CAL BANK LIMITED

HALF-YEAR 2015 UNAUDITED RESULTS PRESENTATION

CAL Bank
Bank on our Service

Disclaimer

This report was prepared by CAL to provide background information on the Group. The report is issued for information purposes only, especially with regards to enabling users understand the inherent potential of the business. It is therefore not a solicitation to buy or sell the stock.

The information contained herein is subject to change and neither the bank nor its staff is under any obligation to notify you or make public any announcement with respect to such change.

Users are hereby advised to exercise caution in attempting to rely on this information and carry out further research before reaching conclusions regarding their investment decisions.

Outline

Overview of CAL Bank Limited

Operating Environment

Unaudited Half-Year 2015 Financial Highlights

Review of Unaudited Half-Year 2015 Financial Performance

Half-Year Performance of Listed Banks

Strategy and Outlook

HALF-YEAR 2015
RESULTS PRESENTATION

for the period ending 30 June 2015

CAL BANK AT A GLANCE

CAL Bank
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Management

Mr. Frank Adu
Managing Director

Mr. Philip Owiredu
Executive Director

Mr. Joseph Ofori-Teiko
General Manager

Mr. Charles Amoah
Assistant General Manager

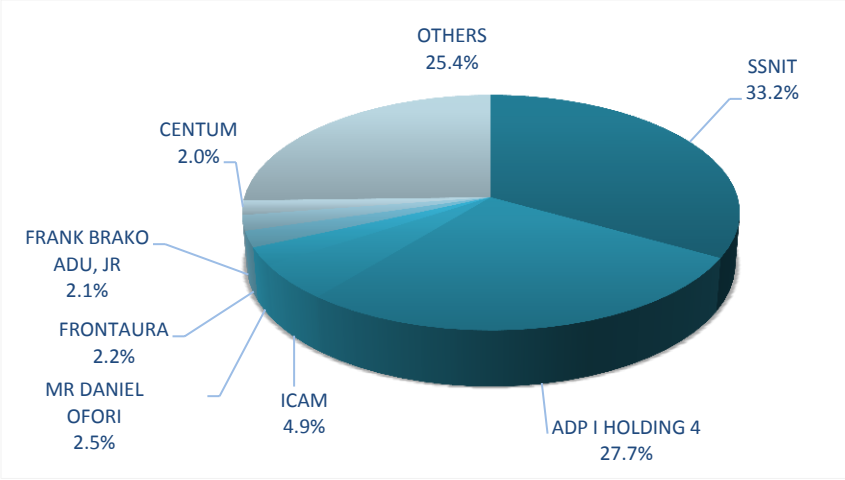
CAL Bank Limited

THE BANK AT A GLANCE

CAL Bank Limited is an indigenous bank established in Ghana in 1990, listed on the Ghana Stock Exchange

- **Focus:** corporate banking, asset-backed retail lending, treasury, corporate finance, asset management, brokerage
- **Subsidiaries:** 3 wholly owned
- **Network**:
  - 23 branches,
  - 97 ATMs,
  - 21 corresponding banks
- **Headcount**: 752 employees
- **Issued Shares:** 548.26 million
- **Market cap**: GHS 603.10 million
- **Public Float:** 36.74%

SHAREHOLDING STRUCTURE



PARTNERS

Proparco – Groupe Agence Française de Développement
citibank
MCB
Deutsche Bank
GHIB – Ghana International Bank
SMBC
المشرق mashreq

HALF-YEAR 2015
RESULTS PRESENTATION

for the period ending 30 June 2015

OPERATING ENVIRONMENT

CAL Bank
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Ghana & Banking Sector Scorecard

… challenging macro environment that has bottomed out

GROSS DOMESTIC PRODUCT	Real GDP growth target for 2015: • 3.9% (incl. oil) • 2.7% (non oil)
INFLATION	Headline inflation moved up from 16.7% in March to 17.0% in June 2015
FOREIGN EXCHANGE	Following a consistent daily sale of USD 20million to the market by the BoG, the Ghana Cedi experienced a sharp appreciation against major currencies at the beginning of July. This seems to have bottomed out at GHS 3.31 and we have seen a slow depreciation over the last few days
POLICY RATE	Maintained at 22.0% at the just ended MPC meeting in July 2015
UPCOMING DEVELOPMENTS	• Monetary policy rate will be merged with the reverse repo rate in August • Introduction of a 7-day reverse repo instrument in the money market to offer more flexibility in the liquidity management of banks • BoG and MOFEP have agreed to open the 2-year Note to non-resident participation • Eurobond issue, syndicated cocoa financing as well as other programmed inflows in the second half of the year will provide a strong buffer and help sustain stability in the foreign exchange markets

HALF-YEAR 2015
RESULTS PRESENTATION

for the period ending 30 June 2015

UNAUDITED HALF-YEAR 2015 FINANCIAL PERFORMANCE

CAL Bank
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CAL HY 2015 Key Performance Highlights & Metrics

(GHS '000)	HY 2015	1Q 2015	HY 2014	ΔY/Y
Net Interest Income	111,023	56,171	79,422	39.8%
Net Fees & Commissions	34,037	17,084	26,472	28.6%
Total Income	191,199	94606	139,678	36.9%
Total Operating Expense	67,894	31,493	45,177	50.3%
Profit-After-Tax	78,609	40,519	61,483	27.9%
Loans & Advances	1,581,682	1,466,761	1,148,211	37.8%
Customer Deposits	1,560,208	1,363,060	879,499	77.4%
Total Assets	3,096,354	3,107,484	2,100,922	47.4%
Capital Adequacy Ratio (%)	20.10	22.01	16.2	35.4%
NAV per Share (GHS)	0.77	0.79	0.57	27.9%
EPS (GHS)	0.1434	0.0739	0.1121	16.8%
ROAA (%)	6.1%	6.7%	7.3%	(16.8)%
ROAE (%)	41.7%	42.9%	44.7%	(6.6)%

Summarized Income Statement HY 2015

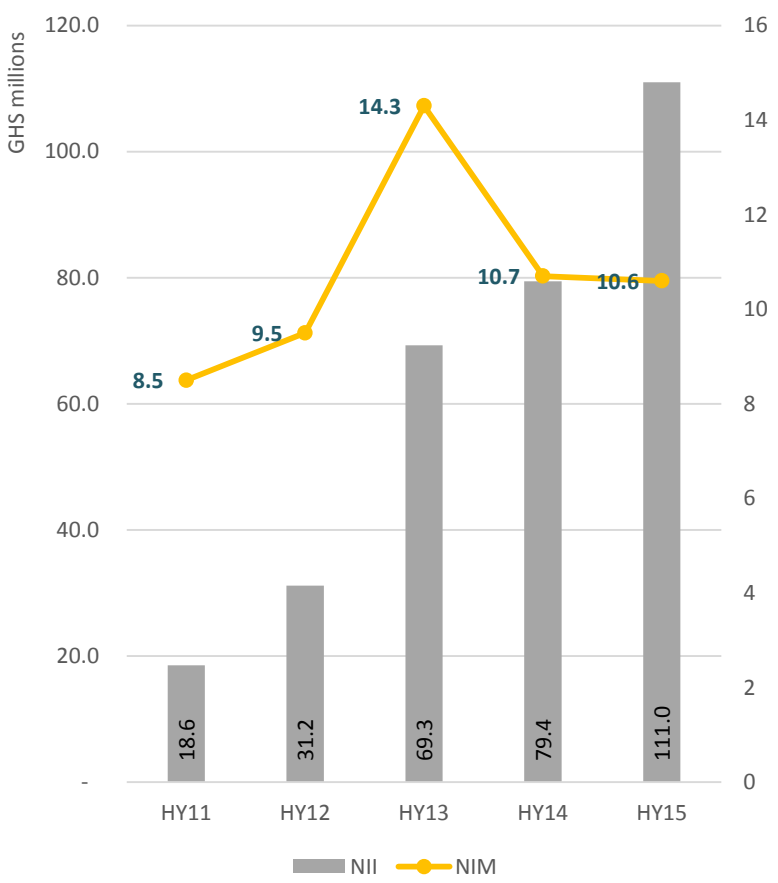
(GHS '000)	HY 2015	1Q 2015	HY 2014	ΔY/Y
Interest Income	217,879	110,712	154,393	41.1%
Interest Expense	(106,856)	(54,540)	(74,971)	42.5%
Net Interest Income	**111,023**	**56,171**	**79,422**	**39.8%**
Fees and Commission Income	36,714	18,466	27,951	31.4%
Fees and Commission Expense	(2,677)	(1,383)	(1,479)	(81.0%)
Net Fees & Commissions	**34,037**	**17,084**	**26,472**	**28.6%**
Net Trading Income	39,548	17,275	26,878	47.1%
Other Income	6,591	4,075	6,906	(4.6%)
Total Income	**191,199**	**94,606**	**139,678**	**36.9%**
Credit Loss Expense	(11,136)	(5,228)	(6,789)	(64.0%)
Net Operating Income	**180,063**	**89,378**	**132,889**	**35.5%**
Total Operating Expense	(67,894)	(31,493)	(45,177)	50.3%
Profit Before Tax	112,225	57,884	87,712	27.9%
Income Tax Expense	(28,087)	(14,546)	(21,873)	28.4%
National Fiscal Stabilisation Levy	(5,529)	(2,876)	(4,356)	(21.2)%
Profit-After-Tax	**78,609**	**40,519**	**61,483**	**27.9%**

