



CHAIRMAN'S STATEMENT

It gives me great pleasure to welcome you all to the 3rd Annual General Meeting of our Bank (First Lowland Microfinance Bank) and to report on the significant progress made during 2011.

In this our third year of operation we have been able to establish in the minds of our target customers our undeniable presence as a friendly and people oriented financial institution providing basic financial service especially to the highly marginalized and indeed to all who are desirous of handy and home based banking services.

SOCIO- ECONOMIC ENVIRONMENT

2011 was a tumultuous year, starting with the insecurity situation created by the late president Yar'adua's hospitalization and subsequent death to the post election riots. While the Boko Haram bombings only compounded the perennial Plateau ethno-religious conflicts. All these in no small measure impacted negatively on the economic climate of the state in particular. While we were not completely immune from these happenings, mercifully, the Southern Zone has been relatively peaceful and business continued to forge ahead against all odds.

FINANCIAL RESULTS

Against the volatile back ground First Lowland MFB recorded impressive growth figures in 2011. Total assets were N97.2Million, an increase of 17% over that of 2010. This was driven by a 12.5% increase in customer deposits to N42.4million and 53% increase in customer loans to N73.4m. Our performance was consistently strong across all financial indicators.

Revenues grew by 61.5% from N24.4million to N39.4million far outpacing increase in operating expense that rose from N15.3million to N21.2million or by 38.6%.

This contributed to a 222.6% rise in profit before tax for year 2011 to N7.7million on the basis for which we are proposing a dividend payment of 7k per share.

Our result at a glance shows:

	2011	2010
	<u>N'000</u>	<u>N'000</u>
Gross Earnings	39,441	24,379
Profit Before Tax (PBT)	7,679	2,380
Taxation (Provision)	1,285	868
Statutory Reserves	5,601	2,404
General Reserve	2,844	2,403
Proposed Dividend (7k per Share)	2,756	---

BOARD CHANGES

At the beginning of the 2012 year, one of our committed Directors Mr Bernard B. Poyi tendered his resignation from the Board to enable him attend to some other equally important commitments. The Board has since accepted his resignation and has nominated Mr Miri Selkap (ex-UBA Plc.) in line with Central Bank of Nigeria guidelines that stipulates at least 2 Board members must be ex-bankers. The share holders will be expected to ratify his appointment at the AGM.

RIGHTS ISSUE AND SALE OF SHARES

As adopted at the last AGM, a Rights Issue of 1 ordinary share for every 1 held at N1.2 each is currently on-going as well as Offer for Subscription of 41,157,200 ordinary shares at N1.50 each.

Existing shareholders are urged to pick up their rights while new subscribers have an opportunity to join this young and upcoming company.

LOOKING FORWARD

We are glad to report that we are delivering on our promises not only in terms of profitability and dividend payment but also on social responsibility. Currently approval has been given to commence a youth football competition covering all the wards in Langtang South. By this we hope to identify and encourage young talents in the locality to aspire for greater achievements and to reduce youth restiveness.

Looking forward, therefore, we hope to keep building on this by identifying other areas of need that we can meet within our resources.

On branch expansion, as soon as the sale of shares is over and necessary approvals obtained from the regulatory authorities we shall commence the opening of branches in Langtang North, Pilgani, Kadarko, Shendam, Yelwa, Tunkus and of course a befitting corporate office in Jos.

APPRECIATION

I want to thank the staff of First Lowland MFB for their dedication and hard work. Same go to all our loyal customers, suppliers and partners for their continued confidence and support.

Finally, we acknowledge and hereby show appreciation to our share holders for your continued belief in what we are building. The payment of dividends today is proof that you made a wise investment. I am confident that the future is brighter for all First Lowland MFB stakeholders.

Thank you all and God bless.

Air Marshal Jonah D. Wuyep, DFS, CFR.
Chairman, Board of Directors