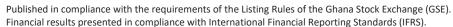
AFB (GHANA) PLC AUDITED RESULTS FOR YEAR ENDED 31 December 2017





- Profit after tax increased by 166%
- Investment Grade rating of Company MTN reaffirmed

Statement of comprehensive income for the year ended 31 December 2017

	2017	2016
	(GHS '000)	(GHS '000)
Income	, , ,	,
Interest income	61 830	54 142
Interest expense	(19 058)	(17 207)
Net interest income	42 772	36 935
Net impairment allowance	(3 422)	(9 976)
Income from lending activities	39 350	26 959
Other income	6 657	6 518
Operating income	46 007	33 477
Total operating expenses	(34 198)	(26 297)
Selling and collection costs	(10 832)	(8 326)
Administration and other expenses	(23 366)	(17 971)
Profit from operations before taxation	11 809	7 180
Income tax expense	(3 612)	(4 101)
Profit for the year	8 197	3 079
Other comprehensive income	-	-
Total comprehensive profit for the year	8 197	3 079

Statement of financial position as at 31 December 2017

	2017	2016
	(GHS '000)	(GHS '000)
Assets		
Cash and bank balances	5 710	10 479
Other receivables	2 962	1 574
Loan book receivable	163 802	91 680
Deferred tax	1 502	415
Property, plant and equipment	3 672	3 885
Total assets	177 648	108 033
Equity and liabilities		
Issued capital	30 546	30 546
Retained income	(1 406)	(5 504)
Share based payment reserve	41	` -
Statutory reserves	9 256	5 158
Total equity	38 437	30 200
Total equity	30 .07	30 200
Trade and other payables	24 805	1 534
Tax payable	4 473	2 764
Deposits from Customers	10 672	
Borrowings	99 261	73 535
Total liabilities	139 211	77 833
Total equity and liabilities	177 648	108 033

Statement of cash flows for the year ended 31 December 2017

Cash and cash equivalents at end of the year	5 710	10 479
Cash and cash equivalents at beginning of the year	10 479	17 182
Net decrease in cash and cash equivalents	(4 769)	(6 703)
Net cash generated from financing activities	28 896	9 120
Net cash utilised in investing activities	(1 184)	(898)
Net cash utilised in operating activities	(32 481)	(14 925)
	2017 (GHS '000)	2016 (GHS '000)

- Gross loan book increased by 75%.
- Over 1m Mobile "Qwikloan" loans disbursed

Principal Activity

The company is licensed to operate as a Non-Banking Financial Institution (NBFI), Finance House, under the Banks and Specialized Deposit Taking Institutions Act 2016 (Act 930).

Change of shareholding

Letshego Holdings Limited ("Letshego") acquired 100% of the Company effective 1 January 2017. Letshego was incorporated in 1998, is headquartered in Gaborone and has been publicly listed on the Botswana Stock Exchange since 2002.

Review of the performance of the Company

The company performed strongly during 2017, increasing profit after tax by 166% compared to 2016.

Collection and recovery rates have been strong during the current period, resulting in reduced non-performing loans. Gross loan book increased by GHS 75.4m representing an increase of 75% over December 2016.

During the second half of 2017, the Company launched its mobile "Qwikloans" solution in collaboration with MTN Ghana and by end of February 2018 has disbursed over a million loans to over 250 000 new customers.

In November 2017 the long-term credit ratings of the Company and its Investment Grade Medium Term Notes "bond" programme were reaffirmed as $\mathsf{BB+}_{\mathsf{(GH)}}$ and $\mathsf{BBB+}_{\mathsf{(GH)}}$ respectively, with the outlook accorded by Global Credit Rating Company as positive. The Company's average cost of funding has declined by 35% over the year, which is in line with the decline of the 182-day T Bill rates. The Company has consequently reduced its lending rates to pass these savings onto our customers.

The bond coverage covenant ratio as at 31 December 2017 was 166% (Dec 2016: 160%) while the duration of the Company Loan book is well matched to the average duration of the bond funding programme. There were interest payments of GHS18.6m and capital maturities of GHS17.3m during the year. New bonds issued during the year totalled GHS43.8m.

Subject to regulatory approval the company will be rebranding to LESTHEGO GHANA LTD.

Arnold Parker Managing Director

2 March 2018

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Ibrahim Obosu Financial Director