

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

Report on the Financial Statements

We have audited the accompanying financial statements of CAL Bank Limited on pages 18 to 75 which comprise the consolidated financial position as at 31 December, 2014, 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 of the Bank and its subsidiaries are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 1963 (Act 179), and the Banking Act, 2004 (Act 673), as amended by the Banking Amendment Act, 2007 (Act 738); and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free material misstatement, whether due to fraud or error.

Auditor's 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 judgement, 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 and its subsidiaries have 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), and the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738). The financial statements give a true and fair view of the financial position of the Bank and its subsidiaries as at 31 December 2014, and of their financial performance 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 AND ITS SUBSIDIARIES

Report on Other Legal and Regulatory Requirements

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 Balance Sheet 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 subsidiaries 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 and its subsidiaries transactions are within their powers and
- iv. The Bank has generally complied with the provisions of Act 673 and the Banking (Amendment) Act of 2007.

Deloitte & Touche

Licence Number: ICAG/F/129

Chartered Accountants

Accra, Ghana

Felix Nana Sackey

Practising Certificate Licence No.: ICAG/P/1131

Date: 27th February, 2015

CAL BANK LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST DECEMBER 2014

in thousands of Ghana Cedis

	Note	The Bank		The Group	
		2014	2013	2014	2013
Interest Income	8	352,266	265,747	355,027	266,731
Interest Expense	8	(171,634)	(123,398)	(170,943)	(122,988)
Net Interest Income		180,632	142,349	184,084	143,743
Fees and Commissions Income	9	54,933	31,862	54,921	31,860
Fees and Commissions Expense	9	(2,997)	(2,077)	(3,019)	(2,095)
Net Fees and Commissions		51,936	29,785	51,902	29,766
Trading Income	10	76,337	31,153	76,337	31,153
Other Operating Income	11	9,057	11,753	12,619	14,492
		85,394	42,906	88,956	45,645
Operating Income		317,962	215,040	324,942	219,153
Credit Loss Expense	20	(20,478)	(17,516)	(20,478)	(17,516)
Net Operating Income		297,484	197,524	304,464	201,638
Staff Costs	12	(59,687)	(41,231)	(61,235)	(42,424)
Administration and General Expenses	13	(37,697)	(27,185)	(38,904)	(27,885)
Depreciation and Amortisation	26, 27	(5,850)	(3,705)	(5,928)	(3,763)
Total Operating Expenses		(103,234)	(72,121)	(106,067)	(74,072)
Operating Profit		194,250	125,403	198,397	127,566
Profit From Disposal of Non-Current Assets		136	36	136	36
Profit Before Income Tax		194,386	125,439	198,533	127,602
Income Tax Expense	24	(44,467)	(30,520)	(45,454)	(31,059)
National Fiscal and Stabilization levy	24	(9,567)	(2,909)	(9,928)	(3,003)
PROFIT FOR THE YEAR		140,352	92,010	143,151	93,540
Earnings per share (Ghana Cedis per share)					
- Basic		0.2560	0.1678	0.2611	0.1706
- Diluted		0.2560	0.1678	0.2611	0.1706

CAL BANK LIMITED
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2014

in thousands of Ghana Cedis

	The Bank		The Group	
	2014	2013	2014	2013
Profit for the Year	140,352	92,010	143,151	93,540
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets	7	1	7	1
Items that will not be reclassified subsequently to profit or loss:				
Net change in revaluation surplus	(218)	5,608	(218)	5,608
Remeasurement of defined benefit	(955)	(282)	(984)	(282)
Other comprehensive income for the year	(1,167)	5,327	(1,196)	5,327
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	139,186	97,338	141,955	98,867

