

AUDITED REPORTS FOR THE YEAR ENDED DECEMBER 31, 2019

The Board of Directors of Coronation Merchant Bank is pleased to announce the Bank's audited results for the year ended December 31, 2019

CORONATION MERCHANT BANK LIMITED
CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

	BANK 31 Dec. 2019 N'000	BANK 31 Dec. 2018 N'000	GROUP 31 Dec. 2018 N'000
Assets			
Cash and balances with banks	8,956,378	3,211,035	3,537,509
Due from financial institutions	57,473,891	36,914,556	37,035,896
Non pledged trading assets	11,408,065	8,101,708	8,101,708
Derivative financial assets	2,410,142	1,388,676	1,388,676
Investment securities	60,307,880	87,626,086	88,633,134
Pledged assets	16,326,798	10,168,280	10,168,280
Loans and advances to customers	72,683,949	54,312,459	54,762,067
Other assets	10,745,065	7,845,696	7,213,746
Investment in subsidiaries	-	4,614,711	-
Investment properties	-	-	1,903,592
Intangible assets	76,861	-	-
Right of use assets	706,412	622,503	1,323,531
Property and equipment	6,472,233	2,974,252	3,591,631
Deferred tax assets	5,777,715	4,998,887	5,006,661
Asset classified as held for sale	5,000	-	-
Total Assets	253,350,389	222,778,849	222,666,431
Liabilities			
Due to financial institutions	25,978,923	12,159,545	12,159,545
Due to customers	138,087,891	126,896,867	126,190,780
Non pledged trading liabilities	523,876	8,169,494	8,169,494
Commercial paper liabilities	12,610,440	18,053,345	18,053,345
Derivative financial liabilities	2,420,349	1,373,716	1,373,716
Current tax liabilities	280,971	520,248	545,298
Other liabilities	38,712,890	24,457,369	24,658,400
Deferred tax liabilities	166,220	-	2,577
Total liabilities	218,781,560	191,630,584	191,153,155
Equity			
Share capital	5,050,546	5,050,546	5,050,546
Share premium	3,655,348	3,655,348	3,655,348
Statutory reserve	7,608,741	6,844,066	6,844,066
Fair value reserve	870,146	(545,267)	(506,647)
Regulatory risk reserve	2,460,504	1,403,384	1,403,384
Retained earnings	14,923,544	14,740,188	15,066,579
Total equity	34,568,829	31,148,265	31,513,276
Total equity and liabilities	253,350,389	222,778,849	222,666,431

CORONATION MERCHANT BANK LIMITED
CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE
INCOME

	BANK 31 Dec. 2019 N'000	BANK 31 Dec. 2018 N'000	GROUP 31 Dec. 2019 N'000	GROUP 31 Dec. 2018 N'000
Interest income at amortised cost	16,496,901	16,352,501	16,496,901	16,352,501
Interest income at FVTOCI	7,117,057	6,673,663	7,117,057	6,673,663
Interest income at FVTPL	1,479,057	1,260,656	1,479,057	1,260,656
Interest expense	(20,664,692)	(17,291,460)	(20,664,692)	(17,291,460)
Net interest income	4,428,323	6,995,360	4,428,323	6,995,360
Net impairment (charge)/ writeback on financial assets	(90,521)	(85,559)	(90,521)	(85,559)
Net Interest income after impairment charges	4,337,802	6,909,801	4,337,802	6,909,801
Fee and commission income	1,351,031	1,700,352	1,351,031	1,700,352
Net gains on investment securities	4,011,964	1,661,263	4,011,964	1,661,263
Net foreign exchange income	314,810	129,349	314,810	129,349
Other operating income	357,995	179,616	357,995	179,616
Personnel expenses	(1,404,905)	(1,433,036)	(1,404,905)	(1,433,036)
Other operating expenses	(3,944,813)	(3,951,598)	(3,944,813)	(3,951,598)
Profit before tax	5,023,884	5,195,747	5,023,884	5,195,747
Taxation	(257,172)	(711,375)	(257,172)	(711,375)
Profit for the year from continuing operations	4,766,712	4,484,372	4,766,712	4,484,372
Discontinued operations:				
Profit from discontinued operations	331,119	-	4,727	92,327
Profit for the year	5,097,831	4,484,372	4,771,439	4,576,699
Other comprehensive income (OCI) net of income tax:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
<i>Items that will not be subsequently reclassified to the income statement:</i>				
• Fair value changes on equity investments	1,239,893	(1,013,107)	1,239,893	(1,010,010)
<i>Items that may be subsequently reclassified to the income statement:</i>				
• Fair value changes on debt investments during the year	175,520	-	136,901	-
Other comprehensive profit / (loss), net of related tax effects	1,415,413	(1,013,107)	1,376,794	(1,010,010)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	6,513,244	3,471,265	6,148,233	3,566,689
Earnings per share for profit attributable to equity holders				
- continuing operations				
Basic (kobo)	94	89	94	89
- discontinued operations				
Diluted (kobo)	7	-	-	2

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 5.27 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 forty-two (2018: fifteen) customer complaints during the year. The Bank paid nil (2018: two hundred and twenty thousand Naira) penalty to CBN.

The financial statements were approved by the board of directors on 17 January 2020. Signed on behalf of the directors by:

Additional certification by:



Babatunde Folawiyi
CHAIRMAN
FRC/2014/NBA/00000006371



Abubakar Jimoh
MANAGING DIRECTOR
FRC/2013/ICAN/00000001481



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

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED AND SEPARATE 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 statements of financial position as at 31 December 2019 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") for the year ended 31 December 2019.

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 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 4 March 2020. 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 did not pay penalties in respect of contraventions of the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria during the year ended 31 December 2019.



For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

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



04 March, 2020