

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	2023 GH¢	2022 GH¢
Assets		
Cash and bank balances	27,784,657	19,391,624
Investments at amortised cost	87,725,434	119,686,850
Investments at fair value through profit or loss	9,579,270	10,355,968
Due from related party	-	1,073,460
Loans and advances to customers	233,063,902	180,237,776
Current tax assets	1,880,006	2,344,987
Property and equipment	17,286,075	15,166,024
Right-of-use assets	14,515,678	14,678,033
Intangible assets	3,515,597	4,789,533
Deferred tax assets	5,414,471	4,553,573
Other assets	15,907,412	13,437,936
Total assets	416,672,502	385,715,764
Liabilities		
Customer deposits	292,759,910	263,672,874
Borrowings	15,992,320	25,371,645
Grants	1,082,565	767,283
Lease liabilities	25,174,248	19,610,996
Other liabilities	11,212,348	7,232,372
Total liabilities	346,221,391	316,655,170
Equity		
Stated capital	24,219,047	24,219,047
Statutory reserve	20,804,199	20,456,570
Credit risk reserve	10,379,081	7,460,143
Other reserves	809,360	809,360
Retained earnings	14,239,424	16,115,474
Total equity	70,451,111	69,060,594
Total equity and liabilities	416,672,502	385,715,764

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

	2023 GH¢	2022 GH¢
Interest income	120,479,805	103,840,434
Interest expense	(15,440,897)	(15,446,665)
Net interest income	105,038,908	88,393,769
Fees and commission income	11,747,768	10,104,085
Other income - net	3,173,441	4,450,569
Operating income	119,960,117	102,948,423
Impairment loss on financial assets	(2,752,011)	(3,347,731)
Depreciation and amortisation	(9,395,588)	(7,542,152)
Personnel expenses	(50,725,023)	(42,377,096)
Other expenses	(53,272,699)	(42,152,262)
Profit before income tax	3,814,796	7,529,182
Income tax expense	(2,424,279)	(2,208,248)
Profit after tax	1,390,517	5,320,934
Other comprehensive income	-	-
Total comprehensive income	1,390,517	5,320,934

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

1. REPORTING ENTITY

Opportunity International Savings and Loans LTD (the Company) is a limited liability company incorporated in Ghana. The address of the Company's registered office is No. D765/3 Kwame Nkrumah Avenue, P. O. Box JT 323, Accra. The Company is a subsidiary of Opportunity Transformation Investments Inc. The principal activities carried out by the Company include the provision of micro finance facilities in the form of loans to the general public, with the emphasis on lending to those in society with limited incomes who would not ordinarily qualify for a loan from a traditional bank. The Company also accepts deposits of various types including current accounts, savings accounts and enters into contracts for fixed deposits.

2. BASIS OF PREPARATION

The summary financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana (ICAG). Additional information required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) have been included, where appropriate. These financial statements have been prepared under the historical cost convention.

The summary financial statements in publication is an extract from the financial statements for the year ended 31 December 2023. The full set of the financial statements are available for inspection at the Head Office at No. D765/3 Kwame Nkrumah Avenue, P. O. Box JT 323, Accra.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these summary financial statements are consistent with the accounting policies in the audited financial statements of the Company for the year ended 31 December 2023. These policies have been consistently applied to all the years presented, unless otherwise stated.

4. FUNCTIONAL AND PRESENTATION CURRENCY

The summary financial statements are presented in Ghana Cedi, which is the Company's functional and presentation currency.

5. RISK MANAGEMENT

The Company's activities expose the business to risks. These risks are managed professionally and in a targeted manner. Key risks arising from core functions are identified and measured to facilitate managing and determining risk positions and capital allocations.

The risk arising from financial instruments to which the Company is exposed are:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's bank balances, due from related party, loans to customers, investment securities and other financial assets. For risk management purposes, the Company considers all elements of credit risk exposure.

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that changes in market prices – such as interest rates, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) – will affect the Company's income or the value of its holdings of financial instruments.

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Company's Compliance Unit is responsible for establishing and maintaining an appropriate framework of the Company's compliance policies and procedures.


The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Risk and Cyber Security Committee of the Board is responsible for developing and monitoring the Company's risk management policies over specified areas.

Key risk ratios for the Company are summarised below:

	2023	2022
Non-performing loan ratio	6.32	10.32
Capital adequacy ratio	14.49%	18.37%
Leverage (Times)	4.91	4.42
Liquidity ratio	9.84%	7.93%
Default in statutory liquidity	NIL	NIL
Default in statutory liquidity sanctions	NIL	NIL

Approval of the financial statements

The financial statements of the Company were approved by the Board of Directors on 25 April, 2024.


Mr. Kwame Owusu-Boateng
(Chief Executive Officer)


Mr. Katoy Assem
(Board Chairman)

REPORT OF THE DIRECTORS

The directors have the pleasure in presenting their report and the summary financial statements of Opportunity International Savings and Loans LTD (the "Company") for the year ended 31 December 2023.

