

OUR **VISION**

To be a leading
Microfinance institution
and role model in
Microfinance Banking in
the Country

OUR **MISSION**

Creating customer focus
through gradual capacity
building of the less
privileged, while adding
value to the shareholders
investments and contributing
to the economic growth of
the State

CONTENTS



| | |
|--|----|
| VISION/MISSION STATEMENTS | i |
| CONTENTS | ii |
| NOTICE OF ANNUAL GENERAL MEETING (AGM) | 1 |
| CORPORATE INFORMATION | |
| CHAIRMAN'S STATEMENT | |
| BOARD OF DIRECTORS | |
| BOARD OF DIRECTORS PROFILE | |
| MANAGEMENT STAFF | |
| MANAGEMENT STAFF PROFILE | |
| DIRECTORS REPORT FOR THE YEAR ENDED 2019 | |
| DIRECTORS NOTIFICATIONS | |
| SUBSTANTIAL INTEREST IN SHARE | |
| AUDITORS REPORT | |
| STATEMENT OF ACCOUNTING POLICIES | |
| STATEMENT OF FINANCIAL POSITION | |
| STATEMENT OF COMPREHENSIVE INCOME | |
| STATEMENT OF CHANGES IN EQUITY | |
| CASH FLOW STATEMENT | |
| NOTES TO THE ACCOUNTS | |
| FIVE YEARS FINANCIAL SUMMARY | |
| APPENDICES TO THE ACCOUNTS | |

NOTICE OF ANNUAL GENERAL MEETING



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 25th and 26th Annual General Meeting(AGM) of Bonghe Microfinance Bank Nigeria Limited will hold on Friday 29th December, 2023 by 10:00am at No. 89 Ahmadu Bello Way, Numan, to transact the following business:

To receive the Audited Accounts and the reports of the Directors and Auditors to declare and approve dividend

To authorize the Directors to fix the remuneration of the Auditors.

To consider and act upon such other matters as may properly come before the meeting.

Shareholders who do not expect to attend in person are requested to complete and return the accompanying proxy form.

Sign

Secretary

Board of Directors

A. MEMBERS OF THE BOARD OF DIRECTORS

- | | | |
|-------------------------------|---|-------------------|
| 1. Mr. Moses Ngbale | - | Chairman |
| 2. Mrs. Irene H. Hamadu | - | Director |
| 3. Prof. Kaletapwa G. Farauta | - | Director |
| 4. Mrs. Marlyn B. Babayi | - | Director |
| 5. Chief Ezekiel, Namanzangon | - | Director |
| 6. Mr. Titus Solomon | - | Director |
| 7. Mr. Grace A. M. Karka | - | Managing Director |

B. REGISTERED OFFICE

No. 89 Ahmadu Bello Way, Numan
Adamawa State

C. SECRETARY

Messrs Nzadon, Laori & Associates
Legal Practitioners
No. 12, Atiku Abubakar Way,
Jimeta-Yola

D. PRINCIPAL OFFICERS

- | | | |
|-----------------------------|---|---------------------------------|
| Mrs. Grace A.M. Karka | - | Managing Director |
| Mrs. Magdalene S. Ibrahim | - | Head of Recoveries |
| Mrs. Amison Adiel | - | Head of Operations |
| Mr. Mataluwo Rosley Lanamo | - | Head of Information Technology |
| Mrs. Patricia L. Mahwoyi | - | Head of Admin |
| Mrs. Hwodipwa F. Kanism | - | Head of Finance |
| Mr. Gapsiso K. Ferdinand | - | Head of Marketing |
| Ms. Furenungoh Takoni Ganye | - | Branch Head |
| Ms. Tamohashishi A. Mbebo | - | Head of Credit |
| Mr. Felix K. Jaule | - | Head of Internal Audit/Control |
| Mrs. Marlyn E. Febian | - | Head of risk of mgt./Compliance |

E. BANKERS

Eco Bank Plc, Savannah Sugar Co.
First Bank Plc, Numan
Sterling Bank Plc, Yola
Guaranty Trust Bank Plc, Yola
Zenith Bank Plc, Yola
Unity Bank Plc, Numan

F. AUDITORS

Messrs Giwa - Osagie, DFK & Co.
(Chartered Accountants)
No. 1 Bishop Street,
Former Federal Mortgage Bank Finance Building (2nd Floor)
P.O. Box 910, Jimeta Yola
Adamawa State.

CHAIRMAN'S STATEMENT



CHAIRMAN'S STATEMENT

Esteemed Fellow Shareholders, Distinguished Ladies and Gentlemen. On behalf the Board of Directors, Management and Staff of **Bonghe Microfinance Bank Nig. Ltd**, I welcome you to the 25th & 26th joint Annual General Meeting of our Bank. It is my singular honour to present the summaries of Audited Financial Reports and performance indices of years 2020 and 2021.

ECONOMIC REVIEW

Years 2020 and 2021 were particularly faced with serious challenges but your Bank weathered the storm and is still standing.

The Bank during the period under review provided a range of Financial Services including loans and advances which aided the growth of businesses, individuals and bodies corporate which transcend to also improved the economy of our immediate environment.

However, Challenges like Weather and other Natural factors faced during the period affected the performance of the Banks major assets (Loan).

Changes in Regulatory Policies also affected not only the business setting but even the productive Sectors which impacted on the servicing of facilities leading to defaults and outright untimely repayments.

During the period under review, the Central Bank of Nigeria directed all Microfinance Banks to recapitalize or be relegated or liquidated; N5 Billion for National MFB License, N1 Billion for State MFB license and N200 Million and below for other categories of the MFBs. The Bank rallied round to raise capital so that your Bank can maintain the status-quo of **State MFB License**. This was not however possible because the general economy did not permit the existing and prospective Shareholders to invest.

By this non-committal by us to recapitalize, the Bank has to face relegation to **Tier One Unit MFB**. We are resolved however to work hard towards getting back it to the State license status.

Your Bank is very active in providing Finances for Agriculture; Crop and Animal production, Micro Business financing, and Consumer needs for the teeming Customers in the State. Salaried Customers are also beneficiaries of the financial services that the Bank offers. Your Bank **Bonghe MFB** is a household name in the Southern area of Adamawa State.

During the period under review the Numan Federation experienced in parts, floods and droughts and these affected production, profitability and servicing of loan facilities granted for Agricultural production. Despite the insurance of most of these Farms, losses are yet to be compensated to mitigate the losses.

The Regulators had during the period reviewed policies to regulate the Microfinancing business in Nigeria. The Bank complied with all these Regulations and is in good standing.

