BAYPORT SAVINGS AND LOANS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

CONTENTS

CORPORATE INFORMATION

Directors	Francis Wood (Chairman) Julia Asante Anim Amina Abugdanpoka Kaguah Emily Slota Akwasi Aboagye (Managing Director) Nothando Ndebele Byran James Arlow(Appointed on August 20, 2024)
Business address	22 Nii Nortei Nyanchi Street Airport West Accra
Parent company	Bayport Management Limited Incorporated in the Republic of Mauritius
Auditor	PricewaterhouseCoopers Chartered Accountants PwC Tower A4 Rangoon Lane Cantonments City PMB CT 42, Cantonments Accra – Ghana
Secretary	Dehands Services Ltd No.9 Carrot Avenue Adjacent Lizzy Sports Complex East Legon, Accra P.O. Box CT 9347, Cantonments
Company registration number	PL000022016

REPORT OF THE DIRECTORS

The directors in submitting to the shareholders the financial statements of Bayport Savings and Loans PLC (the "Company") for the year ended 31 December 2024 report as follows:

Directors' responsibility statement

The directors are responsible for the preparation of the financial statements that give a true and fair view of Bayport Savings and Loans PLC's financial position at 31 December 2024, and of the profit or loss and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS Accounting Standards) with the IAS 29 directive issued by the Institute of Chartered Accountants Ghana (ICAG), and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). In addition, the directors are responsible for the preparation of this directors' report.

The directors are also responsible for such internal control as the directors 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 Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

Financial results

The financial results of the Company for the year ended 31 December 2024 are set out in the attached financial statements, highlights of which are as follows:

	2024 GHS	2023 GHS
Profit before tax	**38,727,335**	32,913,142
from which is deducted income tax expense of	**(16,659,633)**	(13,119,256)
giving a profit for the year after income tax of	**22,067,702**	19,793,886
from which is deducted transfer to statutory reserve of	**(2,758,463)**	(2,404,395)
less transfer (to)/from credit risk reserve of	**(18,600,495)**	(1,787,550)
leaving a surplus of	**708,744**	15,601,941
which is added to a balance brought forward on retained earnings of	**154,180,968**	138,579,027
leaving retained earnings amount carried forward of	**154,889,712**	154,180,968

In accordance with Section 34(1) (b) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), an amount of GHS 2,758,463 (2023: GHS 2,404,395) was transferred to the statutory reserve fund from profit for the year, bringing the cumulative balance on the statutory reserve fund to GHS 42,575,328,258 (2023: GHS 39,816,865) at the year end.

Dividend

The directors do not recommend the payment of a dividend for the year ended 31 December 2024 (2023: Nil).

Nature of business

The Company is authorised by Bank of Ghana to provide micro-credit and finance services. There was no change in the nature of business during the year.

REPORT OF THE DIRECTORS (continued)

Holding company

The Company's parent company and ultimate holding company is Bayport Management Limited, incorporated in the Republic of Mauritius.

Interest in other body corporates

The Company had no subsidiaries or associate entities during the year or as at year end.

Corporate social responsibilities

The Company engaged in some corporate social responsibility (CSR) in the year. Below is the corporate social responsibility for 2024.

Event	Event details	Amount (GHS)
Scholarship scheme	Sponsoring of 29 students at various tertiary institutions	149,147
Social Services	Donation to Ho-Lokoe Technical Institute for rehabilitation.	10,000
Social Services	Conducted a career guidance and financial literacy workshop at Swedru Senior High School	12,850
Social Services	Donation to Golden Chapter Foundation in Accra to support their initiatives for older adults	10,000
Social Services	Polio Awareness and Vaccination Campaign by Rotary Club	10,000
Social Services	Contribution towards the fundraising initiative organized by Restore Worldwide International and Brogya Foundation	10,000
Social services	Donations of 100 dual desks to Obuasi Senior High Technical School	22,506
Social Services	Donations of food items and other playful items orphanage homes	20,000

Audit fee

Audit fee for the year ended 31 December 2024 is set out in Note 14 of these financial statements.

Capacity of directors

The Company ensures that only fit and proper persons are appointed to the Board after obtaining the necessary approval from the regulator, Bank of Ghana. Relevant training and capacity building programs, facilitated by the Ghana Banking College and the Bank of Ghana, are put in place to enable the directors discharge their duties. All the directors have been certified for attending such training during the year.

Directors

The names of the directors who served during the year are provided on page 1. No director had any interest at any time during the year, in any contract of significance, other than a service contract with the Company. No director had interest in the shares of the Company.

Auditor

The auditor, PricewaterhouseCoopers, will continue in office in accordance with Section 139 (5) of the Companies Act, 2019 (Act 992) and Section 81 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

REPORT OF THE DIRECTORS (continued)

Approval of the financial statements

The financial statements of the Company were approved by the Board of Directors on …28….. **March 2025** and were signed on their behalf by:

…………………………………………………………	…………………………………………………………
Director Akwasi Aboagye	**Director** Francis Wood

CORPORATE GOVERNANCE REPORT

Bayport Savings and Loans PLC is committed to strong corporate governance practices that allocate responsibilities among the Company's shareholders, the Board and Executive Management to provide effective oversight and management of the Company with a view to enhancing long-term shareholder value.

The Board is the focal point for, and ultimate custodian of, corporate governance. To achieve this, it endeavors to find the correct balance between compliance with corporate governance recommendations and best practice, while maintaining the Company's performance and meeting strategic, operational and financial objectives.

The Board ensures that the Company is, and is seen to be, a responsible corporate citizen by having regard to not only the financial aspects of the business of the Company but also the impact that business operations have on the environment and the society in which it operates. In doing so the Board appreciates that stakeholders' perceptions affect the reputation of the Company.

Compliance and Regulations

In discharging its Corporate Governance responsibilities, Bayport Savings and Loans PLC is guided by relevant laws and regulations and international best practices. The Company's corporate governance principles are contained in a number of corporate documents, including the Company's Regulations, the Board Charter, Corporate Governance Charter, Charters of Board and Management Committees, Conflict of Interest Policy and other policies that govern the day-to-day operations and ethical behaviours of staff and other relevant stakeholders.

The Board

The Board is responsible for directing the Company towards the achievement of its vision and is ultimately accountable for the Company's operating performance, financial results, and practices within the company's framework of corporate governance. The day-to-day management of the Company is vested in the Managing Director and the management team appointed by him. Subject to any limitation imposed by the Companies Act and Regulations, the management of the business of the Company shall be vested in the directors. The Board is made up of a majority of Non-Executive Directors.

As at 31 December 2024, the Board had seven (7) members, made up of four (4) independent non-executive directors, two (2) non-executive directors and one (1) executive director. The board is composed of 57% Ghanaians and the remaining 43% non-Ghanaians. The Board has delegated various aspects of its work to Audit and Finance Committee and Risk and Compliance Committee with combined experiences in Finance, Law, Risk Management and Banking Operations. The membership of Audit and Finance and Risk and Compliance committees are both made up of 33% Ghanaians.

The Board holds scheduled meetings in closed sessions and Key Management staff are invited, as required, to make presentations to the Board on material issues under consideration. Additionally, directors are given access to management and company information, as well as the resources needed to carry out their duties.

Meetings of the Board are held quarterly, and additional meetings may be convened if necessary. All directors are provided with comprehensive Board meeting documentation.

Board subcommittee members are appointed by the Board. The subcommittee has its own written terms of reference, duties and authorities as determined by the Board. There were no related parties on the board.

Audit and Finance Committee and Risk and Compliance Committee

The Audit and Finance and Risk and Compliance Committees are both made up of 3 non-executive directors. The purpose of the Committee is to assist the Board of Directors in discharging its oversight responsibilities for:

- Establishing a framework for identification, management, control and monitoring of board risks, and for assuring legal and regulatory compliance, including anti-money laundering and antiterrorist financing and cyber security.

CORPORATE GOVERNANCE REPORT (continued)

Audit and Finance Committee and Risk and Compliance Committee (continued)

- Overseeing the effectiveness of the internal and external control systems of the Company and monitors compliance by the Company with all legal and statutory requirements for ensuring high standards in corporate good governance, financial reporting and ethical behaviour on the part of all officers and employees of the Company including its other stakeholders.

Activities of Board Committee

The Risk and Compliance committee discussed risk appetite breaches, risk events, risk acceptance issues, Fraud and Forensics, Cyber-Security, Corporate Governance and Compliance issues, Anti-Money Laundering, Legal risk and review of the general risk profile of the Company. The Committee recommended for approval by the Annual AML Risk Assessment, Risk Management plan 2025, Business Continuity Policy, Mobile Device, Policy, Back-up Policy, Related Party Transactions Policy, Outsourcing and Offshoring Policy, Accounting Policy, Contingency Funding Plan, Procurement Policy, Anti-Money Laundering Policy, Complaint Management Policy, Risk Management Framework, Risk Management Policy, Anti-bribery and Corruption framework policy, Fraud Policy, Gift Policy, Operational Risk Event Policy, Risk Acceptance Policy, Risk, Appetite Framework, Tax Risk Management Policy, Whistleblower Policy, Bayport Stakeholder Engagement Policy, Bayport Deposit Mobilization Policy, Bayport Environmental Social Governance Policy, Bayport Internal communications Policy, Bayport Marketing Policy, Credit Policy, Board Charter, Board Risk and Compliance Charter, Board Succession Planning within the period.

The Audit and Finance Committee also in charge of the remuneration and nominations reviewed the quarterly financial statements, budgets, write-offs, funding needs, Internal Audit, External Audit report and the Human Capital report for the period under review.

Internal Auditor

The Internal Auditor reports directly to the Audit and Finance Committee and sits in all meetings of the Committee.

During the period, the Audit and Finance Committee considered and discussed reports on control breakdowns, management comments and remediation actions and tracking of outstanding audit items.

Roles and responsibilities

The internal Audit Department has the responsibility for bringing a systematic, disciplined approach to evaluate and report on the effectiveness of governance processes, risk management and internal controls. The Internal Audit Department evaluates whether management has an effective process at all levels to identify, manage and control risks.

Management has the responsibility for internal control and risk management activities of the Company. The scope of Internal Audit encompasses, but it is not limited to, the examination and evaluation of the adequacy and effectiveness of the Company's governance, risk management, and internal controls and has unrestricted access to all activities undertaken in the Company.

- Establishing, maintaining and ensuring effective operational and financial control systems.
- Maintaining the integrity of financial reporting.

The Committee also performs the following duties on behalf of the Board;

- Oversight of the Company's financial reporting process and integrity to ensure that the financial statements are fairly stated.
- Reviewing the quarterly financial statements before submission to the Board for approval, with particular reference to:
    - Changes, if any, in accounting policies and practices and reasons for the same.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Disclosure of any related party transactions.
    - Qualifications in the draft audit report.
    - Oversight of the Company's relationship with External and Internal Auditors.

CORPORATE GOVERNANCE REPORT (continued)

Audit and Finance Committee and Risk and Compliance Committee (continued)

Roles and Responsibilities (continued)

The Audit and Finance Committee and the Risk and Compliance Committee have the authority and direct responsibility to make recommendations to the Board of Directors with respect to the appointment, retention, compensation, evaluation and where appropriate replacement of the external auditors for approval and/or ratification by shareholders in line with their voting rights which is by a simple majority vote.

- Approving Internal Audit plans, monitoring and reviewing the effectiveness of internal controls and the internal audit function.
- Reviewing the Company's program for compliance with laws and regulations, and the record of such compliance and significant legal cases outstanding against the Company, and other regulatory or legal matters that may have a material impact on the Company's financial statements or compliance.
- Reviewing Compliance reports on anti-money laundering and antiterrorist financing and filings of suspicious transactions and discussing with Management the modalities for enhancing its zero tolerance for anti-money laundering related activities.

Annual Certification

The Board of Directors of Bayport certifies that, as of the date of this report, the Bayport Savings and Loans PLC is in full compliance with the provisions of the Corporate Governance Directive, 2018.

