

### Summary Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

#### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 GH¢	2019 GH¢
<b>Cash flows used in operations</b>		
(Loss) / profit for the year	(13,741,363)	4,683,974
<b>Adjustments for:</b>		
Depreciation and amortisation	2,457,834	2,301,494
Impairment on financial assets	13,973,666	6,781,082
Share of profit of associate	(2,158,351)	(592,969)
Income tax expense and fiscal stabilisation	(1,051,184)	2,314,617
	<u>13,221,965</u>	<u>10,804,224</u>
Change in pledged assets	-	14,693,758
Change in loans and advances to customers	(57,944,619)	13,782,532
Change in non - pledged assets	19,211,456	(3,740,032)
Change in other assets	345,867	1,543,444
Change in deposits from banks	35,706,714	(6,171,280)
Change in deposits from customers	(30,654,014)	(65,298,965)
Change in due to banks	(8,838,916)	11,844,191
Change in other liabilities and provisions	(9,156,594)	5,221,383
	<u>(51,330,106)</u>	<u>(28,124,969)</u>
Income tax paid	-	(800,000)
National fiscal stabilisation levy paid	-	(8,112)
	-	(808,112)
<b>Net cash flows used in operations</b>	<u>(51,849,504)</u>	<u>(13,444,883)</u>
<b>Cash flows (used in) / from investing activities</b>		
Purchase of property, plant and equipment	(2,641,568)	(368,248)
Transfer from work in progress	19,263	-
Purchase of intangible assets	(19,262)	(62,266)
<b>Cash flows (used in) / from investing activities</b>	<u>(2,641,567)</u>	<u>(430,514)</u>
<b>Cash flows from financing activities</b>		
Proceed from issue of shares	-	-
Dividend paid	-	-
<b>Cash flows from financing activities</b>		
<b>Net decrease in cash and cash equivalents</b>	<u>(54,491,071)</u>	<u>(13,875,397)</u>
Cash and cash equivalents at beginning of the year	<u>58,272,557</u>	<u>72,147,954</u>
<b>Cash and cash equivalents at end of the year</b>	<u>3,781,486</u>	<u>58,272,557</u>

#### STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 GH¢	2019 GH¢
Interest income	106,217,948	96,117,237
Interest expense	(87,508,108)	(61,215,657)
<b>Net interest income</b>	<u>18,709,840</u>	<u>34,901,580</u>
Other income	1,012,006	1,579,149
Net commission and fees	63,463	1,511,338
	<u>19,785,309</u>	<u>37,992,067</u>
Impairment loss on financial assets	(13,973,666)	(6,781,082)
	<u>5,811,643</u>	<u>31,210,985</u>
Operating expenses	(22,762,541)	(24,805,363)
Share of profit from equity accounted investments	2,158,351	592,969
<b>(Loss) / profit before tax</b>	<u>(14,792,547)</u>	<u>6,998,591</u>
National fiscal stabilisation levy	-	(349,930)
Income tax credit / (expense)	1,051,184	(1,964,687)
<b>(Loss) / profit for the year</b>	<u>(13,741,363)</u>	<u>4,683,974</u>
Other comprehensive income net of tax		
Gains on revaluation	10,061,774	4,683,974
<b>Total comprehensive income</b>	<u>(3,679,589)</u>	<u>11,308,974</u>
Basic earnings per share	(4.58)	1.56

#### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	2020 GH¢	2019 GH¢
<b>Assets</b>		
Cash and bank balances	3,781,486	58,272,557
Non-pledged trading assets	43,017,410	62,228,866
Loans and advances	255,051,224	211,080,271
Investment (other than securities)	7,494,720	5,336,369
Deferred tax asset	9,591,118	8,539,934
Other assets	890,194	1,236,061
Intangible assets	798,003	1,505,449
Property, plant and equipment	23,837,298	12,884,345
<b>Total assets</b>	<u>344,461,453</u>	<u>361,083,852</u>
<b>Liabilities</b>		
Due to banks	3,005,275	11,844,191
Deposits from banks, SDIs & Other BoG Licensed	77,680,795	41,974,081
Deposits from customers	174,103,256	204,757,271
Provision	2,930,544	862,552
Current tax liabilities	7,756,283	7,756,283
Other liabilities	1,017,902	12,242,487
<b>Total liabilities</b>	<u>266,494,055</u>	<u>279,436,865</u>
<b>Equity</b>		
Stated capital	29,435,267	29,435,267
Revaluation reserve	16,686,774	6,625,000
Statutory reserve fund	21,542,930	21,542,930
Credit risk reserve	23,765,352	34,091,061
Retained earnings	(13,462,925)	(10,047,271)
<b>Total equity</b>	<u>77,967,398</u>	<u>81,646,987</u>
<b>Total liabilities and equity</b>	<u>344,461,453</u>	<u>361,083,852</u>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Stated Capital	Revaluation Reserve	Statutory Reserve Fund	Credit Reserve Fund	Accumulated Loss	Total
Figures in GH¢						
<b>Balance at 1 January 2020</b>	<b>29,435,267</b>	<b>6,625,000</b>	<b>21,542,930</b>	<b>34,091,061</b>	<b>(10,047,271)</b>	<b>81,646,987</b>
Loss for the year	-	-	-	-	(13,741,363)	(13,741,363)
Other comprehensive income	-	10,061,774	-	-	-	10,061,774
Transfer to statutory reserve fund	-	-	-	-	-	-
Transfer from credit risk reserve	-	-	-	(10,325,709)	10,325,709	-
<b>Balance at 31 December 2020</b>	<b>29,435,267</b>	<b>16,686,774</b>	<b>21,542,930</b>	<b>23,765,352</b>	<b>(13,462,925)</b>	<b>77,967,398</b>
<b>Balance at 1 January 2019</b>	<b>29,435,267</b>	<b>-</b>	<b>20,371,935</b>	<b>37,835,487</b>	<b>(17,304,676)</b>	<b>70,338,013</b>
Profit for the year	-	-	-	-	4,683,974	4,683,974
Other comprehensive income	-	6,625,000	-	-	-	6,625,000
Transfer to statutory reserve fund	-	-	1,170,995	-	(1,170,995)	-
Transfer from credit risk reserve	-	-	-	(3,744,426)	3,744,426	-
<b>Balance at 31 December 2019</b>	<b>29,435,267</b>	<b>6,625,000</b>	<b>21,542,930</b>	<b>34,091,061</b>	<b>(10,047,271)</b>	<b>81,646,987</b>

### Significant Accounting Policies

#### Statement of Compliance

The financial statements have been prepared by following International Financial Reporting Standards (IFRS), the Banks and Specialised Deposit-Taking Institutions Act 930 (Act 2016), and the Companies Act 992 (2019).

#### Basis of Preparation

The financial statements have been extracted from the audited financial statement of the company.

Capital Adequacy Ratio is 11.14% for 2020 (2019: 14.74%)

#### Qualitative Disclosure

The company's activities expose it to a variety of financial risks and inherent operational risks because of the core savings and loans operations. BOND's aim is to achieve a balance between risk and return and minimize potential adverse effects. Risk management is carried out by the Risk Management Department under policies approved by the Board of Directors. The Board provides written policies for overall risk management and specific areas such as credit, liquidity, market, and other operational risks.

#### Reports of the Directors

The directors are responsible for the preparation of the financial statement which gives a true and fair view of the state of affairs of BOND following IFRS and relevant legislations. The directors submit their report together with the audited financial statements for the year ended 31 December 2020.

#### Going Concern

The Directors have assessed BOND's ability to continue as a going concern having considered the impact of the COVID-19 pandemic on the BOND's ability to continue as a going concern. Directors believe that the pandemic will have a temporary impact on business activities. Notwithstanding these short-term challenges, the directors are satisfied that it has sufficient resources to continue in business as a going concern.

#### Response to Auditors Qualified Opinion

The auditors observed that except for the deed of assignment executed by the parties, there was no registered land title certificate evidencing the nature of the interest held in the land by BOND as a residential building to be used for administrative purposes. The registration of the leasehold interest of BOND in the land is still ongoing with the Lands Commission.

The financial statements were approved by the Board of Directors on 10th May 2022.

Director

Director

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BOND SAVINGS & LOANS PLC FOR THE YEAR ENDED 31 DECEMBER 2020

We have audited the financial statements of BOND Savings and Loans PLC (BOND) which comprise the statement of financial position as of 31 December 2020, the statement of profit and loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the basis of the qualified opinion section of our report, the financial statements give a true and fair view of the financial position of BOND as at 31st of December 2020 and of its financial performance and its cash flows for the year then ended in accordance with IFRS and the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

#### The Basis for the Qualified Opinion

Included in note 22.1 as additions for the year is the cost and subsequent revaluation of leasehold residential land and building for administrative purposes at a fair market value of Ghs12,650,000. The company does not have registered title documents to the land. The basis of the valuation included an assumption of a 50 year unexpired term to the land made by the valuer due to the unavailability of registered title document on the interest held in the land. Our audit could not confirm the nature of the interest held in the land except for a deed of assignment held between the parties at the date of transaction.

In the circumstances, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that significant risks and rewards associated with the leasehold land and building during the lease period have been transferred to the company.

We conducted our audit in accordance with international Standards on Auditing (ISAs). Our responsibility under the standards are further described in the Auditors Responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standard Board of Accountants' Code for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis of opinion.

#### Directors Responsibilities

The Board of Directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with IFRS and the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 930 (2016) and for such internal controls as the directors determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

AA&K (ICAG/F/2022/114)

Chartered Accountants

7A Ninth Street

Tesano, Accra.

12th May 2022