

AUDITED REPORTS FOR THE YEAR ENDED DECEMBER 31, 2018

The Board of Directors of Coronation Merchant Bank is pleased to announce the Group's audited results for the year ended December 31, 2018

CORONATION MERCHANT BANK LIMITED
CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL
POSITION

	GROUP 31 Dec. 2018 N'000	GROUP 31 Dec. 2017 N'000	BANK 31 Dec. 2018 N'000	BANK 31 Dec. 2017 N'000
Assets				
Cash and balances with banks	3,537,509	8,264,667	3,211,035	8,188,002
Due from financial institutions	37,035,896	29,509,041	36,914,556	29,509,041
Non pledged trading assets	8,101,708	1,137,667	8,101,708	1,137,667
Derivative financial assets	1,388,676	116,520	1,388,676	116,520
Investment securities	88,633,134	28,617,585	87,626,086	27,785,678
Pledged assets	10,168,280	18,840,555	10,168,280	18,840,555
Loans and advances to customers	54,762,067	32,254,859	54,312,459	32,239,585
Other assets	7,213,747	6,432,931	7,845,696	6,415,957
Investment in subsidiaries	-	-	4,614,711	4,614,711
Investment properties	1,903,592	1,657,107	-	-
Intangible assets	1,323,531	1,237,513	622,503	544,749
Property and equipment	3,591,631	3,430,111	2,974,252	3,077,084
Deferred tax assets	5,006,660	5,203,887	4,998,887	5,203,887
Total Assets	222,666,431	136,702,443	222,778,849	137,673,436
Liabilities				
Due to financial institutions	12,159,545	11,206,114	12,159,545	11,206,114
Due to customers	126,190,780	76,394,498	126,896,867	77,766,608
Non pledged trading liabilities	8,169,494	-	8,169,494	-
Commercial paper liabilities	18,053,345	-	18,053,345	-
Derivative financial liabilities	1,373,716	106,457	1,373,716	106,457
Current tax liabilities	545,298	348,484	520,248	266,686
Other liabilities	24,658,400	19,181,664	24,457,369	19,134,419
Deferred tax liabilities	2,577	2,488	-	-
Total liabilities	191,153,155	107,239,705	191,630,584	108,480,284
Equity				
Share capital	5,050,546	5,050,546	5,050,546	5,050,546
Share premium	3,655,348	3,655,348	3,655,348	3,655,348
Statutory reserve	6,844,066	6,171,410	6,844,066	6,171,410
Fair value reserve	(506,647)	501,709	(545,267)	466,220
Regulatory risk reserve	1,403,384	647,767	1,403,384	647,767
Retained earnings	15,066,579	13,435,958	14,740,188	13,201,861
Total equity	31,513,276	29,462,738	31,148,265	29,193,152
Total equity and liabilities	222,666,431	136,702,443	222,778,849	137,673,436

CORONATION MERCHANT BANK LIMITED
CONSOLIDATED AND SEPARATE STATEMENT OF
COMPREHENSIVE INCOME

	GROUP 31 Dec. 2018 N'000	GROUP 31 Dec. 2017 N'000	BANK 31 Dec. 2018 N'000	BANK 31 Dec. 2017 N'000
Interest income at amortised cost	16,610,361	16,299,045	16,352,501	16,309,069
Interest income at FVTOCI	6,783,008	4,658,488	6,673,663	4,470,598
Interest income at FVTPL	1,260,656	1,415,989	1,260,656	1,415,989
Interest expense	(17,077,491)	(14,369,179)	(17,291,460)	(14,633,478)
Net interest income	7,576,534	8,004,343	6,995,360	7,562,178
Net impairment (charge)/ writeback on financial assets	(100,022)	3,662	(85,559)	51,596
Net Interest income after impairment charges	7,476,512	8,008,005	6,909,801	7,613,774
Fee and commission income	2,169,164	1,658,062	1,700,352	1,300,432
Net gains on investment securities	1,664,153	898,266	1,661,263	881,968
Net foreign exchange income	134,366	216,243	129,349	225,931
Other operating income	92,015	10,438	179,616	144,785
Personnel expenses	(1,711,991)	(1,309,259)	(1,433,036)	(1,031,759)
Other operating expenses	(4,516,886)	(4,361,529)	(3,951,598)	(4,202,302)
Profit before tax	5,307,333	5,120,226	5,195,747	4,932,829
Taxation	(730,634)	(368,128)	(711,375)	(314,433)
Profit for the year	4,576,699	4,752,098	4,484,372	4,618,396
Other comprehensive income (OCI) net of income tax:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
<i>Net changes in fair value of FVOCI financial instruments</i>				
• Fair value changes during the year	(1,010,010)	(377,258)	(1,013,107)	(424,592)
• Net loss recycled to profit or loss on disposal of FVOCI instruments	-	(32,227)	-	(32,227)
Other comprehensive loss, net of related tax effects	(1,010,010)	(409,485)	(1,013,107)	(456,819)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,566,689	4,342,613	3,471,265	4,161,577
Earnings per share for profit attributable to equity holders				
Basic (kobo)	91	94	89	91
Diluted (kobo)	91	94	89	91


The statement of financial position, statement of comprehensive income, report of the independent auditor and specific disclosures are published in compliance with the requirements of S.27 of the Banks and Other Financial Institutions Act. The information disclosed have been extracted from the full financial statements of the bank and the group and cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the bank and the group as the full financial statements. Copies of the full financial statements can be obtained from the Bank. In line with Central Bank of Nigeria (CBN) circular referenced FPR/DIR/CIR/GEN/01/020, the Bank received, processed and resolved seven (2017: six) customer complaints during the year. The Bank paid penalty of two hundred and twenty thousand Naira to CBN.

The financial statements were approved by the board of directors on 01 February 2019. Signed on behalf of the directors by:


Additional certification by:



Babatunde Folawiyi
CHAIRMAN
FRC/2014/NBA/0000006371



Abubakar Jimoh
MANAGING DIRECTOR
FRC/2013/ICAN/0000001481



Chukwukadibia Okoye
CHIEF FINANCIAL OFFICER
FRC/2016/ICAN/00000014293

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the members of Coronation Merchant Bank Limited

Report on the summary consolidated and separate financial statements

Opinion

The summary consolidated and separate financial statements (the "summary financial statements"), which comprise the summary consolidated and separate statements of financial position as at 31 December 2018 and the summary consolidated and separate statements of comprehensive income for the year then ended are derived from the audited consolidated and separate financial statements (the "audited financial statements") of Coronation Merchant Bank Limited ("the Bank") and its subsidiary companies (together the "Group") for the year ended 31 December 2018.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements, in accordance with the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, the Banks and Other Financial Institution Act and other relevant Central Bank of Nigeria circulars applied in the preparation of the audited financial statements of the Group and Bank. Therefore, reading the summary financial statements and the auditor's report thereon, 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 08 March, 2019. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting

Council of Nigeria Act.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements 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

In accordance with our full audit report, we confirm that:

- we did not report any exceptions under the sixth schedule of the Companies and Allied Matters Act;
- the Bank has disclosed the information required by the Central Bank of Nigeria circular on insider related credits;
- the Bank paid penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria during the year ended 31 December 2018.



For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria



08 March, 2019

Engagement Partner: Chidi Ojechi
FRC/2017/ICAN/00000015955