

HASAL MICROFINANCE BANK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31 December, 2019 N'000	31 December, 2018 N'000
Assets			
Cash and balances with banks	14	246,242	334,061
Financial assets held to maturity	15	268,725	200,000
Loans and advances to banks	16	470,524	570,409
Loans and advances to customers	17	4,430,073	4,352,327
Other assets and prepayments	18	59,579	59,648
Property and equipment	19	521,960	443,722
Intangible assets	20	2,165	7,449
Deferred tax - Asset	22	-	-
Total assets		5,999,268	5,967,617
Liabilities			
Deposits from customers	21	2,586,233	2,850,906
Current income tax liability	12	20,850	510
Deferred income tax liability	22	-	-
Other liabilities	23	358,696	387,500
Borrowings	24	767,156	588,493
Total liabilities		3,732,934	3,827,409
Equity			
Share capital	25	641,519	641,519
Share premium	25a	180,650	180,650
Statutory Reserve	26	550,265	519,033
Regulatory Risk Reserve		1,100,155	1,306,086
Revaluation Reserve		108,521	108,521
Retained earnings	SOCE	(314,777)	(615,602)
Total equity	SOCE	2,266,334	2,140,207
Total equity and liabilities		5,999,268	5,967,617

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, 2019.

	Note	31 December, 2019 N'000	31 December, 2018 N'000
Interest income	5	1,057,806	1,111,192
Interest expense	6	(440,319)	(483,330)
Net interest income		617,487	627,862
Impairment charge for Other known losses	18.1		(39,361)
Impairment charge for credit losses	7	(26,359)	(43,705)
Net interest income after impairment charge for losses		591,128	544,795
Fee and commission income	8	162,210	145,191
Staff expenses	9	(330,023)	(344,566)
Depreciation and amortisation	10	(25,996)	(30,990)
Other operating expenses	11	(250,069)	(303,695)
Profit/(Loss) before tax		147,251	10,736
Information Technology Development Levy	12b	(1,473)	(107)
Income tax expense	12	(20,850)	(510)
Profit/ (Loss) for the year		124,929	10,118
Other Comprehensive Income			
Exchange Rate Revaluation Gain			
Revaluation Surplus	19	-	-
Profit for the year attributable to:			
Owners of the parent		124,929	10,118
Total comprehensive income for the year		124,929	10,118
Total comprehensive income for the year attributable to the Owners of the Company		124,929	10,118
Earnings per share for profit attributable to owners of the parent			
Basic and diluted earnings per share (kobo)	13	0.19	0.016

The notes on pages 7 to 43 are an integral part of these financial statements approved by the Board of Directors on 8 May, 2020 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, 2019.

	Note	31 December, 2019 N'000	31 December, 2018 N'000
Cash flows from operating activities	31	(583,569)	56,830
Interest received		804,033	1,111,192
Interest paid		(418,772)	(483,330)
Income tax paid		(618)	(409)
Net cashflows from operating activities		(198,926)	684,283
Cash flows from investing activities			
Purchase of property, plant and equipment		(99,029)	(31,226)
Purchase of intangible assets		-	-
Proceed from sale of property and equipment		312	443
Net cash used in investing activities		(98,718)	(30,783)
Cash flows from financing activities			
Net inflow from issue of shares		-	-
Net Loan /loan repayment		178,664	(246,963)
Net cash (used in)/generated from financing		178,664	(246,963)
Increase in cash and cash equivalents		(118,980)	406,537
Cash and cash equivalents at start of year		1,104,470	697,932
Cash and cash equivalents at end of year		985,490	1,104,470
Cash and cash equivalents comprise:			
Cash balances	14	246,242	334,061
Loans and advances to banks	16	470,524	570,409
Treasury bills	15	268,725	200,000
Borrowings	24	-	-
		985,490	1,104,470

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 2019	31-Dec-19	31-Dec-18
	N'000	N'000
Cash and Short term funds	246,242	334,061
Financial assets held to maturity	268,725	200,000
Loan and Advances to Banks	470,524	570,409
Loan and Advances to Customers	4,430,073	4,352,327
Other Assets and Prepayments	59,579	59,648
Property and Equipment	521,960	443,722
Intangible assets	2,165	7,449
Deferred tax - Asset	-	-
TOTAL ASSETS	5,999,268	5,967,617
LIABILITIES		
Deposits from customers	2,586,233	2,850,906
Current income tax liability	20,850	510
Other liabilities	358,696	387,500
Borrowings	767,156	588,493
TOTAL LIABILITIES	3,732,934	3,827,409
EQUITY		
Share capital	641,519	641,519
Share premium	180,650	180,650
Reevaluation Reserve	108,521	108,521
Regulatory risk reserve	1,100,155	1,306,086
Statutory reserve	550,265	519,033
Retained earnings	(314,777)	(615,602)
TOTAL EQUITY	2,266,334	2,140,207
TOTAL EQUITY AND LIABILITIES	5,999,268	5,967,617

ABRIDGE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	N'000	N'000
Interest Income	1,057,806	1,111,192
Less Interest Expenses	(440,319)	(483,330)
NET INTEREST INCOME	617,487	627,862
Impairment Charge for Other Known losses	-	(39,361)
Impairment Charge for credit losses	(26,359)	(43,705)
Net Interest Income after Impairment Charge	591,128	544,795
Fee and Commission Income	162,210	145,191
Staff expenses	(330,023)	(344,566)
Depreciation and Amortisation	(25,996)	(30,990)
Other Operating expenses	(250,069)	(303,695)
Profit / (Loss) before Taxation	147,251	10,736
Information Technology Dev Levy	(1,473)	(107)
Income tax expense	(20,850)	(510)
Deferred tax -Asset / (Liability)	-	-
Profit for the year	124,929	10,118
Total Comprehensive income for the year	124,929	10,118
APPROPRIATION		
Transfer to Statutory Reserves	31,232	2,529
Transfer to General Reserves	93,697	7,588
	124,929	10,118

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

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Iyemo 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, 2019 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, 2019 and of the financial performance and the cash flows 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.
The Bank is yet to implement IFRS 9.

Ahmed Tunde Adenusi FCA, FRC/2013/ICAN/00000001986
Adenusi & Co. (Chartered Accountants)

(Chartered Accountants)
Abuja, Nigeria
14 May 2020.