Furthermore, the Board affirms that an independent assessment of the Bank's corporate governance framework has been conducted and confirms its effectiveness in supporting the achievement of the Group's strategic objectives

The directors fully understand and upload their governance responsibilities to Bayport. These responsibilities are detailed in the Board Charter, the Corporate Governance Policy and the Conflict-of-Interest Policy which guide the Board in discharging its governance responsibilities.

The directors participated in a corporate governance programme which was organized by the National Banking College.

The training covered the following areas;

- Emerging Regulatory Concerns to Effective Corporate Governance Practice
- Board Renewal and CEO Succession Planning
- Credit Risk Governance and Oversight in Times of Uncertainty.

Also, the directors went through Anti-Money Laundering/Terrorist Financing & Proliferation of Arms awareness for the year under review. The training focused on the following areas;

- General awareness on Anti-Money Laundering/Terrorist Financing & Proliferation of Arms
- Differences between Money Laundering and Terrorist Financing
- Predicate offenses
- Politically Exposed Person and High-Risk clients categorisation under the new AML guidelines
- Notable changes in the new AML guidelines
- New penalties for AML breaches

Succession Planning

Bayport Savings and Loans PLC has a succession plan policy and strategy for the business including the Board and key management personnel. The succession plan focuses on developing and retaining the best qualified and competitive personnel ready to take up key positions in the business when they become vacant to ensure effective continuity of the Company.

CORPORATE GOVERNANCE REPORT (continued)

Board Meeting Attendance

The Board met four times during the year under review, the table below details attendance of individual Board members.

Directors	Date of Appointment	Board Sitting	Audit and Finance Committee	Risk and Compliance Committee
Akwasi Aboagye (Managing Director)	August 12,2021	4/4	N/A	N/A
Francis Wood (Chairman)	June 20,2019	4/4	N/A	N/A
Julia Asante Anim	April 8,2020	3/4	N/A	4/4
Amina Abugdanpoka Kaguah	April 8, 2020	4/4	3/4	N/A
Emily Slota	August 11,2020	4/4	4/4	N/A
Bryan James Arlow	August 20,2024	1/1	N/A	1/1
Nothando Ndebele	November 8,2020	4/4	4/4	4/4

Board Meeting Calendar

Period (2024)	Board Meetings	Committee Meetings
Q1	27 March 2024	11 & 25 March 2024
Q2	23 May 2024	10 May 2024
Q3	28 August 2024	15 August 2024
Q4	29 November 2024	11 November 2024

CORPORATE GOVERNANCE REPORT (continued)

Board Planned Activities for 2025

BAYPORT SAVINGS AND LOANS PLC – ANNUAL WORK PLAN AGENDA ITEM		MEETING			
		Mar	Jun	Sep	Nov/ Dec
1	**Declarations of Interests**				
	a) Annual general disclosure of all interests	√			
	b) Updates		√	√	√
2	Written resolutions noted	√	√	√	√
3	Confirmation of minutes of previous meeting	√	√	√	√
4	Matters arising	√	√	√	√
5	CEO's report	√	√	√	√
6	Financial report	√	√	√	√
7	External Audit report	√			
8	Audit and Finance Committee minutes and/or feedback	√	√	√	√
9	Risk and Compliance Committee minutes and/or feedback	√	√	√	√
10	Other Board Committee minutes and/or feedback	√	√	√	√
11	Annual self-assessment of performance of board, board committees and individual directors				√
12	Bi--annual self-assessment of performance of board relating to AML/CFT issues		√		√
13	External evaluation of performance of board, board committees and individual directors (The last exercise was done in 2023 and the next one is expected to be done in 2025)		√		
14	Review governance structures, composition and charters/terms of reference				√
15	Delegations of authority				
	a) Review	√			
	b) Amendments		√	√	√
16	Approve annual financial statements	√			
17	Approve annual budget				√
18	Certification of compliance to Corporate Governance Directive	√			
19	Any Other Business	√	√	√	√

Directors Shareholding

The shareholding structure for the company remains the same as the previous year where Bayport Management Limited owns 98.881%, Bayport International Headquarter Proprietary Limited owns 0.00001% and Social Security and National Insurance Trust owns 1.11% of the shares in Bayport Savings and Loans PLC.

None of the directors held shares in the Company during the year and as at the year ended 31 December 2024

CORPORATE GOVERNANCE REPORT (continued)

Profile of directors

Name	Director's profile	Other Directorships
Akwasi Aboagye (Managing Director)	BSc Computer Science from the Kwame Nkrumah University of Science and Technology Association of Chartered Certified Accountants (ACCA) Has over 15 years' experience in Finance, Banking Operations and Risk Management	None
Francis Wood (Board Chairman)	BSC in Architecture from McGill University MBA Finance Management Strategy from London Business School Has over 20 years' experience working as an investment banker for the likes of Lehman Brothers, Credit Suisse	PAWO LTD (GHANA)
Julia Asante Anim	B. Eng (Telecoms) from Queen Mary and Westfield College, London-United Kingdom MSc Banking and International Finance from Cass Business School, London- United Kingdom Has over 15 years' experience in risk management, treasury, and relationship management	Amber Keye Investments Limited Ntiamoah Foundation
Amina Abugdanpoka Kaguah	Bachelor of Laws from University of Ghana, Legon Qualifying Certificate of Law from the Ghana School of Law Has practiced commercial and corporate law for more than 20 years with specific interest in labour laws, capital markets and mergers & acquisitions	IPC Petroleum Ghana Ltd
Emily Slota	Bachelor of Arts from Stanford University, California Master of Public Administration in International Development from Harvard Kennedy School, Massachusetts Master of Business Administration from Harvard Business School, Massachusetts. Emily has extensive experiences working in Corporate Finance, Financial Technology, Advisory service	Liquid Financial Services Ltd Hamanok Okai Whelan Ltd High Return Cash Fund PLC High Yield Income Fund Ltd

CORPORATE GOVERNANCE REPORT (continued)

Profile of directors (continued)

Name	Director's profile	Other Directorships
Nothando Ndebele	BA, Economics and Women's Studies from the Harvard University, USA MSC, Social Anthropology from the Oxford University, United Kingdom MBA, Majoring in Finance from Said Business School, University of Oxford, United Kingdom Chartered Financial Analyst (CFA)	Money Quest Investments (Pty) Ltd Bayport Financial Services (T) Ltd-Tanzania Bayport Financial Services Uganda Ltd Bayport Financial Services Ltd-Zambia
Bryan James Arlow	Bachelor Degree in Commerce from, University of South Africa Chartered Accountant(SAICA) Bryan has extensive experience across the global banking sector	Bayport Financial Services Mozambique (MCB) S.A Bayport Financial Services 2010(PTY) Limited

Management Reporting

Management has an open relationship with the Board whereby there are constant engagements and feedback provided as and when required. At a minimum, management submits quarterly reports to the Board either through the Risk and Compliance Committee and the Audit and Finance Committee. These reports include the risk management report (i.e. Risk Management, Corporate Governance, Anti-Money Laundering, Cyber-Security, Fraud and Forensics and Legal Risks). Management submits Internal Audit reports, External Audit reports, Human capital reports and financial performance reports for the period to The Audit and Finance Committee.

In line with the Corporate Governance Directive (2018), the Board during the year undertook the half yearly Anti-Money Laundering/ Combating Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (AML/CFT & P) evaluations.

The performance Criteria used for Assessing the Effectiveness of the Board included;

- Board processes
- Board experience
- Board structure
- Evaluation of Chairman
- Self-evaluation

Report on Board Evaluation

The Board conducted an internal evaluation to assess itself against its objectives, the aim of the evaluation is to assist the Board in improving its effectiveness. The evaluation process affords individual Board members the opportunity to evaluate the Board as a whole, as well as their own performance, and to make recommendations for areas of improvement.
The last external board evaluation was conducted in October 2023 by Deloitte & Touche and the report duly submitted to the Bank of Ghana in April 2024. Pillars for the Board evaluation include; Board Structure and Composition, Board operations and effectiveness, performance measurement and compensation, internal controls and compliance, internal and external audit, risk management, whistle blowing, ethics and conflicts-of-interests, and transparency and disclosure

Changes in the Composition of the Board

Following the resignation of Mr. David Adomako and Mr. Grant Kurland from the Board, Mr. Bryan James Arlow who is the Chief Commercial Officer of Bayport Management Limited was nominated to serve on the Board as a Non-Executive Director. Bryan was subsequently approved by the Bank of Ghana in August 2024.

CORPORATE GOVERNANCE REPORT (continued)

Report on Board Evaluation (continued)

The issues identified have been resolved except for the below

Key issues	Affected area	Status	Deadline
No Internal Capital Adequancy Process (ICAAP and Internal liquidity Assessment programme (ILAAP)	Corporate Governance/Risk Management	Bayport Ghana is in touch with Group to develop the ICAAP and ILAAP. Management is also benchmarking with banks to understand the key requirements to guide in implementation.	Q3 2025

Conflict of interest

In line with section 59 of the Corporate Governance Directive, 2018 and sections 192 and 194 of the Companies Act, 2019 (Act 992), the Company has a Conflict-of-Interest Policy in place to guide directors and management against placing themselves in positions that maybe considered either real or perceived conflict of interest in which their individual conduct may adversely affect their judgement in the discharge of their responsibilities of the Company.

Each director is required to disclose to the Board annually and at each board meeting, any interest, which he/she may directly or indirectly hold or be related to, and which becomes the subject of Board action and shall refrain from voting on any matter relating thereto.

The directors have a duty not to place themselves in a position which gives rise to a real or substantial possibility of conflict of interest or duty in relation to any matter which is or is likely to be bought before the Board.

At no time during the year did any director hold a material interest in any contract of significance within the Company. The Company has established a robust process requiring directors to disclose proposed outside business interests before they are engaged. This enables prior assessment of any conflict or potential conflict of interest and any impact on time commitment.

The Board is satisfied that the company's processes continue to operate effectively. Subject to the Companies Act,2019 (Act 992), the Constitutions of the Company and the authority granted to directors in general meetings, the directors may exercise all the powers and may delegate authority granted to Committees. The Company's Constitution contains provisions relating to the appointment and removal of directors which is also in accordance with the Companies Act, 2019 (Act 992) and best practice.

Management

The Executive Management Team is made up of three members i.e., Chief Executive Officer/Managing Director, Chief Commercial & Operating Officer and the Chief Finance Officer. The Chief Commercial and Operating Officer has over 20 years' experience in assets management, investment banking and technology. Prior to joining Bayport, he worked with ING Barings, Barclays Capital, ABN AMRO and T-Systems. The Chief Finance Officer is a Chartered Accountant and has two decades of experience in finance, auditing, and strategy.

Compensation Structure

The terms and conditions of employing managers are in accordance with the labour laws of Ghana and are aligned to best practice. The remuneration of Non-Executive, Executive Director, Key Management and staff remuneration is based on a total cost to company structure comprising of a fixed cash portion, compulsory benefits, which are reviewed annually. The remuneration of Non-Executive Directors is governed by a compensation structure approved by the shareholders. The remuneration for Executive Directors and Key Management personnel is determined by the Group in consultation with the Board of Directors.

CORPORATE GOVERNANCE REPORT (continued)

Compensation Structure (continued)

For all employees, performance-related payments have formed a significant proportion of total remuneration. All employees (executives, managers, and general staff) are individually rated on the basis of performance and potential and this is used to influence actual performance-related remuneration. The compensation policy aligns with the long-term sustainability of Bayport by providing a mix of short-term and long-term remuneration to incentivise sustainable long-term performance whiles it prevents the incidence of excessive risk taking.

The Board is supported by the Company Secretary (i.e., Dehands Company Limited) who have over 20 years' experience in providing secretarial and legal advisory services in Ghana.

