



# BAYPORT SAVINGS AND LOANS PLC

AUDITED CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

## 1. STATEMENT OF FINANCIAL POSITION

	Dec-20	Dec-19
	GHC	GHC
<b>ASSETS</b>		
Cash and cash equivalents	21,965,372	11,297,868
Loans and advances to customers	675,781,352	701,892,127
Other assets	59,560,875	3,436,128
Property and equipment	7,142,097	10,158,805
Intangible Asset	7,980,490	11,569,467
Right of use assets	2,845,939	4,544,625
Current tax assets	13,791,460	12,275,998
Deferred tax assets	12,257,132	18,969,213
<b>Total Assets</b>	<b>801,324,717</b>	<b>774,144,231</b>
<b>LIABILITIES</b>		
Deposit from customers	104,470,260	70,561,625
Other Liabilities	32,323,677	48,360,012
Borrowings	378,827,883	354,609,749
Loans from shareholders	142,380,666	175,133,041
<b>Total Liabilities</b>	<b>658,002,486</b>	<b>648,664,427</b>
<b>EQUITY</b>		
Share Capital	29,942,217	29,942,217
Reserves	113,380,014	95,537,587
<b>Total Equity</b>	<b>143,322,231</b>	<b>125,479,804</b>
<b>Total Liabilities and Equity</b>	<b>801,324,717</b>	<b>774,144,231</b>

## 2. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Dec-20	Dec-19
	GHC	GHC
Interest and other similar income	291,463,305	259,824,535
Interest and other similar expense	(144,761,071)	(120,063,082)
<b>Net interest income</b>	<b>146,702,234</b>	<b>139,761,453</b>
Fees and commission income	3,999,525	4,092,538
<b>Net fees and commission income</b>	<b>3,999,525</b>	<b>4,092,538</b>
<b>Net trading income</b>	<b>150,701,759</b>	<b>143,853,991</b>
Other operating income	348,506	187,292
Other income	2,827,994	2,635,632
<b>Operating income</b>	<b>153,878,259</b>	<b>146,676,915</b>
Net impairment loss on financial asset	(18,523,480)	(31,340,001)
Foreign exchange losses	(1,569,285)	(6,386,733)
Personnel expenses	(27,715,299)	(50,421,030)
Depreciation and amortisation	(11,656,284)	(13,578,616)
Other expenses	(68,003,230)	(63,237,280)
<b>Profit/(loss) before taxation</b>	<b>26,410,681</b>	<b>(18,286,745)</b>
Income tax (expense)/credit	(8,568,254)	4,421,006
<b>Profit/(loss) for the year</b>	<b>17,842,427</b>	<b>(13,865,739)</b>
Other comprehensive income	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>17,842,427</b>	<b>(13,865,739)</b>

### Earnings for share

Basic earnings per share (pesewas per share)	0.1270	(0.0987)
Diluted earnings per share (pesewas cedis per share)	0.1270	(0.0987)
Basic weighted average number of shares (thousands)	14,052,240	14,052,240
Diluted weighted average number of shares (thousands)	14,052,240	14,052,240

## 3. STATEMENT OF CASH FLOWS

	Dec-20	Dec-19
	GHC	GHC
<b>Operating activities</b>		
Profit before tax	26,410,681	(18,286,745)
<b>Adjustments for:</b>		
Depreciation of property and equipment and intangibles	11,656,284	13,578,616
Profits on disposal of property and equipment	(9,247)	(216,012)
Foreign currency losses	13,023	6,444,674
Increase in provision for credit impairment	18,523,482	31,340,001
<b>Changes in working capital:</b>		
Decrease/(increase) in gross advances	7,976,829	(158,728,557)
(Increase)/decrease in other assets	(55,111,589)	4,684,721
Decrease in other liabilities	(16,036,334)	(4,864,281)
Increase/(decrease) in deposits from customers	33,908,631	(42,859,386)
<b>Cash generated from/(used in) operations</b>	<b>27,331,760</b>	<b>(168,906,969)</b>
Income taxes paid	(3,371,635)	(551,519)
<b>Net cash generated from/(used in) operating activities</b>	<b>23,960,125</b>	<b>(169,458,488)</b>
<b>Investing activities</b>		
Proceeds on disposal of property and equipment	61,170	288,795
Purchase of property and equipment and intangibles	(2,092,978)	(6,643,665)
<b>Net cash used in investing activities</b>	<b>(2,031,808)</b>	<b>(6,354,870)</b>
<b>Financing activities</b>		
Proceeds from borrowings	20,000,000	84,000,000
Repayment of borrowings	(12,996,956)	(21,498,475)
Repayment /Proceeds from loans from shareholders	(32,752,376)	96,224,471
Proceeds from issue of bonds	41,248,000	25,667,500
Repayments of bonds	(25,000,000)	(23,753,420)
Lease payment (ROU)	(1,746,458)	(2,697,071)
<b>Net cash (used in)/generated from financing activities</b>	<b>(11,247,790)</b>	<b>157,943,005</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,680,527</b>	<b>(17,870,353)</b>
Cash and cash equivalents at the beginning of the year	11,297,868	29,539,114
Effect of exchange rate movement on cash balances	(13,023)	(370,893)
<b>Cash and cash equivalents at the end of the year</b>	<b>21,965,372</b>	<b>11,297,868</b>

