CAL BANK LIMITED

HALF YEAR 2016 INTERIM RESULTS

PRESENTATION

August 17, 2016

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.

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Moderated by IC Securities (Ghana) Limited

CLOSING REMARKS

Dzifa Amegashie, Head of Investor Relations

Mr. Philip Owiredu
Executive Director

Mr. Joseph Ofori-Teiko
General Manager

Mr. Charles Amoah
Assistant General Manager

Ms. Dzifa Amegashie
Investor Relations

INTRODUCTION & HIGHLIGHTS

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Bank on our Service

Operating Environment

CAL Bank Limited Overview

OPERATING ENVIRONMENT: GHANA MACRO "SNAPSHOT"

INFLATION

Currently 16.7% (July 2016) down from 17.1% in June 2015 & down from its peak of 19.2% in March 2016.

POLICY RATE

Maintained at 26.0% since November 2015. Up from 22.0% in June 2015

CURRENCY

The Ghana Cedi depreciated by 3.3% against the USD in 1H16 compared to 26.1% in 1H15

GDP GROWTH RATE

Real GDP grew by 4.9% (y-o-y)[1] in 1Q16 compared to 4.5% recorded for 1Q15.

PUBLIC DEBT

Total public debt as a percent of GDP in May 2016, marginally down from 67.9% in June 2015

INTERBANK RATE

Interbank lending rate in June 2016, up from 24.1% in June 2015

Source: MPC Release – July 2016, Ghana Statistical Service, BoG

1. Year-on year estimates compare current economic developments with that of the same period in the previous year. There is little or no influence of seasonal variations

BANKING SECTOR OVERVIEW[1]

TOTAL ASSETS

66.1 BILLION

Annual growth of 17.7%

TOTAL DEPOSITS

42.7 BILLION

Annual growth of 19.3%

TOTAL ADVANCES

31.4 BILLION

Annual growth of 11.3%

INDUSTRY CAPITAL ADEQUACY RATIO

16.6 PERCENT

Down from 17.9% in January 2016

INDUSTRY NON-PERFORMING LOANS

19.3 PERCENT

Up from 14.6% in January 2016

INDUSTRY AVERAGE LENDING RATE

32.7 PERCENT

Up from 29.0% in June 2015

BANKING SECTOR UPDATES

- In 1H16, the banking sector had **30** operating banks up from 29 in 1Q16. Sovereign Bank, an indigenous bank, began operations in 2Q16:
  - 14 foreign
  - 3 government
  - 13 local banks
- Ghana Home Loans, a leading mortgage financing company in Ghana, was issued with a provisional banking license by the Bank of Ghana (BoG) in July 2016. The license paves way for Ghana Home Loans to begin operations as a universal bank and also grow the company.
- Treasury Bills Market:

	June 16 (%)	June 15 (%)	% Δ
91-day rate	22.8	25.2	↓ 9.5%
182-day rate	24.6	25.9	↓ 5.0%
1-year rate	23.0	22.5	↑ 2.2%

1. All figures as at May 2016 unless otherwise indicated
2. June 2016

Source: MPC Release – July 2016, Ghana Statistical Service, BoG

Operating Environment

CAL Bank Limited Overview

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

SUBSIDIARIES
3
WHOLLY OWNED

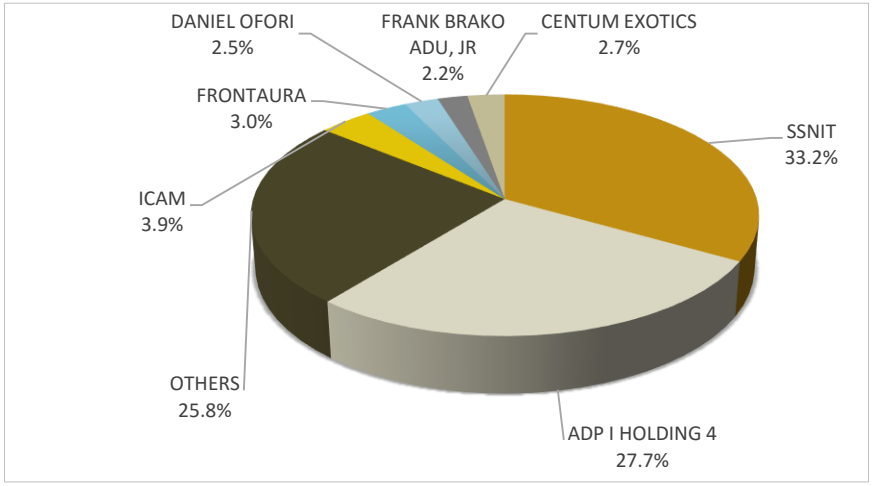
EMPLOYEES
780
PROFESSIONAL STAFF

CHANNELS

26	93	15
Branches	ATMs	Active Corr. Banks

ISSUED SHARES	MARKET VALUE	PUBLIC FLOAT
548.26	438.60	36.74
MILLION	MILLION CEDIS[1]	PERCENT

SHAREHOLDING STRUCTURE



PARTNERS

Proparco – GROUPE AGENCE FRANÇAISE DE DÉVELOPPEMENT
citibank
MCB
Deutsche Bank
GHIB – GHANA INTERNATIONAL BANK
IDFID
SMBC
المشرق mashreq

1. Share Price at 30 June 2016 – GHS 0.80

1H16 FINANCIAL PERFORMANCE

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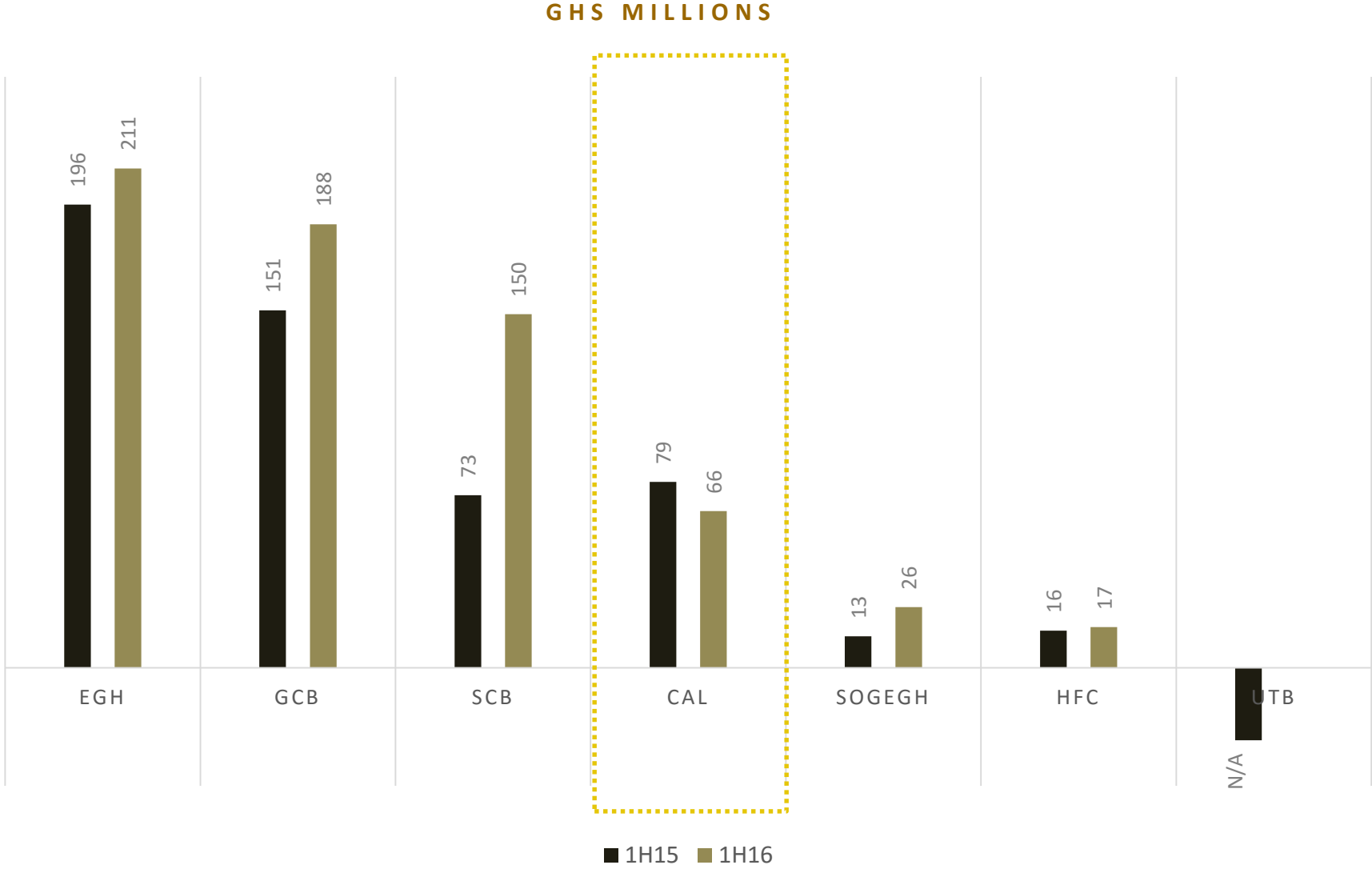
1H16 Performance of Listed Banks

