



IZWE LOANS LIMITED

FACTS BEHIND THE FIGURES
Presentation at the GSE
1 December 2015



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Outlook

Corporate Profile

- Izwe Loans Limited (“Izwe”) launched in Ghana in June 2011 as a Non-Banking Financial Institution regulated by the Bank of Ghana
- Subsidiary of the Izwe Africa Group, a Pan-African financial services Group based in Mauritius, with operations in Zambia, Kenya and Ghana, and supported by a central service centre in South Africa
- Within four years has grown into one of the largest NBFIs in Ghana with a loan book > GHS 120.5m as at 30 September 2015 & a retail deposit base of over GHS 60m
- The Izwe GHS 80m note programme is listed on the GAX



Vision & Mission



Vision:

- To be a market leading and recognised brand in our industry, a preferred brand for our clients, and well known for our innovation and social responsibility

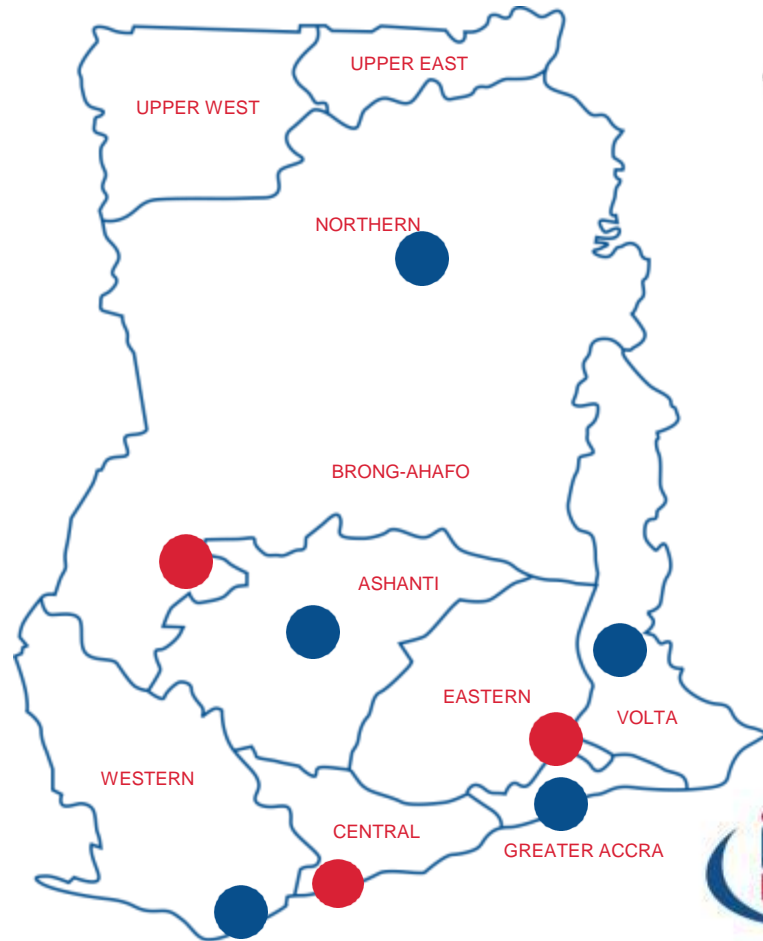
Mission:

- To achieve this, Izwe will continue to develop and offer socially responsible client-centric micro-finance and complementary solutions, products and services
- Ultimately, we strive to enable people to enrich their lives by providing them with ready access to useful financial solutions



Izwe Ghana Operations

- Total of 7 branches
 - Accra (2 branches)
 - Kumasi (2 branches)
 - Takoradi
 - Tamale
 - Ho
- Additional branch to be opened in Sunyani in December 2015
- New markets identified for branch openings are Koforidua and Cape Coast



Izwe Ghana Operations

- Existing payroll based loans – **sales volumes up**
- Collections predominantly via **payroll deduction** code
 - Government and Police personnel employees
 - Improved **collection performance** in 2015
- Non-payroll collections performing well for arrears customers
- **Call centre:** sales, deposits and collections
- Insurance intermediary licence obtained – life insurance and credit life insurance have launched in Q4, 2015
- Non-payroll collections of life insurance premiums – test phase at end 2015



