



PRESS RELEASE

PR. No 266/2015

IZWE LOANS LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR
THE HALF YEAR ENDING JUNE 2015

IZWE has released its un-audited Financial Statements for the half year ending June 30, 2015 as per the attached.

Issued in Accra, this 31st
day of July, 2015

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att'd.

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669935**

**JEB*



IZWE LOANS LIMITED

UNAUDITED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2015

IZWE LOANS LIMITED

Unaudited Statement of comprehensive income for the half year ended 30 June

	Unaudited 30-Jun-15 GHS '000	Unaudited 30-Jun-14 GHS '000
Interest income	24,827	19,089
Interest expense	(15,410)	(6,868)
Net interest income	9,417	12,221
Fee and commission income	3,835	2,934
Fee and commission expenses	(1,116)	(1,071)
Credit loss expenses	(4,015)	(3,019)
Net operating income	8,120	11,065
Administration expenses	(8,101)	(5,437)
Hedging costs and foreign exchange	642	(10,605)
Profit / (Loss) before tax	662	(4,977)
Tax	(151)	1,493
Profit / (Loss) for the period	511	(3,484)

IZWE LOANS LIMITED

Unaudited Balance sheet for the period ended 30 June

	30-Jun-15	30-Jun-14
	GHS	GHS
	'000	'000
Assets		
Equipment	1,284	803
Loans and advances to customers	101,132	77,062
Advances - gross	111,015	83,216
Provision against advances	(9,883)	(6,154)
Deferred tax	8,516	2,108
Other receivables	7,098	6,927
Cash	12,281	26,676
Total Assets	130,311	113,577
Liabilities		
Borrowings	110	16,934
Corporate notes	51,114	16,352
Deposit from customers	47,270	9,821
Amounts due to related parties	0	58,422
Bank overdraft	2,260	20
Accruals and other liabilities	11,231	6,403
Current taxation	3,688	1,168
Total Liabilities	115,674	109,120
Shareholders' equity		
Stated capital	18,413	7,000
Accumulated deficit	(3,776)	(2,544)
Total shareholders' equity	14,637	4,456
Total shareholders' equity and liabilities	130,311	113,577

IZWE LOANS LIMITED

Unaudited Cash Flow Statement for the half year ended 30 June

	30-Jun-15	30-Jun-14
	GHS	GHS
	'000	'000
Profit / (Loss) before tax	662	(4,977)
Adjustments for:		
Depreciation and amortisation	211	140
	873	(4,838)
Changes in working capital		
Change in loans and advances to customers	(7,754)	(11,531)
Change in other receivables	(658)	(1,785)
Change in accruals and other liabilities	(69)	1,977
Tax paid	(376)	(523)
Net cash flows from operating activities	(7,984)	(16,700)
Proceeds on sale of fixed assets	16	
Purchase of equipment	(693)	(177)
Net cash used in investing activities	(677)	(177)
Change in borrowings	(18,104)	5,520
Change in corporate notes	21,271	29
Change in deposits from customers	5,254	7,538
Change in amounts due to related parties	(37,221)	19,679
Net cash flows from financing activities	(28,800)	32,766
Net change in cash	(37,460)	15,889
Cash at 1 January	47,481	10,768
Cash at 30 June	10,022	26,656

IZWE LOANS LIMITED

Unaudited Statement of changes in equity for the half year ended 30 June

	Stated capital	Accumulated deficit	Total
Unaudited			
2015			
Balance at 1 January 2015	18,413	(4,287)	14,127
Profit for the Period		511	511
Balance at 30 June 2015	<u>18,413</u>	<u>(3,776)</u>	<u>14,637</u>
Unaudited			
2014			
Balance at 1 January 2014	7,000	941	7,941
Loss for the Period		(3,484)	(3,484)
Balance at 30 June 2014	<u>7,000</u>	<u>(2,544)</u>	<u>4,456</u>

Commentary on the unaudited financial statements Half year ended 30 June 2015

Financial Highlights	Unaudited	Unaudited
	30-Jun-15	30-Jun-14
	GHS	GHS
	'000	'000
Revenues	28,662	22,023
Net interest income	9,417	12,221
Hedging costs and foreign exchange	642	(10,605)
Profit / (Loss) for the period	511	(3,484)

The Directors are pleased to present the half year results to June 2015 showing a significant turnaround for the Company after posting a net profit after tax for the half year ended 30 June of GHS 511k. This has come after an ongoing period of tough economic conditions within Ghanaian markets where inflation has remained high and the Cedi has continued its steady decline.

In order to address the challenges posed by the Ghanaian economic climate, Izwe has completed its restructuring of foreign currency liabilities that were vulnerable to negative external economic factors. In doing so, Izwe is now entirely funded by local currency, with no exposure to international currency movements. The Company has successfully listed two new note tranches during the half year totalling GHS20m and it has grown its deposit book to GHS47m; both achievements were key drivers in the success of the restructuring.

The improvement in the income statement reflects good operating fundamentals over the period and the elimination of all Dollar exposures. Net interest income has declined as Dollar funding was replaced with more expensive Cedi funding however the elimination of foreign exchange losses is evident and significant. Operationally the business is sound and has achieved impressive growth in revenues of 23% off the back of net loans and advances of GHS101m which grew by 31% year on year.

While interest rates remain high with inflationary and monetary pressures continuing to weigh on sentiment, the Directors are happy with the positive trajectory in profits during 2015. With foreign currency risk eliminated, the business is poised for a strong second half of the year with a heightened focus on business growth, cost efficiencies and managing the local challenges facing our customers and the business in general. The Company is well prepared for these risks, and is forecasting profitable numbers into the next period.



Raymond K. Bismarck
Managing Director



David Fichardt
Director