

Unaudited Consolidated Financial Statements

for the six months ended
30 June 2021

Forward Together



CalBank

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2021

in thousands of Ghana Cedis

	2021		2020	
	Bank	Group	Bank	Group
Interest income	453,976	455,736	483,353	484,384
Interest expense	(223,115)	(223,065)	(221,437)	(221,160)
Net interest income	230,861	232,671	261,916	263,224
Fees and commissions income	24,799	30,620	19,805	23,893
Fees and commissions expense	(12,692)	(12,692)	(9,091)	(9,091)
Net fees and commission income	12,107	17,928	10,714	14,802
Net trading income	77,670	77,670	26,533	26,404
Revenue	320,638	328,269	299,163	304,430
Other income	12,144	10,596	212	243
Operating income	332,782	338,865	299,375	304,673
Net impairment loss on financial assets	(23,622)	(23,622)	(44,492)	(44,492)
Personnel expenses	(73,606)	(75,005)	(65,455)	(66,673)
Depreciation and amortisation	(18,234)	(18,315)	(16,180)	(16,263)
Finance cost on lease liabilities	(2,152)	(2,152)	(2,625)	(2,625)
Other expenses	(63,233)	(63,549)	(57,635)	(57,791)
Total operating expenses	(180,847)	(182,643)	(186,387)	(187,844)
Profit before income tax	151,935	156,222	112,988	116,829
Income tax expense	(49,379)	(51,180)	(33,896)	(35,109)
Profit for the period and total comprehensive income	102,556	105,042	79,092	81,720
Earnings per share (Ghana Cedis per share)				
Basic	0.3278	0.3358	0.2525	0.2608
Diluted	0.3278	0.3358	0.2525	0.2608

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

in thousands of Ghana Cedis

	2021		2020	
	Bank	Group	Bank	Group
Assets				
Cash and cash equivalents	1,228,148	1,228,153	443,715	443,720
Non-pledged trading assets	1,313,893	1,313,893	113,442	113,442
Investment securities	3,536,925	3,558,186	2,921,062	2,936,273
Loans and advances to customers	2,203,893	2,203,893	2,786,537	2,786,537
Investments in subsidiaries	3,538	-	2,038	-
Current tax assets	15,996	16,307	-	456
Property, plant and equipment	405,421	405,504	378,186	378,302
Intangible assets	74,528	75,612	58,968	60,156
Assets held for sale	104,493	104,493	104,493	104,493
Right-of-use lease assets	92,628	92,628	87,236	87,236
Deferred tax assets	36,377	36,404	5,704	5,707
Other assets	81,433	85,006	232,009	234,693
Total assets	9,097,273	9,120,079	7,133,390	7,151,015
Liabilities				
Total deposits	5,651,063	5,648,401	3,896,565	3,894,832
<i>Deposits from banks and other financial institutions</i>	<i>1,062,000</i>	<i>1,059,338</i>	<i>202,235</i>	<i>200,502</i>
<i>Deposits from customers</i>	<i>4,589,063</i>	<i>4,589,063</i>	<i>3,694,330</i>	<i>3,694,330</i>
Borrowings	2,042,500	2,042,500	1,952,987	1,952,987
Current tax liabilities	-	-	321	321
Lease liabilities	91,255	91,255	78,211	78,211
Other liabilities	167,459	169,495	165,347	168,157
Total liabilities	7,952,277	7,951,651	6,093,431	6,094,508
Shareholders' equity				
Stated capital	400,000	400,000	400,000	400,000
Retained earnings	277,042	301,058	234,137	251,419
Revaluation reserve	102,926	102,926	104,636	104,636
Statutory reserve	365,735	365,735	308,127	308,127
Other reserves	(707)	(1,291)	(6,941)	(7,675)
Total shareholders' equity	1,144,996	1,168,428	1,039,959	1,056,507
Total liabilities and shareholders' equity	9,097,273	9,120,079	7,133,390	7,151,015

UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2021

The Bank	Stated Capital	Statutory Reserve	Revaluation Reserve	Retained Earnings	Other Reserves		Regulatory Credit Risk Reserve	Total Equity
					Share Deals Account	Treasury Shares		
Balance at 1 January	400,000	340,096	104,636	227,273	(136)	-	40,066	1,111,935
Total comprehensive income								
Profit	-	-	-	102,556	-	-	-	102,556
Transactions with shareholders								
Dividend paid	-	-	-	(68,924)	-	-	-	(68,924)
Share repurchased	-	-	-	-	(571)	-	-	(571)
Transfer to/from reserves								
Statutory reserves	-	25,639	-	(25,639)	-	-	-	-
Regulatory credit risk reserve	-	-	-	40,066	-	-	(40,066)	-
Revaluation gain on disposed PPE	-	-	(1,710)	1,710	-	-	-	-
Balance at 30 June	400,000	365,735	102,926	277,042	(707)	-	-	1,144,996

The Group	Stated Capital	Statutory Reserve	Revaluation Reserve	Retained Earnings	Other Reserves		Regulatory Credit Risk Reserve	Total Equity
					Share Deals Account	Treasury Shares		
Balance at 1 January	400,000	340,096	104,636	248,695	(136)	-	40,066	1,123,773
Total comprehensive income								
Profit	-	-	-	105,042	-	-	-	105,042
Transactions with shareholders								
Dividend paid	-	-	-	(68,816)	-	-	-	(68,816)
Share repurchased	-	-	-	-	(571)	-	-	(571)
Transfer to/from reserves								
Statutory reserves	-	25,639	-	(25,639)	-	-	-	-
Regulatory credit risk reserve	-	-	-	40,066	-	-	(40,066)	-
Revaluation gain on disposed PPE	-	-	(1,710)	1,710	-	-	-	-
Balance at 30 June	400,000	365,735	102,926	301,058	(707)	(584)	-	1,168,428

2020 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	400,000	288,353	104,636	174,819	-	(6,941)	-	960,867
Total comprehensive income								
Profit	-	-	-	79,092	-	-	-	79,092
Transfer to/from reserves								
Statutory reserve	-	19,774	-	(19,774)	-	-	-	-
Balance at 30 June	400,000	308,127	104,636	234,137	-	(6,941)	-	1,039,959

2020 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	400,000	288,353	104,636	189,473	(584)	(7,091)	-	974,787
Total comprehensive income								
Profit	-	-	-	81,720	-	-	-	81,720
Transfer to/from reserves								
Statutory reserve	-	19,774	-	(19,774)	-	-	-	-
Balance at 30 June	400,000	308,127	104,636	251,419	(584)	(7,091)	-	1,056,507