Years 2020 and 2021 had the rippling effect of the COVID 19 Pandemic, which nearly crippled all the economic activities of the world. Your Bank also had its share of the challenges but has overcome.

The Pandemic brought about the collapse of Business structures, and the rise in cost of goods and services. One major effect of this was the high demand for credit by our Customers and the subsequent rise in interest rates and the cost of labour.

Your Bank also experienced Fraud involving Staff and Customers during the 2020 & 2021 Financial years that negatively affected its results for the year. The affected Staff have been disengaged after appropriate

CHAIRMAN'S STATEMENT



disciplinary measures, and the Customers are being prosecuted. The Bank is on recovery drive through the appropriate Legal channels. It was a challenge but we have overcome it.

OPERATING ENVIRONMENT

The Bank has experienced downtimes in operations when Communal clashes and Herdsmen attacks were frequent. That hindered the Bank's access to many areas where Customers are largely based. The Crises hindered the movement of Staff to those areas for marketing and recoveries because of safety concerns. Floods made it difficult for Debtors to settle their loans, especially for those whose farms are by the River banks. Droughts have also had negative effect on credit administration. In spite of all these menace, the Bank persevered and made results that are commendable.

CORPORATE SOCIAL RESPONSIBILITY

As part of its corporate social responsibilities, the Bank intervened with Relief materials to communities worst hit by these Natural disasters and financial assistance to Bwatiye Development Association, Basa Pwa, Basa Njiya and Basa Voti all for community developments.

OPERATING RESULTS

Operations during years were quite challenging but your Bank waded through and has done fairly well with impressive results to show.

Business activity measured in Gross earnings dropped from N282,678,383 in 2019 to N253,693,078 in 2020 and subsequently to N180,647,592 in 2021. The continued dropping, is owing to the effect of the COVID 19 Pandemic and other economic challenges that hampered business successes during the year.

Net profit after Tax grew with 16.79% from N34,320,805 in 2019 to N40,082,698 in 2020. However a drop was recorded in 2021, with 55.70% from N40,082,698. to N17,754,948 because of the effect of fraud perpetrated.

The Asset base of the Bank increased by 22% from N732.88m in 2019 to N898.63 in 2020. The year 2021 experience a further boost by 12.77% from N838.63m to N1.013Billion. This shows that our Bank is growing.

OUR DIRECTORS

Our Bank is endowed with good and hard-working directors who can be called for at any point in time for service. They are professionals in various field and with pool of experiences. They are all supportive to the Bank. At this AGM today, our Bank is witnessing another exit of one of its Directors Mrs. Irene H.

Hamadu who is due for retirement after 19 years of meritorious service to the bank.

HUMAN CAPITAL AND RESOURCE

The Bank's greatest Asset is its Staff. The Board has engaged a crop of innovative and committed Management team that are adequately trained and equipped with the Skills to deliver results. The Bank has a Staff strength of Fifty Two (52) men and women who have exhibited a great sense of commitment and professionalism in discharging their duties. There is a Nine (9) Man Management team all Certified Microfinance Bankers. Eight (8) other middle level Staff are also CIBN certified making up to seventeen (17) Certified Microfinance Professional in the Bank. Records are continually being broken and growth is being recorded. More staff will again be enrolled for the certification so that the vision and mission of the could be well achieved. The Bank is also supporting the staff through intensive training and workshops both within and outside the state to equip them with skills for good service delivery.

FORESIGHT FOR THE BANK

Following our inability to meet the capitalization requirement of the Central Bank of Nigeria (CBN) the Bank is facing relegation to a **Unit Tier One Status**. The Bank's vision has been to achieve the **National License Status** which requires raising a capital of N5 Billion. Our holdings now is way below the N1 Billion marked for a state License.

This is a wakeup call to us as Shareholders to make the dream of rising to the **National License status**. This means full commitment on our part where every Shareholder is to at least double his/her holding to move the Bank close to this lofty vision.

We intend to expand in our Branch Network. First within the Senatorial Zone, then the entire State and the Nation at large. This can only be possible with your commitment.

APPRECIATION

On behalf of the Board of Directors, Management and Staff of your Bank, I wish to thank you our Esteemed Shareholders and Regulatory Bodies (CBN & NDIC), External Auditors, Customers for your unwavering support and patronage which has accorded us the results we see today.

Thank you for the continued Confidence reposed in us which has seen us growing and heading for the goal set before us.

May the Almighty God continue to Bless and Prosper you all.

Mr. Moses Ngbale
Chairman

BOARD OF DIRECTORS



MR. MOSES NGBALE
CHAIRMAN



MRS. IRENE HAMADU
DIRECTOR



PROF. KALETAPWA FARAUTA
DIRECTOR



MRS. MARLYN B. BABAYI
DIRECTOR



MR. TITUS SOLOMON
DIRECTOR



CHIEF EZEKIEL NAMANZANGON
DIRECTOR



MRS. GRACE KARKA
MANAGING DIRECTOR

The continued success of the bank is due to the contribution of each Director especially as they are all professionals in various fields who have sacrificed their time, energy, knowledge and expertise to ensure that its customers feel the impact of the bank's services.

BOARD OF DIRECTORS PROFILE



MR. MOSES NGBALE
CHAIRMAN

Mr. Moses Musa Ngbale is a seasoned Civil Servant who was at one-time Secretary to the Government and Head of Civil Service of Adamawa State. He later served in the Federal Ministry of Agriculture and the Office of Accountant General of the Federation, before finally retiring in 2004. He served as Chairman Highland Tea Gembu and member Governing Council of Nigerian Theatre Lagos and Nigerian Agricultural Extension Services Ahmadu Bello University Zaria. He was a member of the National Conference 2014. Moses Ngbale holds a Master's Degree in Public Management from the Prestigious Carnegie Mellon University, Pittsburgh, USA. He is the current Honourable Commissioner of Federal Civil Service Commission, Abuja.



MRS. IRENE H. HAMADU
DIRECTOR

She graduated in 1979 with B.A. in History from Ahmadu Bello University. She started working as a producer in a private Radio Station before going to the University. Mrs. Hamadu has been a teacher from 1980 and rose to become principal in various Secondary Schools before retiring in the year 2004. She attended Modern Management Intensive Course and Train the Trainers workshop for Principals of Secondary Schools. She was an Auditor and later Treasurer of All Nigerian Council of Principals of Secondary Schools (ANCOPPS) Adamawa State and Secretary Central P.T.A Numan Local Government. She is also in various leadership positions of the Church and the community at large.

