



Madison Finance Company Limited

Incorporated in Zambia

Registration number: 54162

LuSE code: MFC MTNP (Approved as a Corporate Bond by the LuSE)

ISIN: ZM2000000280 | ZM2000000298 | ZM2000000306 |

(“MFinance” or “the company”)

SUMMARY OF UNAUDITED RESULTS AS AT 30 JUNE 2018

In line with the Listings Rules of the Lusaka Securities Exchange (“LuSE”) and the Securities Act 2016, **Madison Finance Company Limited** announces unaudited results as at 30th June 2018.

Statement of Profit or Loss and Other Comprehensive Income		
K'000	2018	2017
	Jun	Jun
Interest Income	55,794	49,609
Interest Expense	(32,133)	(34,897)
Net Interest Income	23,661	14,712
Other operating Income	24,509	18,071
Gross Profit	48,170	32,783
Operating expenses	(30,617)	(30,496)
Impairment	(8,532)	(373)
Profit/ (Loss) before tax	9,021	1,914
Income Tax	(3,157)	(670)
Profit / (Loss) for the year	5,864	1,244
Number of shares during the year (000)	200,000	200,000
Earnings per share	0.029	0.006

Statement of Financial Position

K'000

Assets

Cash and cash equivalents	18,422	33,218
Loans and advances to customers	296,242	255,538
Non- Current assets	10,312	11,742
Other assets	20,233	30,673
Total Assets	345,209	331,171

Liabilities

Customer Deposits	162,915	114,060
Borrowed Funds	135,380	170,632
Other liabilities	5,334	8,926
Total Liabilities	303,629	293,618
Shareholders Funds	41,580	37,553
Total Liabilities and Equity	345,209	331,171

Statement of Cash flows

K'000

Cash flows from operating activities

Profit/(Loss) for the year	5,863	1,244
Profit of disposal of equipment	-	-
Depreciation of equipment	1,497	1,771
Amortisation of intangible assets	427	385
Interest Expense	32,133	34,897
Income tax expense	3,158	670
	43,078	38,966

Changes in:

loans and advances to customers	(44,638)	(7,403)
Other receivables	(9)	(1,525)
Inventory	(10)	(67)
Prepayments	217	1,006
Amounts from related companies	11,018	595
Amounts due to related companies	(229)	(33,161)
Deposits from customers	27,903	44,493
Other payables	6,548	2,801
	43,878	45,705
Interest paid	(27,226)	(31,542)
Income tax paid	(341)	(683)
Net cash flow generated by/(used in)operating activities	16,311	13,480

Cash flow from investing activities

Acquisition of property and equipment	(1,904)	(2,154)
Acquisition of intangible assets	-	(2)
Proceeds from sale of equipment	-	962
Purchase of short term investments	12,850	(8,110)
Net cash used in investing activities	10,946	(9,303)

Cash flow from financing activities

Proceeds from issue of interest bearing borrowings	-	33,097
Finance Lease Obligations	-	(1,159)
Repayment of interest bearing borrowings	(31,268)	(21,975)
Dividend paid	(3,727)	(3,005)
Net cash(used in)/generated from financing activities	(34,995)	6,958

Net (decrease)/Increase in cash and cash equivalents (7,738) 11,135

Cash and equivalents at 1 January 26,160 22,083

Cash and equivalents at 30th June 18,422 33,218

Statement of Changes in Equity		
K'000		
Balance at the beginning of the year	39,443	39,314
Profit / (Loss) for the year	5,864	1,244
Dividends	(3,727)	(3,005)
Other changes		
Balance at the end of the year	41,580	37,553

REVIEW OF FINANCIAL RESULTS

The Company recorded a profit after tax of K5.864million for the period ending 30th June 2018 compared to a profit of K1.244 million recorded as at 30th June 2017. The Company's increased profit after tax was mainly attributable to an increase in disbursements in the period coupled with the direct cost containment.

FINANCIAL HIGHLIGHTS

The key highlights of the financial performance for the period under review were;

1. Interest income YTD of 55.7million is above budget by 1.1% while the Interest expense YTD of 32.1 million is below budget by 11.6%.
2. The loans and advances to customers grew by 18% and was the major asset growth driver.
3. Customers' deposits grew by 21% with an improvement in the portfolio mix between corporate and personal deposits.
4. The total assets grew by 1.5% during the year under review.

OUTLOOK

The company is expected to sustain a strong performance into the 2nd half of the year on the back of continued high disbursements and moderate cost of funds.



Sponsoring Broker

Pangaea Securities Limited

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(Regulated by the Securities and Exchange Commission)

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First Issued: 27 July 2018