



BAYPORT SAVINGS AND LOANS PLC

AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 2018

AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2018

Figures in Ghana Cedis	2018	2017
Assets		
Cash and cash equivalents	29,539,114	35,485,139
Loans and advances to customers	576,503,573	438,845,209
Other assets	16,113,761	13,469,485
Current tax assets	11,724,479	1,858,523
Deferred tax asset	14,548,207	17,577,431
Property, plant and equipment	11,350,566	13,432,957
Intangible Asset	12,809,652	12,623,682
	672,589,352	533,292,426
Equity and Liabilities		
Share Capital	29,942,217	29,942,217
Reserves	109,403,326	101,556,081
	139,345,543	131,498,298
Liabilities		
Deposit from customers	113,421,012	115,904,421
Other Liabilities	52,164,575	28,053,515
Borrowings	293,727,220	213,214,205
Loans from shareholders	73,931,002	44,621,987
	533,243,809	401,794,128
Total Equity and Liabilities	672,589,352	533,292,426

AUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST DECEMBER 2018

Figures in Ghana Cedis	2018	2017
Interest income	257,644,749	170,344,695
Interest expense	(97,166,782)	(70,062,914)
Net interest income	160,477,967	100,281,781
Fees and commission income	2,951,577	2,204,552
Net fees and commission income	2,951,577	2,204,552
Other operating income	85,801	98,808
Other income	5,037,955	11,908,810
Operating income	168,553,300	114,493,951
Personnel expenses	(40,293,400)	(34,049,428)
Operating lease expenses	(4,628,429)	(2,057,145)
Depreciation and amortisation	(8,786,082)	(5,066,531)
Other expenses	(68,798,845)	(51,112,897)
Net impairment loss on financial asset	(30,173,528)	(14,652,254)
Foreign Exchange Loss	(4,424,034)	(1,712,056)
Profit before taxation	11,448,982	5,843,640
Income tax expense	(3,601,737)	(1,942,058)
Profit for the year	7,847,245	3,901,582
Other Comprehensive Income	-	-
Total Comprehensive Income for the period	7,847,245	3,901,582
Basic earnings per share (pesewas per share)	0.0558	0.0278
Diluted earnings per share (pesewas per share)	0.0558	0.0278

AUDITED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST DECEMBER 2018

Figures in Ghana Cedis	2018	2017
Operating activities		
Profit before tax	11,448,982	5,843,640
Adjustments for:		
Depreciation of property, plant and equipment and intangibles	8,786,082	5,066,531
Profits on disposal of property, plant and equipment	(14,126)	(74,584)
Increase in provision for credit impairment	48,666,275	14,652,254
Foreign currency losses	4,410,397	1,712,056
Changes in working Capital:		
Increase in gross advances	(186,324,638)	(118,513,615)
Deposit from customers	(2,483,410)	(902,833)
Increase/(decrease) in other assets	(2,498,196)	9,118,591
Increase in trade and other payables	18,263,520	12,069,834
Net movement in amounts due on intercompany balances	4,611,624	1,218,246
Cash used in operations	(95,133,490)	(69,809,880)
Income taxes paid	(10,438,470)	(5,997,563)
Net cash used in operating activities	(105,571,960)	(75,807,443)
Investing activities		
Proceeds on disposal of property, plant and equipment	3,195	183,622
Purchase of property, plant and equipment and intangibles	(6,743,862)	(10,075,961)
Net cash inflow upon merger	-	10,982,533
Net cash used in investing activities	(6,740,667)	1,090,194
Financing activities		
Proceeds from borrowings	89,099,006	-
Repayment of borrowings	(13,360,282)	(29,595,807)
Net decrease in Finance lease received	-	(363,223)
Proceeds from loans from shareholders	37,176,912	-
Repayment of loans from shareholders	(11,342,622)	(6,140,306)
Proceeds from issue of bonds	52,168,800	71,325,860
Repayments of bonds	(47,540,586)	-
Net cash generated from financing activities	106,201,228	35,226,524
Net decrease in cash and cash equivalents	(6,111,399)	(39,490,725)
Cash and cash equivalents at the beginning of the year	35,485,139	74,947,151
Effect of exchange rate movement on cash balances	165,374	28,713
Cash and cash equivalents at the end of the period	29,539,114	35,485,139

AUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER 2018

Figures in Ghana Cedis	Stated Capital	Statutory Reserve	Credit Risk Reserve	Other reserves	Total Reserves	Retained Earnings
Balance at 1 January 2017	10,000,000	19,033,227	10,666,835	-	29,700,062	76,923,453
Profit for the year	-	-	-	-	-	3,901,582
Transfers and transactions						
Movement in share capital	19,942,217	-	-	-	-	-
Transfer to statutory reserve	-	975,395	-	-	975,395	(975,395)
Transfer to credit risk reserve	-	-	(10,666,835)	-	(10,666,835)	10,666,835
Reserve arising on Merger	-	-	-	(8,969,016)	(8,969,016)	-
Total movements for the period	19,942,217	975,395	(10,666,835)	(8,969,016)	(18,660,456)	13,593,022
Balance at 31 December 2017	29,942,217	20,008,622	-	(8,969,016)	11,039,606	90,516,475
Balance at 1 January 2018	29,942,217	20,008,622	-	(8,969,016)	11,039,606	90,516,475.0
Profit for the period	-	-	-	-	-	7,847,245
Transfers and transactions						
Transfer to statutory reserve	-	1,961,813	-	-	1,961,813	(1,961,813)
Transfer to credit risk reserve	-	-	28,978,631	-	28,978,631	(28,978,631)
Total movements for the period	-	1,961,813	28,978,631	-	30,940,444	(23,093,199)
Balance as at 31 December, 2018	29,942,217	21,970,435	28,978,631	(8,969,016)	41,980,050	67,423,276

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BAYPORT SAVINGS AND LOANS LIMITED

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2018, Summary statement of comprehensive income, summary statement cash flows for the year then ended, and related notes, are derived from the audited financial statements of Bayport Savings and Loans Limited for the year ended 31 December 2018.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagement to Report on Summary Financial Statements.

Summary financial statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 1963 (Act 179) and The Banks and Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 29 March, 2019. That report also includes the communication of other key matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Management's responsibility for the summary financial statements

Management is responsible for the preparation of the summary financial statements in accordance with the Bank of Ghana Guide for financial publication for banks and Bank of Ghana (BOG) licensed financial institutions.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagement to Report on Summary Financial Statements.

Don + Jang

Pamela Des Bordes (ICAG/P/1329)
For and on behalf of Ernst & Young (ICAG/F/2019/126)
Chartered Accountants
Accra, Ghana



NOTES TO THE AUDITED FINANCIAL STATEMENTS

Disclosures - Quantitative

	2018	2017
Capital adequacy ratio	11.6%	19.9%
Non performing loans ratio	15.7%	17.5%

Disclosures - Qualitative

1. Reporting Entity

Bayport Savings and Loans, previously known as Bayport Financial Services Ghana Limited, was incorporated on 23 October 2002 and obtained its certificate to commence business on 28 March 2013.

The address of the entity's registered office is 71 Osu Badu street, Airport West, Accra

2. Significant Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the companies Code 1963 (Act 179) and The Banks and Deposit-Taking Institutions Act, 2016 (Act 930). The financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value.

3. Functional and presentation currency

These financial statements are presented in Ghana Cedi, which is the functional currency, rounded in the nearest cedi.

4. Risk Management

The company's activities expose the business to the following types of risks:

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk
- iv) Operational risk

The risks inherent in the bank's activities are managed through an ongoing process of identification, measurement and monitoring, subject to risk limits and other controls. The Board of Directors is responsible for the overall risk management and the setting of the risk management framework. Oversight of risk management is the responsibility of the Audit, Risk and Compliance committee (ARC). The ARC committee monitors risks associated with financial reporting, accounting policies, internal control and IT governance. The ARC committee is responsible for risk management including setting the risk management framework, setting risk appetite and monitoring the company's management of risk including credit and compliance.

7. Defaults in statutory liquidity and accompanying sanctions

	2018	2017
a) Default in statutory liquidity	Nil	Nil
b) Sanctions	Nil	Nil

Michael

Signed

Director

A. Kauf

Signed

Director