Summarized Balance Sheet HY 2015

(GHS '000)	HY 2015	1Q 2015	HY 2014	ΔY/Y
Investments in Government Securities	546,842	895,014	474,476	15.3%
Loans and Advance to Customers	1,581,682	1,466,761	1,148,211	37.8%
Investments in Government Securities	1,496	1,427	1,756	(14.8%)
Property, Plant and Equipment	92,600	84,625	54,859	68.8%
Total Assets	**3,096,354**	**3,107,484**	**2,100,922**	47.4%
Customer Deposit	1,560,208	1,363,060	879,499	77.4%
Borrowings	936,981	1,174,867	803,806	16.6%
Shareholders Equity	**434,244**	**440,514**	**319,784**	**35.8%**
Total Liabilities and Shareholders Equity	**3,096,354**	**3,107,484**	**2,100,922**	**47.4%**

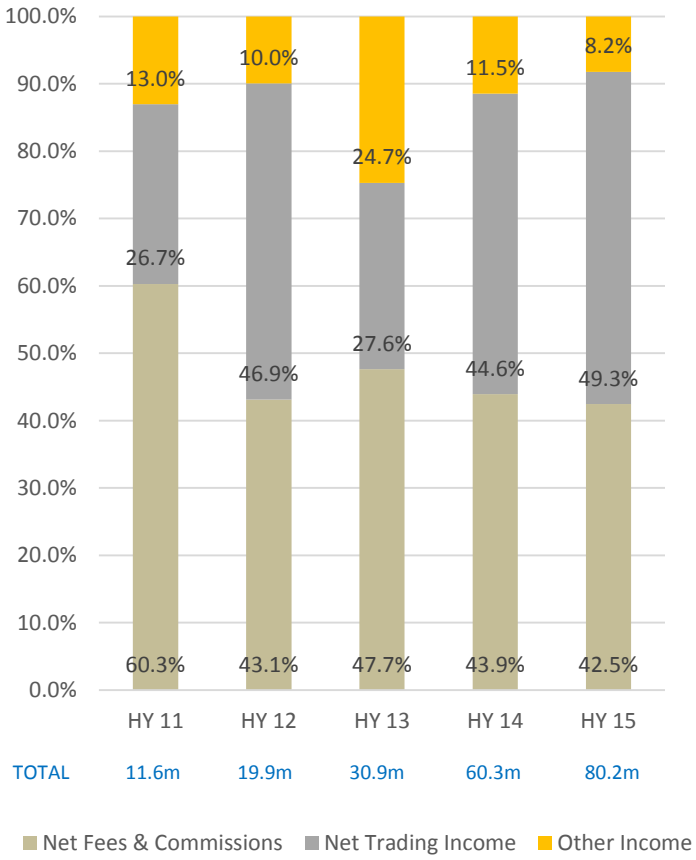
Income Analysis 2011-15

NET INTEREST INCOME and NET INTEREST MARGIN ANALYSIS



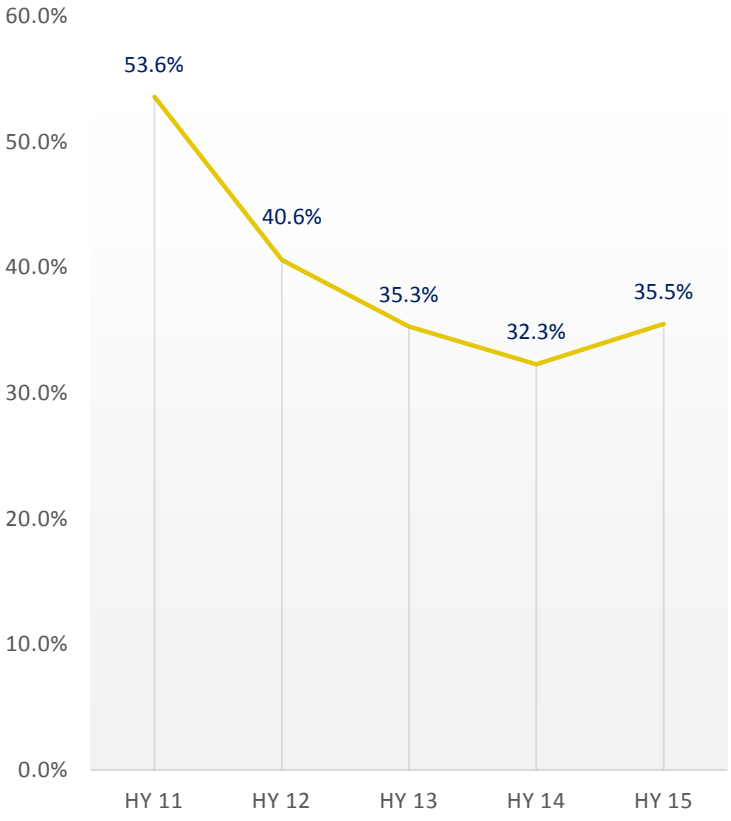
Non-interest revenue 2011-15

NON-FUNDED INCOME

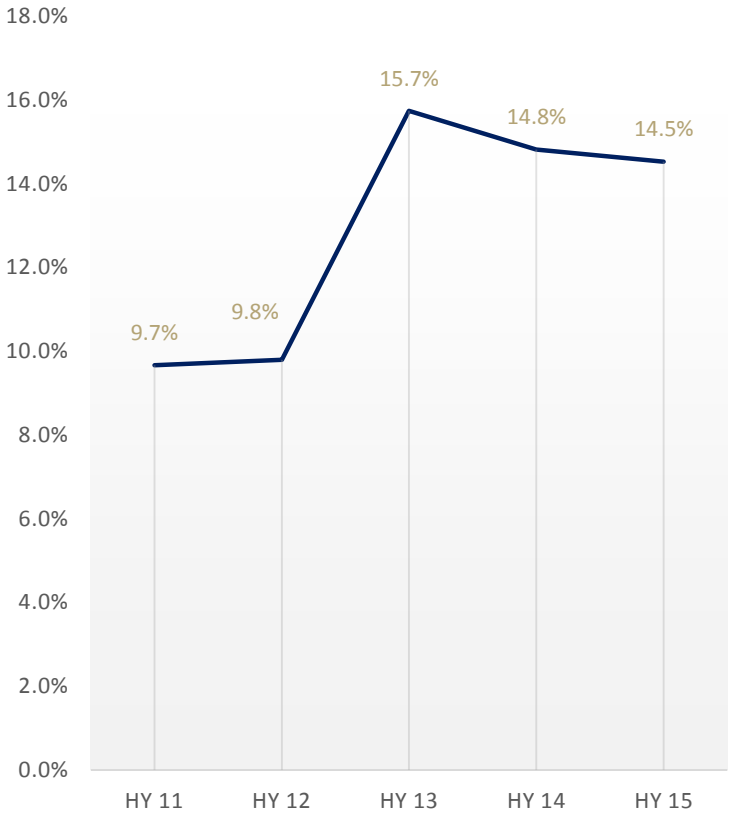


Profit Driver

COST-TO-INCOME-RATIO

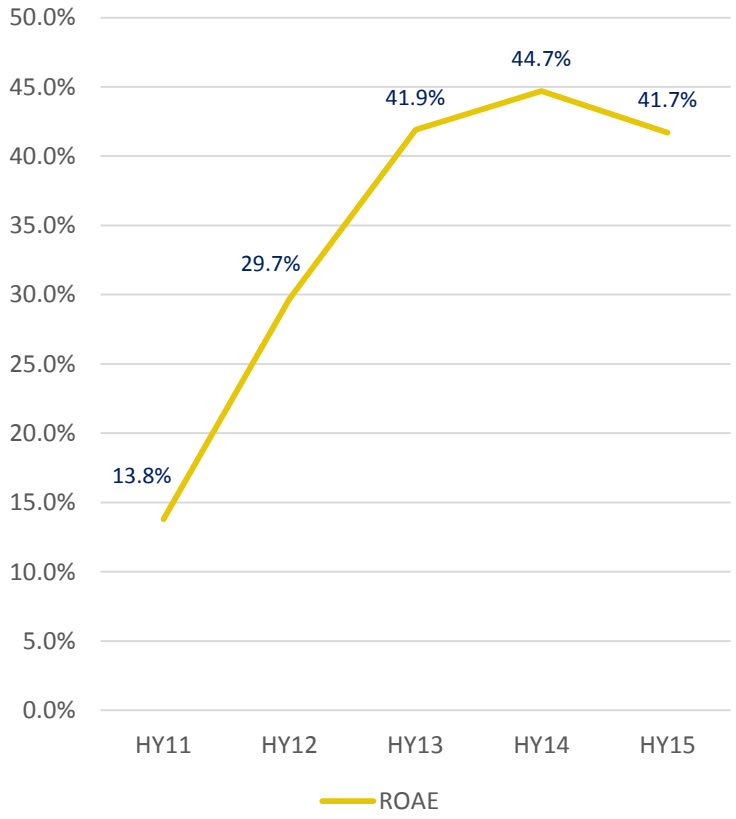


COST OF FUNDS

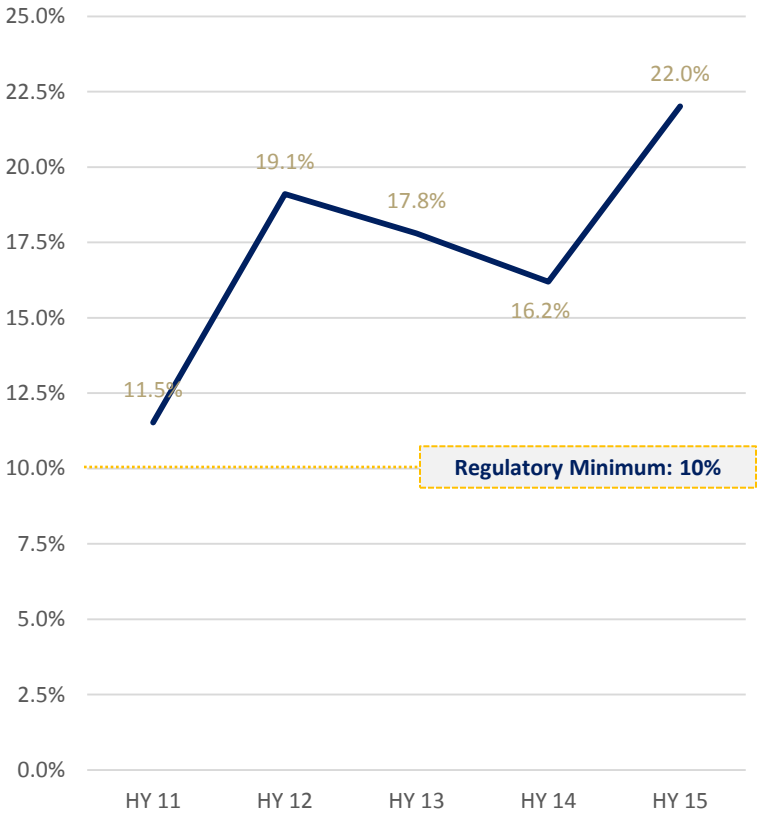


