



ADVANS GHANA SAVINGS AND LOANS LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2018

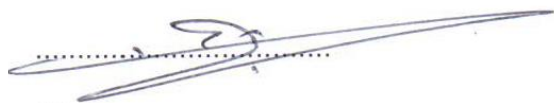
Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended June 30, 2018

	2018 GHS	2017 GHS
Interest income	28,759,704	21,104,651
Interest expense	<u>(8,103,443)</u>	<u>(7,026,806)</u>
Net interest income	20,656,261	14,077,844
Fees and commission income	3,230,563	2,589,897
Other operating income	10,363	15,825
Loan impairment charges	(2,975,835)	(2,410,041)
Personnel expenses	(8,959,327)	(6,810,962)
Depreciation of property and equipment	(971,183)	735,484
Amortisation of intangible assets	(49,817)	(131,301)
Other operating expenses	<u>(9,119,971)</u>	<u>(6,263,611)</u>
Profit before income tax	<u>1,821,053</u>	<u>332,167</u>
National Stabilisation Levy	(91,053)	(14,557)
Income tax expense	<u>(455,263)</u>	<u>(72,784)</u>
Profit for the year	1,274,737	244,826
Other comprehensive income	-	-
Total comprehensive income	<u>1,274,737</u>	<u>244,826</u>

**Statement of Financial Position
as at June 30, 2018**

	2018 GHS	2017 GHS
Assets		
Cash and bank balances	3,184,263	6,300,995
Due from banks	9,664,085	8,882,786
Government securities	2,190,526	3,611,357
Loans and advances to customers	90,601,911	63,348,548
Other assets	6,354,839	6,907,649
Property and equipment	7,774,829	6,536,981
Intangible assets	190,737	145,779
Deferred tax asset	<u>1,016,841</u>	<u>745,333</u>
Total Assets	<u>120,978,031</u>	<u>96,479,429</u>
Equity and Liabilities		
Liabilities		
Customer deposits	31,604,727	25,547,092
Borrowings	63,537,425	51,242,465
Corporate tax payable	803,813	406,199
Other liabilities	<u>4,400,461</u>	<u>1,709,726</u>
Shareholders' equity		
Stated capital	17,291,374	17,291,374
Income surplus	(1,503,955)	(2,517,829)
Profit for the period	1,274,737	244,826
Statutory reserve	<u>3,569,449</u>	<u>2,555,575</u>
Total share holders' equity	<u>20,631,605</u>	<u>17,573,947</u>
Total equity and liabilities	<u>120,978,031</u>	<u>96,479,429</u>

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



Director



Acting Chief Executive Officer

Statement of Cash Flow for the Half Year Ended June 30, 2018

	2018 GHS	2017 GHS
<u>Cashflows from Operating Activities:</u>		
Profit before taxation	1,821,053	332,167
Adjustments for:		
Depreciation	971,183	735,484
Amortization	49,817	131,301
Loss/(profit) on the sale of property, plant & Equipment	292	(40,482)
Working capital changes:		
Change in loans & advances	(1,774,006)	819,475
Change in other assets	(83,197)	(203,236)
Change customer deposits	4,549,847	3,282,791
Change in other liabilities	<u>2,469,036</u>	<u>(935,844)</u>
Cash generated from operations	8,004,024	4,121,656
Income taxes paid	(691,467)	(477,658)
Net cash used in operating activities	<u>7,312,558</u>	<u>3,643,997</u>
<u>Cashflows from Investing Activities:</u>		
Purchase of property, plant and equipment	(1,725,044)	(1,843,067)
Proceeds from sale of equipment	800	42,039
Net cash used in investing activities	<u>(1,724,244)</u>	<u>(1,801,028)</u>
<u>Cash Flows from Financing Activities:</u>		
Deposit for shares	-	(2,440,185)
Proceeds from issue of share	-	5,000,040
Proceeds from borrowings	7,571,956	11,062,500
Repayment of borrowings	(9,843,333)	(11,722,393)
Net cash generated from financing activities	<u>(2,271,377)</u>	<u>1,899,962</u>
	3,316,937	3,742,932
Net Increase/(decrease) in cash and cash Equivalents		
Cash and cash equivalents at beginning of Period	11,721,937	15,052,206
Cash and cash equivalents at end of period	<u>15,038,874</u>	<u>18,795,138</u>
Analysis of Cash and Cash Equivalents:		
Cash & bank balances	3,184,263	6,300,995
Due from banks	9,664,085	8,882,786
Government securities	<u>2,190,526</u>	<u>3,611,357</u>
	<u>15,038,874</u>	<u>18,795,138</u>

Statement of Change in Equity for the Half Year Ended June 30, 2018

	Stated Capital	Deposit for Shares	Income Surplus	Statutory Reserve	Total
	GHS	GHS	GHS	GHS	GHS
At 1 January 2018	17,291,374	-	(1,503,955)	3,569,449	19,356,868
Proceeds from issue of	-	-	-	-	-
Deposit made for shares	-	-	-	-	-
Profit for the Period	-	-	1,274,737	-	1,274,737
Transfer to statutory Reserve	-	-	-	-	-
Balance as at 30th June, 2018	<u>17,291,374</u>	<u>-</u>	<u>(229,218)</u>	<u>3,569,449</u>	<u>20,631,605</u>

	Stated Capital	Deposit for Shares	Income Surplus	Statutory Reserve	Total
	GHS	GHS	GHS	GHS	GHS
At 1 January 2017	12,291,334	2,440,185	(2,517,829)	2,555,575	14,769,265
Proceeds from issue of shares	5,000,040	-	-	-	5,000,040
Deposit made for shares	-	(2,440,185)	-	-	(2,440,185)
Profit for the Period	-	-	244,826	-	244,826
Transfer to statutory Reserve	-	-	-	-	-
Balance as at 30th June, 2017	<u>17,291,374</u>	<u>-</u>	<u>(2,273,003)</u>	<u>2,555,575</u>	<u>17,573,946</u>

1. Reporting Entity

The company is incorporated in Ghana under the Companies Act, 1963 (Act 179) as a limited liability company and is domiciled in Ghana. The address of its registered office is Advans Ghana Savings and Loans Limited, New Town Road, opposite Mallam Atta market, P.O. Box AN 11426, Accra North. Advans Ghana Savings and Loans Limited is authorized to transact business as a savings and loans company. The company is a subsidiary of Advans SA SICAR, a company incorporated in Luxembourg, which holds 60.03% of the issued ordinary shares of the company.

2. Basis of Preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 1963 (Act 179) Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The principal accounting policies applied in the preparation of these financial statements are consistent with the accounting policies applied in the preparation of the audited financial statements for the year ended December 31, 2017. These policies have been applied consistently to the prior period financial statements.

3. Use of Judgement and Estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed.

4. Risk Management

As a financial institution, risk is at the core of our operations. To manage it, we have designed a risk management framework that aims to comprehensively cover the following risks: Credit Risk, Liquidity Risk, Operational Risk, and Market Risk.

- Credit Risk is managed by using internal credit ratings for all credits, and a strong credit appraisal and control regime adopted by the Advans Group.
- The assets and Liabilities Committee (ALCO) under delegated authority from the Board of Director's sets and Monitor Liquidity Risk and Market Risk standards in accordance with regulatory and Group requirements. Over the period, no default has been recorded in the maintenance of statutory liquidity.

5. Key Ratios

The relevant key ratios during the period include:

	2018	2017
Non-Performing Loans Ratio	6.77%	5.43%
Capital Adequacy Ratio	13.54%	15.60%