Professor Kaletapwa G. Farauta, the Acting Vice-Chancellor, Adamawa State University, Mubi. B. sc, (Agricultural Education) from University of Nigeria, Nsukka (1989), M. Sc. (Agricultural Extension) from the same University (1995) and a Ph. D. (Agricultural Education Technology) (2008) from the Federal University of Technology, now Modibbo Adama University of Technology, Yola. Prof. K.G. Farauta did her one-year National Service at the College of Agriculture Akure, Ondo State (1990-1991), taught in Government Girls Secondary School (GGSS) Yola from May to October, 1991 from where she started teaching and research at the Federal University of Technology (now Modibbo Adama University of Technology) Yola (October, 1991 to date). She was the Executive Chairman, Adamawa State Universal Basic Education Board (ADSUBEB) (July-October, 2014).

Farauta was the Honourable Commissioner, Adamawa State Ministry of Education from 28th August, 2015 to 17th July, 2017 from where merit and excellent record of service led to her appointment as the Acting Vice-Chancellor by the then Governor of Adamawa State, His Excellency Senator Umaru Jibrilla (Sardaunan Mubi) on the 17th July, 2017. Since her assumption of office, the fortunes of the University has since assumed better dimensions and a brighter light has been seen at the end of the tunnel.

Farauta held various academic and administrative responsibilities at the Modibbo Adama University of Technology Yola among which are:

1. Coordinator, Agricultural Education Unit, 1993-2005
2. Teaching Practice Coordinator, 1995-2000
 - Supervision of Under/Post Graduate Projects, 2000-date
1. Projects Coordinator, 2007-2009
2. Chairman, Convocation Feeding Committee, 2009
3. Chairman, Examination Malpractice Committee, School of Science and Technology Education, 2009
 - Acting Dean, School of Technology and Science Education, 2009
 - Head, Vocational Education Department, 2010-2012
 - Post Graduate Coordinator, Vocational Educational Department, 2015
 - Chairman, Vocational Education Welfare Committee, 2016
 - Member, Lectures, Awards and Prizes Committee, 2017
 - Member, University Development Committee
 - Member, Vice-Chancellor's/Principal Officers Send-forth Committee
 - Member, Committee on Assessment of University of Secondary School
 - Coordinator, Education Programmes, Centre for Distance Learning
 - Member, School of Technology and Science Education (STSEO Board
 - Member, Centre for Distance Learning Academic Board
 - Member, Vocational Education Academic Board



PROF. KALETAPWA G. FARAUTA
DIRECTOR

Farauta is a combination of Intelligence, Faithfulness and unalloyed commitment to responsibilities and duties with excellence and precision as her goal.

BOARD OF DIRECTORS PROFILE



**BABAYI, MARLYN
BARKATAPA (MRS)
DIRECTOR**

She holds a Master's Degree in Theology from Faith Christian Theological Seminary Central Christian University, U.S.A and a Diploma in Banking and Finance from Ahmadu Bello University, Zaria. She is a seasoned career professional (Banker) who has climbed the ladder of success in her field, with 30 years working experience. She rose from a branch supervisor to a Senior Manager with United Bank of Africa (U.B.A). While in U.B.A she also served as the Area Manager in Charge of Adamawa, Taraba and Gombe States. After her voluntarily retirement, first like the idea retired but not tired, she was appointed the Regional Manager with integrated Microfinance Bank in-charge of Adamawa, Taraba, Gombe and Borno States. His Excellency Bala James Nglari appointed her as Commissioner and Special Adviser on Internally Generated Revenue under Acting Governor, His Excellency Umaru Fintiri. She has obtained various awards and recognition from different organizations and institutions.



**CHIEF EZEKIEL,
NAMANZANGON
DIRECTOR**

Chief Ezekiel, Namanzangon (Makama Batta), is a retired Permanent Secretary with the Adamawa State Government, who exited in 14th January, 2018. He is a graduate of the Federal University of Technology, Yola with a Bachelor Degree in Accounting. He has a National Diploma in Estate Management and also a Professional Diploma in Public Accounting and Auditing from the Prestigious Kaduna Polytechnic.

Chief Ezekiel has been a Professional Accountant armed to the teeth and a statute administrator, he is a member of many professional bodies which include;

- Institute of Forensic Accountants, Nigeria (IFA) -2016
- The Chartered Institute of Taxation of Nigeria (CITN) -2015
- Association of National Accountants of Nigeria (ANAN) —2014
- Association of Certified and Corporate Accountants of Nigeria (ACCA) -2007
- Nigeria Institute of Management (Chartered), (NIM) -2006
- The Institute of Certified Public Accountants of Nigeria (ICPAN) -2005

Chief Ezekiel has attended many conferences and seminars for professional capacity to be in tune with changing times. He has held so many offices, positions and responsibilities both as a career civil servant and a community development activist. He has various awards and honours from different organizations and bodies. Chief Ezekiel, Namanzangon, **FCPA, CFA, MCCA, MNIM, CNA, ACTI, JP**



**MRS. GRACE A.M. KARKA
MANAGING DIRECTOR**

Mrs. Karka has a total of 40 years banking experience in various areas of banking services. She has Higher Diploma in Business Administration from Adamawa State Polytechnic, in addition, she obtained Diploma in Data Processing, and she attended various workshops and seminars relating to commercial and microfinance banking in Nigeria. She also participated in a CGAP and Micro Service Programme in Kenya in September, 2006 organized by UNDP Microfinance banks. She was awarded an MCP Certificate by Chartered Institute of Bankers; she has 12 years of microfinance banking experience.



**MR. TITUS SOLOMON
DIRECTOR**

Mr. Titus Solomon, holds a Master's in Business Administration (MBA) in management Studies from Federal University of Technology Yola (FUTY), and also holds both National Diploma and Higher National Diploma in Accounting from the Prestigious Kaduna Polytechnic. He is a Professional Accountant who obtained his certification from ANAN which, qualified him as a Certified National Accountant (CNA) since the year 1998. He was awarded fellowship of the association of National Accountants of Nigeria and bears Fellow Certified National Accountant-FCNA. He is a retired Civil Servant with Adamawa State Government who exited the civil service on 10 October 2020 after mandatory sixty years of age, he has served in many capacities and offices in the civil service through hard work and dedication to duty which earned him promotions up to the rank of a deputy Permanent Secretary. Mr. Titus Solomon has attended many conferences and seminars for professional capacity to be in tune with changing times. He has also held many offices, positions and responsibilities both as a career civil servant and a community development activist. He has various awards and honours from different organizations and bodies.

