

ADV

SAVINGS & LOANS

ADVANS GHANA SAVINGS AND LOANS LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE, 2020

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE, 2020

	June 2020	June 2019
	GHS	GHS
Interest income	36,803,286	34,234,240
Interest expense	(11,117,556)	*(8,981,552)
Net interest income	25,685,730	25,252,689
Loan impairment charges	(4,109,613)	(2,968,398)
Net interest income after loan impairment charges	21,576,117	22,284,291
Fees and commissions income	3,999,352	3,896,235
Other operating income	200,874	20,288
Personnel Expenses	(12,152,822)	(10,965,428)
Depreciation of Property and Equipment	(1,305,156)	(1,160,491)
Depreciation of right-of-use assets	(1,016,862)	*(947,494)
Amortisation of intangible Assets	(35,238)	(12,292)
Other operating expenses	(8,593,506)	*(9,501,923)
Total operating expenses	(23,103,584)	(22,587,629)
Profit before income tax	2,672,758	3,613,186
National Stabilisation Levy	(133,638)	(180,659)
Income tax expense	(668,189)	(903,296)
Profit for the year	1,870,931	2,529,230
Other comprehensive income	-	-
Total comprehensive income	1,870,931	2,529,230

UNAUDITED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2020

	June 2020	June 2019
	GHS	GHS
Cash flows from operating activities		
Profit before taxation	2,672,758	3,613,186
Adjustments for:		
Depreciation	1,305,156	1,160,491
Amortization	35,238	12,292
Loss/(Profit) on the sale of property, plant & equipment	(19,363)	30
Working capital changes:		
Change in loans & advances	27,280,928	6,287,611
Change in other assets	(2,751,083)	(4,377,875)
Change customer deposits	4,112,344	424,276
Change in other liabilities	885,021	2,573,093
Cash generated from operations	33,520,999	9,693,104
Income taxes paid	(1,756,590)	(1,847,974)
Net cash used in operating activities	31,764,409	7,845,129
Cash flows from investing activities		
Purchase of property, plant and equipment	(956,048)	(1,948,058)
Additions to Intangible Assets	(152,127)	-
Proceeds from sale of property, plant and equipment	30,000	650
Net cash used in investing activities	(1,088,175)	(1,947,408)
Cash flows from financing activities		
Dividends Paid	-	(1,452,604)
Net (decrease)/increase in lease liabilities	383,944	5,557,748
Net (decrease)/increase in borrowings	(7,609,798)	(4,693,011)
Net cash used in financing activities	(7,425,654)	(587,862)
Net change in cash and cash equivalents	23,150,988	5,309,854
Cash and cash equivalents at 1 January	14,077,005	11,664,902
Cash and cash equivalents at end of period	37,327,993	16,974,756
Analysis of cash and cash equivalents:		
Cash & bank balances	3,578,557	3,122,376
Due from banks	7,242,059	6,834,862
Government securities	26,506,774	7,017,518
	37,327,390	16,974,756

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2020

	June 2020	June 2019
	GHS	GHS
Assets		
Cash and bank balances	3,578,557	3,122,376
Due from banks	7,242,059	6,834,862
Government securities	26,506,774	7,017,518
Loans and advances to customers	108,888,860	106,839,749
Other assets	11,029,299	*3,193,887
Property and equipment	7,774,243	8,026,347
Right-of-use assets	8,369,101	*8,558,597
Intangible assets	305,142	198,342
Deferred tax asset	3,107,642	2,075,100
Total assets	176,801,676	145,866,779
Equity and liabilities		
Liabilities		
Customer deposits	49,998,028	37,597,367
Borrowings	78,241,935	68,623,510
Lease Liabilities	6,221,210	*5,557,748
Corporate tax payable	1,851,271	1,570,456
Other liabilities	6,051,645	6,171,085
Total liabilities	142,364,099	119,520,165
Shareholders' equity		
Stated capital	17,291,374	17,291,374
Statutory Reserve	11,836,110	7,790,624
Retained earnings	5,310,101	1,264,615
Total shareholders' equity	34,437,588	26,346,613
Total equity and liabilities	176,801,676	145,866,779

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE, 2020

Period ended 30 June 2020	Stated Capital	Income Surplus	Statutory Reserve	Total
At 1 January 2020	17,291,374	4,374,636	10,900,645	32,566,655
Profit for the period	-	1,870,931	-	1,870,931
Dividend paid during the period	-	-	-	-
Transfer to statutory Reserve	-	(935,465)	935,465	-
At 30 June 2020	17,291,374	5,310,101	11,836,110	34,437,588
Period ended 30 June 2019	Stated Capital	Income Surplus	Statutory Reserve	Total
At 1 January 2019	17,291,374	1,452,604	6,526,009	25,269,987
Profit for the period	-	2,529,230	-	2,529,230
Dividend paid during the period	-	(1,452,604)	-	-
Transfer to statutory Reserve	-	(1,264,615)	1,264,615	-
At 30 June 2019	17,291,374	1,264,615	7,790,624	26,346,613

1. Reporting Entity

Advans Ghana Savings and Loans Limited was incorporated on 30 November 2007 as a Limited Liability Company under the Companies Act 1963, (Act 179), now replaced by the Companies Act 2019 (Act 992). The company is a subsidiary of Advans SA SICAR, a company incorporated in Luxembourg, which holds 50% 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 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930).

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial assets and liabilities.

3. Use of Judgement and Estimates

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of profit or loss and other comprehensive income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

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 monitors 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. Regulatory Disclosures

	June 2020	June 2019
Non-Performing Loans Ratio	14.7%	8.8%
Capital Adequacy Ratio	15.7%	14.4%
Default in Statutory Liquidity	Nil	Nil
Statutory Sanctions	Nil	Nil

Director

Director

*Amounts have been restated to reflect the application of IFRS 16 for the financial year 2019.

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