



PRESS RELEASE

PR. No 310/2019

**AFB (GHANA) PLC (AFB) -
UNAUDITED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDING 30 JUNE 2019**

AFB has released its unaudited Financial Statements for the second quarter ending June 30, 2019 as per the attached.

Issued in Accra, this 16th
day of August, 2019

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att'd.

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Unaudited Financial Statements For the Quarter Ended 30 June 2019

Published in compliance with the requirements of the Listing Rules of the Ghana Stock Exchange (GSE).
Financial results presented in compliance with International Financial Reporting Standards (IFRS).



Statement of comprehensive income for the 6 months ended 30 June 2019

	6 months ended 30 June 2019 (GHS '000)	6 months ended 30 June 2018 (GHS '000)
Income		
Interest income	105 792	49 769
Interest expense	(27 650)	(15 243)
Net interest income	78 142	34 526
Net impairment allowance	(33 071)	(13 235)
Income from lending activities	45 071	21 291
Other income	4 958	8 903
Operating income	50 029	30 194
Total operating expenses	(34 369)	(21 962)
Selling and collection costs	(21 718)	(9 352)
Administration and other expenses	(12 651)	(12 610)
Profit from operations before taxation	15 660	8 232
Income tax expense	(4 698)	(1 876)
Profit for the period	10 962	6 356
Other comprehensive income	-	-
Total comprehensive profit for the period	10 962	6 356

Statement of financial position as at 30 June 2019

	30 June 2019 (GHS '000)	30 June 2018 (GHS '000)
Assets		
Cash and bank balances	38 099	57 463
Other receivables	5 498	6 322
Loan book receivable	444 309	251 291
Deferred tax	12 206	1 502
Property, plant and equipment	3 873	3 834
Total assets	503 985	320 412
Equity and liabilities		
Issued capital	30 546	30 546
Retained income	5 789	1 770
Share based payment reserve	264	97
Statutory reserves	19 711	12 435
Total equity	56 309	44 848
Trade and other payables	25 068	40 716
Tax payable	19 218	6 568
Borrowings	263 274	195 803
Deposits from Customers	140 116	32 477
Total liabilities	447 676	275 564
Total equity and liabilities	503 985	320 412

Statement of cash flows for the 6 months ended 30 June 2019

	6 months ended 30 June 2019 (GHS '000)	6 months ended 30 June 2018 (GHS '000)
Net cash utilised in operating activities	18 087	(54 346)
Net cash utilised in investing activities	(564)	(136)
Net cash generated from (utilised in) financing activities	(10 488)	106 235
Net increase in cash and cash equivalents	7 035	(51 753)
Cash and cash equivalents at beginning of the year	31 064	5 710
Cash and cash equivalents at end of the period	38 099	57 463

Principal Activity

The company is licensed to operate as a Savings and Loans company under the Banks and Specialized Deposit Taking Institutions Act 2016 (Act 930).

Highlights

- Net Loan Book grew by 77%
- Net interest income increased by 126%
- PBT grew by 90%

Rebranding and change to a Savings and Loans company

The company has received final approval from the Bank of Ghana (BOG) to convert from a Finance House to a Savings and Loans Company and to change its name from AFB (Ghana) Ltd to Letshego Ghana Savings and Loans Limited. The rebranding of all Brand touchpoints will be concluded during the current year.

Review of the performance of the company

The first half of 2019 has witnessed major turbulence in the financial services industry. With the intended sector clean up by the regulator, Industry players have experienced challenges with raising deposits and sustaining profitability. The challenges of the industry notwithstanding, results for AFB point to a 248% year on year increase in net interest income. This has been achieved on the back of a 77% increase in its loan book especially on the Deduction at Source loans portfolio. Admin expenses have remained under tight control, resulting in year on year PBT growth of 90%.

The Bond Covenant ratio, a key indicator of institutional health especially for Bond investors, stood at 236% against a benchmark rate of 150%. (June 2018: 161%).

Blaise Mankwa
Board Chairman

Arnold Parker
Managing Director

30 June 2019