

# ABRIDGED AUDITED RESULTS FOR YEAR ENDED 31 DECEMBER 2015

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).



- Profit before tax increases by GHS 8.6m year on year
- Elimination of all USD liabilities during 2015

## Statement of comprehensive income for the year ended 31 December 2015

	2015 (GHS '000)	2014 (GHS '000)
<b>Income</b>		
Interest income	46 585	50 124
Interest expense	(15 452)	(15 461)
<b>Net interest income</b>	<b>31 133</b>	<b>34 663</b>
Impairment allowance	(14 542)	(12 907)
<b>Income from lending activities</b>	<b>16 591</b>	<b>21 756</b>
Fees and recoveries	6 501	3 445
<b>Operating income</b>	<b>23 092</b>	<b>25 201</b>
Total operating expenses	(22 899)	(33 590)
Selling and collection costs	(5 721)	(4 529)
Administration and other expenses	(17 178)	(29 061)
<b>Profit (Loss) from operations before taxation</b>	<b>193</b>	<b>(8 389)</b>
Income tax expense	(2 872)	630
<b>(Loss) for the year</b>	<b>(2 679)</b>	<b>(7 759)</b>
Other comprehensive income	-	-
<b>Total comprehensive (loss) for the year</b>	<b>(2 679)</b>	<b>(7 759)</b>

## Statement of cash flows for the year ended 31 December 2015

	2015 (GHS '000)	2014 (GHS '000)
Net cash generated from (utilised in) operating activities	7 751	(10 314)
Net cash used in investing activities	(1 409)	(80)
Net cash (utilised in) generated from financing activities	(1 084)	14 502
<b>Net increase in cash and cash equivalents</b>	<b>5 258</b>	<b>4 108</b>
Cash and cash equivalents at beginning of the year	11 924	7 816
<b>Cash and cash equivalents at end of the year</b>	<b>17 182</b>	<b>11 924</b>

## Statement of financial position as at 31 December 2015

	2015 (GHS '000)	2014 (GHS '000)
<b>Assets</b>		
Cash and bank balances	17 182	11 924
Other receivables	2 205	3 325
Loan book receivable	68 645	68 171
Loans to related parties	-	11
Deferred tax	283	3 145
Current tax	186	-
Property, plant and equipment	3 039	1 678
<b>Total assets</b>	<b>91 540</b>	<b>88 254</b>
<b>Equity and liabilities</b>		
Issued capital	30 546	7 000
Retained income	(7 043)	(4 364)
Statutory reserves	3 618	3 618
<b>Total equity</b>	<b>27 121</b>	<b>6 254</b>
Trade and other payables	765	834
Tax payable	-	942
Borrowings	63 654	49 047
Loans from related parties	-	31 177
<b>Total liabilities</b>	<b>64 419</b>	<b>82 000</b>
<b>Total equity and liabilities</b>	<b>91 540</b>	<b>88 254</b>

## Review of the performance of the company

The 2015 financial period proved to be a challenging, but successful year for AFB (Ghana) PLC. The Company made a profit before tax of GHS 192 740 during 2015 which was a significant improvement on the prior year (2014: Loss before tax of GHS 8 389 082). The current year's results were severally impacted by the weakening of the USD/GHS exchange rate, the resultant mark to market losses of GHS2.7m and the corresponding tax consequences.

The key focus of management was to strategically position the business for future success. The successful listing of our AFB MTN bond program during July 2015 allowed the Company to:

- Redeem all foreign liabilities, thereby eliminating all foreign currency exposure;
- Bolster the Issued capital of the business by GHS 23.5m; and
- Lengthen the duration of the local funding liabilities (29.4 months) which now almost matches the maturities of the loan book (33.7 months).

Collections were good during the year, resulting in the business generating significant cash flows.

## Principal Activity

The company is licensed to operate a Non-Banking Financial Institution (NBFI) as a finance house under the Banking Act 2004 (Act 673), as amended by the Banking (Amendment) Act 2007 (Act 738).

## Change of name

During April 2015, the Company converted to a public company to facilitate the GSE listing and accordingly changed its name from AFB (Ghana) Limited to AFB (Ghana) PLC.

## 2016 Operational performance & strategic priorities

The Company has started the current financial year well with sales of new loans exceeding budgets.

Further strategic priorities for this year include:

- Launching new products including shorter term loans via mobile money wallets;
- Investigate reducing the cost of funding through a fixed deposit product;
- Expanding the AFB branch network;
- Greater operational efficiency through system automation.

These are expected to bring additional customers and consequently additional revenues to the Company during the current financial year.

Arnold Parker  
Managing Director

Bruce Sneddon  
CEO Loans