

**NOVA****NEW THINKING.
NEW OPPORTUNITIES.****AUDITED REPORTS FOR THE PERIOD ENDED DECEMBER 31, 2020**

The Board of Directors of Nova Merchant Bank is pleased to announce the Bank's audited results for the period ended December 31, 2020.

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 cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the bank as the full financial statements. Copies of the full financial statements can be obtained from the bank's secretariat. In line with Central Bank of Nigeria (CBN) circular referenced FPR/DIR/CIR/GEN/01/020, the bank received, processed and resolved nil customer complaints during the period.

NOVA MERCHANT BANK LIMITED**Statement of Financial Position
AS AT 31 DECEMBER 2020**

	GROUP 31 Dec 2020 N'000	GROUP 31 Dec 2019 N'000	BANK 31 Dec 2020 N'000	BANK 31 Dec 2019 N'000
ASSETS				
Balances with banks	46,983,617	4,861,089	46,822,920	4,861,089
Loans to banks and other financial institutions	4,978	7,035,462	-	7,035,462
Loans and advances to customers	49,971,622	29,285,504	49,971,622	29,285,504
Investment securities	53,430,722	13,550,734	52,822,843	13,549,172
Investment in subsidiaries	-	-	415,000	150,000
Derivative financial assets	3,700,410	1,460,523	3,700,410	1,460,523
Pledged assets	22,071,575	2,497,380	22,071,575	2,497,380
Property and equipment	932,615	1,093,921	931,272	1,092,576
Right-of-use asset	264,940	280,871	264,940	280,871
Intangible assets	701,100	805,795	672,375	777,071
Other assets	3,825,592	2,491,126	4,143,416	2,372,154
Deferred tax assets	445,006	443,497	443,498	443,497
Total assets	182,332,177	63,805,902	182,259,871	63,805,299
LIABILITIES				
Deposits	89,627,443	40,512,882	89,611,830	40,512,940
Due to Banks	21,713,953	-	21,713,953	-
Derivative financial liabilities	3,680,548	1,446,597	3,680,548	1,446,598
Lease liability	96,184	82,825	96,184	82,825
Current tax liabilities	35,356	15,264	34,670	15,264
Other liabilities	34,064,139	2,193,532	34,023,634	2,187,861
Debt securities issued	10,259,852	-	10,333,708	-
Total liabilities	159,477,475	44,251,100	159,494,527	44,245,488
EQUITY				
Share capital	16,000,000	16,000,000	16,000,000	16,000,000
Statutory reserve	2,010,946	993,683	2,010,946	993,683
Retained earnings	3,494,145	1,807,169	3,404,787	1,812,178
Fair value reserve	62,188	247,533	62,188	247,533
Regulatory risk reserve	1,287,423	506,417	1,287,423	506,417
Total equity attributable to owners of the parent	22,816,550	19,554,802	22,765,344	19,559,811
Non-controlling interest	38,152	-	-	-
Total Equity	22,854,702	19,554,802	22,765,344	19,559,811
Total liabilities and equity	182,332,177	63,805,902	182,259,871	63,805,299

The financial statements were approved by the board of directors on 16 March 2021 and signed on their behalf by:

IFEANYI CHUKWUONYE
CHIEF FINANCIAL OFFICER
FRC/2013/ICAN/0000000790

NATH UDE
MANAGING DIRECTOR
FRC/2014/CIBN/0000009331

PHILLIPS ODUZOA
CHAIRMAN
FRC/2013/CIBN/0000001955

NOVA MERCHANT BANK LIMITED**Statement of Comprehensive Income
FOR THE YEAR ENDED 31 DECEMBER 2020**

	GROUP Year Ended 31 Dec 2020 N'000	GROUP Year Ended 31 Dec 2019 N'000	BANK Year Ended 31 Dec 2020 N'000	BANK Year Ended 31 Dec 2019 N'000
Interest income calculated using effective interest rate	9,644,250	4,536,246	9,603,920	4,529,392
Interest income on financial assets at FVTPL	1,761	-	1,761	-
Interest expense	(7,177,219)	(2,329,665)	(7,181,076)	(2,343,268)
Net interest income	2,468,792	2,206,581	2,424,605	2,186,124
Impairment charge for credit losses	(72,696)	(78,766)	(72,696)	(78,766)
Net fee and commission income	336,597	309,611	320,272	267,072
Net gains on financial instruments at fair value through profit or loss	3,013,645	765,117	2,959,026	765,117
Net foreign exchange gain	369,614	246,116	369,614	246,116
Other income	181,968	11,281	5,862	11,281
Operating expenses	(2,778,250)	(1,948,063)	(2,581,382)	(1,880,059)
Profit before tax	3,519,670	1,511,876	3,425,301	1,516,886
Income tax	(34,424)	133,831	(34,424)	133,831
Profit for the year	3,485,246	1,645,707	3,390,877	1,650,717
Items that may be subsequently reclassified to the income statement:				
Net changes in fair value of financial instruments FVOCI	(185,345)	297,664	(185,345)	297,664
Other comprehensive (loss)/income, net of related tax effects:	(185,345)	297,664	(185,345)	297,664
Total comprehensive income for the period	3,299,901	1,943,371	3,205,532	1,948,381
Profit for the period attributable to:				
Owners of Parent	3,483,554	1,645,707	3,390,877	1,650,717
Non-controlling interest	1,692	-	-	-
Profit for the period	3,485,246	1,645,707	3,390,877	1,650,717
Total comprehensive income attributable to:				
Owners of Parent	3,298,209	1,943,371	3,205,532	1,948,381
Non-controlling interest	1,692	-	-	-
Total comprehensive income	3,299,901	1,943,371	3,205,532	1,948,381

**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 2020 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 2020.

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 15 April 2021. 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 2020.

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement partner: Patrick Obianwa
FRC/2013/ICAN/0000000880
Lagos, Nigeria



15 April 2021