

BOND

SAVINGS & LOANS

Summary Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 GHS	2017 GHS
Cash flow from operating activities		
Operating profit before taxation	8,880,499	12,903,352
Adjustments for:		
Depreciation	2,454,554	1,755,416
Impairment charge	10,773,365	9,228,194
Interest in suspense	5,247,407	2,486,578
Profit on disposal of motor vehicles	-	(38,163)
Share of (profit) / loss of associate	(38,384)	3,831,430
Operating profit before working capital changes	27,317,441	30,166,807
Changes in operating and other assets and liabilities		
Changes in other assets	(4,315,464)	344,189
Changes in other liabilities	1,955,339	3,962,948
Changes in customer deposit	34,025,281	63,989,805
Changes in loans and advances to customers	(57,657,749)	(38,015,931)
	1,324,848	60,447,818
Tax paid	(710,612)	(3,904,017)
Net cash generated from operating activities	614,236	56,543,801
Cash flow from investing activities		
Purchase of property, plant and equipment	(2,404,633)	(4,120,944)
Proceeds from sale of assets	-	38,163
(Increase)/decrease in financial investments	25,278,871	(48,184,570)
Net cash generated / (used in) from investing activities	22,874,238	(52,090,536)
Cash flow from financing activities		
Dividend paid	-	(1,200,000)
Increase in stated capital	-	12,900,000
Net cash generated from/(used in) financing activities	-	11,700,000
Increase in cash and cash equivalents	23,488,475	15,976,450
Cash & cash equivalents as 1 January	48,659,479	32,683,030
Cash and cash equivalents at 31 December 2018	72,147,954	48,659,480

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 GHS	2017 GHS
Interest income	130,018,910	100,961,460
Interest expense	(87,489,837)	(56,560,896)
Net Interest Income	42,529,073	44,400,564
Fees & commission income	2,484,769	1,472,379
Other operating income	1,928,482	2,919,958
Operating income	46,942,324	48,792,901
Other expenses	(17,126,886)	(14,150,184)
Personnel expenses	(7,745,404)	(6,924,325)
Net impairment loss on financial asset	(10,773,365)	(9,228,194)
Depreciation and amortisation	(2,454,554)	(1,755,416)
Share of (loss)/profit of associate	38,384	(3,831,430)
Profit before income tax	8,880,499	12,903,352
Income tax expense	(219,615)	(1,870,501)
Profit after income tax	8,660,884	11,032,851
Other comprehensive income:	-	-
Total comprehensive income for the year	8,660,884	11,032,851
Earnings Per Share:		
Basic and diluted earnings per share (GHS)	2.89	3.68

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	2018 GHS	2017 GHS
Assets		
Cash and cash equivalent	72,147,954	48,659,480
Non - pledged Trading assets	58,488,833	72,218,571
Pledged Trading assets	14,693,758	26,242,890
Loans and advances to customers	231,643,866	185,606,160
Investments (Other than Securities)	4,743,400	4,705,016
Deferred tax assets	7,069,851	4,561,875
Intangible Assets	2,167,519	2,096,263
Other assets	2,779,505	1,651,096
Property, plant and equipment	7,468,254	7,589,431
Total Assets	401,202,940	353,330,782
Liabilities		
Deposits from banks, SDIs & other BOG licensed FIs	48,145,361	41,905,694
Deposits from customers	270,056,236	242,270,623
Provisions	1,313,054	970,060
Current tax liabilities	4,779,695	2,762,716
Other Liabilities	6,570,581	4,958,236
Total Liabilities	330,864,927	292,867,329
Shareholders' Fund		
Stated capital	29,435,267	29,435,267
Income surplus account	(17,304,677)	919,106
Statutory reserve fund	20,371,935	18,206,714
Regulatory credit reserve	37,835,488	11,902,367
Total Shareholders' Fund	70,338,012	60,463,453
Total Liabilities and Shareholders' Fund	401,202,940	353,330,782