CAL 1H16 Performance Highlights

CAL Share Price Performance for the period

CAL Strategy and Outlook

1H16 GROUP PERFORMANCE OF LISTED BANKS: PROFIT-AFTER-TAX



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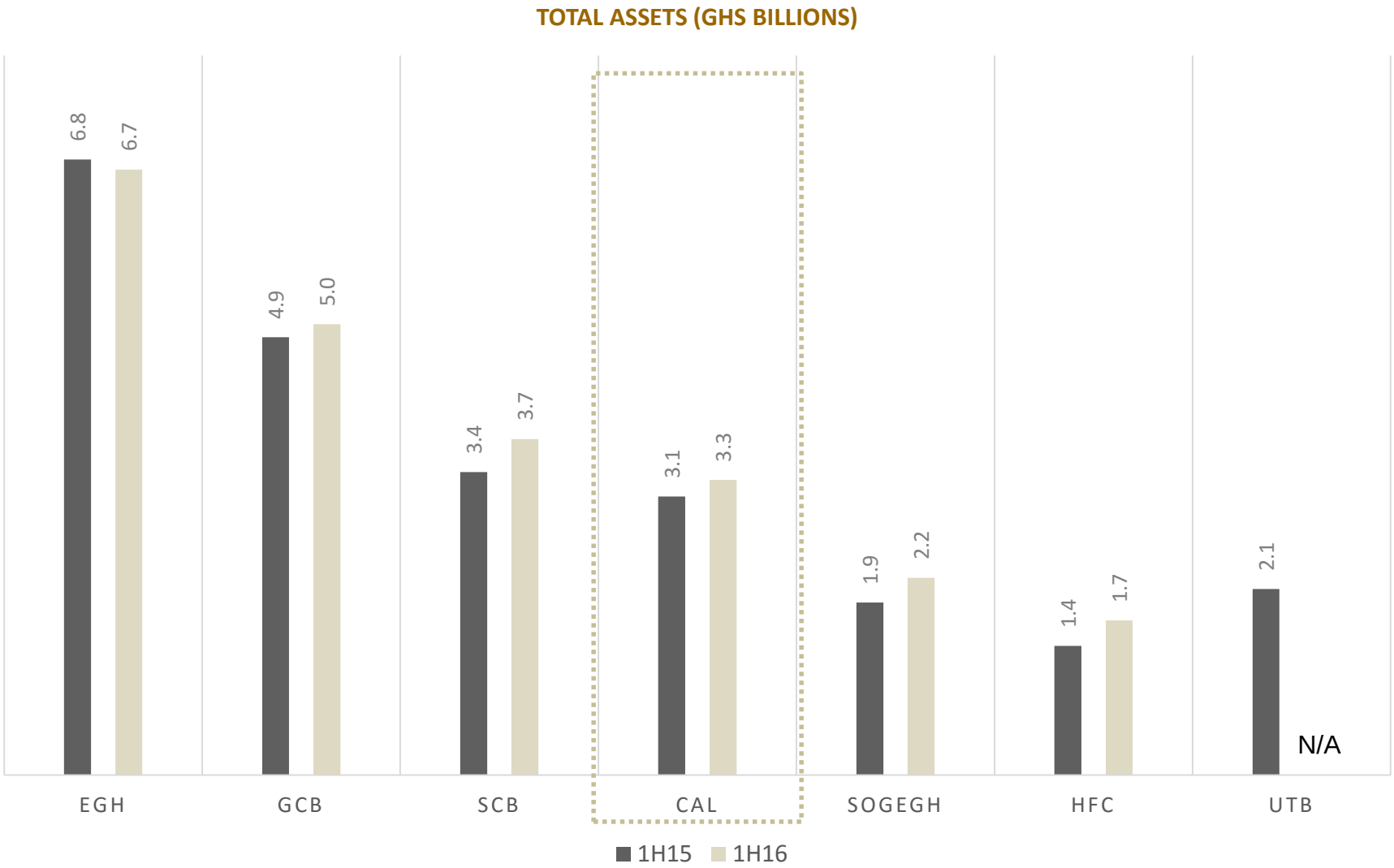
1H16 GROUP PERFORMANCE OF LISTED BANKS: TOTAL ASSETS



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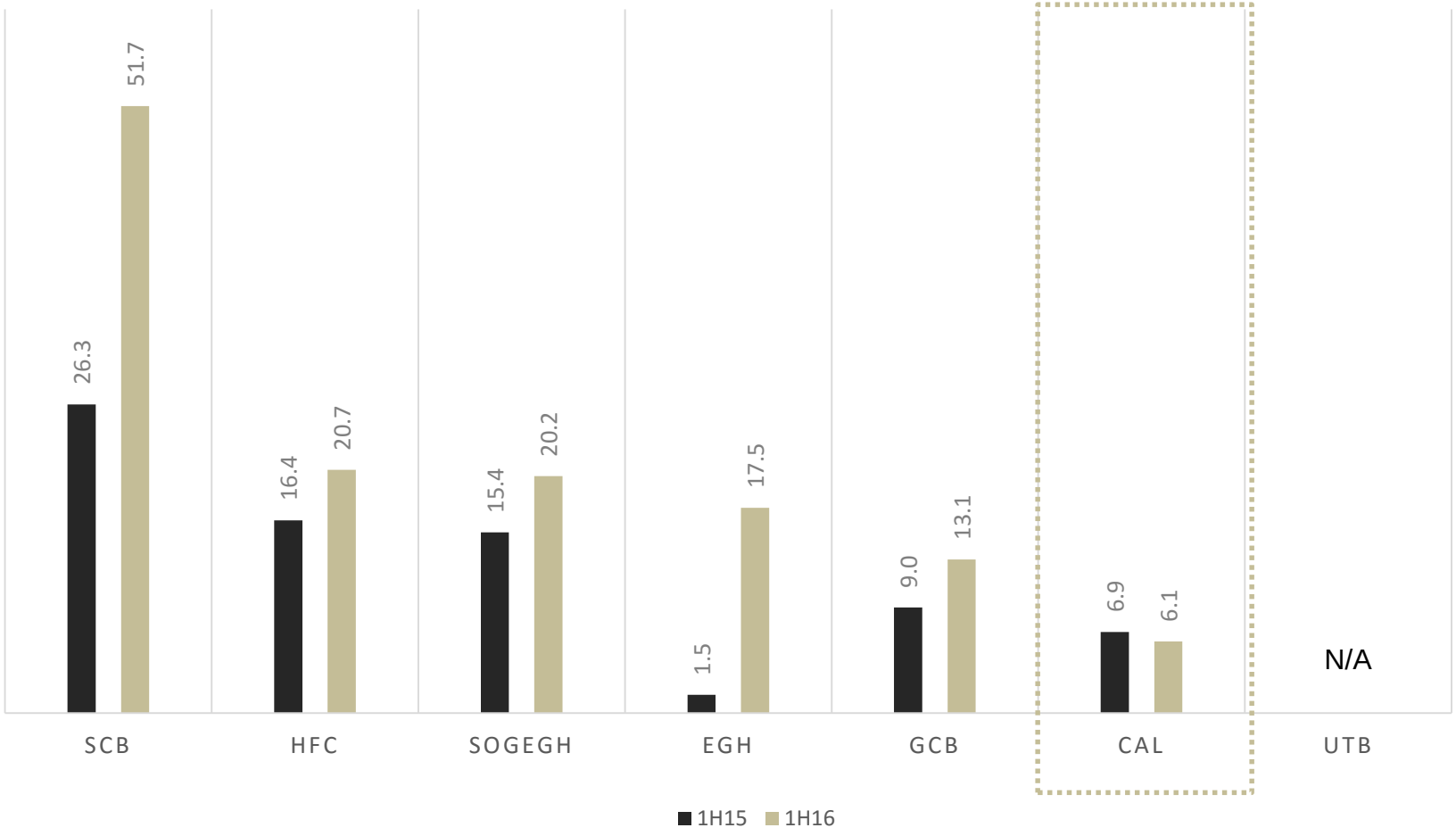
1H16 GROUP PERFORMANCE OF LISTED BANKS - NPLs

NON PERFORMING LOANS RATIO (%)



