

Coronation Merchant Bank Group records 46% growth in Non-Interest Earnings for 2018 FY

...declares PBT of N5.3bn

Lagos, Nigeria

Coronation Merchant Bank Limited ('CORONATION MB'); Africa's leading financial institution, announced its 2018 Full Year Results to stakeholders during its Annual General Meeting in which the Bank posted a Profit Before Tax of N5.3billion.

Speaking at the AGM, Abu Jimoh, Group Managing Director/CEO of Coronation Merchant Bank Limited said that *"despite a difficult operating environment, our company stayed the course, recording modest growth across most financial indices. The growth we recorded in our profitability and capital position is a testament to the strength of our business model and the commitment of our people. When we look at where we stand today, our company is stronger, simpler, and better positioned to deliver long-term value to our shareholders, thanks to the straightforward way in which we serve our customers and clients. As a platform for improving lives, our aim is to be where the growth is, enabling businesses thrive, economies grow, and ultimately, helping organizations fulfil their hopes and realise their ambitions."*

The Group maximized opportunities in its core business to deliver stable and sustainable revenue growing the topline revenue by 10% compared to 2017. Profit Before Tax increased from N5.1bn in 2017 to N5.3bn while Total Assets grew by 63% from N136bn in 2017 to N223bn.

Earning assets grew significantly by 70% y/y to cushion the huge gap from reduced market-driven decline in yield. This resulted to a slight decline in net interest income by 5% to achieve N7.6bn (2017: N8.0bn). There was increase in foreign exchange and fixed income trading volumes, loan disbursement, e-channel transactions which saw the bank's non-interest income increase by 46% y/y to achieve N4.1bn (2017: N2.8bn). The impact of the adoption of IFRS 9 increased the bank's cost of risk marginally from 0% to 0.03% with all its risk assets in the stage 1 classification according to IFRS 9 classification.

Commenting further on the results, Abu Jimoh stated *"As a Group, we have continued to expand our sector reach and meet our customers' financing needs by offering products tailor made to their varied needs. In 2018, we deliberately increased our exposures to high quality obligors in Agriculture, Manufacturing and Oil & Gas sectors who fall within our risk acceptance criteria. The quality and efficacy of our growth strategy is evidenced by our zero NPL ratios"*

which we have maintained for the third year running. In addition to this, during the period under review, our dollar asset base grew by over 100% driven largely by self-liquidating trade finance transactions that are well managed, in line with our risk management framework.

Furthermore, the Bank's commercial paper product which was launched in the course of the year enabled us grow our Customer Deposit by over 65% from N76bn in 2017 to N126bn in 2018. The positive results recorded by our commercial paper is an attestation of Bank's strength in the capital market and a reflection of its growing level of investor confidence."

Financial highlights

Balance Sheet & Income Statement

- Total Assets up 63% to N222.7 billion as at Dec 2018 (December 2017: N136.7bn)
- Loans & Advances to customers up 70% to N54.8billion as at Dec 2018 (December 2017: N32.3b)
- Customer Deposits up 43% to N126.2billion as at Dec 2018 (December 2017: N76.4bn)
- Profit Before Tax of N5.3billion (December 2017: N5.1bn)
- Shareholders' Funds increased to N31.5bn as at December 2018 (December 2017: 29.5 bn)

Key Ratios

- Capital Adequacy Ratio: 19.7% as at Dec 2018 (December 2017: 24.8%)
- Loan to Deposit Ratio: 43.4% as at Dec 2018 (December 2017: 42.2%)
- NPL Ratio: 0% as at Dec 2018 (December 2017: 0%)
- Cost to Income ratio of 53.5% as at Dec 2018 (December 2017: 52.6%)
- Net Interest Margin: 5.09% as at Dec 2018 (December 2017: 7.7%)
- EPS: 90.62 kobo (December 2017: 94.09 kobo)
- DPS: 33 kobo (December 2017: 30k)
- Return on Equity 15.01% as at Dec 2018 (December 2017: 17.17%)

ABOUT CORONATION MERCHANT BANK GROUP

Coronation Merchant Bank Group is a leading African financial institution with business outlays spanning across Investment & Corporate Banking, Global Markets/Treasury Services, Securities Trading/Brokerage, Asset Management and Trustee Services.

Since its inception in 2015, the group has been at the heart of economic growth, connecting customers to opportunities through its wide range of distribution channels and robust digital services. Coronation MB Group applies its extensive knowledge of the sub-Saharan region, backed by its in-house research capabilities to provide solutions to the most complex financial problems.

The Groups operation style, staff conduct and service delivery models are built on 4 core principles; Leadership, Integrity, Innovation, Teamwork, Excellence & Developing People. These principles inform its value proposition and social pact with its clients and stakeholders.

Driven by its vision of becoming Africa's premier investment Bank, the group has been the recipient of numerous International and National awards for product innovation and sound corporate governance practices. Some of the international awards it received in 2018 include Best Investment Bank in Nigeria by World Finance, Fastest Growing Investment Bank by Global Banking & Finance Review, Best Investment Bank by Global Business Outlook and Best Investment Bank in Nigeria by BAFI Awards .