



**PRESS RELEASE**

**PR. No 095/2019**

**BAYPORT SAVINGS AND LOANS PLC (BSL)  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

BAYPORT has released its audited Financial Statements for the year ended December 31, 2018 as per the attached.

Issued in Accra, this 29<sup>th</sup>  
day of March, 2019

- E N D -

att'd.

**Distribution:**

1. All LDMs
2. General Public
3. Listed Companies
4. Registrars, Custodians
5. Central Securities Depository
6. Custodians
7. Securities and Exchange Commission
8. GSE Council Members
9. GSE Notice Board

**For enquiries, contact:**

**Head Listing, GSE on 0302 669908, 669914, 669935**

*\*GA*



# 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
<b>Assets</b>		
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
	<b>672,589,352</b>	<b>533,292,426</b>
<b>Equity and Liabilities</b>		
Share Capital	29,942,217	29,942,217
Reserves	109,403,326	101,556,081
	<b>139,345,543</b>	<b>131,498,298</b>
<b>Liabilities</b>		
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
	<b>533,243,809</b>	<b>401,794,128</b>
<b>Total Equity and Liabilities</b>	<b>672,589,352</b>	<b>533,292,426</b>

## 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)
<b>Net interest income</b>	<b>160,477,967</b>	<b>100,281,781</b>
Fees and commission income	2,951,577	2,204,552
<b>Net fees and commission income</b>	<b>2,951,577</b>	<b>2,204,552</b>
Other operating income	85,801	98,808
Other income	5,037,955	11,908,810
<b>Operating income</b>	<b>168,553,300</b>	<b>114,493,951</b>
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)
<b>Profit before taxation</b>	<b>11,448,982</b>	<b>5,843,640</b>
Income tax expense	(3,601,737)	(1,942,058)
<b>Profit for the year</b>	<b>7,847,245</b>	<b>3,901,582</b>
Other Comprehensive Income	-	-
<b>Total Comprehensive Income for the period</b>	<b>7,847,245</b>	<b>3,901,582</b>
<b>Basic earnings per share (pesewas per share)</b>	<b>0.0558</b>	<b>0.0278</b>
<b>Diluted earnings per share (pesewas per share)</b>	<b>0.0558</b>	<b>0.0278</b>

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

Figures in Ghana Cedis	2018	2017
<b>Operating activities</b>		
Profit before tax	11,448,982	5,843,640
<b>Adjustments for:</b>		
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
<b>Changes in working Capital:</b>		
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
<b>Cash used in operations</b>	<b>(95,133,490)</b>	<b>(69,809,880)</b>
Income taxes paid	(10,438,470)	(5,997,563)
<b>Net cash used in operating activities</b>	<b>(105,571,960)</b>	<b>(75,807,443)</b>
<b>Investing activities</b>		
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
<b>Net cash used in investing activities</b>	<b>(6,740,667)</b>	<b>1,090,194</b>
<b>Financing activities</b>		
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)	-
<b>Net cash generated from financing activities</b>	<b>106,201,228</b>	<b>35,226,524</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(6,111,399)</b>	<b>(39,490,725)</b>
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
<b>Cash and cash equivalents at the end of the period</b>	<b>29,539,114</b>	<b>35,485,139</b>

## 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
<b>Transfers and transactions</b>						
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
<b>Balance at 31 December 2017</b>	<b>29,942,217</b>	<b>20,008,622</b>	<b>-</b>	<b>(8,969,016)</b>	<b>11,039,606</b>	<b>90,516,475</b>
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
<b>Transfers and transactions</b>						
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)
<b>Balance as at 31 December, 2018</b>	<b>29,942,217</b>	<b>21,970,435</b>	<b>28,978,631</b>	<b>(8,969,016)</b>	<b>41,980,050</b>	<b>67,423,276</b>

## 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.

*Ernst & Young*

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

*[Signature]*

Signed

Director

*[Signature]*

Signed

Director