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2023

ANNUAL REPORT AND
FINANCIAL STATEMENTS



Anniversary Celebration

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2023

ANNUAL REPORT AND
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VISION

To be the most cost-effective, efficient and unique savings and loans company, providing cutting edge financial solutions to Micro, Small and Medium Scale Enterprises and Households.



MISSION

To provide financial solutions to enterprises and households while maximizing stakeholder value.



Old Peace FM Building
Mile 7 Junction, Off Achimota – Ofankor Road
Post Office Box CT 10191 Cantonments
Accra – Ghana
Tel: +233 303 932 990-4
Toll Free: 0800505050
Web: www.bestpointgh.com



CORE VALUES

INTEGRITY

Our word is our bond; we are guided by the highest ethical principles in our dealings with our stakeholders.



1

CREATIVITY

We strive to provide tailored solutions to our customers.



2

TEAM WORK

We work together and support one another to provide seamless solutions to our customers.



3

CUSTOMER FOCUS

We show respect to our customers. We prioritize their needs and provide convenient solutions that exceed their expectations.



4

EXCELLENCE

At the core of all our service is a passion to be the best in the provision of retail financial services.



5

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Anniversary Celebration

NOTICE OF ANNUAL GENERAL MEETING

In accordance with sections 157 of the companies Act, 2019, (Act 992) notice is hereby given that the 9th annual general meeting of Best Point Savings & Loans Ltd. will be held on; Tuesday, 30th July, 2024 at 11:00am; at the Head Office, Achimota-Accra.

TO CONDUCT THE FOLLOWING BUSINESS:

1. Receive the company's audited financial statements and accounts for the year ended December 31, 2023.
2. Receive the report of the directors' and auditor's thereon.
3. Appointment/retirement of directors.
4. Approval of directors' remuneration.
5. Appointment/confirmation of auditors.
6. To authorize the directors to fix the auditor's remuneration.
7. To transact any other ordinary business of an AGM.

Dated this 25th June, 2024

BY ORDER OF THE BOARD

Signed
Millicent Odoi
(Company Secretary)

Note: A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. Such proxy need not be a member of the Company.

Thank you.



CORPORATE INFORMATION

| | |
|---------------------|--|
| NAME | Best Point Savings and Loans Ltd. |
| NATURE OF BUSINESS: | Savings and Loans |
| DIRECTORS: | Mr. Isaac Emmil Osei-Bonsu (Board Chairman) Dr. Ernest Ofori Sarpong (Non-Executive Director) Dr. Fred Safo-Kantanka (Managing Director) Mr. Daniel Asare-Mintah (Independent Non-Executive Director) Mr. Kwadwo Danso-Dodoo (Independent Non-Executive Director) Mr. Kennedy Asante Osei (Non-Executive Director) Mr. Kwadwo Ohemeng Asumaning (Independent Non-Executive Director) |
| SECRETARY: | Miss Millicent Odoi Old Peace FM Building Mile 7 Junction, Off- Achimota- Ofankor Road P. Box CT 10191 Cantonments Accra-Ghana |
| REGISTERED OFFICE: | Old Peace FM Building Mile 7 Junction, Off- Achimota- Ofankor Road P. O. Box CT 10191 Cantonments Accra-Ghana Tel: +233.303.932.990-4 E-mail: info@bestpointgh.com Website: www.bestpointgh.com |
| AUDITORS: | Morrison & Associates Chartered Accountants 2nd Floor, Trinity House, Ring Road East P. O. Box CT 2890 Cantonments-Accra |

Read More here



<https://www.bestpointgh.com>



SHAREHOLDERS' PROFILE



Dr. Osei-Kwame

Shareholder



Dr. Osei-Kwame, also known as "Despite", is a level-headed businessman with a very good background in music production and knows the broadcasting industry like the back of his palm. His businesses include:

| No. | Name of Company | Nature of Business |
|-----|----------------------|--|
| 1 | Despite Company Ltd. | Trading company with subsidiaries in the media industry including Peace FM, Okay FM, Neat FM (Accra) & Hello FM (Kumasi) |
| 2 | Neat Foods Ltd. | Food Processing |
| 3 | Atona Foods Ltd. | Food Processing – This Way Chocolate Drink, Motherlac Cereal. |

Dr. Osei-Kwame is a business connoisseur of no mean repute. His insight into creating job opportunities for the jobless and relentless promotion of the Ghanaian Culture, has made him received numerous prestigious awards in the past which include an Honorary Doctorate Degree in Human Resource from Canterbury University, Honorary Ambassador of Business Entrepreneur in West Africa (Ambassador) and Honorary man of the moment, Ghana, West Africa. He has also been awarded with the Best Entrepreneur for Multimedia by Entrepreneurs Foundation of Ghana under the auspices of the Ministry of Trade and Industries in 2013.

Dr. Osei-Kwame is a strong and devoted Christian. He is married and has been blessed with children.

In addition to his individual businesses, Dr. Osei-Kwame together with Dr. Ernest Ofori Sarpong have other joint business interests including:

| No. | Name of Company | Nature of Business |
|-----|-----------------------------------|-------------------------------------|
| 1 | U2 Salt Limited | Salt mining and refinery at Winneba |
| 2 | United Television Ltd. | Television Station (UTV) |
| 3 | Best Point Savings and Loans Ltd. | Savings and Loans |

SHAREHOLDERS' PROFILE



Dr. Ernest Ofori Sarpong

Shareholder



Ernest is an astute businessman with many years' experience, A product of Presbyterian Boys Secondary School (Presec). He has an amazing business career in Small and Medium Scale Enterprise (SME). He is an industrialist and holds MSc. in Finance and Investment Management from Salford University, Manchester in the United Kingdom.

He has established very reputable businesses including:

| No. | Name of Company | Nature of Business |
|-----|-------------------------|--|
| 1 | Special Ice Limited | Production of sachet and bottled mineral water |
| 2 | Special Investment Ltd. | Real Estate and Construction |

He has been conferred with a Doctorate Degree of Philosophy in Law from Berkeley University in the United States of America for his contribution to the socio-economic development of Ghana.

The Peristrofi World Honorary International Award Conference has also bestowed on him an Honorary Ambassador of Business Entrepreneur in West Africa. He was also adjudged the Best Manufacturing Entrepreneur for 2013 by Entrepreneurs Foundation under the auspices of the Ministry of Trade and Industries.

Ernest is God fearing and a Presbyterian. He is married with three children.

In addition to his individual businesses, Dr. Ernest Ofori Sarpong together with Dr. Osei-Kwame have other joint business interests including:

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**Donation of Mechanized Borehole
at Nanketewa (Baakoniaba):
Sunyani, Bono Region**



BOARD OF DIRECTORS' PROFILE



Mr. Isaac Emmil Osei-Bonsu (Jnr.)

Chairman



Isaac Emmil Osei-Bonsu holds a BL (Qualifying Certificate in Law) from the Ghana School of Law, Legon and an LLB from the University of Ghana, Legon as well as an Executive Masters in Business Administration from the Ghana Institute of Management and Public Administration (GIMPA). He was called to the Ghana Bar in February, 1997.

He is the Senior Partner of the law firm Minkah-Premo & Co. and a director of many boards.

He is regarded as one of the country's experts in Company & Real Estate law and handles matters for both local and foreign clients including some of the country's strongest local entities and foremost multinationals involved in varied sectors of the economy. He specialises in the setting up and structuring of international businesses in Ghana and also provides transaction advisory services. He is an astute advocate and a consummate negotiator.

He lectures at the firm's training arm, the Law Institute on Credit Creation and Securitization. He is the current Chairman of the National Communications Authority and also serves as the First Honorary Consul of Jamaica to Ghana.

He is a traditional ruler and the Etwienana Hene of Kyebi under the stool name of Barima Kwaku Dua. He is married with two children and is an avid golfer.

BOARD OF DIRECTORS' PROFILE



Dr. Ernest Ofori Sarpong

Member



Ernest is an astute businessman with many years' experience, A product of Presbyterian Boys Secondary School (Presec). He has an amazing business career in Small and Medium Scale Enterprise (SME). He is an industrialist and holds MSc. in Finance and Investment Management from Salford University, Manchester in the United Kingdom.

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Ernest is God fearing and a Presbyterian. He is married with three children.

In addition to his individual businesses, Dr. Ernest Ofori Sarpong together with Dr. Osei-Kwame have other joint business interests including:

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|-----|-----------------------------------|-------------------------------------|
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| 3 | Best Point Savings and Loans Ltd. | Savings and Loans |

BOARD OF DIRECTORS' PROFILE



Dr. Fred Safo-Kantanka

Managing Director



Dr. Fred Safo-Kantanka was appointed the Managing Director of the Best Point Savings and Loans Limited on May 1, 2021.

He holds a Doctorate degree in Business Management from the Atlantic International University, USA, a Master of Science Degree in Financial Management from the Middlesex University Business School in UK, and a Bachelor's Degree in Economics and Geography from the Kwame Nkrumah University of Science & Technology. Prior to his appointment, he was the Head of Compliance at the Agricultural Development Bank, and served in various capacities.

He has over 26 years' progressive working experience in Compliance, Internal Audit and Assurance, including Risk Based Audit by providing standardized framework and guidelines for the identification, monitoring, controlling, measuring and Audit reporting. He has significant experience in Risk Management, Credit Management, Banking Operations, Purchasing and Procurement Management.

He also worked in various capacities in a UK firm from 1995 to 2006, and served in various roles, including Packing Plant Manager, Stock Controller and Supply Chain Manager.

BOARD OF DIRECTORS' PROFILE



Mr. Kwadwo Danso-Dodoo (Jnr.)

Member



Kwadwo is a Management Consultant with expertise in startup businesses. He is currently the Managing Director for Special Ice Ltd. Before joining Special Ice Ltd, he worked as the Managing Director of Sun Ridge Ltd, producers of Safina Mineral Water from inception of the Company, the Managing Director of Aqua-In Ltd, and also the Finance Director of Voltic (GH) Ltd for 4 years. He has held various positions in other businesses.

Kwadwo is a Chartered Accountant by profession and a member of the Institute of Chartered Accountants (Ghana). He also holds a Master's Degree in Business Administration in Finance from the University of Ghana (Legon).

He attended Adisadel College. He is a very strong and devoted Christian and is married and has four children.

BOARD OF DIRECTORS' PROFILE



Mr. Kennedy Asante Osei

Member



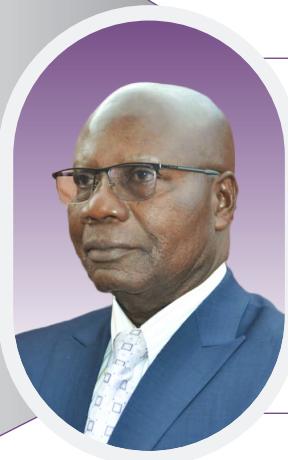
Kennedy is currently the General Manager of the Despite Group of Companies which comprises the Despite Media Group, Neat Foods Company Limited and Atona Foods. Ken also serves as a Non-Executive Director on several Boards within the "Despite" conglomerate, most notable among these is Best Point Savings and Loans Limited.

As an ambitious young man, Kennedy has received many awards in various fields and carved a reputation for himself in the real estate, media and hospitality industries. He has overseen the construction and management of numerous buildings for sale and rent in Accra and Kumasi and also set up and managed two hotels in Accra.

Kennedy holds an MSc. in Money, Banking & Finance from the University of Birmingham in the UK, an LLB from Mountcrest University College, Accra and a BSc. in Administration (Finance Option) from the University of Ghana Business School, Legon. He was called to the Ghana Bar in 2022.

Kennedy is a fashion and sports lover. He is also a gym enthusiast and loves to spend time with friends and family in his spare time.

BOARD OF DIRECTORS' PROFILE



Mr. Daniel Asare-Mintah

Member



Daniel Asare-Mintah Worked for 26 years in the Bank of Ghana and rose to become an Assistant Director in the Banking Supervision Department of the Central Bank. He trained primarily as an Economist and obtained a BA (Honors) Degree in Economics awarded by the University of Cape Coast, Ghana in 1981.

He pursued various academic courses while in the Bank's employment including a one-year program in Banking and Economics as a Fulbright School at Boston University in Massachusetts, USA between 1993 and 1994.

In 1997, he enrolled in the Ghana Law School to pursue a four-year course in Law. He was awarded in 2001 the Qualifying Certificate of the General Legal Counsel of Ghana and the Certificate of Enrollment on the Roll of Lawyers in the Republic of Ghana having qualified as Barrister and Solicitor.

Between 2001 and 2008, the Banking Supervision Department of Bank of Ghana assigned him the responsibility of coordinating activities of the Rural Financial Services Project (RFSP), a World Bank/IFAD/AfDB Financial Sector Project. The project aimed at improving the operational efficiencies of Rural Banks and Microfinance institutions in Ghana. He discharged the duties under the assignment creditably and achieved all the project objectives.

Currently, he is consultant and a senior partner in O-A LEGAL CONSULT, a legal firm in Accra. As a Lawyer, he provides legal services to some Rural Banks in the Eastern Region notably, Kwaebibirem Rural Bank Ltd and Mumuadu Rural Bank Ltd. He is also proprietor of PRESTIGE GUEST HOUSE LTD, a one-star luxury accommodation facility located at Mamfe-Akuapem.

He has since 2014 served as a member of the Board of Directors of Best Point Savings & Loans Ltd.

BOARD OF DIRECTORS' PROFILE



Mr. Kwadwo Ohemeng Asumaning

Member



Mr. Kwadwo Ohemeng Asumaning is a retired Information Technology Communications professional with several years of experience.

Prior to his retirement and subsequent nomination as a member of the Board of Directors of Best Point Savings and Loans Ltd., he had worked in several capacities in the Information Technology sector for a number of years, particularly in South Africa, where he spent most of his working life.

Key among his achievements was being a part of the team that developed a unique biometric identification system used in paying pensioners in South Africa during his employment as Business Development Manager at Cash Paymaster Services, a subsidiary of First National Bank in Johannesburg, South Africa. This solution subsequently won a Smithsonian Award of Excellence in Washington DC, USA.

Mr. Kwadwo Ohemeng Asumaning is currently retired but has his own real estate company as well as a solar energy company.



**Donation of Mechanized Borehole at
Anyinasu (Ntonso): Kwabre East Municipality,
Ashanti Region**



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CHAIRMAN'S REPORT

Introduction

Distinguished Shareholders, fellow Board Members and Management Team, I deem it an honour to welcome you to the 9th Annual General Meeting of Best Point Savings and Loans Limited and to present to you the Annual Report and Financial Statements for the year ended December 31, 2023.

Operating Environment

Inflation fell sharply, from 53.6% in January to 41.2% in April 2023. Inflation increased to 42.5% in June from 42.2% in May and 41.2% in April, driven by persistence increase in food inflation. The economy witnessed a disinflation process during the mid-term which eventually decelerated to 23.2% in December 2023, compared to 54.1% at the end of December 2022. The decline in inflation was driven by both easing food and non-food prices during the period.

Developments in the banking sector broadly reflected the challenging operating environment in 2023 on account of macroeconomic conditions, and the implementation of the Domestic Debt Exchange Programme (DDEP). However, the banking sector's profitability improved in the first half of 2023.

Net interest income increased by 41.4% to GH¢9.9 billion, relative to the increase of 12.4% recorded a year ago. Net fees and commissions also grew by 30.6% to GH¢2.2 billion, compared to 27.0% over the same period last year. Operating income, as a result, rose sharply by 46.1%, higher than the 22.6% recorded in 2022. The industry's cost of operations increased, with operating expenses increasing by 44.9% during the first half of 2023, compared to 22.9% growth for the same period in 2022. The net effect of these developments was a 51.2% increase in profit-before-tax in June 2023, compared with 20.8% growth in June 2022.

Overall, total assets of the banking industry increased by 29.7% (year-on-year) to GH¢274.9 billion as at end of December 2023, higher than the 17.9% growth in the same period of 2022.