CAL BANK LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2014

in thousands of Ghana Cedis

	Note	The Bank		The Group	
		2014	2013	2014	2013
Assets					
Cash and balances with Bank of Ghana	15	228,353	121,972	228,353	121,972
Items in Course of Collection from Other Banks	17	18,842	15,410	18,842	15,410
Investment in Government Securities	18	408,962	276,618	409,217	276,618
Due from Banks and Other Financial Institutions	19	594,512	100,439	601,874	105,186
Loans and Advances to Customers	20	1,337,776	981,160	1,337,205	980,407
Investment in Other Securities	21	-	-	1,508	1,629
Investment in Subsidiaries	22	2,028	2,028	-	-
Other Assets	23	38,217	11,876	39,437	13,279
Current Tax Assets	24	-	371	-	349
Deferred Tax Assets	25	-	1,922	39	1,922
Property and Equipment	26	76,604	44,980	76,654	45,101
Intangible Assets	27	2,248	2,187	2,263	2,202
Total Assets		2,707,542	1,558,962	2,715,392	1,564,074
Liabilities					
Customer Deposits	28	1,348,161	799,220	1,348,151	799,210
Due to Banks and Other Financial Institutions	29	48,045	37,185	47,690	34,599
Borrowings	30	827,455	382,713	827,455	382,713
Accruals and Other Liabilities	31	79,942	57,651	80,516	60,512
Current Tax Liabilities	24	1,717	-	2,173	-
Deferred Tax Liabilities	25	9,902	-	9,866	-
Total Liabilities		2,315,222	1,276,770	2,315,851	1,277,035
Shareholders' Equity					
Stated Capital	32i	100,000	100,000	100,000	100,000
Statutory Reserve Fund	32ii	124,261	89,173	124,261	89,173
Capital Surplus	32iii	20,830	21,048	19,989	20,650
Retained Earnings		124,895	52,176	132,986	57,421
Other Reserves	32iv	22,334	19,795	22,305	19,795
Total Shareholders' Equity		392,320	282,193	399,541	287,039
Total Liabilities and Shareholders' Equity		2,707,542	1,558,962	2,715,392	1,564,074
Net Assets Value per Share (Ghana Cedis per Share)		0.7156	0.5147	0.7287	0.5235

Director

Director

The Directors approved the financial statements on 27th February 2015

CAL BANK LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2014

in thousands of Ghana Cedis

Attributable to Equity Holders

The Bank	Stated Capital	Statutory Reserve	Capital Surplus	Retained Earnings	Other Reserves		Total Equity
					Fair Value Reserves	Regulatory Credit Risk Reserve	
Balance at 1 January 2013	100,000	43,168	15,440	36,843	(3,524)	12,117	204,044
Transfer to/from reserves	-	46,005	-	(57,488)	-	11,482	-
Dividends paid to equity holders	-	-	-	(19,189)	-	-	(19,189)
Total comprehensive income for the year	-	-	5,608	92,010	(281)	-	97,338
Balance at 31 December 2013	100,000	89,173	21,048	52,177	(3,805)	23,599	282,193

Balance at 1 January 2014	100,000	89,173	21,048	52,176	(3,805)	23,599	282,193
Transfer to/from reserves	-	35,088	-	(38,576)	-	3,488	-
Dividends paid to equity holders	-	-	-	(29,058)	-	-	(29,058)
Total comprehensive income for the year	-	-	(218)	140,352	(949)	-	139,186
Balance at 31 December 2014	100,000	124,261	20,830	124,895	(4,753)	27,087	392,320

The Group	Stated Capital	Statutory Reserve	Capital Surplus	Retained Earnings	Other Reserves		Total Equity
					Fair Value Reserves	Regulatory Credit Risk Reserve	
Balance at 1 January 2013	100,000	43,168	15,131	40,532	(3,524)	12,117	207,424
Transfer to/from Reserves	-	46,005	-	(57,488)	-	11,482	-
Change in Bank's shares held by subsidiaries	-	-	(89)	-	-	-	(89)
Dividends paid to equity holders	-	-	-	(19,162)	-	-	(19,162)
Total comprehensive income for the year	-	-	5,608	93,539	(281)	-	98,866
Balance at 31 December 2013	100,000	89,173	20,650	57,421	(3,805)	23,599	287,039

