



NPF MICROFINANCE BANK PLC

FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2014
TOGETHER WITH NOTES TO THE ACCOUNT AND EXPLANATORY NOTES.

UNAUDITED IFRS FIRST QUARTER FINANCIAL STATEMENTS

NPF MICROFINANCE BANK PLC
UNAUDITED FINANCIAL POSITION AS AT 31 MARCH, 2014

	Note	Quarter Mar 2013 N'000	Audited Dec. 2013 N'000
Assets			
Cash and Short Term Funds	1	68427	85461
Treasury bills-held-to-maturity		255585	285704
Investment securities		43575	61268
Due from other financial institutions	2	1182754	2121847
Loans and advances to customers	3	6165596	5559453
Other assets	4	408765	207530
Property, Plant and Equipment		363651	353375
Total Assets		8488403	8680638
Liabilities			
Deposits	5	3741447	3853052
Current income tax liability		1535	135024
Deferred income tax liability		22726	62196
Retirement benefit obligation		0	106449
Other liabilities	6	480060	602023
		4245768	4763744
Equity			
Ordinary share capital		1143328	1143328
Share Premium		1517485	1517485
Retained earnings		439508	301138
Other reserves		1142224	894943
Total Equity and liabilities		4242635	3916894

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH, 2014

	Qtr Ended N'000	Qtr Ended Mar '13 N'000	Jan-Mar 2014 N'000	Jan-Mar 2013 N'000
Gross earnings	494244	410372	494244	410372
Interest income	308665	273990	308665	273990
Interest expense	-25463	-20883	-25463	-20883
Net interest income & commissions	283202	253107	0	253107
Fee and commission	141931	105666	141931	105666
Net income on investment	34145	26826	34145	26826
Other income/loss	9503	3890	9503	3890
Write back/(impairment)	0	0	0	0
Operating Income	468781	389489	0	468781
Operating expenses	-270039	-212824	-270039	-212824
Diminution in asset values	-19127	-18593	-19127	-18593
Net Profit before tax and exceptional items	179615	158072	0	179615
Exceptional items	0	0	0	0
Net profit (loss) before tax	179615	158072	0	158072
Provision for Taxation	0	0	0	0
Profit/loss after tax	179615	158072	0	179615
Exceptional items (net of tax)	0	0	0	0
Net gain on available for sale financial assets	0	0	0	0
Profit after tax	179615	158072	0	158072
Key Performance Information				
Total impaired loans and receivables	174504	141741	174504	141741
Total impaired loans to total loans and advances	0.03	0.0254955	0.03	0.03
EPS (Basic) kobo	8k	7k	8k	7k
Total loans and receivables (Gross)	6340100	5492617	6340100	5492617
No of shares	2286656	2286656	2286656	2286656

STATEMENT OF CHANGES IN EQUITY
As at 31ST MARCH 2014

	Share Capital N'000	Share Premium N'000	Retained earnings N'000	Statutory Reserve N'000	Fair Value Reserve N'000	Actuarial Reserve N'000	Regulatory Risk Reser N'000	Total N'000
Balance at January 2012	1143328	1517485	265220	422545	-102	0	8461	2381037
Adjustments to opening retained earnings	0	0	-161370	0	0	0	0	-161370
Restated balance as at 1 January 2012	1143328	1517485	107950	422545	-102	0	8461	3199667
Profit	0	0	475837	0	0	0	0	475837
Other comprehensive income, net of tax	0	0	0	0	4592	56479	0	61071
Total comprehensive income	0	0	475837	0	4592	56479	0	536908
	1143328	1517485	583787	422545	4490	56479	8461	3736575
Contribution by and distributions to equity holders								
Dividend paid	0	0	-45734	0	0	0	0	-45734
Transfer to regulatory risk reserve	0	0	-19148	0	0	0	19148	0
Transfer to statutory reserve	0	0	-237919	237919	0	0	0	0
Balance at 31 December 2012	1143328	1517485	280986	660464	4490	56479	27609	3690841
Balance at 1 January 2013	1143328	1517485	280986	660464	56479	4490	27609	3690841
Profit	0	0	391320	0	0	0	0	391320
Other comprehensive income, net of tax	0	0	0	0	67889	-4490	0	63399
Total comprehensive income	0	0	391320	0	67889	-4490	0	454719
	1143328	1517485	672306	660464	124368	0	27609	4145560
Contribution by and distributions to equity holders								
Dividend paid	0	0	-228666	0	0	0	0	-228666
Transfer to regulatory risk reserve	0	0	-44072	0	0	0	44072	0
Transfer to statutory reserve	0	0	-97830	97830	0	0	0	0
Balance at 31 December 2013	1143328	1517485	301138	758294	124368	0	72281	3916894
Balance at 1 January 2014	1143328	1517485	301138	758294	124368	0	72281	3916894
Profit	0	0	179615	0	0	0	0	179615
Other comprehensive income, net of tax	0	0	317509	-70274	-56479	0	0	190756
Total comprehensive income	0	0	497124	-70274	-56479	0	0	370371
	1143328	1517485	798262	688020	67889	0	72281	4287265
Contribution by and distributions to equity holders								
Dividend paid	0	0	0	0	0	0	0	0
Transfer to regulatory risk reserve	0	0	0	0	0	0	44630	44630
Transfer to statutory reserve	0	0	0	0	0	0	0	0
Balance at 31 March 2014	1143328	1517485	798262	688020	67889	0	27651	4242635

