

**Press release**



# **Building resilience**

**Working together with the  
right team, culture and focus**

## **Full Year 2022**

**Audited Results with Commentary**

**Forward Together**



**CalBank**



**Mr. Philip Owiredu**  
(Managing Director)

## COMMENTARY

### **Philip Owiredu, Chief Executive of CalBank PLC commented:**

"In 2022, CalBank focused on diligent execution of our laid-out 3-year strategy. Our full year 2022 performance reflects a strong, resilient business that made significant strides in top-line revenue growth and business expansion. We achieved record headline earnings of GHS 791.7 million in FY 2022. We delivered 26.3% net interest earnings growth and an impressive 59.9% growth in Net Fees and Commissions. In line with our strategy, we recorded continued growth across our corporate and retail client franchises, opening three new branches to bring our total branch network to thirty-five branches, in nine out of sixteen regions in Ghana. We expanded our footprint and deepened new product innovation across all our digital banking channels; internet banking, point-of-sale terminals and our mobile app and we continued to drive our financial inclusion agenda.

Despite these achievements, attainment of our 2022 financial targets was derailed by unprecedented external headwinds. Profitability was negatively impacted as the group recorded an unprecedented loss-after-tax of GHS809.8 million in financial year 2022 compared to a profit-after-tax of GHS 222m in 2021. This loss arose out of the write-down of investments in Government instruments impacted by the Domestic Debt Exchange Program (DDEP) and increased impairment on other financial assets. The group's total assets were also negatively impacted by the DDEP and declined by 7.8% to GHS9.3 billion at the end of 2022.

Nevertheless, CalBank continues to be a strong financial services group because of our strong capital and liquidity positions going into the DDEP which ensured that the group was well-positioned to confront the sovereign debt headwinds and minimize the adverse impact of the challenges thereof. Our post-DDEP regulatory capital ratio of 11.9% is above the revised statutory CAR of 10.0%.

### **First Quarter 2023**

Our first quarter results speak to the fundamental strength of the Bank as we recorded a profit of GHS63.1 million, exceeding that of the prior year. Our Q1-2023 deposits of GHS 7.5 billion represent an GHS800 million increase over the year-end 2022 deposits of GHS 6.7 billion. Our continuing digitalization agenda in this first quarter around payment platforms has resulted in a 20% growth in our low-cost current and savings accounts deposits and is the foundation on which we will grow our deposits for the rest of 2023.

A key pillar of our retail strategy has been the expansion of our presence nationwide. To this end, in the first quarter of 2023, we commissioned two new branches in Kasoa and Bolgatanga, a further two branches are currently under development and scheduled for commissioning by the end of the second quarter of 2023. This will bring our total branch network to thirty-eight.

We have also grown our registered agents by a remarkable 285 new agents to give a total network of 500 agents, covering thirteen of the sixteen regions of Ghana. This exponential growth in agent numbers is on the back of our migration to a new technological platform earlier this year. We will continue to expand this delivery channel through 2023 and beyond in line with our retail strategy of footprint expansion.

Our 12.0% increase in Loans & Advances in the first quarter over year-end 2022 is reflective of our commitment to support businesses and individuals within key strategic sectors of the economy. Our asset quality which is below industry with our NPL ratio declined to 11.2% as compared to 11.7% at the end of 2022.

Our business activity levels have rebounded across all our channels and this positive trend is expected to continue for the remainder of 2023 as we take advantage of business growth opportunities in the market in the 2023.

**Outlook for 2023**

In 2023, there are immense opportunities for us to partner businesses in key growth sectors such as mining, fintech, IT and agro-processing, despite the continuing headwinds of high inflation and elevated interest rates. On the back of optimism about Ghana reaching an IMF deal by the end of Q2-2023 and a number of key Government initiatives to boost key economic sectors, the Ghanaian economy is replete with opportunities for the financial services sector.

The Bank is well positioned to leverage these opportunities across our corporate and retail franchises as they emerge, based on the significant investments we have made by frontloading our technology spend towards strengthening our core. Our robust risk management framework will ensure that we remain vigilant around the heightened credit and market risks that linger as the country emerges from a volatile, high inflation environment.

I am therefore optimistic about 2023, we will focus on demonstrating a strong and resilient business model in the execution of our medium-term strategy aiming to deliver a solid financial performance across our business through product and service innovation, a customer-centric focus, a performance-based culture of service excellence and efficiency, under pinned by diligent risk management and sound governance.

Your bank has weathered many storms over the last 33 years and has always emerged stronger, I am confident that with the commitment, dedication and zeal of the board, management and staff, 2023 will be a successful year and play an important role in the businesses and personal aspirations of our stakeholders."

## Highlights of the Group's Audited Full Year 2022 results

Selected Income Statement Highlights			
Full year ended 31st Dec. 2022 (in millions of Ghana Cedis except per share data and ratios)			
	Audited 2022	Audited 2021	YoY
Net interest income	593.1	469.5	26.31%
Net fees and Commission income	82.9	51.9	59.89%
Net trading and other income	115.7	224.3	(48.44)%
<b>Operating income (net revenue)</b>	<b>791.7</b>	<b>745.7</b>	<b>6.16%</b>
Operating expenses	(412.6)	(325.8)	(26.63)%
Impairment losses on financial assets	(1,451.2)	(82.4)	(1,661.75)%
<b>Profit before tax</b>	<b>(1,072.2)</b>	<b>337.5</b>	<b>(417.67)%</b>
Taxation	(262.4)	(114.7)	328.81%
<b>Profit for the period</b>	<b>(809.8)</b>	<b>222.9</b>	<b>(463.38)%</b>
<b>Per Share Data (GHS)</b>			
Basic EPS	(1.2926)	0.3628	(462.70)%