Summary Financial Statements FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Stated Capital GHS	Statutory reserves GHS	Income surplus account GHS	Regulatory credit risk reserve GHS	Total GHS
Balance as at 1 January 2018	29,435,267	18,206,714	919,106	11,902,367	63,714,550
IFRS 9 transitional Adjustment	-	-	1,213,675	-	1,213,675
IFRS 9 restated	29,435,267	18,206,714	2,132,781	11,902,367	64,928,225
Total comprehensive income	-	-	8,660,884	-	8,660,884
Transfer from income surplus	-	2,165,221	(2,165,221)	-	-
Transfer to credit risk reserve	-	-	(25,933,120)	25,933,120	-
Dividend Paid	-	-	-	-	-
Balance as at 31st December 2018	29,435,627	20,371,935	(17,304,677)	37,835,488	73,589,110
Balance as at 1 January 2017	16,535,267	12,690,288	3,493,867	5,011,180	37,730,602
Increase in stated capital	12,900,000	-	-	-	12,900,000
Total comprehensive income	-	-	11,032,851	-	11,032,851
Transfer from income surplus	-	5,516,426	(5,516,426)	-	-
Transfer to credit risk reserve	-	-	(6,891,187)	6,891,187	-
Dividend paid	-	-	(1,200,000)	-	(1,200,000)
Balance as at 31st December 2017	29,435,627	18,206,714	919,106	11,902,367	60,463,453

SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

Basis of preparation

The published summary financial statements have been extracted from the audited financial statement of the Company in accordance with the Bank of Ghana Guide for Publication for Banks and Bank of Ghana licenced financial institutions. Quantitative disclosures

	2018	2017
Capital adequacy ratio	11.33%	16.17%
Non-performing loan (NPL) ratio	16.53%	16.37%

Qualitative disclosures

The Company's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the Bank's business, and the operational risks are an inevitable consequence of being in business. The Company's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance.

Risk management is carried out by the Risk Management Department under policies approved by the Board of Directors. Risk Management Department identifies, evaluates and manages financial risks in close cooperation with the operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and use of non-derivative financial instruments. The most important types of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risk.

Defaults in statutory liquidity and accompanying sanctions

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

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

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31 December 2018, which disclose the state of affairs of the Company.

Statement of Directors' responsibilities

The directors are responsible for the preparation of financial statements for each financial year, which gives a true and fair view of the state of affairs of the Company and, of the income statement and cash flows for that period. In preparing

these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS), the requirements of the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Review of the business

The company traded well during the year and the directors are satisfied that the underlying quality of the business is sound and that profitable returns can be earned within the foreseeable future as planned.

Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

Auditor

In accordance with Section 134(5) of the Companies Act, 1963 (Act 179) the auditors, Messrs. Deloitte & Touche, will continue as auditors of the company.

The financial statements were approved by the board of directors on 29 April 2019 and were signed on its behalf by:



Director



Director

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF BONDS SAVINGS AND LOANS PLC

Opinion

The summary financial statements of Bond Savings and Loans Plc, which comprise the summary statement of financial position as at 31 December 2018, the summary statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited financial statements of Bond Savings and Loans Plc 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 the International Financial Reporting Standards, the requirements of the Companies Act, 1963 (Act 179), and the Banks and Specialised Deposit-Taking Institutions Act 2016, (Act 930).

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting

Standards, the requirements of the Companies Act, 1963 (Act 179), and the Banks and Specialised Deposit-Taking Institutions Act 2016, (Act 930) as applicable to financial statements. 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.

The Audited Financial Statements and our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 29 April 2019. That report also includes:

- The communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the summarised financial statements for the current period.

- A "Report on Other Legal and Regulatory Requirements" which comprise reports on:

- Compliance with the provisions of Companies Act, 1963 (Act 179);
- Compliance with the provisions of the Banks and Specialised Deposit-Taking Institutions Act 2016, (Act 930); and
- Compliance with the provisions of the Anti-Money Laundering Act, 2008 (Act 749), the Anti-Terrorism Act, 2008 (Act 762) and Regulations under these enactments.

Directors' Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies Act, 1963 (Act 179), and the Banks and Specialised Deposit-Taking Institutions Act 2016, (Act 930), and for such internal control as the directors determine is necessary to enable the preparation of the summary financial statements that are free from material misstatement, whether due to fraud or error.

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 Standard on Auditing 810 (Revised), Engagements to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is Daniel Kwadwo Owusu (ICAG/P/1327).



Signed: Deloitte & Touche
For and on behalf of Deloitte & Touche (ICAG/F/2019/129)
Chartered Accountants
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29 April 2019