



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAL BANK LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of CAL Bank Limited on pages 10 to 57 which comprise the consolidated financial position as at 31 December, 2011, consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, together with the summary of significant accounting policies and other explanatory notes, and have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Act 1963, (Act 179). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Bank has kept proper accounting records and the financial statements are in agreement with the records in all material respects and given in the prescribed manner, information required by the Companies Act 1963, (Act 179), the Banking Act 2004 (Act 673) as amended by the Banking (Amendment) Act of 2007 (Act 738). The financial statements give a true and fair view of the financial position of the Bank as at 31 December 2011, and of its financial performance and cash flow for the year then ended and are drawn up in accordance with the International Financial Reporting Standards (IFRS).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAL BANK LIMITED

Report on Other Legal and Regulatory Requirements (cont'd)

The Ghana Companies Act, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters

We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
- ii. In our opinion proper books of accounts have been kept by the Bank and its Subsidiaries, so far as appears from our examination of those books, and
- iii. The Consolidated Financial Position and Consolidated Income Statement of the Bank and its Subsidiaries are in agreement with the books of accounts.

The Banking Act 2004 (Act 673), section 78 (2), requires that we state certain matters in our report

We hereby state that;

- i. The accounts give a true and fair view of the state of affairs of the Bank and its results for the period under review
- ii. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors
- iii. The Bank's transactions are within its powers and
- iv. The Bank has complied with the provisions of Act 673 and the Banking (Amendment) Act of 2007.



Chartered Accountants
4 Liberation Road
Accra, Ghana

27th March, 2012

CAL BANK LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2011

in thousands of Ghana Cedis

	Note	The Bank		The Group	
		2011	2010	2011	2010
Interest Income	8	75,138	69,635	75,814	69,750
Interest Expense	8	(34,477)	(32,800)	(34,420)	(32,675)
Net Interest Income		40,661	36,835	41,394	37,075
Fees and Commissions Income	9	15,193	9,984	15,193	9,981
Fees and Commissions Expense	9	(534)	(684)	(547)	(693)
Net Fees and Commissions		14,659	9,300	14,646	9,288
Net Trading Income	10	10,445	4,414	10,545	4,833
Other Operating Income	11	3,946	1,304	4,359	2,617
		14,391	5,718	14,904	7,450
Operating Income		69,711	51,853	70,944	53,813
Impairment Charge on Financial Assets	20	(11,465)	(12,849)	(11,465)	(12,849)
Net Operating Income		58,246	39,004	59,479	40,964
Staff Costs	12	(16,380)	(12,269)	(17,003)	(12,782)
Administration and General Expenses	13	(14,817)	(13,100)	(16,494)	(13,385)
Depreciation and Amortisation	27, 28	(2,473)	(1,998)	(2,638)	(2,161)
Total Operating Expenses		(33,670)	(27,367)	(36,135)	(28,328)
Operating Profit		24,576	11,637	23,344	12,636
Share of Post-tax Loss of Associated Company	22	-	-	-	(61)
Profit From Disposal of Non-Current Assets	27	8	23	8	23
Profit Before Income Tax		24,584	11,660	23,352	12,598
Income Tax Expense	25	(5,017)	(2,267)	(5,187)	(2,502)
National Fiscal Stabilization levy	25	(1,229)	(583)	(1,260)	(630)
PROFIT FOR THE YEAR		18,338	8,810	16,905	9,466
Earnings per share (Ghana Cedis per share)	14				
- Basic		0.0739	0.0365	0.0681	0.0392
- Diluted		0.0739	0.0365	0.0681	0.0392

CAL BANK LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2011

in thousands of Ghana Cedis

	The Bank		The Group	
	2011	2010	2011	2010
Profit for the Year	18,338	8,810	16,905	9,466
Other Comprehensive Income				
Available-For-Sale Financial Assets	648	455	648	455
Net Change In Revaluation Surplus	10	10,986	10	10,986
Other Comprehensive Income For The Year	658	11,441	658	11,441
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	18,996	20,251	17,563	20,907