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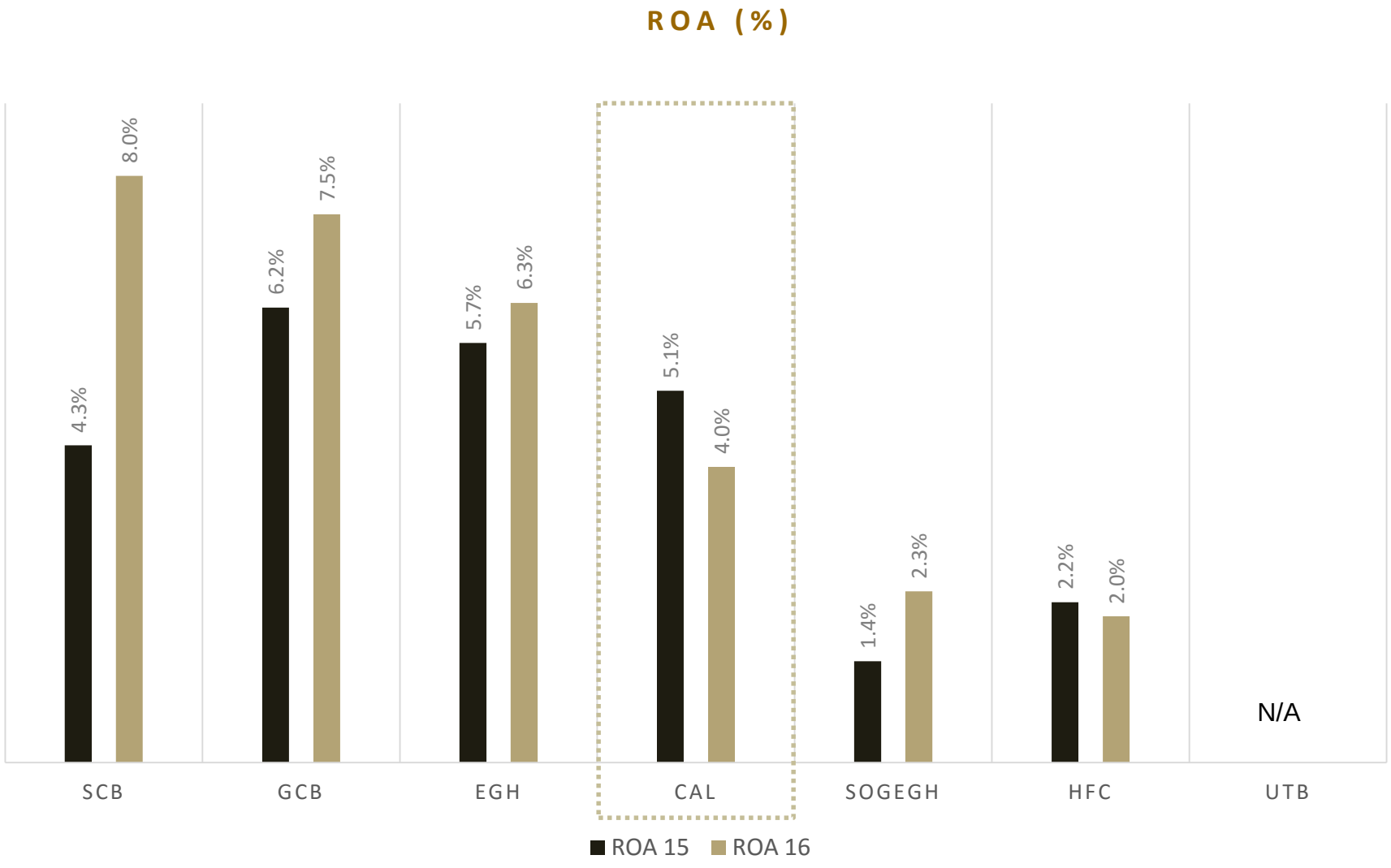
1H16 GROUP PERFORMANCE OF LISTED BANKS: SHAREHOLDER RETURNS - ROA



Using annualized 2016 figures

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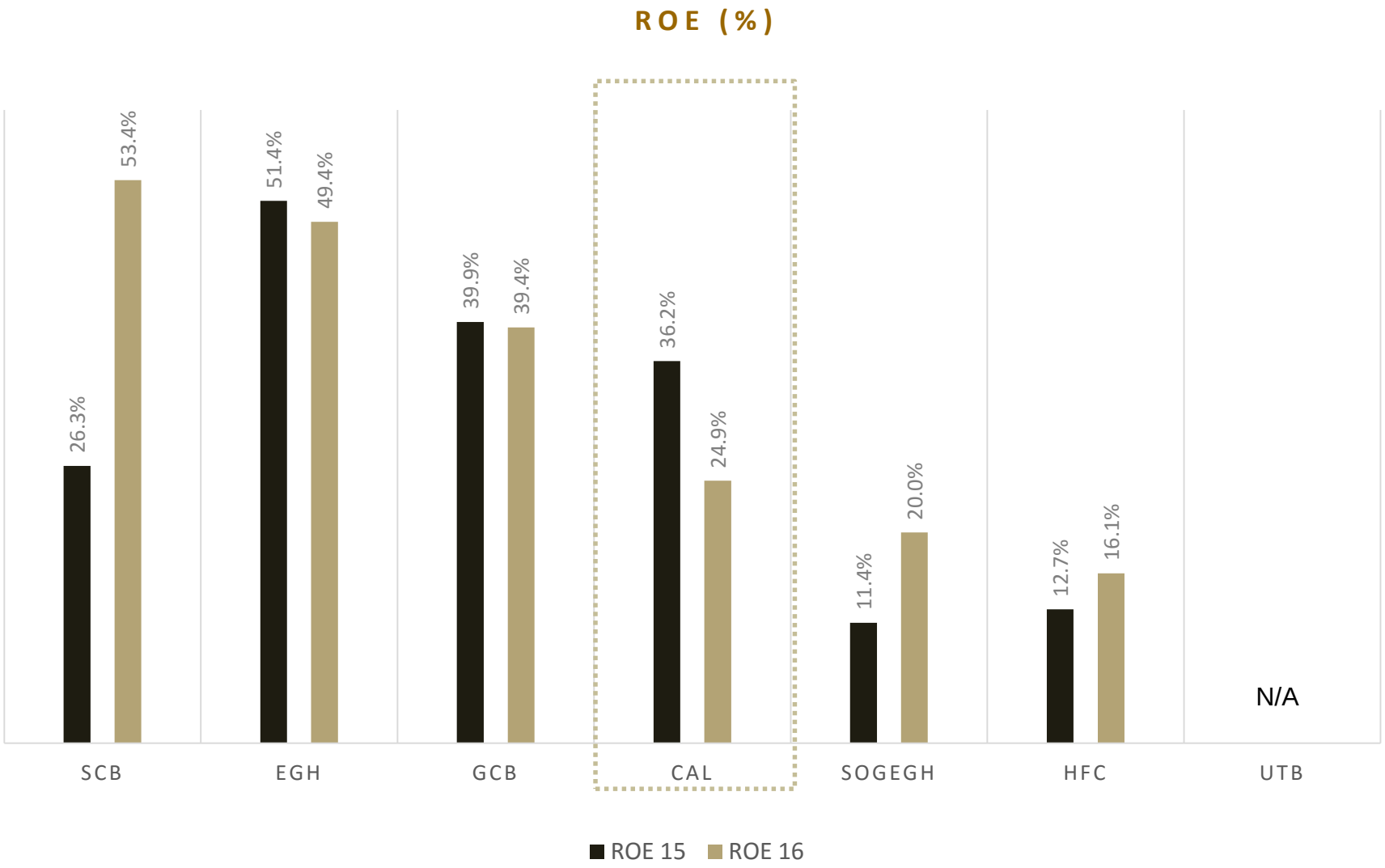
1H16 GROUP PERFORMANCE OF LISTED BANKS: SHAREHOLDER RETURNS - ROE



Using annualized 2016 figures

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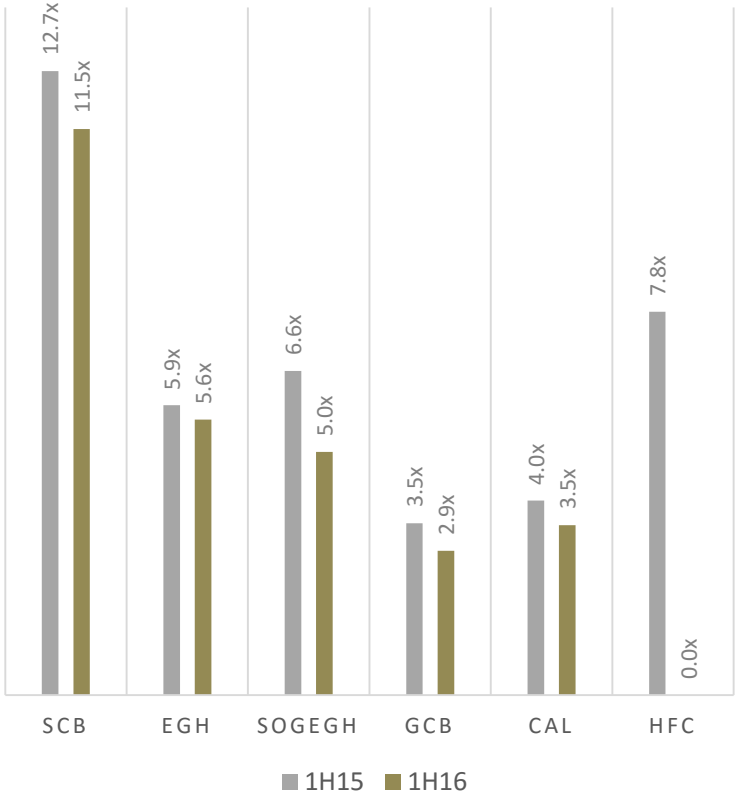
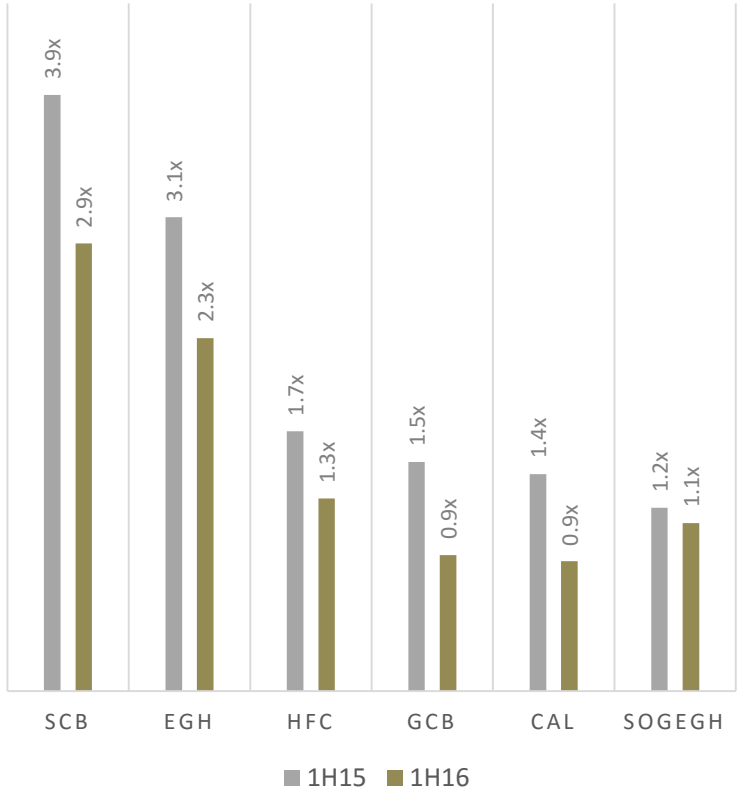
PRICE-TO-EARNINGS RATIO