Balance at 1 January 2014	100,000	89,173	20,650	57,421	(3,805)	23,599	287,039
Transfer to/from Reserves	-	35,088	-	(38,576)	-	3,488	-
Change in Bank's shares held by subsidiaries	-	-	(443)	-	-	-	(443)
Dividends paid to equity holders	-	-	-	(29,011)	-	-	(29,011)
Total comprehensive income for the year	-	-	(218)	143,151	(978)	-	141,955
Balance at 31 December 2014	100,000	124,261	19,989	132,986	(4,782)	27,087	399,541

CAL BANK LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2014

in thousands of Ghana Cedis

	The Bank		The Group	
	2014	2013	2014	2013
Profit Before Tax for the Period	194,386	125,439	198,533	127,602
Adjustments for:				
Depreciation and Amortisation	5,850	3,705	5,928	3,763
Impairment on Financial Assets	20,478	17,516	20,478	17,516
Profit on Disposal of non-current assets	(136)	(36)	(136)	(36)
Dividend Received	-	(900)	(43)	(50)
Other Employee Benefit Expenses	553	23	629	112
Change in Fair Value of Investment Securities	7	1	7	1
Accretion of Deferred Income	(176)	766	517	766
	220,962	146,514	225,913	149,674
Change in Government Securities	(132,358)	(37,093)	(132,613)	(37,085)
Change in Investments in Other Securities	-	-	121	(679)
Change in Investment in Subsidiaries	-	(900)	-	-
Change in Loans and Advances to Customers	(379,606)	(251,894)	(379,096)	(251,140)
Change in Other Assets	(24,061)	(369)	(23,878)	(143)
Change in Customer Deposits	548,941	91,572	548,941	92,543
Change in Amounts Due to Banks and Other Financial Institutions	10,860	(50,703)	13,091	(53,289)
Change in Accruals and Other Liabilities	21,423	29,571	17,389	31,180
Income Tax Paid	(40,341)	(32,548)	(41,291)	(33,384)
Net Cash Flows From Operating Activities	225,820	(105,850)	228,577	(102,323)
Cash Flows From Investing Activities				
Purchase of Property and Equipment	(37,754)	(9,873)	(37,543)	(15,540)
Proceeds from Sale non-current assets	136	40	136	40
Purchase of Treasury Shares	-	-	(443)	5,794
Net Cash Used in Investing Activities	(37,618)	(9,832)	(37,850)	(9,705)
Cash Flow from Financing Activities				
Dividend Income	-	900	43	50
Dividends Paid	(29,058)	(19,189)	(29,011)	(19,162)
Net Changes in Borrowings	444,742	252,006	444,742	252,006
Net Cash Flow from Financing Activities	415,684	233,717	415,774	232,895
Net Increase in Cash and Cash Equivalents	603,886	118,035	606,501	120,866
Analysis of Changes in Cash and Cash Equivalents During the Year				
Cash and Cash Equivalents at 1 January	237,821	119,786	242,568	121,702
Net Change in Cash and Cash Equivalents	603,886	118,035	606,501	120,866
Cash and Cash Equivalents at 31st December	841,707	237,821	849,069	242,568
Analysis of Cash and Cash Equivalents During the Year				
Cash and Balances with Bank of Ghana	228,353	121,972	228,353	121,972
Due from Banks and Other Financial Institutions	594,512	100,439	601,874	105,186
Items in Course of Collection from Other Banks	18,842	15,410	18,842	15,410
Total Cash and Cash Equivalents	841,707	237,821	849,069	242,568
Operational cash flows from interest				
Interest paid	130,077	96,709	129,386	96,300
Interest received	339,347	256,520	342,108	257,504