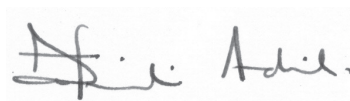
CAL BANK LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2011

in thousands of Ghana Cedis

	Note	The Bank		The Group	
		2011	2010	2011	2010
Assets					
Cash and Balances with Bank of Ghana	15	67,659	37,786	67,659	37,786
Items in Course of Collection from Other Banks	17	12,431	7,645	12,431	7,645
Investment in Government Securities	18	154,349	117,544	154,880	117,668
Due from Banks and Other Financial Institutions	19	99,172	43,309	122,522	51,225
Loans and Advances to Customers	20	412,565	256,634	411,582	256,634
Investment in Other Securities	21	-	86	768	1,677
Investment in Associated Company	22	-	407	-	1,160
Investment in Subsidiaries	23	1,118	718	-	-
Other Assets	24	7,178	7,938	7,911	8,333
Deferred Tax Assets	26	2,167	-	2,167	-
Property, Plant and Equipment	27	28,762	27,351	28,779	27,379
Intangible Assets	28	662	333	665	485
Total Assets		786,063	499,751	809,364	509,992
Liabilities					
Customer Deposits	29	564,396	275,543	586,770	282,556
Due to Banks and Other Financial Institutions	30	20,449	13,937	24,949	14,069
Borrowings	31	92,652	109,010	92,652	109,010
Accruals and Other Liabilities	32	15,434	22,803	16,423	23,515
Current Tax Liabilities	25	211	1,559	216	1,684
Deferred Tax Liabilities	26	-	380	-	380
Total Liabilities		693,142	423,232	721,010	431,214
Shareholders' Equity					
Stated Capital	33	27,725	27,120	27,725	27,120
Statutory Reserve Fund	33	18,442	13,858	18,442	13,858
Capital Surplus	33	15,372	15,362	9,836	15,224
Retained Earnings	33	16,264	5,435	17,233	7,832
Other Reserves	33	15,118	14,744	15,118	14,744
Total Shareholders' Equity		92,921	76,519	88,354	78,778
Total Liabilities and Shareholders' Equity		786,063	499,751	809,364	509,992
Net Assets Value per Share (Ghana Cedi per Share)		0.3743	0.3109	0.3559	0.3201



Director



Director

The Directors approved the financial statements on 27th March 2012

CAL BANK LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2011

in thousands of Ghana Cedis

Attributable to Equity Holders

The Bank	Stated Capital	Statutory Reserve	Capital Surplus	Retained Earnings	Other Reserves			Total Equity
					Share Options Reserve	Fair Value Reserves	Regulatory Credit Risk Reserve	
Balance at 1 January 2010	25,000	11,656	4,376	5,945	467	(345)	9,915	57,014
Net proceeds from issue of shares	2,120	-	-	-	-	-	-	2,120
Transfer to/from reserves	-	2,202	-	(6,454)	(467)	-	4,719	-
Dividends paid to equity holders	-	-	-	(2,866)	-	-	-	(2,866)
Total comprehensive income for the year	-	-	10,986	8,810	-	455	-	20,251
Balance at 31 December 2010	27,120	13,858	15,362	5,435	-	110	14,634	76,519
Balance at 1 January 2011	27,120	13,858	15,362	5,435	-	110	14,634	76,519
Net proceeds from issue of shares	605	-	-	-	-	-	-	605
Transfer to/from reserves	-	4,584	-	(4,310)	-	-	(274)	-
Dividends paid to equity holders	-	-	-	(3,199)	-	-	-	(3,199)
Total comprehensive income for the year	-	-	10	18,338	-	648	-	18,996
Balance at 31 December 2011	27,725	18,442	15,372	16,264	-	758	14,360	92,921

