ANNUAL REPORT & ACCOUNT 2023

GREENWICH
MERCHANT BANK

Timeless Investment, Timeless Value

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of GREENWICH MERCHANT BANK LIMITED (the "Company"), will hold at Lekki Meeting Room, Radisson Blu Anchorage Hotel No 1a Ozumba Mbadiwe Avenue, Victoria Island, Lagos on Thursday, May 30, 2024, at 11:00 am to transact the following business:

ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the year ended December 31, 2023, together with the report of the Directors and Auditors thereon.
2. To declare a final dividend.
3. To re-elect the following Directors who are retiring by rotation:
    a. Mr. Tony Uponi – Non-Executive Director
    b. Mrs. Vivienne Bamgboye - Non-Executive Director
    c. Mr. Benson Ogundeji - Executive Director
4. To approve the appointment of Mrs. Yemisi Lowo-Adesola who was appointed as an Independent Non-Executive Director by the Board of Directors since the last Annual General Meeting.
5. To authorize the Directors to fix the remuneration of the Auditors.
6. To disclose the remuneration of the Managers of the Bank in line with the provisions of the Companies and Allied Matters Act, 2020.

SPECIAL BUSINESS

To consider, and if thought fit, pass with or without any amendment, the following resolutions as special resolutions of the Company:

7. To approve the remuneration of the Directors of the Bank for the year ending December 31, 2024.

8. That the issued Share Capital of the Company be and is hereby increased from ₦5,415,136,861 (Five Billion, Four Hundred and Fifteen Million, One Hundred and Thirty-Six Thousand, Eight Hundred and Sixty-One Naira) divided into 5,415,136,861 ordinary shares of ₦1.00 each to ₦7,634,527,865 (Seven Billion, Six Hundred and Thirty Four Million, Five Hundred and Twenty Seven Thousand, Eight Hundred and Sixty-Five Naira) divided into 7,634,527,865 ordinary shares of ₦1.00 each through the creation and allotment of up to of 2,219,391,004 (Two Billion, Two Hundred and Nineteen Million, Three Hundred and Ninety One Thousand, Four) units of Ordinary shares of ₦1.00 each ranking pari-passu with the existing ordinary shares of the Company.

9. That the Board of Directors of the Company be and is hereby authorized, subject to obtaining the necessary regulatory approvals, to further increase the share capital of the Company beyond the amount stated in resolution 8, if deemed necessary or expedient to further strengthen the Company's financial position and support its long-term growth objectives.

10. That the Board of Directors of the Company be and is hereby authorized to establish a capital raising programme whether by way of private placement, rights issue, special placing or other methods that the Directors may deem fit, with or without preferential allotments, either locally or internationally, in such currencies at such dates and on such terms and conditions as shall be determined by the Directors, subject to the approval of the Central Bank of Nigeria and any other relevant regulatory authorities".

11. That in the event of a Private Placement, the pre-emptive rights of existing shareholders to subscribe to new shares be and are hereby waived, subject to the approval of the relevant regulatory authorities.

12. That in the event of a Rights Issue, any shares not taken up by existing shareholders within the period stipulated under the Rights issue may be offered for sale to Other interested shareholders of the Bank on such terms and conditions as may be determined by the Directors subject to the approvals of the relevant regulatory authorities.

NOTICE OF ANNUAL GENERAL MEETING

13. That Clause 6 of the Memorandum of Association of the Company be amended consequent upon the above-mentioned increase in share capital to reflect the new issued share capital of the Company.

14. That the Board be and is hereby authorized to do all acts and things and to approve, sign and/or execute all documents, for the allotment of new shares of such amount as it considers expedient subject to any required approval of the Central Bank of Nigeria and any other relevant regulatory authorities.

15. That the Board be and is hereby authorized to appoint such professional parties and advisers, work with any company or group and perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any relevant regulatory authority.

Dated this 7th day of May 2024
BY ORDER OF THE BOARD

YEWANDE AKOMOLEDE
Acting Company Secretary
FRC/2016/NBA/00000014504
Greenwich Merchant Bank Limited
Plot 1698A, Oyin Jolayemi Street
Victoria Island, Lagos.

NOTICE OF ANNUAL GENERAL MEETING

NOTES

1. **Proxy**
A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A form of proxy is attached. All instruments of proxy should be stamped and deposited at the registered office address of the Company not later than 48 hours before the time fixed for the meeting.

2. **Closure of Register of Members**
The Register of Members will be closed from Wednesday, May 8, 2024 to Friday, May 10, 2024 for the purpose of preparing and updating the Register of Members.

3. **Dividend**
The Board of Directors have recommended a dividend of 7 kobo per share, which shall be subject to withholding tax at the appropriate rate, to Shareholders of the Company whose names appear on the Company's Register of Members as at the close of business on Wednesday, May 8, 2024. The Dividend shall be payable on Thursday, May 30, 2024.

4. **Biographical Details of Directors for Re-election/Approval**
The biographical details of the Directors submitted for re-election/approval are contained in the Annual Report.

CORPORATE INFORMATION

Directors

MR. KAYODE FALOWO	CHAIRMAN
MR. BENSON OGUNDEJI	ACTING MANAGING DIRECTOR
MR. TONY UPONI	NON-EXECUTIVE DIRECTOR
DR. OLUTOYIN OKEOWO	NON-EXECUTIVE DIRECTOR
DR. UMAR FARUK	NON-EXECUTIVE DIRECTOR
MS. DAISY EKINEH	INDEPENDENT NON-EXECUTIVE DIRECTOR
MRS. VIVIENNE BAMGBOYE	NON-EXECUTIVE DIRECTOR
MR. ANSELM ORAZULIKE	NON-EXECUTIVE DIRECTOR
MR. SEGUN OLOKETUYI	NON-EXECUTIVE DIRECTOR
MRS. YEMISI LOWO-ADESOLA	INDEPENDENT NON-EXECUTIVE DIRECTOR

Company Secretary	Mrs. Yewande Akomolede Plot 1698A, Oyin Jolayemi Street Victoria Island Lagos
RC. No.	RC189502
TIN No.	00090444-0001
Registered Office	Plot 1698A, Oyin Jolayemi Street Victoria Island Lagos
Auditor	PricewaterhouseCoopers Chartered Accountants Landmark Towers 5B Water Corporation Road Victoria Island Lagos

THE DIRECTORS' REPORT

The Directors present their report on the affairs of Greenwich Merchant Bank Limited ("the Bank"), together with the audited financial statements of the Bank Group for the year ended 31 December 2022.

Legal Form And Principal Activities

Greenwich Merchant Bank was formerly known as Greenwich Trust Limited (GTL), a foremost financial solutions provider duly registered with the Securities & Exchange Commission (SEC) as an issuing House. The firm was incorporated on 25th February 1992 and commenced operations in June 1994. it evolved into an award-winning market leader in the financial sub-sector of the Nigerian economy and converted into a Merchant Bank following receipt of a merchant banking licence from the Central Bank of Nigeria (CBN) in September 2020.

The Bank Group is comprised of Greenwich Merchant Bank Limited ("the Bank") and its two wholly owned subsidiaries namely Greenwich Securities Limited and Greenwich Asset Management Limited.

The operations of the Bank Group covers Corporate Banking, Private Banking, Investment Banking, Asset & Wealth Management, Treasury & Global Markets and Securities Trading.

Operating Results

The following is a summary of the Bank's operating results:

	Group 2023 N'000	Group 2022 N'000	Bank 2023 N'000	Bank 2022 N'000
Gross earnings	**14,530,442**	**10,849,168**	**11,695,584**	**8,742,761**
Profit before taxation	1,819,136	1,643,375	1,281,249	1,334,486
Income tax (expense)/credit	(158,455)	(54,675)	(32,137)	18,115
Profit after taxation	1,660,681	1,588,700	1,249,112	1,352,601

Directors shareholding

The interests of the Directors in the issued share capital of the Bank are recorded in the register of Director's Shareholding as at 31 December, 2023 as follows:

	31-Dec-23 DIRECT	31-Dec-23 INDIRECT	31-Dec-22 DIRECT	31-Dec-22 INDIRECT
Mr. Kayode Falowo	NIL	2,887,970,030	NIL	2,714,256,291
Mr. Bayo Rotimi	NIL	NIL	NIL	NIL
Mr. Benson Ogundeji	NIL	NIL	NIL	NIL
Mr. Tony Uponi	1,033,770,144	NIL	1,033,770,144	NIL
Mrs Vivienne Ochee Bamgboye	NIL	NIL	NIL	NIL
Mr. Segun Oloketuyi	20,573,624	NIL	20,573,624	NIL
Dr. Olutoyin Okeowo	NIL	74,419,877	NIL	75,396,933
Dr. Umar Faruk	40,060,753	NIL	161,567,436	NIL
Ms. Daisy Ekineh	NIL	NIL	NIL	NIL
Mr. Philip Ikeazor	NIL	NIL	NIL	NIL
Mr. Anselm Orazulike	1,000,000	NIL	1,000,000	NIL
Mrs. Yemisi Lowo-Adesola	NIL	NIL	NIL	NIL

Directors Interests In Contracts

The Directors do not have any interest required to be disclosed under Section 275 of the Companies and Allied Matters Act of Nigeria. In accordance with Section 277 of Companies and Allied Matters Act of Nigeria, none of the Directors have notified the Bank of any declarable interests in contracts with the Bank.

Property, Plant and Equipment

Information relating to changes in property, plant and equipment is disclosed in Notes 28 to the financial statements.

Analysis of Shareholding
The share capital of the Bank as at the year end was held as follows:

Shareholders, Issued and fully paid	Number of holdings Units('000)	Percentage of holders %	Number of holdings Units('000)	Percentage of holders %
	31-Dec-23	**31-Dec-23**	**31-Dec-22**	**31-Dec-22**
Hoakland Ventures Nigeria Limited	2,836,740	52.4%	2,714,256	50.1%
Tony Uponi	1,033,770	19.1%	1,033,770	19.1%
Greenwich Registrars & Data Solutions Limited	687,343	12.7%	772,397	14.3%
Others with shareholdings less than 5%	857,284	15.8%	894,713	16.5%
	5,415,137	100%	5,415,137	100%

In the 2023 financial year, there were no cases of fraud and forgeries detected or reported through any channel including the whistle blowing line. However, there was an attempted fraud which was prevented by the bank's strong internal control system. Accordingly, nil monthly return on fraud and forgeries was rendered to the Central Bank of Nigeria (CBN) during the year ended 31st December 2023 (December 2022 : Nil).

Events after the Reporting Period
Subsequent to 2023 year end, the bank commenced the process of raising additional capital by way of right issues to the existing shareholders.