The following are the Banks **MANAGEMENT STAFF**



- Mrs. Grace A.M. Karka, **Managing Director**
- Mr. Felix K. Jaule, **Head of Internal Audit/Control**
- Mrs. Marlyn E. Febian, **Head of Risk Mgt./Compliance**
- Mrs. Magdalene S. Ibrahim, **Head of Recoveries**
- Ms. Tamohashishi A. Mbebo, **Customer Credit**
- Mr. Amison Adiel, **Head of Operations**
- Mr. Mataluwo L. Rosley, **Head of Information Technology**
- Mrs. Patricia L. Mahwoyi, **Head of Admin**
- Mrs. Hwodipwa F. Kanism, **Head of Finance**
- Mr. Gapsiso K. Ferdinand, **Head of Marketing**
- Ms. Furenungoh Takoni, **Ganye Branch Head**

MANAGEMENT STAFF



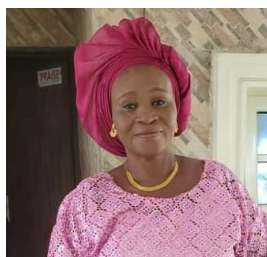
Mrs. Grace A.M Karka

Mrs. Karka has a total of 40 years banking experience in various areas of banking services. She has Higher Diploma in Business Administration from Adamawa State Polytechnic, in addition, she obtained Diploma in Data Processing, and she attended various workshops and seminars relating to commercial and microfinance banking in Nigeria. She also participated in a CGAP and Micro Service Programme in Kenya in September, 2006 organized by UNDP Microfinance banks. She was awarded a Certificate in Chartered Institute of Bankers; she has 14 years of microfinance banking experience.



Mr. Amison Adiel

Mr. Adiel has 14 years Microfinance Banking experience. He has a Higher Diploma in Accounting from Adamawa State Polytechnic CABS Numan. In addition, he also attended various training in the field of Microfinance and is a Certified Microfinance Professional with the prestigious title of MCIB.



**Mrs. Magdalene
S. Ibrahim**

Mrs. Ibrahim graduated from Ahmadu Bello University with a Degree in Drama and Post Graduate Degree in Management Studies from University of Calabar. She worked in National Provident Fund (later renamed to Nigeria Social Insurance Trust Fund) and Trust Fund Pension Plc where she had experience in Insurance and Marketing. Mrs. Ibrahim has been to various Management programmes for increased capacity. So far, she has about 15 years in Microfinance Banking.



**Mr. Mataluwo
Lanamo Rosely**

Mr. Mataluwo is a graduate of Accountancy from Adamawa State University Mubi. He has successfully completed the Certification Programme organized by the Central Bank of Nigeria and the Chartered Institute of Bankers of Nigeria (MCP). He has attended various Microfinance Training; he was awarded a Proficiency Certificate by the Nigeria Institute of Management (NIM). So far, he has about 12 years of Microfinance Banking experience. He is currently a student of the Institute of Chartered Accountants of Nigeria (ICAN).



**Mr. Ferdinand
H.K. Gapsiso**

Mr. Ferdinand Gapsiso has 28 years Banking Experience and has worked in various capacities, as a Commercial and Microfinance Banker. He holds a Diploma in Personnel Management from Kaduna State Polytechnic, HND in Banking and Finance from Federal Polytechnic Nasaraw, Post Graduate Diploma in Financial Management from Abubakar Tafawa Balewa University, Bauchi. He is a Certified Microfinance Banker (MCIB). He has worked with the Chartered Institute of Bankers of Nigeria, Lagos, Bank Plc Lagos, and now Bonghe Microfinance Bank Ltd. He has four years of Microfinance Banking experience.

MANAGEMENT STAFF



**Mrs. Marlyn
Emmanuel Febian**

Mrs. Marlyn Emmanuel Febian is a graduate of Accounting from Adamawa State University Mubi. She has successfully completed the certified programme organized by the CBN and CIBN (MCP). She has attended various microfinance training, she has certificate in computer appreciation and project management, so far, she has about (8) years of Microfinance Banking working experience. She is currently a student of the Institute of Chartered Accountants of Nigeria (ICAN)



**Mrs. Patricia
Lazarus Mahwoyi**

Mrs. Patricia L. Mahwoyi is a graduate of Federal Polytechnic Mubi, studied Accountancy. She acquired Certificate in Computer Appreciation, successfully completed Microfinance Certification Programme and has also attended various training relating to Microfinance Banking. So far, she has about 8 years of Microfinance Banking experience.



**Mrs. Hwodipwa
Fani Kanism**

Mrs. Fani is a graduate of Public Administration from Adamawa State University Mubi. She acquired a Certificate in Computer Appreciation and has successfully completed the certified programme organized by the Central Bank of Nigeria and the Chartered Institute of Bankers of Nigeria (MCP). So far, she has seven (9) years of Microfinance Banking experience.



**Ms. Tamohashishi
Allen Mbebo**

Ms. Allen is a graduate of accountancy from Ramat Polytechnic Maiduguri from where she acquired a Certificate in Computer Appreciation and has since successfully completed the Microfinance Certification Programme (MCP) organized by the Central Bank of Nigeria and the Chartered Institute of Bankers of Nigeria and holds the MCIB. She has also attended various Microfinance Banking related trainings. So far, she has (9) years Microfinance Banking experience.



**Ms. Furenungoh
Takoni**

Ms. Takoni is a graduate of Accountancy from Federal Polytechnic Mubi. She has successfully completed the Microfinance Certification Programme organized by the Central Bank of Nigeria. She also attended several trainings both within and outside the state. So far, she has (9) years of Microfinance Banking experience. She is currently a student of the Institute of Chartered Accountants of Nigeria (ICAN).

DIRECTORS REPORT

ENDED DECEMBER 31, 2020



In accordance with Section 342 of the Companies and Allied Matters Act 1990, the Directors present their Report and Audited Accounts for the year ended December 31, 2020.

ACTIVITY

The principal activity of the company during the year was rendering of Microfinance Banking Services.

STATE OF AFFAIRS

In the opinion of the Directors, the State of Affairs of the Bank is satisfactory and there has been no material change since the date of the Balance sheet.

RESULT FOR THE YEAR

| | 2020 | 2019 |
|-------------------------------|-------------------|---------------------|
| | ₦ | ₦ |
| Total Comprehensive Income | 40,082,698 | 34,320,805 |
| Transfer to Statutory Reserve | (10,020,675) | (8,580,201) |
| Transfer to Retained Earnings | <u>30,062,023</u> | <u>25,740,604</u>) |

DIVIDEND

The Directors proposed payment of dividend of 3k per ordinary share to Shareholders. This dividend is subject to approval of Shareholders at the Annual General Meeting and has not been included as a liability in these Financial Statements.