► **Mr. Isaac Emmil
Osei-Bonsu (Jnr.)
Chairman**

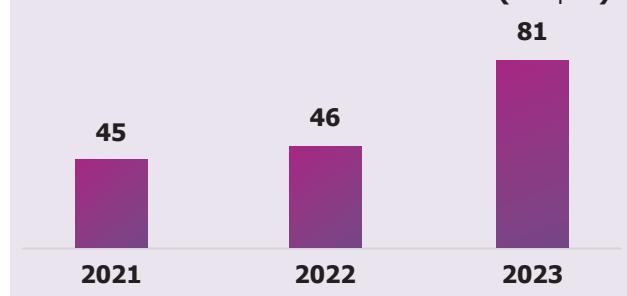


Best Point's Financial Performance

Despite the impact of the Domestic Debt Exchange Programme (DDEP) on its operations in 2022, Best Point adopted sound management practices, which yielded profitable results in 2023. The company recorded an after-tax profit of GH¢8.04 million in 2023. Some key financial changes recorded in 2023 have been summarized as follows:

- Total assets increased by 27.44% from GH¢382.53 million in 2022 to GH¢487.50 million in 2023. Total liabilities also increased by 26.24% from GH¢369.38 million in 2022 to GH¢466.31 million in 2023.
- Loans and advances to customers increased by 74.69% from GH¢46.13 million in 2022 to GH¢80.59 million in 2023. The increase was as a result of increase in business and personal loans by GH¢34.45 million.

Loans and Advances to Customers (GH¢'M)



- Net fee and commission income increased by 23.09% from GH¢4.21 million in 2022 to GH¢5.18 million in 2023. The increase was mainly due to increase in facility fees and commissions.

CHAIRMAN'S REPORT CONT'D.

- There was an increase of 23.69% in deposits from customers, from GH¢360.80 million in 2022 to GH¢446.25 million, by the close of 2023. The increase in deposits was due to the company's resolve to continue to mobilize low-cost funds.



Corporate Governance

Best Point continued with its policy of upholding the highest standards of corporate governance in line with Corporate Governance Directive (2018) by Bank of Ghana. The Board of Directors continued to maintain its independence in the discharge of its responsibilities. The Board focused on the improvement of the risk management framework, paying critical attention to audit and control functions.

Some Board Members retired from the Board in 2023. They were Dr. Ernest Ofori Sarpong, Mr. Daniel Asare-Mintah and Mr. Kwadwo Danso-Dodoo (Jnr.). During the company's 8th Annual General Meeting (AGM), these out-going Board Members were honored for their unwavering dedication to the Board and selfless commitment to the company. The Board Chairman, Mr. Isaac Emmil Osei-Bonsu (Jnr.) also retired from the Board during the period after years of meritorious service to the Board and company. In a related manner, a new Board Member in the person of Mr. Kwadwo Ohemeng Asumaning joined the Board in 2023.

Outlook for the Year 2024

The Ghanaian economy is expected to record a modest expansion of 2.9% in 2024. The economy looks promising with positive signals of renewed consumer and business confidence, largely as a result of the government's fiscal discipline arrangement with the International Monetary Fund (IMF). Inflation is expected to fall within the 6-10% target by the end of the International Monetary Fund (IMF) programme in 2026.

The Bank of Ghana has put in place measures, through the Ghana Financial Stability Fund (GFSF), to provide emergency liquidity support for banking institutions. This was to help manage the potential impact of the Domestic Debt Exchange Programme (DDEP) on banking institutions and preserve financial stability in the sector. This is expected to make the banking sector solvent and strong enough to support economic growth.

Conclusion

I would like to show my admiration to the Management and Staff for their dedication and hard work during this period. My genuine appreciation also goes to my colleague members of the Board for their encouragement and guidance. Our Customers also deserve recognition for their continued confidence in the company. Finally, on behalf of our Customers, Management and Staff and the Board, I would like to express my profound indebtedness to the Shareholders for their continued faith and support for this business.



**Donation of Mechanized Borehole at
Nyamendum (Agona Swedru):
Central Region**



MANAGING DIRECTOR'S REPORT

Introduction

Mr. Chairman, Shareholders and Members of the Board, I consider it a privilege to report on the operational and financial performance of Best Point Savings and Loans Limited for the year 2023.

Operating Environment

Ghana's economy recorded a marginal growth rate of 3.3% in the first quarter of 2023 compared to 3.0% in the same period of 2022. The economy showed a real Gross Domestic Product (GDP) growth of 3.2% for the second quarter of 2023, slightly lower than the 3.5% in the same period of 2022. It dipped further to a growth of 2.0% in the third quarter of 2023 driven by decline in the industrial sector. The economy experienced a pick-up in the fourth quarter of 2023, recording 3.8% growth, slightly higher than the 3.7% growth in the same period of 2022. Overall, Ghana's economy grew by 2.9% in 2023, despite its impressive performance in the fourth quarter. The 2023 annual growth rate was slower than the 3.1% growth recorded in 2022.

Despite significant losses incurred in 2022 on account of impairments of holdings in Government of Ghana (GoG) bonds, the banking sector exhibited resilience through a strong rebound in profitability in 2023. Profit-after-tax recorded a significant growth of 224.6% to GH¢8.3 billion, from a loss of GH¢6.6 billion in December 2022.

The total value of secured loans granted and registered by Banks and Specialised Deposit-Taking Institutions (SDIs) in the fourth quarter of 2023 was GH¢5.9 billion, relative to GH¢13.2 billion recorded over the same period in 2022. Banks registered the largest share of the total value of secured loans in the fourth quarter of 2023, with 76.3%, relative to the share of 93.0% in the fourth quarter of 2022. The share of secured loans by Savings and Loans Companies increased to 13.3% in the fourth of 2023 from 4.2% recorded over the same period in 2022.

► **Dr. Fred
Safo-Kantanka
Managing Director**



Key Developments in 2023

Some of the key developments that occurred in 2023 have been outlined below.

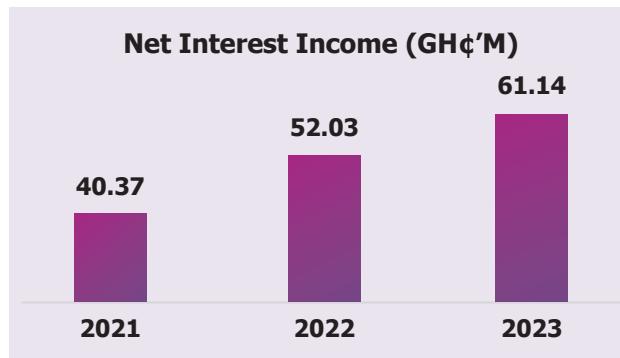
- The Bank of Ghana granted approval to Best Point Savings and Loans Ltd. to establish an Agency at CMB-Railways in the Accra Metropolitan Area. The CMB agency office was officially opened to the general public on 3rd January, 2023. The CMB agency has been equipped to serve the banking public around the Accra CMB catchment area as well as those from other places.
- Policies and Standard Operating Procedures (SOPs) of the company were reviewed in 2023. This was necessitated by the expiration of the two-year time frame for the policies. The review, among others, was to ensure that the company's Policies and Standard Operating Procedures (SOPs) remain relevant and up-to-date with the current business environment.
- Best Point Savings and Loans Ltd. won The Most Innovative Product of the Year in the Savings and Loans category at the 2nd Non-Bank Financial Institutions Awards 2023. The award recognized the company's use of technology to create products and services and to drive them to reach its target market.
- A 2-day strategic plan meeting was held in November, 2023 to draw up a 3-year strategic plan for the business. This became necessary as a result of the expiration of the current three-year strategic plan. The meeting enabled Management to brainstorm for strategic ideas for the growth of the company within the next three years.

MANAGING DIRECTOR'S REPORT CONT'D.

Financial Performance Highlight for 2023

Notwithstanding the impact of the Domestic Debt Exchange Programme (DDEP) on Best Point's financial performance in 2022, the company adopted sound management practices in 2023, which yielded fruitful results.

- Interest income recorded an increase of 15.58% from GH¢71.59 million in 2022 to GH¢82.75 million in 2023. The increase in interest income was mainly due to increase in interest on loans and advances.
- Net interest income also witnessed an increase of GH¢9.10 million from GH¢52.03 million in 2022 to GH¢ 61.14 million in 2023. This represented an increase of 17.51%.



- Total operating income increased from GH¢57.64 million in 2022 to GH¢67.92 million in 2023, representing a growth of 17.86%. Similarly, investment securities also recorded an increase of 20.92% from GH¢290.09 million in 2022 to GH¢350.77 million in 2023.



- The company recorded a net profit of GH¢8.04 million for the financial year ended December 31, 2023. The recorded profit was largely due to best business practices adopted by Management coupled with smart investment decisions such as investments in securities.

Outlook for the Year 2024

Economic performance for 2024 is projected to be positive, with a moderate GDP growth of 2.8%. The economy is anticipated to exhibit a strong rebound in both consumer and business sentiments, reflective of the signs of recovery. Business sentiment is anticipated to improve despite concerns about the impact of unstable macroeconomic conditions on business operations. The reforms the country is undertaking under the International Monetary Fund (IMF) programme is expected to foster economic stability and resilience. This is anticipated to further help re-establish investor confidence in the domestic economy for growth.

Management will deepen the implementation of prudent strategies to increase profitability in 2024. Implementation of the 3-year strategic plan is expected to provide the needed guide for profit maximization. Efforts will be made to minimize operating costs without reducing the quality-of-service delivery. Financial support for Micro, Small and Medium Scale Enterprises (MSMEs) will be enhanced in 2024. Our focus on digitization will be strengthened to give our customers more channels and convenience in their banking experience.

Conclusion

I wish to express my sincere gratitude to the Board of Directors for their relentless efforts in providing strategic guidance to the company. My appreciation also goes to our Shareholders for their continued trust in the company. I also want to show admiration for my Management Team and the entire Staff for giving their best for a profitable year. Last but not the least, I am eternally grateful to our valued Customers for their unflinching trust in the company.

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Mmofra Daakye Account

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MANAGEMENT PROFILE



Dr. Fred Safo-Kantanka

Managing Director



Dr. Fred Safo-Kantanka was appointed the Managing Director of the Best Point Savings and Loans Limited on May 1, 2021.

He holds a Doctorate degree in Business Management from the Atlantic International University, USA, a Master of Science Degree in Financial Management from the Middlesex University Business School in UK, and a Bachelor's Degree in Economics and Geography from the Kwame Nkrumah University of Science & Technology. Prior to his appointment, he was the Head of Compliance at the Agricultural Development Bank, and served in various capacities.

He has over 26 years' progressive working experience in Compliance, Internal Audit and Assurance, including Risk Based Audit by providing standardized framework and guidelines for the identification, monitoring, controlling, measuring and Audit reporting. He has significant experience in Risk Management, Credit Management, Banking Operations, Purchasing and Procurement Management.

He also worked in various capacities in a UK firm from 1995 to 2006, and served in various roles, including Packing Plant Manager, Stock Controller and Supply Chain Manager.

MANAGEMENT PROFILE



James Okrah
General Manager



James had his First Degree in Commerce from the University of Cape Coast in 1998 after which he worked as a teacher and later joined Baduman Rural Bank Limited in the year 2000 as an Assistant Accountant.

In 2003 he pursued a Master's Degree in Business Administration-Finance at the University of Lincoln-UK and graduated in 2005. He is also a Chartered Accountant and a Fellow of Association of Certified Chartered Accountants (ACCA).

In June 2009, James joined United Bank for Africa (UBA). He worked there as Control Officer and was in charge of Domestic Operations and Clearing Departments until he left in October 2013 to join Best Point Savings and Loans Limited in the same year.

MANAGEMENT PROFILE



Martey Ago-Mensah

Head, Risk/Compliance & Internal
Control



Martey's audit career began with Morrison and Associates, a firm of Chartered Accountants in April 2004. He then left to pursue his career with the then Amalgamated Bank Ltd. now Bank Of Africa in 2006. He played various roles such as Resident Internal Control Officer where he set up internal control systems in new branches opened by the Bank and also helped in strengthening existing internal controls.

He also worked with the Operational Risk Unit briefly and then to the Internal Audit Department where he was a Senior Internal Auditor and team leader just before he joined Best Point Savings and Loans Ltd. in October 2013.

He holds an EMBA from KNUST and is also a final part student of the Institute of Chartered Accountants Ghana.

MANAGEMENT PROFILE



Isaac Baffour Awuah Head of Audit



Isaac Baffour Awuah is a holder of BBA (Accounting) from Valley View University and an MBA Finance Management from Kazian Global School of Business Management, India. Also, Isaac has a qualification in ICA (GH).

He has over seventeen years banking experience with former Ghana Cooperative Bank Ltd, and First National Savings and Loans Co. Ltd, Accra (now GN Bank). He joined First National in 2007 as Branch Manager for Tema and rose to become Head of Accounts. He also played various other roles as Head of Internal Audit, and Risk Manager until he left them in September 2013 to join Best Point Savings and Loans Ltd.

He also has seven and a half years working experience in multinational companies: four and a half years in Cadbury Ghana Ltd where he became an Accounts Manager, two years with Barry Callebaut Ghana Ltd, and a year with Gold Fields Ghana Ltd as a Financial Accountant.

Isaac has good knowledge and skills in budgeting, target setting, auditing and banking operations etc.

MANAGEMENT PROFILE



Millicent Odoi

Head of Legal & Administration/
Company Secretary



Miss Millicent Odoi is a dedicated lawyer with several years of experience at the Ghana Bar. She holds a Bachelor of Arts (BA) Degree in Psychology from the University of Ghana, Legon. She also holds a Bachelor of Law (LLB) Degree from the same University.

In October 2010, she enrolled at the Ghana school of Law for the Qualifying Certificate in Law and also worked as an intern with Kwame Gyan & Associates, a reputable law firm in Accra from 2010-2012.

She was called to the Ghana Bar in 2012, thereafter, did her pupillage with Zoe, Akyea & Co, another renowned law firm in Accra. She worked with the same law firm after her pupillage as an Associate until May 2015 when she joined Best Point Savings & Loans Ltd. as the Legal Officer/Company Secretary and subsequently, the Head of Legal Department.

Her key responsibilities include advising Management on legal and regulatory compliance issues and regulatory laws, providing legal opinion on matters relating to the Company's day-to-day business, liaison between the Board and Management and ensures that the Company follows good corporate governance principles. In addition to her role, she was appointed as the Head of Administration in 2018.

She has attended a number of Workshops/Training Programmes in her field as well as Banking including the Changing Role of the Company Secretary, Corporate Governance, Credit Portfolio Management, Customer Service etc.

MANAGEMENT PROFILE



Mark Kyei Darko
Head of Banking Operations



Mark Kyei Darko is a holder of MBA Finance and BBA Accounting from the Methodist University College and Valley View University respectively. He also holds professional certificate from the Ghana Stock Exchange securities course and a part student member of the Institute of Chartered Accountants Ghana.

He has over 12 years' experience in Retail Banking, Treasury and Investment Banking, Financial Services Industry, Trade Finance, Foreign Operations and Credit Management.

In September 2009, Mark joined Bank of Baroda Ghana Ltd as Banking Assistant attached to the Treasury Unit. He became a supervisor in charge of the Treasury and Branch Operations of the Bank in 2011. He helped and was involved in the establishment of the Tema Branch.

He left and joined Best Point Savings and Loans Ltd as one of the pioneers in November 2013.

MANAGEMENT PROFILE



Eric Kwakye
Head of Information Technology



Eric is a dynamic and results-driven IT leader with a proven ability to align technology strategies with business objectives, driving digital transformation, and ensuring operational excellence in the financial services sector. Possessing a blend of strategic vision, technical expertise, and leadership acumen, he boasts of a wealth of experience in Information Technology as well as banking and finance, spanning approximately 12 years. He has exhibited professionalism and leadership capacities across various companies, including but not limited to Seed Funds Savings and Loans, Golden Link Savings and Loans, and Golden Tintona Investments.