Directors' Responsibility Statement

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 and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed the requirements of International Financial Reporting Standards (IFRS) with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana (ICAG), the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Nature of business

The Company is licensed to operate the business of a savings and loans company. There was no change in the nature of the Company's business during the year.

Approval of the financial statements

The financial statements of the Company were approved by the Board of Directors on 25 April 2024.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF OPPORTUNITY INTERNATIONAL SAVINGS AND LOANS LTD.

Our opinion

In our opinion, the accompanying summary financial statements of Opportunity International Savings and Loans LTD (the "Company"), are consistent, in all material respects, with the audited financial statements of the Company for the year ended 31 December 2023, on the basis described in the notes.

The summary financial statements

The Company's summary financial statements derived from the audited financial statements for the year ended 31 December 2023 comprise:

- the summary statement of financial position as at 31 December 2023;
- the summary statement of comprehensive income for the year then ended;
- the summary statement of changes in equity for the year then ended;
- the summary statement of cash flows for the year then ended; and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana (ICAG), the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 26 April, 2024. That report also includes the communication of 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.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements on the basis described in the notes.

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 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

The engagement partner on the audit resulting in this independent auditor's report is Destiny Selorm Attatsitsey (ICAG/P/1619).


PricewaterhouseCoopers (ICAG/F/2024/028)
Chartered Accountants
Accra, Ghana
26 April, 2024



SUMMARY STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023	Stated Capital GH¢	Other Reserve GH¢	Statutory Reserve GH¢	Credit risk Reserve GH¢	Retained earnings GH¢	Total GH¢
At 1 January	24,219,047	809,360	20,456,570	7,460,143	16,115,474	69,060,594
Profit for the year	-	-	-	-	1,390,517	1,390,517
Total comprehensive income	-	-	-	-	1,390,517	1,390,517
Regulatory and other reserves transfers	-	-	347,629	-	(347,629)	-
Transfer to statutory reserve	-	-	-	2,918,938	(2,918,938)	-
Transfer to credit risk reserve	-	-	347,629	2,918,938	(3,266,567)	-
At 31 December	24,219,047	809,360	20,804,199	10,379,081	14,239,424	70,451,111
Year ended 31 December 2022						
At 1 January	24,219,047	1,329,070	19,126,336	3,384,028	16,200,889	64,259,370
Profit for the year	-	-	-	-	5,320,934	5,320,934
Total comprehensive income	-	-	-	-	5,320,934	5,320,934
Regulatory and other reserves transfers	-	-	1,330,234	-	(1,330,234)	-
Transfer to statutory reserve	-	-	-	4,076,115	(4,076,115)	-
Transfer to credit risk reserve	-	-	1,330,234	4,076,115	(5,406,349)	-
Transactions with owners of the Company						
Fair value measurement of related party borrowings	-	(519,710)	-	-	-	(519,710)
	-	(519,710)	-	-	-	(519,710)
Year ended 31 December 2022	24,219,047	809,360	20,456,570	7,460,143	16,115,474	69,060,594

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

	2023 GH¢	2022 GH¢
Profit before tax	3,814,796	7,529,182
Adjustments for:		
Depreciation and amortisation	9,395,588	7,542,152
Profit on disposal of property equipment	(530,277)	(167,087)
Deferred grants released to income	(1,475,223)	(1,289,072)
Fair value loss on FVTPL securities	776,698	-
Exchange loss on lease liabilities	3,760,998	3,207,670
Interest accrued on borrowings and lease liabilities	6,702,877	5,433,839
Operating cash flow before investment in working capital	22,445,457	22,256,684
Changes in:		
Loans to customers	(52,826,126)	(3,057,235)
Other assets	(2,469,476)	(6,129,587)
Customer deposits	18,913,271	17,150,846
Other liabilities	14,153,741	(7,780,953)
Investments securities maturing over 91 days	(17,843,582)	39,884,347
Mandatory reserve	(1,991,328)	(1,615,084)
Income tax paid	(2,820,196)	(3,054,892)
Net cash flow (used in)/generated from operating activities	(22,438,239)	57,654,126
Cash flow from investing activities		
Acquisition of property and equipment	(7,488,433)	(10,845,565)
Proceeds from disposal of property and equipment	541,420	167,087
Proceeds from investment securities at fair value	-	1,057,073
Acquisition of intangible assets	(1,016,427)	(1,099,899)
Net cash flow used in investing activities	(7,963,440)	(10,721,104)
Financing activities		
Proceeds from borrowings	3,475,523	2,950,366
Repayments of borrowings (less set off)	(15,073,904)	(4,393,565)
Finance lease payments	(3,193,734)	(3,196,984)
Grants received	1,790,505	829,813
Net cash flow used in financing activities	(13,001,610)	(3,810,370)
Net decrease/(increase) in cash and cash equivalents	(43,403,289)	43,122,652
Balance at 1 January	53,208,507	10,085,855
Cash and cash equivalents at 31 December	9,805,218	53,208,507