Capital

RETURN ON AVERAGE EQUITY

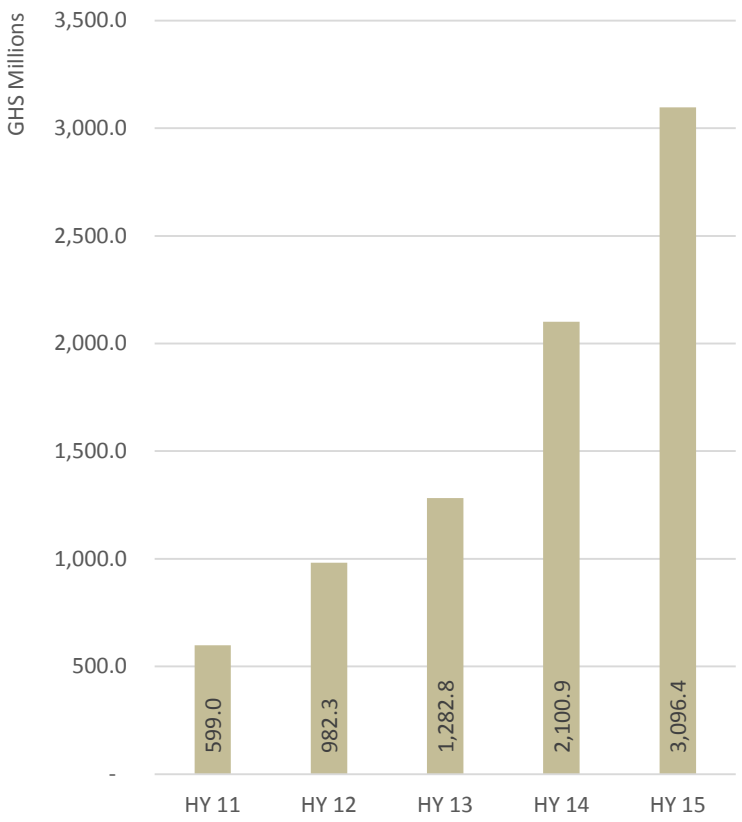


CAPITAL ADEQUACY RATIO

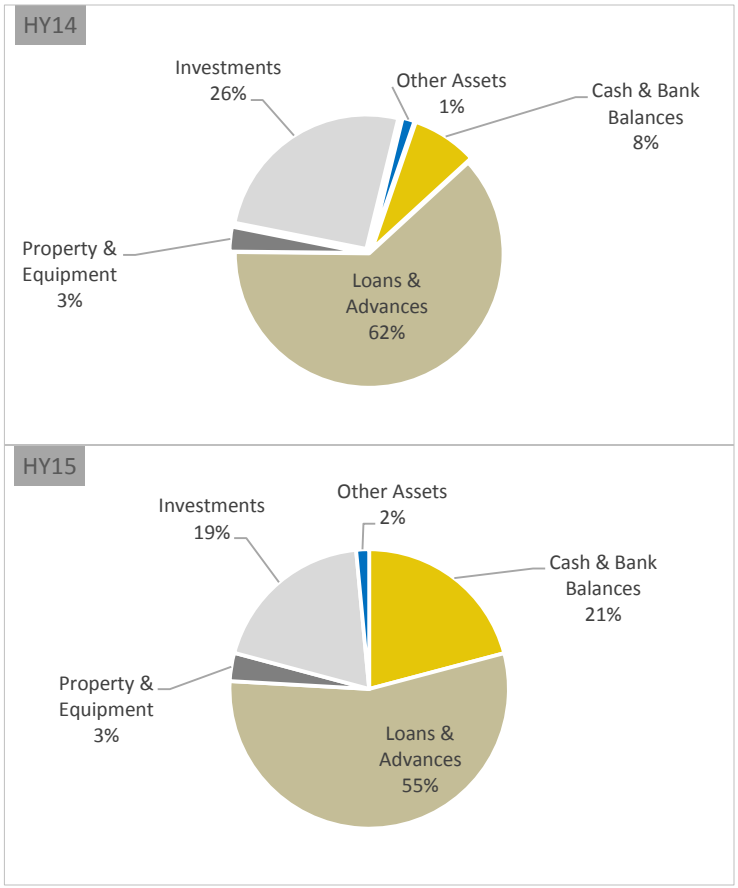


Growing Asset Base 2011-2015

TOTAL ASSETS

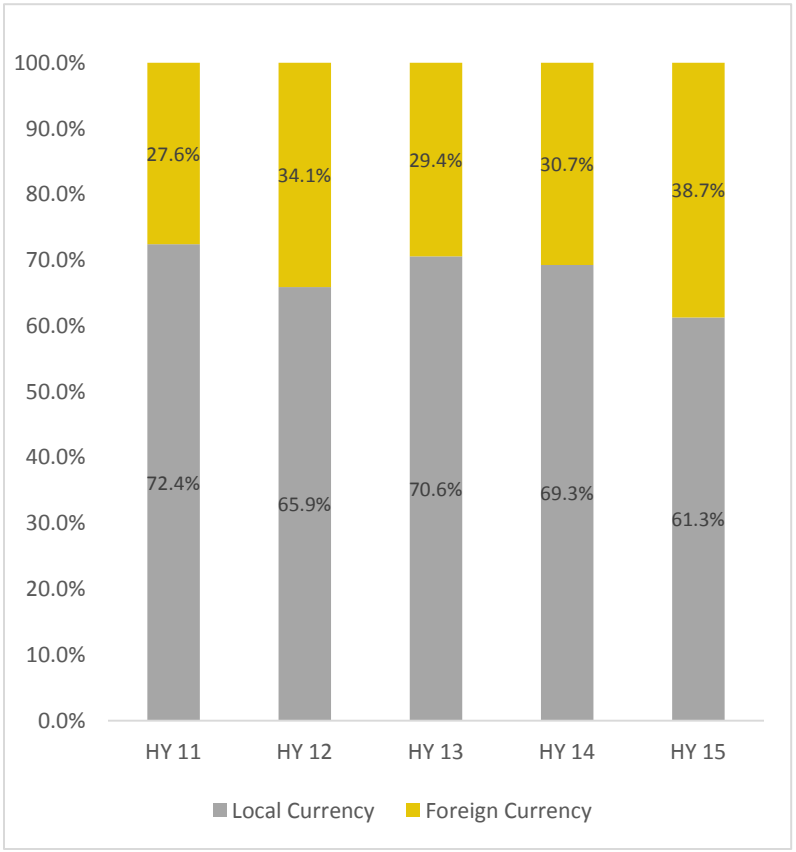


TOTAL ASSET MIX

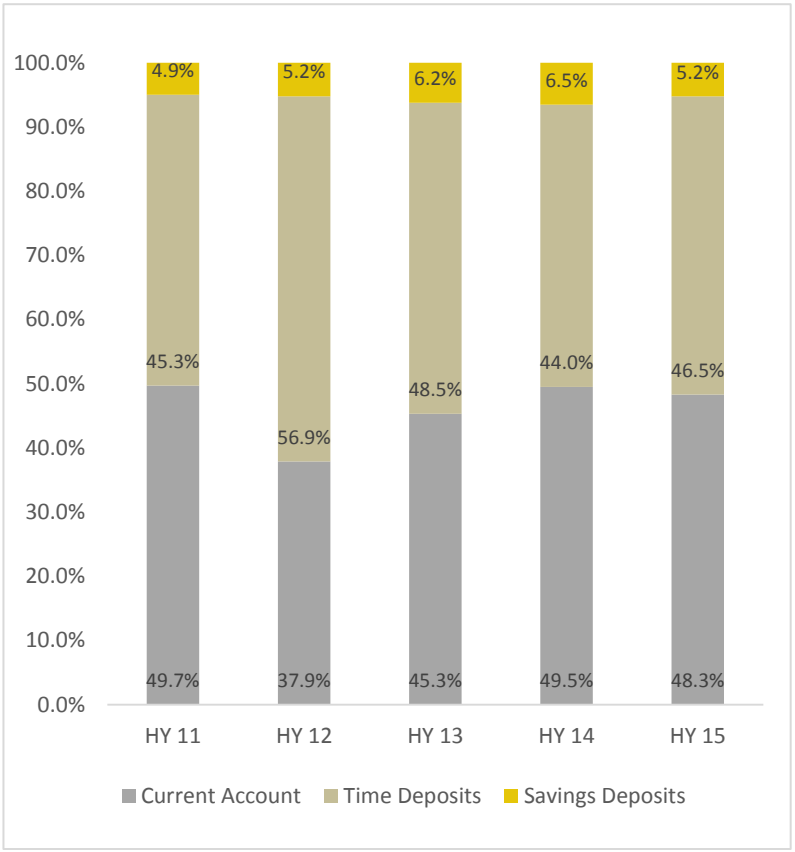


Deposit Portfolio 2011-2015

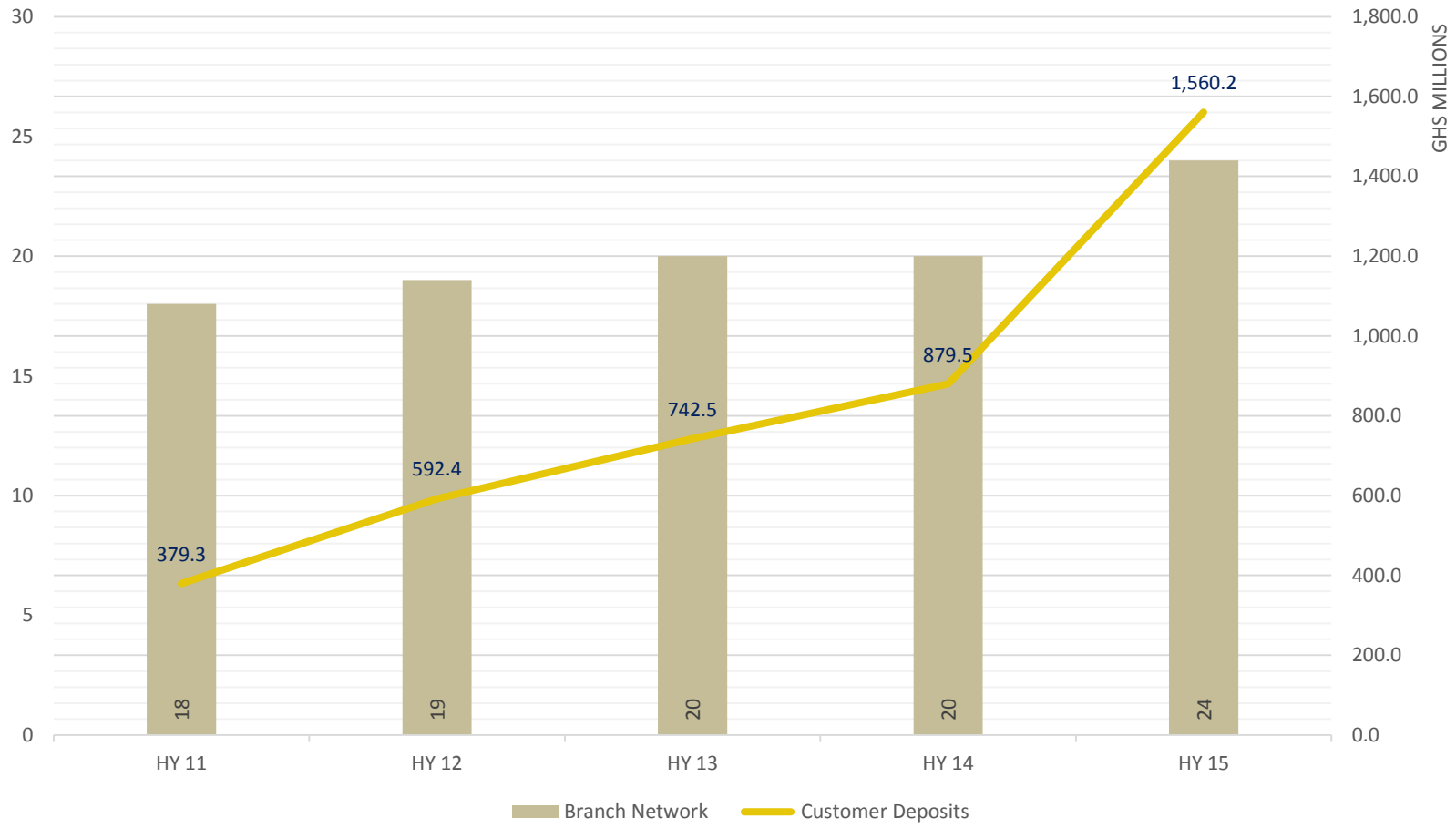
DEPOSIT MIX BY CURRENCY



DEPOSIT MIX BY TYPE

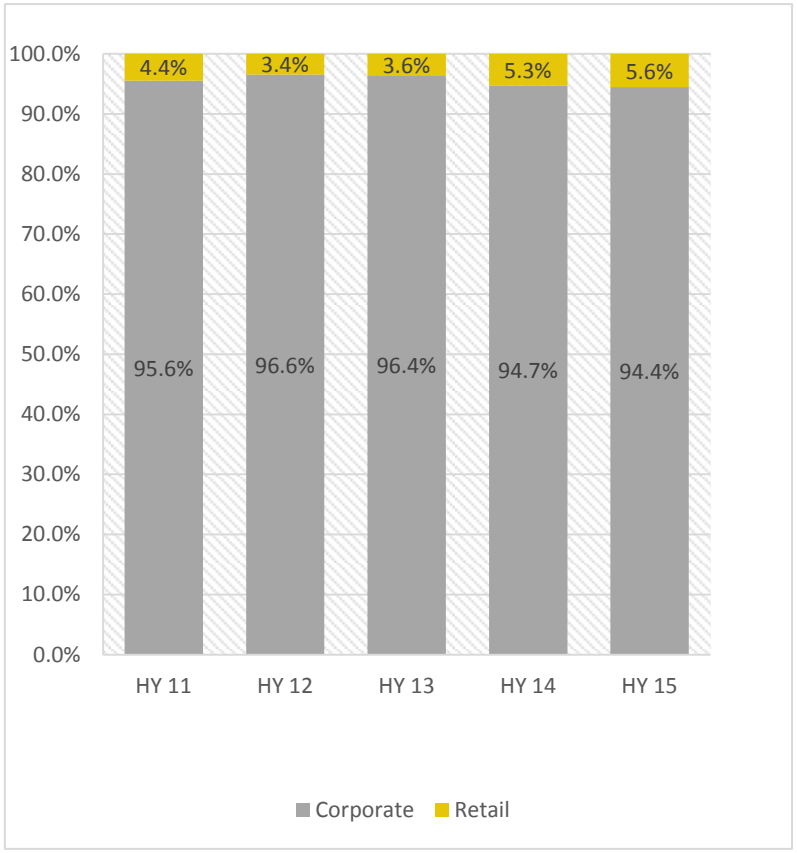


Branch Expansion & Deposit Growth 2011-2015

