

CALBANK LIMITED

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

CALBANK LIMITED

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

in thousands of Ghana Cedis

	2018		2017	
	Bank	Group	Bank	Group
Interest Income	554,474	554,474	497,404	499,326
Interest Expense	(271,721)	(267,945)	(240,899)	(239,626)
Net Interest Income	282,753	286,529	256,505	259,700
Fees and Commissions Income	44,965	50,723	40,499	40,494
Fees and Commissions Expense	(945)	(945)	(2,730)	(2,730)
Net Fees and Commission Income	44,020	49,778	37,769	37,764
Net Trading Income	17,248	17,322	33,236	33,482
Other Income	5,295	6,155	4,766	11,633
	22,543	23,477	38,002	45,115
Operating Income	349,316	359,784	332,276	342,579
Net Impairment Loss on Financial Assets	(38,403)	(39,144)	(49,075)	(49,075)
Personnel Expenses	(86,000)	(88,472)	(74,006)	(76,190)
Depreciation and Amortisation	(7,937)	(7,964)	(5,733)	(5,757)
Other Expenses	(62,607)	(63,631)	(53,175)	(54,862)
Profit Before Income Tax	154,369	160,573	150,287	156,695
Income Tax Expense	(43,995)	(45,924)	(41,119)	(43,054)
Profit For The Period	110,374	114,649	109,168	113,641
Other Comprehensive Income, Net of Income Tax Items that may be reclassified subsequently to profit or loss:				
Available-For-Sale Financial Assets	(1,469)	(1,469)	139	139
Total Comprehensive Income for the Period	108,905	113,180	109,307	113,780
Earnings Per Share (Ghana Cedis per share)				
Basic	0.2505	0.2602	0.2655	0.2764
Diluted	0.2505	0.2602	0.2655	0.2764

CALBANK LIMITED
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018
in thousands of Ghana Cedis

	2018		2017	
	Bank	Group	Bank	Group
Assets				
Cash and Cash Equivalents	511,313	511,320	653,333	668,855
Investment Securities	1,804,595	1,809,867	981,036	986,128
Loans and Advances to Customers	2,267,925	2,267,925	1,847,091	1,847,091
Investments in Subsidiaries	2,038	0	2,038	(0)
Current Tax Assets	0	649	14,675	15,211
Deferred Tax Assets	17,706	17,706	6,007	6,019
Intangible Assets	17,033	17,033	17,345	17,345
Other Assets	77,541	81,214	78,649	81,773
Property, Plant and Equipment	312,088	312,708	267,290	267,380
Total Assets	5,010,239	5,018,422	3,867,464	3,889,802
Liabilities				
Deposits From Banks and Other Financial Institutions	65,740	65,740	126,606	126,606
Deposits From Customers	2,731,193	2,707,898	2,257,930	2,257,010
Borrowings	1,339,108	1,339,108	669,209	669,209
Current Tax Liabilities	7,163	7,823	0	293
Deferred Tax Liabilities	0	2	0	2
Other Liabilities	127,788	129,666	201,642	202,894
Total Liabilities	4,270,992	4,250,237	3,255,387	3,256,014
Shareholders' Equity				
Stated Capital	350,000	350,000	100,000	100,000
Income Surplus	124,962	154,410	222,153	244,373
Revaluation Reserve	63,526	63,526	63,413	62,903
Statutory Reserve	177,109	177,109	158,813	158,813
Credit Risk Reserve	32,283	32,283	74,103	74,103
Other Reserves	(8,633)	(9,143)	(6,405)	(6,404)
Total Shareholders' Equity	739,247	768,185	612,077	633,788
Total Liabilities and Shareholders' Equity	5,010,239	5,018,422	3,867,464	3,889,802

CAL BANK LIMITED

UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

in thousands of Ghana Cedis

Attributable to equity holders

The Bank	Stated Capital	Statutory Reserve	Revaluation Reserve	Retained Earnings	Other Reserves		Regulatory Credit Risk Reserve	Total Equity
					Treasury Shares	Fair Value Reserves		
Balance at 1 January 2018	100,000	163,312	63,526	275,883	-	(7,163)	51,869	647,427
Total comprehensive income								
Profit				110,374				110,374
Other comprehensive income								
Available-for-sale financial assets	-					(1,469)		(1,469)
Transactions with shareholders								
Bonus Issue	78,320			(78,320)				
Transfer to/from reserves	0							
Statutory reserve		13,797		(13,797)				-
Regulatory credit risk reserve				19,586			(19,586)	-
IFRS 9 Impact on opening balance				(17,085)				(17,085)
Additional transfer to stated capital	171,680			(171,680)				
Balance at 30 September 2018	350,000	177,109	63,526	124,962	0	(8,633)	32,283	739,247