DIRECTORS

The Directors that served during the year under review are:

| | 2020 | 2019 |
|-------------------------------|-----------|-----------|
| | ₦ | ₦ |
| 1. Mr. Moses Ngbale | 5,133,339 | 5,133,339 |
| 2. Mrs. Irene Hamadu | 5,329,765 | 5,329,765 |
| 3. Prof. Kaletapwa Farauta | 2,681,206 | 2,681,206 |
| 4. Mrs. Marlyn Babayi | NIL | NIL |
| 5. Mr. Titus Solomon | NIL | NIL |
| 6. Chief Ezekiel, Namanzangon | Nil | Nil |
| 7. Mrs. Grace A. M. Karka | 751,262 | 751,262 |

DIRECTORS REPORT

ENDED DECEMBER 31, 2020



None of the Directors has notified the company for the purpose of Section 277 of the Companies and Allied Matters Act, of any disclosable interest in contract with the Bank was involved in as at December 31, 2020.

CHANGE OF STATUS

The company started the business of community banking from the date of incorporation. In September 2007, it was given final license to operate as microfinance bank, having fulfilled the conditions prescribed for such operation by the Central Bank of Nigeria. Hence the change of name from Numan Community Bank Limited to Bonghe Microfinance Bank Nigeria Limited.

| Range | No. of Shareholders | Percentage Shareholders | No. of Holdings | Percentage of Holdings (%) |
|-------------------------|---------------------|-------------------------|---------------------------|----------------------------|
| 1 - 10,000 | 47 | 13.1 | 190,699 | 0.08 |
| 10,001 – 20,000 | 42 | 11.7 | 475,724 | 0.21 |
| 20,001 - 50,000 | 44 | 12.2 | 956,892 | 0.43 |
| 50,001 – 100,000 | 68 | 18.9 | 6,457,400 | 2.88 |
| 100,001- 500,000 | 110 | 30.5 | 20,002,316 | 8.92 |
| 500,001 – 1,000,000 | 14 | 3.9 | 7,972,809 | 3.55 |
| 1,000,001 – 2,000,000 | 8 | 2.2 | 10,262,725 | 4.57 |
| 2,000,001- 5,000,000 | 16 | 4.4 | 53,569,507 | 23.88 |
| 5,000,001-10,000,000 | 5 | 1.4 | 29,543,058 | 13.17 |
| 10,000,001-20,000,000 | 4 | 1.1 | 44,134,447 | 19.67 |
| 20,000,001-25,000,000 | 1 | 0.3 | 20,533,339 | 9.15 |
| 25,000,001 – 35,000,000 | <u>1</u> | <u>0.3</u> | <u>30,258,446</u> | <u>13.49</u> |
| | <u>360</u> | <u>100</u> | <u>224,357,362</u> | <u>100</u> |

DIRECTORS REPORT

ENDED DECEMBER 31, 2020



SUBSTANTIAL INTEREST IN SHARES

The Ordinary Share Capital of the bank as at December 31, 2020 were held as follows;

| | 2020 | % |
|-----------------------|-------------|-------|
| Individuals | 215,538,946 | 96.07 |
| Company /Associations | 8,818,416 | 3.93 |
| TOTAL SHARES | 224,357,362 | 100 |

AUDITORS

The Auditors Messers Giwa – Osagie, DFK & Co. (Chartered Accountants) having indicated their willingness will continue in office in accordance with Part xi Section 357(2) of the Companies and Allied Matters Act 1990.

BY ORDER OF THE BOARD

CHAIRMAN

YOLA, NIGERI A
27TH MARCH, 2021

AUDITOR'S REPORT



We have examined the Financial Statement set out on pages 9 to 21 which have been prepared on the basis of the accounting policies set out on pages (7) and (8).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for the preparation of the Financial Statements. It is our responsibility to form an independent opinion based on our audit on those statements and to report our opinion to you.

Proper books of accounts have been kept in accordance with generally accepted accounting conventions.

We have examined the books and all information and explanations which we considered necessary for the purpose of the audit.

BASIS OF OPINION

The financial statements, which are in agreement with the books, comply with the requirements of the Banks and Other Financial Institutions Act 1991, and the Companies and Allied Matters Act 1990.

To the best of our knowledge and belief, the Bank comply with the relevant circulars and guidelines issued by the Central Bank of Nigeria and various Accounting Standards in use during the year ended December 31, 2020.

OPINION

In our opinion, and based on the information and explanations given to us, the Financial Statements give a true and fair view of the State of the Bank's Financial Affairs as at December 31, 2020 and of the Profit and Cash Flow Statement for the year ended on that date.

Gura Osagie, DRC Co
YOLA, NIGERIA
27TH MARCH, 2021



STATEMENT OF ACCOUNTING POLICIES



ACCOUNTING POLICIES

1. Basis of Accounting

The Accounts have been prepared on the basis of historical cost convention.

2. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

3. Depreciation

Depreciation are calculated using the straight line method of depreciation.

The rates used are:-

| | |
|-----------------------------|-----|
| Furniture & Fittings | 20% |
| Office Equipment | 20% |
| Plant and Machinery | 25% |
| Motor Vehicle | 20% |
| Leasehold Land and Building | 2% |
| Freehold Land | Nil |
| Safe | 5% |

4. Loans and Advances

Loans and advances are stated net of provision for doubtful and lost debts. The provisions are determined from specific assessment of each customer's account and specific provisions are made against bad and doubtful debts in accordance with the prudential guideline for each non-performing account rated as follows:

| | | | | |
|------|--------------------|------------------|---|------|
| i. | 0 day | - performing | - | 1% |
| ii. | 1-30 days | - pass and watch | - | 5% |
| iii. | 31-60 days | - substandard | - | 20% |
| iv. | 61-90 days | - Doubtful | - | 50% |
| v. | 91 – and more days | – loss | - | 100% |

5. INCOME RECOGNITION

(a) Interest income is recognized on accrual basis. Interest overdue for more than 90 days is suspended and recognized on cash basis only.

(b) Credit related for income is deferred and amortized over the life of the related credit risk, where it constitutes at least 10% of the projected annual yield of the related facility.

(c) Non-credit related fee income is recognized as the services or the related transactions are affected.

6. PROVISION FOR BAD AND DOUBTFULL DEBTS

Provision for Bad and Doubtful Debts on the outstanding Loans and Advances of the Bank has been computed based on the prevailing Central Bank of Nigeria Prudential Guidelines.