Group's Strategy Against the Impact of Covid-19

The Group has considered the impact of Covid-19 on its business operations and has put in place appropriate safeguards to minimize negative impact of of Covid-19 pandemic on its business.

The Group continues to make adjustments to the way and manner in which it renders banking and other financial services to its customers in order to cope with the challenges posed by the Covid-19 pandemic. Critical areas of the bank's business and operation which are closely monitored vis-a-vis the threat of posed Covid-19 are:

a. Protection of the bank's cashflow,

b. Protection of the bank's human resources and,

c. Enhancement of the digital & electronic platforms of the bank to facilitate fast and seamless services to its customers.

Protection of the Group's Cashflow

In order to protect the cashflow of the Group and prevent a drop in the Group's earnings, profit and asset quality, the Group has adopted the following strategies:

- Engaging the bank's customers in key sectors of the economy to better understand their current challenges and provide effective and bespoke actions to alleviate their hardships while preserving shareholder's funds.
- Continuous adoption of a complete and integrated approach to risk management that is driven from the Board level to the operational activities of the bank.
- Continuous review of the bank's loan book in order to closely monitor all assets and liabilities classes and ensure that the bank has sufficient liquidity to meet its financial obligations.

THE DIRECTORS' REPORT *cont'd*

Protection of the Group's Human Resources

The Group has put in place measures to protect its employees, customers and other stakeholders of the bank. Some of the measures are:

- Setting a clear direction and communicated this effectively to all staff and other stakeholders in accordance with our Business Continuity Plan (BCP). The Group continues to encourage remote working and electronic self-services for our traditional banking services.

- Constant review and strengthening of the Group's Business Continuity Plan (BCP) to reflect the current and potential impacts of Covid-19 pandemic.

Disclosure of customer complaints in financial statements for the year ended 31 December 2022

DESCRIPTION	NUMBER		AMOUNT CLAIMED N'000		AMOUNT REFUNDED N'000	
	2022	2023	2022	2023	2022	2023
Pending Complaints brought forward	0	0	0	0	0	0
Received Complaints	1	0	100,000	0	100,000	0
Resolved Complaints	1	0	100,000	0	100,000	0
Unresolved complaints carried forward	0	0	0	0	0	0

Employment and Employees

Employment of physically challenged persons

The Group has no physically challenged person in its employment (2022: Nil). However, applications for employment by physically challenged persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Bank continues and that appropriate training is arranged. It is the policy of the Bank that the training, career development and promotion of physically challenged persons should, as far as possible, be identical with that of other employees.

Health, safety and welfare at work

The Group places a high premium on the health, safety and welfare of its employees in the place of work. To this end, the Group has various forms of insurance policies, including workmen's compensation and group life insurance, to adequately secure and protect its employees.

Employee consultation and training

The Group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Group. Employees are consulted regularly on a wide range of matters affecting their current and future interests. The Group regularly organizes on-the-job training for its staff using in-house training facilities complemented, when and where necessary, with other external facilities, training, seminars and workshops.

BY ORDER OF THE BOARD

Y. Ce[illegible]

Yewande Akomolede
Company Secretary
FRC/2016/PRO/NBA/002/00000014504
15 March, 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Companies and Allied Matters Act requires that the Directors prepare the financial statements that present fairly the financial position of the Group as at 31 December 2022, and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS"), and in the manner required by the Companies and Allied Matters Act of Nigeria and the Federal Reporting Council of Nigeria Act, 2011.

The responsibilities include ensuring that the Group:

i) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act;

ii) Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

iii) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with:

- International Financial Reporting Standards;
- Prudential guidelines for Licenced Banks;
- Relevant circulars issued by Central Bank of Nigeria;
- The requirements of the Banks and Other Financial Institutions Act;
- The requirements of the CAMA 2020; and
- The requirements of the Financial Reporting Council of Nigeria Act.

The Directors are of the opinion that the financial statements give a true and fair position of the financial affairs of the Group and of its profit for the year. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

In line with the requirements of the International Accounting Standards (IAS 1.25), we have conducted the going concern assessment of the company as of 31st December 2023.

The positive equity position of ₦28,675,203,142 for the group and ₦26,163,432,672 for the bank as of December 31, 2023, which was 91% above the regulatory minimum capital is a strong indication of a company that will continue as a going concern into the foreseeable future.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Olukayode Akintunde Falowo
(Chairman)
FRC/2014/PRO/DIR/003/00000007051
15 March, 2024

Benson Ogundejii
(Acting Managing Director)
FRC/2021/PRO/DIR/003/00000022660
15 March, 2024

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE AUDITED FINANCIAL STATEMENTS

In accordance with the provision of S.405 of CAMA 2020, we have reviewed the audited financial statements of the Group for the year ended December 31, 2023 and based on our knowledge confirm as follows:

(i) The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.

(ii) The audited financial statements and all other financial information included in the statements fairlypresent, in all material respects, the financial condition and results of operation of the Company as of and for the period ended December 31, 2023.

(iii) The group has put in place effective internal controls to ensure material information relating to the control environment are made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.

(iv) The effectiveness of the group's internal controls have been evaluated within 90 days prior to 31st December 2023.

(v) The group's internal controls are effective as at 31 December 2023.

We have disclosed as follows to the group's auditors and audit committee the following information:

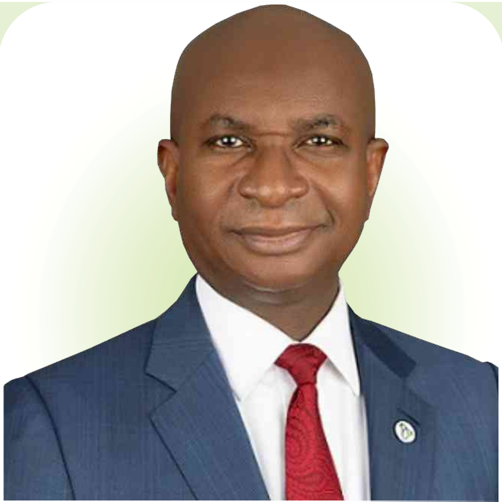
- There were no significant deficiencies in the design or operation of the group's internal controls which could adversely affect the group's ability to record, process, summarise and report financial data. Furthermore, there were no identified material weaknesses in the group's internal control systems.
- There were no fraud events involving management or other employees which could have any significant role in the group's internal control.
- There were no significant changes in internal controls or in other factors that could significantly affect the adequacy and effectiveness of the controls subsequent to the date of the evaluation.

SIGNED BY:

Mr. Adewale Adeniyi
Chief Financial Officer
FRC/2012/ICAN/00000000275
15 March, 2024

Benson Ogundeji
(Acting.Managing Director)
FRC/2021/PRO/DIR/003/00000022660
15 March, 2024

BOARD OF DIRECTORS



Mr. Kayode Falowo
Chairman

He is a seasoned Investment Banker. He holds a BSc.(Hons) in Agricultural Engineering from the University of Ife (now Obafemi Awolowo University, Ile Ife) Oyo State in 1982 and an MBA (Finance) from the University of Benin.

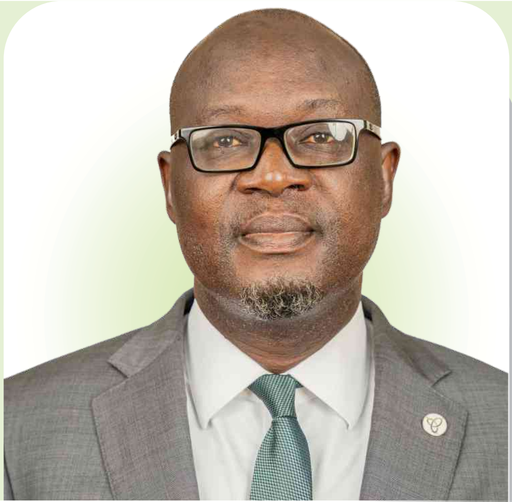
He was a Council member of the Nigerian Stock Exchange and once served as the Chairman of the Capital Market Committee on Products and Business Development. He currently sits on the Board of the National Association of Securities Dealers (NASD) Plc., where he is also the Chairman of the Rules Committee.

Kayode Falowo is an active member of numerous professional and industry associations. He is a distinguished Fellow of the Chartered Institute of Stockbrokers, a Fellow of the Association of Investment Advisers and Portfolio Managers, a Fellow of the Association of Pension Funds of Nigeria, and a Fellow of the Certified Pension Institute of Nigeria. He is also a member of the Nigerian Economic Summit Group, the Lagos Chamber of Commerce & Industry, the Institute of Directors (IoD) Nigeria, the Institute of Management Consultants, and the Nigerian Institute of Management. Council on Privatisation, member of the sub-committee on the Extractive Industry of the Bureau of Public Enterprises and a member of the National Bond Steering Committee.

He is the immediate past President and Chairman of Council of the Nigerian-British Chamber of Commerce (NBCC). He is also a Council Member of the Nigerian-Malaysian Business Council.

Mr. Falowo is the Chairman of Greenwich Registrars and Data Solutions Limited, Chairman of GTL Trustees Limited and Chairman of Meyer Plc. He sits on the Board of the Olusegun Agagu Foundation, and on the Board of Trustees at the University College Hospital Foundation Ibadan and the Ondo State Cancer Foundation.

Mr. Falowo is a Paul Harris Fellow and a major donor of the Rotary International Club. He is also a Member of the Metropolitan Club, Ikeja Golf Club, the Lagos Motorboat Club and the Ikoyi Club, Lagos.



Mr. Benson Ogundeji
Acting Managing Director

Benson Ogundeji holds a first degree in Banking and Finance from Ogun State University, Ago-Iwoye. He is a Fellow of both the Chartered Institute of Bankers of Nigeria and Institute of Chartered Accountants of Nigeria. He has attended several training programmes both in Nigeria and overseas, including Competitive Strategy at INSEAD Singapore.

He is a consummate banker with 30 years' experience with various banks in Nigeria, including Nigerian American Merchant Bank Limited, MBC International Bank Limited, First Bank of Nigeria PLC, Guaranty Trust Bank PLC and Ecobank Nigeria Limited.

Prior to his joining Greenwich as an Executive Director, he was a General Manager at Ecobank and at various times, acted as the Business Head of Corporate Bank at Ecobank. He was also a Regional Account Manager with responsibility for account management across Africa with direct responsibility and oversight for several Relationship Managers within the Ecobank Group.

Benson has at various times been a member of both the Annual Dinner and Membership Committees of the Chartered Institute of Bankers of Nigeria.

Over the years, Benson has led various teams either as Team Leader or Group Head in Corporate Bank covering several market sectors, including food and beverages, flour, cement and building materials, aviation/transportation, construction, soft commodities, oil and gas, healthcare and personal care, plastics and packaging, fertilizer and agriculture, trading, and logistics.

