

## SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### Summary statement of profit or loss and other comprehensive income the year ended 31 December 2022

	Dec-22 GHS	Dec-21 GHS
Interest income	105,386,751	83,987,603
Interest expense	(30,595,579)	(21,511,929)
<b>Net interest income</b>	<b>74,791,172</b>	<b>62,475,674</b>
Fees and commissions income	11,225,767	9,057,650
Other operating income	839,434	579,023
<b>Operating Income</b>	<b>86,856,373</b>	<b>72,112,347</b>
Impairment charges	(7,817,633)	(6,458,811)
Personnel expenses	(31,828,712)	(27,547,897)
Depreciation of Property, plant and equipment	(2,896,273)	(2,497,695)
Depreciation of right-of-use assets	(2,730,195)	(2,448,251)
Amortisation of intangible assets	(604,362)	(118,367)
Other operating expenses	(36,849,618)	(22,842,973)
	<b>(74,909,160)</b>	<b>(55,455,183)</b>
<b>Profit before income tax</b>	<b>4,129,580</b>	<b>10,198,353</b>
Income tax expense	(2,117,552)	(3,259,892)
<b>Profit for the year</b>	<b>2,012,028</b>	<b>6,938,461</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Revaluation gains on landed property- net of tax	6,079,664	-
<b>Total comprehensive income</b>	<b>8,091,692</b>	<b>6,938,461</b>

### Summary statement of financial position as at 31 December 2022

	Dec-22 GHS	Dec-21 GHS
<b>Assets</b>		
Cash and bank balances	4,460,227	8,015,034
Due from banks	13,734,102	2,955,861
Government securities	2,527,906	2,476,612
Loans and advances to customers	217,245,373	176,442,370
Other assets	4,748,825	3,669,952
Property, plant and equipment	28,181,454	18,919,726
Right-of-use assets	7,687,166	8,326,908
Intangible assets	29,188,345	7,356,629
Corporate tax asset	1,207,300	-
Deferred tax asset	662,522	4,328,499
<b>Total assets</b>	<b>309,643,220</b>	<b>232,491,591</b>
<b>Equity and liabilities</b>		
<b>Liabilities</b>		
Customer deposits	141,601,987	97,591,966
Borrowings	75,465,180	70,101,448
Lease liabilities	6,860,829	6,484,180
Corporate tax payable	-	1,335,858
Other liabilities	30,824,129	10,178,736
<b>Total liabilities</b>	<b>254,752,125</b>	<b>185,692,188</b>
<b>Shareholders' equity</b>		
Stated capital	27,291,374	17,291,374
Statutory reserve	15,375,890	14,369,876
Deposit for shares	-	10,000,000
Revaluation reserve	6,079,664	-
Retained earnings	6,144,167	5,138,153
<b>Total shareholders' equity</b>	<b>54,891,095</b>	<b>46,799,403</b>
<b>Total equity and liabilities</b>	<b>309,643,220</b>	<b>232,491,591</b>

### Summary statement of changes in equity for the year ended 31 December 2022

Year ended 31 December 2022	Stated capital	Deposit for shares	Revaluation reserve	Retained earnings	Statutory reserve	Total
At 1 January 2022	17,291,374	10,000,000	-	5,138,153	14,369,876	46,799,403
Deposit made for shares	10,000,000	(10,000,000)	-	-	-	-
Profit for the period	-	-	-	2,012,028	-	2,012,028
Revaluation Gains	-	-	6,079,664	-	-	6,079,664
Transfer to statutory Reserve	-	-	-	(1,006,014)	1,006,014	-
At 31 December 2022	27,291,374	-	6,079,664	6,144,167	15,375,890	54,891,095

Year ended 31 December 2021	Stated capital	Deposit for shares	Revaluation reserve	Retained earnings	Statutory reserve	Total
At 1 January 2021	17,291,374	-	-	1,668,923	10,900,645	29,860,942
Deposit made for shares	-	10,000,000	-	-	-	10,000,000
Profit for the period	-	-	-	6,938,461	-	6,938,461
Transfer to statutory reserve	-	-	-	(3,469,231)	3,469,231	-
At 31 December 2021	17,291,374	10,000,000	-	5,138,153	14,369,876	46,799,403