7. Stocks

Stocks are valued at cost or net realizable value

8. INVESTMENT

Investments are value at cost or net realizable value.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020



| | NOTES | 2020 N | 2019 N |
|--|-------|--------------------------|--------------------------|
| INCOME | | | |
| Interest Income | 15a | 90,558,340 | 69,697,719 |
| Interest Paid | 16 | <u>-2,015,470</u> | <u>-1,490,949</u> |
| Net interest Income | | 88,542,870 | 68,206,770 |
| Other Income | 15b | <u>162,734,738</u> | <u>212,980,664</u> |
| Net Earnings | | <u>251,677,608</u> | <u>281,187,434</u> |
| ADMINISTRATIVE EXPENSES | | | |
| Overheads | 17 | 72,727,302 | 145,726,784 |
| Depreciation | 5 | <u>8,406,993</u> | <u>4,210,764</u> |
| | | -81,134,295 | -149,937,548 |
| Prov. For Bad/Doubtful Accounts | 2c | -92,742,601 | -10,506,218 |
| Prov. For Bad/Doubtful as per NDIC Examiners | | - | <u>-82,236,383</u> |
| Comprehensive Income | | 77,800,712 | 38,507,285 |
| Taxation Prov. | 9a | <u>-37,718,014</u> | <u>-4,186,480</u> |
| Total Comprehensive Income | | <u>40,082,698</u> | <u>34,320,805</u> |
| APPROPRIATION | | | |
| Transfer to Statutory Reserve | 13 | 10,020,675 | 8,580,201 |
| Retained Earnings | 14 | <u>30,062,023</u> | <u>25,740,604</u> |
| | | <u>40,082,698</u> | <u>34,320,805</u> |


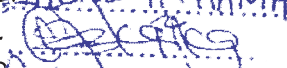
The notes on pages 11 to 16 form part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020



| | NOTES | 2020 N | 2019 N |
|---|-------|--------------------|--------------------|
| ASSET EMPLOYED | | | |
| Current Assets: | | | |
| Cash and Cash Equivalent | 1 | 142,644,614 | 193,418,211 |
| Loans and Advances | 2 | 646,417,980 | 446,320,601 |
| Other Receivables | 3 | 44,485,062 | 22,277,094 |
| | | 833,547,656 | 662,015,906 |
| Non-Current Assets: | | | |
| Investments | 4 | 8,500,000 | 7,000,000 |
| Property, Plant and Equipments | 5 | 56,581,352 | 63,865,647 |
| | | 65,081,352 | 70,865,647 |
| TOTAL ASSETS | | 898,629,008 | 732,881,553 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Deposits and Other Accounts | 6 | 189,033,003 | 131,410,977 |
| Other Payables | 7 | 119,010,650 | 90,399,499 |
| Dividend | 8 | 86,143 | 375,677 |
| Taxation | 9 | 83,392,443 | 45,674,429 |
| | | 391,522,239 | 267,860,582 |
| NON-CURRENT LIABILITIES | | | |
| Deposits for Shares | 10 | 3,187,000 | 1,183,900 |
| | | 3,187,000 | 1,183,900 |
| TOTAL LIABILITIES | | 394,709,239 | 269,044,482 |
| EQUITY | | | |
| Share Capital | 11 | 224,357,362 | 224,357,362 |
| Bonus Shares | 12 | - | - |
| Statutory Reserve | 13 | 217,232,875 | 207,212,200 |
| Retained Earnings | 14 | 62,329,532 | 32,267,509 |
| Total Equity | | 503,919,769 | 463,837,071 |
| TOTAL LIABILITIES AND EQUITY | | 898,629,008 | 732,881,553 |
| Contingent liabilities and other obligations on behalf of customers and customers liabilities thereof | | | |
| | | NIL | NIL |

Sign 
Name IRENE H. HAMADA
Sign 
Name A. A. Kozka

} DIRECTORS

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2020



| | 2020 N | 2019 N |
|---|---------------------------|---------------------------|
| <u>CASH FLOW FROM OPERATING ACTIVITIES</u> | | |
| Interest & Commission Received | 253,693,078 | 282,678,383 |
| Interest Expenses | -2,015,470 | -1,490,949 |
| Operating Expenses | -72,727,302 | -145,726,784 |
| Provision for Loan Losses | 92,742,601 | 92,742,601 |
| Prov for Depreciation | 8,406,993 | 4,210,764 |
| Prov. For Tax | <u>37,718,014</u> | <u>30,287,154</u> |
| | <u>284,086,896</u> | <u>262,701,169</u> |
| <u>CHANGES IN CURRENT ASSETS AND LIABILITIES</u> | | |
| Loans and Advances | -200,097,379 | -85,860,288 |
| Other Receivable | -22,207,968 | -8,886,138 |
| Deposit | -57,622,026 | 5,786,684 |
| Other Liabilities | <u>-22,300,298</u> | <u>-57,125,364</u> |
| Net Cash Flow From Operating Activities | <u>-51,871,793</u> | <u>116,616,063</u> |
| <u>CASH FLOW FROM INVESTING ACTIVITIES</u> | | |
| Procurement of Non - Current Assets | -1,122,700 | -18,183,150 |
| Loss on Disposal of Non-Current Asset | - | - |
| Investment | <u>1,500,000</u> | <u>-</u> |
| Net cash Flow From Investing Activities | <u>1,387,730</u> | <u>-18,183,150</u> |
| <u>CASH FLOW FROM FINANCING ACTIVITIES</u> | | |
| Increase in Share Capital | - | - |
| Deposit for Shares | - | 601,900 |
| Dividend Paid | <u>-289,534</u> | <u>-</u> |
| Net Cash Flow Financing activities | <u>-289,534</u> | <u>601,900</u> |
| Net Increase in Cash & Cash Equivalent | -50,773,597 | 99,034,813 |
| Opening Cash and Cash Equivalent | <u>193,418,211</u> | <u>292,453,024</u> |
| Closing Cash and Cash Equivalent | <u>142,644,614</u> | <u>193,418,211</u> |