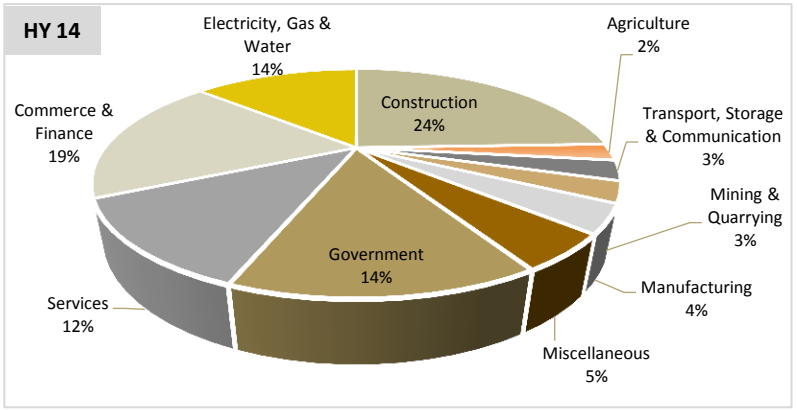


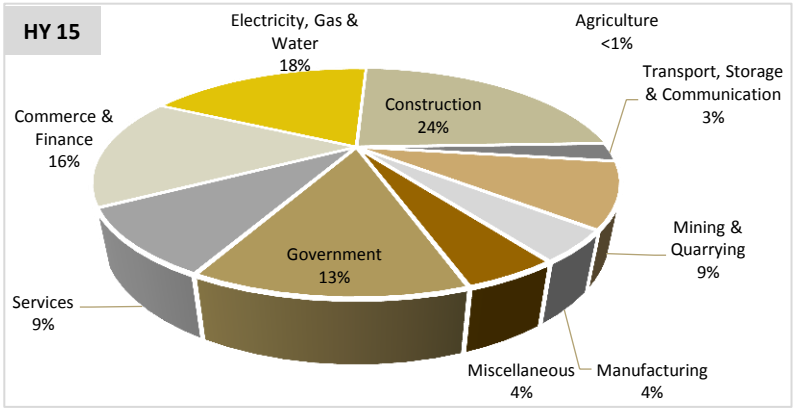
Loan Portfolio

LOAN DISTRIBUTION BY CUSTOMER TYPE

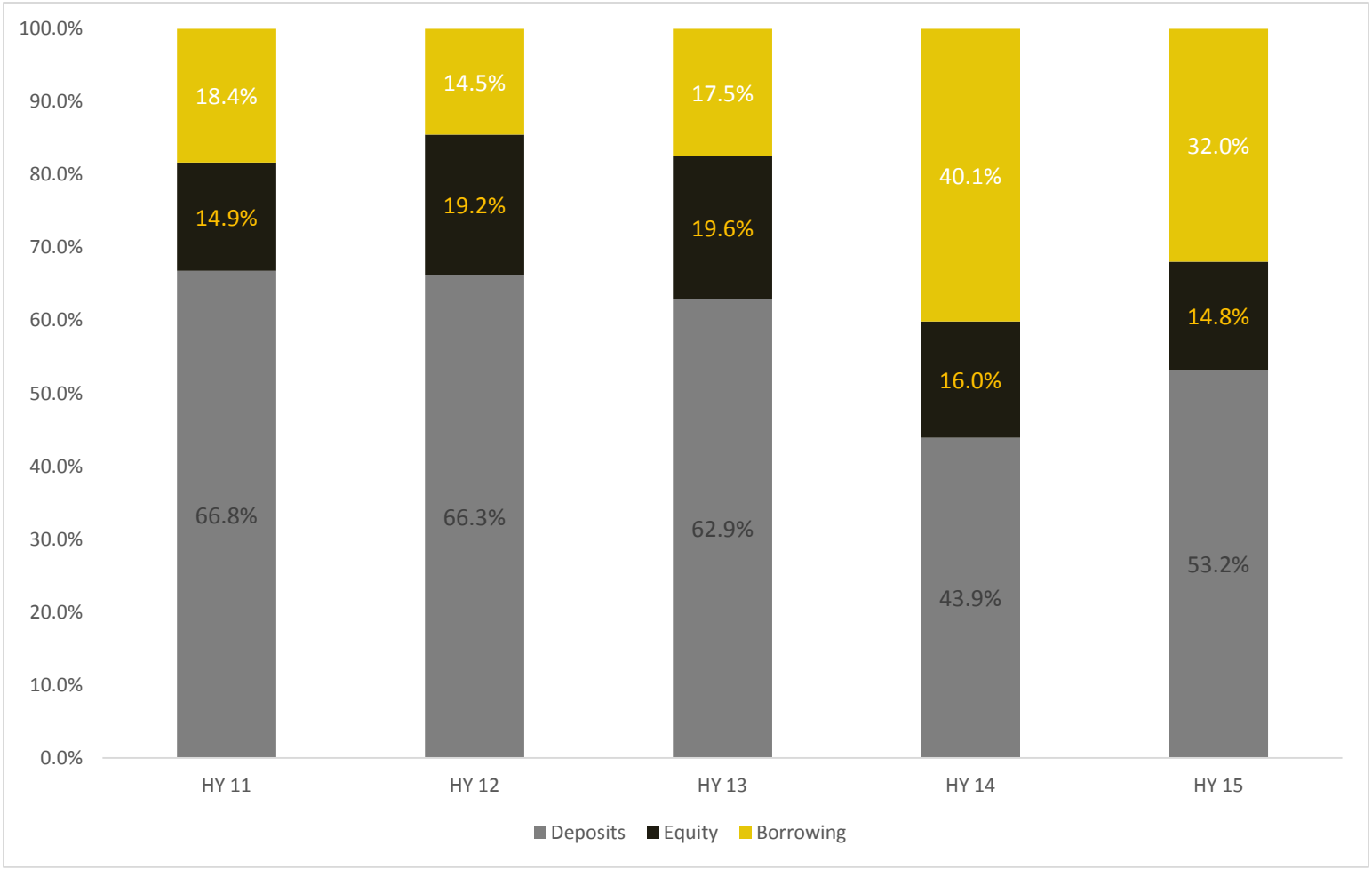


LOAN DISTRIBUTION BY SECTOR



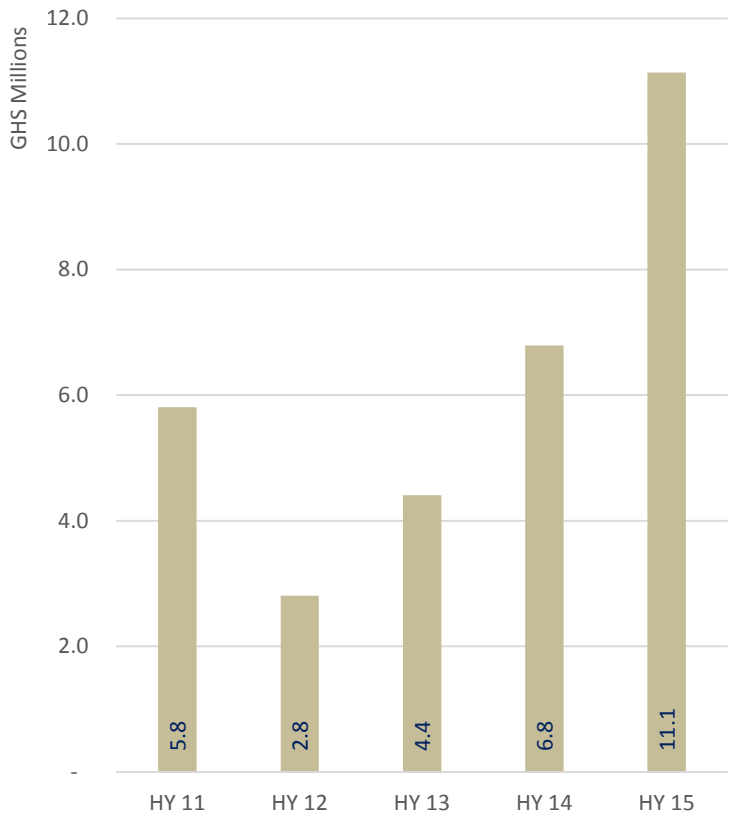


Funding Mix

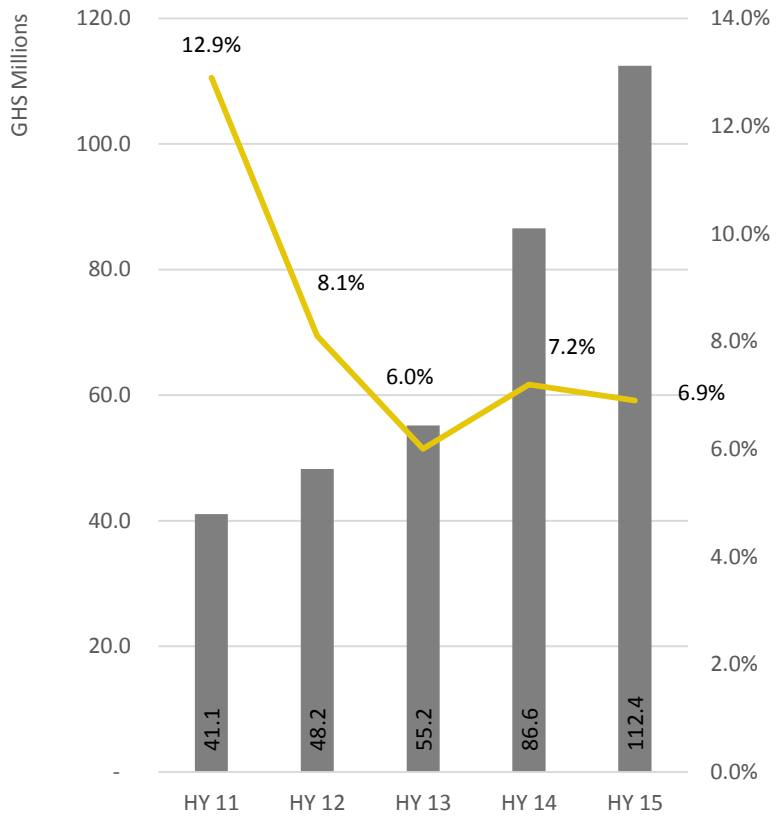

100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
18.4%
14.9%
66.8%
14.5%
19.2%
66.3%
17.5%
19.6%
62.9%
40.1%
16.0%
43.9%
32.0%
14.8%
53.2%
HY 11
HY 12
HY 13
HY 14
HY 15
Deposits
Equity
Borrowing