Throughout his career, he has demonstrated leadership, innovation, and collaboration across various countries, departments, and subsidiaries under his purview. Based on the exposure throughout his career journey, he has acquired experience in Digital Product Management, Payment Systems, Electronic & Digital Banking, Cloud, and Cybersecurity Landscape.

Eric Kwakye holds an MBA in Management Information Systems, a BSc. in Information Technology, and numerous professional certifications under his belt. His extensive professional background equips him with expertise in IT Strategic Management, Infrastructure Modernization, Project Management (Agile & Scrum), Programming, Database Administration, IT Auditing, Networking, and Systems Administration.

MANAGEMENT PROFILE



Maame Frimpomaa Nartey

Head of Business Development



Maame is a Marketing Professional with extensive experience in the banking industry. Her experience spans across Business Development, Relationship Management, Marketing Strategy, Financial Services Marketing, Customer Service, Branch Management and Credit Analysis. Her professional training includes Strategic Marketing, Marketing Planning, Sales and Managing Corporate Reputation.

She previously worked with Bank of Africa where she started her career and held various roles including Branch Manager. She also worked briefly in real estate. Maame then joined Forms Capital Limited a finance house where she was the Head of Business Development and Marketing.

Her experience in Client Relationship Management in the Financial Sector spans from managing Corporates, SMEs, and Retail clients to High Net Worth clients.

Maame holds a Chartered Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (UK) and a Bachelor's Degree in Psychology from the University of Ghana-Legon.

She is a determined and self-motivated individual driven by her passion to create value for all clients she comes into contact with.

MANAGEMENT PROFILE



Emmanuel Owusu-Ankamah

Head of Finance



Emmanuel is a dynamic and innovative finance professional interested in value-adding accountancy.

He has over 13 years of experience in research, financial reporting, business performance management and corporate finance. He joined Best Point Savings and Loans Limited from Sic Life Savings and Loans Company Limited, where he served as the Head of Finance. Prior to that, he was with Fidelity Bank Ghana Limited, where he served in different capacities including, Finance Business Partner, Research Analyst, and Finance Officer.

Emmanuel is a professional accountant and a Fellow (FCA) of the Institute of Chartered Accountants Ghana (ICAG). He is also a member of CIMA and AICPA with the designations ACMA and CGMA.

He has a Master of Science Degree in Economics from the Economics Department of the Kwame Nkrumah University of Science and Technology (KNUST), a Master of Business Administration (MBA) in Finance from the University of Ghana Business School and a Bachelor of Commerce (Bcom) from the School of Business at the University of Cape Coast (UCC).

Emmanuel is a published author in a peer-reviewed academic journal. His research interests include Banking and Corporate Finance Strategy, Financial Markets and Economic Stability, Performance Management, Advanced Times Series Analysis, Sustainable Finance and Sustainability Reporting.

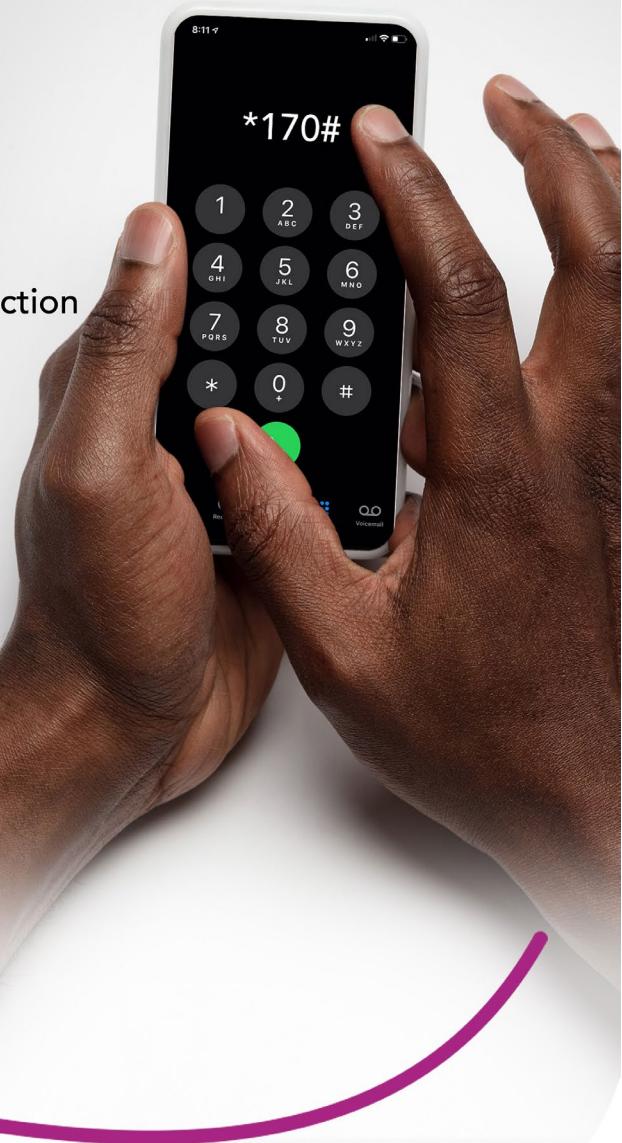


Money Transfer from **MTN MoMo** to Best Point Account

Transfer money directly from MTN Mobile Money (MoMo) to a Best Point Account

Follow the steps below:

- Dial *170#
- Select option 1: Transfer Money
- Select option 6: Bank Account
- Select option 1: Wallet to Bank Account
- Follow the prompts to complete the transaction



Note:

Remember to have your Best Point Account number ready before initiating the transaction.

REPORT OF THE DIRECTORS

TO THE MEMBERS OF BEST POINT SAVINGS AND LOANS LTD.

Introduction

The Directors have pleasure in presenting to the Members the financial statements of the Company for the year ended 31st December 2023 and report thereon as follows:

Directors' Responsibility Statement

The Directors are responsible for the preparation of financial statements that give a true and fair view of Best Point Savings and Loans Ltd., comprising the statement of financial position as at 31st December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the financial statements including a summary of significant accounting policies and other explanatory notes, in accordance with all relevant laws and regulations including the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), Non-Bank Financial Institution Act 2008 (Act 774) International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992).

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe that the business will not be a going concern in the foreseeable future.

Auditors' Responsibility

The auditors are responsible for reporting on whether the financial statements give a true and fair view in accordance with laws and regulations and the applicable financial reporting framework.

Principal Activities

The principal activities carried out by the Company during the year under review are within the limits permitted by its Regulations and its Licence and also consistent with its strategic focus. There were no changes in the principal activities of the Company during the year.

Results and Dividend

The results of operations for the year ended 31st December, 2023 are set out in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statements of Changes in Equity and the Notes to the Financial Statements from Page 44-75.

The Directors are unable to recommend the payment of dividend in respect of the year ended 31st December, 2023.

Financial Statements

The Statement of Financial Position and this report have been signed by two Directors indicating the Board's approval of the Statement of Financial Position, Annexed Financial Statements and their Notes.

Corporate Social Responsibility

The Company spent an amount of GH¢ 420,000 in 2023 (2022: GH¢ 60,000) through its Corporate Social Responsibility programme as a way of giving back to the society.

Audit Fee

An amount of GH¢110,000 (exclusive of levies and taxes) is payable as Audit fees.

Interest Register

There was no entry in the Interest register during the period under review.

REPORT OF THE DIRECTORS CONT'D.

Directors' Capacity Building

There was capacity building programme for the Board of Directors during the year.

The Financial results are as stated below:

| | 2023 | 2022 |
|---|---------------------|--------------|
| | GH¢ | GH¢ |
| Retained earnings balance as at January 1, | (32,247,906) | (9,983,607) |
| Net (loss)/profit for the year | 8,045,191 | (22,698,800) |
| | (24,202,715) | (32,682,407) |
| The following transfers have been made: | | |
| Credit Risk Reserve | 98,107 | 434,501 |
| Statutory Reserve | (4,022,596) | - |
| Retained Earnings Balance as at December 31, | (28,127,204) | (32,247,906) |
| TOTAL ASSETS | 487,508,175 | 382,536,546 |

Directors' Assessment of the State of the Company's Affairs

The Directors consider the Company's state of affairs to be satisfactory.

Auditor

The Auditor, Messrs. Morrison & Associates, will continue in office in accordance with section 139(5) of the Companies Act, 2019 (Act 992).

BY ORDER OF THE BOARD

SIGNED

Managing Director

(DR. FRED SAFO-KANTANKA)

DATE: 24TH APRIL, 2024

SIGNED

Non-Executive Director

(MR. KWADWO OHEMENG ASUMANING)

DATE: 24TH APRIL, 2024



Money Transfer from **TELECEL** Mobile Money to Best Point Account

Transfer money directly from MTN Mobile Money (MoMo)
to a Best Point Account

Follow the steps below:

- Dial *110#
- Select option 1: Send Money
- Select option 3: To Bank Account
- Select option 1: (A-D)
- Follow the prompts to complete the transaction

Note:

Remember to have your Best Point Account number ready before initiating the transaction.



CORPORATE GOVERNANCE REPORT

Introduction

Good corporate governance practices is at the heart of the company's operations as that underpins the long term success of the company. The Board and Management are therefore committed to ensuring that the company upholds all the values and principles of good corporate governance practices in every aspect of its business operations.

The Board has developed a corporate governance framework which guides the way the Company is governed. The guiding principles of the Company's Corporate Governance Framework are informed by the relevant laws and regulations including but not limited to the Banks & Specialised Deposit-Taking Institutions Act, 2016 (Act 930), Non-Bank Financial Institution Act, 2008 (Act 774), the Companies Act, 2019 (Act 992), Bank of Ghana's Corporate Governance Directive (2018) and Fit & Proper Persons Directive (2020). These corporate governance guiding principles are complemented by the Company's vision and values and define the Company's approach to its dealings with customers, shareholders, employees and other stakeholders.

Compliance Statements

The Board of Directors confirms that at the date of this report, Best Point Savings and Loans Ltd. has complied with most of the provisions of the Corporate Governance Directive 2018.

The Board also hereby states that:

The Board has independently assessed the effectiveness of the Company's corporate governance process and finds it effective in the achievement of the Company's objectives.

The Directors are aware of their responsibilities to Best Point Savings and Loans Ltd. as persons charged with governance.

Role of the Board

The Board of Best Point Savings and Loans Ltd. is legally charged with the responsibility for directing and overseeing the business of the Company including approving and overseeing the implementation of the Company's strategic objectives, risk strategy, corporate governance and corporate values.

The Board Of Directors

The Board is responsible for effective and efficient corporate governance practices. The Board is also responsible for the protection of the interest of depositors and other stakeholders. The Board members are collectively responsible for the overall supervision, direction and long-term success of the Company. There is a clear distinction of the role of the Board and Executive Directors. Whereas the Board is responsible for the overall governance of the company and serving as a check on the action of executive directors, the executive directors are responsible for the day to day management of the company.

Composition of the Board

The Board is currently made up of three (3) members comprising the Managing Director (who is an Executive Director), one independent non-executive director, and one non-executive director. Four (4) members of the Board retired during the year and their replacements are yet to be approved by the Bank of Ghana.

The Board has a diverse and rich blend of competencies and expertise in the areas of Finance, General Business, Entrepreneurship, Accountancy, Corporate Governance and Board Room practices.

Board Meetings

The Board holds regular meetings not less than four times in a year. The Board may also hold extraordinary meetings when required. Directors are expected to attend and participate in all Board meetings and meetings of committees on which they serve. In addition, Directors are expected to devote the time

CORPORATE GOVERNANCE REPORT CONT'D.

needed to discharge their responsibilities. The Board acting through its Chairman convenes an Annual General Meeting once a year to receive the annual report from the Chairman and the Auditors. The attendance record of individual directors at Board meetings held in 2023 is shown in the table below:

| Name of Board Member | Scheduled Meeting | Ad-hoc Meeting | Remarks |
|---------------------------------------|-------------------|----------------|------------------------|
| Mr. Isaac Emmil Osei-Bonsu (Chairman) | 3/3 | 1/1 | Non-Executive Director |
| Dr. Ernest Ofori Sarpong | 2/2 | 1/1 | Non-Executive Director |
| Dr. Fred Safo-Kantanka | 4/4 | 1/1 | Managing Director |
| Mr. Daniel Asare-Mintah | 2/2 | 1/1 | Non-Executive Director |
| Mr. Kwadwo Danso-Dodoo | 2/2 | 1/1 | Non-Executive Director |
| Mr. Kwadwo Ohemeng Asumaning | 2/2 | 1/1 | Non-Executive Director |
| Mr. Kennedy Asante Osei | 4/4 | 1/1 | Non-Executive Director |

Note: Numerator denotes number present whilst denominator denotes expected number of attendance

Board Committees, Membership and Meetings

The Board discharges its responsibilities through the establishment of standing Board Committees appointed from amongst its members subject to the applicable regulations. All Committees of the Board operate under Committee Charters approved by the Board. There are three committees with specific responsibilities. They are: Audit Committee; Finance and Governance Committee; Risk Management, Cyber Security and Information Technology Committee.

Audit Committee

The Audit Committee is a standing committee of the Board made up of four non-executive directors and one executive director. The main purpose of the Audit Committee is to assist the Board to fulfil its oversight responsibilities in relation to the Company's internal and external audit functions and regulatory conformance in areas including the following:

- a. To develop a scope of Audit which is sufficiently broad to ensure accountability and mitigate risk
- b. Give Policy direction on audit issues and to consider other matters as directed by the Board from time to time.

Membership of the Audit Committee and attendance record of the members at committee meetings in the year 2023 are shown in the table below:

| Member | Status | Attendance | Remarks |
|------------------------------|----------|------------|------------------------|
| Mr. Daniel Asare Mintah | Chairman | 2/2 | Non-Executive Director |
| Dr. Ernest Ofori-Sarpong | Member | 2/2 | Non-Executive Director |
| Mr. Kwadwo Danso-Dodoo | Member | 2/2 | Non-Executive Director |
| Mr. Kwadwo Ohemeng Asumaning | Member | 2/2 | Non-Executive Director |
| Dr. Fred Safo-Kantanka | Member | 4/4 | Managing Director |

Note: Numerator denotes number present whilst denominator denotes expected number of attendance

Risk Management, Cyber Security & IT Committee

The Committee is a standing committee of the Board made up of three non-executive directors and one executive director, and is chaired by an experienced non-executive director. The purpose of the Risk Management, Cyber

CORPORATE GOVERNANCE REPORT CONT'D.

Security & IT Committee is to among others; oversee the establishment of policies and guidelines outlining the company's credit risk tolerance level, responsible for exercising oversight on management identification and management of the company's credit risk exposure. The committee is also responsible for ensuring robustness of the company's cyber and information security controls, policies and strategies. It is also responsible for ensuring the company complies with all information security laws and regulations.

Membership of the Risk Management, Cyber Security & IT Committee and attendance record of the members at committee meetings in the year 2023 are shown in the table below:

| Member | Status | Attendance | Remarks |
|--------------------------|----------|------------|------------------------|
| Mr. Kennedy Asante Osei | Chairman | 4/4 | Non-Executive Director |
| Dr. Ernest Ofori-Sarpong | Member | 2/2 | Non-Executive Director |
| Mr. Daniel Asare-Mintah | Member | 2/2 | Non-Executive Director |
| Dr. Fred Safo-Kantanka | Member | 4/4 | Managing Director |

Note: Numerator denotes number present whilst denominator denotes expected number of attendance

Finance and Governance Committee

The Committee is a standing committee of the Board made up of three non-executive directors and one executive director. The Committee inter alia is responsible for giving policy direction on Finance, Human Resources, Banking Operations, Business Development, Legal and Treasury, and reviewing and making recommendation to the Board for the approval of the annual budget.

Membership of the Finance and Governance Committee and attendance record of the members at committee meetings in the year 2023 are shown in the table below:

| Member | Status | Attendance | Remarks |
|-------------------------|----------|------------|------------------------|
| Mr. Kwadwo Danso-Dodoo | Chairman | 2/2 | Non-Executive Director |
| Dr. Fred Safo-Kantanka | Member | 4/4 | Managing Director |
| Mr. Daniel Asare Mintah | Member | 2/2 | Non-Executive Director |
| Mr. Kennedy Asante Osei | Member | 4/4 | Non-Executive Director |

Note: Numerator denotes number present whilst denominator denotes expected number of attendance

Capacity Building of Board Members

Board members should have a clear understanding of their role in corporate governance and be able to exercise sound and objective judgement about the affairs of the Company.