Benson is currently a Non Executive Director with Greenwich Asset Management Limited.

BOARD OF DIRECTORS

Mr. Tony Uponi
Non-Executive Director

Mr. Tony Uponi graduated with a Bachelor of Laws (LL.B Hons) degree from the University of Benin in 1986, and immediately proceeded to the Nigerian Law School where he graduated with a second class upper and was accordingly called to Bar in October 1987. He subsequently pursued a postgraduate programme leading to the award to him, of a Master of Laws (LL.M) degree (with specialisation in Company Law) from the University of Lagos in 1992.

Upon completion of his postgraduate programme, Mr. Tony Uponi established the Law Firm of Marriot Solicitors where he has been the Principal Partner since 1992.

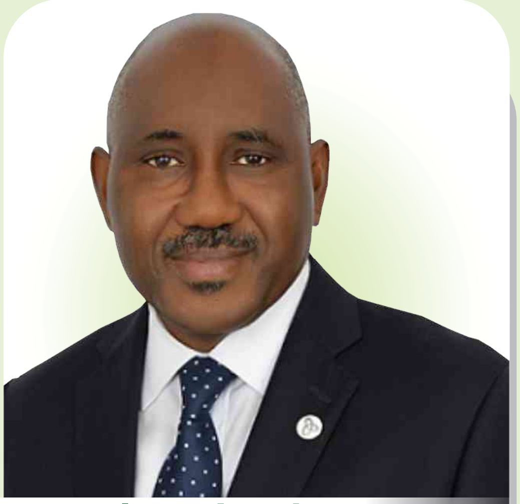
He has over the past 32 years, been fully engaged in private legal practice. He was conferred the status of a Notary Public by the Supreme Court of Nigeria in Year 2009.

Mr. Tony Uponi is registered as a Capital Market Consultant by the Securities & Exchange Commission and is a member of the Capital Market Solicitors Association.

He has played an active role as a Solicitor and Legal Consultant on several landmark mergers, acquisitions, capital raising and other transactions in the financial services sector.

He presently sits as a Director in several reputable Companies including Meyer Plc, Citadel Nominees Limited,Greenwich Trustees Limited, and Davennis Limited.

He has attended several local and international seminars as well as training programs organised for Directors.



Dr. Olutoyin Okeowo
Non-Executive Director

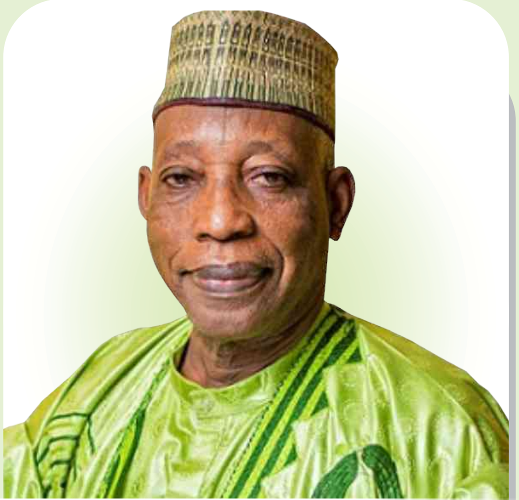
Dr. Olutoyin Okeowo is the Managing Director/Chief Executive Officer of Metropolitan Motors Ltd. He has a wide range of experience having served on the board of several companies, including VT Leasing Limited, Meyer Plc., Greenwich Trustees Limited, Funds Electronic Transfer Systems Limited, Kabelmetal Nigeria Plc., Oasis Insurance Plc and TMJ Properties Limited. He started his career as a lecturer in the faculty of Business Administration, University of Lagos before he resigned to join the family business in 1986.

Dr. Okeowo is the Chairman of the Equipment Leasing Association of Nigeria (ELAN) and Chairman of the Board of Trustees of the University College Hospital (UCH) Ibadan Foundation. He is a member of the Governing Council of several institutions including the Nigerian Institute of Management (NIM), Ajayi Crowther University, Oyo State and Immanuel College of Theology, Ibadan. In recognition for his unwavering and outstanding dedication to the service, in 2019, he was conferred the honorary degree of Doctor of Science (D.Sc) Business Administration by Ajayi Crowther University.

He holds a master's degree in Management Science and Technology from the University of Wales, UK, Institute of Science and Technology. He is an alumnus of Lagos Business School and a Fellow of the Institute of Directors of Nigeria (IoD).

He is a member of Metropolitan Club, Victoria Island, Lagos.

BOARD OF DIRECTORS



Dr. Faruk Umar
Non-Executive Director

A Harvard Business School Certified Corporate Director and a Fellow of the Institute of Directors (IoD), Dr Umar is an alumnus of Insead Institute, and Ahmadu Bello University, Zaria where he obtained his Bachelor and Masters degrees in Education and Educational Psychology in 1976 and 1979 respectively. He also obtained his Doctorate degree in Educational Psychology from University of Wisconsin, USA, in 1987.

Dr. Umar started his working carrier at the School of Preliminary Studies, Kano as a Lecturer in 1977. Between 1983 and 1984, he served as the Permanent Secretary, Special Duties, with Kano State Government and later worked as Manager, Research and Educational Services, at Kano State Foundation from 1988 to 1991. A Boardroom guru, Dr. Umar had served as a member on the Boards of Ashaka Cement Plc, Union Homes Savings and Loans Plc , CCNN Plc ,1004 Estates Limited and Nahco Plc among others. He is currently the Chairman , Board of Governors , Pearls Awards Nigeria .

Dr. Umar was a member of several Audit Committees and now serves on the Audit Committees of Seplat Plc , and Nascon Plc

Dr Umar has attended several Executive courses organized by Euro Money Solutions and a course on Accounting and Finance for Non – accounting Executives at Stanford University in the USA .Dr Umar was a member, Finance Committee, Vision 20:2020 and also a member of the Committee that reviewed the Investment and Securities Act, as well as the Committee that reviewed the Companies and Allied Matters Act (CAMA)and Trustees Investment Act (TIA).

Dr. Umar was the National President of Rumfa Old Boys Association from 2009-2011 and currently the President of the ABC/ABU Alumni Association He currently holds the title of Babalaje of Inisa Land. Dr Umar has also been appointed as a Non-Executive Director of the Nigerian Exchange Limited.

Ms. Daisy Ekineh
Independent Non-Executive Director

Ms. Daisy Ekineh holds a Bachelor of Arts in Economics and a Master of Arts in Development Studies, both from the Ohio University, Athens, Ohio, USA.

She has over thirty (30) years professional experience in the capital market with a strong focus in research, capital market development, corporate finance, mergers and acquisitions, financial reporting, corporate governance, and capital market regulation.

She has been a member of various committees, such as the Technical Committee of the Bond Market Steering Committee, Regulation and Capital Market Committees of the Financial Sector Strategy, Information Sharing Sub-Committee of the Financial Services Regulation Coordination Committee (FSRCC), amongst others.

She is currently the Chief Executive Officer at DSE Advisory Services Limited. Prior to that, she was Chief Operating Officer (COO) at Global Mandate Consulting Limited and the Commissioner-in-charge of Operations at the Securities and Exchange Commission, Nigeria. She was also the Acting Director-General of SEC from May 2009 to January 2010.

BOARD OF DIRECTORS

Mrs. Vivienne Bamgboye
Non-Executive Director

Vivienne Bamgboye holds a BA in English and Drama (Ahmadu Bello University) and an LLB (University of Ibadan). She was called to the Nigerian Bar in 1989. She is a certified PRINCE2 project manager and holds a PGD in Youth Social Work (Goldsmiths College, University of London). She also has a certificate in Executive Coaching from the University of Cape Town and The Coaching Academy, UK.

Vivienne is an organisational and human capacity development practitioner with 30 years' experience that spans corporate and public law, policy advisory and development consulting both in Nigeria and the UK. She has a track record of designing consulting solutions for organizational transformation or institutional change.

She started her professional career as a practice attorney at the Rhodes & Rhodes law firm before moving to public law advocacy in the UK. She has also served as team leader for capacity building in the Federal Ministry of Education and Team Lead for the advisory team at the Federal Ministry of Agriculture & Rural Development.

As Lead Consultant at the Oye Centre for Learning & Development, she has led project teams to oversee high impact people development and organisational restructuring projects for private sector clients & multinationals.

Mr. Anselm Orazulike
Non-Executive Director

Mr. Anselm Orazulike holds a BSc. Hons in Finance (Second Class Upper division) from the University of Nigeria, Nsukka, and Masters in Business Administration (MBA) also in Finance from the University of Lagos.

He has over 23 years' experience in banking covering Investment Banking, Development Banking, Corporate Banking, Commercial Banking, Retail Banking, Branch Banking, Public Sector, Treasury and Money Market and Risk Management.

After rising to the highest level of Executive Management in both FSB International Bank (now Fidelity Bank) and Equitorial Trust Bank (now Sterling Bank), he voluntarily left the banking industry in late 2009 to set up the Spectrum Group in early 2010 which is an emerging local conglomerate with diverse interests in investment services, consulting and project management, marine and shipping, oil and gas services and real estate.

He served as a member of the Technical Committee set up by the Federal Government of Nigeria that crafted the Vision 2010 agenda in the middle to late 1990s

He was a pioneer member of the Nigerian Economic Summit Group (NESG) representing FSB International Bank Plc (a think-tank group set up by the organized private sector to advise government on key national and economic issues).

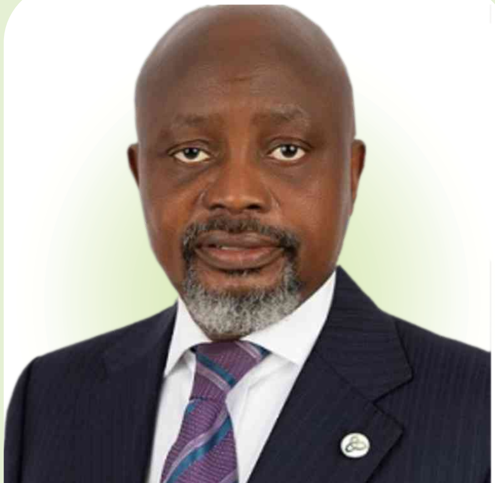
Apart from core banking courses, seminars, and attachments he attended in such banks as Bank of America, USA, Midland Bank London, and Euromoney/DC Gardner London, Mr. Orazulike is a widely travelled person and has attended several executive and high-level management programs in Nigeria, Europe and USA. He is an alumnus of Institute for Business Education (INSEAD) Fontainebleau France, International Institute for Management Development (IMD) Lausanne, Switzerland and Harvard Business School, Boston Massachusetts, USA.