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2020



| | 2020 N | 2019 N |
|---|---------------------------|---------------------------|
| 1 CASH AND CASH EQUIVALENT | | |
| (a) Cash | 24,116,952 | 18,476,352 |
| (b) Balances with other Banks: | | |
| Sterling Bank Plc | 30,000,000 | 30,000,000 |
| Eco Bank Plc, Savannah A/c No. 5152002958 | 388,771 | - |
| Heritage Bank Plc | 3,851,497 | 499,896 |
| Eco Bank Plc, Yola | 1,793,350 | 1,791,830 |
| Union Bank of Nig Plc, A/c No. 012954200 | 405,929 | 12,725,324 |
| Heritage Bank Plc | - | 50,000,000 |
| Guranty Trust Bank A/c No. 0160431044 | 907,126 | 436,913 |
| First Bank Plc A/c No.2013668857 | 4,634,082 | 2,515,311 |
| Sterling Bank Plc, A/c No.0018262758 | 13,454,937 | 4,744,496 |
| Unity Bank (Fixed Deposit)A/c No.0039150602 | 15,315,591 | 50,000,000 |
| Unity Bank Plc A/c No. 000888132 | - | 1,214,511 |
| Zenith Bank Plc A/c No.1014630892 | 47,776,379 | 20,634,196 |
| Sterling Bank Plc (Fixed Deposit) A/c No.00544114864 | - | 379,382 |
| | <u>142,644,614</u> | <u>193,418,211</u> |
| 2 LOANS AND ADVANCES | | |
| (a) (a) Customers Loan Account | 497,596,788 | 318,720,977 |
| Staff & Directors Loans | 20,505,705 | 12,709,108 |
| Agriculture Loan | 56,666,333 | - |
| SME Loan | 2,982,012 | - |
| Overdrawn Account | 159,659,000 | 75,403,390 |
| Loan CACS | 1,355,869 | - |
| MSME Special Lending | - | 110,174,124 |
| Corporate Credit | - | 21,568,603 |
| ASUSU Loan | 48,357 | 487,000 |
| Back to School | 346,517 | - |
| | <u>739,160,581</u> | <u>539,063,202</u> |
| Provisions for the year | <u>-92,742,601</u> | <u>-92,742,601</u> |
| | <u>646,417,980</u> | <u>446,320,601</u> |
| (b) Maturity Profile of Loans and Advances is as follows: | | |
| under 1 Month | 23,997,956 | 17,501,495 |
| 1 - 3 Months | 36,215,504 | 26,411,305 |
| 3 - 6 Months | 108,476,180 | 79,110,708 |
| 6 - 12 Months | 384,386,276 | 280,329,474 |
| Over 12 Months | 186,084,665 | 135,710,220 |
| | <u>739,160,581</u> | <u>539,063,202</u> |

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2020



| | 2020 N | 2019 N |
|--|--------------------------|--------------------------|
| C Provision for bad and Doubtful debt: | | |
| Principal | | |
| As at January 2020 | 92,742,601 | 196,764,632 |
| Movements during the year | -33,731,018 | -104,022,031 |
| As at December 31, 2019 | <u>59,011,583</u> | <u>92,742,601</u> |
| Profit and Loss Account | | |
| Interest Suspense: | | |
| As at January 2019 | | |
| Movement for the period | 6,862,772 | 5,690,270 |
| As at December 31, 2019 | <u>1,571,855</u> | <u>4,118,415</u> |
| Total As at December 31, 2019 | <u>8,434,627</u> | <u>1,571,855</u> |
| 3 OTHER RECEIVABLES | | |
| Account Receivable | 1,670,186 | - |
| Stationery Inventory | - | 1,055,194 |
| Inventory of Cheque Books | 74,306 | 929,176 |
| Property Insurance Prepaid | 486,780 | 758,971 |
| Inventory of withdrawal Booklets | 7,000 | 125,170 |
| Rent Prepaid (Office) | 1,020,010 | 1,140,010 |
| Other Prepayments | - | 6,384,293 |
| Inventory of SMS | 397,439 | 605,991 |
| Prepaid Expenses Stationeries | - | 2,443,485 |
| Uncleared Effects | 5,106,561 | 8,149,003 |
| Inter - branch Suspense Ganye | 35,045,880 | - |
| Donation & Subscription | - | - |
| Epayment Collection Account | <u>2,180,000</u> | <u>685,801</u> |
| | <u>44,485,062</u> | <u>22,277,094</u> |
| 4 INVESTMENT (Treasury Bills) | | |
| Guarantee Trust Bank | <u>8,500,000</u> | <u>7,000,000</u> |
| | <u>8,500,000</u> | <u>7,000,000</u> |

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2020



| | 2020 | 2019 |
|--|---------------------------|---------------------------|
| | N | N |
| 6(a) DEPOSITS AND OTHER ACCOUNTS | | |
| Demand Deposits | 70,439,470 | 43,983,630 |
| Saving Deposits | 115,153,692 | 87,427,347 |
| Time Deposits | <u>3,439,841</u> | <u>-</u> |
| | <u>189,033,003</u> | <u>131,410,977</u> |
| (b) <u>Maturity Profiles of Deposit Liabilities</u> | | |
| under 1 Month | 16,140,948 | 11,220,780 |
| 1 - 3 Months | 24,613,494 | 17,110,680 |
| 3 - 6 Months | 39,743,281 | 27,628,527 |
| 6 - 12 Months | <u>108,535,280</u> | <u>75,450,990</u> |
| | <u>189,033,003</u> | <u>131,410,977</u> |
| 7 OTHER PAYABLES | | |
| Accrued Audit Fees | 400,000 | 400,000 |
| Sundry Creditors | 2,543,766 | 16,821,503 |
| Uncleared Effects | 6,651,232 | 206,150 |
| Volunteer Trust Funds 2 | - | - |
| Adamawa Dry Season Loan | 60,515,000 | 37,589,963 |
| Quintessential Business Women Deposit | 136,000 | - |
| Customer Collateral Deposit | 12,740,000 | 5,818,000 |
| Asusu Collateral Deposit | 701,500 | 1,029,000 |
| Other Accounts Payable (Staff Allw) | 28,428 | 13,555,394 |
| Stamp Duty | 162,701 | - |
| Interest in suspense | - | 1,503,655 |
| Dividend Payable | 86,143 | 375,834 |
| E-payment Collection A/c | 0 | 13,100,000 |
| Inter - Branch Suspense Numan | <u>35,045,880</u> | <u>-</u> |
| | <u>119,010,650</u> | <u>90,399,499</u> |
| 8 DIVIDEND | | |
| Balance Brought Forward | 375,677 | 155,000 |
| Dividend paid during the year | -289,534 | -4,266,465 |
| Transfer From Retained Earnings (Note 14) | - | <u>4,487,142</u> |
| Balance Carried Forward | <u>86,143</u> | <u>375,677</u> |
| 9 TAXATION | | |
| (a) Per Profit and Loss Account | | |
| Based on Profit for the year (Corporate Tax) | 35,323,138 | 4,186,480 |
| Education Tax per Adjusted Profit | <u>2,354,876</u> | <u>2,124,727</u> |
| | <u>37,718,014</u> | <u>14,484,763</u> |