On appointment to the Board, Directors are provided with detailed information to enable them gain in-depth knowledge about the Company and its business environment, inherent risks, strategy and the legal and regulatory framework in which the company operates. The Board also organizes relevant training for all Board members on an ongoing basis with respect to the Company's own needs and requirements and with respect to external standards of competence.

Information and Communication

The Board ensures timely dissemination of all relevant information on all relevant matters. Directors are furnished with information prior to Board meetings. The Board meets to discuss the budget and relevant financial information of the company regularly.

CORPORATE GOVERNANCE REPORT CONT'D.

Assessment of Board Members and Board Performance

The Board at the end of each year assesses each individual Director based on performance, attendance at Board meetings, contributions as a Board member, commitment to the Board and knowledge and experience they bring to the Board. The assessment is used to determine whether the Board member qualifies to be re-elected to the Board.

Internal Control

The Board of Directors is responsible for the system of internal controls that is designed to maintain effective and efficient operations compliant with applicable laws and regulations. The system of internal controls is designed to manage or mitigate risk to an acceptable residual level. The system of internal controls provides reasonable assurance against material misstatement, fraud and error.

The effectiveness of the Company's internal controls is reviewed regularly by the Audit, and Compliance Committees of the Board. The Internal Audit function undertakes independent assurance activities and provides reports to the Board and Executive Management on the quality and effectiveness of governance, risk management and internal controls to manage and mitigate risks inherent in the Company's activities.

External Auditors

External Auditors of the Company, Morrison & Associates were engaged to carry out the external audit function in relation to the financial statements of the company. Morrison and Associates will continue in office as auditors of the Company.

Relationship with other Stakeholders

With respect to staff, apart from the normal communication channels available in the Company, Senior Management held regular interactions with staff members at various levels to keep them informed of developments within the Company and Management's expectations.

The Company gives back to society and some of the communities in which it operates. To this end, the Company spent a total amount of GH¢420,000 (2022: GH¢60,000) through its corporate social responsibility programmes during the year 2023. The amount increased significantly as more projects were embarked for the tenth (10th) anniversary of the Company.

There is also regular communication with regulators to ensure that all regulatory issues are promptly addressed.

Code of Ethics

Directors are required to maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, except when they are authorized by the Chairman or are legally mandated to disclose. The Directors are not permitted to engage in any conduct or activities that are inconsistent with the Company's best interest or that disrupt or impair the Company's relationship with any person or entity with which the Company has or proposes to enter into a business or contractual relationship.

Conflict of Interest and Related Party Transactions

As part of its Corporate Governance Framework the Company has implemented a conflict of Interest policy for Board members, which establishes the procedures for the identification, disclosure, prevention, management, and mitigation of conflicts of interest in order to protect the integrity and independence of Board members. Each Director is required to disclose to the Board promptly the holding of any office or the possession of property in respect of which the director has, or may have, an interest or duty that may create (directly or indirectly) a conflict with the director's duties as a director of the Company.

Remuneration of Directors

The Board members are paid annual Director's fee and a sitting allowance on attendance at meetings as approved by Shareholders of the Company at the Annual General Meeting.

CORPORATE GOVERNANCE REPORT CONT'D.

Anti-Money Laundering (AML) Matters

Money Laundering, the Financing of Terrorism and Proliferation of Weapons of Mass Destruction have negative effects on financial systems and societies. It is therefore the policy of the Company to take all reasonable and appropriate measures to prevent persons engaged in such crimes from using the Company's products and services to launder proceeds of crime. The Company is committed to ensuring compliance with both the spirit and letter of the Anti-Money Laundering Act, 2020, (Act 1044) and related regulations in Ghana.

The Company has in place AML compliance systems and controls to enable its employees detect and report money laundering activities. The elements of the Company's AML Compliance System include:

- A Board approved AML/CFT Risk Assessment Framework
- The appointment of the Anti-Money Laundering Reporting Officer (AMLRO)
- Customer Acceptance Policy
- Customer Identification Procedures
- Transaction Monitoring and Reporting of Suspicious Transactions

Management Committees

Management in fulfilment of the requirement of the Corporate Governance Directive 2018, has in place various management committees to ensure balanced decision-making and active participation of key management staff in the administration of the Company. The various committees of the Company that currently form part of the Company's governance structure are as follows:

- Asset and Liability Management Committee (ALCO);
- Credit Committee;
- Management Committee;
- Executive Committee;

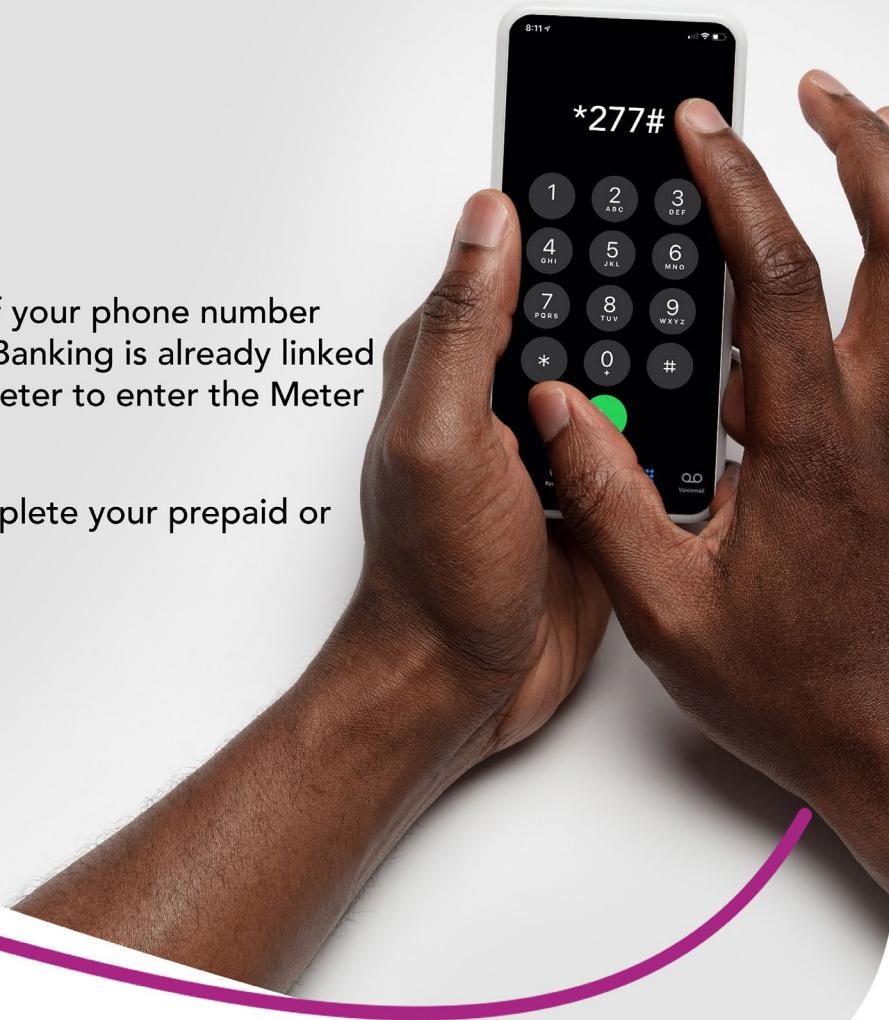
These committees have been created to identify, measure, and make recommendations on risks inherent in the operations of the Company. They ensure that approved policies and procedures of the Board are implemented effectively. The committees met regularly to take actions and decisions within their authority.



Pay your **ECG Prepaid and Postpaid bills** using **Best Mobile Banking *277#**

Follow the steps below:

- Dial *277#
- Go to Bills (option 4)
- then, Utility Bills (option 2)
- Select ECG (option 2)
- Select the Meter Number if your phone number registered on Best Mobile Banking is already linked to an ECG Meter or Add Meter to enter the Meter Number.
- Follow the prompts to complete your prepaid or postpaid credit purchase.



REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF BEST POINT SAVINGS AND LOANS LTD.



Report on the Audit of the Financial Statements

We have audited the accompanying Financial Statements of Best Point Savings and Loans Ltd., which comprise the Statement of Financial Position as at 31st December 2023, the Statement of Profit or Loss and Other Comprehensive income, the Statement of Cash Flows, and the Statement of Changes in Equity for the year ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory notes.

Opinion

In our opinion, the accompanying Financial Statements show a true and fair view of the Financial Position of the Company as at 31st December 2023, and of its Financial Performance and Cash Flows for the year then ended in accordance with the Companies Act, 2019 (Act 992), the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), Non-Bank Financial Institution Act 2008 (Act 774), the Anti-Money Laundering Act, 2020 (Act 1044), and the International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit 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. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Provision for Loan Impairment Loss

Best Point Savings and Loans Ltd. assesses its loans and advances for impairment using the Expected Credit Loss Method in compliance with IFRS 9-Financial Instruments: Recognition and Measurement. In using this method, the Company applies significant judgements and assumptions in determining the amount of impairment loss that is expected to occur. The key assumptions which were used in the calculation of the expected credit losses for 2023 included the use of Probabilities of Default, Exposures at Default and Loss Given Defaults.

Based on our risk assessment and industry knowledge, we examined the key judgements/ assumptions made by Management including, inter alia:

- Forward-looking economic base case scenarios
- Significant increase or decrease in credit risks
- Probabilities of Default, Exposures at Default and Loss Given Defaults

We also reviewed, on a sample basis, material retail and corporate portfolio of financial assets and evaluated the effectiveness of the IFRS Impairment Model which was used in determining the Expected Credit Loss (ECL).

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' report and the annual report but does not include the financial statements and our auditor's report thereon.

REPORT OF THE INDEPENDENT AUDITORS CONT'D.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

As described on Page 31, the Company's Directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 2019 (Act 992), the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), the Non-Bank Financial Institution Act 2008 (Act 774), and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Financial Statements, including the

REPORT OF THE INDEPENDENT AUDITORS CONT'D.



disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we report on the following:

We confirm that:

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

In our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books, and proper returns adequate for the purposes of the audit have been received from branches not visited by us.

The statement of financial position, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity of the Company is in agreement with the books of account.

We are independent of the Company pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The Company's and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) requires that we state certain matters in our report. We hereby certify that:

The Financial Statements give a true and fair view of the state of affairs as at 31st December 2023 of the Company and its subsidiaries and the results for the year ended on that date.

We obtained all the information and explanation required for the efficient performance of our audit.

The transactions of the Company and its subsidiaries are within their powers; and

The Company has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930); the Non-Bank Financial Institution Act 2008 (Act 774), the companies Act 2019 (Act 992), the Anti-Money Laundering Act, 2020 (Act 1044) and the Anti-Terrorism Act, 2008 (Act 762).

The engagement partner on the audit resulting in this independent auditor's report is **Dr. Adom Adu-Amoah** (Practising Certificate Number: **ICAG/P/1294**).

Particulars of the Auditor

Signature: Morrison & Associates

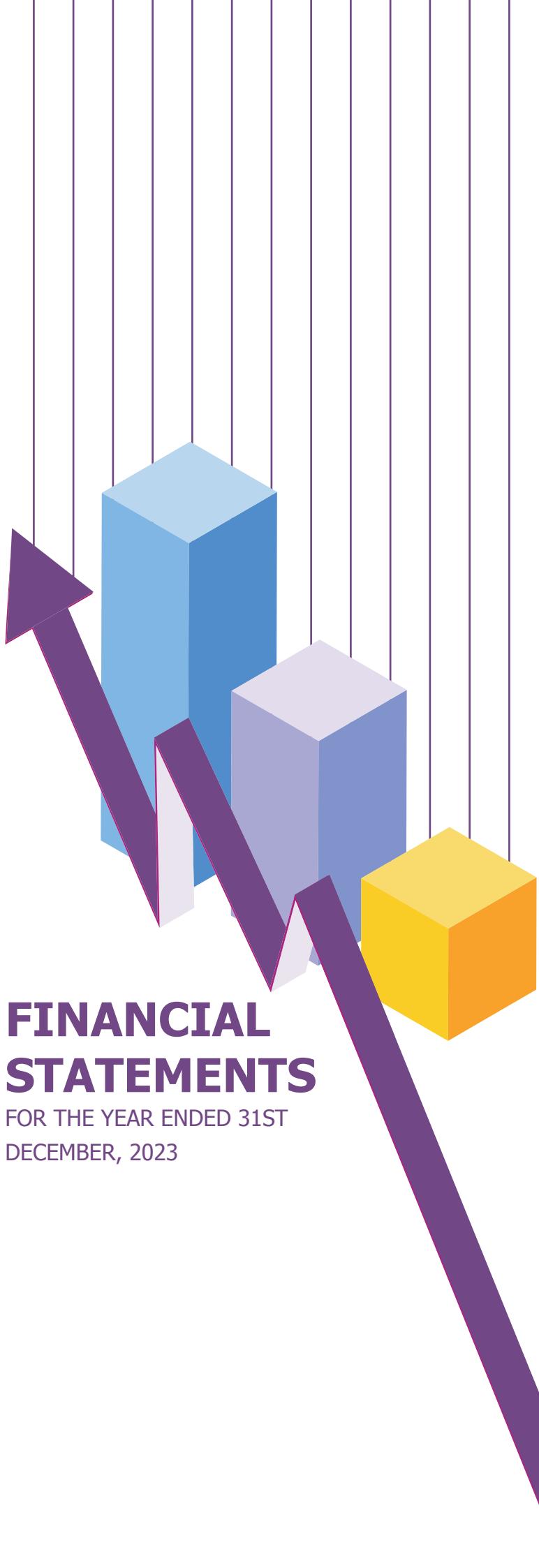
Name: Morrison & Associates

Licence Number: ICAG/F/2024/097

Address: 2nd Floor Trinity House, Ring Road East P.O. Box CT 2890 Cantonments - Accra, Ghana

Date: 25th April, 2024

Accra, Ghana



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST
DECEMBER, 2023

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2023

| | Note | 2023 | 2022 |
|---|------|---------------------|--------------|
| | | GH¢ | GH¢ |
| Interest income | 7 | 82,751,936 | 71,598,524 |
| Interest expense | 8 | (21,603,012) | (19,559,423) |
| Net interest income | | 61,148,924 | 52,039,101 |
| Net fee and commission income | 9 | 5,189,510 | 4,216,061 |
| Other operating income | 10 | 1,591,144 | 1,380,866 |
| Total operating income | | 67,929,578 | 57,636,028 |
| Net impairment loss on financial assets | 13 | (4,650,396) | (33,038,107) |
| Personnel expense | 11 | (29,230,357) | (24,168,225) |
| Other operating expenses | 12 | (22,296,887) | (19,216,376) |
| (Loss)/profit before income tax | | 11,751,937 | (18,786,680) |
| Income tax expense | 14 | (3,706,746) | (3,912,120) |
| (Loss)/profit for the year | | 8,045,191 | (22,698,800) |
| Basic earnings per share | 15 | 0.2289 | (0.6460) |