Mr. Orazulike is a Senior Member of the Chartered Institute of Bankers of Nigeria (CIBN), Fellow of the Nigerian Institute of Management (FNIM), Fellow of the Institute of Management Consultants (FIMC), Certified Management Consultant (CMC), and Associate Fellow of the African Institute for Applied Economics (FAIAE now Heritage Institute).

Apart from being a Director of Greenwich Merchant Bank Limited, where he is the Chairman of the Board's Committee on Risk Management as well as a member of the Board's Audit Committee, he also serves on the Board of a few other companies.

He also gives back to society through his ANSELM ORAZULIKE FOUNDATION. Mr Orazulike is married with children and is a member of the Ikoyi Club 1938 and Lagos Motor-Boat Club, Ikoyi, Lagos.

BOARD OF DIRECTORS



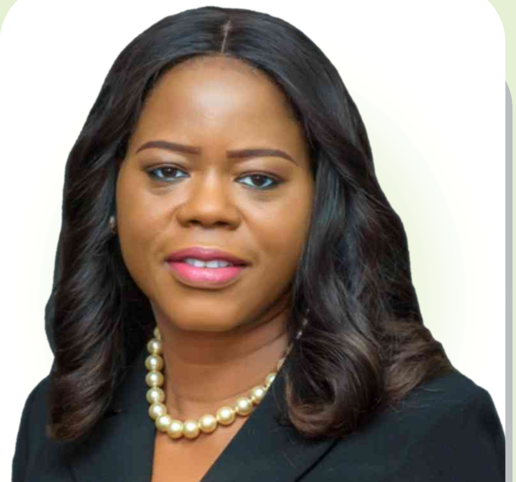
Mr. Segun Oloketuyi
Non-Executive Director

Mr. Segun Oloketuyi is a consummate banker with over three decades of banking and managerial experience. He was the Managing Director/Chief Executive Officer of Wema Bank Plc until his retirement in September 2018.

Segun is a Fellow of the Institute of Chartered Accounts of Nigeria (ICAN), a graduate of Chemistry and a post-graduate diploma holder in Chemical Engineering both from the University of Lagos. He started out in 1985 as an Audit Trainee with the then Akintola Williams and Co. (Chartered Accountants), now Deloitte & Touche. He is an MBA Alumnus of the Lagos Business School and the Advanced Management Programme of INSEAD, Fontainebleau, France.

A 2007 recipient of the Distinguished Alumni Merit Award of the University of Lagos and 2015 Deloitte Distinguished Alumni Award, he holds the Fellowships of the Institute of Directors and the Chartered Institute of Bankers of Nigeria.

He is a member of Ikoyi Club.



Mrs. Yemisi Lowo-Adesola
Independent Non-Executive Director

Yemisi Lowo- Adesola is an Independent Non-Executive Director at Greenwich Merchant Bank Limited. She is an experienced Senior Executive with over 30 years experience in banking and finance across Sub-Saharan Africa, spanning diverse functional areas including Corporate & Institutional Banking, Correspondent Banking, Developmental Finance, Investment Banking and Private Equity.

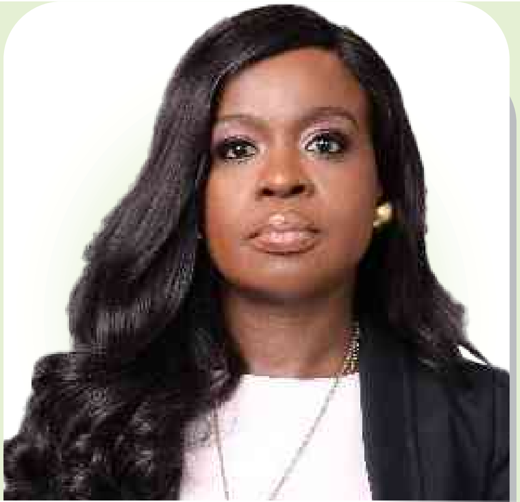
Yemisi is the Managing Director of CedarLink Advisory & Management Services Limited.

Prior to the foregoing, she worked in Standard Chartered Bank where she held several senior management roles over a nine-year period, culminating in the role of Managing Director & Regional Head of Financial Institutions for Africa, with responsibility for a multi-culturally diverse team across fourteen countries in Sub-Saharan Africa.

In the course of her career, Yemisi occupied a range of senior management roles at the International Finance Corporation (a member of the World Bank Group), First Bank of Nigeria Group, Investment Banking & Trust Company Limited (now Stanbic IBTC Plc), and Vee Networks Limited (now Airtel Nigeria Limited).

Yemisi holds a BSc (with honours) from Obafemi Awolowo University, Ile-Ife, Nigeria, and an MBA from Cranfield University School of Management, United Kingdom. She is a distinguished Fellow of the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Stockbrokers. She has also undergone executive development training at the London Business School, INSEAD, Wharton Business School, and Harvard Business School.

BOARD OF DIRECTORS



Yewande Akomolede
Acting Company Secretary

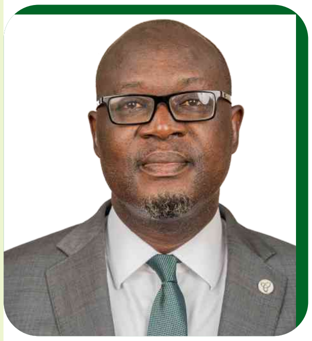
Yewande Akomolede is the Acting Company Secretary of Greenwich Merchant Bank Ltd.

She holds a LL. B from the University of Benin and a B.L from the Nigerian Law School. In 2014, she obtained a master's degree in Commercial & Corporate Law from Queen Mary, University of London where she also obtained a Postgraduate Certificate in Maritime Law as well as a Post Graduate Diploma in International Business Law.

Prior to joining Greenwich Registrars & Data Solutions Limited in 2015, she commenced her career as an Associate in The Law Union (Barristers, Solicitors, and Arbitrators & Notary Public) in 2005. She later proceeded to become a Corporate Counsel with Intercontinental Bank Plc (now Access Bank Plc) in 2007 and in 2012, she took up the position of Company Secretary/ Legal Adviser to Pierscon Nigeria Limited. She is currently an Associate of the Chartered Institute of Arbitrators, United Kingdom, a member of the Society for Corporate Governance Nigeria and an Associate of the Institute of Capital Market Registrars. She is a member of the Nigerian Bar Association (NBA) and the NBA Section on Business Law. She has attended several Executive courses at the Lagos Business School inclusive of the Senior Management Programme (SMP), Accounting and Finance for Non- Finance Managers and Post-Award Contract Execution Management.

She is also the Secretary to the Greenwich Foundation, a Foundation incorporated by the Greenwich Group in 2021 with a vision to impact lives positively by focusing on Health, Education and the Girl Child. Prior to her current role, she was the Company Secretary/Chief Compliance Officer for Greenwich Registrars & Data Solutions Ltd.

EXECUTIVE MANAGEMENT TEAM



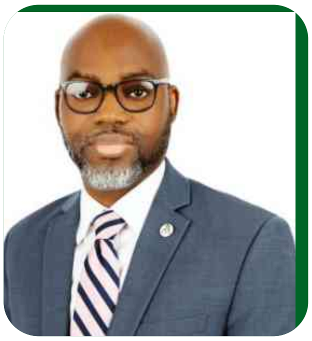
Mr. Benson Ogundeji
Acting Managing Director

Yewande Akomolede
Acting Company Secretary

Mrs. Kehinde Olomojobi
Treasurer

Mr. Adewale Adeniyi
Chief Finance Officer

Mr. Ayobami Babalola
Chief Risk Officer



Mr. Tayo Lawal
Chief Compliance Officer

Mr. Obus Orovwuje
Divisional Head,
Corporate Banking

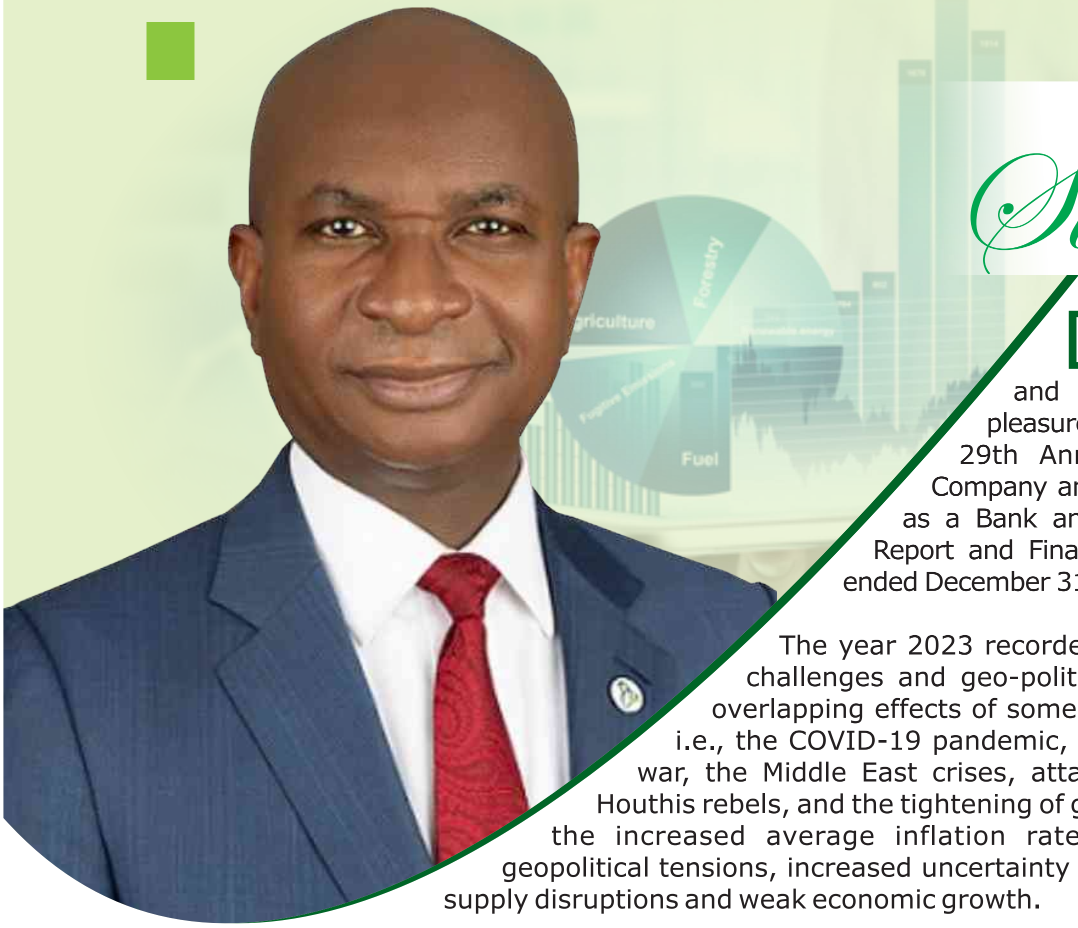
Mr. Rasaq Alawode
Chief Internal Auditor

Afolabi Ilesanmi
Acting Chief Information
Security Officer

Ms. Eniola Osula
MD Greenwich Securities
Limited

Musa Muibi
Acting MD Greenwich
Asset Management Limited

Ms. Anne Mutuah
Head, Human Capital
Management & Admin



CHAIRMAN'S *Statement*

Distinguished Shareholders, Board of Directors, Ladies and Gentlemen, it is with great pleasure that I welcome you to our 29th Annual General Meeting as a Company and 4th Annual General Meeting as a Bank and present to you the Annual Report and Financial Statements for the year ended December 31, 2023.