Selected Balance Sheet Information			
Full year ended 31st Dec. 2022 (in millions of Ghana Cedis except per share data and ratios)			
	Audited 2022	Audited 2021	YoY
Gross loans and advances to customers	3,738	2,515	48.62%
Less: allowance for impairments	(547)	(275)	(98.79)%
Net loans and advances to customers	3,190	2,240	42.46%
Total Deposits	6,735	6,308	6.76%
Borrowings	1,611	2,214	(27.25)%
Total assets	9,251	10,040	(7.86)%
Total shareholders' equity	531	1,287	(58.71)%
Gross Loans-to-total deposit ratio	55.50%	38.87%	39.22%
Total capital adequacy ratio (CAR)	12.5%	25.1%	(50.20)%
Tier 1 capital adequacy ratio	9.4%	23.1%	(59.31)%
End-of-period ordinary shares outstanding (millions of shares)	628	627	0.15%
<b>Per Share Data (in GHS)</b>			
Book value per ordinary share, BVPS (GHS)	0.79	1.93	(59.01)%
Tangible book value per ordinary share, TBVPS (GHS)	(0.21)	1.53	(113.59)%
Share price -End of Period (GHS)	0.65	0.74	(12.16)%

Key Ratios FY 2022	2022	2021
Return on Assets (ROA)	<b>(11.20)%</b>	(2.74)%
Return on Equity (ROE)	<b>(133.07)%</b>	19.18%
Cost of funds	<b>11.01%</b>	8.00%
Net interest margin (NIM)	<b>8.62%</b>	7.81%
Cost-to-income ratio (CIR)	<b>52.12%</b>	45.22%
Cost-of-risk (CoR)	<b>8.95%</b>	2.95%
Effective tax rate (ETR)	<b>24.47%</b>	33.97%
Liquid Ratio	<b>68.92%</b>	78.61%
NPL Ratio	<b>11.75%</b>	13.74%
NPL Coverage Ratio	<b>124.64%</b>	79.68%

## Highlights of the Group's Unaudited First Quarter 2023 results

### Selected Income Statement Highlights

For the 3 months to 31st March 2023 (in millions of Ghana Cedis except per share data and ratios)

	Unaudited Q1 2023	Unaudited Q1 2022	YoY
<b>Net interest income</b>	<b>153.0</b>	146.3	4.59%
Net fees and commission income	<b>24.0</b>	20.8	15.38%
Net trading and other income	<b>43.1</b>	38.1	13.04%
<b>Operating income (net revenue)</b>	<b>220.2</b>	205.3	7.25%
Operating expenses	<b>(121.4)</b>	(94.6)	(28.35)%
Impairment losses on financial assets	<b>(2.0)</b>	(14.4)	86.06%
<b>Profit before tax</b>	<b>96.7</b>	96.2	0.50%
Taxation	<b>(33.7)</b>	(33.5)	(0.41)%
<b>Profit for the period</b>	<b>63.1</b>	62.7	0.54%

### Per share data (GHS)

Basic EPS	<b>0.4019</b>	0.4010	0.23%
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### Selected Balance Sheet Information

As at 31st March 2023 (in millions of Ghana Cedis except per share data and ratios)

	Unaudited Q1 2023	Unaudited Q1 2022	YoY
Gross loans and advances to customers	<b>4,133</b>	2,944	40.38%
Less: allowance for impairments	<b>(559)</b>	(238)	(135.28)%
Net loans and advances to customers	<b>3,574</b>	2,706	32.04%
Total deposits	<b>7,504</b>	5,965	25.80%
Borrowings	<b>1,670</b>	3,124	(46.55)%
Total assets	<b>10,218</b>	10,722	(4.71)%
Total shareholders' equity	<b>582</b>	1,349	(56.89)%
Gross loans-to-total deposit ratio	<b>55.08%</b>	49.36%	11.59%
Total capital adequacy ratio (CAR)	<b>10.54%</b>	22.37%	(52.89)%
Tier 1 capital adequacy ratio	<b>7.50%</b>	20.40%	(63.24)%
End-of-period ordinary shares outstanding (millions of shares)	<b>628</b>	627	0.15%
<b>Per share data (in GHS)</b>			
Book value per ordinary share, BVPS (GHS)	<b>0.87</b>	2.10	(58.67)%
Tangible book value per ordinary share, TBVPS (GHS)	<b>(0.14)</b>	1.71	(108.44)%
Share price – end of period (GHS)	<b>0.50</b>	0.86	(41.86)%

## Key Ratios

### Q1 2023

	2023	2022
Return on average assets (ROAA)	2.41%	2.42%
Return on average equity (ROAE)	26.12%	19.03%
Cost of funds	1.88%	1.51%
Net interest margin (NIM)	7.85%	9.20%
Cost-to-income ratio (CIR)	55.16%	46.09%
Cost-of-risk (CoR)	0.19%	1.96%
Effective tax rate (ETR)	34.80%	34.83%
Liquidity ratio	58.52%	79.20%
NPL ratio	11.24%	9.18%
NPL coverage ratio	120.45%	87.92%

## FOR FURTHER INFORMATION:

### CalBank

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More information **about CalBank PLC ("Cal")** available at [www.calbank.net/www.calbank.investoreports.com](http://www.calbank.net/www.calbank.investoreports.com)