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31ST DECEMBER, 2023

| | Note | 2023 | 2022 |
|--|------|---------------------|--------------|
| | | GH¢ | GH¢ |
| ASSETS | | | |
| Cash and cash equivalents | 16 | 35,180,880 | 33,181,612 |
| Investment securities | 17 | 350,779,930 | 290,094,293 |
| Loans and advances to customers | 18 | 80,594,653 | 46,135,494 |
| Current tax asset | 14 | 1,526,809 | - |
| Deferred tax asset | 14c | 901,482 | 764,953 |
| Intangible assets | 20 | 1,196,316 | 955,674 |
| Other assets | 21 | 8,578,957 | 2,200,775 |
| Property, plant and equipment | 19 | 8,749,148 | 9,203,744 |
| Total Assets | | 487,508,175 | 382,536,546 |
| LIABILITIES | | | |
| Deposits from customers | 22 | 446,259,910 | 360,800,640 |
| Other liabilities | 23 | 20,056,339 | 8,275,309 |
| Current tax liability | 14 | - | 313,861 |
| Total Liabilities | | 466,316,249 | 369,389,810 |
| EQUITY | | | |
| Stated capital | 24a | 35,140,000 | 35,140,000 |
| Income surplus | | (28,127,204) | (32,247,906) |
| Statutory reserve | 24b | 13,731,799 | 9,709,204 |
| Credit risk reserve | 24c | 447,331 | 545,437 |
| Deposit for shares | 24d | - | - |
| Total equity attributable to equity holders | | 21,191,926 | 13,146,735 |
| TOTAL LIABILITIES AND EQUITY | | 487,508,175 | 382,536,545 |

BY ORDER OF THE BOARD

SIGNED

Managing Director
(DR. FRED SAFO-KANTANKA)

DATE: 24TH APRIL, 2024

SIGNED

Non-Executive Director
(MR. KWADWO OHEMENG ASUMANING)

DATE: 24TH APRIL, 2024

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

| | Note | 2023 | 2022 |
|---|------|---------------------|--------------|
| | | GH¢ | GH¢ |
| Cash flow from operating activities | | | |
| Profit/(loss) before tax | | 11,751,937 | (18,786,680) |
| Adjustments for: | | | |
| Depreciation and amortisation | | 5,559,190 | 4,586,304 |
| Impairment on financial assets | | 4,650,396 | 33,038,107 |
| PPE Adjustment | | 119,828 | - |
| (Profit)/loss on disposal of assets | | - | (57,700) |
| Reversal of impairment from loan write-off | | - | (3,000,000) |
| Change in loans and advances to customers | | (38,656,334) | (3,801,184) |
| Change in other assets | | (6,378,182) | 752,033 |
| Changes in short-term investment | | (61,138,859) | (31,638,978) |
| Change in deposits from customers | | 85,459,270 | 22,537,240 |
| Change in other liabilities | | 11,781,030 | 3,130,870 |
| Income tax paid | | (5,683,944) | (3,213,009) |
| Net cash used in operating activities | | 7,464,333 | 3,547,004 |
| Cash flow from investing activities | | | |
| Proceeds from disposal of assets | 21b | - | 57,700 |
| Purchase of property, plant & equipment | 21a | (5,090,977) | (4,754,807) |
| Purchase of intangible assets | 19 | (374,088) | (803,687) |
| Net Cash Used in Investing Activities | | (5,465,065) | (5,500,795) |
| Cash flows from financing activities | | | |
| Deposit for shares returned | | - | (111,114) |
| Net increase in cash and cash equivalent | | 1,999,267 | (2,064,905) |
| Cash and cash equivalents at 1st January | | 33,181,612 | 35,246,517 |
| Cash and cash equivalents at 31st December | | 35,180,880 | 33,181,612 |
| Composition of cash and cash equivalents | | | |
| Cash in hand | | 9,460,418 | 7,860,330 |
| Balances with banks | | 25,720,462 | 25,321,282 |
| | | 35,180,880 | 33,181,612 |

STATEMENT OF CHANGES IN EQUITY

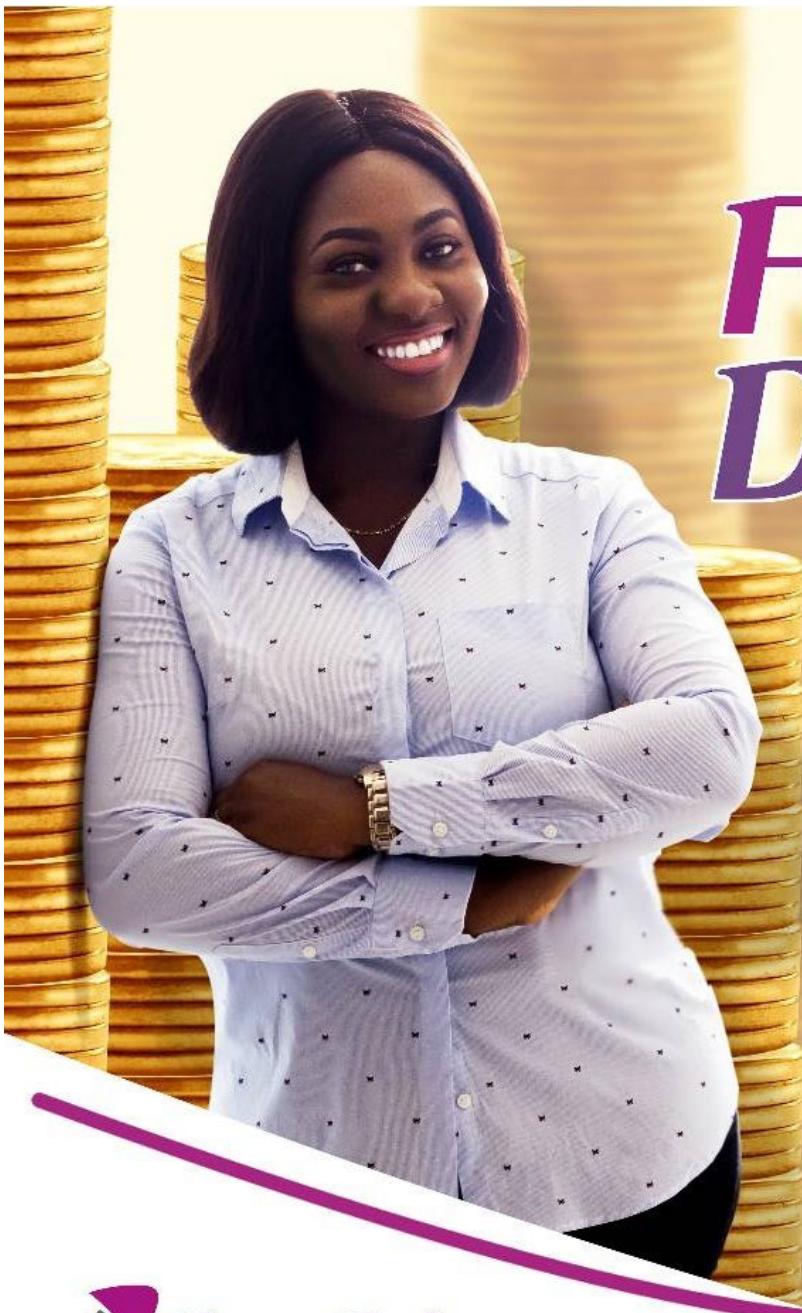
FOR THE YEAR ENDED 31ST DECEMBER, 2023

2023

| | Stated Capital | Income Surplus | Credit Risk Reserve | Statutory Reserve | Deposit For Shares | Total Equity |
|---|-------------------|---------------------|---------------------|-------------------|--------------------|----------------------|
| | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| Balance as at 1st January 2023 | 35,140,000 | (32,247,906) | 545,437 | 9,709,204 | - | 13,146,734.73 |
| Profit for the year | - | 8,045,191 | - | - | - | 8,045,191 |
| Transaction with owners, recorded directly in equity and transfers | | | | | | |
| Transfer from Credit Risk Reserve | - | 98,107 | (98,107) | - | - | - |
| Transfer to Statutory Reserve | - | (4,022,596) | - | 4,022,596 | - | - |
| Total transactions with owners & transfers | - | (3,924,489) | (98,107) | 4,022,596 | - | - |
| Balance at 31st December, 2023 | 35,140,000 | (28,127,204) | 447,331 | 13,731,799 | - | 21,191,926 |

2022

| | Stated Capital | Income Surplus | Credit Risk Reserve | Statutory Reserve | Deposit For Shares | Total Equity |
|---|-------------------|---------------------|---------------------|-------------------|--------------------|-------------------|
| | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| Balance as at 1st January 2022 | 35,140,000 | (9,983,607) | 3,979,938 | 9,709,204 | 111,114 | 38,956,648 |
| Reversal of impairment on loan write off | - | - | (3,000,000) | - | - | (3,000,000) |
| Restated balance | 35,140,000 | (9,983,607) | 979,938 | 9,709,204 | 111,114 | 35,956,649 |
| Profit for the year | - | (22,698,800) | - | - | - | (22,698,800) |
| Transaction with owners, recorded directly in equity and transfers | | | | | | |
| Deposit for shares | - | - | - | - | (111,114) | (111,114) |
| Transfer to statutory reserve | - | - | - | - | - | - |
| Transfer from credit risk reserve | - | 434,501 | (434,501) | - | - | - |
| Total transactions with owners & transfers | - | 434,501 | (434,501) | - | (111,114) | (111,114) |
| Balance 31st December, 2022 | 35,140,000 | (32,247,906) | 545,437 | 9,709,204 | - | 13,146,736 |



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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

1. Reporting Entity

Best Point Savings and Loans Ltd. is a company domiciled in Ghana. The address of the Company's registered office is Old Peace FM Building, Mile 7 Junction, Off Achimota-Ofankor Road, P. O. Box CT 10191, Cantonments- Accra. The Company is licensed by Bank of Ghana to carry on the business of mobilising savings and lending to individuals, micro, small and medium enterprises.

2. BASIS OF PREPARATION

Statement of Compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and, adopted by Institute of the Chartered Accountants, Ghana (ICAG) and Guide for Financial Publications for Banks and BoG licensed Financial Institutions. These Financial Statements were approved by the Board of Directors on 24th April, 2024.

a. Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss or Other Comprehensive income.
- Investment property measured at fair value.
- Property, plant & equipment that are subsequently measured using the revaluation model.

b. Functional and Presentation Currency

The Financial Statements are presented in Ghana Cedi (GH₵), which is the Company's functional currency.

c. Use of Estimates and Judgements

The preparation of Financial Statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Company and its subsidiaries and which have been applied consistently in preparing these Financial Statements are stated below:

a. Foreign Currency Transactions

Transactions in foreign currencies are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the exchange rate at that date (closing rate). The foreign currency gain or loss on monetary items is the difference between amortised cost at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments which are recognised in Other Comprehensive Income (OCI).

b. Interest and Expense

Interest revenue is generally recognised when future economic benefits of the underlying assets will flow to the organisation and it can be reliably measured. It is income derived from use of an entity's assets and hence the interest is mostly dependent on the underlying agreement. Interest income and expense are, however, generally recognised in profit or loss on straight-line basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

The Effective Interest Rate (EIR) is the rate that exactly discounts the estimated future cash payments and receipts throughout the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or financial liability.

The calculation of the Effective Interest Rate includes all fees and commissions paid or received, transaction costs, and discounts or premiums that are an integral part of the Effective Interest Rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

Interest income and expense presented in the statement of profit or loss include:

- i. Interest on financial assets and financial liabilities at amortised cost on an effective interest rate basis.
- ii. Interest on securities is computed on effective interest rate basis.
- iii. Interest income and expense on all trading assets and liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

c. Fees and Commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, placement fees and syndication fees, are recognised as the related services are performed. When a loan commitment is not expected to result in the drawdown of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period/year.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

d. Other Operating Income

Other Operating Income comprises gains less losses related to assets and liabilities, and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

e. Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

f. IFRS 9- Financial Instruments

1. Financial Assets and Liabilities

1.1 Recognition

The Company initially recognises loans and advances, deposits and debt securities issued on the date that they are originated. All other financial assets and financial liabilities (including financial assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

1.2 De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

1.2.1 Offsetting

Financial assets and liabilities are set off and the net amount presented in the financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a Company of similar transactions such as in the Company's trading activity.

1.3 Classification and Measurement

The Company classifies its financial assets based on the business model within which they are managed and their contractual cash flow characteristics. These factors determine whether the financial assets are

measured at amortised cost (AC), fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial Assets whose contractual terms give rise on specified dates to collect cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding are initially measured at fair value and subsequently measured at Amortised Cost. A greater portion of the Company's financial assets (loans and advances and debt securities) and financial liabilities (Deposits from customers and borrowings) fall into this classification.

1.3.1 Amortised Cost Measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

1.3.2 Fair Value Measurement

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments, fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models.

The fair value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Valuation adjustments are recorded to allow for model risks, bid-ask spreads, liquidity risks, as well as other factors. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

1.3.3 Designation at Fair Value Through Profit or Loss

The Company has designated financial assets and liabilities at fair value through profit or loss when either:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis or;
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Note 6 sets out the amount of each class of financial asset or liability that has been designated at fair value through profit or loss. A description of the basis for each designation is set out in the note for the relevant asset or liability class.

1.4 Identification and Measurement of Impairment

At each reporting date, the Company determines whether there is significant increase in credit risk since initial recognition of the financial asset or no significant increase in credit risk since initial recognition. In assessing whether a significant increase in credit risk has occurred, the Company applies a multifactor approach using quantitative measures (e.g. changes in probability of default or credit score since origination), and qualitative factors such as macro-economic developments and changes in specific business environments. There is a rebuttable presumption that all financial assets that are 30 days past due are considered to have experienced a significant increase in credit risk.

A financial asset will only be considered credit impaired if there is objective evidence of impairment, including financial assets that are defaulted or 90 days past due. Loans are considered defaulted where the borrower is in breach of contract, is bankrupt, or experiences other significant financial difficulties which are expected to have a detrimental impact on their ability to pay interest or principal on the loan.

Where there is significant increase in credit risk since initial recognition the Company measures the loss allowance for a financial instrument at an amount equal to lifetime Expected Credit Losses. In the case of no significant increase in credit risk, the Company

measures the loss allowance for a financial instrument at an amount equal to 12-month Expected Credit Losses.

The Company considers evidence of impairment at both an individual and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by Companying together financial assets (carried at amortised cost) with similar risk characteristics.

In assessing collective impairment, the Company uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised on the unimpaired portion through the unwinding of the discount.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

1.5 The Company's Expected Credit Loss model

The Company follows a three-stage approach to impairment for its financial assets.

Stage 1: when a significant increase in credit risk since initial recognition has not occurred, a 12-month ECL is recognized for all Stage 1 financial assets. Stage 1 financial assets are considered performing.

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

Stage 2: when a significant increase in credit risk since initial recognition has occurred, a lifetime ECL is recognised. Stage 2 financial assets are under-performing but not yet defaulted.

Stage 3: There is significant increase in credit risk reflecting 90 days past due and considered credit impaired at the reporting date.

The Company's ECL models use three key input parameters for the calculation of the expected credit losses, being:

- probability of default (PD),
- exposure at default (EAD) and
- loss given default (LGD).

PD is the estimate of the likelihood of default over a given time horizon. Key drivers include customer characteristics which are adjusted with forward-looking macroeconomic scenarios that are likely to impact the risk of default.

In estimating the Company's PDs, a historical default analysis was carried out over a six-year period.

EAD represents the expected balance at default after taking into account any projected repayment of principal and interest together with any expected drawdowns of committed facilities until the default event occurs. The EAD will be discounted back to the reporting date using the effective interest rate (EIR) determined at initial recognition. Discounting is calculated over a 12-month period for Stage 1 loans or over either the behavioural life or the remaining term life, whichever is shorter, for Stage 2 loans.

LGD represents the expected losses on the EAD after taking into account cash recoveries, including the value of collateral, discounted over the time it is expected to be realized. Expected cash recoveries are discounted at the original EIR of the loan, back to the default date.

g. Cash and Cash Equivalents

Cash and cash equivalents include notes and coins on hand, balances held with banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost or fair values in the statement of financial position depending on the business model for managing the asset or the cash flow characteristics of the asset.

h. Loans and Advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term.

These are initially measured at fair value plus incremental direct transaction costs. They are subsequently accounted for depending on their classification as either fair value through profit or loss or fair value through other comprehensive income.

i. Investments

These are initially measured at fair value plus incremental direct transaction costs. They are subsequently accounted for depending on their classification as either fair value through profit or loss or fair value through other comprehensive income.

1.1 Fair Value through Other Comprehensive Income

The Company carries its investments (other than securities) at fair value through other comprehensive income, with fair value changes recognised immediately in other comprehensive income.