The year 2023 recorded significant macroeconomic challenges and geo-political tensions because of the overlapping effects of some crises in the past few years, i.e., the COVID-19 pandemic, the ongoing Russian-Ukraine war, the Middle East crises, attacks on the Red Sea by the Houthis rebels, and the tightening of global monetary policies given the increased average inflation rate. These led to intensified geopolitical tensions, increased uncertainty in commodity markets, trade supply disruptions and weak economic growth.

Moreover, the global banking sector experienced significant stress, evidenced by the collapse of six (6) banking institutions in the United States, namely Silicon Valley Bank (SVB), Signature Bank, First Republic Bank, Citizens Bank, Heartland Tri-state Bank, and Silvergate Bank.

In Nigeria, democratic power was transferred for the 5th time at the Presidential level in 2023 since the return to democratic rule in 1999. The newly inaugurated administration took swift action, abolishing the age-long subsidy payment in the Oil and Gas industry and consolidating the various exchange rate windows.

Despite these challenges, Greenwich Merchant Bank Limited (the Bank) navigated these turbulent times successfully and returned a modest dividend to its shareholders. Our financial performance for the year reflects a slight increase in profitability, as the bank capitalized on the high-interest rate environment.

MACROECONOMIC REVIEW:

The global economy is at a point of heightened political (SSA) and geo-political (Middle East and Europe) uncertainties, coupled with the sub-optimal growth attributed to various economic headwinds. In 2023, the theme of technology transformation created trade-offs and opportunities for government institutions, business decision makers, and consumers. The Fourth Industrial Revolution (FIR) entered a crucial phase of development with the introduction of generative artificial intelligence, transforming business models and societal patterns across sectors such as education, health, and information dissemination.

However, the unresolved geopolitical tensions, higher energy prices, and the hawkish monetary policy stance of Central banks contributed to global economic instability, preventing equitable growth amidst these threats. The International Monetary Fund (IMF), in its World Economic Outlook report for 2024, projected global growth at 3.2%, which is below the pre-pandemic annual average of 3.8%.

In Sub-Saharan Africa, the region experienced significant output losses due to elevated borrowing costs, weaker creditworthiness, significant currency depreciations, and capital outflows. As a result, the SSA growth decelerated to 2.90% in 2023, driven by heightened living expenses, weak disposable income, high unemployment rate and escalating political instability in some areas.

On the domestic front, the year 2023 was noteworthy for the transition of power. The power transition was immediately followed by market friendly policies aimed at eliminating the age-long operational bottlenecks in the Oil and Gas industry. According to Nigerian National Petroleum Company Limited, the Federal government has been spending N400 billion monthly to subsidize petroleum imports.

To revitalize the nation's economic fundamentals and foster long-term inclusive growth, the new administration implemented significant reforms, including the removal of fuel subsidies, consolidation of multiple foreign exchange (FX) windows, clearance of FX backlogs, deregulation of the exchange rate to reflect market dynamics, reduction in the number of BDC operators, removal of restrictions on purchasing FX in the official market for certain products, and announcement of the banking sector recapitalisation program.

According to the National Bureau of Statistics (NBS), the nation's GDP growth decelerated to 2.74% in 2023 from the 3.10% reported in 2022. This decline was attributed to the weakening of the service sector's growth due to Naira devaluation, weaker disposable income, and inflationary pressures.

Furthermore, the growth breakdown revealed improvements in the non-oil sector, driven by significant gains in Mining and Quarrying (+19.43%), Financial and Insurance (+18.16%), Public Administration (+0.75%), Education (+0.36%), and Agriculture (+0.06%).

The Manufacturing Purchasing Managers' Index (PMI) ended the year positively, above the 50-index point benchmark, recording 52.7 points in December 2023. This indicated a gradual recovery of output growth, driven largely by an increase in new orders associated with rising aggregate demand and an upward swing in business activities towards the end of the year.

In response to the accelerating inflationary threats throughout the year, the Central Bank of Nigeria (CBN) adopted strict monetary tightening measures. The Monetary Policy Committee (MPC) increased its benchmark interest rate cumulatively by 225bps to 18.75% at the end of 2023. Additionally, the Cash Reserve Ratio (CRR) and Liquidity Ratio ended the year at 32.5% and 30% respectively, compared to 27.50% and 30.00% in December 2022.

It is noteworthy, that the headline inflation surged by 7.1% from 21.82% in January 2023 to 28.92% in December 2023, having trended upwards for twelve (12) consecutive months. According to the Central Bank of Nigeria (CBN), the average inflation rate in 2023 was 24.52% compared to 18.77% recorded in 2022. The increased headline inflation can be attributed to rises in both Food (average 27.76%) and Core (20.68%) sub-indexes.

Our foreign reserve declined by 11.15% to close December 2023 at $32.88 billion, down from $37.01 billion at the beginning of the year 2023. This reduction in accretion below the $40 billion benchmark can be attributable to the 4.12% reduction in the average crude oil price to $79.40 per barrel in December 2023, from $82.81 per barrel in January 2023. In one of its reports, the Nigerian Senate stated that the country lost about N2.30 trillion to crude oil theft in 2023.

FINANCIAL MARKETS:

In 2023, the Nigerian equities market closed on a bullish note as the NGX-All Share Index appreciated by 45.90%, despite the hike in interest rate. Robust local investor appetite overshadowed the weak sentiments from the foreign investors. According to available data on transaction activities, local investors accounted for about 88.5% of the total market transactions, while foreign investors contributed 11.5% during the year.

Investor sentiment improved significantly due to positive earnings, enhanced system liquidity, and the market friendly policies of the new administration. Additionally, the listing of Chapel Hill Denham's Nigerian Infrastructure Debt Fund, Mecure Industries Plc and VFD Group Plc added approximately N179 billion to market capitalization.

Trading activities on Government securities provided investors with a viable investment alternative as the average yield in the bond market increased with the rise in the benchmark interest rate and increased government borrowings. Consequently, average yield on 3-year, 5-year, 10-year and 20-year maturities increased by 1.50%, 1.10%, 0.70% and 1.25%, respectively.

At the end of December 2023, Primary Market Auction (PMA) stop rates on government treasury bills were 7%, 10%, and 12.24% for the 91-day, 182-day, and 364-day bills, compared to the January 2023 figures of 2%, 4.33%, and 7.3% respectively. Thus, the average stop rate increased by 231bps from 4.54% recorded during the first auction of 2023 to 9.75% at the last auction in 2023.

PERFORMANCE REVIEW

In 2023, Greenwich Bank Group recorded a 34.26% Year-on-Year (YoY) growth in gross earnings, increasing from N10.71 billion in 2022 to N14.38 billion. The growth in gross earnings was primarily due to the following factors: Interest income on loans increased to N3.3 billion in 2023 from N1.9 billion in 2022, driven by the high interest rate environment which impacted on average asset rate despite the 30.0% reduction in the loan book to N23.16 billion in Fy2023.

Additionally, Interest income on investment securities grew to N1.58 billion in 2023 from N1.57 billion in 2022 due to the increase in our investment in government securities. Similarly, trading income increased to N2.26billion in 2023 from N1.13billion in 2022.

In effect, the Group recorded Other Operating Income of N794.5 million, representing a 139% increase from the N332.5 million reported in the full year 2022.

However, Profit Before Tax (PBT) rose by 11.0% to N1.82 billion in 2023 from N1.64 billion in 2022 due to a 23.55% and 16.20% increase in Net Interest Income and Operating Income, respectively. The substantial 27.44% and 10.0% increase in Other Operating Expenses and Personnel Expenses were responsible for the recorded 19.0% rise in Operating Expenses in 2023.

In the same vein, Profit After Tax (PAT) increased by 4.4% to close the year 2023 at N1.66 billion from N1.59billion in 2022.

Last year, the Group's balance sheet size increased by 12.63%, growing from N109.24 billion in 2022 to N123.04 billion because of the 10.9% growth in total deposits and 108% rise in investment securities. However, due to the weak macro-economic environment, the bank's loan book declined by approximately 30% from N33.10 billion in 2022 to N23.16 billion in 2023.

The Shareholder's Fund increased marginally by 8.8% from N26.37 billion recorded in December 2022 to N28.67 billion at the end of FY 2023. After due consideration of the financial performance, the Board hereby proposes a dividend of 7 kobo per share for the year 2023, subject to shareholders' approval at this meeting.

For the regulatory ratios, the year-end capital adequacy ratio of 49.6% and liquidity coverage ratio of 1,270.45% are both well above the required thresholds of 10.0% and 100.0% respectively.

GOVERNANCE

As a Bank committed to upholding robust corporate governance standards, we ensure that all our engagements as a Board adhere to international best practices and global regulatory standards. During the year, we engaged DCSL Corporate Services Limited to conduct the annual Board evaluation and appraisal of our Board and its wholly owned subsidiaries. The resulting report demonstrated that the Bank and its two subsidiaries (Greenwich Asset Management Limited and Greenwich Securities Limited) substantially adhere to the provisions outlined in the CBN Code of Corporate Governance, the Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission (SEC) Guidelines on Corporate Governance for Public Companies ("SCCG"), and Companies and Allied Matters Act 2020 (CAMA), as well as global best practices on Corporate Governance.

Effective governance extends to our subsidiaries as well. We have implemented a comprehensive framework with robust systems and processes, ensuring alignment with the Bank's values and controls while allowing our subsidiaries achieve operational independence.

We recognize the importance of continuous improvement in governance. The Board actively seeks to enhance its effectiveness through ongoing training and evaluation processes.

Furthermore, our recent internal audit assessment by Messrs. Deloitte and Touche Nigeria in compliance with the provisions of Section 31.14 of the SCCG, Principle 18.6 of the NCCG, and the requirements of the Institute of Internal Auditors (IIA)'s International Standards for the Professional Practice of Internal Auditing, placed the Bank Group on the "Advanced" level within their "5 P" (Purpose, Position, People, Process, and Performance) model. This achievement reflects the effectiveness and efficiency of our internal audit function in safeguarding the bank's assets and operations.

