

## ADVANS GHANA SAVINGS AND LOANS LIMITED

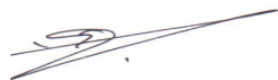
UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE, 2020

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

	June 2020 GHS	June 2019 GHS
Interest income	36,803,286	34,234,240
Interest expense	<u>(11,117,556)</u>	<u>* (8,981,552)</u>
<b>Net interest income</b>	<b>25,685,730</b>	<b>25,252,689</b>
Loan impairment charges	(4,109,613)	(2,968,398)
<b>Net interest income after loan impairment charges</b>	<b><u>21,576,117</u></b>	<b><u>22,284,291</u></b>
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	<u>(8,593,506)</u>	<u>* (9,501,923)</u>
<b>Total operating expenses</b>	<b>(23,103,584)</b>	<b>(22,587,629)</b>
<b>Profit before income tax</b>	<b><u>2,672,758</u></b>	<b><u>3,613,186</u></b>
National Stabilisation Levy	(133,638)	(180,659)
Income tax expense	(668,189)	(903,296)
<b>Profit for the year</b>	<b>1,870,931</b>	<b>2,529,230</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b><u>1,870,931</u></b>	<b><u>2,529,230</u></b>

## UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2020

	June 2020 GHS	June 2019 GHS
<b>Assets</b>		
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	<u>3,107,642</u>	<u>2,075,100</u>
<b>Total assets</b>	<b><u>176,801,676</u></b>	<b><u>145,866,779</u></b>
<b>Equity and liabilities</b>		
<b>Liabilities</b>		
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	<u>6,051,645</u>	<u>6,171,085</u>
<b>Total liabilities</b>	<b><u>142,364,090</u></b>	<b><u>119,520,165</u></b>
<b>Shareholders' equity</b>		
Stated capital	17,291,374	17,291,374
Statutory Reserve	11,836,110	7,790,624
Retained earnings	5,310,101	1,264,615
<b>Total shareholders' equity</b>	<b><u>34,437,586</u></b>	<b><u>26,346,613</u></b>
<b>Total equity and liabilities</b>	<b><u>176,801,676</u></b>	<b><u>145,866,779</u></b>



Director



Director

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

## 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	<b>32,566,655</b>
Profit for the period	-	1,870,931	-	<b>1,870,931</b>
Dividend paid during the period	-	-	-	-
Transfer to statutory Reserve	-	(935,465)	935,465	-
<b>At 30 June 2020</b>	<b><u>17,291,374</u></b>	<b><u>5,310,101</u></b>	<b><u>11,836,110</u></b>	<b><u>34,437,586</u></b>

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	<b>25,269,987</b>
Profit for the period	-	2,529,230	-	<b>2,529,230</b>
Dividend paid during the period	-	(1,452,604)	-	<b>(1,452,604)</b>
Transfer to statutory Reserve	-	(1,264,615)	1,264,615	-
<b>At 30 June 2019</b>	<b><u>17,291,374</u></b>	<b><u>1,264,615</u></b>	<b><u>7,790,624</u></b>	<b><u>26,346,613</u></b>

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

	June 2020 GHS	June 2019 GHS
<b>Cash flows from operating activities</b>		
Profit before taxation	2,672,758	3,613,186
<b>Adjustments for:</b>		
Depreciation	1,305,156	1,160,491
Amortization	35,238	12,292
Loss/(Profit) on the sale of property, plant & equipment	(19,363)	30
<b>Working capital changes:</b>		
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	<u>885,021</u>	<u>2,573,093</u>
Cash generated from operations	33,520,999	9,693,104
Income taxes paid	<u>(1,756,590)</u>	<u>(1,847,974)</u>
<b>Net cash used in operating activities</b>	<b>31,764,409</b>	<b>7,845,129</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(966,048)	(1,948,058)
Additions to Intangible Assets	(152,122)	-
Proceeds from sale of property, plant and equipment	<u>30,000</u>	<u>650</u>
<b>Net cash used in investing activities</b>	<b>(1,088,170)</b>	<b>(1,947,408)</b>
<b>Cash flows from financing activities</b>		
Dividends Paid	-	(1,452,604)
Net (decrease)/increase in lease liabilities	383,944	5,557,748
Net (decrease)/increase in borrowings	(7,809,798)	(4,693,011)
<b>Net cash used in financing activities</b>	<b>(7,425,854)</b>	<b>(587,867)</b>
<b>Net change in cash and cash equivalents</b>	<b>23,250,385</b>	<b>5,309,854</b>
<b>Cash and cash equivalents at 1 January</b>	<b>14,077,005</b>	<b>11,664,902</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>37,327,390</u></b>	<b><u>16,974,756</u></b>
<b>Analysis of cash and cash equivalents:</b>		
Cash & bank balances	3,578,557	3,122,376
Due from banks	7,242,059	6,834,862
Government securities	<u>26,506,774</u>	<u>7,017,518</u>
	<b><u>37,327,390</u></b>	<b><u>16,974,756</u></b>

## 1. Reporting Entity

Advans Ghana Savings and Loans Limited was incorporated on 20 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 60% 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 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

	June 2020	June 2019
Non-Performing Loans Ratio	14.79%	6.65%
Capital Adequacy Ratio	15.75%	14.40%
Default in Statutory Liquidity	Nil	Nil
Statutory Sanctions	Nil	Nil