



Six Months to 30 June 2024 Unaudited Results & Commentary **Accra, Ghana - 15 July 2024**

CalBank PLC Announces a Resilient Turnaround Strong Performance with Improved Profitability & Positive Equity

CalBank PLC is pleased to announce its Half-Year 2024 results, showing a significant, positive turnaround in the bank's financial results. Half-Year to June 2024 performance was solid with Fees and Commissions growth of 130.1% and Profit- After Tax up by 49.4% on the prior year. Consequently, the Bank has emerged stronger and more resilient despite a challenging macro-economic environment and the considerable impairment taken in the prior year. The improved Balance Sheet reflects a significant milestone in the Bank's recovery journey, with a growth in Total deposits of 9.6% and Total Assets growth of 14.4%, showcasing unwavering customer trust and support.

Highlights of the Group's HY 2024 results

Return to Profitability: The Bank delivered a robust performance for HY-2024, underpinned by improved cost control and concerted recovery efforts. This success is a testament to the hard work of our team and our deliberate strategies to transform our business model.

- Net fees and Commissions income grew by 130.1% from GHS 49.3m to GHS 113.4 m.
- Operating Expenses were contained relative to profits, growing by 24.2% to GHS 320.1m
- Profit After Income increased by 49.4% to GHS 151.9m (GHS 105.7m at HY 2023)

Positive Equity Achieved: The Bank recorded a positive equity position following a successful capital raise completed in June 2024, underscoring improved financial stability and an enhanced capital position.

- Shareholders' equity strengthened to GHS112.9m from GHS (184.9m) at FY 2023
- ROAA increased to 5.8% from 2.3% at HY 2023
- ROAE increased to 389.8% from 23.7% at HY 2023

Successful Capital Raise: CalBank successfully completed a capital raise in June 2024, raising GHS 145.8m. The legal challenge to the Rights Issue was withdrawn, allowing the Bank to focus on its strategic goals and growth initiatives. The successful closing of the capital raise is testimony to shareholders and customers' continued trust in the CalBank brand.

- Total Assets increased by 13.5% to GHS 10.9B, (GHS 9.6B at HY2023)
- Total Customer deposits increased by 9.6% to GHS 8.0B (GHS 7.3b at HY 2023)

CEO's Message:

Carl Asem, Acting Managing Director of CalBank PLC commented: "Our journey over the past 2 years has been one of the most challenging in the history of CalBank following the DDEP in 2022 and some exposures resulting in unprecedented impairment charges in 2023. As a result of the foregoing, we conducted a comprehensive review of our operational tactics and took steps to enhance our risk management framework to further improve the quality of our loan portfolio. We have also put in place measures to ensure recovery. Through this, we have now emerged stronger and entirely focused on delivering value to our stakeholders. Our return to profitability and positive equity are significant milestones that reflect our dedication to the continued financial stability and sustainable growth of CalBank.

We are confident in our ability to build on this momentum and drive further success to ensure we strengthen our capital position in 2024 and beyond. We remain focused on delivering for our clients and investing in our people.

I extend my gratitude to our shareholders for their unwavering support, to our employees for their relentless diligent hard work, and to our customers for their continued trust in the CalBank brand.

Outlook:

As we move forward, CalBank PLC is committed to:

- Enhancing our product and service offerings to better serve our customers.
- Optimize our investment in technology to improve operational efficiency.
- Expanding our retail franchise and exploring new growth opportunities.
- Maintaining rigorous risk management practices to safeguard our financial health.

Our turnaround as of HY-2024 represents the beginning of a new chapter of growth and success for CalBank PLC. Through these strategies, we will achieve sustainable growth for our shareholders.

Summary of Financial Review

Selected Income Statement Highlights			
For the 6 months to 30th June 2024 <i>(in millions of Ghana Cedis except per share data and ratios)</i>	Unaudited Q2 2024	Unaudited Q2 2023	YoY
Net interest income	211.7	279.0	-24.1%
Net fees and commission income	113.4	49.3	130.1%
Net trading and other income	60.0	74.7	-19.6%
Operating income (net revenue)	385.1	403.0	-4.4%
Operating expenses	(320.1)	(257.7)	-24.2%
Impairment losses on financial assets	177.5	17.0	945.5%
Profit before tax	242.5	162.2	49.5%
Taxation	(84.6)	(56.5)	-49.7%
Profit for the period	157.9	105.7	49.4%
Per share data (GHS)			
Basic EPS	0.5032	0.3369	49.4%

Selected Balance Sheet Information

As at 30th June 2024 <i>(in millions of Ghana Cedis except per share data and ratios)</i>	Unaudited Q2 2024	Unaudited Q2 2023	YoY
Gross loans and advances to customers	4,251.7	3,941.2	7.9%
Less: allowance for impairments	(1,556.6)	(575.0)	-170.7%
Net loans and advances to customers	2,695.1	3,366.3	-19.9%
Total deposits	8,032.4	7,331.3	9.6%
Borrowings	1,850.2	1,353.2	36.7%
Total assets	10,982.1	9,603.7	14.4%
Total shareholders' equity	162.7	636.9	-74.5%
Gross loans-to-total deposit ratio	52.9%	53.8%	-1.5%
Total capital adequacy ratio (CAR)	-7.3%	10.1%	-172.3%
Tier 1 capital adequacy ratio	-10.3%	7.1%	-244.8%
End-of-period ordinary shares outstanding (millions of shares)	627.5	627.5	0.0%
Per share data (in GHS)			
Book value per ordinary share, BVPS (GHS)	0.18	0.95	-81.1%
Share price – end of period (GHS)	0.35	0.60	-41.7%

Key Ratios

Q2 2024	2024	2023
Return on average assets (ROAA)	5.8%	2.3%
Return on average equity (ROAE)	389.8%	23.7%
Cost of funds	5.2%	6.8%
Net interest margin (NIM)	6.8%	8.1%
Cost-to-income ratio (CIR)	83.1%	64.0%
Cost-of-risk (CoR)	-8.3%	-0.9%
Effective tax rate (ETR)	34.9%	34.8%
Liquidity ratio	66.2%	69.2%
NPL ratio	38.6%	12.0%
NPL coverage ratio	90.7%	91.0%

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