Internal controls

The directors have ultimate responsibility for managing internal control within the Company, which is annually reviewed for their effectiveness. The area of review includes financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control mechanisms are the responsibility of the executive directors and other senior management.

The Board exercises oversight responsibilities through its Audit and Risk Committees. Control breakdowns that are identified during the review period are reported to the Board through the appropriate sub-committee and the required remedial actions are proposed and tracked until resolution.

The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational, and reputational risks identified as at the reporting date and no significant failings or weaknesses were identified during this review.

The Board of Directors have overall responsibility for establishment and oversight of the Fraud Policies and procedures. The Company has a zero tolerance for fraud and unethical practices perpetrated by its employees, shareholders, directors, customers, consultants, vendors, contractors and/ or any other parties with a business relationship. Bayport is committed to preventing, detecting, reporting fraud and cooperating with other organizations to reduce opportunities for fraud.

Fraud risk is assessed regularly as part of the overall risk management process and at the design stage of new systems and processes. Cost-effective preventive and detective controls are introduced where appropriate to mitigate the risk of fraud in business processes.

Ethics and Professionalism

The Board approved code of ethics has been established to empower employees and enable quicker decision-making at all levels of the business in accordance with defined ethical principles. It also aims at ensuring that the Company abides by the highest standards in business practice. The code defines Bayport's values in detail and provides values-based decision making principles to guide the conduct of both Board and Management.

To ensure members of the Board and key management personnel conduct themselves in a manner that maintains confidence in the integrity of the Company, there is a whistleblowing policy and an anonymous mechanism available for reporting unethical conduct and breaches. The directors and staff are made aware of their rights and responsibilities and signed as part of their engagement contracts.

Related Parties Transactions

Bayport's related party transactions is restricted to the support services offered by the parent company, Bayport Management Limited, which is registered under a Technology Transfer Agreement by the Ghana Investment Promotion Centre. Bayport occasionally receives financial support which is backed by a contract. All related party transactions are carried out at arm's length and in accordance with the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930) and other applicable regulations. This is intended to ensure that there is no favourable treatment given to a related party.

CORPORATE GOVERNANCE REPORT (continued)

Related Parties Transactions (continued)

Therefore, in any connected transactions or continuing connected transactions in the ordinary and usual course of business, and on normal commercial terms with a related party or its associate, the Company ensures all the necessary approvals are obtained prior to the execution of the transaction.

Risk management Declaration

The Board of Directors of Bayport Savings and Loans PLC provides oversight over enterprise risk and is ultimately responsible for the implementation of the Enterprise Risk Management Framework. The Board superintends Senior Management, provides a reasonable assurance and declares that:

- The Board and Management of the Company are aware of their responsibilities and that adequate action plans to address identified deficiencies in internal controls are documented and implemented.
- The Company has systems to ensure compliance with all prudential requirements, including the requirements of the Bank of Ghana risk management directive.
- The risk management framework is appropriate; the Company has systems and resources to identify, measure, evaluate, control, mitigate and report material risks commensurate with our size, business mix and complexity.
- Risk management and internal control systems are adequate, operating effectively and are reviewed on a regular basis.
- There is a duly segregated system of internal control, processes and management information systems in place which are implemented effectively and monitored by appropriately trained personnel.
- We ensure our business practices are conducted in a manner that is above reproach and employees are required to maintain high ethical standards.

The directors are fully committed to maintaining a robust risk management framework and appropriately developing strategies, policies, procedures, and controls to operate as a viable going concern.

Yours faithfully,

....
Board Chairman Francis Wood

....
Risk Committee Chairperson
Julia Arim Asante

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BAYPORT SAVINGS AND LOANS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Bayport Savings and Loans PLC (the "Company") as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana (ICAG) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

What we have audited

We have audited the financial statements of Bayport Savings and Loans PLC for the year ended 31 December 2024.

The financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising a summary of material accounting policy information and other explanatory information.

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

Independence

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 and the independence requirements of section 143 of the Companies Act, 2019 (Act 992) that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code.

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 Company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters (continued)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
Impairment allowance on loans and advances to customers
The Company recognised impairment on its financial assets, using the expected credit loss methodology, in line with the requirements of IFRS 9. The most significant is in respect of loans and advances. The expected credit loss provision is as follows;
<table>
<tr><th>Financial asset</th><th>Gross amount GH¢</th><th>Expected credit loss GH¢</th></tr>
<tr><td>Loans and advances to customers</td><td>1,030,438,972</td><td>91,681,066</td></tr>
</table>
The Expected Credit Loss (ECL) requires significant judgement in applying the methodology used in determining the following estimates:

Significant increase in credit risk (SICR) focusing on both the qualitative and quantitative criteria used by the Company.
Definition of default and credit impaired assets.
Probability of Default (PD): the likelihood that borrowers will be unable to meet their debt obligations over a particular time horizon.
Loss given default (LGD): percentage exposure at risk that is not expected to be recovered in an event of default.
Exposure at default (EAD): amount expected to be owed the Company at the time of default.
Forward-looking economic information and scenarios used in the model.

The accounting policies, critical estimates and judgements and impairment charge are set out in notes 2.5, 3.2, 5(a), 10 and 17 to the financial statements.
</td><td>
We obtained an understanding of and evaluated controls for loans process from origination, monitoring to impairment assessment.
We assessed the criteria applied by management in determining significant increase in credit risk and assessed a sample of loans for SICR.
We tested the appropriateness of the definition of default.
We assessed the reasonableness of assumptions applied in determining the PD and LGD.
We checked that the projected EAD over the remaining lifetime of loans and advances to customers were reasonable.
We assessed the reasonableness of forward looking information used in the impairment calculations by challenging the multiple economic scenarios used and the weighting applied.
We tested the appropriateness of disclosures set out in the financial statements.
</td></tr>
</table>

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, Report of the Directors, Corporate Governance Report and Value Added Statement but does not include the financial statements and our auditor's report thereon.

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 identified above 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 on the other information, 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 the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards with the IAS 29 directive issued by the Institute of Chartered Accountants Ghana (ICAG) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's 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.

Auditor's responsibilities for the audit of the financial statements (continued)

- 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 the 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 our 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 auditor's 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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 the directors with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, 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 auditor's 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 consider and report on the following matters. We confirm that:

i) 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;

ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and

iii) the Company's statement of financial position and Company's statement of comprehensive income are in agreement with the books of account.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (continued)

In accordance with section 85(2) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) we hereby confirm that:

i) the accounts give a true and fair view of the state of affairs of the Company and the results of operations for the period under review;

ii) we were able to obtain all the information and explanations required for the efficient performance of our duties as auditor;

iii) the Company's transactions were within its powers; and

iv) the Company has, in all material respects, complied with the provisions of this Act.

With respect to the provisions of the Anti-Money Laundering Act, 2020 (Act 1044), the Anti-Terrorism Act, 2008, (Act 762) and the Regulations made under these enactments, we did not identify any instances of non-compliance based on procedures we performed.

With respect to the provisions of section 21 of the corporate governance disclosure directive (2020) issued by Bank of Ghana, we did not identify any instances of non-compliance regarding the Company's corporate governance practices and report, based on procedures we performed.

The engagement partner on the audit resulting in this independent auditor's report is Michael Asiedu- Antwi (ICAG/P/1138).

PricewaterhouseCoopers

PricewaterhouseCoopers (ICAG/F/2025/028)
Chartered Accountants
Accra, Ghana
28 March 2025

pwc

STATEMENT OF COMPREHENSIVE INCOME
(All amounts are in Ghana Cedis)

	Note	Year ended 31 December 2024	2023
Interest income	6	**415,645,175**	313,781,765
Interest expense	7	**(242,767,696)**	(186,367,510)
Net interest income		**172,877,479**	127,414,255
Fees income	8	**6,467,080**	4,896,221
Non-interest expenses	9	**(36,168,940)**	(29,729,266)
Net impairment loss on financial assets	10	**(19,332,998)**	(7,840,405)
Other income	11	**2,954,518**	6,069,960
Personnel expenses	12	**(36,018,946)**	(30,400,275)
Depreciation and amortisation	13	**(6,391,191)**	(5,638,814)
Other expenses	14	**(45,659,667)**	(31,858,534)
Profit before tax		**38,727,335**	32,913,142
Income tax expense	15	**(16,659,633)**	(13,119,256)
Profit for the year		**22,067,702**	19,793,886
Other comprehensive income		-	-
Total comprehensive income for the year		**22,067,702**	19,793,886
Earnings per share – Basic and diluted	36	**0.0016**	0.0014

The notes on pages 25 to 67 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(All amounts are in Ghana Cedis)

	Note	At 31 December 2024	2023
Assets			
Cash and cash equivalents	16	**19,740,610**	37,127,635
Loans and advances to customers	17	**938,757,906**	796,885,387
Other assets	18	**214,534,126**	149,186,523
Property and equipment	19	**8,065,936**	8,804,891
Intangible assets	20	**8,729,203**	2,826,102
Right-of-use assets	21	**6,064,157**	7,365,176
Current tax assets	15	**435,291**	5,350,907
Deferred tax assets	15	**16,200,418**	15,064,543
Total assets		**1,212,527,647**	1,022,611,164
Liabilities			
Deposits from customers	22	**293,563,604**	242,028,572
Other liabilities	23	**33,814,706**	30,242,319
Lease liabilities	21	**5,487,001**	6,495,392
Borrowings	24	**545,388,591**	428,956,083
Loans from shareholders	25	**95,447,459**	98,130,214
Total liabilities		**973,701,361**	805,852,580
Equity			
Share capital	26	**29,942,217**	29,942,217
Statutory reserve	27	**42,575,328**	39,816,865
Regulatory credit risk reserves	28	**20,388,045**	1,787,550
Other reserves	29	**(8,969,016)**	(8,969,016)
Retained earnings	30	**154,889,712**	154,180,968
Total equity		**238,826,286**	216,758,584
Total liabilities and equity		**1,212,527,647**	1,022,611,164

The notes on pages 25 to 67 are an integral part of these financial statements.

The financial statements on pages 20 to 67 were approved by the Board of Directors on ...28... **March 2025** and signed on their behalf by:

....
Director
Akwasi Aboagye

....
Director
Francis Wood

STATEMENT OF CHANGES IN EQUITY (continued)

(All amounts are in Ghana Cedis)

Year ended 31 December 2024	**Share capital**	**Statutory reserve**	**Regulatory credit risk reserve**	**Other reserves**	**Total reserves**	**Retained earnings**	**Total equity**
At 1 January	29,942,217	39,816,865	1,787,550	(8,969,016)	32,635,399	154,180,968	216,758,584
Profit for the year	-	-	-	-	-	22,067,702	22,067,702
Total comprehensive income	-	-	-	-	-	22,067,702	22,067,702
Regulatory and other reserves transfers							
Transfer to statutory reserves		2,758,463		-	2,758,463	(2,758,463)	-
Transfer to regulatory credit risk reserves	-	-	18,600,495	-	18,600,495	(18,600,495)	-
At 31 December 2024	29,942,217	42,575,328	20,388,045	(8,969,016)	53,994,357	154,889,712	238,826,286

The notes on pages 25 to 67 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY (continued)

(All amounts are in Ghana Cedis)

Year ended 31 December 2023	Share capital	Statutory reserve	Regulatory credit risk reserve	Other reserves	Total reserves	Retained earnings	Total equity
At 1 January	29,942,217	37,412,470	-	(8,969,016)	28,443,454	138,579,027	196,964,698
Profit for the year	-	-	-	-	-	19,793,886	19,793,886
Total comprehensive income	-	-	-	-	-	19,793,886	19,793,886
Regulatory and other reserves transfers							
Transfer to statutory reserves	-	2,404,395	-	-	2,404,395	(2,404,395)	-
Transfer to regulatory credit risk reserves	-	-	1,787,550	-	1,787,550	(1,787,550)	-
At 31 December 2023	29,942,217	39,816,865	1,787,550	(8,969,016)	32,635,399	154,180,968	216,758,584

The notes on pages 25 to 67 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(All amounts are in Ghana Cedis)

	Note	Year ended 31 December 2024	2023
Cash flows from operating activities			
Cash generated from operating activities	31	**46,329,672**	102,574,590
Tax paid	15	**(12,879,892)**	(9,956,841)
Net cash generated from operating activities		**33,449,780**	92,617,749
Cash flows from investing activities			
Purchase of property and equipment	19	**(3,526,729)**	(6,024,726)
Purchase of intangible assets	20	**(6,858,295)**	(251,080)
Proceeds on disposal of property and equipment	19	**48,657**	135,603
Net cash used in investing activities		**(10,336,367)**	(6,140,203)
Cash flows from financing activities			
Repayment of borrowings	24	**(218,757,136)**	(217,407,711)
Drawdown of borrowings	24	**206,000,000**	215,200,000
Repayment of loans from shareholders	25	**(71,492,212)**	(77,794,143)
Drawdown of loans from shareholders	25	**45,450,000**	11,050,380
Principal element of lease repayment	21	**(1,701,090)**	(2,997,618)
Net cash used in financing activities		**(40,500,438)**	(71,949,092)
Net increase/(decrease) in cash and cash equivalents		**(17,387,025)**	14,528,454
Cash and cash equivalents at the beginning of the year		**37,127,635**	22,599,181
Cash and cash equivalents at the end of the year	16	**19,740,610**	37,127,635

The notes on pages 25 to 67 are an integral part of these financial statements.