Credit Loss Expense and NPLs

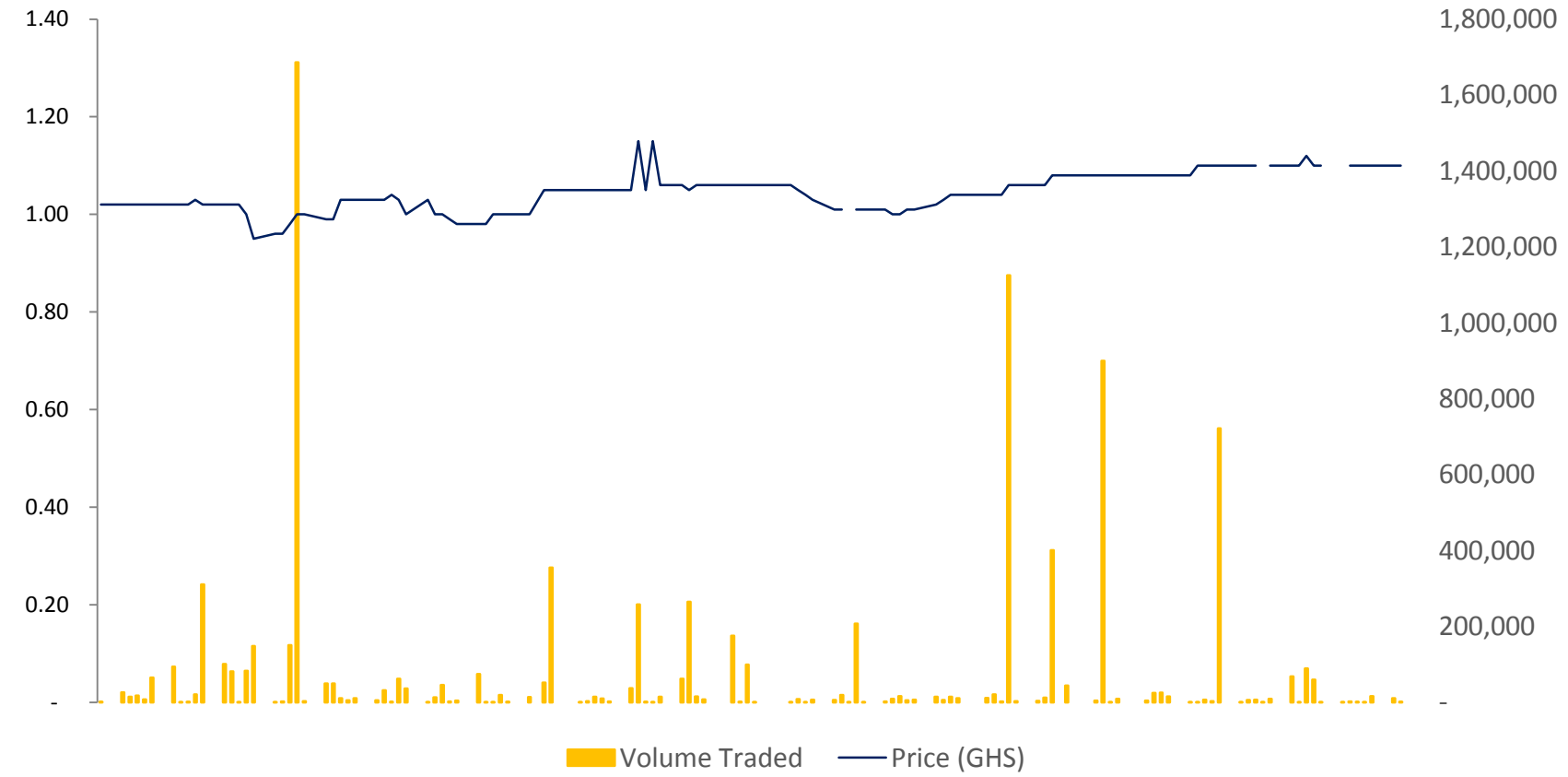
CREDIT LOSS EXPENSE



NON PERFORMING LOANS



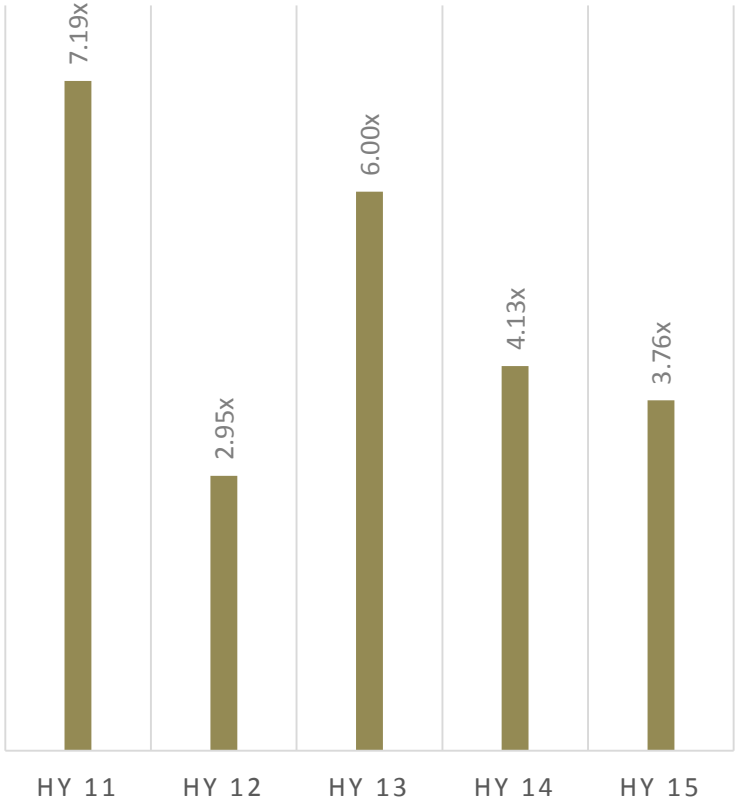
Share Price Chart Jan-Jun 2015



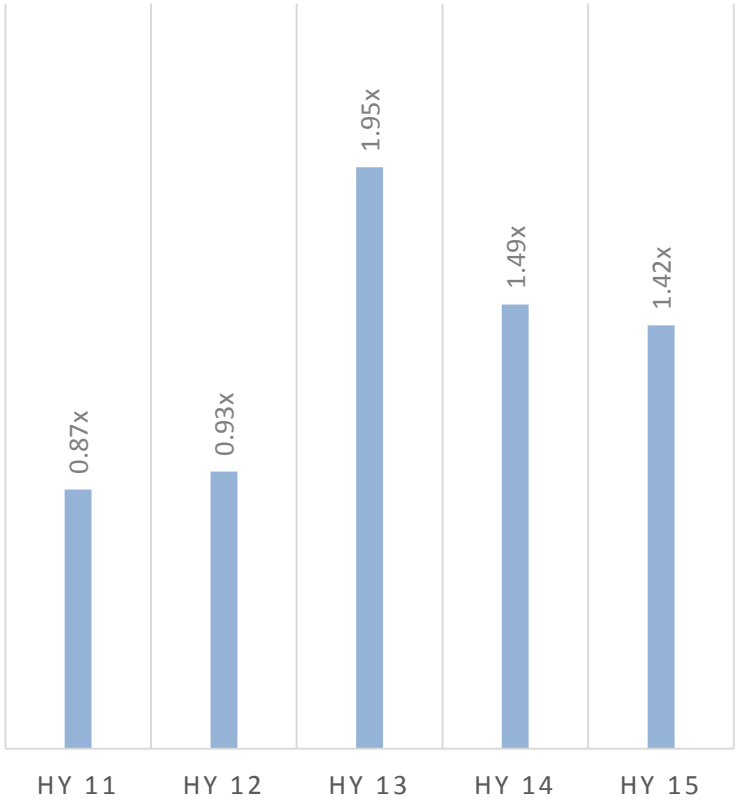
Min Price: GHS 0.95
Max Price: GHS 1.15

Pricing Evolution

PRICE-TO-EARNINGS RATIO[1]