Izwe Ghana Operations

Strategic focus areas

Complementary financial products:

- Enhanced savings offerings (Savings and Loans Licence)
- Credit life insurance – all loan products
- Expanding insurance products
- Alternative lending products
- Gradual phasing in of non-payroll based products

Expanding customer channels:

- Mobile based solutions including strategic partnerships
- Increased utilisation of the call centre



2015 Financial Review – Income Statement

Unaudited Statement of Comprehensive Income for the nine months ended - 30 September 2015

	Unaudited 30-Sep-15 (GHS '000)	Unaudited 30-Sep-14 (GHS'000)
Interest income	38,994	29,587
Interest expense	(23,547)	(11,618)
Net Interest Income	15,447	17,969
Fee and commission income	5,841	4,939
Fee and commission expenses	(2,463)	(1,546)
Credit loss expenses	(5,674)	(5,006)
Net Operating Income	13,150	16,356
Operating expenses	(10,605)	(7,162)
Administration expenses	(1,914)	(1,635)
Foreign exchange gain/(loss)	884	(14,520)
Profit / (Loss) before Tax	1,515	(6,962)
Tax	(407)	2,089
Profit / (Loss) for the Period	1,108	(4,873)

Financial Highlights

Revenues*	44,835	34,525
Net interest income	15,447	17,969
Foreign exchange gain / (loss)	884	(14,520)
Interest expense plus foreign exchange gain / (loss)	(22,663)	(26,138)
Profit / (Loss) for the period	1,108	(4,873)

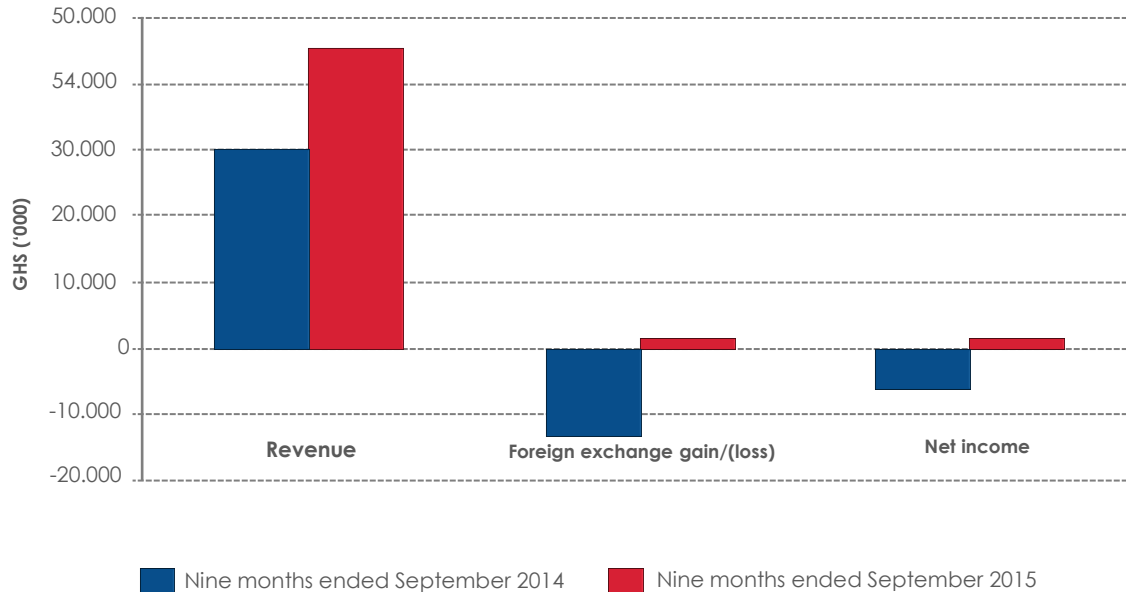
*Revenue includes interest and non-interest revenue



