

ADVANS GHANA SAVINGS AND LOANS LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE, 2019

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE, 2019

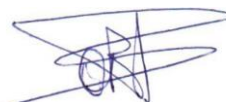
	JUNE 2019	JUNE 2018
	GHS	GHS
Interest income	34,234,240	28,759,704
Interest expense	<u>(8,745,310)</u>	<u>(8,103,443)</u>
Net interest income	25,488,930	20,656,261
Loan impairment charges	(2,968,398)	(2,975,835)
Net interest income after loan impairment charges	<u>22,520,532</u>	<u>17,680,426</u>
Fees and commissions income	3,896,235	3,230,563
Other operating income	20,288	10,071
Personnel Expenses	(10,965,428)	(8,959,327)
Depreciation of Property and Equipment	(1,160,491)	(971,183)
Amortisation of intangible Assets	(12,292)	(49,817)
Other operating expenses	<u>(9,961,024)</u>	<u>(9,119,679)</u>
Total operating expenses	(22,099,235)	(19,100,006)
Profit before income tax	<u>4,337,820</u>	<u>1,821,054</u>
National Stabilisation Levy	(216,891)	(91,053)
Income tax expense	(1,084,455)	(455,263)
Profit for the year	3,036,474	1,274,738
Other comprehensive income	-	-
Total comprehensive income	<u>3,036,474</u>	<u>1,274,738</u>

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2019

	JUNE 2019 GHS	JUNE 2018 GHS
Assets		
Cash and bank balances	3,122,376	3,184,263
Due from banks	6,834,862	9,664,085
Government securities	7,017,518	2,190,526
Loans and advances to customers	106,831,850	90,208,577
Other assets	6,927,272	6,748,172
Property and equipment	8,026,347	7,774,829
Intangible assets	198,342	190,737
Deferred tax asset	<u>2,075,100</u>	<u>1,016,841</u>
Total assets	<u>141,033,667</u>	<u>120,978,030</u>
Equity and liabilities		
Liabilities		
Customer deposits	37,597,367	31,604,727
Borrowings	68,623,510	63,537,425
Corporate tax payable	1,787,846	803,813
Other liabilities	<u>6,171,085</u>	<u>4,400,461</u>
Total liabilities	<u>114,179,808</u>	<u>100,346,426</u>
Shareholders' equity		
Stated capital	17,291,374	17,291,374
Statutory Reserve	8,044,246	4,206,817
Income surplus	1,518,238	(866,586)
Total shareholders' equity	<u>26,853,858</u>	<u>20,631,605</u>
Total equity and liabilities	<u>141,033,667</u>	<u>120,978,030</u>



Director



Director

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE, 2019

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	-	3,036,474	-	3,036,474
Dividend paid during the period	-	(1,452,604)	-	(1,452,604)
Transfer to statutory Reserve	<u>-</u>	(1,518,238)	1,518,238	<u>-</u>
At 30 June 2019	<u>17,291,374</u>	<u>1,518,238</u>	<u>8,044,246</u>	<u>26,853,858</u>
Period ended 30 June 2018	Stated Capital	Income Surplus	Statutory Reserve	Total
At 1 January 2018	17,291,374	(1,503,955)	3,569,449	19,356,868
Profit for the period	-	1,274,738	-	1,274,738
Dividend paid during the period	-	-	-	-
Transfer to statutory Reserve	<u>-</u>	(637,368)	637,368	<u>-</u>
At 30 June 2018	<u>17,291,374</u>	<u>(866,586)</u>	<u>4,206,817</u>	<u>20,631,605</u>

**UNAUDITED STATEMENT OF CASH FLOWS FOR THE HALF YEAR
ENDED 30 JUNE, 2019**

	JUNE 2019 GHS	JUNE 2018 GHS
Cash flows from operating activities		
Profit before taxation	4,337,820	1,821,054
Adjustments for:		
Depreciation	1,160,491	971,183
Amortization	12,292	49,817
Loss/(Profit) on the sale of property, plant & equipment	30	292
Working capital changes:		
Change in loans & advances	6,287,611	(1,774,006)
Change in other assets	455,237	(83,197)
Change customer deposits	424,276	4,549,847
Change in other liabilities	<u>2,573,093</u>	<u>2,469,036</u>
Cash generated from operations	15,250,850	8,004,026
Income taxes paid	<u>(1,847,974)</u>	<u>(691,467)</u>
Net cash used in operating activities	13,402,876	7,312,559
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,948,058)	(1,725,044)
Additions to Intangible Assets	-	-
Proceeds from sale of property, plant and equipment	<u>650</u>	<u>800</u>
Net cash used in investing activities	(1,947,408)	(1,724,244)
Cash flows from financing activities		
Dividends Paid	(1,452,604)	-
Proceeds from borrowings	-	7,571,956
Repayment of borrowings	(4,693,011)	(9,843,333)
Net cash used in financing activities	<u>(6,145,615)</u>	<u>(2,271,377)</u>
Net change in cash and cash equivalents	5,309,854	3,316,937
Cash and cash equivalents at 1 January	11,664,902	11,721,937
Cash and cash equivalents at end of period	<u>16,974,756</u>	<u>15,038,874</u>
Analysis of cash and cash equivalents:		
Cash & bank balances	3,122,376	3,184,263
Due from banks	6,834,862	9,664,085
Government securities	<u>7,017,518</u>	<u>2,190,526</u>
	<u>16,974,756</u>	<u>15,038,874</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.

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 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 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. Regulatory Disclosures

	2019	2018
Non-Performing Loans Ratio	6.65%	6.77%
Capital Adequacy Ratio	14.40%	13.54%
Default in Statutory Liquidity	Nil	Nil
Statutory Sanctions	Nil	Nil