



PRESS RELEASE

PR. No 317/2012

**CAL BANK LIMITED (CAL) -
THIRD QUARTER UN-AUDITED RESULTS**

CAL has released the attached announcement for the information of the general investing public.

Issued in Accra, this 31ST
day of October, 2012.

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att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, CAL
4. Computershare, (Registrars for CAL shares)
5. GSE Securities Depository
6. SEC
7. GSE Council Members
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For enquiries, contact:

**General Manager/Head of Listings, GSE on 0302 669908, 669914,
669935**

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Third Quarter Unaudited Results Q3-2012

ACCRA, GHANA - 30th October 2012

CAL Bank, (Ghana Stock Exchange: CAL) the Ghanaian universal bank which recently admitted private equity and development finance capital in a highly successful oversubscribed private placement, is pleased to announce its unaudited results for the third quarter ended September 30, 2012.

CAL Bank's CEO, Mr. Frank B. Adu Jnr, was delighted to comment on the Bank's impressive third quarter 2012 performance as follows;

"For the third successive quarter in 2012, I am pleased to announce excellent quarterly results. We have achieved Group Total Income of GHS 84.4 million, an increase of 80.6% on the previous year, owing to the remarkable performance of all business segments. This growth is underpinned by a 94.7% growth in net interest income year-on-year (yoy) and a 31% growth in net fees and commissions. Our significant performance in Trading Income in Q3-2012, which grew by an impressive 152.5%, was due to increased foreign exchange trade opportunities that we seized in the market. This revenue growth has been achieved whilst prudently managing Operating Expenses, which were up by 31.8% yoy. Despite a 69.2% growth in the loan book, Impairment charges have been contained, growing by 17.3% yoy due to our enhanced recoveries activities throughout 2012 and prudent risk management. This is further reflected in our NPL ratios falling to 7.9% from 10% in 2011."

Mr. Adu further commented: "I am particularly proud of our impressive return ratios this quarter, having only recently taken on GHS 75 million in new capital at the end of the Q2-2012. Our EPS (yoy) is up by 55% to GHS 0.0571 and our Group ROAE (yoy) increased to 31.2%. Looking ahead, with our Q3-2012 Group Pre-tax profits of GHS 41.8 million already up by 79 % on the full year 2011, our shareholders and investors can confidently expect to be delighted with CAL's end of year 2012 results".

Chief Financial Officer, Mr. Philip Owiredu added:

“Our revenue growth continues to be driven largely by Interest Income (65% of total income) and Net Fees & Commissions (17% of total income). Net trading Income from increased foreign exchange activities has also contributed an impressive 14% to Total Income in Q3-2012, up by 152.5% on the previous year. Our Q3-2012 Net Interest Margin grew to 10.3% from 8.4% in the previous year due to upward re-pricing of assets as interest rates have increased. Our robust profitability has been bolstered by cost control measures put in place over the past year including process automation and other structured programs to control Administrative & General expenses. These measures have resulted in a gradual reduction in our Cost-to-Income ratio to 38.8% (53.2% in 2011). As expected, in an increasingly competitive banking industry, staff costs grew by 42% yoy to cater for improved staff training as well as inflationary increases. All of these factors combined have enabled us generate healthy returns for our shareholders”.

CAL's ROAA grew to 5.1% in Q3-2012 (1.9% in Q3-2011). ROAE also rose appreciably to 31.2% from 15.2% in the previous year. Total assets increased by 33.5% to GH¢ 1,024 million driven mainly by growth in interest earning assets. Loans & Advances grew by 69.2% mainly in the construction, mining, transport and telecoms sectors in a well-diversified portfolio. As interest rates have risen through the year, CAL also took steps to preserve asset quality through increased Investment in Government Securities (149.1% growth yoy). Non-Performing Loans (NPL) ratio dropped to 7.9% in Q3-2012 (10% in Q3 2011) through an intensive recovery process. These NPL levels continue to be significantly below the industry average.

The Group's financial highlights for the third Quarter ended 30 September 2012

Key Ratios - Generating healthy returns

- Shareholders' Funds up 113.5% to GH¢182.8 m (GH¢85.6 m Q3 2011)
- Cost/income ratio of 38.8% (53.2% in Q3 2011)
- RoAE of 31.2% (15.2% in Q3 2011)
- RoAA of 5.1% (1.9% in Q3 2011)

Profit & Loss - Robust profitability & declining cost margins

- Net Operating Income of GH¢74.6m, up 94.4% (GH¢38.4m in Q3 2011)
- Profit before Tax of GH¢41.8 m, up 214.1% (GH¢13.3m in Q3 2011)
- Profit after Tax of GH¢31.3 m, up 242.7% (GHS 9.1m in Q3 2011)
- Net interest margin of 10.3% (8.4% in Q3 2011)

Balance Sheet - Improved Asset quality, Prudent Risk Management

- Total assets of GHS 1,023.8 m, up 33.5% (GHS 767.1 m in Q3 2011)
- Net Loans & Advances of GHS 638.4 m, up 69.2% (GHS 377.2 m in Q3 2011)
- Customer Deposits up 2.2% to GHS 583.5 m (GHS 570.8 m in Q3 2011)
- Capital Adequacy Ratio of 17.4%. (11.2% in Q3 2011)

- NPL ratio 7.9% from 10% Q3 2011

FOR FURTHER INFORMATION:

CAL Bank

Philip Owiredu (Chief Financial Officer): +233 (0)302 680 264
Dzifa Amegashie (Investor Relations Officer) +233 (0)302 685 091

Notes to the Editors:

CAL Bank commenced operations in July 1990, and is considered to be one of the most innovative banks in Ghana.

The Bank mobilizes resources in world financial markets, and channels them to the Ghanaian market. In this way, CAL Bank supports the development of the national economy, focusing particularly on the manufacturing and export sectors.

With its highly skilled professional and motivated staff, CAL Bank plays an important role in the Ghanaian financial sector by providing wholesale banking services to corporate clients with sound financial bases and competent management. Much emphasis is placed on the economic viability and technical feasibility of each project, as well as the marketability of the client's products and services.

Having acquired a universal Banking License in 2004, CAL has included a retail-banking arm to its operations with specialized products and services to cater for the retail market. To complement retail banking and in line with its expansion programme, CAL is in the process of opening several branches in major cities and business districts in Ghana.

More information available at www.calbank.net