NOTES

1. General information

Bayport Savings and Loans PLC is a public limited company incorporated and domiciled in Ghana. The registered office and principal place of business is 22 Nii Nortei Nyanchi Street, Airport West, Accra - Ghana. The principal activities of the Company are to provide micro finance and retail financial services.

2. Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards with the IAS 29 Directive issued by the Institute of Chartered Accountants, Ghana (ICAG) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit–Taking Institutions Act, 2016 (Act 930).

The ICAG issued a directive in January 2025 to accountants in business and accountants in practice, on the application of IAS 29 in Ghana. The ICAG asserts in the directive that based on its analysis of the quantitative and qualitative indicators referred to in IAS 29, Ghana was not a hyperinflationary economy as of December 2024, therefore, IAS 29 will not be applicable for December 2024 financial reporting period. In compliance with the directive, the financial statements of the Company, including the comparative figures, have not been stated in terms of the measuring unit current at the end of the reporting period

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

2.1.1 Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

- Disclosure of Accounting Policies – Lease Liability in a sale and Leaseback-Amendments to IFRS 16
- Disclosure of Accounting Policies – Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7
- Classification of Liabilities as Current or Non current- Amendments to IAS1

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Standards issued but not yet effective

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Company. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.2 Translation of foreign currencies

A foreign currency transaction is recorded, on initial recognition in Cedi, which is the functional and presentation currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Cedi by applying to the foreign currency amount the exchange rate between the Cedi and the foreign currency at the date of the cash flow.

2.3 Property and equipment

Property and equipment are tangible assets which the Company holds for its own use and which are expected to be used for more than one year.An item of property and equipment recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.

Property and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred. Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property and equipment have been assessed as follows:

Item	**Average useful life**
Furniture and fittings	5 years
Motor vehicles	4 years
Office equipment	5 years
IT equipment	3 years
Leasehold improvements	Over expected lease term

NOTES (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Property and equipment (continued)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of item, is included in profits and loss when the item, is derecognised.

2.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost, less any accumulated amortisation and any impairment losses. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are carried at cost less any accumulated amortisation and any impairment losses, on the same basis as intangible assets that are acquired separately. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The estimated useful life and amortisation method for an intangible asset with a finite life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis:

Item	**Average useful life**
Computer software	3 - 10 years

NOTES (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.4 Intangible assets (continued)

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at cash-generated unit level. Such intangibles are not amortised.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

2.5 Financial instruments

Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Financial assets at amortised cost
- Financial liabilities measured at amortised cost

The Company does not maintain financial instruments at fair value through other comprehensive income (FVTOCI) and through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as fair value through profit or loss:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, matching the duration of financial assets to the liabilities that are funding those assets or realising cash flows through the sales of the assets;
- how the performance of the portfolio is evaluated and reported to Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. Information about sales activity is considered as part of the overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (for example, liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payment of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual clause that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

NOTES (continued)

2. Summary of material accounting policies (continued)

2.5 Financial instruments (continued)

Classification (continued)

Assessment of whether contractual cash flows are solely payments of principal and interest (continued)

- interest rate charged to customers;
- origination fee and service fee charged to customers;
- any other amounts charged to customers (if any);
- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (for example, non-recourse asset arrangements); and
- features that modify consideration of time value of money (for example, periodical reset of interest rates).

Financial assets which have been classified as measured at amortised cost include cash and cash equivalents, trade and other receivables and loans and advances.

If the business model/SPPI test are not met, the financial asset would be classified as fair value through profit or loss.

The Company initially recognises financial assets and liabilities on the date the Company becomes a party to the contractual provisions of the instruments. This is on the date that these financial instruments are originated.

Financial instruments are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, on initial recognition, except if fair value through profit and loss.

The Company generally does not reclassify financial instruments between different categories subsequent to initial recognition. Financial assets are reclassified only if the Company changes its business model for managing financial assets. In accordance with IFRS 9:

- Financial liabilities can never be reclassified; and
- Financial assets can only be reclassified if there is a change in business model.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability such as fees and commissions.

Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.5 Financial instruments (continued)

Classification (continued)

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the differences are deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Subsequent measurement

Amortised cost

Financial assets which are classified as measured at amortised cost, are measured using the effective interest method, less any expected credit losses which are recognised in profit or loss. Amortised cost is calculated by taking into account any transaction costs on acquisition as well as fees and costs that are an integral part of the effective interest rate.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired assets, a credit-adjusted effective interest rate is calculated using estimated cash flows including expected credit losses. The calculation of effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial assets or financial liability.

Origination fees are regarded as integral part of the effective interest rate and are accounted for as interest and other similar income

Expected credit losses are calculated through the use of an appropriate impairment methodology.

Derecognition

Financial assets are derecognised when the Company realises the rights to the benefits specified in the contract, the rights expire, the asset is substantially modified or the Company surrenders or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and proceeds receivable (including any new asset obtained) are included in statement of changes in equity.

Financial liabilities (or a portion thereof) are derecognised when the obligation specified in the contract is discharged, cancelled or expires. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it are included in statement of changes in equity.

Impairment of financial assets

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue costs and effort. The Company has utilised the 30-days past due rebuttable presumption to identify a significant increase in credit risk since initial recognition.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.5 Financial instruments (continued)

Classification (continued)

Credit risk

The Company monitors the borrowers credit risk using both qualitative and quantitative information such as number of days in arrears and recency. Days in arrears represent the number of days that the contractual instalment has past due and recency is calculated by referencing the most recent payment history of loans. The definition of default used in the measurement of expected credit losses is consistent with the definition of default used for our internal credit risk management purposes. The policy of management is to use recency to assess the default status of a loan as opposed to days in arrears due to high levels of administration and concomitant delays associated with payroll deductions. The internal definition of default is used instead of the IFRS 9 90 days presumption.

The Company classifies loan into the 3 different stages based on recency and days in arrears as follows:

IFRS 9 Stage allocation	Recency	Recency definition
12-month-ECL - Credit risk has not increased significantly since initial recognition is low	Standard Performing	No missed instalments (IFRS 9 Stage 1)
Lifetime-ECL- not credit-impaired- Credit risk has increased significantly since initial recognition and credit risk is not low.	Performing Active (1-2)	Loans that are performing, on payroll, and have made payment on either one or both of their most recent 2 instalments expected. Loans in this category relate mainly to loans in technical arears which are generally still on payroll and as a consequence evidence high payment propensity. (IFRS 9 Stage 2)
	Performing Active (3-4)	Partial performing loans that have over the last four consecutive periods reviewed, missed their most recent two instalments expected but have paid either one or both of the preceding two instalments due. This is a transitional bucket with the majority of these loans likely to be indicative of separation from payroll and likely to move into NPL but more time and analysis is required to confirm that assessment. (IFRS 9 Stage 2)
Life-time-ECL-credit-impaired - Credit risk has increased significantly since initial recognition and loans are credit impaired.	Non-performing	Loans that have over the last four consecutive periods reviewed, missed all four instalments expected. (IFRS 9 Stage 3)
	Doubtful & Bad	Delinquent loans where the probability of recovery is uncertain and the separation from payroll has been confirmed, as well as credit impaired loans, which have been identified for write offs subject to Board approval. (IFRS 9 Stage 3)

NOTES (continued)

2. Summary of material accounting policies (continued)

2.5 Financial instruments (continued)

Credit risk (continued)

Credit impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties.

Write off policy

The Company writes off a financial asset when there is information indicating that the debtor is financially constrained as a result of separation from their employer and all internal and external recovery actions have failed with no realistic prospect of recovery, for example, when the debtor is terminated, resigns, medically incapacitated or even deceased and insurance proceeds are not sufficient to liquidate the asset. Financial assets written off are still subject to post write-off recoveries under the Company's recovery procedures, taking into account legal advice where appropriate.

Measurement and recognition of expected credit losses

The Company recognises loss allowances for expected credit losses ("ECL") on the following financial assets:

- Loans and advances; and
- Trade and other receivables.

Impairments are measured as 12 month expected credit losses upon origination. Where there has been a significant increase in credit risk since initial recognition of a financial asset, the loss allowance is measured as an amount equal to lifetime expected credit losses. A lifetime expected credit loss is calculated for credit impaired and defaulted loans.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.5 Financial instruments (continued)

Credit risk (continued)

Credit impaired financial assets (continued)

Measurement and recognition of expected credit losses (continued)

12 month expected credit losses are the portion of expected credit losses that result from default events on a financial instrument, that are possible within the 12 month period after the reporting date.

Expected credit losses are a probability weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit impaired at the reporting date – as the present value of all cash flow shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expect to receive);
- Financial assets that are credit impaired at the reporting date – as the difference between the gross carrying amount and the present value of estimated future cash flows.

Loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset.

Other assets

Other assets are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss in accordance with IFRS 9. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within impairment charges. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

Other assets are classified at amortised cost.

Other payables

Other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at amortised cost.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.5 Financial instruments (continued)

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net b asis, or realise the asset and settle the liability simultaneously.

2.6 Income tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax asset/liabilities for the current year and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, to other comprehensive income.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.7 Leases

The Company leased various offices, branches, and other premises under non-cancellable lease arrangements. The lease typically ran for a period of up to two years with an option to renew the lease after that date.

The Company's leasing activities and how these are accounted for under IFRS 16

The Company's leasing activities are similar to those described above. Rental contracts are typically made for fixed periods of 2 years but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on a rate, initially measured as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight- line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use buildings held by the Company under IFRS 16 are not revalued.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.7 Leases (continued)

The Company's leasing activities and how these are accounted for under IFRS 16 (continued)

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

2.8 Impairment of assets other than financial assets

The Company assesses at each end of the reporting period whether there is any indication that an asset may be impaired.

Irrespective of whether there is any indication of impairment, the Company also tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

2.9 Share capital and equity

Ordinary shares are recognised at par value and classified as 'share capital' in equity.

2.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.10 Employee benefits (continued)

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

2.11 Provisions and contingencies

Provisions are recognized when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognized for the reimbursement shall not exceed the amount of the provision.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognized and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
    - the business or part of a business concerned;
    - the principal locations affected;
    - the location, function, and approximate number of employees who will be compensated for terminating their services;
    - the expenditures that will be undertaken; and
    - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognized in business combinations that are recognized separately are subsequently measured at the higher of:

- the amount that would be recognized as a provision; and
- the amount initially recognized less cumulative provision.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.12 Interest income

Interest is recognized, in profit or loss for all instruments measured at amortised cost, using the effective interest rate method.