Our commitment to strong governance translates directly into great value for our shareholders. These practices have helped us navigate the challenging economic climate and capitalize on emerging opportunities. By prioritizing strong governance, the Bank fosters trust with stakeholders and positions itself for sustainable success in the years to come.

INVESTMENT IN DIGITAL AND TECHNOLOGY

We have further deepened our innovation drive to capitalize on the opportunities in our industry to drive long-term value for investors in the year 2023. We concluded the upgrade for our core securities trading platform to allow for seamless trading for our customers and to improve the overall security of the platform.

We also improved our payment platforms by the implementation of SWIFT GO and its integration to our core banking platform. We also implemented the NAPS platform to enable our customers use this for their big-ticket transactions.

We improved the security architecture through the implementation of a patch management system to track and deploy patches of our desktops and servers.

As an organization, we strive to ensure that our processes align with best practices. In the year 2023, we became certified in ISO27001 for Information Security, ISO27032 for Cybersecurity, ISO22301 for Business Continuity and ISO27017 for Cloud Security.

CORPORATE SOCIAL RESPONSIBILITY

The Bank is committed to making a positive impact on our communities. We established the Greenwich Foundation ("the Foundation") in 2021, focusing on education, health, and empowering the girl child. Since its inception, the Foundation has made a profound impact, directly impacting the lives of many individuals through its various initiatives. We are proud of the Foundation's achievements and its dedication to creating a brighter future.

During the year 2023, the Foundation upgraded Ransome Kuti Grammar School by renovating and reconstructing sixty-six (66) modern restrooms and refurbishing the water supply systems to enhance sanitation. This initiative aligns with the Foundation's focus on creating a healthy learning environment for all students.

The project's impact extends beyond the school walls. It was recognized by the Lagos State Government with an Education District VI Appreciation Award, validating the positive change brought to the community. This award serves as a testament to GMB's unwavering commitment to supporting initiatives that promote better education, healthcare, and a brighter future for children.

By fostering social impact as a corporate citizen, the Bank has become a notable force for good in the communities we serve. The Bank welcomes other organizations and like-minded individuals to partner with us and together, amplify our positive influence for the common good.

OUTLOOK FOR 2024

In its 2024 World Economic Outlook report, the International Monetary Fund (IMF) projected that global growth will likely remain steady at 3.1% due to the greater-than expected resilience in the United States, Emerging Markets, and Developing Economies. Furthermore, with the expected ease in the average inflation rate and steady economic growth, the possibility of a global recession is low. Hence, risks to global growth are broadly balanced.

However, risks to growth projections are the expected escalation of geo-political crises in the Middle East, (Israel-vs-Iran) and Eastern Europe (Russia-vs-Ukraine) which will further lead to supply chain disruptions, spike in commodity prices and underlying inflation.

In Sub-Saharan Africa, growth is projected to rise from an estimated 3.3% in 2023 to 3.8% in 2024 as the negative effects of earlier weather shocks subside and supply issues gradually improve.

On the domestic environment, as Monetary and Fiscal reforms gradually bear fruits, economic growth is projected to improve, in 2024, to 3.30% according to the International Monetary Fund (IMF). Apart from the ongoing reforms, it is expected that gains from price stability, moderate currency volatility and credit conditions will further improve the business environment in 2024. However, the Federal Government estimated a more optimistic growth rate of 3.76% based on the anticipated crude oil production of 1.78mbpd and average crude oil price of $78pb (lower than the $88pb of 2022), and the various market-oriented initiatives of the new administration.

Conversely, the risks to the projected economic output, in 2024, will be large scale insecurity, huge infrastructural deficits, low investments, and sub-optimal productivity. Nonetheless, the Fiscal authority is expected to continue with its expansionary spending pattern given that N28.77 trillion has been approved for 2024 budget, an increase of 32% from the N21.83 trillion appropriated last year.

Also, the average inflation rate is expected to gradually ease as the effects of last year's exchange rate adjustments and elimination of fuel subsidies diminish, and the high base effect kicks-in during the second half of the year. Hence, the IMF has projected an average inflation rate of circa 26.3% and 23% in 2024 and 2025 respectively.

The Banking sector has commenced its recapitalization exercise as the Central Bank of Nigeria (CBN) has outlined the new capital requirement for Banks per category. This was in-line with regulators intended goal of making Nigeria a $1 Trillion (One Trillion Dollar) economy.

Earlier on, the Board and Management of the GMB undertook a simulation of the likely level of the expected revised minimum capital requirement. As a result of the exercise, the Board of Directors was proactive to have implemented the raise of additional capital of N10.8 billion through a Rights Issue which is currently undergoing verification by the CBN.

In addition, the Bank has commenced activities to raise additional capital of about N25billion which is expected to take its regulatory capital level above the CBN's requirement for a Merchant and Regional player in the industry.

I would like to crave the indulgence of our shareholders to announce another major landmark achievement of the bank. During the first quarter of 2024, the bank received an Approval-in- Principle (AIP) to operate its HoldCo structure from the CBN. The approval further reinforces the bank's quest to compete favorably in the banking sector and achieve its long-term business aspirations and objectives.

The work we have done to strengthen our governance structures and improve our business and operating models last year, positions the Bank to benefit from these expansionary trends and to achieve significant market share. In conclusion, I am genuinely optimistic about the future. I am confident that the Directors, Management, and staff have the capacity to sustainably position the business as the first choice for the discerning investor and customer.

APPRECIATION

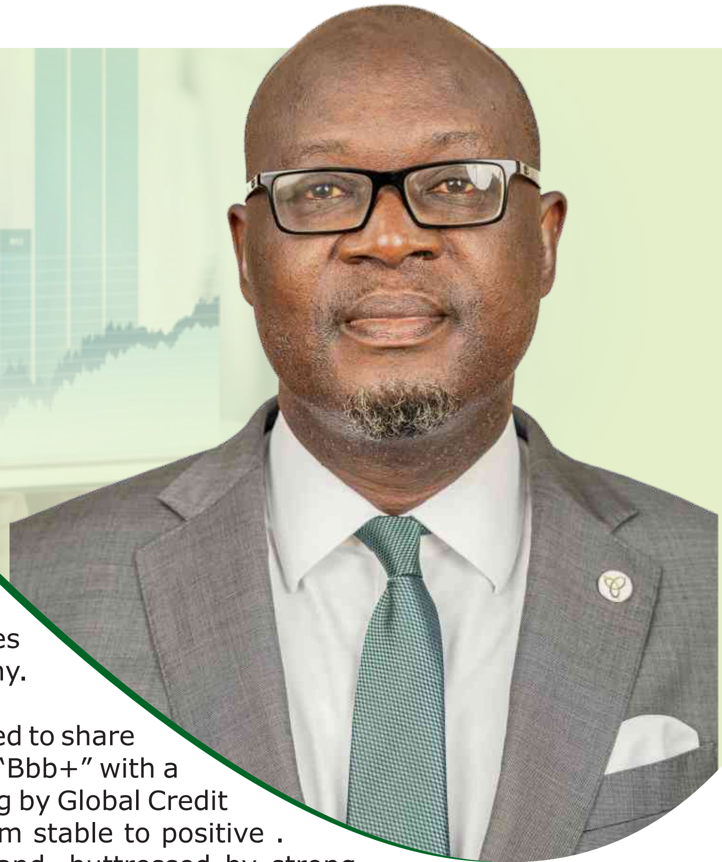
I would like to sincerely appreciate our customers for their unflinching loyalty, our Management and Staff for their dedication, and our regulators for their support and understanding. I also wish to thank our esteemed Directors for their vision and exemplary leadership in ensuring that the Bank does not falter in the pursuit of its mission and objectives.

Finally, to our distinguished Shareholders, we are grateful for your long-term commitment and the support and patronage you have extended to the Bank.

Thank you and God Bless.

KAYODE FALOWO
Chairman
FRC/2014/CISN/00000007051

MD/CEO'S *Statement*



Dear Shareholders,

I am honored to present to you our Annual Report and Accounts for the year ended 31st December 2023. As we reflect on the past year, 2023, the global economy continued to struggle with inflation, as some economies have adopted tightening measures, leading to drastic changes in monetary policies and currency devaluation. As a bank we remain vigilant and adaptive to the changing dynamics of the global economy, whilst identifying opportunities for growth and collaboration in the domestic economy.

Amidst these macroeconomic dynamics, I am pleased to share that our Credit Rating was upgraded from "Bbb" to "Bbb+" with a stable outlook by Agusto & Co whilst our credit rating by Global Credit Rating(GCR) remains BBB and outlook revised from stable to positive . These ratings reflect our strong business and brand, buttressed by strong capitalization, robust liquidity profile, strong asset quality, sound risk management framework, experienced management team and strong shareholders' support.

In the period under review, we executed several notable transactions spanning the public and private sectors. One of the landmark transactions was the Federal Government's N350 billion Series VI Sovereign Sukuk Issuance which recorded a subscription level of 426% from the initial offer size of ₦150 billion.

In the Private sector, we acted as Lead issuing house for Wema Bank Plc Rights Issuance of N39.9 billion, Joint Arranger to the Dangote Cement Series 12 Commercial Paper Issuance of N76.3 billion, Rand Merchant Bank Limited Series 5 & 6 Commercial Paper Issuance of N27.8 billion, N10.4 billion SaroAfrica Commercial Paper Issuance, and the sole Issuing House to Wema Bank's additional Tier-1 Subordinated Bonds Issuance of N21.0 billion.

REVIEW OF BUSINESS ENVIRONMENT

In 2023, the global economy experienced continued geopolitical tensions (anchored by the Russian-Ukraine and Israel-Hamas war), high energy prices, technology disruptions, hawkish monetary policy stance, moderating inflation rate and growth resilience in major economies. A lot of emerging economies were affected by large output losses amid high borrowing costs, currency devaluation, climate shocks, energy bottlenecks and weak disposable income.

Also, the geo-political tensions intensified with the Houthis attack on the red sea causing major dsruptions in global supply chains through the Suez Canal and Panama Canal.

The International Monetary Fund (IMF) indicated that global growth closed at 3.1% compared to the 3.5% recorded in 2022 due to inflationary pressures, interest rate hikes, trade and supply chain disruptions and unabated geo-political tensions. The slowdown in growth impacted on oil demand as International Energy Agency (IEA) reported that global oil demand declined to an average of 1.7mbpd in 2023 from about 1.81mbpd in 2022.

