

SUMMARY OF THE AUDITED REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

The Board of Directors of NOVA Merchant Bank is pleased to announce the bank's audited results for the period ended December 31, 2023

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 the Other Financial Institutions Act. The information disclosed have been extracted from the full financial statements of the bank and cannot be expected to provide as full understanding of the financial performance, financial position and financing and investing activities of the bank as the full financial statements. Copies of the financial statements can be obtained from the bank's secretariat. In line with the Central Bank of Nigeria (CBN) Circular referenced FPR/DIR/CIR/GEN/01/020, the bank received, processed and resolved sixteen (16) customers' complaints during the year (2022: 11)

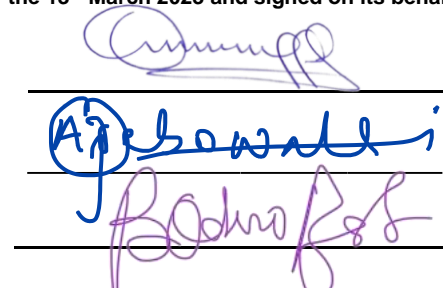
Consolidated & Separate Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023

	Group		Bank	
	December 2023 =N= '000	December 2022 =N= '000	December 2023 =N= '000	December 2022 =N= '000
Interest income calculated using effective interest rate	24,267,970	16,637,890	23,924,590	16,267,809
Interest expense	(22,338,063)	(15,978,065)	(22,110,025)	(15,565,650)
Net interest income	1,929,907	659,825	1,814,565	702,159
Impairment writeback/(charge) for credit losses	(417,609)	(139,345)	(417,609)	(139,345)
Net fee and commission income	1,923,779	1,876,331	1,896,702	1,871,274
Net (losses)/gains on financial instruments at fair value through profit or loss	(31,218)	1,007,124	(33,735)	1,015,864
Net foreign exchange gain	4,673,474	3,766,559	4,673,474	3,766,559
Other income	138,586	53,891	137,381	43,397
Operating expenses	(4,551,801)	(3,886,711)	(4,454,660)	(3,800,577)
Profit before tax	3,665,118	3,337,674	3,616,118	3,459,331
Income tax	(633,319)	(241,120)	(636,876)	(245,493)
Profit for the year	3,031,799	3,096,554	2,979,242	3,213,838
<i>Items that may be subsequently reclassified to the income statement:</i>				
Net changes in fair value of financial assets FVOCI	-	13,393	-	13,393
Other comprehensive (loss)/income, net of related tax effects:	-	13,393	-	13,393
Total comprehensive income for the year	3,031,799	3,109,947	2,979,242	3,227,231
Profit for the year attributable to:				
Owners of Parent	3,027,692	3,098,328	2,979,242	3,213,838
Non-controlling interest	4,107	(1,774)	-	-
Profit for the period	3,031,799	3,096,554	2,979,242	3,213,838
Total comprehensive income attributable to:				
Owners of Parent	3,027,692	3,111,722	2,979,242	3,227,231
Non-controlling interest	4,107	(1,774)	-	-
Total comprehensive income for the year	3,031,799	3,109,947	2,979,242	3,227,231

Consolidated & Separate Statement of Financial Position as at 31 December 2023

	Group		Bank	
	December 2023 =N= '000	December 2022 =N= '000	December 2023 =N= '000	December 2022 =N= '000
Assets				
Balances with banks	65,439,217	81,239,070	65,284,072	79,877,938
Derivative financial assets	-	9,214,855	-	9,214,855
Loans and advances to customers	103,480,431	96,624,796	104,695,462	97,363,297
Pledged assets	7,083,899	44,055,112	7,083,899	44,055,112
Investment securities	60,661,200	14,740,264	59,613,775	14,577,567
Investment in subsidiaries	-	-	431,167	431,167
Other assets	88,478,219	30,931,971	88,856,339	31,317,735
Intangible assets	549,677	933,251	532,536	907,539
Property and equipment	1,407,368	1,453,684	1,384,604	1,450,686
Right-of-use asset	217,280	233,167	217,280	233,167
Deferred tax assets	132,050	454,490	115,939	443,497
Total assets	327,449,341	279,880,660	328,215,073	279,872,559
Liabilities				
Deposits	161,801,662	152,013,035	162,567,469	151,972,464
Due to Banks	15,353,153	26,993,262	15,353,153	26,993,262
Derivative financial liabilities	-	9,160,449	-	9,160,449
Lease liabilities	150,449	129,607	150,449	129,607
Current tax liabilities	329,614	262,270	329,463	262,804
Debt securities issued	10,414,226	10,268,478	10,527,916	10,378,471
Other liabilities	108,198,280	54,283,732	108,167,172	54,235,631
Total liabilities	296,247,384	253,110,833	297,095,622	253,132,688
Equity				
Share capital	16,000,000	16,000,000	16,000,000	16,000,000
Deposit for Share Capital	1,400,335	-	1,400,335	-
Statutory reserve	4,344,129	3,450,356	4,344,129	3,450,356
Retained earnings	7,076,316	5,144,474	7,032,703	5,149,311
Fair value reserve	38,684	38,684	38,684	38,684
Regulatory risk reserve	2,303,598	2,101,521	2,303,598	2,101,521
Total equity attributable to owners of the Parent	31,163,062	26,735,035	31,119,449	26,739,872
Non-controlling interest	38,889	34,792	-	-
Total Equity	31,201,951	26,769,827	31,119,449	26,739,872
Total liabilities and equity	327,449,341	279,880,660	328,215,073	279,872,559

The financial statements were approved and authorized for issue by the Board of Directors on the 13th March 2023 and signed on its behalf by:



Daniel Ajoma - Chief Financial Officer
FRC/2022/PRO/ICAN/001/603169

Adebowale Oyediji - Managing Director
FRC/2024/PRO/DIR/003/450036

Phillips Oduoza - Chairman
FRC/2013/CIBN/00000001955

Report of the independent auditor on the summary consolidated and separate financial statements

To the members of Nova 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 2023 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 **Nova Merchant Bank Limited ("the Bank")** and its subsidiary companies (together the "Group") for the year ended 31 December 2023.

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 22 March 2024. 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'.

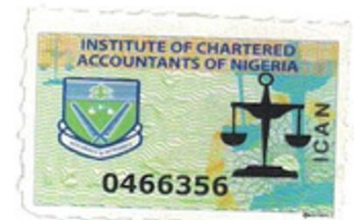
Report on other legal and regulatory requirements

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 the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria during the year ended 31 December 2023.



For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria



Engagement Partner: Chidi Ojechi
FRC/2017/PRO/ICAN/004/00000015955

22 March 2024