### Summary statement of cashflow for the year ended 31 December 2022

	Dec-22 GHS	Dec-21 GHS
<b>Cash flows from operating activities</b>		
Profit before taxation	4,129,580	10,198,353
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	2,896,273	2,497,695
Depreciation of right-of-use assets	2,730,195	2,448,251
Amortization	604,362	118,367
Profit on the sale of property, plant & equipment	(9,334)	(54,447)
<b>Working capital changes:</b>		
Change in loans & advances	(40,803,003)	(57,526,392)
Change in other assets	(3,169,326)	1,839,491
Change customer deposits	44,010,021	34,606,199
Change in other liabilities	20,645,396	6,197,445
<b>Cash generated from operations</b>	<b>31,034,164</b>	<b>324,962</b>
Income taxes paid	(3,021,287)	(3,415,231)
<b>Net cash generated from/(used) in operating activities</b>	<b>28,012,877</b>	<b>(3,090,269)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,080,329)	(14,549,283)
Additions to intangible assets	(22,436,077)	(7,216,042)
Proceeds from sale of property, plant and equipment	37,880	55,610
<b>Net cash used in investing activities</b>	<b>(26,478,526)</b>	<b>(21,709,715)</b>
<b>Cash flows from financing activities</b>		
Deposit for shares	-	10,000,000
Net change in borrowings	5,363,732	9,062,820
Net change in lease liabilities	376,649	235,673
<b>Net cash generated from financing activities</b>	<b>5,740,381</b>	<b>19,298,493</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,274,728</b>	<b>(5,501,491)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>13,447,507</b>	<b>18,948,998</b>
<b>Cash and cash equivalents at end of period</b>	<b>20,722,235</b>	<b>13,447,507</b>
<b>Analysis of cash and cash equivalents:</b>		
Cash & bank balances	4,460,227	8,015,034
Due from banks	13,734,102	2,955,861
Government securities	2,527,906	2,476,612
	<b>20,722,235</b>	<b>13,447,507</b>

## SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### Summary notes to the financial statements for the year ended 31 December 2022

#### 1. Reporting Entity

The Company is incorporated in Ghana under the Companies Act, 2019 (Act 992) as a limited liability company and is domiciled in Ghana. The Company's principal activity is to transact business as a savings and loans company

#### 2. Basis of Preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) and Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930). The financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial assets and liabilities.

#### 3. Use of Judgement and Estimates

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the consolidated income statement unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

The preparation of financial statements in conformity with IFRS 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.

#### 4. Risk Management

As a financial institution, risk is at the core of our operations. To manage it, we have designed a risk management framework that aims to comprehensively cover the following risks: Credit Risk, Liquidity Risk, Operational Risk, and Market Risk.

- Credit Risk is managed by using internal credit ratings for all credits, and a strong credit appraisal and control regime adopted by the Advans Group.
- The Assets and Liabilities Committee (ALCO) under delegated authority from the Board of Director's sets and monitors Liquidity Risk and Market Risk standards in accordance with regulatory and the Advans Group requirements. Over the period, no default has been recorded in the maintenance of statutory liquidity.

#### 5. Regulatory Disclosures

	2022	2021
Capital Adequacy Ratio (%)	12.49%	14.78%
Non-performing Loans Ratio (%)	4.99%	4.99%
Regulatory Breaches	Nil	Nil
Sanctions for Regulatory Breaches	Nil	Nil

### Directors' Report

The directors present their report together with the audited financial statements for the year ended 31 December 2022 in accordance with the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) which discloses the state of the affairs of the Company

#### Principal Activities

Advans Ghana Savings and Loans LTD is authorised to transact business as a savings and loans company.