Fair Value Reserve

Fair Value reserve represents the cumulative gains/losses arising on the revaluation of available for sale investments that have been recognised in other comprehensive income net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

Retained earnings

Retained Earnings comprise the undistributed profits from previous years which have not been reclassified to other reserves.

Statutory reserve

This represents the transfer of 50% of the bank's profit after tax to statutory reserve when the reserve funds is less than the paid up share capital. This is a requirement by Company and Allied Matters Act 1990.

STATEMENT OF CASH FLOWS

As at 31st March 2014

	March 2014 N'000	March 2013 N'000
Cash flows from operating activities		
Profit for the year	179615	158072
Adjustments for:		
Depreciation and amortization	19126	18593
Amortisation of intangible assets	0	0
Impairment loss on loans and advances	-174504	-141741
Impairment loss on investments securities	-323446	-94401
Impairment loss on loans and other assets	0	-7225
Net interest income	-308665	-273990
Net gain on sale of available for sale securities	0	0
Dividend income	-37	9
Net charge on retirement benefit obligations	0	0
Taxation	24261	23873
Profit on sale of property and equipment	-5551	-129
Operating profit before changes in operating assets and liability	-589201	-317057
Change in loans and advances	-144195	-178391
Change in Other assets	-105351	25279
Change in Customer Deposits and Other deposits	74889	107540
Change in retirement benefit obligations	0	0
Change in other liabilities	-149605	-353489
Interest received	308665	273990
Dividends received	37	9
Net cash generated from/(used) for operating activities	-440903	-79490
Cash flows from investing activities		
Acquisition of property, plant and equipment	9879	0
Proceed from disposal of property and equipment	5551	129
Proceed from disposal of investment securities	0	0
Net Cash used in investing activities	15430	129
Cash flows from financing activities		
Dividend paid	0	0
Net cash used for financing activities	0	0
Net increase /decrease in cash and cash equivalents	-425473	0
Cash and Cash equivalent as at 1st January	1219352	1259621
Cash and Cash equivalent as at 31st March	806459	1180260

NOTES TO THE ACCOUNT AS AT 31 MARCH 2014

	Quarter N'000	Audited Mar-14 Dec-2013 N'000
NOTES TO THE ACCOUNT		
1 Cash and short term funds		
Cash	68427	85461
Total cash and balances with other Bank	68427	85461
2 Due from other financial institutions		
Current account with other banks	546315	768873
Call Placements/Commercial paper	636449	1258974
1182764	2125847	
Allowance for impairment	0	0
Total Due from other Banks	1182764	2125847
3 Loans and receivables		
Loans and receivables to customers	6340100	5718638
Collective impairment allowances	-10649	-30351
Specific impairment allowances	-163855	-129084
Total Gross Loans and receivables	6165596	5559453
4 Other assets		
Stock of banking documents and stationery	33411	29187
Prepayments	167442	151312
Other receivables	207912	37221
Impairment allowance on other assets	0	10590
Total Assets	408765	207530