1.2 Fair Value through Profit or Loss

The Company carries its investment securities (treasury bills) at fair value, with fair value changes recognised immediately in profit or loss.

j. Property, Plant & Equipment and Right-of-use Assets

Items of property, plant & equipment and right-of-use assets are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

equipment. When components of an item of property, plant or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant or equipment.

1.1 Subsequent Costs

The cost of replacing part of an item of property, plant or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant & equipment are recognised in profit or loss as incurred.

1.2 Revaluation Model

After recognition of an asset, an item of property, plant & equipment whose fair value can be measured reliably shall be carried at a revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Revaluation model is used for only property and surpluses on such revaluations are restricted to tier-two capital with respect to Capital Adequacy Ratio computation.

1.3 Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each item of property, plant & equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

Annual depreciation rates of items of Property, plant and equipment have been assessed as follows:

| | |
|--------------------------|-------|
| Leasehold Property | 5.0% |
| Office Furn & Fittings | 20.0% |
| Motor Vehicles | 20.0% |
| Computers | 33.3% |
| Office Plant & Equipment | 25.0% |

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

k. Intangible Assets

An intangible asset is generally considered as an identifiable non-monetary asset without physical substance. It is recognised when future economic benefits will flow to the Company and it can be reliably measured. The useful life may be finite or indefinite depending on the nature and legal framework underpinning the transaction. Impairment assessment is made of all indefinite intangible assets at each reporting date and the appropriate adjustments made.

1.1 Goodwill

Goodwill/Negative Goodwill arises on the acquisition of subsidiaries and other businesses. Goodwill subsequent to initial recognition is measured at cost less accumulated impairment losses.

1.2 Software

Software acquired by the Company is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the Company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over their useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of the Company's software is four years.

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

I. Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, other than investment property and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Company that generates cash flows that largely are independent from other assets and Company's. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (Company of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

m. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market

assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

n. Employee Benefits

1.1 Short-term Benefits

Short-term employee benefits are amounts payable to employees that fall due wholly within 12 months after the end of the year in which the employee renders the related service.

The cost of short-term employee benefits is recognised as an expense in the year when the economic benefit is given, as an employment cost. Unpaid short-term employee benefits as at the end of the accounting year are recognised as an accrued expense and any short-term benefit paid in advance are recognised as prepayment to the extent that it will lead to a future cash refund or a reduction in future cash payment.

Wages and salaries payable to employees are recognised as an expense in profit or loss at gross amount. The Company's contribution to Tier 1, 2, and 3 of the National Pensions Scheme are also charged as expenses.

1.2 Social Security and National Insurance Trust (SSNIT)

Under a National Defined Benefit Pension Scheme, the Company contributes 13% of employees' basic salary to Social Security and National Insurance Trust (SSNIT) for employee pensions. The Company's obligation is limited to the relevant contributions, which are settled

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

on due dates. The pension liabilities and obligations, however, rest with SSNIT.

1.3 Provident Fund

The Company has a Provident Fund Scheme for all permanent employees. Employees contribute 5% of their basic salary to the Fund with the Company also contributing amounts equivalent to 7% of the employee's basic salary. The Company's obligation under the Fund is limited to the relevant contribution which is invested at interest rates agreed by the Trustees of the Scheme and the Company.

o. Share Capital and Reserves

1.1 Perpetual Bonds/Irredeemable Preference Shares

The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. The Company's Perpetual Bonds are not redeemable by holders, and bear an entitlement to distributions that is non-cumulative and at the discretion of the Directors. Accordingly, they are presented as a component of issued capital within equity.

Where the Perpetual Bonds or Preference Shares are irredeemable but cumulative in terms of dividend then the unpaid portion of the dividend is obligatory and is treated as a liability whilst the principal is classified as equity.

1.2 Share Issue Costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

1.3 Earnings per Share

The Company presents basic and Diluted Earnings per Share (EPS) data for its Ordinary Shares. Basic EPS is calculated by dividing the profit or loss attributable to Ordinary Shareholders of the Company by the weighted average number of Ordinary Shares outstanding during the year. Diluted EPS is determined by adjusting the Profit or Loss attributable to Ordinary Shareholders and the weighted average number of Ordinary Shares outstanding for the effect of all dilutive potential Ordinary Shares, which comprise convertible notes and share options granted to employees.

1.4 Dividends

Dividends are recognised as a liability in the year in which they are declared.

p. Borrowings (Liabilities to Companies and Customers)

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any differences between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings. Borrowings and other forms of financial liabilities are de-recognised from the books only when they are extinguished, i.e., when the obligation specified in the contract is discharged, cancelled or expires.

4 RISK MANAGEMENT

1.1 Introduction and Overview

Risk management is fundamental to the long-term profitability and survival of the Company. The Company manages risk through a continuous process of identifying, measuring and controlling risks inherent in its operations.

1.2 Categories of Risk

Risk is inherent in every material business activity of the Company. The nature of the Company's operations exposes it to the following risks:

| | |
|-------------------|---------------------|
| • Credit Risk; | • Compliance Risk; |
| • Liquidity Risk; | • Operational Risk; |
| • Market Risk | • Reputational Risk |

1.3 Risk Management Framework

The nature of the Company's operations exposes it mainly to liquidity, credit, market, operational, and reputational risks. To ensure that the Company takes only measured risks, the Company has integrated effective risk management in its daily business activities, processes and procedures.

The Company has established a comprehensive risk management framework for managing the risks inherent in its operations at all times and levels throughout the Company. The risk management

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

framework ensures the identification, measurement and control of the risks at all levels in the Company with a view to safeguarding its integrity, reputation and financial strength. The risk management framework also contains details of the Company's risk governance structure.

The Company maintains a risk governance structure geared towards strengthening risk identification, measurement, management and control whilst positioning the Company to manage the changing regulatory environment in an efficient and effective manner. The risk governance structure ensures oversight of and accountability for, the effective management of risks inherent in the Company's operations.

The Board of Directors, supported by the Audit, Risk and Credit Management Committee of the Board determines the risk strategy, policy, limits and appetite for the Company. The Board regularly reviews the Company's risk exposure to enable it to take appropriate risk related decisions. The Risk Management Department assists management in the formulation of the overall policies including various risk management strategies and control.

The Department also provides a review of the overall risk profile from time to time. The head of the Risk Management Department is responsible for coordinating the risk management issues emanating from the various committees, divisions and departments of the Company and is primarily responsible for ensuring that the Company's risk profile is consistent with its financial resources and the risk appetite defined by the Board.

1.4 Credit Risk

Credit risk refers to the risk that a borrower defaults in repaying a credit facility either in full or in part or that counterparty fails to meet its contractual obligation to financial instrument thereby resulting in financial loss to the Company.

The principal sources of credit risk inherent in the Company's operations arise from loans and advances to customers as well as placements (investments) with other financial institution.

The Company manages credit risk through well-structured systems and controls which ensure that relevant committees meet to take appropriate decisions on credit applications and reports in order to control credit risk at various stages of the credit delivery process. The Company pursues a prudent policy for granting credit facilities to customers. The Company also applies the Know Your Customer (KYC) principle when granting credit facilities to customers. In other words, credit facilities are granted to businesses whose management, integrity and expertise are known and considered to be acceptable by the Company. In addition, the Company adequately assesses the financial performance of the businesses of borrowers before granting credit facilities to such businesses.

Credit facilities granted to customers, both individual and SMEs, are closely monitored on a regular basis to uncover early warning signals of non-performance for the necessary remedial measures to be taken.

Early risk detection is a tenet of the Company's credit culture and is intended to ensure that greater attention is paid to credit exposures in order to effectively manage such exposures and maximize loan recovery.

The Company requires appropriate collateral to secure credit facilities granted to borrowers. Collateral is security in the form of an asset or third-party obligation that serves to mitigate the inherent risk of credit loss in an exposure, by either substituting the borrower default risk or improving recoveries in the event of a default. Collaterals held as security against credit risk consist mainly of mortgages over landed property as well as cash and Government securities. While collateral can be an alternative source of repayment, it does not mitigate or compensate for a borrower's questionable reputation.

The Company has adopted the following internal credit grading system in classifying its credit portfolio:

| Grade | Days Overdue |
|-------|--------------------|
| 1 | Less than 30 days |
| 2 | 30 to 90 days |
| 3 | 91 to 180 days |
| 4 | 181 to 365 days |
| 5 | More than 365 days |

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

1.4.1 Impaired Loans and Advances

Impaired loans and advances are loans and advances for which the Company has recognized that principal and/or interest are not collectible in accordance with the credit agreement.

1.4.2 Past due but not Impaired Loans

These are loans and advances where agreed scheduled payments are past due but the discounted cash flow of the value of the collateral is estimated to be more than the carrying amount of the facility.

1.4.3 Loans and Advances with Renegotiated Terms

These are loans and advances that have been restructured or rescheduled due to any one or a combination of the following:

Time overrun during implementation of the business activity that is financed by the Company resulting in delay in starting up the business;

Delay in delivery of goods and services ordered or imported by the borrower;

Negative deviation of cash flow from the projected figures contained in the credit report due to the fact that reasonable time period is required to set up production and build up sales; and

Inadequate cash flow generation due to seasonal slowdown in business activity.

Restructured Loans and Advances remain in their risk grade for a reasonable time until proven record of performance in accordance with the renegotiated terms.

1.4.4 Allowances for Impairment

The Company estimates the expected losses in its loans/ advances portfolio as at the end of the year and provides an impairment allowance against it. The components of the impairment allowance are the specific impairments for individually assessed borrowers and collective impairments based on the loans/advances segments.

The Company writes off Loans and Advances when the Credit Facilities Committee assesses a loan/advance or a portion thereof to be unrecoverable.

All write offs are done in accordance with laid down policies and procedures, including approval from Bank of Ghana.

1.4.5 Collaterals for Credit Facilities

The Company holds collateral against loans and advances to customers in the form of mortgage interest over landed property, assignments over equipment and stocks, guarantees, and assignments over cash and near cash assets.

Fair values of collaterals are based on valuations of collaterals at the time of granting the credit facility. The collateral values are updated periodically to reflect the current condition and market value of the collateral. The fair value of collaterals and other securities held against loans and advances is shown below.

1.4.6 Investments

The Company's investments consist mainly of Government and Bank Securities which were neither past due nor impaired at the end of the year.

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1.4.7 Credit Concentration Risk

The Company monitors credit concentration risk by sector. The analysis of Credit Risk Concentration as at 31st December, 2023 is shown below:

Analysis of Concentrations of Credit Risk - Loans and Advances to customers

| | 2023 | 2022 |
|---|-------------------|------------|
| Gross Loans and Advances Concentration by Sector: | GH¢ | GH¢ |
| Commerce & Finance | 2,397,488 | 2,778,489 |
| Construction | 166,725 | 5,056,212 |
| Transport, Storage & Communication | 455 | 2,523,764 |
| Services | 57,741,045 | 9,793,571 |
| Agriculture | 3,336,955 | 2,625,233 |
| Manufacturing | 456,216 | - |
| Miscellaneous | 23,771,185 | 26,436,460 |
| | 87,870,069 | 49,213,729 |

1.5 Liquidity Risk

Liquidity risk is the potential loss to the Company arising from either its inability to meet its maturing obligations as they fall due or to fund increases in assets without incurring unacceptable costs.

Liquidity risk could occur if customers suddenly withdraw more funds than expected which cannot be met from the Company's available cash resources, from selling or pledging assets, or by borrowing funds from third parties. Liquidity risk could also occur if the Company is unable to meet the committed loan disbursements and Bank of Ghana Reserve Requirement.

1.5.1 Management of Liquidity Risk

Management of liquidity risk enables the Company to minimise the mismatch in the timing of cash flows relating to its assets and liabilities.

The Company monitors on a regular basis the maturity profile of its assets and liabilities. Investment and borrowing decisions are therefore made with greater focus on creating a suitable balance between maturing debts and assets.

1.5.2 Exposure to Liquidity Risk

The Company's exposure to liquidity risk is measured by: Liquidity gap analysis; and Ratio of Net Liquid Assets to Deposits.

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

The Company's exposure to liquidity risk as measured by the liquidity gap analysis is summarised in the table below:

| 2023 | | | | | | |
|---------------------------|--------------------|--------------------|--------------------|-------------------|-------------------|--------------------|
| ASSETS | Total | Less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | More than 1 year |
| | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| Cash and Cash Equivalents | 35,180,880 | 35,180,880 | - | - | - | - |
| Investments | 341,579,703 | 39,245,847 | 8,344,615 | 38,559,288 | 54,846,238 | 200,583,714 |
| Loans and Advances | 80,594,653 | 7,052,499 | 5,164,640 | 16,221,671 | 5,418,558 | 46,737,284 |
| Other Assets | 8,081,019 | 1,841,579 | - | - | - | - |
| TOTAL | 465,436,254 | 83,320,805 | 13,509,255 | 54,780,960 | 60,264,796 | 247,320,999 |
| LIABILITIES | | | | | | |
| Deposit from Customers | 360,800,640 | 97,617,112 | 97,061,528 | 83,354,000 | 52,792,000 | 29,976,000 |
| Other liabilities | 3,298,815 | 3,298,815 | - | - | - | - |
| TOTAL | 364,099,455 | 100,915,927 | 97,061,528 | 83,354,000 | 52,792,000 | 29,976,000 |
| Liquidity Gap | 101,336,799 | (17,595,122) | (83,552,273) | (28,573,040) | 7,472,796 | 217,344,999 |
| Liquidity Gap (%) | 27.83% | -17.44% | -86.08% | -34.28% | 14.16% | 725.06% |
| 2022 | | | | | | |
| ASSETS | Total | Less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | More than 1 year |
| | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| Cash and Cash Equivalents | 33,181,612 | 35,246,517 | - | - | - | - |
| Investments | 290,094,293 | - | 29,587,287 | 47,716,205 | 48,403,001 | 149,624,133 |
| Loans and Advances | 46,135,494 | 243,140 | 8,306,724 | 8,248,884 | 13,179,996 | 14,467,419 |
| Other Assets | 1,841,579 | 2,763,304 | - | - | - | - |
| TOTAL | 371,252,978 | 38,252,961 | 37,894,011 | 55,965,089 | 61,582,997 | 164,091,552 |
| LIABILITIES | | | | | | |
| Deposit from Customers | 360,800,640 | 53,885,415 | 120,063,995 | 87,129,156 | 47,655,526 | 29,529,309 |
| Other liabilities | 1,748,820 | 1,748,820 | - | - | - | - |
| TOTAL | 362,549,459 | 55,634,235 | 120,063,995 | 87,129,156 | 47,655,526 | 29,529,309 |
| Liquidity Gap | 8,703,519 | (17,381,274) | (82,169,984) | (31,164,067) | 13,927,471 | 134,562,243 |
| Liquidity Gap (%) | 2.40% | -31.24% | -68.44% | -35.77% | 29.23% | 455.69% |

The gap analysis above matches the Liquid Assets and Liabilities in the various time bands based on the remaining number of days to the contractual maturity dates. The unmatched positions (Gap) indicates the Company's exposure to Liquidity Risk.

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1.6 Market Risk

Market risk is the potential for losses arising from movements in interest rates, exchange rates, equity prices and commodity prices. The Company is currently exposed to interest rate and foreign exchange rate risks.

The Asset and Liability Committee (ALCO) and the Treasury Committee are responsible for the management of the Company's market risk. The Risk Management Department is responsible for ensuring that the Company's exposure to market risk is within the risk appetite levels defined by the Board. The primary responsibility for the daily monitoring and management of market risk is, however, delegated to the Treasury Department with the oversight supervision of the ALCO.