## 4. STATEMENT OF CHANGES IN EQUITY

	Share Capital	Statutory Reserve	Regulatory Credit Risk Reserve	Other Reserves	Total Reserves	Income Surplus	Total Equity
	GHC	GHC	GHC	GHC	GHC	GHC	GHC
Balance at 1 January 2019	29,942,217	21,970,435	28,978,631	(8,969,016)	41,980,050	67,423,276	139,345,543
Loss for the year	-	-	-	-	-	(13,865,739)	(13,865,739)
<b>Transfers and transactions</b>							
Movement in share capital	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer to credit risk reserve	-	-	(18,998,467)	-	(18,998,467)	18,998,467	-
<b>Total movements for the year</b>	<b>-</b>	<b>-</b>	<b>(18,998,467)</b>	<b>-</b>	<b>(18,998,467)</b>	<b>5,132,728</b>	<b>(13,865,739)</b>
<b>Balance at 31 December 2019</b>	<b>29,942,217</b>	<b>21,970,435</b>	<b>9,980,164</b>	<b>(8,969,016)</b>	<b>22,981,583</b>	<b>72,556,004</b>	<b>125,479,804</b>
Balance at 1 January 2020	29,942,217	21,970,435	9,980,164	(8,969,016)	22,981,583	72,556,004	125,479,804
Profit for the year	-	-	-	-	-	17,842,427	17,842,427
<b>Transfers and transactions</b>							
Transfer to statutory reserve	-	4,460,607	-	-	4,460,607	(4,460,607)	-
Transfer to credit risk reserve	-	-	(2,860,605)	-	(2,860,605)	2,860,605	-
<b>Total movements for the year</b>	<b>-</b>	<b>4,460,607</b>	<b>(2,860,605)</b>	<b>-</b>	<b>1,600,002</b>	<b>16,242,425</b>	<b>17,842,427</b>
<b>Balance as at 31 December 2020</b>	<b>29,942,217</b>	<b>26,431,042</b>	<b>7,119,559</b>	<b>(8,969,016)</b>	<b>24,581,585</b>	<b>88,798,429</b>	<b>143,322,231</b>

## 5. REPORT OF THE INDEPENDENT AUDITOR ON THE CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BAYPORT SAVINGS AND LOANS PLC

### Opinion

The condensed financial statements, which comprise the summary statement of financial position as at 31 December 2020, 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 PLC for the year ended 31 December 2020.

In our opinion, the accompanying condensed 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.

### Condensed financial statements

The condensed financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 2019 (Act 992) 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 30 March, 2021. 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.

### Directors responsibility for the summary financial statements

The directors are responsible for the preparation of the condensed 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.

Pamela Des Bordes (ICAG/P/1329)  
For and on behalf of Ernst & Young  
(ICAG/F/2021/126)  
Chartered Accountants  
Accra, Ghana



## 6. NOTES TO THE AUDITED CONDENSED FINANCIAL STATEMENTS

### Significant Accounting Policies

The audited consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB) as adopted by the Institute of Chartered Accountant Ghana (ICAG) and in a manner required by the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and the Companies Act, 2019, (Act 992). The financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value.

The company has consistently applied the accounting policies for year ended 31 December 2020 and 31 December 2019.

### Basis of preparation

The condensed financial statements have been extracted from the audited financial statements of the company in accordance with the Bank of Ghana Guide for Publication for Banks & Bank of Ghana licensed financial institutions.

### Qualitative Disclosures

- The company's risk management framework defines the approach to risk management.
- The scope of risks that are directly managed by the Company is as follows: Credit Risk, Operational Risk, Market and Liquidity Risk, Legal and Compliance Risk, Reputational Risk and Capital Risk.

The risks inherent in the company's activities are managed through an ongoing process of identification, measurement and monitoring, subject to risk limits and other controls. The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. Oversight of risk management is the responsibility of the Audit and Finance Committee and Risk and Compliance Committee. The committees monitor risks associated with financial reporting, accounting policies, internal control and IT governance. The committees are 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.

### Quantitative Disclosures

	Dec-20	Dec-19
Capital adequacy ratio	15.8%	11.9%
Non performing loans ratio	9.6%	11.7%
Default in statutory liquidity	Nil	Nil
Default in statutory liquidity sanction	Nil	Nil

The condensed financial statements do not contain any untrue statements, misleading facts or omit material facts, to the best of our knowledge.

Signed

Director

Signed

Director

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