

HAGGAI MORTGAGE BANK LIMITED
ABRIDGED FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2014

	2014 N	2013 N
ASSETS		
Cash and cash equivalent	2,172,995,228	3,194,867,910
Financial assets measured at fair value through profit or loss	2,722,271	2,722,271
Assets classified as held for sale	8,122,725	49,637,725
Held to maturity financial assets	5,189,948,882	3,658,996,630
Finance lease receivable	10,047,757	179,740,279
Loans and other receivable	3,290,699,651	2,776,906,124
Other assets	33,094,613	13,394,950
Inventories	5,324,348	4,625,732
Intangible assets	30,053,088	26,997,610
Fixed assets	305,110,684	320,766,917
	10,997,719,249	10,228,646,147
LIABILITIES		
Deposits and current Accounts	4,883,106,169	3,983,618,124
Deposit for shares	-	801,000,000
Other liabilities	283,071,019	239,496,074
Income tax payables	95,300,180	38,338,212
Post employment benefit	187,971,105	224,935,896
Deferred tax liabilities	51,472,834	22,658,231
	5,500,921,307	5,010,046,537
	5,496,797,942	5,218,599,610
CAPITAL AND RESERVES		
Share capital	2,116,838,276	2,076,838,276
Share premium	2,633,508,070	2,573,508,070
Statutory reserve	322,031,963	244,258,174
Statutory credit reserve	14,687,793	17,684,584
Retained earnings	409,721,840	306,310,505
	5,496,797,942	5,218,599,610

Richard Olubamero *[Signature]* MD/CEO
FRC No. 12/13/ICAN/0000003236

Bode Osunkoya *[Signature]* Director
FRC No. 12/13/ICAN/0000002374

Adekunle Adedigbe *[Signature]* Chief Financial Officer
FRC No. 12/13/ICAN/0000003219

PROFIT OR LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014 N	2013 N
Gross earnings	1,229,759,532	1,038,119,862
Profit before income tax	512,983,735	412,975,877
Income tax expense	(124,114,783)	(87,194,793)
Other comprehensive income	-	-
Total comprehensive income	388,868,952	325,781,084
APPROPRIATIONS		
Transfer to statutory reserve	77,773,790	65,156,217
Transfer to general reserve	311,095,152	260,624,867
	388,868,952	325,781,084

DIRECTORS
Elder S. M. Okeke (Chairman), Mr. Bode Osunkoya, Chief S. A. Oso, Mr. Obafunmilayo Agusto, Mrs. Abiodun Oyesoro, Mr. Babatunde Fowler, Mr. Richard Olubamero (Managing Director).

REPORT OF THE AUDITORS

TO THE MEMBERS OF HAGGAI MORTGAGE BANK LIMITED

We have audited the financial statements of HAGGAI MORTGAGE BANK LIMITED for the year ended 31st December 2014 which have been prepared under the International Financial Reporting Standard (IFRS).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As contained in the Companies and Allied Matters Act, Cap C20, 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 as at the end of the financial year. It is our responsibility to express an independent opinion, based on our audit, on these financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Nigerian Standard on Auditing and International Standard on Auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 information and explanations, which we considered necessary in order to provide us with sufficient evidence to give a reasonable assurance that the financial statements are free from material misstatements. An analysis of insider related credit as required by the Central Bank of Nigeria is set out on note 35.1 to the full audited financial statements. In forming our opinion, we also evaluated the overall adequacy of the presentation and information in the financial statement and assessed whether the Bank's accounting records had been properly kept.

BANKS AND OTHER FINANCIAL INSTITUTIONS ACT, CAP B3, LFN 2004

The Bank contravened Section 5.1(i) of the Revised Guidelines for Mortgage Banks in Nigeria which states that no Mortgage Bank shall invest less than 75% of its mortgage assets on residential mortgages. The Bank's shareholders' fund was 5.36 while the Adjusted Capital to Net Credit ratio was 1.0.63 which is in contravention to Section 5.1(i) of the same guidelines.

The two contravention stated above do not have penalty. Related party transactions and balances are disclosed in Note 35.1 to the financial statements in accordance with the Central Bank of Nigeria Circular BSD/1/2004.

Compliance with Section 4.3 of the Revised Guidelines for Primary Mortgage Banks in Nigeria 2011.

We report that nothing has come to our attention to indicate that the Bank will not remain in business for at least twelve months from the date of this report.

OPINION

In our opinion, the Bank has kept proper books of accounts and the financial statements are in agreement with the books. The financial statement drawn up in conformity with generally accepted accounting standards in Nigeria, give a true and fair view of the state of affairs of the Bank as at 31st December, 2014 and of the profit and cash flows for the year ended on that date, and have been properly prepared in accordance with the provisions of the Companies and Allied Matters Act, Cap C20, LFN 2004, the Banks and other Financial Institutions Act, Cap B3, LFN 2004, the Financial Reporting Act No. 6, 2011 and relevant circulars issued by the Central Bank of Nigeria.

Abiodun Ariyibi
FRC/2013/ICAN/0000001548

SIAO (Chartered Accountants)
Lagos, Nigeria.

Date: 24th April 2015