The Group	Stated Capital	Statutory Reserve	Revaluation Reserve	Retained Earnings	Other Reserves		Regulatory Credit Risk Reserve	Total Equity
					Treasury Shares	Fair Value Reserves		
Balance at 1 January 2018	100,000	163,312	63,526	301,133	(518)	(7,252)	51,869	672,070
Total comprehensive income								
Profit				114,649				114,649
Other comprehensive income								
Available-for-sale financial assets	0				0	(1,469)		(1,469)
Transactions with shareholders								
Dividend paid								0
Net changes in CAL Shares held by subsidiaries				(76)	8	88		20
Bonus Issue	78,320			(78,320)				0
Transfer to/from reserves	0				0			
Statutory reserve		13,797		(13,797)				0
Regulatory credit risk reserve				19,586			(19,586)	0
IFRS 9 Impact on opening balance				(17,085)				(17,085)
Additional transfer to stated capital	171,680			(171,680)				
Balance at 30 September 2018	350,000	177,109	63,526	154,410	(510)	(8,633)	32,283	768,185

CALBANK LIMITED
UNAUDITED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018
in thousands of Ghana Cedis

	2018		2017	
	Bank	Group	Bank	Group
Cash Flows From Operating Activities				
Profit For The Period	110,374	114,649	109,168	113,641
Adjustments for:				
Depreciation And Amortisation	7,937	7,964	5,733	5,757
Impairment on Financial Assets	38,403	39,144	49,075	49,075
Net Interest Income	(282,753)	(286,529)	(256,505)	(259,700)
Income Tax Expense	43,995	45,924	41,119	43,054
	(82,044)	(78,848)	(51,410)	(48,172)
Change in Investment Securities	(325,442)	(323,385)	(305,609)	(305,652)
Change in Loans and Advances to Customers	(476,323)	(476,316)	101,392	101,392
Change in Other Assets	(26,502)	(26,955)	42,568	45,848
Change in Customer Deposits	302,992	279,697	(104,814)	(104,834)
Change in Deposits From Banks and Other Financial Institutions	(19,173)	(3,682)	59,148	62,904
Change in Other Liabilities and Provisions	9,343	9,881	54,380	46,167
	(535,105)	(540,760)	(152,935)	(154,175)
Interest and dividends received	557,225	557,230	479,493	481,415
Interest paid	(268,001)	(264,225)	(186,466)	(185,192)
Income Tax Paid	(38,668)	(39,983)	(54,977)	(57,420)
Net Cash Used In Operating Activities	(366,593)	(366,586)	33,705	36,456
Cash Flows From Investing Activities				
Purchase of Property and Equipment	(41,762)	(41,762)	(30,527)	(30,536)
Net Cash Used in Investing Activities	(41,762)	(41,762)	(30,527)	(30,536)
Cash Flows from Financing Activities				
Net Changes in Borrowings	407,292	407,292	96,399	96,399
Net Cash from Financing Activities	407,292	407,292	96,399	96,399
Net Change in Cash and Cash Equivalents	(1,063)	(1,056)	99,577	102,319
Cash and Cash Equivalents at 1 January	512,376	512,376	553,756	566,536
Cash and Cash Equivalents at 30 September 2018	511,313	511,320	653,333	668,855

SIGNIFICANT ACCOUNTING POLICIES

The Condensed Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG). Except as indicated below, the Condensed Financial Statements have been prepared using the same accounting policies and methods used in preparation of our audited 2017 Annual Consolidated Financial Statements. Our significant accounting policies and future changes in accounting policies and disclosures that are not yet effective are described in Note 3 of our audited 2017 Annual Consolidated Financial Statements.

Changes in accounting policies

On 1 January 2018 the Bank adopted IFRS 9 Financial Instruments (IFRS 9). As a result of the application of IFRS 9, we changed our accounting policies with regards to the classification and measurement of financial assets, and allowance for credit losses. These new policies were applicable from 1 January 2018. As permitted by the transition provisions of IFRS 9, we elected not to restate comparative period results; accordingly, all comparative period information is presented in accordance with our previous accounting policies, as described in our 2017 Annual Report. Adjustments to carrying amounts of financial assets and liabilities at the date of initial application (1 January 2018) were recognized in opening Retained Earnings. The total adjustment of the adoption of IFRS 9 on the opening balance of the Bank and Group's equity on 1 January 2018 was GHS 17.1 million.

QUANTITATIVE DISCLOSURES

		2018	2017
(i)	Capital Adequacy Ratio	22.0%	22.3%
(ii)	Non-Performing Loan Ratio	7.4%	12.6%

QUALITATIVE DISCLOSURES

(i) The Bank's dominant risks are: credit risk, liquidity risk, market risk and operational risk

(ii) Risk management framework

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 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 period ended 30 September 2018 are consistent with those followed for the year ended 31 December, 2017.

		2018	2017
(iii)	Default in Statutory Liquidity (Times)	Nil	Nil
	Default in Statutory Liquidity Sanction (GHC'000)	Nil	Nil

OTHER DISCLOSURES

(i) The authorised shares of the Bank was increased from 1,000,000,000 ordinary shares to 2,000,000,000 ordinary shares as approved by the shareholders at the 2018 Annual General Meeting on 3 May 2018.

(ii) The stated capital of the Bank was increased by GHS250 million through a transfer from income surplus as approved by the shareholders at the 2018 Annual General Meeting on 3 May 2018.

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

FRANK B. ADU JNR.
Managing Director

PHILIP OWIREDU
Executive Director