This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- purchased or originated credit impaired financial assets. For those financial assets, the Company applies the credit adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.
- financial assets that are not purchased or originated credit impaired financial assets but subsequently have become credit impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

The credit adjusted effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset to the amortised cost of a financial asset that is a purchased or originated credit impaired financial asset. When calculating the credit adjusted effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial asset and expected credit losses.

2.13 Fee and commission income and expenses

Fees and commissions are recognised on an accrual basis when the service has been provided. Commission and fees received by the entity to originate a loan are recognised on a time-apportionate basis over the period the service is provided. Commission expenses, which relate mainly to agency and collection charges, are expensed as the related services are received.

2.14 Deferred commission costs

Deferred commission costs are loan originated costs. These are recognised over the term of the loan using effective rate method.

2.15 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are recognised as an expense in the period in which they are incurred using the effective interest method.

NOTES (continued)

3. FINANCIAL RISK MANAGEMENT

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

3.1 Risk management framework

The Board is responsible for risk management and the setting of the risk management framework. Oversight of risk management is the responsibility of the Audit, Risk and Compliance Committee (ARCC). The ARCC monitors risks associated with financial reporting, accounting policies, internal control and IT governance. The audit, risk and compliance committee is responsible for risk management including setting the risk management framework, setting risk appetite and monitoring the Company's management of risk including credit and compliance.

3.2 Credit risk

Credit risk is the risk of loss arising from the failure of a client or counterparty to discharge an obligation to the Company. The primary credit risks that the Company is exposed to arise from retail loans. It is not the Company's strategy to avoid credit risk, but rather to manage credit risk within the Company's risk appetite and to earn an appropriate risk adjusted return.

Credit risk management and measurement

The Company is responsible for the identification, measurement, management, control and reporting of credit risk within their business units. Exposure to credit losses is managed by assessing customer's affordability and their ability to repay loans and advances, customer's risk profile, employment status and stability. Terms of the loan provided range from 1 to 96 months. Impairments are monitored and provided for using statistical techniques including experiential and behavioural models. These models are based on customers' financial performance information while on book and assume that recent performance is a strong indicator of future performance. Models are developed internally.

Collections of instalments are made through payroll deductions or debit order collections. The expected loss model is developed using statistical techniques based on actual historical data. The expected loss is calculated for each active account, using parameter estimates including the probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD') segmented using contractual delinquency states (aging, recency and reason for default) as well as remaining term. The segmentation ensures homogenous risk buckets. The LGD is calculated on an explicit basis per account, taking into consideration the settlement balance, discount rates and discount periods. In respect of other portfolio, the Company structured the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers, and geographical and industry segment.

The Company utilised the 30days past due definition to determine a significant increase in credit risk. Since collections are mainly through payroll deductions, the Company has defined credit impaired financial assets as assets which have missed 4 or more consecutive instalments or when there is qualitative information of the borrower being in significant financial difficulty. We have therefore rebutted the 90days presumption based on historical quantitative analysis of the PDs and alignment to operational collection processes.

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

3. Financial risk management (continued)

3.2 Credit risk (continued)

Financial assets subject to risk

The maximum exposure to credit risk of financial assets at the financial year end is analysed as follows:

2024	Payroll Loans	Retail Loans	Other assets	Total
Neither past due nor credit impaired (Stage 1)(excluding deferred revenue)	873,720,295	-	173,369,068	**1,047,089,363**
Past due but not credit impaired (Stage 2)(excluding deferred revenue)	84,219,417	-	-	**84,219,417**
Credit impaired (Stage 3)	72,499,260	-	2,411,662	**74,910,922**
Impairment allowance	(91,681,066)	-	(2,411,662)	**(94,092,728)**
Total financial assets	**938,757,906**	-	**173,369,068**	**1,112,126,974**

Management took a decision to stop the disbursement of retail loans

2023	Payroll Loans	Retail Loans	Other assets	Total
Neither past due nor credit impaired(excluding deferred revenue)	743,848,644	75,265	139,153,752	883,077,661
Past due but not credit impaired(excluding deferred revenue)	66,791,348	116,639	-	66,907,987
Credit impaired	70,222,497	4,763,419	1,165,654	76,151,570
Impairment allowance	(86,356,758)	(2,575,667)	(1,165,654)	(90,098,079)
Total financial assets	794,505,731	2,379,656	139,153,752	936,039,139

Valuation of collateral
Advances are secured and collateral held by the Company is immaterial.
Impairment provision reconciliation

Year ended 31 December 2024	12 month expected credit losses	Lifetime expected credit losses	Credit impaired financial assets	Total
At 1 January 2024	19,010,406	20,249,923	49,672,096	**88,932,425**
Originations	7,085,289	4,789,890	5,504,570	**17,379,749**
Existing book movements	(5,426,892)	2,228,135	27,514,973	**24,316,215**
Derecognition settlements in the ordinary course of business	(3,920,210)	(2,807,274)	(6,793,884)	**(13,521,368)**
Write-off	-	-	(25,425,955)	**(25,425,955)**
At 31 December 2024	**16,748,592**	**24,460,672**	**50,471,802**	**91,681,066**
Year ended 31 December 2023				
At 1 January 2023	15,273,601	27,579,382	41,255,575	84,108,558
Originations	7,713,209	4,032,890	8,557,188	20,303,287
Existing book movements	(1,992,642)	(6,091,512)	39,445,686	31,361,532
Derecognition settlements in the ordinary course of business	(1,983,762)	(5,270,837)	(26,549,331)	(33,803,930)
Write-offs	-	-	(13,037,022)	(13,037,022)
At 31 December 2023	19,010,406	20,249,923	49,672,096	88,932,425

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

3. Financial risk management (continued)

Credit risk management and measurement (continued)

Categories of financial instruments

	2024	2023
Financial assets		
At amortised cost		
Cash and cash equivalents	19,740,610	37,127,635
Loans and advances to customers	938,757,906	796,885,387
Other assets(excluding prepayments)	173,369,068	139,153,752
Total financial assets	1,131,766,754	973,166,774
Financial liabilities		
At amortised cost		
Deposits from customers	293,563,604	242,028,572
Other liabilities (excluding withholding tax)	33,010,185	29,144,203
Borrowings	545,388,591	428,956,083
Loans from shareholders	95,447,459	98,130,214
Total financial liabilities	967,409,839	798,259,072

3.3 Liquidity risk

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the entity. It is unusual for financial institutions ever to be completely matched since business transacted is often on uncertain terms and of different types. An unmatched position potentially enhances profitability but can also increase the risk of losses.

The maturity of assets and liabilities to replace, at an acceptance cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the entity and its exposure to changes in interest rates and exchange rates.

The table below presents the cash flows payable by the Company under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the reporting date.

The Company's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to remain stable or increase and unrecognised loan commitments are not all expected to be drawn down immediately.

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

3. Financial risk management (continued)

3.3 Liquidity risk (continued)

31 December 2024

Financial liabilities	**0 - 3 months**	**4 - 12 months**	**1 - 5 years**	**Total**
Deposits from customers	193,453,356	115,601,981	12,760	309,068,097
Other liabilities	33,847,266	-	-	33,847,266
Borrowings	125,980	179,025,279	399,552,698	578,703,957
Lease obligations	-	889,098	4,762,513	5,651,611
Loans from shareholders	-	-	98,310,883	98,310,883
Cash flows from financial liabilities	**227,426,602**	**295,516,358**	**502,638,854**	**1,025,581,814**

31 December 2023

Financial liabilities	0 - 3 months	4 - 12 months	1 - 5 years	Total
Deposits from customers	122,932,957	119,093,814	7,586	242,034,357
Other liabilities	29,144,203	-	-	29,144,203
Borrowings	166,363,702	127,773,266	285,837,699	579,974,667
Lease obligations	-	1,403,609	12,864,512	14,268,121
Loans from shareholders	5,974,080	17,922,240	179,775,976	203,672,296
Cash flows from financial liabilities	324,414,942	266,192,929	478,485,773	1,069,093,644

3.4 Interest rate risk

The objective of the entity's interest rate risk management process is to manage and control interest rate exposure in order to optimise return on risk while maintaining a market profile consistent with the entity's mission.

Interest rate risk is the risk that movements in interest rates will reduce the entity's income or capital.

A principal part of the entity's management of interest rate risk is to monitor the sensitivity of projected net interest income under varying interest rate scenarios (simulation modelling). The entity aims, through its management of interest rate risk, to mitigate the impact of prospective interest rate movements which could reduce future earnings and capital.

Sensitivity analysis - Increase/decrease of 10% in net interest margin.

The interest rate risks sensitivity analysis is based on the following assumptions:

- Changes in the market interest rates affect the interest income or expenses of variable financial instruments;
- The interest rate changes will have an effect on interest sensitive assets and liabilities and hence simulation modelling is applied to financial instruments which are quoted at variable interest rates; and
- The projections make other assumptions including that all positions run to maturity.

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

3. Financial risk management (continued)

3.4 Interest rate risk (continued)

The table below sets out the impact on current profit after taxation and equity of an incremental 10% parallel fall or rise on all yield curves at the beginning of the financial years beginning on 01 January 2024 and 01 January 2023 respectively.

Year ended 31 December 2024	Base	Scenario 1 Effect after 10% increase in variable interest rates	Scenario 2 Effect after 10% decrease in variable interest rates
Profit after tax	22,035,142	15,159,182	28,911,102
Equity	238,793,726	231,917,766	245,669,686
Year ended 31 December 2023			
Profit after tax	19,793,886	12,457,626	27,130,146
Equity	216,758,584	209,422,324	224,094,844

Assuming no management actions an increase in interest rates would decrease the Company's profit after tax for the year by GHS 6,875,960 (2023: GHS 7,336,260) and decrease equity by GHS 6,875,960 (2023: GHS7,336,260), while a fall would increase profit after tax and increase equity by the same amounts.

3.5 Foreign exchange risk

The Company has certain foreign borrowings in local currency and is not exposed to foreign exchange risk arising from various currency exposures. However, the Company is exposed to the risk that the carrying amounts of these foreign currency denominated assets and liabilities may change due to fluctuations in foreign exchange rates.

The Company's currency position is as follows:

31 December 2024	GHS	USD	ZAR	Total
Assets				
Cash and cash equivalents	15,879,078	3,861,532	-	19,740,610
Loans and advances to customers	938,757,906	-	-	938,757,906
Other assets(excluding prepayments)	173,369,068	-	-	173,369,068
Total financial assets	**1,128,006,052**	**3,861,532**	-	**1,131,867,584**
Liabilities				
Deposits from customers	293,563,604	-	-	293,563,604
Other liabilities	33,344,710	141,580	328,416	33,814,706
Borrowings	545,388,591	-	-	545,388,591
Loans from shareholder	95,447,459	-	-	95,447,459
Total financial liabilities	**967,744,364**	**141,580**	**328,416**	**968,214,360**
Net financial position	**160,261,688**	**3,719,952**	**(328,416)**	**163,653,224**

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

3. Financial risk management (continued)

3.5 Foreign exchange risk (continued)

Year ended 31 December 2023	GHS	USD	ZAR	Total
Assets				
Cash and cash equivalents	32,858,106	4,269,529	-	37,127,635
Loans and advances to customers	796,885,387	-	-	796,885,387
Other assets	138,936,211	217,541	-	139,153,752
Total financial assets	968,679,704	4,487,070	-	973,166,774
Liabilities				
Deposits from customers	242,028,572	-	-	242,028,572
Other liabilities	38,159,689	351,580	56,273	38,567,542
Borrowings	428,956,083	-	-	428,956,083
Loans from shareholder	98,130,214	-	-	98,130,214
Total financial liabilities	807,274,558	351,580	56,273	807,682,411
Net financial position	161,405,146	4,135,490	(56,273)	165,484,363

The objective of the entity's foreign exchange risk management is to manage and control foreign exchange exposure in order to optimise return on risk while maintaining a market profile consistent with the entity's mission.

