

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2024

| | June 2024 | June 2023 |
|----------------------------------------|---------------------|---------------------|
| | GHS | GHS |
| Interest income | 83,768,592 | 63,737,601 |
| Interest expense | (21,291,408) | (23,203,462) |
| Net interest income | 62,477,185 | 40,534,139 |
| Fees and commissions income | 8,523,321 | 6,509,936 |
| Other operating income | 316,884 | 125,526 |
| Operating Income | 71,317,390 | 47,169,601 |
| Impairment charges | (5,682,419) | (2,944,694) |
| Personnel Expenses | (22,600,410) | (18,856,658) |
| Depreciation of Property and Equipment | (1,606,778) | (1,532,167) |
| Depreciation of right-of-use assets | (2,108,503) | (1,640,532) |
| Amortisation of intangible Assets | (1,552,396) | (1,515,005) |
| Other operating expenses | (29,926,201) | (24,052,724) |
| | (57,794,288) | (47,597,087) |
| Profit before income tax | 7,840,684 | (3,372,180) |
| Income tax expense | (2,397,205) | - |
| Profit for the year | 5,443,479 | (3,372,180) |
| Other comprehensive income | - | - |
| Total comprehensive income | 5,443,479 | (3,372,180) |

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

| | June 2024 | June 2023 |
|-------------------------------------|--------------------|--------------------|
| | GHS | GHS |
| Assets | | |
| Cash and bank balances | 15,809,107 | 8,841,133 |
| Due from banks | 6,895,105 | 9,029,212 |
| Government securities | 6,946,336 | 6,350,472 |
| Loans and advances to customers | 270,109,836 | 237,551,097 |
| Other assets | 19,614,195 | 10,621,453 |
| Property and equipment | 28,275,050 | 28,376,245 |
| Right-of-use assets | 8,861,513 | 8,002,675 |
| Intangible assets | 24,970,328 | 27,674,430 |
| Corporate tax asset | 71,561 | 1,640,906 |
| Deferred tax asset | - | 662,522 |
| Total assets | 381,553,031 | 338,750,145 |
| Equity and liabilities | | |
| Liabilities | | |
| Customer deposits | 221,238,418 | 188,454,880 |
| Borrowings | 65,184,369 | 61,690,198 |
| Lease Liabilities | 7,244,011 | 7,336,379 |
| Deferred tax liability | 779,619 | - |
| Other liabilities | 26,020,518 | 29,749,775 |
| Total liabilities | 320,466,934 | 287,231,232 |
| Shareholders' equity | | |
| Stated capital | 27,291,374 | 27,291,374 |
| Statutory Reserve | 17,112,522 | 15,375,888 |
| Revaluation Reserve | 6,079,664 | 6,079,663 |
| Retained earnings | 10,602,537 | 2,771,987 |
| Total shareholders' equity | 61,086,097 | 51,518,913 |
| Total equity and liabilities | 381,553,031 | 338,750,145 |

Signed
Ben Berko
Board Chairman

Signed
Guillaume Valence
CEO/Managing Director

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2024

| Period ended 30 June 2024 | Stated Capital | Revaluation Reserve | Retained earnings | Statutory Reserve | Total |
|-------------------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| At 1 January 2024 | 27,291,374 | 6,079,664 | 6,519,928 | 15,751,653 | 55,642,618 |
| Profit for the period | - | - | 5,443,479 | - | 5,443,479 |
| Transfer to statutory Reserve | - | - | (1,360,870) | 1,360,870 | - |
| At 30 June 2024 | 27,291,374 | 6,079,664 | 10,602,537 | 17,112,522 | 61,086,097 |

| Period ended 30 June 2023 | Stated Capital | Revaluation Reserve | Retained earnings | Statutory Reserve | Total |
|-------------------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| At 1 January 2023 | 27,291,374 | 6,079,663 | 6,144,167 | 15,375,888 | 54,891,093 |
| Profit for the period | - | - | (3,372,180) | - | (3,372,180) |
| Transfer to statutory Reserve | - | - | - | - | - |
| At 30 June 2023 | 27,291,374 | 6,079,663 | 2,771,987 | 15,375,888 | 51,518,913 |

UNAUDITED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2024

| | June 2024 | June 2023 |
|-------------------------------------------------------------|--------------------|---------------------|
| | GHS | GHS |
| Cash flows from operating activities | | |
| Profit/(Loss) before taxation | 7,840,684 | (3,372,180) |
| Adjustments for: | | |
| Depreciation of property and equipment | 1,606,778 | 1,532,167 |
| Depreciation of right-of-use assets | 2,108,503 | 1,640,532 |
| Amortization of intangible assets | 1,552,396 | 1,515,005 |
| Unrealised exchange difference on lease liabilities | 1,130,344 | 1,364,862 |
| Finance cost on leases | 365,557 | 453,807 |
| Loss/(Profit) on the sale of property, plant & equipment | - | (120,526) |
| Other non-cash items included in profit or loss | (11,031) | - |
| Changes in: | | |
| Change in loans & advances | (1,821,538) | (20,305,725) |
| Change in other assets | (8,407,824) | (5,872,630) |
| Change in customer deposits | 4,926,830 | 46,852,893 |
| Change in other liabilities | (2,957,428) | (1,074,355) |
| Cash generated from operations | 6,333,272 | 22,613,851 |
| Income taxes paid | (633,424) | (433,606) |
| Net cash flows from operating activities | 5,699,849 | 22,180,245 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,522,230) | (1,731,739) |
| Additions to Right of use assets | (2,238,711) | (1,934,262) |
| Additions to Intangible assets | (53,989) | - |
| Proceeds from sale of property and equipment | 129,764 | 124,216 |
| Net cash flows used in investing activities | (3,685,166) | (3,541,785) |
| Cash flows from financing activities | | |
| Repayment of borrowings | (17,981,822) | (13,774,982) |
| Drawdown on borrowings | 22,743,977 | - |
| Lease liability payments | (1,659,359) | (1,364,898) |
| Net cash flows from / (used in) financing activities | 3,102,796 | (15,139,880) |
| Net change in cash and cash equivalents | 5,117,479 | 3,498,580 |
| Cash and cash equivalents at 1 January | 24,533,069 | 20,722,236 |
| Cash and cash equivalents at end of period | 29,650,549 | 24,220,816 |
| Analysis of cash and cash equivalents: | | |
| Cash & bank balances | 15,809,107 | 8,841,133 |
| Due from banks | 6,895,105 | 9,029,212 |
| Government securities | 6,946,336 | 6,350,472 |
| | 29,650,549 | 24,220,816 |

1. Reporting Entity

Advans Ghana Savings and Loans Ltd 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 86.57% 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 2024 | June 2023 |
|--------------------------------|-----------|-----------|
| Non-Performing Loans Ratio | 6.68% | 7.58% |
| Capital Adequacy Ratio | 11.49% | 10.94% |
| Default in Statutory Liquidity | Nil | Nil |
| Statutory Sanctions | Nil | Nil |