

HASAL MICROFINANCE BANK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 December, 2018 N'000	31 December, 2017 N'000
Assets			
Cash and balances with banks	14	334,061	170,715
Financial assets held to maturity	15	200,000	200,000
Loans and advances to banks	16	570,409	420,271
Loans and advances to customers	17	4,352,327	4,441,335
Other assets and prepayments	18	59,648	201,686
Property and equipment	19	443,722	437,444
Intangible assets	20	7,449	13,022
Deferred tax - Asset	22	-	11,718
Total assets		5,967,617	5,896,192
Liabilities			
Deposits from customers	21	2,850,906	2,534,196
Current income tax liability	12	510	278
Deferred income tax liability	22	-	-
Other liabilities	23	387,500	255,107
Borrowings	24	588,493	928,509
Total liabilities		3,827,409	3,718,090
Equity			
Share capital	25	641,519	641,519
Share premium	25a	180,650	180,650
Statutory Reserve	26	519,033	516,503
Regulatory Risk Reserve		1,306,086	109,298
Revaluation Reserve		108,521	108,521
Retained earnings	SOCE	(615,602)	621,611
Total equity	SOCE	2,140,207	2,178,102
Total equity and liabilities		5,967,617	5,896,192

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, 2018.

	Note	31 December, 2018 N'000	31 December, 2017 N'000	
Interest income	5	1,111,192	1,477,552	.
Interest expense	6	(483,330)	(513,741)	.
Net interest income		627,862	963,811	.
Impairment charge for Other known losses	18.1	(39,361)	(38,425)	.
Impairment charge for credit losses	7	(43,705)	(369,496)	.
Net interest income after impairment charge for losses		544,795	555,890	.
Fee and commission income	8	145,191	154,862	.
Staff expenses	9	(344,566)	(339,628)	.
Depreciation and amortisation	10	(30,990)	(35,777)	.
Other operating expenses	11	(303,695)	(322,246)	.
Profit/(Loss) before tax		10,736	13,101	.
Information Technology Development Levy	12b	(107)	(131)	.
Income tax expense	12	(510)	(278)	.
Profit/ (Loss) for the year		10,118	12,692	.
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		10,118	121,213	.
Total comprehensive income for the year		10,118	121,213	.
Total comprehensive income for the year attributable to the Owners of the Company		10,118	121,213	.
Earnings per share for profit attributable to owners of the parent				
Basic and diluted earnings per share (kobo)	13	0.016	0.020	.

The financial statements on pages 3 to 6 were approved by the Board of Directors on 10 October, 2019 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

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HASAL MICROFINANCE BANK LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER,2018.

	Note	31 December, 2018 N'000	31 December, 2017 N'000
Cash flows from operating activities	31	56,830	(1,467,465)
Interest received		1,111,192	1,477,552
Interest paid		(483,330)	(513,741)
Income tax paid		(409)	(2,112)
Net cashflows from operating activities		684,283	(505,766)
Cash flows from investing activities			
Purchase of property, plant and equipment		(31,226)	(4,246)
Purchase of intangible assets		-	-
Proceed from sale of property and equipment		443	86
Net cash used in investing activities		(30,783)	(4,160)
Cash flows from financing activities			
Net inflow from issue of shares		-	115,000
Net Loan /loan repayment		(246,963)	(53,220)
Net cash (used in)/generated from financing		(246,963)	61,780
Increase in cash and cash equivalents		406,537	(448,146)
Cash and cash equivalents at start of year		697,932	1,146,078
Cash and cash equivalents at end of year		1,104,470	697,932
Cash and cash equivalents comprise:			
Cash balances	14	334,061	170,715
Loans and advances to banks	16	570,409	420,271
Treasury bills	15	200,000	200,000
Borrowings	24	-	(93,054)
		1,104,470	697,932

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 2018	31-Dec-18 N'000	31-Dec-17 N'000
Cash and Short term funds	334,061	170,715
Financial assets held to maturity	200,000	200,000
Loan and Advances to Banks	570,409	420,271
Loan and Advances to Customers	4,352,327	4,441,335
Other Assets and Prepayments	59,648	201,686
Property and Equipment	443,722	437,444
Intangible assets	7,449	13,022
Deferred tax - Asset	-	11,718
TOTAL ASSETS	5,967,617	5,896,192
LIABILITIES		
Deposits from customers	2,850,906	2,534,196
Current income tax liability	510	278
Other liabilities	387,500	255,107
Borrowings	588,493	928,509
TOTAL LIABILITIES	3,827,409	3,718,090
EQUITY		
Share capital	641,519	641,519
Share premium	180,650	180,650
Reevaluation Reserve	108,521	108,521
Regulatory risk reserve	1,306,086	109,298
Statutory reserve	519,033	516,503
Retained earnings	(615,602)	621,611
TOTAL EQUITY	2,140,207	2,178,102
TOTAL EQUITY AND LIABILITIES	5,967,617	5,896,192

ABRIDGE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	N'000	N'000
Interest Income	1,111,192	1,477,552
Less Interest Expenses	(483,330)	(513,741)
NET INTEREST INCOME	627,862	963,811
Impairment Charge for Other Known losses	(39,361)	(38,425)
Impairment Charge for credit losses	(43,705)	(369,496)
Net Interest Income after Impairment Charge	544,795	555,890
Fee and Commission Income	145,191	154,862
Staff expenses	(344,566)	(339,628)
Depreciation and Amortisation	(30,990)	(35,777)
Other Operating expenses	(303,695)	(322,246)
Profit / (Loss) before Taxation	10,736	13,101
Information Technology Dev Levy	(107)	(131)
Income tax expense	(510)	(278)
Deferred tax -Asset / (Liability)	-	-
Profit for the year	10,118	12,692
Total Comprehensive income for the year	10,118	121,213
APPROPRIATION		
Transfer to Statutory Reserves	2,529	3,173
Transfer to General Reserves	7,588	118,040
	10,118	121,213

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

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

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, 2018 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, 2018 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/00000001986
Adenusi & Co. (Chartered Accountants)
(Chartered Accountants)
Abuja, Nigeria
14 October 2019.