Foreign exchange risk is the risk that movements in foreign exchange rates will reduce the entity's income or capital.

A principal part of the entity's management of foreign exchange risk is to monitor the sensitivity of future earnings and capital to varying foreign exchange rates. The entity aims, through its management of foreign exchange risk, to mitigate the impact of foreign exchange fluctuations which could reduce future earnings and capital.

Foreign exchange risks - appreciation/depreciation of GHS against other currencies by 10%

The foreign exchange risks sensitivity analysis is based on the following assumptions:

- Foreign exchange exposures represent net currency positions of all currencies other than Cedi,
- The currency sensitivity analysis is based on the assumption that all net currency positions are highly effective,
- The base currencies which the entity's business are transacted is Cedi.

The table below sets out the impact on current earnings of and incremental 10% parallel fall or rise in all foreign currencies at the beginning of the financial years from 1 January 2024 and 1 January 2023 respectively.

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

3. Financial risk management (continued)

3.5 Foreign exchange risk (continued)

Foreign exchange risks - appreciation/depreciation of GHS against other currencies by 10%

Assuming no management actions, a series of such rise and fall would impact the future earnings and capital as illustrated in the table below:

31 December 2024	Base	Scenario 1 Effect after 10% appreciation	Scenario 2 Effect after 10% depreciation
Profit after tax	22,067,702	15,191,742	28,943,662
Equity	238,826,286	231,950,326	245,702,246
31 December 2023			
Profit after tax	19,793,886	19,350,810	20,236,962
Equity	216,758,584	216,315,508	217,201,660

Assuming no management actions, an appreciation in the Cedi would decrease profit after tax for the year by GHS 6,875,960 (2023: decrease profit after tax GHS 7,336,260) and equity by GHS 6,875,960 (2023: GHS 7,336,260), while a depreciation would increase profit after tax and increase equity by the same amounts.

The Company reviews its foreign currency exposure, including commitments on an ongoing basis.

The following are the closing rates used to retranslate foreign currency balances which are denominated in US Dollars ("USD"), South African Rands ("ZAR"):

	2024	2023
USD/GHS	14.6868	11.9942
ZAR/GHS	0.7833	0.6508

4. Capital risk management

The Company's objectives when managing capital are to comply with the capital requirements set by the Bank of Ghana, to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

At present the Bank of Ghana requires non-bank financial institutions to maintain a capital adequacy ratio (regulatory capital to weighted risk assets) at a minimum of 10%.

Regulatory capital as defined by the Bank of Ghana has two components:

Tier 1 Capital: Share Capital arising on permanent shareholders' equity, income surplus and reserves created by appropriations of income surplus. The book value of any goodwill must be deducted in arriving at Tier 1 Capital; and

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

4. Capital risk management (continued)

Tier 2 Capital: Qualifying subordinated loan capital, and unrealised gains arising on the fair valuation of equity instruments held as available for sale. For an instrument to qualify as subordinated loan capital, it should possess the following attributes:

- should be unsecured;
- repayment is subordinated to other debt instruments;
- should have a minimum original fixed term to maturity of over 5 years; and
- not available to absorb the losses of a company which continues trading.

The permissible amount of total qualifying subordinated loan capital is limited to a maximum of 50% of Tier 1 capital.

The risk-weighted assets are measured in accordance with the guidelines as provided by the Bank of Ghana. It takes into account the nature of, and reflecting an estimate of credit, market and other risks associated with each asset and couterparty.

The table below summarises the composition of regulatory capital, total weighted risk assets and the capital adequacy ratios of the company at the reporting dates.

	2024	2023
Paid-up capital	**29,942,217**	29,942,217
Disclosed reserves	**188,496,024**	186,816,367
Tier 1 capital	**218,438,241**	216,758,584
Prepayments and intangible assets	**(68,908,883)**	(67,847,518)
Net Tier 1 Capital	**149,529,357**	148,911,066
Subordinated debt	**10,000,000**	25,000,000
Net Tier 2 Capital	**159,529,357**	173,911,066
Total assets	**1,212,527,647**	1,022,611,164
Less:		
Cash in hand (GHS)	**(33,362)**	(3,574)
Goodwill/intangibles/and loss	**(68,908,883)**	(67,847,518)
80% of claims on other banks	**(15,765,799)**	(29,699,249)
Adjusted total assets	**1,127,852,965**	925,060,823
100% of 3 years average annual gross income	**155,145,688**	160,214,311
Adjusted asset base	**1,282,998,652**	1,085,275,134
Capital adequacy ratio	**12.43%**	16.02%

Capital adequacy and the use of regulatory capital are monitored daily by the Company's management, employing techniques based on Bank of Ghana guidelines for supervisory purposes.

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

4. Capital risk management (continued)

The gearing ratio at 31 December 2024 and 31 December 2023 respectively were as follows:

	2024	2023
Total borrowings		
Borrowings	**545,388,591**	428,956,083
Loans from shareholders	**95,447,459**	98,130,214
	640,836,050	527,086,297
Less: Cash and cash equivalents	**(19,740,610)**	(37,127,635)
Net debt	**621,095,440**	489,958,662
Total equity	**238,826,286**	216,758,584
Total capital	**859,921,726**	706,717,246
Gearing ratio	**72%**	69%

5. Critical accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying values of the assets and liabilities within the next financial year are discussed below.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring Expected Credit Loss (ECL), such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios and the associated ECL.

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

5. Critical accounting judgements, estimates and assumptions (continued)

(b) Income taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all unused tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies

(c) Leases term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).

Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

6. Interest income

	2024	2023
Interest income from loans to customers	**377,236,123**	283,358,758
Loan origination fees	**38,409,052**	30,423,007
	415,645,175	313,781,765

7. Interest expense

Loan from shareholders	**25,390,712**	29,345,949
Bank overdrafts and term loans	**88,566,616**	71,218,101
Corporate bonds	**60,346,257**	42,136,593
Deposits from customers	**66,984,018**	42,223,842
Lease liabilities (Note 21)	**1,480,093**	1,443,025
	242,767,696	186,367,510

8. Fee income

Credit life commission income	**6,467,080**	4,896,221

9. Non-interest expenses

Agents commissions	**18,859,700**	15,602,878
Collection fees	**17,309,240**	14,126,388
	36,168,940	29,729,266

10. Net impairment loss on financial assets

Loans and advances (Note 17)	**18,086,990**	7,910,405
Other assets (Note 18)	**1,246,008**	(70,000)
	19,332,998	7,840,405

11. Other income

Other non-advances interest income	**3,112,856**	4,313,732
Sundry income	**64,431**	133,158
Recoveries	**-**	107,241
Foreign exchange loss	**(928,114)**	1,363,560
Gain on lease remeasurement (Note 21)	**710,438**	16,666
(Loss)/Profit on disposal of property and equipment (Note 19)	**(5,093)**	135,603
	2,954,518	6,069,960

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

12. Personnel expenses

	2024	2023
Wages and salaries	**25,006,576**	22,575,621
Contribution to defined contribution plan	**2,963,453**	2,523,863
Other staff cost	**8,048,917**	5,300,791
	36,018,946	30,400,275

The number of persons employed by the Company at the end of the year was 243 (2023: 224).

Executive director's emoluments included in personnel expenses amount to GHS 2,158,200(2023: GHS 1,976,614).

13. Depreciation and amortisation

	2024	2023
Right-of-use assets (Note 21)	**1,224,063**	1,008,372
Property and equipment (Note 19)	**4,211,934**	3,447,288
Intangible assets (Note 20)	**955,194**	1,183,154
	6,391,191	5,638,814

14. Other expenses

Bank charges	**730,642**	501,577
IT expenses	**9,068,908**	5,171,758
License expenses	**292,566**	123,117
Marketing and advertising expenses	**1,033,507**	1,156,419
Motor vehicle expenses	**1,355,745**	1,301,916
Professional fees	**694,493**	503,920
Telephone expenses	**286,152**	301,217
Expenses relating to short term asset leases (Note 21)	**-**	258,027
Travel expenses	**681,556**	1,020,941
Audit fees	**1,004,292**	939,561
Corporate social responsibilities	**220,149**	197,305
Directors fees	**1,054,692**	943,208
Administrative expenses	**29,236,965**	19,439,568
	45,659,667	31,858,534

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

15. Income taxes

	2024	2023
Income tax expense		
Current income tax	**15,839,058**	9,582,745
Deferred income tax charge/(credit)	**(1,135,875)**	1,715,512
	14,703,183	11,298,257
Growth and sustainability levy	**1,956,450**	1,820,999
	16,659,633	13,119,256

The Growth and sustainability levy is assessed at 5% on the accounting profit before tax under the Growth and Sustainability Levy Act, 2023, (Act 1095). The levy is not tax deductible.

Tax reconciliation
The tax on the Company's profit before tax differs from the theoretical amount that would arise using the statutory tax rate of 25% as follows:

	2024	2023
Profit before tax	**38,727,355**	32,913,142
Tax using the corporate tax rate of 25%	9,681,834	8,228,286
Tax effect of;		
Permanent differences	5,021,348	1,351,574
Adjustment in respect of prior period	-	1,718,397
Growth and stabilisation levy	1,956,450	1,820,999
Tax charge per income statement	**16,659,633**	13,119,256

Current income tax

	At 1 January 2024	Charge to profit or loss	Payments in the year	At 31 December 2024
Year of assessment 2023	(5,028,555)	-	-	(5,028,555)
2024	-	15,839,058	(11,806,880)	4,032,178
	(5,028,555)	15,839,058	(11,806,880)	(996,377)
Growth and stabilisation levy	(322,352)	-	-	(322,352)
Year of assessment 2023				
2024	-	1,956,450	(1,073,012)	883,438
	(322,352)	1,956,450	(1,073,012)	561,086
	(5,350,907)	17,795,508	(12,879,892)	(435,291)

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

15. Income taxes (continued)

Current income tax (continued)

	At 1 January 2023	Charge to profit or loss	Payments in the year	At 31 December 2023
Year of assessment				
Up to 2022	(6,639,829)	-	-	(6,639,829)
2023	-	9,582,745	(7,971,471)	1,611,274
	(6,639,829)	9,582,745	(7,971,471)	(5,028,555)
Growth and stabilisation levy				
Year of assessment				
Up to 2022	(157,981)	-	-	(157,981)
2023	-	1,820,999	(1,985,370)	(164,371)
	(157,981)	1,820,999	(1,985,370)	(322,352)
	(6,797,810)	11,403,744	(9,956,841)	(5,350,907)

Deferred income tax

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25% (2023: 25%).

The movement on the deferred income tax asset account is as follows:

	2024	2023
At 1 January	**(15,064,543)**	(16,780,055)
Charge/(credited) to profit or loss	**(1,135,875)**	1,715,512
At 31 December	**(16,200,418)**	(15,064,543)

Deferred income (tax assets)/liabilities are attributable to the following:

	At1 January 2024	**Charge to profit or loss**	**At 31 December 2024**
Property and equipment	(438,216)	(340,763)	**(778,979)**
Allowance for loan losses	(14,239,648)	(567,937)	**(14,807,585)**
Other timing differences	(386,679)	(227,175)	**(613,854)**
Deferred income tax assets	**(15,064,543)**	**(1,135,875)**	**(16,200,418)**

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

15. Income taxes (continued)

Deferred income tax (continued)

	At 1 January 2023	Charge/ (Credit) to profit or loss	At31 December 2023
Property and equipment	(588,101)	149,885	(438,216)
Allowance for loan losses	(15,538,803)	1,299,155	(14,239,648)
Other timing differences	(653,151)	266,472	(386,679)
Deferred income tax assets	(16,780,055)	(1,715,512)	(15,064,543)

The Company expects to generate sufficient taxable profits to utilise the deferred tax assets based on historical profitability trends and future business prospects.

