

CORONATION MERCHANT BANK LIMITED

AUDITED REPORTS FOR THE YEAR ENDED DECEMBER 31, 2023

The Board of Directors of Coronation Merchant Bank announces the Bank's audited results for the year ended December 31, 2023

**CORONATION MERCHANT BANK LIMITED
STATEMENT OF FINANCIAL POSITION**

	31 Dec 2023 N'000	31 Dec 2022 N'000
Assets		
Cash and balances with banks	104,014,572	38,385,132
Due from financial institutions	36,675,560	6,255,393
Non pledged trading assets	9,846,668	8,909,633
Derivative financial assets	11,584,604	1,320,540
Investment securities	99,934,029	149,501,685
Pledged assets	7,839,254	21,640,509
Loans and advances to customers	166,230,881	186,105,656
Other assets	75,980,760	107,637,125
Right of use assets	228,545	250,808
Intangible assets	1,347,587	1,589,047
Property and equipment	6,970,099	6,709,812
Deferred tax assets	3,810,358	4,310,358
Total Assets	524,462,917	532,615,698
Liabilities		
Due to financial institutions	181,654,159	105,959,982
Due to customers	181,694,003	211,726,915
Non pledged trading liabilities	5,051,834	11,074,950
Commercial paper liabilities	-	8,257,130
Subordinated liabilities	24,991,944	24,918,279
Other borrowings	-	9,037,329
Derivative financial liabilities	1,285,368	980,424
Current tax liabilities	427,662	286,434
Other liabilities	92,024,240	128,386,776
Total liabilities	487,129,210	500,628,219
Equity		
Share capital	7,468,925	5,101,052
Share premium	9,827,323	3,812,925
Retained earnings	8,629,774	6,378,807
Statutory reserve	9,063,139	8,665,909
Fair value reserve	(1,908,371)	3,775,869
Regulatory risk reserve	4,252,917	4,252,917
Total equity	37,333,707	31,987,479
Total equity and liabilities	524,462,917	532,615,698

The financial statements were approved by the board of directors on 26 March 2024. Signed on behalf of the Directors by:


Babatunde Folawiyi
CHAIRMAN
FRC/2014/NBA/00000006371


Banjo Adegbohunge
MANAGING DIRECTOR/CEO
FRC/2019/CIBN/0000019814

Additional certification by:


Arini Awotunde
CHIEF FINANCIAL OFFICER
FRC/2024/PRO/ICAN/001/954678

**CORONATION MERCHANT BANK LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	31 Dec 2023 N'000	31 Dec 2022 N'000
Interest income	40,397,423	33,531,351
Interest expense	(47,208,207)	(37,963,641)
Net interest income	(6,810,784)	(4,432,290)
Impairment writeback/(charge) on financial instruments	(1,668,400)	164,369
Net interest income after impairment charges	(8,479,184)	(4,267,921)
Fee and commission income	11,663,559	2,588,953
Net income from other financial instruments at FVTPL	10,833,993	1,056,225
Net trading income	(2,118,759)	234,785
Other operating income	803,325	510,513
Personnel expenses	(2,289,424)	(2,147,849)
Other operating expenses	(6,936,067)	(6,256,621)
Profit before tax	3,477,443	(8,281,915)
Taxation	(829,246)	(509,328)
Profit for the year	2,648,197	(8,791,243)
Other comprehensive income (OCI) net of income tax:		
<i>Items that will not be subsequently reclassified to the income statement:</i>		
- Fair value changes on equity investments during the year	(4,299,350)	258,042
<i>Items that may be subsequently reclassified to the income statement:</i>		
- Fair value changes on debt investments during the year	(1,384,890)	1,117,448
Other comprehensive loss, net of related tax effects	(5,684,240)	1,375,490
Total comprehensive loss for the year	(3,036,043)	(7,415,753)
Earnings per share attributable to ordinary shareholders		
-continuing operations	51.59	-173
Basic/Diluted earnings / (loss) per share (in Kobo)		

OTHER SUPPLEMENTARY INFORMATION

- i. In line with Central Bank of Nigeria (CBN) circular referenced FPR/DIR/CIR/GEN/01/020, the Bank received, processed and resolved 49 (2022: 42) customer complaints during the year.
ii. The Bank paid N22,894,226.43 penalty in 2023 (2022: nil), N20.0m penalty was paid to the Central Bank of Nigeria (CBN) in respect of FX sale to an authorised dealer without a prior approval from the CBN, N1.0 million was paid to Security and Exchange Commission (SEC) for violating the Commission's Rule 323 (17) and N1.8 million to Financial Markets Dealers Quotation (FMDQ) due to inability to settle fixed income trade at the agreed settlement date.

BOARD OF DIRECTORS:
Babatunde Folawiyi - Chairman
Banjo Adegbohunge - Managing Director/CEO
Paul Abiagam - Deputy Managing Director
Funke Feyisitan Ladimeji - Executive Director/COO

Mr. Larry Ettah
Ms. Evelyn Oputu
Mr. Adamu Atta

Mr. Idaere Ogan
Ms. Olubunmi Fayokun
Mr. Olukayode Akindele
Mr. Olayinka Tiamiyu

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Coronation Merchant Bank Ltd.

Report on the Summary Financial Information**Opinion**

The summary financial information, which comprise:

- the statement of financial position as at 31 December, 2023;
- the statement of profit or loss and other comprehensive income; are derived from the audited financial statements of Coronation Merchant Bank Ltd for the year ended December 31, 2023.

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 (CAMA), 2020 and the Banks and other Financial Institutions Act (BOFIA), 2020.

Summary Financial Information

The summary financial information do not contain all the disclosures required by the IFS Accounting Standards as issued by the International Accounting Standards Board, the Companies and Allied Matters Act (CAMA), 2020 (and) the Financial Reporting Council of Nigeria Amendment Act, 2023 and the Banks and Other Financial Institutions Act (BOFIA), 2020 and other relevant Central Bank of Nigeria 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 7 May 2024. 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 (CAMA), 2020, and the Banks and Other Financial Institutions Act, 2020.

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 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 5 of the Companies and Allied Matters Act (CAMA), 2020.

i. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.

ii. In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books.

iii. The Bank's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account (and returns).

Compliance with Section 26(3) of the Banks and the other Financial Institutions Act, 2020 and Central Bank of Nigeria circular BSD/1/2004

i. The Bank paid penalties in respect of contravention of the banking regulation during the year ended 31 December 2023. Details of penalties paid are disclosed in note 40 to the audited financial statements.

ii. Related party transactions and balances are disclosed in note 37 to the audited financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Signed: 

Nneka Eluma, FCA
FRC/2013/ICAN/0000000785
For: KPMG Professional Services
Chartered Accountants
7 May 2024
Lagos, Nigeria