NPF MICROFINANCE BANK PLC NOTES TO THE ACCOUNT AS AT 31 MARCH , 2014

	Quarter N'000	Audited 41729 Dec-2013 N'000
5 Customer deposits		
Current deposits	1269381	1633207
Savings deposits	1245202	1174076
Term deposits	1220964	1050789
Total Deposit	3741447	3858052
6 Other liabilities		
Accounts payable	4695	26765
ATM suspense	189900	404463
NPF Cooperative/Bank Project fund	0	1500
State Cheques	20826	28561
Bonus productivity	57621	50012
Sundry creditor	4618	90722
Other Accounts payable	202400	0
Total Other Liabilities	480060	602023

NOTES TO THE ACCOUNT FOR THE PERIOD ENDED 31 MARCH, 2014

	Quarter N'000	Quarter 41729 Dec-2013 N'000
Interest and similar income		
Call Placements & Fixed Deposit	26836	21345
Treasury Bill	7271	5473
Loan and receivables	308665	247172
	342772	273990
Interest and similar expenses		
Current accounts	1224	1150
savings accounts	4315	1309
Time deposit	19924	18424
Total Interest and similar expense	25463	20883
Other Income		
Fees and Commissions	141931	105666
Net income on investment	37	26818
Others	9503	8898
	151471	136382
Operating expenses		
Staff costs	122567	109604
Depreciation on fixed assets	19126	9873
Other operating expenses	147473	111940
Total Operating expenses	289166	231417

EXPLANATORY NOTES
FOR THE PERIOD ENDED 31 MARCH, 2014

Note 1. Condensed Statement of Accounting Policies
Interim Financial Statements
The Condensed Financial Statements of NPF Microfinance Bank Plc for the First Quarter Ended 31 March, 2014 are presented and have been prepared based on the provisions of IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board.

Note 2.
Seasonality of Operations
The impact of seasonality or cyclical on operations is not regarded as significant to the condensed interim Consolidated Financial Statements. The operations of the Bank is expected to be even within the financial year. However, global and national events and occurrences may affect the bank's operations depending on the extent of relationship those events and occurrences have with the operations

Note 3.
Unusual Items
There were no unusual transactions or occurrences within the reporting period.

Note 4.
Changes in Estimates
There were no changes to the accounting estimates applied by the bank.

Note 5.
Issuance, repurchases and repayment of debts and equity securities
During the period under review, there were no issuance of debt or equity securities that resulted in an external inflow into the bank.

Note 6.
Dividends
The directors did not recommend the payment of any dividend for the Bank's First Quarter result to 31st March, 2014.

Note 7
Significant events after the end of the interim period
There were no significant events that occurred during the First Quarter that would necessitate a disclosure and/or adjustment to the quarterly returns presented herein.

Note 8.
Litigation
There was no litigation in the First Quarter ended 31st March, 2014.

Note 9.
Segment Reporting
Segment information is provided on the basis of operating and reportable segments in the manner the company manages its business.
The Financial statements of the reporting entity reflects the management structure of the Bank and the way in which the Bank's management reviews business performance. Invariably the management considered the entire retail banking operations as its only operating segment. Hence, management have considered the relatively disclosure of the same financial performance and financial position of the entity business operations as that of its operating segment (which is that of the retail banking as a whole), which is not necessarily to be presented repeatedly.

Note 10.
Dividend Income
Dividend income from equity investments represents dividend received on equity instruments held for strategic purposes and for which the bank has elected to present fair value gains and losses in other comprehensive income.

Note 11.
Property Plant and Equipment
There were no impairment on any class of Property and Equipment during the First Quarter ended 31st March, 2014.

Note 12.
Share Premium
The premium reserve represents the excess of the contribution received over the nominal value of the shares issued.
There was no movement on share premium account during the period

Note 13.
Fair Value Reserve
Fair Value reserve represents the cumulative gains/losses arising on the revaluation of available for sale investments that have been recognised in other comprehensive income net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

Note 14.
Retained earnings
Retained earnings comprise the undistributed profits from previous years which have not been reclassified to other reserves.

Note 15.
Statutory reserve
This represents the transfer of 50% of the bank's profit after tax to statutory reserve when the reserve funds is less than the paid up share capital. This is a requirement by Company and Allied Matters Act 1990.