16. Cash and cash equivalents

	2024	2023
Cash on hand	**33,362**	3,574
Bank balances	**19,707,248**	37,124,061
Cash and cash equivalents	**19,740,610**	37,127,635

17. Loans and advances to customers

	2024	2023
Gross advances	**1,030,438,972**	885,817,812
Allowance for impairment provision	**(91,681,066)**	(88,932,425)
Net advances	**938,757,906**	796,885,387
Impairment provision		
At 1 January	**88,932,425**	84,108,558
Net impairment charge	**18,086,990**	7,910,405
Impairment charge on stage 3 loans	**10,087,606**	9,950,484
Utilisation of allowance for impairment	**(25,425,955)**	(13,037,022)
At 31 December	**91,681,066**	88,932,425
Non-current assets	**825,008,861**	688,794,917
Current assets	**113,749,045**	108,090,470
Loans and advances	**938,757,906**	796,885,387
Gross advances		
Payroll	**1,030,438,972**	880,889,878
Retail	**-**	4,927,934
	1,030,438,972	885,817,812
Allowance for impairment provision		
Payroll	**88,887,335**	86,356,758
Retail	**2,793,731**	2,575,667
	91,681,066	88,932,425

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

18. Other assets

	2024	2023
Sundry debtors	**173,024,248**	107,157,154
Employee costs in advance	**133,581**	159,066
Prepayments	**9,410,913**	10,032,771
Deferred commission and travel costs	**34,032,226**	32,785,645
Amount due from related party (note 32.3)	**344,820**	217,541
	216,945,788	150,352,177
Impairment provision	**(2,411,662)**	(1,165,654)
	214,534,126	149,186,523

Sundry debtors include GHS172million receivable from Controller and Accountant General Department for deductions made from loan customers on behalf of the Company (2023: GHS 105 million).

	2024	2023
Impairment provision		
At 1 January	**1,165,654**	1,235,654
Impairment charge/(release) recognised in profit or loss	**1,246,008**	(70,000)
At 31 December	**2,411,662**	1,165,654

The directors consider that the carrying amount of other assets approximate their fair value due to their short-term nature.

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

19. Property and equipment

Year ended 31 December 2024	**Furniture and fittings**	**Motor vehicles**	**Office equipment**	**IT equipment**	**Leasehold improvements**	**Total**
Cost						
At 1 January	4,501,696	9,213,760	7,738,068	16,278,454	12,157,311	**49,889,289**
Additions	157,289	1,469,605	73,196	1,414,580	412,059	**3,526,729**
Disposal	(6,200)	(396,350)	-	-	-	**(402,550)**
At 31 December	4,652,785	10,287,015	7,811,264	17,693,034	12,569,370	**53,013,468**
Accumulated depreciation						
At 1 January	4,431,993	5,591,783	7,673,133	12,069,526	11,317,963	**41,084,398**
Charge for the year	69,587	1,315,067	44,646	2,316,038	466,596	**4,211,934**
Released on disposal	(6,200)	(342,600)	-	-	-	**(348,800)**
At 31 December	4,495,380	6,564,250	7,717,779	14,385,564	11,784,559	**44,947,532**
Net book amount	**157,405**	**3,722,765**	**93,485**	**3,307,470**	**784,810**	**8,065,936**
Year ended 31 December 2023						
Cost						
At 1 January	4,481,589	6,727,478	7,927,756	13,159,976	11,985,887	44,282,686
Additions	20,107	2,714,717	-	3,118,478	171,424	6,024,726
Disposal	-	(228,435)	(189,688)	-	-	(418,123)
At 31 December	4,501,696	9,213,760	7,738,068	16,278,454	12,157,311	49,889,289
Accumulated depreciation						
At 1 January	4,359,889	4,949,808	7,811,204	10,433,779	10,500,553	38,055,233
Charge for the year	72,104	870,410	51,617	1,635,747	817,410	3,447,288
Released on disposal	-	(228,435)	(189,688)	-	-	(418,123)
At 31 December	4,431,993	5,591,783	7,673,133	12,069,526	11,317,963	41,084,398
Net book amount	69,703	3,621,977	64,935	4,208,928	839,348	8,804,891

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

19. Property and equipment (continued)

Disposal of property and equipment	2024	2023
Cost	**402,550**	418,123
Accumulated depreciation	**(348,800)**	(418,123)
Net book amount	**53,750**	-
Proceeds from disposal	**(48,657)**	(135,603)
Loss/(Profit) on disposal	**5,093**	(135,603)

20. Intangible assets

Year ended 31 December 2024	**Computer Software**	**Asset under development**	**Internally generated**	**Total**
Cost				
At 1 January	18,307,755	255,156	3,993,870	**22,556,781**
Additions	6,858,295	-	-	**6,858,295**
At 31 December	**25,166,050**	**255,156**	**3,993,870**	**29,415,076**
Amortisation				
At 1 January	17,877,095	-	1,853,584	**19,730,679**
Charge for the year	518,766	-	436,428	**955,194**
At 31 December	**18,395,861**	-	**2,290,012**	**20,685,873**
Net book amount	**6,770,189**	**255,156**	**1,703,858**	**8,729,203**

Year ended 31 December 2023	Computer Software	Asset under development	Internally generated	Total
At 1 January	18,056,675	255,156	3,993,870	22,305,701
Additions	251,080	-	-	251,080
Transfer				
At 31 December	18,307,755	255,156	3,993,870	22,556,781
Amortisation				
At 1 January	17,157,338	-	1,390,187	18,547,525
Charge for the year	719,757	-	463,397	1,183,154
Release on disposal				
At 31 December	17,877,095	-	1,853,584	19,730,679
Net book amount	430,660	255,156	2,140,286	2,826,102

Asset under development represents software still under development. This will be amortised when the asset is available for use.

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

21. Leases

(i) Movement in lease liabilities

	2024	2023
At January 1	**6,495,392**	4,062,780
Additions to leases	**-**	498,845
Lease remeasurements	**(76,956)**	3,536,941
Gain on lease remeasurement	**(710,438)**	16,666
Interest expense (Note 7)	**1,480,093**	1,443,025
Lease terminations	**-**	(48,581)
Lease payments	**(1,701,090)**	(2,997,618)
At December 31	**5,487,001**	6,495,392

Lease liabilities		
Current	**1,701,090**	2,997,618
Non-current	**3,785,911**	3,497,774
	5,487,001	6,495,392

(ii) Movement in Rights of Use assets

At January 1	**7,365,176**	4,369,677
Additions	**-**	498,845
Remeasurement	**(76,956)**	3,536,941
Lease terminations	**-**	(31,915)
Depreciation charge for the year (Note 13)	**(1,224,063)**	(1,008,372)
At December 31	**6,064,157**	7,365,176

(iii) Other amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following other amounts in relation to leases:

	2024	2023
Expenses relating to short term and low value assets leases (included in other expenses in Note 14)	**-**	258,027
Gain on lease remeasurement (Note 11)	**710,438**	16,666

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

22. Deposits from customers

	2024	2023
By maturity		
Within one month	**7,534,406**	45,431,673
One to three months	**109,800,109**	77,501,283
Three months to one year	**176,228,630**	119,093,814
More than one year	**459**	1,802
	293,563,604	242,028,572
By nature		
Retail funding		
Saving accounts	**7,534,406**	7,778,893
Fixed deposit accounts	**286,029,198**	234,249,679
	293,563,604	242,028,572

23. Other liabilities

	2024	2023
Other payables	**1,349,220**	1,381,708
Accrued expense	**30,846,150**	27,354,642
Amount due to related parties (note 32.2)	**814,815**	407,853
Withholding tax	**804,521**	1,098,116
All other liabilities are current.	**33,814,706**	30,242,319

24. Borrowings

		2024	2023
Held at amortised cost			
Corporate bonds	(i)	**306,340,514**	236,332,102
Term loans	(ii)	**239,048,077**	192,623,981
		545,388,591	428,956,083

(i) Corporate bonds are 2 to 5 years (2023: 2 to 3 years) with fixed and variable interest rates ranging from 21.00% to 28.27% per annum (2023: 17.00% to 32.13% per annum).

(ii) Term loans are funding received by the Company from local banks and financial institutions. The terms of the loans vary from 1 to 5 years and attract fixed and variable interest rates from 31.31% to 33.59% per annum. (2023: 28.00% to 36.96%p.a)

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

24. Borrowings (continued)

Year ended 31 December 2024	**At 1 January**	**Drawdown**	**Interest expense**	**Repayments**	**At 31 December**
Stanbic Loan	120,241,052	45,000,000	38,873,256	(39,114,308)	**165,000,000**
Regional Education Finance Fund	19,388,644	-	2,969,116	(22,357,760)	-
CAL Bank	37,410,880	25,000,000	17,006,726	(28,413,649)	**51,003,957**
ABSA	-	36,000,000	9,721,384	(17,536,009)	**28,185,375**
Covid 19 Emerging and Frontier Markets	19,388,644	-	2,969,116	(22,357,760)	-
Corporate Bonds	236,332,102	100,000,000	58,986,062	(88,977,650)	**306,340,514**
Deferred costs	(3,805,239)	(4,197,579)	-	2,861,563	**(5,141,255)**
	428,956,083	**201,802,421**	**130,525,660**	**(215,895,573)**	**545,388,591**

Year ended 31 December 2023					
Stanbic Loan	145,000,000	20,000,000	46,390,159	(91,149,107)	120,241,052
Blue Orchard Finance	6,726,220	-	587,266	(7,313,486)	-
Regional Education Finance Fund	4,895,723	22,600,000	4,042,426	(12,149,505)	19,388,644
CAL Bank	49,421,480	-	16,067,533	(28,078,133)	37,410,880
Corporate Bonds	118,698,009	150,000,000	39,465,124	(71,831,031)	236,332,102
Covid 19 Emerging and Frontier Markets	-	22,600,000	3,675,093	(6,886,449)	19,388,644
Deferred Cost	(2,253,783)	(4,172,228)	2,620,772	-	(3,805,239)
	322,487,649	211,027,772	112,848,373	(217,407,711)	428,956,083

Bonds

These are senior unsecured bonds listed on the Ghana Fixed Income Market (GFIM) of the Ghana Stock Exchange. Interest is payable on the bonds bi-annually.

Bond ID	**Maturity Date**	**Principal**	**Coupon rate**
Tranche 14	25 June 2026	36,535,000	21.55%
Tranche 1	28 March 2025	50,000,000	182-day Treasury bill plus 1.45%
Tranche 2	19 September 2026	40,729,000	21.00%
Tranche 3	19 September 2026	49,000,000	182-day Treasury bill plus 1.00% with minimum of 17.00% and maximum 30.39%
Tranche 4	17 October 2026	10,271,000	23.50%
Bond Series 005 Tranche 01	29 July 2027	9,210,000	23.50%
Bond Series 006 Tranche 01	29 July 2028	31,990,000	182-day Treasury bill plus 2.50%
Bond Series 005 Tranche 02	26 July 2027	26,564,751	23.50%

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

24. Borrowings (continued)

Bonds (continued)

Bond ID	**Maturity Date**	**Principal**	**Coupon rate**
Bond Series 005 Tranche 03	26 July 2027	10,000,000	23.50%
Bond Series 007 Tranche 01	24 July 2027	17,000,000	23.50%
Bond Series 007 Tranche 02	24 July 2027	5,235,249	23,50%
Total		**286,535,000**	

The Company has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 reporting periods.

	2024	2023
Current liabilities	**175,995,622**	197,387,340
Non-current liabilities	**369,392,969**	231,568,743
Total borrowings	**545,388,592**	428,956,083

25. Loans from shareholders

	2024	2023
Bayport International Headquarter Company (Pty) Ltd (BIHQ)	**95,447,459**	98,130,214
Bayport Management Limited (BML)	-	-
	95,447,459	98,130,214

The loans from BIHQ and BML are denominated in Ghana Cedi. The loans are unsecured and have maturity dates ranging from March 2028 to August 2032. Included in loans from BIHQ are subordinated debts of GHS 25 million (2023: 25 million).