1.6.1 Management of Market Risk

1.6.1.1 Exposure to Interest Rate Risk – Non-Trading Portfolio

Interest rate risk arises when there is a mismatch between positions which are subject to interest rate adjustment within a specified period. The Company's lending, investment and funding activities give rise to interest rate risk because it carries a mix of both fixed and floating rate assets and liabilities on its books that are subject to re-pricing periodically. Potential mismatches in interest rate sensitive assets and liabilities are caused by the following:

1. Movement in market interest rate;
2. Generation of new interest rate sensitive assets and liabilities;
3. Movement of interest rate sensitive assets and liabilities from one-time band to another

The Company employs an interest rate sensitivity model (Gap Analysis) to measure and monitor interest rate sensitive assets and liabilities. The model is based on the classification of interest rate sensitive assets and liabilities into particular time bands with regards to maturity.

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

A summary of the Company's interest rate gap position on non-trading portfolios is as follows:

| 2023 | | | | | |
|---------------------------|--------------------|--------------------|-------------------|-------------------|---------------------|
| ASSETS | Carrying Value | Less than 3 Months | 3 to 6 Months | 6 to 12 Months | More than 12 Months |
| | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| Cash and Cash Equivalents | 35,180,880 | 35,180,880 | - | - | - |
| Investments | 341,579,703 | 47,590,462 | 38,559,288 | 54,846,238 | 200,583,714 |
| Loans and Advances | 80,594,653 | 12,217,139 | 16,221,671 | 5,418,558 | 46,737,284 |
| Total Assets | 457,355,235 | 94,988,481 | 54,780,960 | 60,264,796 | 247,320,999 |

| LIABILITIES | | | | | |
|--------------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| Deposit from Customers | 360,800,640 | 194,678,640 | 83,354,000 | 52,792,000 | 29,976,000 |
| Total Liabilities | 360,800,640 | 194,678,640 | 83,354,000 | 52,792,000 | 29,976,000 |
| Interest Rate Gap | 96,554,595 | (99,690,159) | (28,573,040) | 7,472,796 | 217,344,999 |

| 2022 | | | | | |
|---------------------------|--------------------|--------------------|-------------------|-------------------|---------------------|
| ASSETS | Carrying Value | Less than 3 Months | 3 to 6 Months | 6 to 12 Months | More than 12 Months |
| | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| Cash and Cash Equivalents | 33,181,612 | 35,246,517 | - | - | - |
| Investments | 290,094,293 | 29,587,287 | 47,716,205 | 48,403,001 | 149,624,133 |
| Loans and Advances | 46,135,494 | 8,549,864 | 8,248,884 | 13,179,996 | 14,467,419 |
| Total Assets | 369,411,399 | 73,383,668 | 55,965,089 | 61,582,997 | 164,091,552 |

| LIABILITIES | | | | | |
|--------------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| Deposit from Customers | 360,800,640 | 173,949,410 | 87,129,156 | 47,655,526 | 29,529,309 |
| Total Liabilities | 360,800,640 | 173,949,410 | 87,129,156 | 47,655,526 | 29,529,309 |
| Interest Rate Gap | 8,610,759 | (100,565,742) | (31,164,067) | 13,927,471 | 134,562,243 |

The Company's interest rate risk management strategy is based on a variable (floating) interest rate pricing policy in pricing its assets and to a large extent its liabilities. This allows the Company to reprice its assets and liabilities in tandem with changes in market rates. The Company ensures that the re-pricing structure of the statement of financial position generates maximum benefits from interest rate movements.

The Company's strategy is to maintain an overall position of interest sensitive assets greater than interest sensitive liabilities.

1.7 Operational Risks

Operational risk is the potential for loss arising from inadequate or failed processes, people and systems, staff misconduct or from uncontrolled external events.

Operational risk may arise from:

- Failure to manage systems, operations, transactions and assets;
- Human errors or loss of customer data;
- Fraud, theft, cyber attacks and hacking activities; and
- Natural as well as man-made disasters.

The Company's top Management is primarily responsible for managing operational risk inherent in its Companying business. The Company manages its operational risk by regularly raising awareness of its employees to potential operational losses, improving early warning information systems and allocating risk ownership and responsibilities to branch managers and heads of departments. The Executive

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

Committee, and the Operations and IT Committee are responsible for managing operational risk. The Risk Management Department coordinates all operational risk management activities.

A key threat to the Company's operation is the possibility of cyber attacks, computer virus attacks, unauthorized access, sabotage and other events that could adversely affect the security of its information systems. Failure to prevent or protect the Company from such attacks could have a significant adverse impact on the Company's operations in the form of loss of customer data and other sensitive information, financial loss or reputational damage.

The Company's internal policies and procedures and other information security systems protect the confidentiality, integrity and availability of information assets held on its computer systems, software, networks and other electronic devices. In addition, the Company continues to use the services of both internal and external information technology security experts to conduct independent reviews on the resilience of its IT systems to cyber attacks and other information security threats.

The security systems and processes deployed to protect the Company's computer systems, networks and other IT resources are continuously upgraded to maintain their effectiveness against evolving cyber attacks and hacking activities. Furthermore, the Company has put in place physical controls to ensure that unauthorised persons do not have access to sensitive areas of the Company.

The effective management of the Company's operational risk therefore protects the Company against unnecessary business disruptions and associated costs.

1.7.1 Business Continuity and Disaster Recovery Plan (BC/DRP)

The Company has put in place a Business Continuity and Disaster Recovery Plan (BC/DRP) as part of its strategic and operational risk management strategy to manage potential disruptions to its operations as a result of disasters like natural and man-made disasters such as fire, earthquakes, floods, wars, terrorist attacks, cyber attacks, etc. The Company has a BC/DRP framework which forms an integral part of the operational risk management strategy of the Company.

The Company's operations are highly dependent on IT systems. Hence, failure of the IT systems at the Company's primary data centre due to natural or man-made disasters could have a serious adverse impact on the Company's operations and customers. The Company has therefore established an offsite standby data centre facility where a replica of all business critical systems (both hardware and software) has been installed and is updated in real time. This standby facility is to enable the Company resume operations within the shortest possible time in the event of a disruption which renders the Company's IT facilities at the primary data centre inoperative.

1.8 Capital Management

The primary objective of capital management in the Company is to ensure that:

- i. The Company complies with the minimum stated capital requirement of Bank of Ghana;
- ii. The Company maintains a strong capital base to maintain investor, creditor and market confidence and to sustain future development of its business.
- iii. The Company maintains a strong capital base to maintain investor, creditor and market confidence and to sustain future development of its business.
- iv. To ensure achievement of the above objectives, the Company monitors through regular reports on the performance of the Company and prudential returns submitted to the Bank of Ghana.

1.8.1 Regulatory Capital

The Company's Regulatory Capital consists of both Tier 1 and Tier 2 capital.

Tier 1 capital consists of stated capital, statutory reserves and retained earnings, after deductions of intangible assets and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

Tier 2 capital consists of convertible debentures, hybrid capital, undisclosed reserves and revaluation surplus. Total Tier 2 capital is limited to 100% of the Tier 1 capital.

The Company's regulatory capital position as at 31st December 2023 was 28%.

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1.8.2 Capital Allocation

The allocation of the Company's capital to various business segments is determined by the available regulatory capital and the expected return to be achieved on the allocated capital.

The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

5. USE OF ESTIMATES AND JUDGEMENTS

Management discusses with the Audit & Risk Management Sub-Committee the development, selection and disclosure of the Company's accounting policies and estimates, and the application of these policies and estimates. These disclosures supplement the commentary on Risk Management (see note 4).

5.1 Key Sources of Estimation Uncertainty

5.1.1 Allowances for Expected Credit Losses

Assets accounted for at amortised cost are evaluated for impairment on a basis described in the accounting policy. The individual counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, Management makes judgements about counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the risk management function.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar credit characteristics when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items cannot yet be identified.

In assessing the need for collective loan loss allowances, Management considers factors such as credit quality, portfolio size, concentrations, and

economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the allowances depends on how well these estimated future cash flows for specific counterparty allowances and the model assumptions and parameters are used in determining collective allowances.

5.1.2 Determining Fair Values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3f.1.3.2 For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

5.1.3 Critical Accounting Judgements made in Applying the Company's Accounting Policies

Financial Asset and Liability Classification

The Company's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

In designating financial assets or liabilities at fair value through profit or loss, the Company has determined that it has met one of the criteria for this designation set out in accounting policy 3f.

In classifying financial assets as held-to-maturity, the Company has determined that it has both the positive intention and ability to hold the assets until their maturity date as required by accounting policy 3f.

Details of the Company's classification of financial assets and liabilities are given in note 6.

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6. FINANCIAL ASSETS AND LIABILITIES

The table below sets out the Company's classification of each class of Financial Assets and Liabilities, and their Fair Values (excluding accrued interest).

| 2023 | | FV through Profit/Loss | Amortised Cost | Carrying Amount |
|------------------------------|--|------------------------|--------------------|--------------------|
| | | GH¢ | GH¢ | GH¢ |
| Cash and Cash Equivalents | | - | 35,180,880 | 35,180,880 |
| Investment | | - | 350,779,930 | 350,779,930 |
| Loans and Advances | | - | 80,594,653 | 80,594,653 |
| Others Assets | | - | 8,578,957 | 8,578,957 |
| | | - | 475,134,419 | 475,134,419 |
| Financial Liabilities | | | | |
| Deposit from Customers | | - | 446,259,910 | 446,259,910 |
| Other Liabilities | | - | 3,298,815 | 3,298,815 |
| | | - | 449,558,725 | 449,558,725 |

| 2022 | | FV through Profit/Loss | Amortised Cost | Carrying Amount |
|------------------------------|--|------------------------|--------------------|--------------------|
| | | GH¢ | GH¢ | GH¢ |
| Cash and Cash Equivalents | | - | 33,181,612 | 33,181,612 |
| Investment | | - | 290,094,293 | 290,094,293 |
| Loans and Advances | | | 46,135,492 | 46,135,492 |
| Others Assets | | - | 2,200,775 | 2,200,775 |
| | | - | 371,612,172 | 371,612,172 |
| Financial Liabilities | | | | |
| Deposit from Customers | | - | 360,800,640 | 360,800,640 |
| Other Liabilities | | - | 1,748,820 | 1,748,820 |
| | | - | 362,549,460 | 362,549,460 |

7. INTEREST INCOME

| | 2023 | 2022 |
|-------------------------------|-------------------|------------|
| | GH¢ | GH¢ |
| Loans & Advances to Customers | 28,705,136 | 17,755,316 |
| Investments | 54,046,799 | 53,843,208 |
| | 82,751,936 | 71,598,524 |

8. INTEREST EXPENSE

| | 2023 | 2022 |
|-----------------|-------------------|------------|
| | GH¢ | GH¢ |
| Call Account | 1,767 | 59,014 |
| Savings Account | 2,636,167 | 2,306,759 |
| Fixed Deposit | 18,965,079 | 17,193,650 |
| | 21,603,012 | 19,559,423 |

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

9. NET FEE AND COMMISSION INCOME

| | 2023 | 2022 |
|--------------------------|------------------|-----------|
| | GH¢ | GH¢ |
| Facility Fee | 3,681,630 | 2,609,721 |
| Commission | 1,181,383 | 1,082,712 |
| Fees from Other Services | 687,580 | 1,025,688 |
| Fees Expense | (361,083) | (502,060) |
| | 5,189,510 | 4,216,061 |

10. OTHER OPERATING INCOME

| | | |
|----------------------|------------------|-----------|
| Loan Recovery Income | 1,239,013 | 1,226,257 |
| Exchange Gain | 104,387 | 60,644 |
| Other Income | 247,745 | 93,965 |
| | 1,591,144 | 1,380,866 |

11. PERSONNEL EXPENSES

| | | |
|----------------------|-------------------|------------|
| Wages and salaries | 19,845,711 | 17,311,017 |
| Social Security Cost | 2,513,249 | 2,154,369 |
| Other Staff Cost | 3,451,180 | 2,574,947 |
| Training | 374,710 | 450,068 |
| Medical Expenses | 3,045,507 | 1,677,824 |
| | 29,230,357 | 24,168,225 |

12. OTHER OPERATING EXPENSES

| | | |
|-----------------------------------|-------------------|------------|
| Directors' Emoluments | 722,591 | 487,991 |
| Auditor's Renumeration | 174,784 | 145,653 |
| Occupancy | 1,505,321 | 1,101,825 |
| Depreciation | 5,425,744 | 4,461,625 |
| Amortisation | 133,445 | 124,679 |
| General & Administrative Expenses | 14,335,001 | 12,894,603 |
| | 22,296,887 | 19,216,376 |

13. IMPAIRMENT CHARGE
a. Impairment allowance on loans and advances

| | | |
|---|------------------|---------------------|
| Balance at January 1, | 3,078,243 | 9,418,149 |
| Transfer from credit risk reserve for write off | - | 3,000,000 |
| Adjustment for loan write off | - | (11,702,456) |
| Adjusted opening balance | 3,078,243 | 715,693 |
| Charge for the year | 4,197,174 | 2,362,550 |
| Balance at December 31, | 7,275,418 | 3,078,243 |

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

| | 2023 | 2022 |
|--|-------------------|------------|
| | GH¢ | GH¢ |
| b. Impairment on other financial assets (investments) | | |
| Balance at January 1, | 30,675,557 | - |
| Charged for the year | 453,222 | 30,675,557 |
| Balance at December 31, | 31,128,779 | 30,675,557 |
| Total Impairment Charge for the Year | 4,650,396 | 33,038,107 |

| | | |
|--|-------------------|------------|
| c. Total Impairment Provisioning as at December 31, | 38,404,197 | 33,753,800 |
|--|-------------------|------------|

Impairment in investment is due to the fair value loss on Government of Ghana Securities under the Domestic Debt Exchange Programme.

14. TAXATION

| | | |
|-------------------------------------|------------------|-----------|
| Company Income Tax | 3,263,489 | 4,288,702 |
| National Fiscal Stabilisation Levy | 146,899 | - |
| Growth and Stabilisation Levy | 440,698 | - |
| Deferred Tax (Credit)/Expense | (144,340) | (376,582) |
| Total charge as shown in P/L | 3,706,746 | 3,912,120 |

| a. Current tax | Balance | Charge | Other | Tax | Balance |
|-----------------------|------------------|------------------|------------|--------------------|----------------|
| | 31/12/2022 | for the year | adjustment | Paid | 31/12/2023 |
| Tax Years | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| Up to 2018 | (807,330) | - | - | - | (807,330) |
| 2019 | (162,463) | - | - | - | (162,463) |
| 2020 | 349,846 | - | - | - | 349,846 |
| 2021 | 494,590 | - | - | - | 494,590 |
| 2022 | 1,808,252 | - | - | - | 1,808,252 |
| 2023 | - | 3,263,489 | - | (4,539,803) | (1,276,314) |
| | 1,682,895 | 3,263,489 | - | (4,539,803) | 406,581 |

b. National Fiscal Stabilisation Levy

| | | | | | |
|------------|--------------------|----------------|----------|------------------|--------------------|
| UP to 2019 | (132,680) | - | - | - | (132,680) |
| 2020 | 197,297 | - | - | - | 197,297 |
| 2021 | (1,045,734) | | | | (1,045,734) |
| 2022 | (387,918) | - | - | - | (387,918) |
| 2023 | - | 146,899 | - | (712,279) | (565,380) |
| | (1,369,035) | 146,899 | - | (712,279) | (1,934,415) |

c. Growth and Stabilisation Levy

| | | | | | |
|------|---|---------|---|-----------|-------|
| 2023 | - | 440,698 | - | (431,861) | 8,837 |
|------|---|---------|---|-----------|-------|

d. Deferred Tax

| | | | | | |
|------|-----------|-----------|---|---|-----------|
| 2023 | (764,953) | (144,340) | - | - | (909,293) |
|------|-----------|-----------|---|---|-----------|

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

| | 2023 | 2022 |
|---|-------------------|--------------|
| | GH¢ | GH¢ |
| e. Reconciliation of Effective Tax Rate | | |
| (Loss)/profit before tax | 11,751,937 | (18,786,680) |
| Income tax thereon at the corporate tax rate of 25% | 2,937,984 | (4,696,670) |
| Other Income taxes | 287,671 | 137,247 |
| Reversal Other Income taxes (Agric) @ 25% | (359,589) | |
| Tax effect of non-deductible expenses | 1,989,094 | 10,035,553 |
| Tax effect of capital allowance | (567,034) | (634,128) |
| Origination (reversal) of taxable temporary differences | (980,429) | (376,582) |
| Other taxes (Levies) | 587,597 | |
| Other taxes (DT) | (144,340) | |
| Tax effect of other deductions | (44,209) | (553,300) |
| Current Income Tax Charge | 3,706,746 | 3,912,120 |
| Effective Tax Rate | 31.54% | -20.82% |

15. EARNINGS PER SHARE

| Profit Attributable to Ordinary Shareholders | | |
|--|-------------------|--------------|
| Net (loss)/profit for the year | 8,045,191 | (22,698,800) |
| Issued Ordinary Shares at 1 January | 35,140,000 | 35,140,000 |
| Additional shares issued | - | - |
| | 35,140,000 | 35,140,000 |
| | 0.2289 | (0.6460) |

The Directors are unable to propose dividend in respect of the year ended 31 December, 2023 (December 2022: nil).

