strong **risk management structures** and **strategic decision-making** have resulted in **positive financial performance**. The bank turned a profit for the first-half of the current year, and the results are expected to show sustained growth through the year-end. This marks the beginning of a **trajectory of growth**, underpinned by better governance and strategic leadership.

The Board's strategic actions, including tighter risk management, enhanced internal controls, and the right provisioning for troubled accounts, have laid the foundation for the bank's **future success**. We are confident that these measures, alongside the strengthened leadership team, will ensure that CalBank continues to thrive in the competitive Ghanaian banking sector.

Positioned for Greatness

CalBank is now positioned for sustained growth and market leadership. With a strong focus on corporate governance, improved risk management, operational excellence, and innovation, the bank is poised to deliver exceptional value to its stakeholders. The upcoming **Extraordinary General Meeting (EGM)** will bring in additional Board expertise, further solidifying the bank's path to greatness.

As we move forward, CalBank remains fully committed to building a stronger institution, delivering sustainable growth, and continuing to reassert its position as a leading bank in Ghana.

Signed: Joe Mensah

Board Chairman