UNAUDITED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2021

in thousands of Ghana Cedis

	2021		2020	
	Bank	Group	Bank	Group
Cash flows from operating activities				
Profit for the period	102,556	105,042	79,092	81,720
Adjustments for:				
Depreciation and amortisation	18,234	18,315	16,180	16,263
Impairment on financial assets	23,622	23,622	44,492	44,492
Net interest income	(230,861)	(232,671)	(261,916)	(263,224)
Income tax expense	49,379	51,180	33,896	35,109
Unrealised exchange loss	3,326	3,326	7,997	7,997
Gain on disposal of property and equipment	(1,189)	(1,189)	(21)	(21)
Finance cost on lease liabilities	2,152	2,152	2,625	2,625
	(32,781)	(30,223)	(77,655)	(75,039)
Change in loans and advances to customers	195,891	195,891	92,164	92,164
Change in other assets	(29,412)	(30,909)	(176,250)	(176,465)
Change in derivative assets	731	731	4,115	4,115
Change in deposits from banks and other financial institutions	783,293	782,777	26,936	33,386
Change in customer deposits	428,071	428,071	2,405	2,405
Change in other liabilities	(11,807)	(12,250)	62,072	61,901
	1,366,767	1,364,311	11,442	17,506
Interest and dividends received	366,632	367,283	471,810	472,841
Interest paid	(212,623)	(212,573)	(224,625)	(224,348)
Income tax paid	(34,130)	(35,636)	(20,079)	(21,192)
	119,879	119,074	227,106	227,301
Net cash (used in)/from operating activities	1,453,865	1,453,162	160,893	169,768
Cash flows from investing activities				
(Purchase)/disposal of trading assets	(479,762)	(479,762)	(212,429)	(212,429)
Disposal/(purchase) of investment securities	(792,049)	(791,427)	16,367	7,552
Purchase of property and equipment	(14,077)	(13,004)	(11,593)	(11,716)
Proceeds from sale of property and equipment	16,128	16,128	21	21
Purchase of intangible assets	(32,074)	(33,174)	(32,297)	(32,229)
Net cash used in investing activities	(1,301,834)	(1,301,239)	(239,931)	(248,801)
Cash flows from financing activities				
Dividends Paid	(68,924)	(68,816)	-	-
Net changes in borrowings	(54,622)	(54,622)	(71,894)	(71,894)
Payment of lease liabilities	(11,527)	(11,527)	(3,132)	(3,132)
Repurchase of issued shares	(571)	(571)	-	-
Net cash from financing activities	(135,644)	(135,536)	(75,026)	(75,026)
Net increase/(decrease) in cash and cash equivalents	16,387	16,387	(154,064)	(154,059)
Cash and cash equivalents at 1 January	1,211,761	1,211,766	597,779	597,779
Cash and cash equivalents at 30 June	1,228,148	1,228,153	443,715	443,720

Basis of preparation

The condensed consolidated and separate 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). The condensed consolidated and separate financial statements have been prepared using the same accounting policies and methods used in preparation of our audited 2020 annual financial statements. Our significant accounting policies and future changes in accounting policies and disclosures that are not yet effective are described in Note 4 of our audited 2020 annual financial statements as published on our website www.calbank.net. The condensed consolidated and separate financial statements have also been prepared in line with the Bank of Ghana Guide for Publication for Banks & BoG licensed financial institutions.

Regulatory quantitative disclosures

	2021	2020
Capital adequacy ratio	19.5%	22.7%
Non-performing loan ratio	13.8%	10.8%
Common equity tier 1 ratio	17.5%	20.7%
Leverage ratio	8.7%	12.4%

Compliance with statutory liquidity requirement

Default in statutory liquidity (times)	Nil	Nil
Default in statutory liquidity sanction (GHS'000)	Nil	Nil
Other regulatory penalties (GHS'000)	548***	84

***Other regulatory penalties were incurred in July 2021

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 June 2021 are consistent with those followed for the year ended 31 December 2020.

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

Philip Owiredun
Director

Nana Otuo Acheampong
Director



FOR FURTHER INFORMATION:

CalBank Plc

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Notes to the Editors:

The Bank commenced operations as a local merchant bank in 1990 with the sole aim of providing truly differentiated world-class banking solutions. CalBank Plc acquired a Universal Banking License in 2004 and in the same year undertook an initial public offer that was 4.5 times oversubscribed.

The operations of the Bank are backed by experienced managers in key functional areas with a combined experience of over 100 years in banking and finance. The CalBank Plc team provides the required solutions to clients and is supported by a strong IT platform that has seen the Bank being recognized for its innovative products in ICT & Electronic Banking since 2007.

Operations and Subsidiaries

CalBank's growth strategy is to focus on the growing Ghanaian corporate business sector. Since 2006, the Bank has developed its retail banking operations with specialized products and services to serve the needs of its growing retail clientele. The Bank currently has two Wholly-owned Operating Subsidiaries. CalAsset Management Company Limited is licensed as a fund manager and investment advisor by the Securities & Exchange Commission of Ghana. CalBank Nominees Limited ("CalNominees") holds and administers assets as a custodian.

Branch Network

The Bank has embarked on an expansion program and will continue to expand its footprint by increasing the number of branches throughout the country. Internationally, CalBank Plc benefits from strong correspondent banks all over the world. This enables us handle all international transactions quickly and effectively.

More information available at: www.calbank.net / www.calbank.investoreports.com