

HASAL MICROFINANCE BANK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	31 December, 2017 N'000	31 December, 2016 N'000
Assets			
Cash and balances with banks	14	170,715	121,146
Financial assets held to maturity	15	200,000	195,809
Loans and advances to banks	16	420,271	870,124
Loans and advances to customers	17	4,441,335	4,131,562
Other assets and prepayments	18	201,686	119,007
Property and equipment	19	437,444	382,620
Intangible assets	20	13,022	18,595
Deferred tax - Asset	22	11,718	11,718
Total assets		5,896,192	5,850,582
Liabilities			
Deposits from customers	21	2,534,196	2,796,085
Current income tax Liability	12	278	2,112
Deferred income tax liability	22	-	-
Other liabilities	23	255,107	379,245
Borrowings	24	928,509	929,675
Total liabilities		3,718,090	4,107,117
Equity			
Share capital	25	641,519	594,186
Share premium	25a	180,650	112,983
Statutory reserve	26	516,503	513,330
Regulatory risk reserve		109,298	
Revaluation Reserve		108,521	-
Retained earnings	SOCE	621,611	522,964
Total equity	SOCE	2,178,102	1,743,464
Total equity and liabilities		5,896,192	5,850,582

The notes on pages 7 to 43 are an integral part of these financial statements

HASAL MICROFINANCE BANK LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	31 December, 2017	31 December, 2016
		N'000	N'000
Interest income	5	1,477,552	1,355,454
Interest expense	6	(513,741)	(437,322)
Net interest income		963,811	918,132
Impairment charge for Other known losses	18.1	(38,425)	
Impairment charge for credit losses	7	(369,496)	(144,567)
Net interest income after impairment charge for losses		555,890	773,565
Fee and commission income	8	154,862	245,271
Staff expenses	9	(339,628)	(348,251)
Depreciation and amortisation	10	(35,777)	(36,112)
Other operating expenses	11	(322,246)	(338,835)
Profit/(Loss) before tax		13,101	295,638
Information Technology Development Levy	12b	(131)	(2,956)
Income tax expense	12	(278)	(2,112)
Deferred tax -Asset / (Liability)	12	-	11,718
Profit/ (Loss) for the year		12,692	302,287
Other Comprehensive Income			
Exchange Rate Revaluation Gain		28,627	-
Revaluation Surplus	19	79,893	-
		108,521	-
Profit for the year attributable to:			
Owners of the parent		121,213	302,287
Total comprehensive income for the year		121,213	302,287
Total comprehensive income for the year attributable to the Owners of the Company			
		121,213	302,287
Earnings per share for profit attributable to owners of the parent			
Basic and diluted earnings per share (kobo)	13	2	51

The notes on pages 7 to 43 are an integral part of these financial statements
The financial statements on pages 3 to 6 were approved by the Board of Directors on 11 June, 2018 and signed on its behalf by:

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Nwoke Rogers Augustine - Managing Director / CEO
FRC/2014/ICAN/00000006141

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Iyeimo Dagogo Emman- Non Executive Director
FRC/2014/CISN/00000009009

HASAL MICROFINANCE BANK LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	31 December, 2017 N'000	31 December, 2016 N'000
		<u> </u>	<u> </u>
Cash flows from operating activities	31	(1,467,465)	(1,554,004)
Interest received		1,477,552	1,355,454
Interest paid		(513,741)	(437,322)
Income tax paid		(2,112)	(3,530)
Net cashflows from operating activities		<u>(505,766)</u>	<u>(639,402)</u>
 Cash flows from investing activities			
Purchase of property, plant and equipment		(4,246)	(24,638)
Purchase of intangible assets		-	(3,195)
Proceed from sale of property and equipment		86	727
Net cash used in investing activities		<u>(4,160)</u>	<u>(27,105)</u>
 Cash flows from financing activities			
Net inflow from issue of shares		115,000	59,350
Other payments		0	(83,993)
Net Loan /loan repayment		(53,220)	519,834
 Net cash (used in)/generated from financing		<u>61,780</u>	<u>495,191</u>
 Increase in cash and cash equivalents		(448,146)	(171,316)
Cash and cash equivalents at start of year		1,146,078	1,317,394
Cash and cash equivalents at end of year		<u>697,932</u>	<u>1,146,078</u>
 Cash and cash equivalents comprise:			
Cash balances	14	170,715	121,146
Loans and advances to banks	16	420,271	870,124
Treasury bills	15	200,000	195,809
Borrowings	24	(93,054)	(41,000)
		<u>697,932</u>	<u>1,146,078</u>

