

# SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019



## NIGERIA MORTGAGE REFINANCE COMPANY PLC

### SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present the summary financial information of Nigeria Mortgage Refinance Company Plc ("the Company") for the year ended 31 December 2019. This summary financial information is derived from the full financial statements for the year ended 31 December 2019 and is not the full financial statements of the Company. The full financial statements, from which this summary financial information were derived, will be delivered to the Corporate Affairs Commission within the required deadline. The Company's Independent Auditors issued an unmodified audit opinion on the full financial statements for the year ended 31 December 2019 from which this summary financial information were derived. An electronic copy of the full financial statements can be obtained at [www.nmrc.com.ng](http://www.nmrc.com.ng).

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 N'000	2018 N'000
Interest income	9,610,997	7,079,510
Interest expense	(4,198,011)	(3,177,341)
Net Interest income	5,412,986	3,902,169
Other income	7,093	6,741
Total income	5,420,079	3,908,910
(Impairment)/write back for loans and advances	(127,118)	25,884
Impairment of other receivables	-	(2,500)
(Impairment)/write back of investment securities: - FVOCI	(3,200)	2,407
- amortized cost	(3,397)	(15,021)
Impairment of placements with banks	(7,350)	(3,789)
Personnel expenses	(901,201)	(753,486)
Depreciation and amortization	(172,413)	(177,083)
Other expenses	(1,108,027)	(1,049,826)
<b>Profit before income tax</b>	<b>3,097,373</b>	<b>1,935,496</b>
Income tax expense	(30,818)	(19,163)
Minimum tax	(48,099)	(75,224)
<b>Profit for the year</b>	<b>3,018,456</b>	<b>1,841,109</b>
<b>Other comprehensive income:</b>		
Items that are or may be reclassified to profit or loss		
- Changes in fair values of FVOCI debt instruments	511,545	(89,698)
- Impairment loss/(write back)	3,200	(2,407)
<b>Other comprehensive income, net of income tax</b>	<b>514,745</b>	<b>(92,105)</b>
Total comprehensive income for the year	3,533,201	1,749,004
<b>Profit attributable to:</b>		
Equity holders of the Company	3,018,456	1,841,109
<b>Profit for the year</b>	<b>3,018,456</b>	<b>1,841,109</b>
<b>Total comprehensive profit attributable to:</b>		
Equity holders of the Company	3,533,201	1,749,004
<b>Total comprehensive profit for the year</b>	<b>3,533,201</b>	<b>1,749,004</b>
Earnings per share (Basic and diluted)- kobo	142 k	93 k

#### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	2019 N'000	2018 N'000
<b>ASSETS</b>		
Cash and cash equivalents	5,859,280	5,586,311
Placements with banks	1,494,950	919,133
Mortgage refinance loans	18,339,488	17,024,218
Investment securities		
- FVOCI	5,360,556	6,651,971
- amortized cost	41,149,334	38,381,469
Property and equipment	519,944	545,727
Intangible assets	22,535	40,620
Other assets	121,220	142,433
<b>Total assets</b>	<b>72,867,307</b>	<b>69,291,882</b>
<b>LIABILITIES</b>		
Debt securities issued	17,264,522	17,743,249
Borrowings	37,598,419	37,598,419
Current tax liabilities	78,603	93,858
Other liabilities	1,198,908	662,702
<b>Total Liabilities</b>	<b>56,140,452</b>	<b>56,098,228</b>
<b>EQUITY</b>		
Share capital	2,125,444	2,125,444
Share premium	5,925,232	5,925,232
Retained earnings	5,610,014	3,497,095
Statutory reserves	2,509,635	1,604,098
Statutory credit risk reserve	-	-
Fair value reserve	556,530	41,785
<b>Total equity</b>	<b>16,726,855</b>	<b>13,193,654</b>
<b>Total liabilities and equity</b>	<b>72,867,307</b>	<b>69,291,882</b>

The financial statements were approved by the Board of Directors on 18 March 2020 and signed on its behalf by:

Charles Adeyemi Candide-Johnson (SAN, FCLArb)  
Chairman  
FRC/2017/NBA/00000016108

Kehinde Ogundimu  
Chief Executive Officer  
FRC/2015/ICAN/00000011195

Additionally certified by:

Ifiok Ikpa  
Financial controller  
FRC/2013/ICAN/0000000811

#### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 N'000	2018 N'000
<b>Cash flows from operating activities</b>		
Profit for the year	3,018,456	1,841,109
Tax expense	78,917	94,387
Profit before tax	3,097,373	1,935,496
<b>Adjustments for:</b>		
Interest income	(9,610,997)	(7,079,510)
Interest expense	4,198,011	3,177,341
Depreciation and amortization	172,413	177,083
Loss on disposal of Property and Equipment	2,549	9,191
Impairment loss/(writeback) on mortgage refinance loans	127,118	(25,884)
Impairment loss on other receivables	-	2,500
Impairment loss on investment securities at amortized cost	3,397	15,021
Impairment loss/(writeback) on investment securities at FVOCI	3,200	(2,407)
Impairment loss on placement with banks	7,350	3,789
	(1,999,586)	(1,787,380)
<b>Changes in:</b>		
Mortgage refinance loans	(1,553,408)	(8,887,457)
Placements with banks	(547,389)	(870,798)
Other assets	(21,213)	124,974
Other liabilities	536,206	93,255
	(3,585,390)	(11,327,406)
Interest received	9,789,250	7,691,264
Tax paid	(94,172)	(19,460)
<b>Net cash flows from operating activities</b>	<b>6,109,688</b>	<b>(3,655,601)</b>
<b>Cash flows from investing activities</b>		
Net (purchase)/sale of financial investment	(1,028,888)	(14,214,542)
Acquisition of property and equipment	(131,702)	(378,728)
Acquisition of intangible assets	-	(31,090)
Proceeds from disposal of property and equipment	609	358
<b>Net cash flows used in investing activities</b>	<b>(1,159,981)</b>	<b>(14,624,002)</b>
<b>Cash flows from financing activities</b>		
Interest paid on debt securities issued	(2,568,630)	(2,004,487)
Interest paid on borrowings	(1,589,091)	(1,293,050)
Repayment of debt security issued	(519,017)	(357,172)
Proceeds from borrowings & debt securities issued	-	25,599,840
<b>Net cash flows from financing activities</b>	<b>(4,676,738)</b>	<b>21,945,133</b>
Net increase in cash and cash equivalents	272,969	3,665,529
Cash and cash equivalents, beginning of year	5,586,311	1,920,782
<b>Cash and cash equivalents, end of year</b>	<b>5,859,280</b>	<b>5,586,311</b>

#### INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL INFORMATION

##### Opinion

The summary financial information, which comprise the statement of financial position as at 31 December, 2019, and the statement of profit or loss and other comprehensive income, are derived from the audited financial statements of Nigeria Mortgage Refinance Company Plc for the year ended December 31, 2019.

In our opinion, the accompanying summary financial information are consistent, in all material respects, with the audited financial statements, in accordance with the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Banks and other Financial Institutions Act, Cap B3 LFN 2004.

##### Summary Financial Information

The summary financial information do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, and the Financial Reporting Council of Nigeria Act, 2011, the Banks and other Financial Institutions Act, Cap B3, the Mortgage Refinance Company regulatory and supervisory framework, 2013, and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars. Reading the summary financial information and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

##### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 18 March, 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

##### Directors' Responsibility for the Summary Financial Information

The Directors are responsible for the preparation of the summary financial information in accordance with the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, and the Banks and other Financial Institutions Act, Cap B3, Laws of the Federation of Nigeria 2004.

##### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial information are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with the International Standard on Auditing (ISA) 810, (Revised), *Engagements to Report on Summary Financial Statements*.

##### Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed

Akinyemi J. Ashade, FCA  
FRC/2013/ICAN/00000000786

For: KPMG Professional Services  
18 March 2020  
Lagos, Nigeria