The Group	Stated Capital	Statutory Reserve	Capital Surplus	Retained Earnings	Other Reserves			Total Equity
					Share Options Reserve	Fair Value Reserves	Regulatory Credit Risk Reserve	
Balance at 1 January 2010	25,000	11,656	4,058	7,673	467	(345)	9,915	58,424
Net proceeds from issue of shares	2,120	-	-	-	-	-	-	2,120
Transfer to/from Reserves	-	2,202	-	(6,454)	(467)	-	4,719	-
Change in Bank's shares held by subsidiaries	-	-	180	-	-	-	-	180
Dividends paid to equity holders	-	-	-	(2,853)	-	-	-	(2,853)
Total comprehensive income for the year	-	-	10,986	9,466	-	455	-	20,907
Balance at 31 December 2010	27,120	13,858	15,224	7,832	-	110	14,634	78,778
Balance at 1 January 2011	27,120	13,858	15,224	7,832	-	110	14,634	78,778
Net proceeds from issue of shares	605	-	-	-	-	-	-	605
Transfer to/from Reserves	-	4,584	-	(4,310)	-	-	(274)	-
Change in Bank's shares held by subsidiaries	-	-	(5,398)	-	-	-	-	(5,398)
Dividends paid to equity holders	-	-	-	(3,194)	-	-	-	(3,194)
Total comprehensive income for the year	-	-	10	16,905	-	648	-	17,563
Balance at 31 December 2011	27,725	18,442	9,836	17,233	-	758	14,360	88,354

CAL BANK LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2011

in thousands of Ghana Cedis

	The Bank		The Group	
	2011	2010	2011	2010
Profit Before Tax for the Period	24,584	11,660	23,352	12,598
Adjustments for:				
Depreciation and Amortisation	2,473	1,998	2,638	2,161
Impairment on Financial Assets	11,465	12,849	11,465	12,849
Profit on Disposal of Non-current Assets	(8)	(23)	(8)	(23)
Dividend Received	(441)	-	(37)	-
Other Employee Benefit Expenses	193	(38)	193	(38)
Associated Company Profit/(Loss)	-	-	-	61
Impairment of Investment in Associated Company	407	-	1,553	-
Change in Fair Value of Investment Securities				
Recognised in Income Statement	723	(1)	984	-
Other Provisions	(1)	191	(1)	191
Accretion of Deferred Income	2,111	841	2,111	841
	41,506	27,477	42,250	28,640
Change in Government Securities	(37,453)	(42,089)	(37,860)	(42,107)
Change in Investments in Other Securities	86	290	909	(577)
Change in Investment in Subsidiaries	(400)	-	-	-
Change in Loans and Advances to Customers	(169,278)	(54,822)	(168,295)	(54,822)
Change in Other Assets	1,218	(2,799)	880	(3,047)
Change in Customer Deposits	283,183	7,989	298,544	14,480
Change in Amounts Due to Banks and Other Financial Institutions	6,512	4,564	10,880	4,543
Change in Accruals and Other Liabilities	(2,810)	1,277	(3,188)	1,698
Income Tax Paid	(10,131)	(5,273)	(10,451)	(5,397)
Net Cash Flows From Operating Activities	112,433	(63,386)	133,669	(56,589)
Cash Flows From Investing Activities				
Purchase of Property, Plant and Equipment	(4,247)	(2,407)	(4,253)	(2,422)
Proceeds from Sale of Non-current Assets	42	23	42	23
Change in Treasury Shares		-	(5,398)	180
Net Cash Used in Investing Activities	(4,205)	(2,384)	(9,609)	(2,219)
Cash Flow from Financing Activities				
Dividend Income	441	-	37	-
Dividends Paid	(3,199)	(2,866)	(3,193)	(2,853)
Net Changes in Borrowings	(15,553)	16,319	(15,553)	16,319
Proceeds from Shares Issued	605	2,120	605	2,120
Net Cash Flow from Financing Activities	(17,706)	15,573	(18,104)	15,586
Net Increase/(Decrease) in Cash and Cash Equivalents	90,522	(50,197)	105,956	(43,222)
Analysis of Changes in Cash and Cash Equivalents During the Year				
Cash and Cash Equivalents at 1st January	88,740	138,937	96,656	139,878
Net Change in Cash and Cash Equivalents	90,522	(50,197)	105,956	(43,222)
Cash and Cash Equivalents at 31st December	179,262	88,740	202,612	96,656
Analysis of Cash and Cash Equivalents During the Year				
Cash and Balances with Bank of Ghana	67,659	37,786	67,659	37,786
Due from Banks and Other Financial Institutions	99,172	43,309	122,522	51,225
Items in Course of Collection from Other Banks	12,431	7,645	12,431	7,645
Total Cash and Cash Equivalents	179,262	88,740	202,612	96,656