PRICE-TO-BOOK RATIO



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1H16 Performance of Listed Banks

CAL 1H16 Performance Highlights

CAL Share Price Performance for the period

CAL Strategy and Outlook

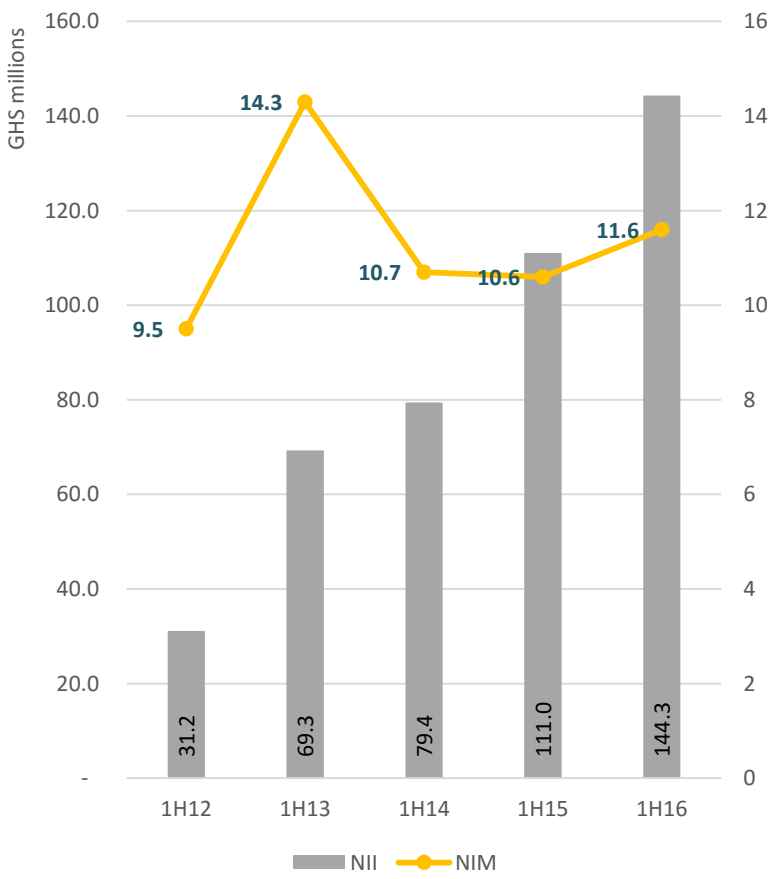
CAL SUMMARIZED GROUP INCOME STATEMENT 1H16

KEY ITEMS (GHS '000)	1H2016	1H2015	ΔY/Y
Interest Income	281,589	217,879	29.2%
Interest Expense	(137,254)	(106,856)	(28.4)%
Net Interest Income	**144,335**	**111,023**	**30.0%**
Fees and Commission Income	33,105	36,714	(9.8)%
Fees and Commission Expense	(1,759)	(2,677)	34.3%
Net Fees & Commissions	**31,346**	**34,037**	**(7.9)%**
Net Trading Income	18,184	39,548	(54.0)%
Other Income	5,943	6,591	(9.8)%
Total Income	**199,808**	**191,199**	**4.5%**
Credit Loss Expense	(18,929)	(11,136)	(70.0)%
Net Operating Income	**180,879**	**180,063**	**0.5%**
Total Operating Expense	(82,905)	(67,894)	(22.1)%
Profit Before Tax	**97,974**	**112,225**	**(12.7)%**
Income Tax Expense	(26,841)	(28,087)	4.4%
National Fiscal Stabilization Levy	(4,865)	(5,529)	12.0%
Profit-After-Tax	**66,268**	**78,609**	**(15.7)%**

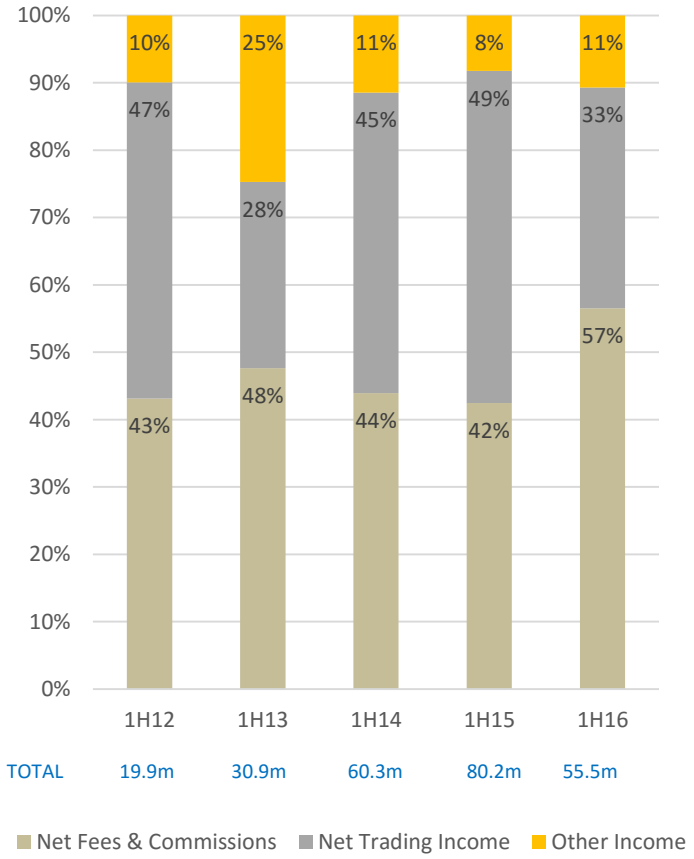
KEY FACTS

- Trading income and fees and commissions fell considerably due to general slow down in trading activities
- Credit loss expense increased due to additional write-downs of specific corporate loans in the construction sector
- Growth in operating expenses in line with inflation and increase in cost of goods and services

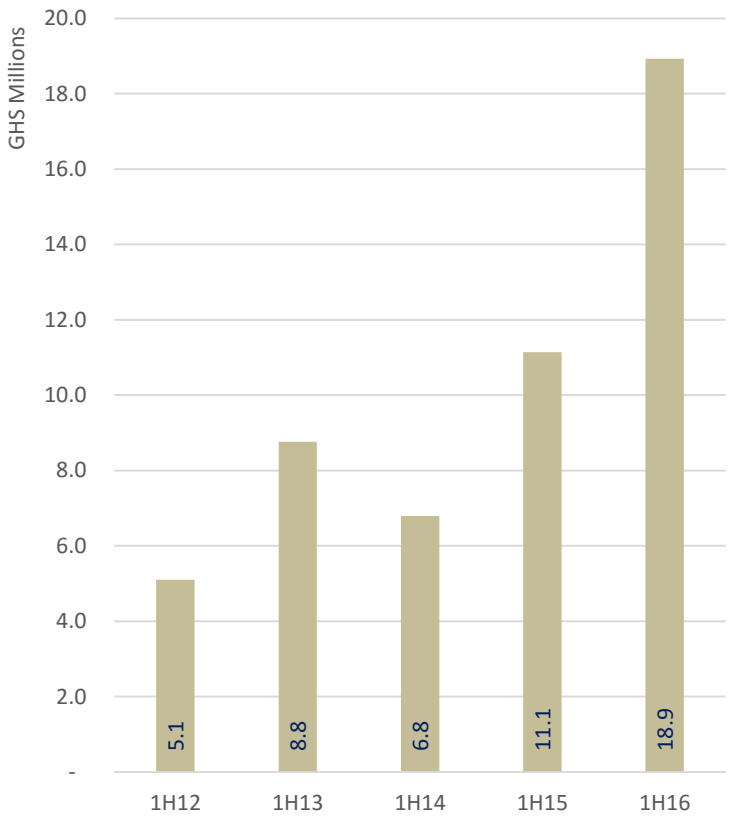
NET INTEREST INCOME and NET INTEREST MARGIN ANALYSIS