2015 Financial Review – Profitability



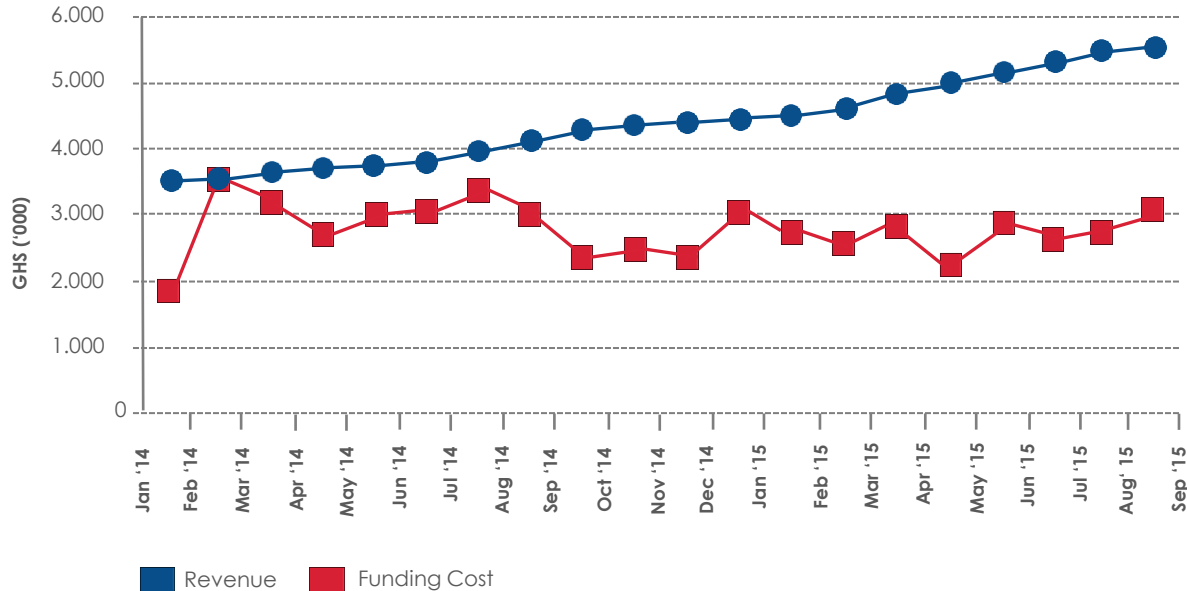
Izwe Ghana Profitability



2015 Financial Review – Margin Growth



Revenue vs Total Funding Costs



2015 Financial Review – Balance Sheet



Unaudited Balance Sheet for the period ended 30 September 2015

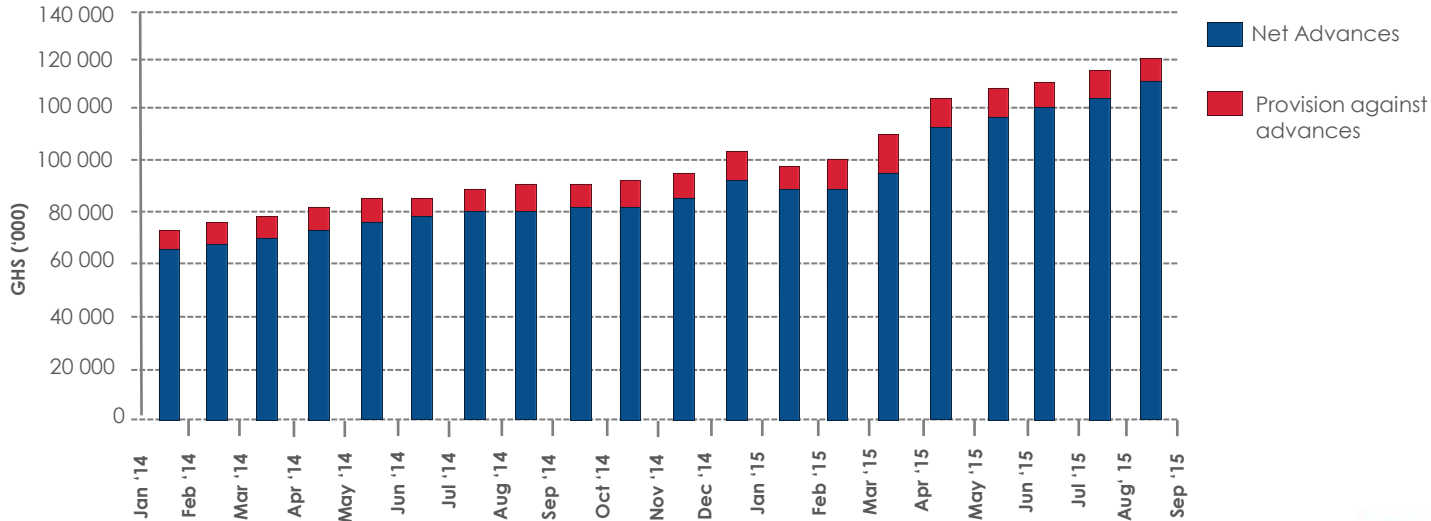
	30-Sep-15 GHS '000 (unaudited)	31-Dec-14 GHS '000 (audited)	30-Sep-14 GHS '000 (unaudited)
Assets			
Non current assets	1,175	818	838
Loans and advances to customers	110,804	93,377	83,590
Advances - gross	120,522	100,966	90,725
Provision against advances	(9,719)	(7,589)	(7,135)
Deferred tax	8,516	4,988	2,108
Other receivables	8,340	6,440	5,989
Cash and cash equivalents	17,726	48,553	32,135