Year ended 31 December 2024	**At 1 January**	**Drawdown**	**Interest expense**	**Repayments**	**At 31 December**
BIHQ	98,130,214	-	22,294,745	(24,977,500)	**95,447,459**
BML	-	45,450,000	1,064,712	(46,514,712)	-
	98,130,214	**45,450,000**	**23,359,457**	**(71,492,212)**	**95,447,459**
Year ended 31 December 2023					
BIHQ	107,447,957	-	27,135,062	(36,452,805)	98,130,214
BML	28,080,071	11,050,380	2,210,887	(41,341,338)	-
	135,528,028	11,050,380	29,345,949	(77,794,143)	98,130,214

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

25. Loans from shareholders (continued)

	2024	2023
Current liabilities	-	-
Non-current liabilities	**95,447,459**	98,130,214
Total loan from shareholders	**95,447,459**	98,130,214

26. Stated capital

Authorised shares

Shares	20,000,000,000	20,000,000,000

Issued and fully paid	Number of shares	Amount	Total
Issued for cash consideration			
31 December 2024	14,052,239,848	29,942,217	**29,942,217**
31 December 2023	14,052,239,848	29,942,217	29,942,217

There is no unpaid liability on any share and there are no calls or instalments in arrears.

27. Statutory reserve

The statutory reserve represents the cumulative amount set aside from annual profit after tax as required by Section 34 of the Banks and Specialised Deposit-Taking Institutions act, 2016 (Act 930). The proportion of net profit transferred to this reserve ranges from 15% to 50% of net profit after tax depending on the ratio of the existing statutory reserve fund to paid up capital.

	2024	2023
At 1 January	**39,816,865**	37,412,470
Transfers from retained earning	**2,758,463**	2,404,395
At 31 December	**42,575,328**	39,816,865

28. Regulatory credit risk reserves

The account is used to record the excess of impairment as per the Bank of Ghana rules over the impairment based on International Financial Reporting Standards. The excess is transferred from retained earnings to the regulatory credit risk reserve

	2024	2023
At 1 January	**1,787,550**	-
Transfer from /(to) retained earnings	**18,600,495**	1,787,550
At 31 December	**20,388,045**	1,787,550

29. Other reserves

Merger with CFC Savings and Loans Limited

Other reserves relate to the merger with CFC Savings and Loans Limited. On 1 October 2017, CFC was merged with the Company by way of a share swap. In exchange of their shareholding, the shareholders of CFC received shares in the Company at a ratio of 1 CFC share for 3,004,633.714 company share. The total number of shares issued were 2,749,239,848 and were valued at GHS 19,942,217. There was no cash consideration involved.

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

29. Other reserves (continued)

On the date of merger, the assets and liabilities of CFC were taken over by the Company. CFC's principal activities were the provision of financial services, including loans and advances to small and medium enterprises, to accept deposits and other repayable funds from the public, to undertake micro-funding and to subscribe to short term securities.

	2024	2023
Reserves arising on merger		
Value of merged entity	**19,942,217**	19,942,217
Net assets acquired	**(10,973,201)**	(10,973,201)
	8,969,016	8,969,016

30. Retained earnings

Retained earnings represents the residual of cumulative annual profits that are available for distribution to shareholders.

31. Cash generated from operations

	2024	2023
Profit before tax	**38,727,335**	32,913,142
Adjustments for:		
Depreciation and amortisation (Note 13)	**6,391,191**	5,638,814
Loss/(profit) on disposal of property and equipment (Note 19)	**5,093**	(135,603)
Interest accrued on loans from shareholders (Note 25)	**23,359,457**	29,345,949
Interest accrued on borrowings (Note 24)	**130,525,660**	112,848,373
Gain on leases termination (Note 21)	**(710,438)**	(16,666)
Interest expense on lease liabilities (Note 21)	**1,480,093**	1,443,025
Changes in working capital		
Increase in gross advances	**(141,872,519)**	(131,521,170)
Increase in other assets	**(65,347,603)**	(51,570,627)
Increase in deferred borrowing cost	**(1,336,016)**	(4,172,228)
Increase/decrease in other liabilities	**3,572,387**	(8,893,024)
Increase in deposits from customers	**51,535,032**	116,694,605
Cash generated from operations	**46,329,672**	102,574,590

32. Related parties

Relationships

Bayport Management Ltd	Holding Company
Bayport International Headquarter Company (Pty) Ltd	Minority shareholder
Actvest (Proprietary) Limited	Fellow subsidiary

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

32. Related parties (continued)

Details of transactions between the Company and other related parties are disclosed below.

32.1 Trading transactions

	2024	2023
Interest expense		
Bayport International Headquarter Company (Pty) Ltd	**2,433,417**	27,135,062
Bayport Management Limited	**1,157,296**	2,210,887
Professional fees		
Actvest (Proprietary) Limited	**4,954,114**	-
Recharges		
Bayport Management Limited	**2,824,677**	3,363,817
Actvest (Proprietary) Limited	**5,769,200**	3,531,351

	2024	2023
Loan drawdown		
Bayport International Headquarter Company (Pty) Ltd	-	-
Bayport Management Limited	**45,450,000**	11,050,380
Loan repayments		
Bayport International Headquarter Company (Pty) Ltd	**24,977,500**	36,452,805
Bayport Management Limited	**46,514,712**	41,341,338

32.1 *Amount payable to related parties*

The following balances were outstanding at the end of the reporting period:

	2024	2023
Other liabilities		
Bayport Management Limited	**486,403**	351,580
Actvest (Proprietary) Limited	**328,412**	56,273
	814,815	407,853

The other liabilities are unsecured, have no fixed terms of repayment and are interest free.

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

32.2 Amount payable to related parties (continued)

	2024	2023
Loans from shareholder		
Bayport International Headquarter Company (Pty) Ltd	**95,447,459**	98,130,214
Bayport Management Limited	-	-
	95,447,459	98,130,214

32.3 Amount receivable from related party

	2024	2023
Other assets		
Actvest (Proprietary) Limited	**344,820**	217,541

32.4 Compensation to directors and other key management

	2024	2023
Short-term employee benefits	**6,416,107**	4,394,077
Post-employment benefits	**535,600**	446,333
	6,951,707	4,840,410

33. Contingencies

There are no contingent liabilities as at 31 December 2024 (31 December 2023: Nil)

34. Fair value information

The directors consider that there is no material difference between the fair values and the carrying values of the Company's financial assets and liabilities where fair value details have not been presented.

The information set out below provides information about how the Company determines fair values of various financial assets and financial liabilities.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Ghana Stock Exchange).

Level 2:

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

34. Fair value information (continued)

Level 3:

Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements, where fair value has not been disclosed, approximate their fair values.

	31 December 2024		31 December 2023	
	Carrying amount GHS	**Fair value GHS**	Carrying amount GHS	Fair value GHS
Financial assets				
Cash and cash equivalents	19,470,610	19,740,610	37,127,635	37,127,635
Loans and advances to customers	938,757,906	938,757,906	796,885,387	796,885,387
Other financial assets (excluding prepayments)	205,022,381	205,022,381	139,153,752	139,153,752
Total financial assets	**1,163,520,897**	**1,163,520,897**	973,166,774	973,166,774
Financial liabilities				
Deposits from customers	293,563,604	293,563,604	242,028,572	242,028,572
Borrowings	545,388,591	545,388,591	428,956,083	428,956,083
Loans from shareholders	95,447,459	95,447,459	98,130,214	98,130,214
Other financial liabilities (excluding withholding tax)	33,042,742	33,042,742	29,144,203	29,144,203
Total financial liabilities	**967,442,396**	**967,442,396**	798,259,072	798,259,072

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

34. Fair value information (continued)

Fair value hierarchy as at 31 December 2024

	Level 1 GHS	Level 2 GHS	Level 3 GHS	Total GHS
Financial assets				
Cash and cash equivalents	-	19,740,610	-	19,740,610
Loans and advances to customers	-	938,757,906	-	938,757,906
Other financial assets (excluding prepayments)	-	173,268,237	-	173,268,237
Total financial assets	-	1,131,766,753	-	1,131,766,753
Financial liabilities				
Deposits from customers	-	293,563,604	-	293,563,604
Borrowings	-	545,388,591	-	545,388,591
Loans from shareholders	-	95,447,459	-	95,447,459
Other financial liabilities (excluding withholding tax)	-	33,042,746	-	33,042,746
Total financial liabilities	-	967,442,400	-	967,442,400

Fair value hierarchy as at 31 December 2023

	Level 1 GHS	Level 2 GHS	Level 3 GHS	Total GHS
Financial assets				
Cash and cash equivalents	-	37,127,635	-	37,127,635
Loans and advances to customers	-	796,885,387	-	796,885,387
Other financial assets (excluding prepayments)	-	139,153,752	-	139,153,752
Total financial assets	-	973,166,774	-	973,166,774
Financial liabilities				
Deposits from customers	-	242,028,572	-	242,028,572
Borrowings	-	428,956,083	-	428,956,083
Loans from shareholders	-	98,130,214	-	98,130,214
Other financial liabilities (excluding withholding tax)	-	29,144,203	-	29,144,203
Total financial liabilities	-	798,259,072	-	798,259,072

NOTES (continued)
(All amounts are in Ghana cedis unless otherwise stated)

34. Fair value information (continued)

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk, probability of default and loss given default estimates. Credit risk for large corporate and a subset of the small business lending, when appropriate, is derived from market observable data, such as credit default swaps or comparable traded debt. Where such information is not available, the Company uses historical experience and other information used in its collective impairment models (per paragraph 97 of IFRS 13).

Fair values of consumer lending and mortgage portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The Company then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

Issued debt (Borrowings and loans from shareholders)

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

35. Segment reporting

The Board of Directors of Bayport Savings and Loans PLC is provided with information on a single segment basis for the purposes of assessing performance and allocating resources. The Board reviews revenue, underlying operating profit, operating profit, assets and liabilities at a consolidated level. In light of this, the Company has a single segment for financial reporting purposes and therefore no further detailed segmental information is provided in this note.

The Company has a large and diverse customer base and there is no significant reliance on any single customer.

36. Basic/diluted earnings per share (pesewas per share)

Basic earnings per share

	2024	2023
From continuing operations	**0.0016**	0.0014

The earnings and number of shares used in the calculation of basic earnings per share are as follows:

Profit for the year attributable to owners of the Company	**22,035,142**	19,793,886
Earnings used in the calculation of basic earnings per share	**22,035,142**	19,793,886
Number of shares for the purpose of basic earnings per share	**14,052,239,848**	14,052,239,848

37. Events after the reporting period

The directors are not aware of any other material events that have occurred between the date of the statement of financial position and the date of approval of the financial statements by the directors that may require adjustment of, or disclosure in, the financial statements.

VALUE ADDED STATEMENT
For the year ended 31 December
(All amounts are in Ghana cedis unless otherwise stated)

	2024	2023
Interest earned and other operating income	**418,599,693**	319,851,725
Direct cost of services and other costs	**(324,596,303)**	(247,012,102)
Value added by banking services	**94,003,390**	72,839,623
Non-banking income	**6,467,080**	4,896,221
Impairments	**(19,332,998)**	(7,840,405)
Value added	**81,137,472**	69,895,439
Distributed as follows:		
To employees		
Directors (without executive)	**(1,054,693)**	(943,208)
Executive director	**(2,158,200)**	(1,976,614)
Other employees	**(32,806,053)**	(28,423,661)
Total	**(36,018,946)**	(31,343,483)
To Government		
Income tax	**(16,659,633)**	(13,119,256)
To providers of capital		
Dividends to shareholders	-	-
To expansion and growth		
Depreciation and amortisation	**(6,391,191)**	(5,638,814)
Profit for the year	**22,067,702**	19,793,886