On the domestic front, economic growth was sub-optimal as GDP grew by 2.74% in 2023 relative to 3.10% in 2022 and below the projected 3.75% in the 2023 budget. A deep dive into the GDP results revealed that the non-oil sector improved by 0.32% driven by Mining and Quarrying sector (+19.43%), Financial and Insurance sector (+18.16%), Public Administration sector (+0.75%), Education sector (+0.36%), and Agriculture sector (+0.06%).

Also, headline inflation went up to 28.92% due to the impact of the fuel subsidy removal as average Premium Motor Spirit (PMS) price increased by 225.85% to N671.86/litre, the convergence of FX windows in June 2023 resulting in 42% currency devaluation, insurgency and militancy especially in the food basket states of Nigeria, and weak farm harvest.

Furthermore, the Central Bank of Nigeria maintained its hawkish stance as it raised the Monetary Policy Rate (MPR) by a cumulative 245 bps to 18.75% in its bid to tame the rising inflationary rate. The Cash Reserve Ratio (CRR) also increased to 32.5% from 27.5% recorded at the beginning of the year. Liquidity ratio however remained unchanged at 30% throughout the year.

According to the Nigeria Upstream Petroleum Regulatory Commission (NUPRC), the daily average crude oil production (including condensates), in 2023, increased to 1.47mbpd from 1.37mbpd daily average in 2022. However, this was lower than the 2023 budget benchmark of 1.78mbpd.

CAPITAL MARKET PERFORMANCE

In 2023, the Nigerian equities market closed bullish as the NGX-All Share Index appreciated by 45.90% despite the hike in interest rate. In effect, the robust local investors' appetite overshadowed the weak sentiments from the foreign investors. According to the available data on transaction activities, the total takings from local investors was about 88.5% while foreign investors accounted for 11.5% during the year under review.

Investors' sentiment improved because of positive earnings, improved system liquidity and the market-friendly policies of the new administration. In addition, there was the listing of Chapel Hill Denham's Nigerian Infrastructure Debt Fund, Mecure Industries Plc and VFD Group Plc which contributed about N179 billion to market capitalization.

Similarly, trading activities on Government securities provided investors with a viable investment alternative as average yield increased in the bond market with the rise in the benchmark interest rate and increased government borrowings. Hence, average yield on 3-year, 5-year, 10-year and 20-year maturities increased by 1.50%, 1.10%, 0.70% and 1.25% respectively.

Also, at the end of December 2023, Primary Market Auction (PMA) stop rates on government treasury bills were 7%, 10% and 12.24% for the 91-day, 182-day and 364-day bills compared to the January 2023 figures of 2%, 4.33% and 7.3% respectively. Average stop rate increased by 231bps from 4.54% recorded during the first auction of 2023 to 9.75% at the last auction in 2023.

2023 FINANCIAL REVIEW AND PERFORMANCE

In 2023, Greenwich Bank Group recorded a 34.9% Year-on-Year (YoY) growth in gross earnings from N10.71 billion in 2022 to N14.45 billion. The growth in Gross earnings was as a result of the following: Interest Income on loans increased to N3.3 billion in 2023 from N1.9bn in 2022 due to high interest rate environment and growth in average volume of our risk asset. However, absolute loan book at year end reduced by 30% to N23.16 billion frm N in 2022 as we experienced paydown toward the end of the year.

Interest income on Investment Securities grew slightly to N1.58billion in 2023 from N1.57 billion in 2022 due to increase in our investment in government securities. The net fees and commission grew by over 110% to N2.08billion in 2023 from N0.99billion recorded in 2022 driven by the growth in our corporate finance income. However, market volatility affected our trading book which resulted in a loss of N0.93billion in 2023 against gain of N1.12billion in 2022 representing 183% loss.

In effect, the Group total non-funding income was flat at N2.45bn when compared to 2022.
However, Profit Before Tax (PBT) rose by 11.0% to N1.82 billion in 2023 from N1.64 billion in 2022. In the same vein, Profit After Tax (PAT) increased by 4.4% to close the year 2023 at N1.66 billion from N1.59 billion in 2022.

Last year, the Group's balance sheet size increased by 12.63%, growing from N109.24 billion in 2022 to N123.04 billion attributable to the 63.2% growth in our funding from offshore banks to N16.8 billion in 2023 from N10.29 billion in 2022; the fund was deployed to financing our trades business. Similarly, other liabilities, which were largely collateral for letter of credits grew by 53.39% to N9.45 billion in 2023 from N6.16 billion in 2022. The Due to customers increased marginally by 2.74% to N67.75 billion in 2023 from N65.95 billion in 2022.

The Shareholder's Fund increased by 8.8% from N26.37 billion recorded in December 2022 to N28.67 billion at the end of FY 2023. After due consideration of the financial performance, the Board hereby proposes a dividend of 7 kobo per share for the year 2023, subject to shareholders' approval at this meeting.

For the regulatory ratios, the year-end capital adequacy ratio of 44.87% and liquidity ratio of 68.45% are both well above the required thresholds of 10.0% and 20% respectively.

2024 OUTLOOK

According to the IMF, global growth is projected at 3.2% in 2024 due to the expected strong household consumption and moderation in inflation rate which is anticipated to support real income growth.

In addition, the Nigerian economy is expected to grow by 3.30% in 2024, according to the IMF Economic Outlook report. The expected increase in GDP growth is attributable to the anticipated improvements in the oil sector, (i.e., rise in oil production and crude oil prices), improved security situation and optimal agriculture output conditions. Furthermore, the gains of the ongoing economic reforms, price stability, moderate currency volatility and credit conditions are anticipated to improve the business environment in 2024.

The Banking sector is expected to have a handful of activities with the recapitalization exercise that was announced by the Central Bank of Nigeria (CBN) Governor during his speech at the Bankers' meeting late last year. He confirmed that the banking sector would undergo a recapitalization exercise in a bid to support the Federal government's objective of a $1 Trillion (One Trillion Dollar) economy by 2030.

Our Board of Directors, in their wisdom, has proactively approved and raised additional capital of N10.8billion through Rights issue (this is currently going through regulatory approval). This action emphasized the continued commitment of our shareholders to take the Bank to a lofty position in the Banking sector, in the near term.

In addition, I would like to point out another important accomplishment of the bank. During Q1, 2024, the Bank received an Approval-in Principle (AIP) from the Central Bank of Nigeria to operate a Financial Holding Company. This process is expected to be concluded and operationalized before the end of year 2024 according to the roadmap approved y our board.

CONCLUSION

Our unflinching commitment to rendering best in class, professionally delivered, services to our customers at all times, remains at the heart of everything that we do. In the years ahead, we intend to solidify the foundation we have built over the last three years plus. Our brand equity remains strong, and we intend to continue to sustain this and drive key activities that ensure we remain on the path of market leadership. We look forward to a stronger financial performance in the years ahead and invest more in our people and in the key relationships that we have created. We will continue to leverage our expertise and resources to maximize GMB's business potential.

Finally, I wish to extend my deepest gratitude to the Board members for their tremendous support as well as to the entire staff of Greenwich Merchant Bank and its subsidiaries for their support and commitment to the lofty goals of the Bank. Without their unparalleled commitment, the results could not have been achieved.

I want to sincerely appreciate all our Customers, Shareholders, Staff, Partners, and Associates for their confidence in our capacity and ability to deliver sustainable value.

Benson Ogundeji
Acting Managing Director

CORPORATE GOVERNANCE REPORT

The Board recognizes the importance of having a framework of rules, processes, and relationships by which the Company is directed, controlled, and held accountable. We, at Greenwich Merchant Bank Limited (GMB or the Bank), achieve this commitment through a robust governance architecture that defines processes, controls, and decision-making frameworks. Our adherence to standards meeting regulatory minimums ensures transparency, accountability, and sustainable growth. This dedication extends to all interactions with stakeholders, including shareholders, customers, and the broader community. We continuously assess the effectiveness of our governance framework, ensuring it remains aligned with best practices and evolving regulations.

Accordingly, the Bank's governance framework is designed to ensure ongoing compliance with the requirements of the Central Bank of Nigeria (CBN) Code of Corporate Governance 2023 for Banks and Discount Houses, the Nigerian Code of Corporate Governance 2018, the Securities and Exchange Commission (SEC) Code of Corporate Governance and the SEC's Corporate Governance Guidelines (SCGG) 2020 structured along the Principles of the Nigerian Code of Corporate Governance 2018.

The Board

The Board of Directors of the Bank plays a pivotal role in providing leadership, strategic direction, and oversight for the Bank. Comprising of accomplished industry leaders and skilled technocrats, the Board steers the Bank toward its objectives while upholding ethical practices and responsible corporate citizenship.

In addition to overseeing the Bank's operations, the Board reviews critical aspects such as information security, internal controls, compliance, risk management, governance, and financial reporting systems. It sets both long and short-term strategic objectives, continuously evaluates activities, and ensures optimal performance, guided by the best interests of shareholders and stakeholders.

The Bank's Board of Directors provides strategic direction and leadership, fostering an ethical culture and responsible corporate citizenship. Comprised of accomplished industry leaders and experienced technocrats, the Board sets long-term and short-term goals for the Bank and oversees Management in achieving them.

Board Composition:

The Board's composition adheres to global best practices regarding the ratio of Non-Executive Directors to Executive Directors. As of December 31, 2023, the Board consisted of eleven (11) members, comprising a Non-Executive Chairman, eight (8) additional Non-Executive Directors (including two (2) Independent Non-Executive Directors), and two (2) Executive Directors (including the MD/CEO).

These members bring a wealth of experience and expertise from key sectors of the economy. The Non-Executive Directors possess the necessary skills and integrity to provide independent judgment during Board meetings and deliberations. Importantly, the position of the Chairman is separate from that of the Managing Director/Chief Executive Officer, ensuring distinct leadership roles within the Board.

The Board is made up of the following members:

	NAME	DESIGNATION	Status
1	Mr. Kayode Falowo	Chairman	Active
2	Mr. Bayo Rotimi	Managing Director	Resigned 31st December 2023
3	Mr. Benson Ogundeji	Executive Director	Active
	Mr. Tony Uponi	Non-Executive Director	Active
5	Mrs Vivienne Bamgboye	Non-Executive Director	Active
6	Mr. Segun Oloketuyi	Non-Executive Director	Active
7	Dr. Olutoyin Okeowo	Non-Executive Director	Active
8	Dr. Umar Faruk	Non-Executive Director	Active
9	Ms. Daisy Ekineh	Independent Non-Executive Director	Active
10	Mr. Philip Ikeazor	Independent Non-Executive Director	Resigned 21st September 2023
11	Mr. Anslem Orazulike	Non-Executive Director	Active
12	Mrs. Yemisi Lowo-Adesola	Independent Non-Executive Director	Appointed on 14th December 2023

Changes in Board Composition During the Year

- Mr. Philip Ikeazor, Non-Executive Director, Resigned 21st September 2023.
- Mr. Bayo Rotimi, Managing Director, Resigned 31st December 2023.
- Mrs. Yemisi Lowo - Adesola, Independent Non-Executive Director, Appointed 14th December 2023.