Total Assets	146,561	154,177	124,661
Liabilities			
Borrowings	13,777	19,286	11,773
Corporate notes	52,613	29,843	10,431
Deposits from customers	53,811	42,016	27,404
Amounts due to related parties	0	38,145	53,733
Accruals and other liabilities	11,125	10,760	6,840
Total Liabilities	131,326	140,050	110,180
Shareholders' Equity			
Stated capital	18,413	18,413	18,413
Accumulated deficit	(3,179)	(4,287)	(3,932)
Total Shareholders' Equity	15,234	14,127	14,481
Total Shareholders' Equity and Liabilities	146,561	154,177	124,661



2015 Financial Review – Loan Advances



Loan Advances



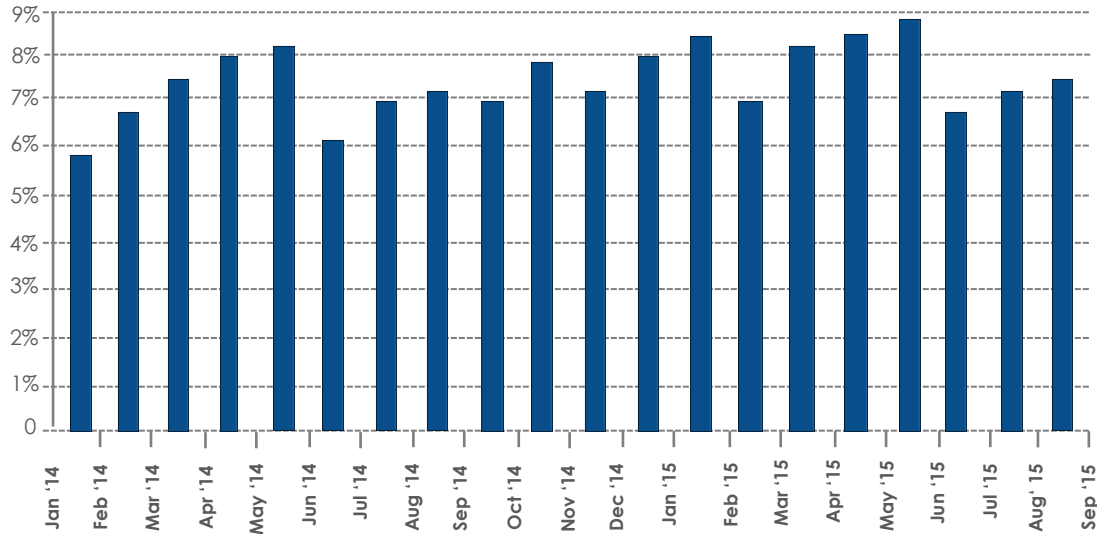
- Continued strong growth in advances **32.8%**
- Supported by improved collections