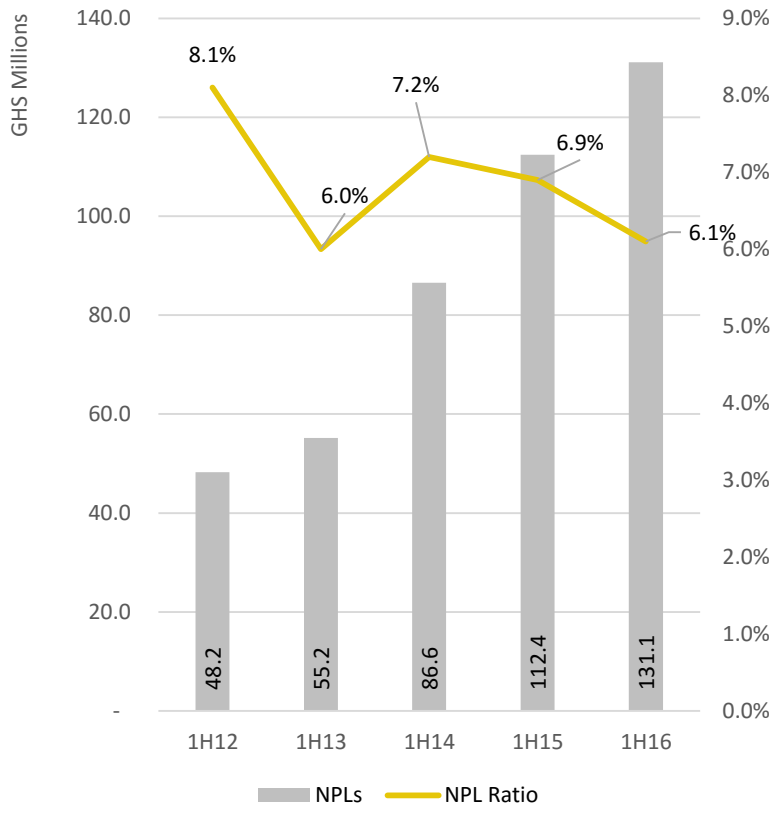
NON-FUNDED INCOME



CREDIT LOSS EXPENSE



NON PERFORMING LOANS



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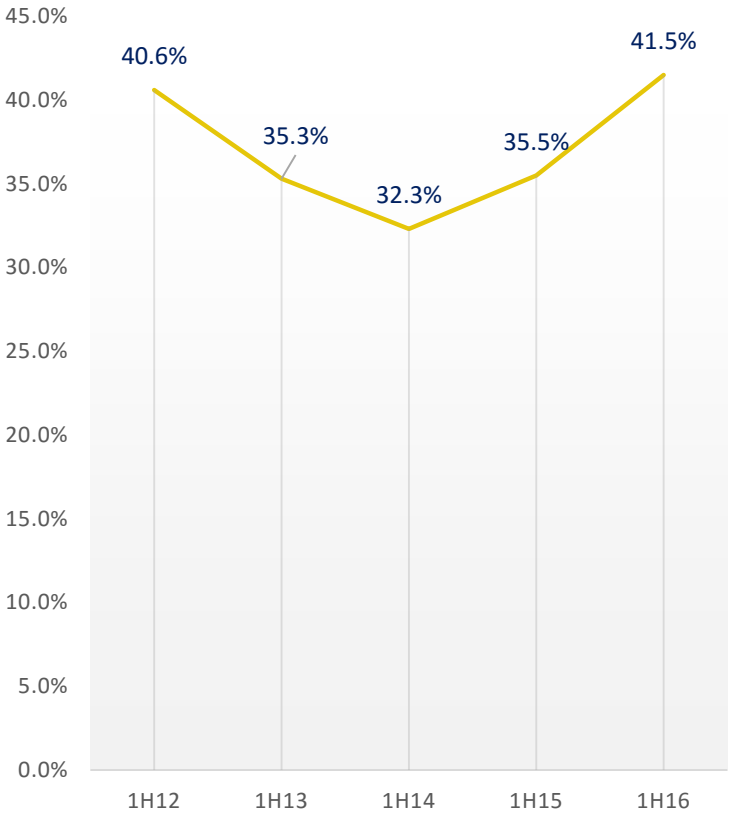
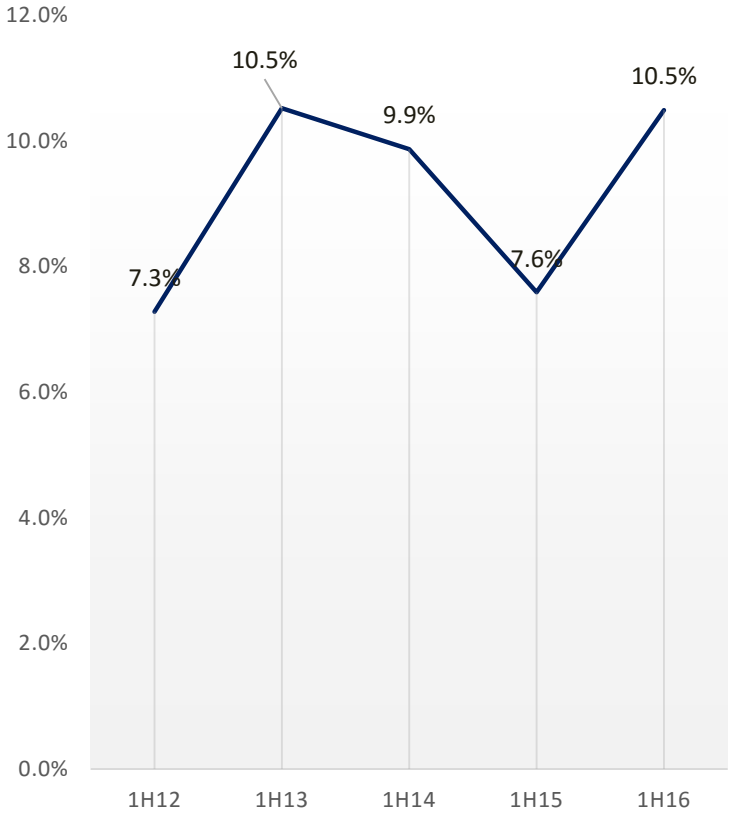
COST-TO-INCOME-RATIO



COST OF FUNDS - CONSOLIDATED



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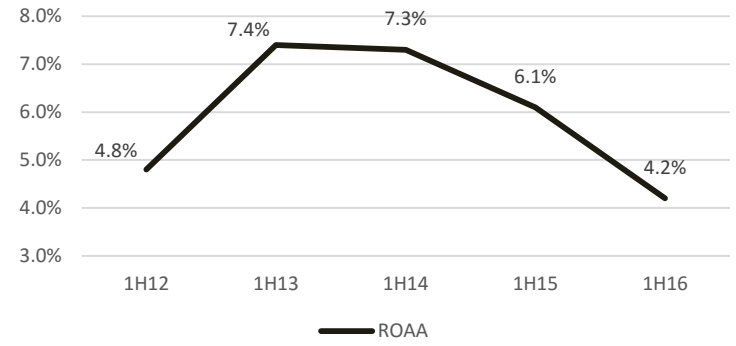
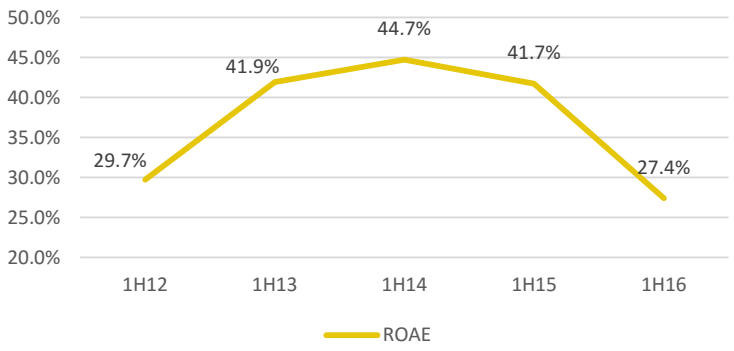
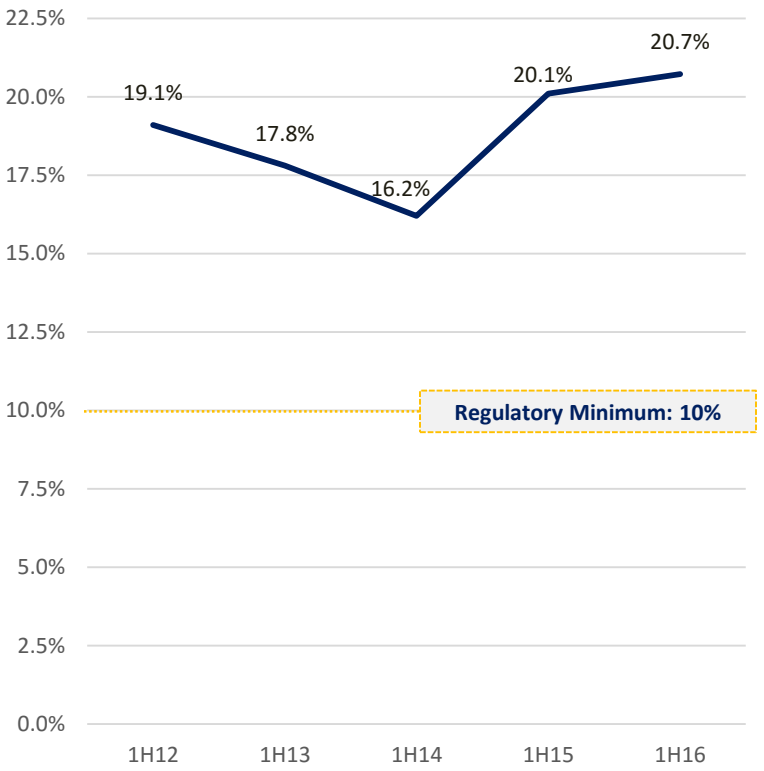
RETURN ON AVERAGE ASSETS