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2020



| | | | |
|--------------------------------------|--|---------------------------|---------------------------|
| (b) <u>Per Balances Sheet</u> | | <u>2020</u> | <u>2019</u> |
| | Balance @Jan 1 | 45,674,429 | 15,387,275 |
| | Charged for the Year | 37,718,014 | 14,484,763 |
| | Provision over/under | - | - |
| | Payment during the year | - | -1,258,400 |
| | Balance @ 31st Dec. | <u>83,392,443</u> | <u>45,674,429</u> |
| 10 | DEPOSIT FOR SHARE | | |
| | Amount deposited by potential Shareholders | <u>3,187,000</u> | <u>1,183,900</u> |
| 11a | SHARE CAPITAL | | |
| | Authorized | | |
| | Ordinary Shares of N1.00 each | <u>400,000,000</u> | <u>400,000,000</u> |
| b | <u>Issued and Fully Paid</u> | | |
| | Ordinary Shares of N1.00 each b/f | 224,357,362 | 224,357,362 |
| | Additional during the year | - | - |
| | | <u>224,357,362</u> | <u>224,357,362</u> |
| 12 | BONUS ISSUE | | |
| | Balance Brought Forward | - | - |
| | Transfer to Share Capital | - | - |
| | Transfer from Retained Earnings (Note 14) | - | - |
| | Balance Carried Forward | <u>-</u> | <u>-</u> |
| 13 | STATUTORY RESERVES | | |
| | Balance Brought Forward | 207,212,200 | 198,631,999 |
| | Comprehensive Income | 10,020,675 | 8,580,201 |
| | Balance Carried Forward | <u>217,232,875</u> | <u>207,212,200</u> |
| 14 | RETAINED EARNINGS | | |
| | Balance Brought Forward | 32,267,509 | 11,014,047 |
| | Comprehensive Income | 30,062,023 | 25,740,604 |
| | Transfer to Dividend Account (Note 8) | - | -4,487,142 |
| | Balance Carried Forward | <u>62,329,532</u> | <u>32,267,509</u> |
| 15a | REVENUE | | |
| | Interest Income | 5,281,166 | 58,550,718 |
| | Loans and Advances | 83,909,164 | 11,147,001 |
| | Income on Cheque Books | 891,370 | - |
| | Interest on CAC Loan | 476,649 | - |
| | | <u>90,558,348</u> | <u>69,697,719</u> |

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2020



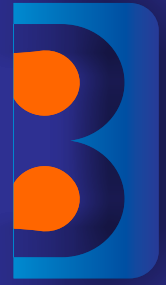
| | <u>2020</u> | <u>2019</u> |
|--|---------------------------|---------------------------|
| 15b OTHER INCOME | | |
| Commissions on Turnover | - | - |
| Management Fees | 106,566,259 | 71,574,187 |
| Recoveries during the year | 34,458,250 | 104,022,031 |
| SMS Charges Received | 1,586,903 | 1,504,470 |
| Sundry Income | 889,057 | 727,062 |
| Commissssions on Others | 9,047,214 | 11,887,570 |
| Investment | 3,630,940 | 17,435,205 |
| Rent Received | 50,000 | - |
| Income from Sales of forms | 2,339,334 | 2,389,032 |
| E-Payment Transaction | 1,706,310 | 1,393,877 |
| Account Maintenance Fees | <u>2,460,471</u> | <u>2,047,230</u> |
| | <u>162,734,738</u> | <u>212,980,664</u> |
| 16 INTEREST EXPENSES | | |
| On Savings Accounts | <u>2,015,470</u> | <u>1,490,949</u> |
| | <u><u>2,015,470</u></u> | <u><u>1,490,949</u></u> |
| 17 ADMINISTRATIVE EXPENSES | | |
| Charges and expenses (App.A) | <u>72,727,302</u> | <u>77,224,502</u> |
| 18 BOARD APPROVAL OF FINANCIAL STATEMENTS | | |
| These financial statements were aproved by the Board of Directors of the Bank on the | | |

APPENDIX TO THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020



BONGHE MICRO-FINANCE BANK NIGERIA LIMITED APPENDIX TO THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020.

| | <u>2020</u> | <u>2019</u> |
|--|--------------------------|---------------------------|
| APPENDIX A - CHARGES AND EXPENSES | | |
| Training and Seminar | - | - |
| Electricity and Water | 1,027,100 | 1,262,800 |
| Audit Expenses | 96,000 | 120,000 |
| Postage and Telephone | 756,015 | 558,300 |
| Transport and Accommodation | 907,660 | 791,760 |
| Security | 889,950 | 512,400 |
| News Papers Periodicals | 4,400 | - |
| Entertainment | 140,260 | - |
| Printing and Stationeries | 5,743,724 | 2,158,926 |
| Staff Remuneration | 34,525,691 | 34,999,611 |
| Repairs and Maintenance | 2,999,850 | 2,751,425 |
| Other Staff Cost | 5,669,272 | 4,246,617 |
| Directors Expenses | 3,705,800 | 9,758,400 |
| Subscription and Donations | 1,819,858 | 1,884,506 |
| Regulatory Bodies | 1,037,820 | 1,177,616 |
| Annual General Meeting Expenses | 500,000 | 365,000 |
| Advert and Publicity | 73,000 | 42,500 |
| Legal Expenses | 2,630,250 | 928,250 |
| Computer Consumables | 812,157 | 1,970,943 |
| Vehicles Running Cost | 932,250 | 821,690 |
| Bank Charges | 2,181,044 | 3,717,058 |
| Diesel and Oil for Gen | 3,057,660 | 3,104,235 |
| Office Rent | 155,000 | 190,000 |
| Repairs and Maintenance Bank Premises | 288,875 | 2,751,425 |
| Audit Fee | 400,000 | 400,000 |
| Miscellaneous Expenses | 638,118 | 372,790 |
| SMS Expenses | 97,925 | 695 |
| Insurance Expenses | 1,611,023 | 1,797,155 |
| DSTV Subscription | - | 175,400 |
| Bad debts written -off | - | 68,502,282 |
| Fueling of motor Cycle | 266,000 | - |
| | <u>72,966,702</u> | <u>145,361,784</u> |



2021

FINANCIAL REPORT

**INLINE WITH
INTERNATIONAL
FINANCIAL
REPORTING
STANDARD
(IFRS-9)**