

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2021

	June 2021	June 2020
	GHS	GHS
Interest income	37,555,578	36,803,286
Interest expense	(9,828,427)	(11,117,556)
Net interest income	27,727,151	25,685,730
Impairment charges	(2,131,479)	(4,109,613)
Net interest income after loan impairment charges	25,595,672	21,576,117
Fees and commissions income	4,048,675	3,999,352
Other operating income	7,234	200,874
Personnel Expenses	(12,920,918)	(12,152,822)
Depreciation of Property and Equipment	(1,252,227)	(1,305,156)
Depreciation of right-of-use assets	(1,175,732)	(1,016,862)
Amortization of intangible Assets	(63,282)	(35,238)
Other operating expenses	(11,030,624)	(8,593,506)
Total operating expenses	(26,442,783)	(23,103,584)
Profit before income tax	3,208,798	2,672,758
National Stabilization Levy	(160,440)	(133,638)
Income tax expense	(802,199)	(668,189)
Profit for the year	2,246,158	1,870,931
Other comprehensive income	-	-
Total comprehensive income	2,246,158	1,870,931

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	June 2021	June 2020
	GHS	GHS
Assets		
Cash and bank balances	5,749,380	3,578,557
Due from banks	5,746,769	7,242,059
Government securities	8,865,755	26,506,774
Loans and advances to customers	137,392,349	108,888,860
Other assets	6,642,132	11,029,299
Property and equipment	6,712,388	7,774,243
Right-of-use assets	8,376,969	8,369,101
Intangible assets	379,172	305,142
Deferred tax asset	3,386,621	3,107,642
Total assets	183,251,535	176,801,676
Equity and liabilities		
Liabilities		
Customer deposits	81,682,393	49,998,028
Borrowings	55,473,770	78,241,935
Lease Liabilities	6,235,385	6,221,210
Corporate tax payable	1,130,358	1,851,271
Other liabilities	6,622,529	6,051,645
Total liabilities	151,144,435	142,364,090
Shareholders' equity		
Stated capital	17,291,374	17,291,374
Statutory Reserve	12,023,724	11,836,110
Income Surplus	2,792,002	5,310,101
Total shareholders' equity	32,107,100	34,437,586
Total equity and liabilities	183,251,535	176,801,676

Director

Director

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2021

Period ended 30 June 2021	Stated Capital	Income Surplus	Statutory Reserve	Total
At 1 January 2021	17,291,374	1,668,923	10,900,645	29,860,942
Profit for the period	-	2,246,158	-	2,246,158
Dividend paid during the period	-	-	-	-
Transfer to statutory Reserve	-	(1,123,079)	1,123,079	-
At 30 June 2021	17,291,374	2,792,002	12,023,724	32,107,100

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	34,437,586

UNAUDITED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2021

	June 2021	June 2020
	GHS	GHS
Cash flows from operating activities		
Profit before taxation	3,208,797	2,672,758
Adjustments for:		
Depreciation	1,252,227	1,305,156
Amortization	63,282	35,238
Loss/(Profit) on the sale of property, plant & equipment	(1,100)	(19,363)
Working capital changes:		
Change in loans & advances	(18,476,371)	27,280,928
Change in other assets	1,265,500	(2,751,083)
Change customer deposits	18,696,625	4,112,344
Change in other liabilities	2,641,238	885,021
Cash generated from operations	8,650,198	33,520,999
Income taxes paid	(381,600)	(1,756,590)
Net cash used in operating activities	8,268,598	31,764,409
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,095,312)	(966,048)
Additions to Intangible Assets	(183,499)	(152,122)
Proceeds from sale of property, plant and equipment	1,100	30,000
Net cash used in investing activities	(1,277,712)	(1,088,170)
Cash flows from financing activities		
Dividends Paid	-	-
Net (decrease)/increase in lease liabilities	(13,121)	383,944
Net (decrease)/increase in borrowings	(5,564,859)	(7,809,798)
Net cash used in financing activities	(5,577,980)	(7,425,854)
Net change in cash and cash equivalents	1,412,906	23,250,385
Cash and cash equivalents at 1 January	18,948,999	14,077,005
Cash and cash equivalents at end of period	20,361,905	37,327,390
Analysis of cash and cash equivalents:		
Cash & bank balances	5,749,380	3,578,557
Due from banks	5,746,769	7,242,059
Government securities	8,865,755	26,506,774
Total	20,361,905	37,327,390

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 78.42% 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 2021	June 2020
Non-Performing Loans Ratio	4.05%	14.79%
Capital Adequacy Ratio	12.52%	15.75%
Default in Statutory Liquidity	Nil	Nil
Statutory Sanctions	Nil	Nil