PRICE-TO-BOOK RATIO



1. Trailing 12-months

HALF-YEAR 2015
RESULTS PRESENTATION

for the period ending 30 June 2015

HALF-YEAR PERFORMANCE OF LISTED BANKS

CAL Bank
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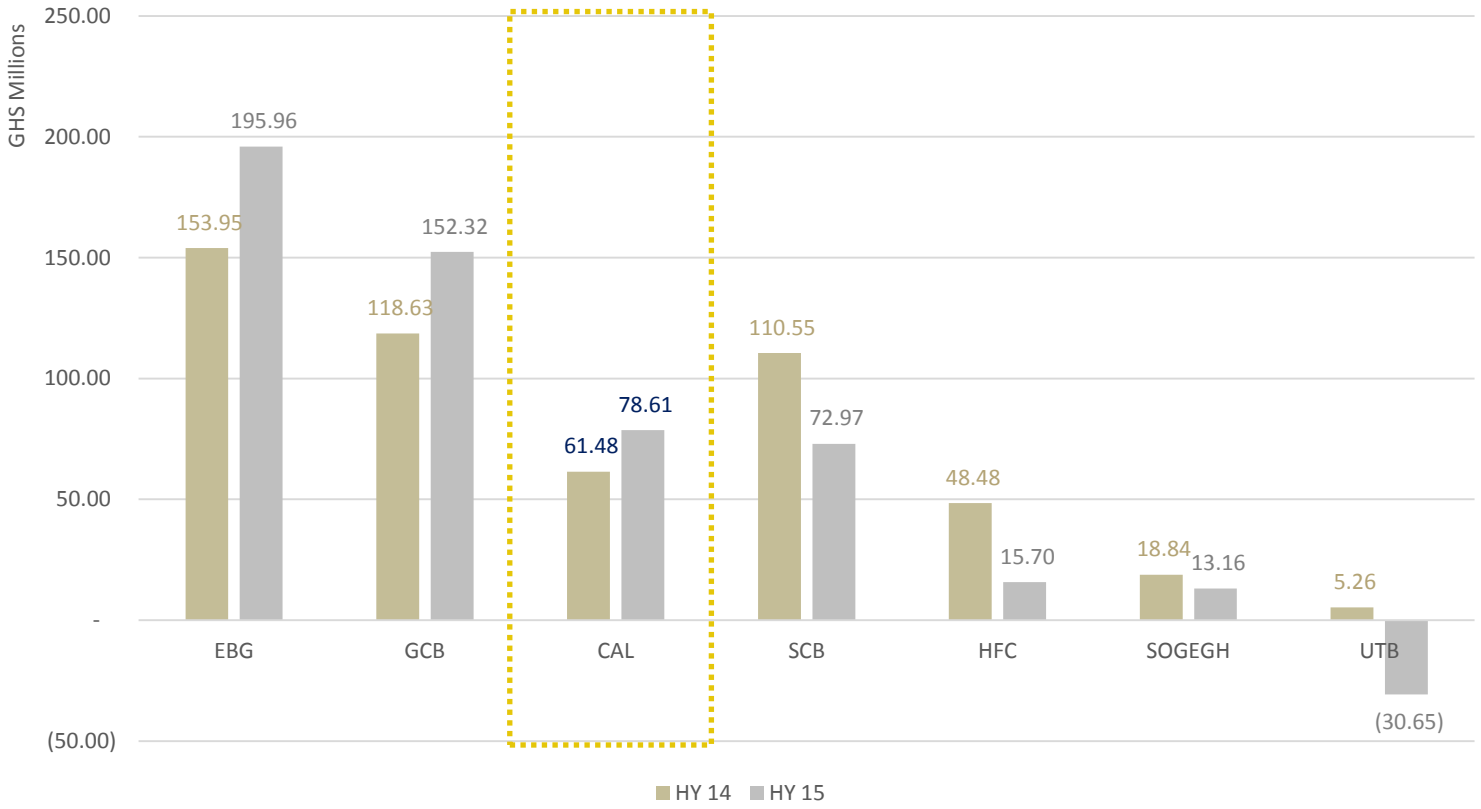
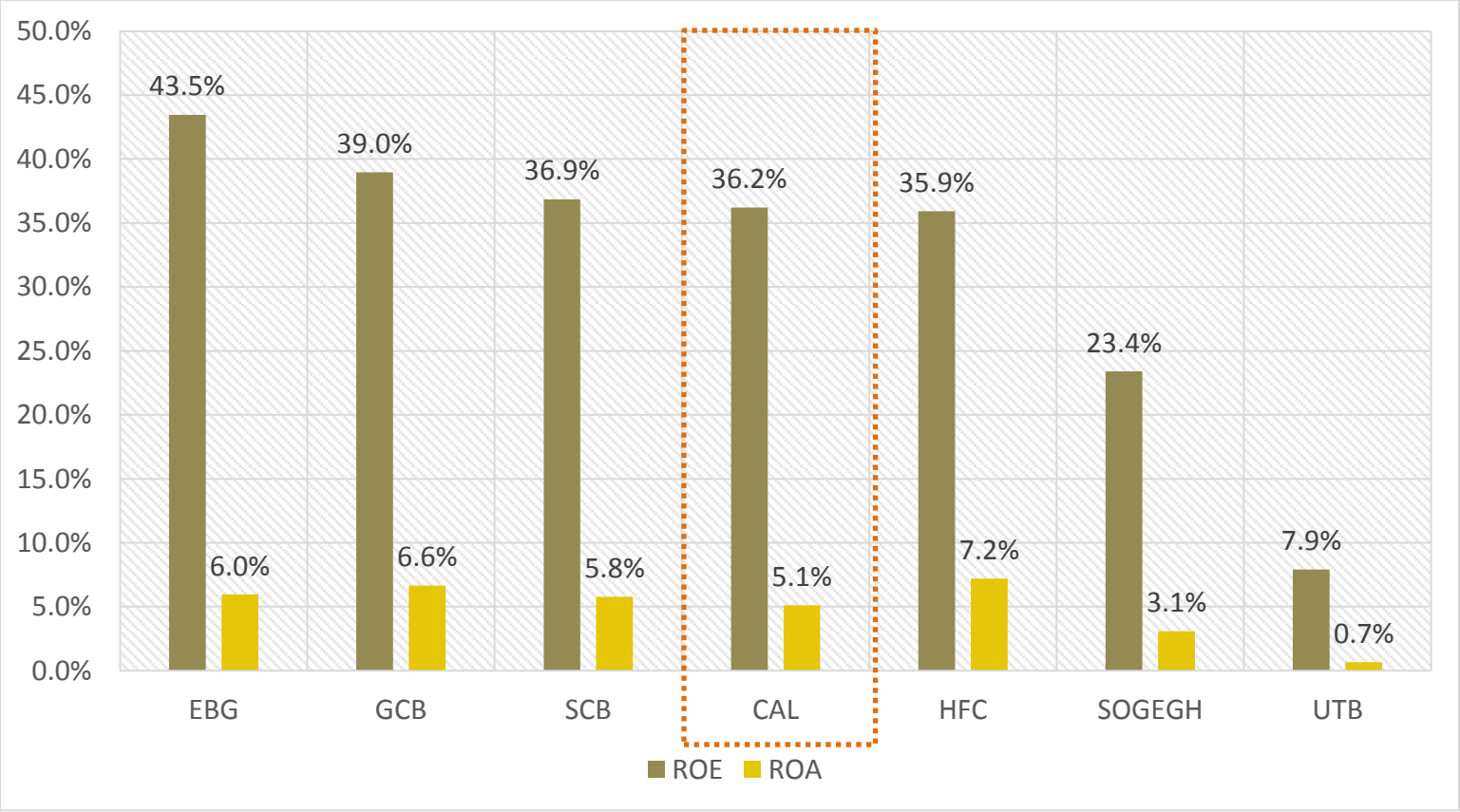
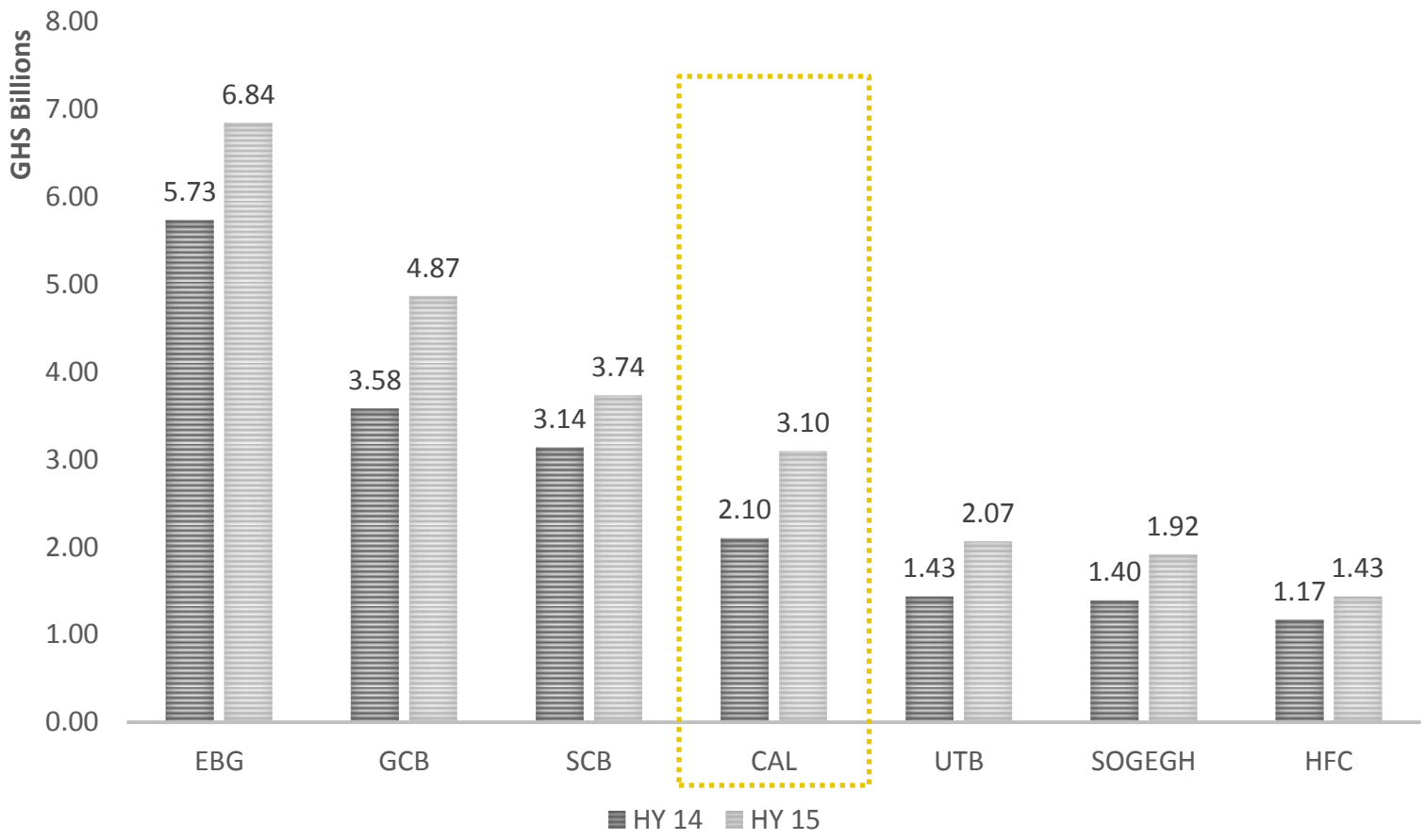
Half-Year 2015 Earnings for listed banks