2015 Financial Review – NPL's



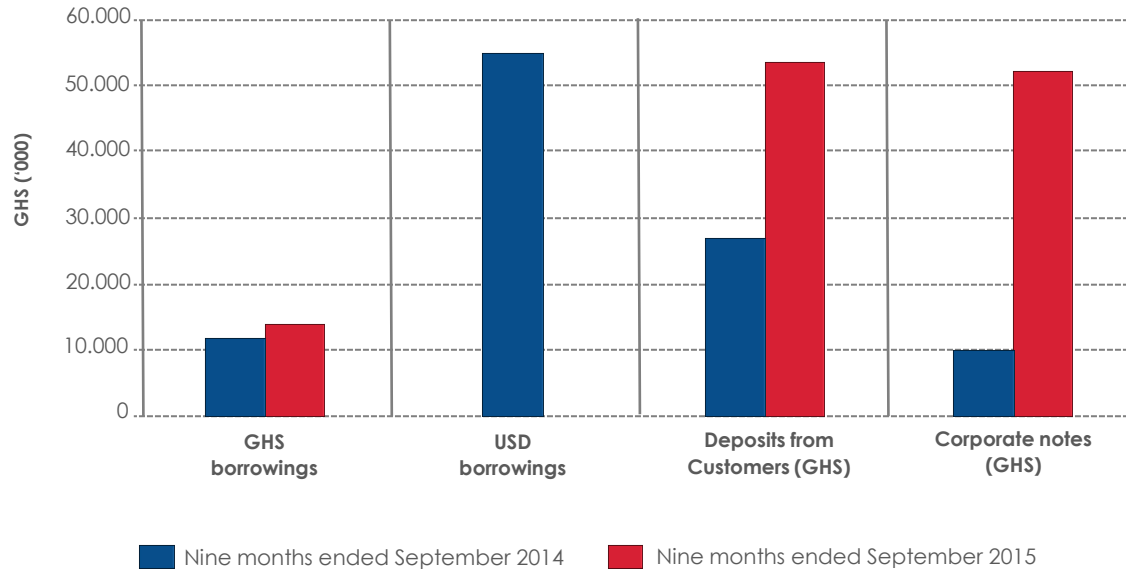
Analysis of non-performing loans



Non-performing loans as % of gross loan book



2015 Financial Review – Funding



Note Programme Performance



Note Issued	2017		2018		2020	Grand Total
	Mar-17 GHS '000	Oct-17 GHS '000	Mar-18 GHS '000	Oct-18 GHS '000	Aug-20 GHS '000	
Izwe Ghana – A6 Senior Floating		14,575				14,575
Izwe Ghana – A7 Senior Floating	10,000					10,000
Izwe Ghana – A8 Senior Fixed			10,000			10,000
Izwe Ghana – A9 Subordinated Floating					7,000	7,000
Izwe – Ghana A10* Senior Floating				8,314		8,314
Grand Total	10,000	14,575	10,000	8,314	7,000	49,889

*A10 note issued 29 October 2015

- Izwe note programme – first corporate note programme in Ghana listed on GAX
- A9 note – first 5 year note in Ghana



Note Programme Performance

- Successful maturity of the A5 note in October 2015
- Currently 147 different investors / portfolios holding notes
- All notes have been well received by investors
- Renewal of the note programme scheduled for 2016



Future Note Issuance

- Programme Memorandum with GHS 80m aggregate limit
- Availability of GHS 30.1m under current note programme
- New 3 year note to be issued within the next three months
- Expected quantum of GHS 20m
- Focus is on longer term notes in manageable tranche sizes linked to Ghana Treasury Bills



Outlook

- Continued enhancement of cash holding levels and related costs
- Focus on liquidity and interest rate risk management
- Continued growth in lending book, at a measured pace while keeping costs managed
- Further product diversity within our areas of expertise



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TEMPLE
INVESTMENTS

 **Databank**
Leadership



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THANK YOU

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