RETURN ON AVERAGE EQUITY



CAPITAL ADEQUACY RATIO



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CAL SUMMARIZED GROUP BALANCE SHEET 1H16

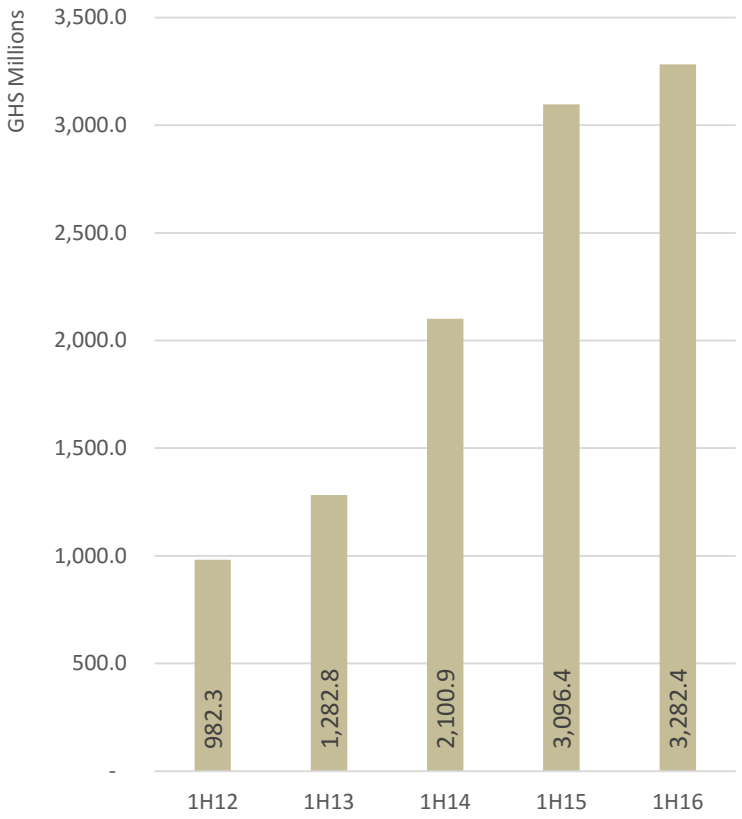
KEY ITEMS (GHS '000)	1H2016	1H2015	ΔY/Y
Investments in Government Securities	213,555	546,842	(60.9)%
Loans and Advance to Customers	2,048,990	1,581,682	29.5%
Fixed Assets	177,571	92,600	91.8%
Other Assets	842,281	875,230	(3.8)%
Total Assets	**3,282,397**	**3,096,354**	**6.0%**
Total Deposits	1,577,850	1,606,544	(1.8)%
Borrowings	1,042,452	936,981	11.3%
Other Liabilities	129,386	118,585	9.1%
Shareholders Equity	532,709	434,244	22.7%
Total Liabilities and Shareholders Equity	**3,282,397**	**3,096,354**	**6.0%**

KEY FACTS

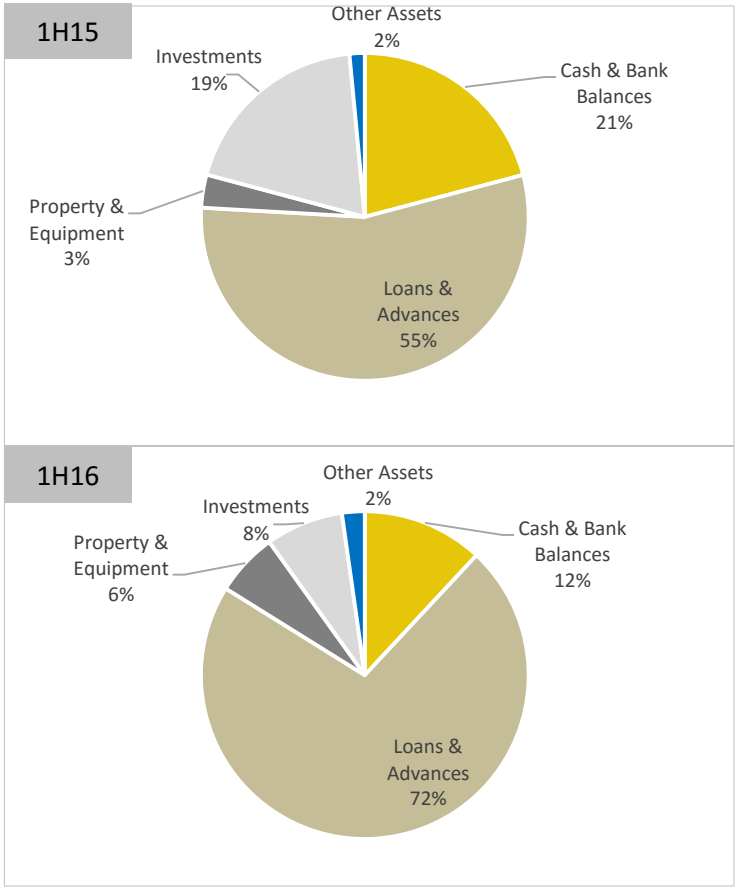
- Decrease in investment in government securities as maturing investments were not rolled over to bolster liquidity.
- Loans and advances growth of 29.5% mainly in commerce and finance, and energy sectors.
- Fixed asset growth of 91.8% over the period primarily from our investment in new IT infrastructure and head office building project.

GROWING ASSET BASE 2012-16

TOTAL ASSETS



TOTAL ASSET MIX



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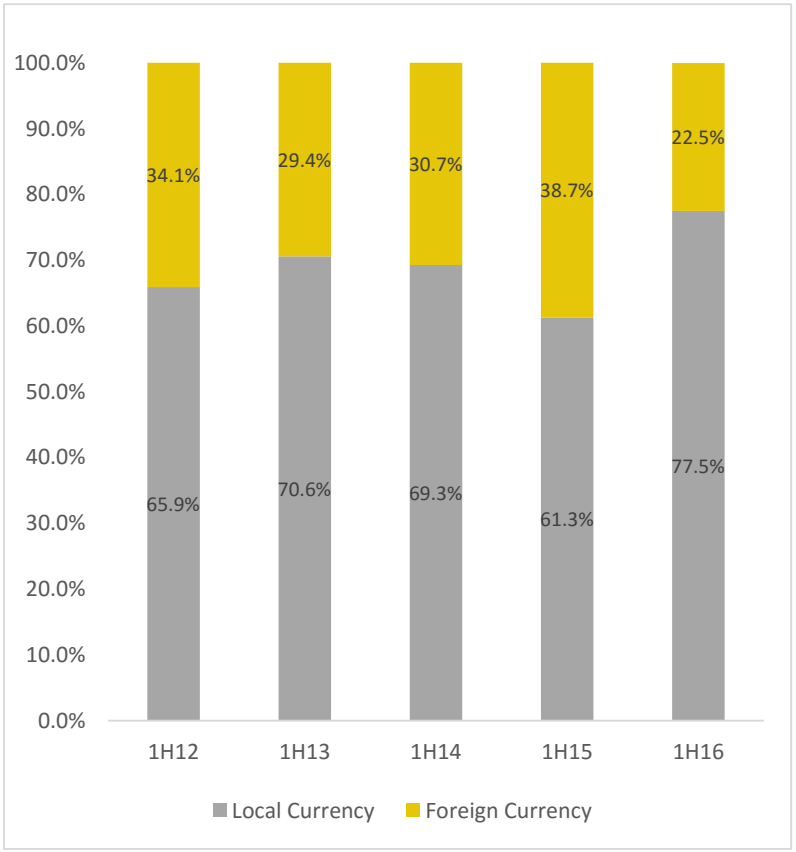
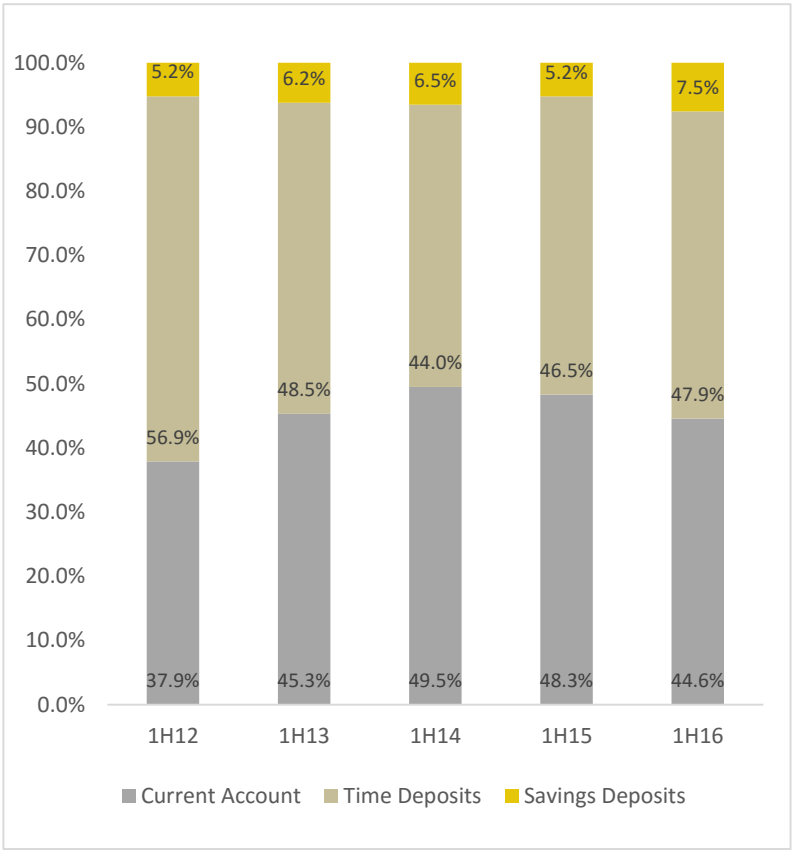
DEPOSIT PORTFOLIO 2012-16