Half-Year returns of listed banks

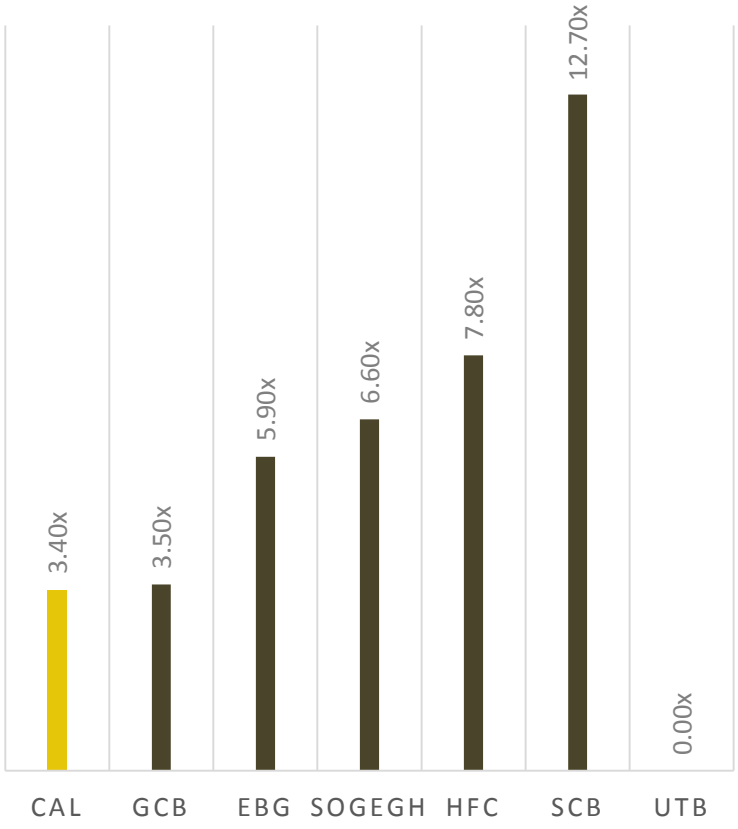


Total Asset

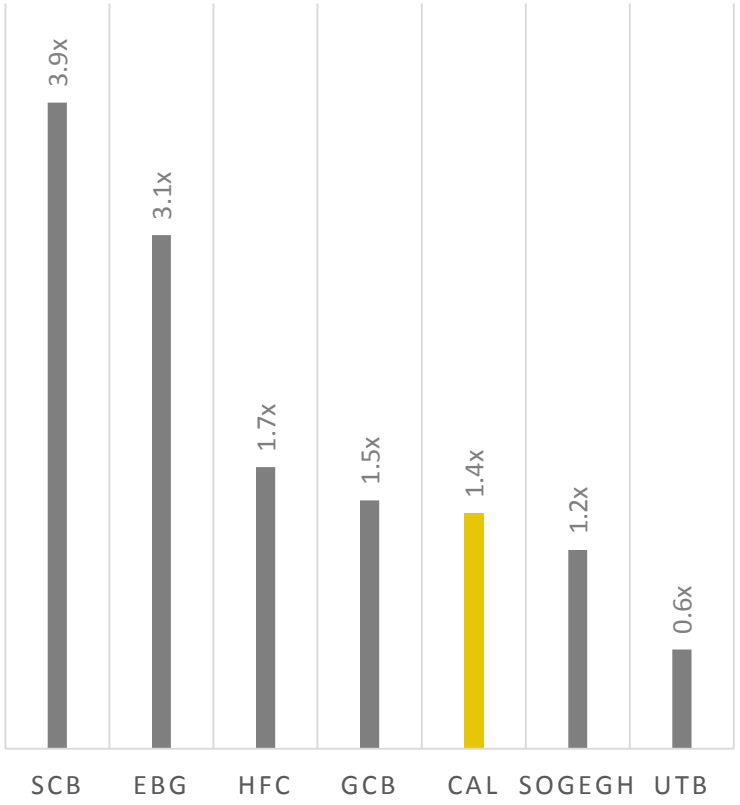

GHS Billions
8.00
7.00
6.00
5.00
4.00
3.00
2.00
1.00
0.00
5.73
6.84
3.58
4.87
3.14
3.74
2.10
3.10
1.43
2.07
1.40
1.92
1.17
1.43
EBG
GCB
SCB
CAL
UTB
SOGEGH
HFC
HY 14
HY 15

Share Price Performance of listed banks

PRICE-TO-EARNINGS RATIO[1]



PRICE-TO-BOOK RATIO



1. Trailing 12-months

HALF-YEAR 2015
RESULTS PRESENTATION

for the period ending 30 June 2015

STRATEGY & OUTLOOK

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Strategy & Outlook

Retail Banking

- Increase branch network to 28- selected locations to increase deposit base
- Launch branchless banking through agencies and outlets
- Concerted drive into new E-business initiatives to boost deposits and increase payment channels e.g.;
  - E- ZWICH card enrolment project
  - POS Merchant Acquisition on Visa/MasterCard
  - Increase our presence in the digital banking space
  - E-card School fees collection

Corporate Banking

- Pursue high quality, selective asset growth from target sectors
- Grow non-funded income from International trade , forex , advisory & syndication mandates
- Increase share of wallet across target business sectors (oil & gas, energy & power, services and telecommunications)

People

- Roll-out bespoke training of all staff using dedicated CAL resource Center
- Continue to reward staff performance to retain motivated & high quality personnel
- Deepen cross-training to enhance cost and operational efficiency
- Remain on-track with CAL Head Office project to provide world class , conducive work environment

Technology

- Continue business process automation to boost operating efficiency
- Increase operational ATMs from 97 to 110 by year end 2015
- Enhance IT products to offer additional channel expansion notably:
  - VISA/MasterCard POS merchant terminals
  - MasterCard/ China Union Pay products
  - ATM acquiring on MasterCard
  - Issuance of Prepaid Master Cards
  - Enhance Visa Platform using VBV
  - Acquiring Diners and Discovery on ATMs/POS channels
  - Enhance our systems and operations to support our digital banking initiatives.
  - Enhanced Internet banking

Risk Management & Compliance

- Strengthen risk management framework
- Balance market risk exposures while optimising return on risk
- Enhance loan monitoring and early-detection toolkits to ensure quality loan portfolio.
- Maintain low NPL ratio

HALF-YEAR 2015
RESULTS PRESENTATION

for the period ending 30 June 2015

THANK YOU

Q&A

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