The notes on pages 7 to 43 are an integral part of these financial statements

HASAL MICROFINANCE BANK LIMITED
ABRIDGE STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017	31 DECEMBER, 2017 N'000	31 DECEMBER, 2016 N'000
Cash and Short term funds	170,715	121,146
Financial assets held to maturity	200,000	195,809
Loan and Advances to Banks	420,271	870,124
Loan and Advances to Customers	4,441,335	4,131,562
Other Assets and Prepayments	201,686	119,007
Property and Equipment	437,444	382,620
Intangible assets	13,022	18,595
Deferred tax - Asset	11,718	11,718
TOTAL ASSETS	5,896,192	5,850,582
LIABILITIES		
Deposits from customers	2,534,196	2,796,085
Current income tax liability	278	2,112
Deferred income tax liability	-	-
Other liabilities	255,107	379,245
Borrowings	928,509	929,675
TOTAL LIABILITIES	3,718,090	4,107,117
EQUITY		
Share capital	641,519	594,186
Share premium	180,650	112,983
Reevaluation Reserve	108,521	-
Regulatory risk reserve	109,298	-
Statutory reserve	516,503	513,330
Retained earnings	621,611	522,964
TOTAL EQUITY	2,178,102	1,743,465
TOTAL EQUITY AND LIABILITIES	5,896,192	5,850,582

ABRIDGE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	N'000	N'000
Interest Income	1,477,552	1,355,454
Less Interest Expenses	(513,741)	(437,322)
NET INTEREST INCOME	963,811	918,132
Impairment Charge for Other Known losses	(38,425)	-
Impairment Charge for credit losses	(369,496)	(144,605)
Net Interest Income after Impairment Charge	555,890	773,527
Fee and Commission Income	154,862	245,271
Staff expenses	(339,628)	(348,251)
Depreciation and Amortisation	(35,777)	(36,112)
Other Operating expenses	(322,246)	(338,835)
Profit / (Loss) before Taxation	13,101	295,599
Information Technology Dev Levy	(131)	(2,956)
Income tax expense	(278)	(2,112)
Deferred tax - Asset / (Liability)	-	11,718
Profit for the year	12,692	302,249
Total Comprehensive income for the year	121,213	302,249
Dividend of 15k per Ordinary Share	-	89,128
APPROPRIATION		
Transfer to Statutory Reserves	3,173	75,562
Transfer to General Reserves	118,040	137,559
	121,213	302,249

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Nwoke Rogers Augustine - Managing Director / CEO
FRC/2014/ICAN/0000006141

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Iyeimo Dagogo Emman- Non Executive Director
FRC/2014/CISN/0000009009

The Statement of Financial Position, Statement of Comprehensive Income and the Auditors report are published in compliance with section 27 (1) of Banking and other financial Institutions Act Cap B3 LFN 2004. The information disclosed have been extracted from the whole financial statements of the Bank and can not be expected to provide a full understanding of financial performances, position, financial and Investment activities of the Bank. Copies of the financial statements can be obtained from the premises of the Bank.

HASAL MICROFINANCE BANK LIMITED

REPORTS OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HASAL MICROFINANCE BANK LIMITED

Report on the Financial Statements

We have audited the Financial Statements of **HASAL MICROFINANCE BANK LIMITED** which comprise the Financial Position as at 31 December, 2017 and Statement of Comprehensive Income

Respective Responsibilities of Directors and Auditors

In accordance with the provisions of section 334 and 335 of the Companies and Allied matters Act CAP C20 LFN 2004 and Bank and other financial Institution Act CAP B3 LFN 2004. The Directors are responsible for the preparation of the financial statements which give a true and fair view of the State of Affairs of the Bank and of the profit or loss for the financial year. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. An audit includes examination, on test basis, of evidence relevant to the amount and disclosures in the financial statements. It also, includes an assessment of the significant estimate and judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Bank's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, error or other irregularity. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements, assessed whether the Bank's books of account had been properly kept and we obtained the information and explanations we required.

Opinion

In our opinion, the Bank has kept proper accounting records and the financial statements are in agreement with the records in all material respect and given the prescribed manner, information required by the Companies and Allied Matters CAP C29 LFN 2004 and the bank and other financial institution Act CAP B3 LFN 2004. The financial statements give a true and fair view of the financial position of HASAL Microfinance Bank Limited as at 31 December, 2017 and of the financial performance and the cash flow statement for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and the statement of Accounting Standards issued by the Nigeria Accounting Standards Board and relevant circulars issued by the Central Bank of Nigeria (CBN)

Report of other regulatory Requirements

We confirm that our examination of loan and advances was carried out in accordance with the prudential guidelines for Licence Microfinance Banks issued by the Central Bank of Nigeria. In accordance with circulars BSD/01/2004 issued by the central Bank of Nigeria, details of Insiders related credits are as disclosed in the financial statements

Contraventions

No contravention of the Bank's and other financial institution Act CAP B3 LFN 2004 was brought to our notice by the bank during the year.

Ahmed Tunde Adenusi FCA, FRC/2013/ICAN/0000001986
Adenusi & Co. (Chartered Accountants)
(Chartered Accountants)

Abuja, Nigeria
19 June 2018.