DEPOSIT MIX BY CURRENCY



DEPOSIT MIX BY TYPE



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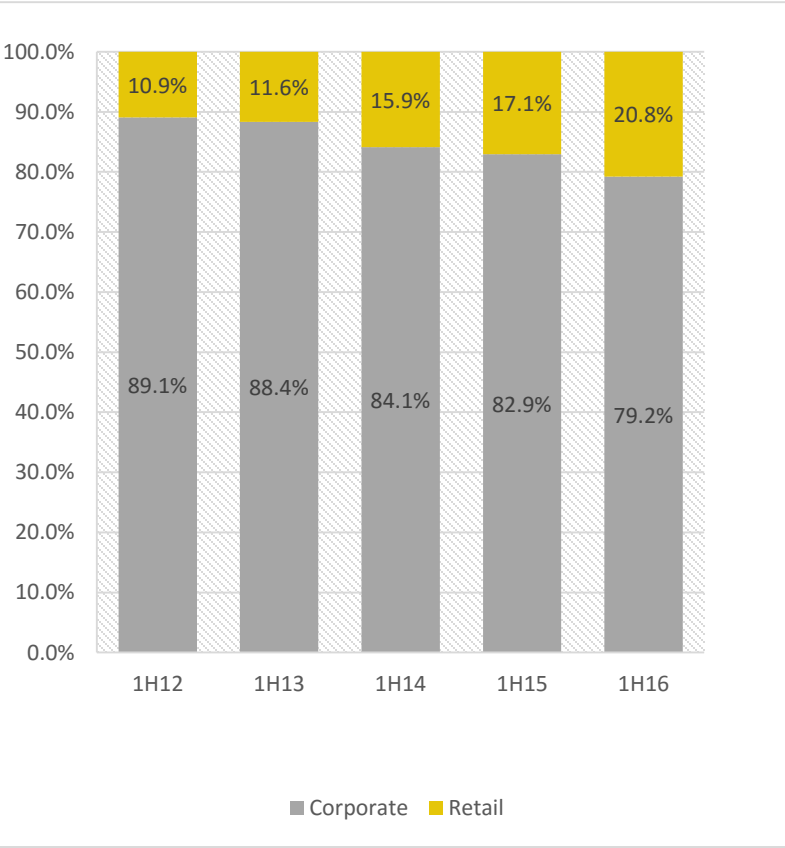
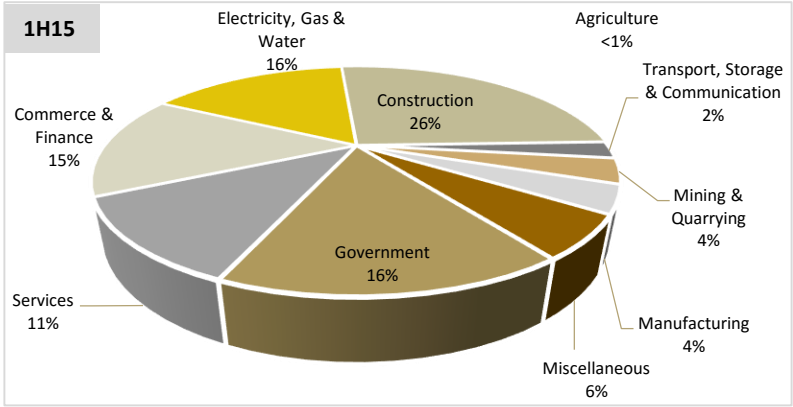
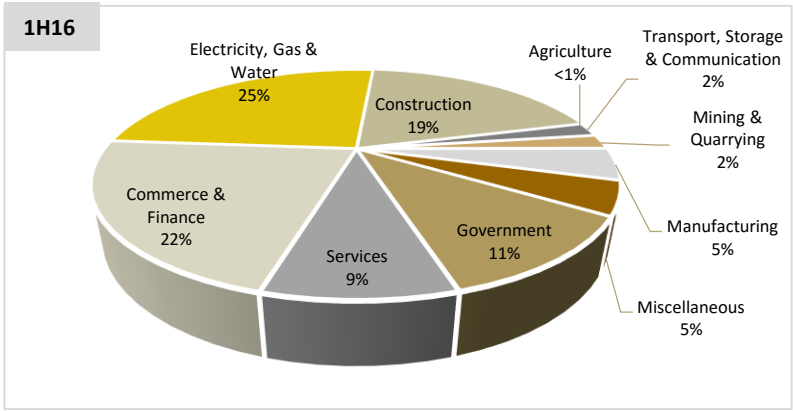
LOAN DISTRIBUTION BY CUSTOMER TYPE



LOAN DISTRIBUTION BY SECTOR





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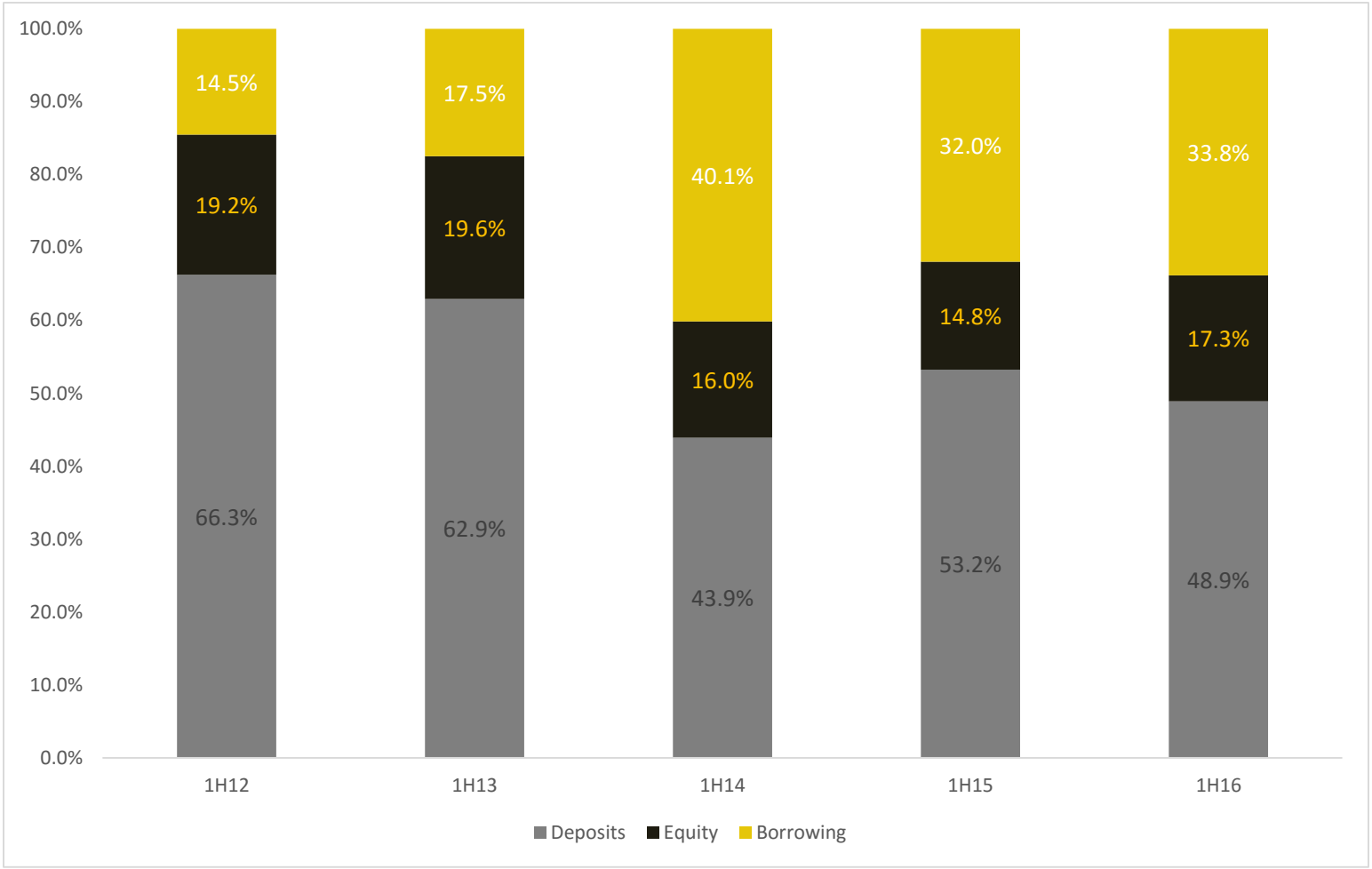
FUNDING MIX