#### Incorporation

Advans Ghana Savings and Loans LTD was incorporated on 20 November 2007 as a Limited Liability Company under the Companies Act 1963, (Act 179), now replaced by The Companies Act 2019 (Act 992). The company is a subsidiary of Advans SA SICAR, a company incorporated in Luxembourg, which holds 86.57% of the issued ordinary shares of the company.

#### Statement of Directors' Responsibilities

The directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for the year. In preparing these financial statements, the directors have:

- Selected suitable accounting policies and applied them consistently.
- Made judgements and estimates that are reasonable and prudent.
- Prepared the financial statements on the going concern basis, and
- Followed International Financial Reporting Standards and complied with the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit Taking Institutions Act, 2016 (Act 930)

The directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Company. The directors are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company, and to prevent and detect fraud and other irregularities.

#### Going Concern

The financial statements have been prepared on the going concern basis with the Company expected to continue in operation for the foreseeable future and will be able to realise assets and discharge liabilities in the normal course of operations.

#### Financial Results

The profit for the year of GHS 2,012,028 (2021: GHS 6,938,461) has been transferred to retained earnings and statutory reserves appropriately.

#### Dividend

The Board of Directors do not recommend the payment of dividend for the year ended 31 December 2022 as per Bank of Ghana letter referenced: BSD/52/2023. This notice directed all Savings and Loans Companies that subscribed fully to the domestic debt exchange to suspend the declaration and payment of dividends and other distributions to shareholders until further notice. Final dividends of GHS 13.1122 per share amounting to GHS 3,469,229.15 for the year ended 31 December 2021 recommended and approved by shareholders and the Bank of Ghana were denounced by the shareholders during the year.

#### Auditor

The term of office for Deloitte and Touche as auditor of the Company will expire after the audit of the 2022 financial statements in accordance with Section 139(5) of the Companies Act, 2019 (Act 992). The Company will appoint a new auditor for the audit of the financial statements beginning from the financial year 2023.

#### Approval of the Financial Statements

The Board of Directors approved the financial statements on 6 April, 2023 and were signed on their behalf by:

  
 Director BEN BEKIE  
 Date: 26/04/2023

  
 Director OLIVER BAILEY-BAQUET  
 Date: 26/04/23

## Deloitte.

### INDEPENDENT AUDITOR'S REPORT ON SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ADVANS SAVINGS AND LOANS LTD

#### Opinion

The summary financial statements of Advans Savings and Loans LTD, which comprise the summary statement of financial position as at 31 December 2022, the summary statement of profit or loss and other comprehensive income, the statement of changes in equity, statement of cash flow and the value added statement for the year then ended, and related notes, are derived from the audited financial statements of Advans Ghana Savings and Loans LTD for the year ended 31 December 2022.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of Advans Ghana Savings and Loans LTD and are in accordance with the requirements of the Bank of Ghana Guide for Financial Publication for Banks and BOG Licensed Financial Institutions.

#### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) as applicable to annual financial statements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements of Advans Ghana Savings and Loans LTD and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effect of events that occurred subsequent to the date of our report on the audited financial statements.

#### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 26 April 2023. That report also includes the communication of other key audit matters as reported in the auditor's report of the audited financial statements. Key audit matters are those matters that in our professional judgements, were of most significance in our audit of the financial statements of the current period.

#### Directors' Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the Bank of Ghana Guide for Financial Publication for Banks and BOG Licensed Financial Institutions.

#### Auditor's Responsibility

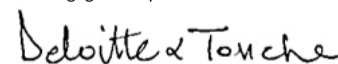
Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

#### Report on Other Legal and Regulatory Requirements

In accordance with our full audit report, we confirm that:

- The Company generally complied with the provisions of the Companies Act, 2019 (Act 992).
- The Company generally complied with the provisions of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930).

The engagement partner on the audit resulting in this independent auditor's report is **Emmanuel Martey (ICAG/P/1476)**



For and on behalf Deloitte & Touche (ICAG/F/2023/129)  
Chartered Accountants  
The Deloitte Place, Plot No. 71  
Off George Walker Bush Highway  
Accra - Ghana

26 April 2023