16. CASH AND CASH EQUIVALENTS

| | | |
|---------------------------|-------------------|------------|
| Current and call accounts | 25,720,462 | 25,321,282 |
| Cash on hand | 9,460,418 | 7,860,330 |
| | 35,180,880 | 33,181,612 |

17. INVESTMENTS SECURITIES

| | | |
|-----------------------------------|---------------------|--------------|
| Fixed Deposits | - | 50,938,903 |
| Government of Ghana Bonds | 212,163,322 | 92,480,381 |
| Mutual Fund | 25,938,903 | 25,939,003 |
| Investments- T-bills | 127,964,925 | 134,221,934 |
| Interest Receivable | 15,841,560 | 17,189,629 |
| Gross Investments | 381,908,709 | 320,769,850 |
| Less: Impairment charged | (31,128,779) | (30,675,557) |
| Net Investments Securities | 350,779,930 | 290,094,293 |

 NOTES TO THE FINANCIAL STATEMENTS CONT'D.

18. LOANS AND ADVANCES TO CUSTOMERS

| | 2023 | 2022 |
|--|--------------------|-------------|
| | GH¢ | GH¢ |
| Business loans | 84,111,124 | 43,745,322 |
| Overdrafts | 2,435,696 | 1,680,591 |
| Interest receivable | 7,093,150 | 9,126,929 |
| Interest in suspense | (5,769,901) | (5,339,107) |
| Gross loans less interest in suspense | 87,870,069 | 49,213,735 |
| Impairment loss | (7,275,416) | (3,078,243) |
| Net Loans and Advances to customers | 80,594,653 | 46,135,492 |

19. INTANGIBLE ASSET**Cost**

| | | |
|--------------------------------|------------------|-----------|
| Balance at January 1, | 3,038,958 | 2,235,271 |
| Additions | 374,088 | 803,687 |
| Balance at December 31, | 3,413,046 | 3,038,958 |

Amortisation

| | | |
|---------------------------------------|------------------|-----------|
| Balance at January 1, | 2,083,284 | 1,958,605 |
| Charge for the Year | 133,446 | 124,679 |
| Balance at December 31, | 2,216,730 | 2,083,284 |
| Net Book Value at December 31, | 1,196,316 | 955,674 |

20. OTHER ASSETS

| | | |
|---------------|------------------|-----------|
| Other debtors | 8,081,019 | 1,841,579 |
| Prepayment | 497,938 | 359,196 |
| | 8,578,957 | 2,200,775 |

21a. PROPERTY, PLANT & EQUIPMENT
2023

| | Leasehold Property | Office Furniture & Fittings | Motor Vehicles | Computers | Office Plant & Equipment | Work in Progress | Right of Use Asset | Total |
|-----------------------|--------------------|-----------------------------|----------------|-----------|--------------------------|------------------|--------------------|-------------|
| COST | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| At January 1, 2023 | 6,165,502 | 3,823,072 | 4,562,777 | 3,667,634 | 5,784,227 | 440,660 | 9,552,937 | 33,996,811 |
| Additions | - | 75,107 | 28,425 | 111,629 | 452,459 | 18,181 | 4,405,176 | 5,090,977 |
| Transfer | (6,165,502) | 47,960 | - | 37,791 | 162,853 | (440,660) | 6,165,502 | (192,056) |
| Adjustment | - | - | - | - | - | - | (4,036,411) | (4,036,411) |
| At December 31, 2023 | - | 3,946,139 | 4,591,202 | 3,817,055 | 6,399,539 | 18,181 | 16,087,204 | 34,859,321 |
| DEPRECIATION | | | | | | | | |
| At January 1, 2023 | 4,233,251 | 3,187,332 | 2,753,676 | 2,304,524 | 5,298,362 | - | 7,015,919 | 24,793,064 |
| Charge for the year | 134,253 | 288,962 | 516,476 | 598,748 | 331,519 | - | 3,555,786 | 5,425,744 |
| Transfer | (4,367,504) | - | - | - | - | - | 4,367,504 | - |
| Adjustment | - | - | - | - | - | - | (4,108,635) | (4,108,635) |
| At December 31, 2023 | - | 3,476,294 | 3,270,152 | 2,903,271 | 5,629,881 | - | 10,830,574 | 26,110,172 |
| NET BOOK VALUE | | | | | | | | |
| At December 31, 2023 | - | 469,845 | 1,321,050 | 913,784 | 769,658 | 18,181 | 5,256,630 | 8,749,148 |
| At December 31, 2022 | 1,932,251 | 635,740 | 1,809,101 | 1,363,112 | 485,864 | 440,660 | 2,537,018 | 9,203,747 |

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

21a. PROPERTY, PLANT & EQUIPMENT

2022

| | Leasehold Property | Office Furniture & Fittings | Motor Vehicles | Computers | Office Plant & Equipment | Work in Progress | Right of Use Asset | Total |
|-----------------------|--------------------|-----------------------------|----------------|-----------|--------------------------|------------------|--------------------|------------|
| COST | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| At January 1, 2022 | 6,165,502 | 3,259,314 | 4,648,788 | 2,104,653 | 5,579,650 | 318,592 | 7,450,849 | 29,527,348 |
| Additions | - | 574,408 | 158,686 | 1,562,981 | 234,577 | 122,068 | 2,102,088 | 4,754,808 |
| Disposal | - | (10,650) | (244,697) | - | (30,000) | - | - | (285,347) |
| Adjustment | - | - | - | - | - | - | - | - |
| At December 31, 2022 | 6,165,502 | 3,823,072 | 4,562,777 | 3,667,634 | 5,784,227 | 440,660 | 9,552,937 | 33,996,809 |
| DEPRECIATION | | | | | | | | |
| At January 1, 2022 | 4,200,658 | 2,895,697 | 2,670,929 | 1,923,226 | 5,098,141 | - | 3,828,135 | 20,616,786 |
| Charge for the year | 32,593 | 302,285 | 327,445 | 381,298 | 230,221 | - | 3,187,784 | 4,461,626 |
| Disposal | - | (10,650) | (244,697) | - | (30,000) | - | - | (285,347) |
| At December 31, 2022 | 4,233,251 | 3,187,332 | 2,753,677 | 2,304,524 | 5,298,362 | - | 7,015,919 | 24,793,065 |
| NET BOOK VALUE | | | | | | | | |
| At December 31, 2022 | 1,932,251 | 635,740 | 1,809,100 | 1,363,111 | 485,865 | 440,660 | 2,537,018 | 9,203,744 |
| At December 31, 2021 | 1,964,844 | 363,617 | 1,977,859 | 181,427 | 481,509 | 318,592 | 3,622,714 | 8,910,562 |

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

21b. Profit On Disposal of Property, Plant and Equipment

| | 2023 | 2022 |
|--------------------------|----------|-----------|
| | GH¢ | GH¢ |
| Gross book value | - | 285,347 |
| Accumulated depreciation | - | (285,347) |
| Net book value | - | - |
| Sales proceeds | - | 57,700 |
| Net gain on disposal | - | 57,700 |

22. DEPOSITS FROM CUSTOMERS

| | | |
|------------------|--------------------|-------------|
| Current Account | 38,453,376 | 30,477,897 |
| Savings Account | 236,126,358 | 189,678,269 |
| Fixed Deposit | 167,035,746 | 136,752,946 |
| Interest Payable | 4,644,430 | 3,891,528 |
| | 446,259,910 | 360,800,640 |

23. OTHER LIABILITIES

| | | |
|------------------|-------------------|-----------|
| Accruals | 3,884,982 | 4,688,925 |
| Other Payable | 2,640,977 | 1,065,542 |
| Sundry Creditors | 657,837 | 707,774 |
| Deferred Income | 12,872,542 | 1,813,068 |
| | 20,056,339 | 8,275,309 |

24. SHAREHOLDERS FUND

a. Stated Capital

The Stated Capital of the Company consists of proceeds from issue of shares for cash or other consideration transfer from retained earnings to capital.

| | | | | |
|---|-----------------------|-------------------|-------------|------------|
| Number of authorised shares of no par value | 10,000,000,000 | | | |
| | 2023 | | 2022 | |
| Issued and Fully Paid | Number | Proceeds | Number | Proceeds |
| | GH¢ | GH¢ | GH¢ | GH¢ |
| Issued for Cash Consideration | 35,140,000 | 35,140,000 | 35,140,000 | 35,140,000 |
| Issued for Consideration Other than Cash | - | - | - | - |
| Capitalisation Issues | - | - | - | - |
| | 35,140,000 | 35,140,000 | 35,140,000 | 35,140,000 |

b. Statutory Reserve

Statutory reserve represents the cumulative amount set aside from annual net profit after tax as required by the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

c. Credit Risk Reserve

To cater for any shortfall between the Bank of Ghana's credit loss provision requirements and loans and advances Impairments based on IFRS principles, a charge or credit is made to retained earnings in respect of the difference required to adjust the cumulative provision to the level required under the Bank of Ghana regulations and IFRS 9-Financial Instruments: Recognition and Measurement.

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

| | 2023 | 2022 |
|-------------------------|------------------|-----------|
| | GH¢ | GH¢ |
| IFRS impairment | 7,275,416 | 3,078,241 |
| Bank of Ghana provision | 7,722,755 | 3,623,678 |
| Total | (447,339) | (545,438) |

An amount of GH¢ 98,107 is posted from Credit Risk Reserve for the year (2022: GH¢ 434,501).

Credit risk reserve is not available for distribution as dividend and inclusion in the adjusted capital base for purposes of Capital Adequacy Ratio (CAR) computation.

d. Deposit for Shares

The deposit for shares represents assets (motor vehicles) transferred to the company by shareholders with the intention of being allotted additional shares in exchange.

25. RELATED PARTIES

i. Transactions with Key Management Personnel

Key Management personnel have transacted with the Company during the year as follows:

Key Management personnel compensation for the year comprised:

| | 2023 | 2022 |
|------------------------------|------------------|-----------|
| | GH¢ | GH¢ |
| Key Management Compensation | 2,699,005 | 2,575,130 |
| Board of Directors Emolument | 722,591 | 487,991 |
| | 3,421,596 | 3,063,121 |

The Company does not have any share option policy in place for its executive officers.

ii. Loans and Advances to Key Management Personnel

| | | |
|---------------------------------|------------------|-----------|
| Balance at 1st January | 1,322,499 | 787,230 |
| Loans advanced during the year | 345,000 | 797,679 |
| Loans repayments received | (223,542) | (262,410) |
| Balance at 31st December | 1,443,957 | 1,322,499 |

The mortgage and secured loans granted are secured over properties of the respective borrowers.

No impairment losses have been recorded against balances outstanding during the period with key Management personnel, and no specific allowance has been made for impairment losses on balances with key Management personnel.

| | | |
|---|--------------------|------------|
| iii. Transaction with Related Companies | 217,909,521 | 13,512,579 |
| iv. Balances Due to Related Parties (Deposits) | 3,818,185 | 2,552,132 |

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

| | 2023 | 2022 |
|---|-------------------|--------------|
| 26. VALUE ADDED STATEMENTS | GH¢ | GH¢ |
| Value added statements for the year ended 31 December 2023 | | |
| Interest earned & other operating income | 84,343,080 | 72,979,390 |
| Direct cost of services | (37,618,118) | (33,701,504) |
| Value added by Core Lending services | 46,724,962 | 39,277,886 |
| Non-lending income | 5,189,510 | 4,216,061 |
| Impairments | (4,650,396) | (33,038,107) |
| Value added | 47,264,075 | 10,455,840 |
| Distributed as follows; | | |
| To employees; | | |
| Directors (without executives) | (722,591) | (487,991) |
| Executive Directors | (2,699,005) | (2,575,130) |
| Other employees | (26,531,353) | (21,593,095) |
| To Government; | | |
| Income tax | (3,706,746) | (3,912,120) |
| To providers of capital; | | |
| Dividend to shareholders | - | - |
| To expansion and growth; | | |
| Depreciation | (5,425,744) | (4,461,625) |
| Amortisation | (133,445) | (124,679) |
| Retained earnings | 8,045,191 | (22,698,800) |
| 27. ADDITIONAL DISCLOSURES | | |
| Capital adequacy ratio (CAR) | 21% | 28% |
| Non-performing loans (amount & ratio) | | |
| Gross loans | 87,870,069 | 49,213,735 |
| Non- performing loans | 8,570,376 | 4,952,360 |
| Non-performing loans Ratio | 9.75% | 10.06% |
| Amounts written off | - | 11,702,456 |
| Liquid ratio | 86% | 90% |
| Credit risk reserve, if any | 447,331 | 545,437 |
| Statutory Liquidity breaches | None | None |
| Non compliance with other prudential requirements | None | None |
| Year-end mid-rates used for foreign exchange translations Foreign currency | | |
| | 31/12/2023 | 31/12/2022 |
| United States Dollar | 11.8800 | 8.3150 |

NOTES TO THE FINANCIAL STATEMENTS CONT'D.

28. LIST OF RELATED PARTIES

a. Members of the Board (Non-Executive Directors):

| | |
|----------------------------|------------------------|
| Mr. Isaac Emmil Osei-Bonsu | Board Chairman |
| Dr. Ernest Ofori Sarpong | Non-Executive Director |
| Mr. Daniel Asare-Mintah | Non-Executive Director |
| Mr. Kwadwo Danso-Dodoo | Non-Executive Director |
| Mr. Kennedy Asante Osei | Non-Executive Director |

b. Executive Director

| | |
|------------------------|-------------------|
| Dr. Fred Safo-Kantanka | Managing Director |
|------------------------|-------------------|

c. Key Management Personnel

| Name | Designation |
|------------------------|--|
| Dr. Fred-Safo Kantanka | Managing Director |
| James Okrah | General Manager |
| Isaac Baffour Awuah | Head of Internal Audit |
| Martey Ago-Mensah | Head of Internal Control, Risk, and Compliance |
| Millicent Odoi | Head of Legal & Administration/Company Secretary |
| Maame Frimpomaa Nartey | Head of Business Development |
| Emmanuel Owusu-Ankamah | Head of Finance |
| Jacob Idan | Manager, Customer Care & Service Quality |
| Eric Badu | Business Development Manager |
| Constant Ekow Takyi | Credit Risk Manager |
| Mark Kyei Darko | Head of Banking Operation |
| Eric Kwakye | Head of Information Technology |

d. List of Shareholders

The shareholders of the Company are:

| | No. of Shares | Percentage |
|----------------------|---------------|------------|
| Ernest Ofori Sarpong | 17,570,000 | 50.00% |
| Kwame Osei | 17,570,000 | 50.00% |
| | 35,140,000 | 100.00% |

29. DIVIDEND PER SHARE

At the company's Annual General Meeting to be held, no dividend in respect of the year ended 31st December, 2023 will be proposed (December 2022: No dividend was paid).

30. CAPITAL EXPENDITURE COMMITMENT

There were no capital expenditure commitment at the end of the year (2022: Nil).

NOTES

Loan

- ▼ **SME Loans**
- ▼ **Personal Loan**
- ▼ **Susu Loans**

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