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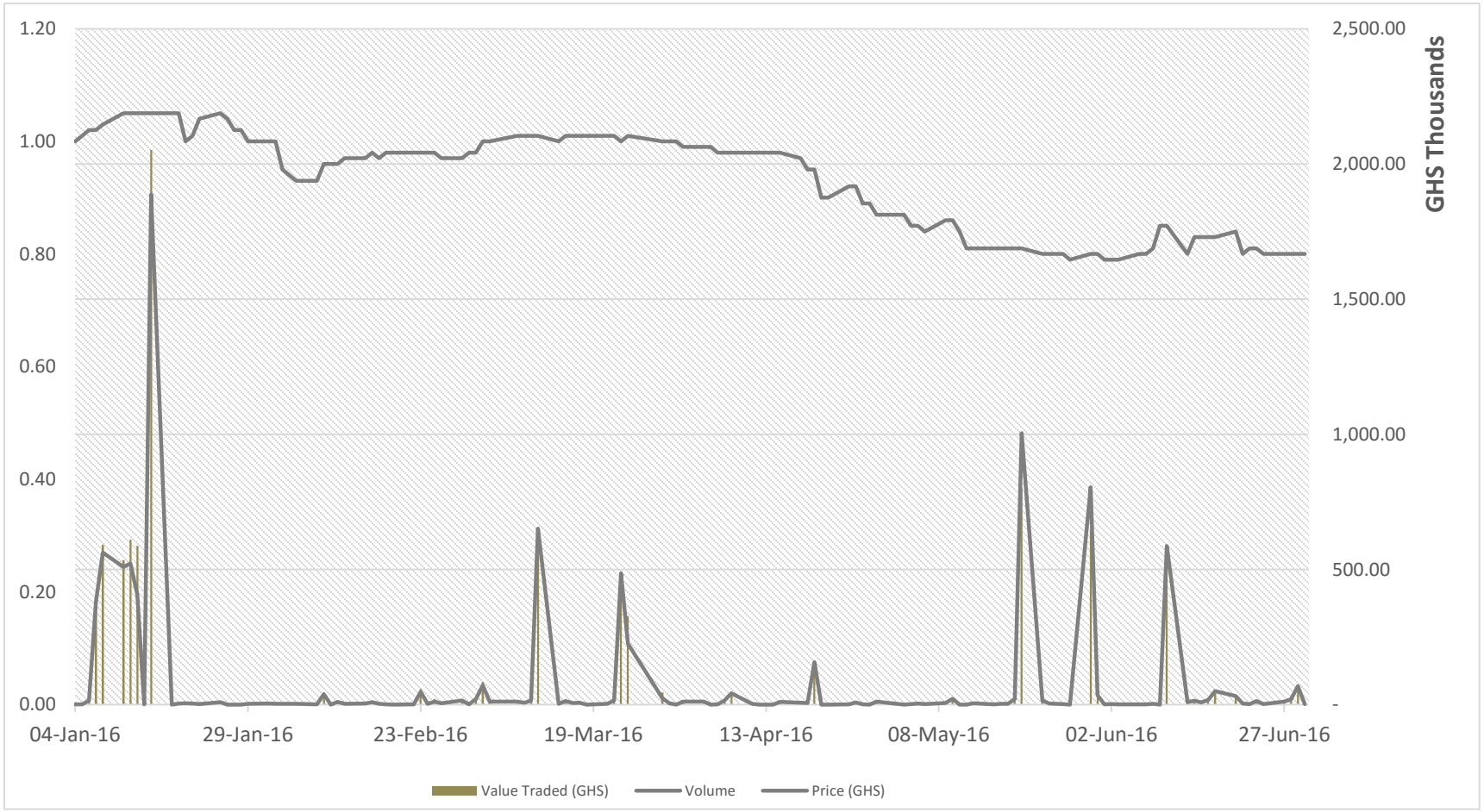
1H16 Performance of Listed Banks

CAL 1H16 Performance Highlights

CAL Share Price Performance for the period

CAL Strategy and Outlook

SHARE PRICE CHART JAN-JUN 2016



Min Price: GHS 0.79
Max Price: GHS 1.05

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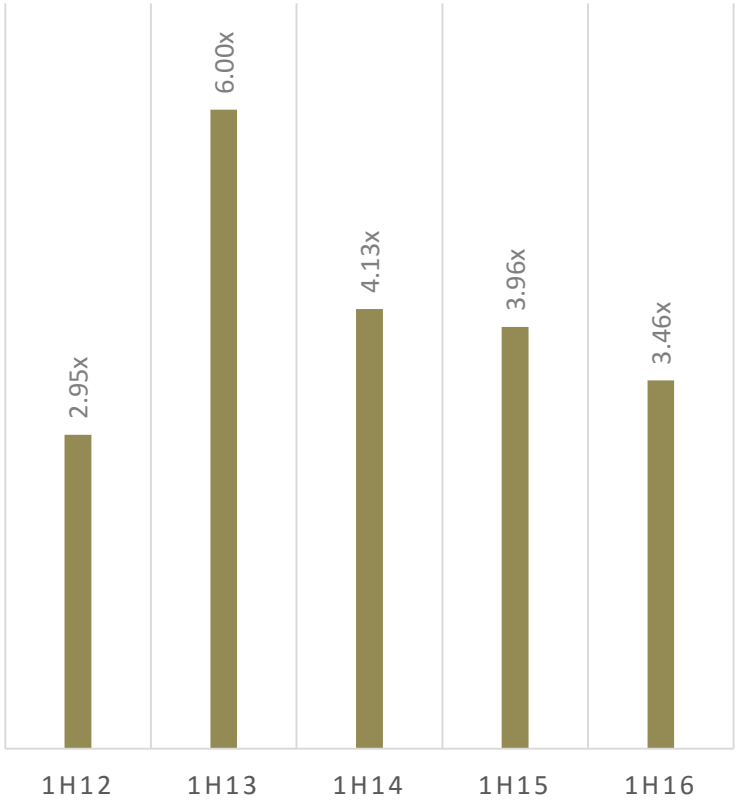
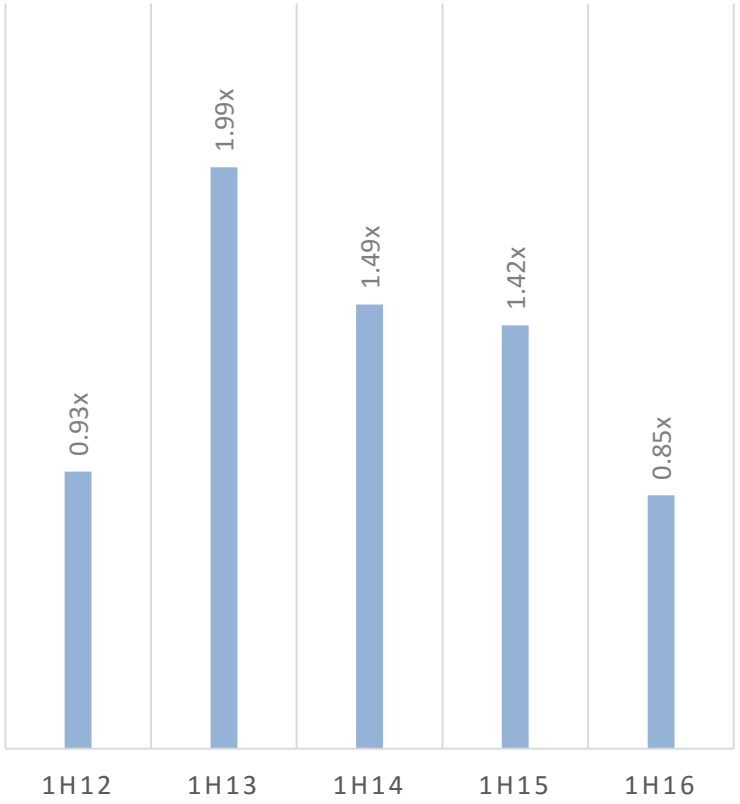
PRICE-TO-EARNINGS RATIO



PRICE-TO-BOOK RATIO



1. Trailing 12-months

1H16 Performance of Listed Banks

CAL 1H16 Performance Highlights

CAL Share Price Performance for the period

CAL Strategy and Outlook

Retail Banking	• Develop e-payment platforms with emphasis on digital channels. • Leverage on growing card schemes to offer diversified card services for enhanced customer experience, positively impacting on our customer base and translating into increased deposits. • Promote financial inclusion by deploying digital solutions to offer branchless banking services. • Refresh existing products and services by leveraging on enhanced technology to improve customer experience and market competitiveness.
Corporate Banking	• Employ cutting-edge technology to deliver enhanced tailor-made solutions for our corporate customers to offer them convenience and real-time banking. • Enhance forex generating capacity to ensure we meet forex needs of our customers. • Enhance relationship management and product knowledge.
People	• Implement a comprehensive performance management and reward systems. • Deepen staff skills and knowledge. • Develop and implement structured career progression and succession planning program. • Enhance organizational competence. • Implement workplace health and safety program.
Technology	• Leverage on growth in digital and mobile technology to develop cutting edge solutions that will offer customers convenience and also reach out to the unbanked. • Enhance transaction and process efficiency through technology. • Continuous and sustained investments in technology to ensure development of up-to-date, efficient products and services.
Risk Management & Compliance	• Enhance loan monitoring and early-detection toolkits to improve quality of loan portfolio. • Maintain low NPL ratio. • Continuously develop risk management and compliance culture amongst staff through training and other staff engagements. • Ensure adherence to regulatory requirements and best practice compliance procedures.

QUESTION & ANSWER PERIOD

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CLOSING REMARKS

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