Leadership Structure:

- Non-Executive Chairman: Provides overall leadership for the Board and Bank, fostering director participation and facilitating engagement with shareholders and stakeholders.
- Managing Director: Heads Management, running the Bank's day-to-day operations under delegation from the Board.

Diversity

The Board prioritizes diversity within its membership to enhance decision-making, independent judgment, and effective governance. Maintaining an appropriate balance of skills and diversity, including age, culture, and gender, is paramount while ensuring competence, independence, and integrity. Presently, there are three (3) female Directors on the Board, with plans to appoint additional female members in due course, showcasing the Board's dedication to gender diversity.

Responsibility

Accountability to shareholders is a core responsibility of the Board, alongside managing the Bank's relationships with various stakeholders. The Board exercises effective oversight over the Bank's operations and bears ultimate responsibility for its performance, as outlined in the Board Charter. Responsibilities include, but are not limited to:

- Approving the Bank's strategic objectives and monitoring their implementation.
- Establishing a framework for the delegation of authority, delineating matters delegated to management and those reserved for the Board.
- Overseeing the implementation and monitoring of an Enterprise-Wide Risk Management Framework to identify, assess, and manage risks.
- Ensuring the integrity of financial reporting and upholding ethical standards.
- Defining the Bank's risk appetite.

- Ensuring the effectiveness of Internal Audit functions and alternative means of obtaining assurance of regular reviews or appraisals of the Bank's Internal Controls.
- Developing a robust compliance framework to safeguard the Bank from significant financial loss or reputational harm due to non-compliance with regulatory rules.
- Approving the appointment, remuneration, promotion, and termination of Senior Management Staff based on recommendations from the Governance and Nomination Committee.
- Implementing a sound succession planning system.
- Monitoring the effectiveness of the Bank's Corporate Governance practices and making necessary changes, including adopting policies to guide corporate conduct and ensure compliance with statutory laws and ethics.

Training and Induction

The Bank is committed to enhancing the skills and capacity of all its Directors to fulfill their roles effectively. Newly appointed Board members undergo structured induction and development programs to familiarize themselves with the Bank's operations. Additionally, all Directors participate in periodic continuing education programs, as required by the Central Bank of Nigeria, to update their knowledge and skills and stay informed about new developments in the Bank's business. Directors apply these acquired skills in their responsibilities.

In compliance with Corporate Governance Codes and the Bank's governance charters, training for Board members is included in the Bank's annual training plan following nominations by the Board Governance & Nominations Committee. The annual training plan is subsequently approved along with the annual budget.

During the review period, Board members attended the following training programs:

S/N	Training	Facilitator	Attendees	Date
1	Corporate Governance Training	Institute of Directors	All Directors	10th August 2023
2	Cybersecurity Training	Deloitte	All Directors	24th October 2023
3	CBN/FITC CEP	CBN/FITC	Mr. Anselm Orazulike Mr. Tony Uponi Dr. Umar Faruk	22nd November 2023
4	AML/CFT/CEP Training	KPMG	All Directors in the Bank Group	1st December 2023

Greenwich Merchant Bank's strong Board structure promotes responsible business practices, optimal performance, and stakeholder value creation.

Board Evaluation

The Board engaged the services of an Independent Consultant DCSL Corporate Services Limited to carry out its annual Board Evaluation exercise for the Financial Year 2023. The evaluation exercise covered the following amongst others:

- The assessment of the effectiveness of the Board of Directors.
- An assessment of the effectiveness of each of the Board Committees.
- A 360° peer review of individual Directors' performance and contributions.
- A 360° peer review of the Chairman's leadership and contribution.
- An assessment of the Board's compliance with Corporate Governance best practices; and
- An assessment of the Company Secretary's performance of her role in promoting good Corporate Governance.

The Consultant confirmed that the Board was an effective Board. It noted that the Board and individual Directors displayed a laudable commitment to enhancing the Bank's growth, and developing, and monitoring corporate strategy to achieve sustainable growth.

The outcome of the evaluation is presented to the shareholders and is hereby included in the Annual report (please see page …), and in compliance with the requirement of the CBN Code of Corporate Governance, is also submitted to the CBN.

Corporate Governance Review
In compliance with the extant Codes of Corporate Governance, the Board engaged the services of an Independent Consultant, DCSL Corporate Services Limited to conduct a Corporate Governance Review of compliance with relevant Codes of Corporate Governance and in particular the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks and Discount Houses in Nigeria, Nigerian Code of Corporate Governance, 2018 and the Securities and Exchange Commission Corporate Governance Guidelines, the Bank and other Financial Institution Act (BOFIA), Companies and Allied Matters Act 2020 (CAMA) and international best practices. The result confirmed that the Bank had substantially complied with the highlighted codes and laws. The summary result of the independent evaluation is included in this Annual Report.

Retirement and Re-Election
In accordance with the Bank's Articles of Association, one-third of all Non-Executive Directors (rounded down) are offered for re-election every year (depending on their tenure on the Board) together with Directors appointed by the Board since the last Annual General Meeting. The Directors to retire every year shall be those who have been longest in office since their last appointment. In line with the above requirement, Mr. Tony Uponi, Mrs. Vivienne Bamgboye, and Mr. Benson Ogundeji shall retire by rotation and being eligible for re-election will submit themselves for re-election. The Board is convinced that the Directors standing for re-election will continue to add value to the Bank.

The details of the Directors standing for re-election are contained in this Annual Report.

Board Meetings
Attendance at Board Meetings during the Year under review are set out below:

S/N	Name	2023 AGM	Board Meetings	Strategy Session	Total Attendance
1.	Mr. Kayode Falowo **Chairman**	1	5	2	8
2.	Mr. Bayo Rotimi **Managing Director**	1	5	2	8
3.	Mr. Benson Ogundeji **Executive Director**	1	5	2	8
4.	Mr. Tony Uponi **Non-Executive Director**	1	5	2	8
5.	Dr. Olutoyin Okeowo **Non-Executive Director**	1	5	2	8
6.	Mr. Segun Oloketuyi **Non-Executive Director**	1	5	2	8

7.	Mr. Philip Ikeazor **Independent Non-Executive Director**	1	4 (Resigned September 21, 2023)	1	6
8.	Ms. Daisy Ekineh **Independent Non-Executive Director**	1	5	2	8
9.	Mrs. Vivienne Bamgboye **Non-Executive Director**	1	5	2	8
10.	Dr. Faruk Umar **Non-Executive Director**	1	5	2	8
11.	Mr. Anselm Orazulike **Non-Executive Director**	1	5	2	8
12.	Mrs. Yemisi Lowo-Adesola **Independent Non-Executive Director**	N/A	N/A	N/A	N/A

* Mrs. Yemisi Lowo-Adesola's appointment was approved on the 14th of December 2023.

Board Committees

The Board carries out its oversight function through its Committees, each of which has a charter that clearly defines its purpose, composition, and structure, as well as the frequency of meetings, duties, tenure, and reporting lines to the Board. In adherence to the CBN Code and best practice, the Chairman of the Board does not sit on any of the Committees. There are currently five (5) Standing Committees and one (1) Ad-hoc Committee of the Board. The 5 Standing Committees are:

- Board Governance & Nomination Committee
- Board Audit Committee
- Board Strategy & Finance Committee
- Board Risk Management Committee
- Board Credit Committee

The Ad-Hoc Committee is:

- Board Branding & Communications Committee (Having achieved its objectives, the Ad-Hoc Committee was dissolved in the course of the year)

The Board Governance & Nomination Committee:

The Committee members are:

s/n	Name	Designation
1	Mr. Philip Ikeazor	Chairman (Independent Non-Executive Director) Resigned September 21, 2023
2	Mr. Tony Uponi	Member
3	Mrs. Vivienne Bamgboye	Member
4	Dr. Faruk Umar	Member

The Committee has achieved significant progress in enhancing the governance framework and operational efficiency of the Bank. Key accomplishments include:

- Refinement of Board Selection Process: Implementation of updated criteria for board member selection and removal, ensuring alignment with the latest governance standards and enhancing board diversity.

- Succession Planning: Development and ongoing review of a comprehensive Succession Plan for Board leadership, ensuring readiness for future transitions and alignment with the Bank's strategic goals.

- Independent Directors Assessment: Completion of the framework for the annual evaluations of INEDs.

- Evaluation and Restructuring of Board Committees: Thorough assessment of each Committee's performance and composition, resulting in strategic recommendations for restructuring to optimize governance.

- Corporate Governance Compliance: Vigilant monitoring of compliance with legal and regulatory standards, with proactive adjustments recommended to maintain and enhance governance practices.

- Monitoring of Remuneration Framework: The Committee ensures consistent oversight by evaluating the Bank's remuneration framework and practices related to director compensation. This includes detailed reviews of the Board remuneration policy and philosophy to ensure they meet governance standards and support director effectiveness.

These efforts collectively strengthen the Bank's governance capabilities, ensuring robust oversight, compliance, and strategic alignment with industry best practices.

The attendance of the Committee Members for meetings were as follows:

Board Governance and Nomination Committee				
Name	**February 21, 2023**	**April 19, 2023**	**July 5, 2023**	**October 18, 2023**
Mr. Philip Ikeazor	P	P	P	Resigned
Dr. Faruk Umar	P	P	P	P
Mr. Tony Uponi	P	P	P	P
Mrs. Vivienne Bamgboye	P	P	P	P

Keys:

P	Present
X	Absent
N/A	Not Applicable

The Board Audit Committee

The Committee members are:

s/n	**Name**	**Designation**
1	Ms. Daisy Ekineh	Chairman (Independent Non-Executive Director)
2	Mr. Anselm Orazulike	Member
3	Mrs. Vivienne Bamgboye	Member
4	Mr. Segun Oloketuyi	Member

The Committee achieved the following:

- Financial Reporting Systems: The Committee ensures the establishment and maintenance of effective systems and processes critical for the accurate preparation of the Bank's financial statements.

- Review of Financial Statements: Annual financial statements are thoroughly reviewed to confirm their completeness, consistency with known information, and adherence to appropriate accounting principles.

- Internal Control Framework: The Committee oversees the development and implementation of a comprehensive internal control framework. It ensures the acquisition of relevant internal or external assurances and annually reports on the design and operating effectiveness of these controls within the Bank's audited financial reports.

- Fraud Risk Management: The Committee manages the oversight of fraud risk identification processes across the Bank, ensuring that mechanisms for prevention, detection, and reporting of fraud are robust and effective.

- External Auditor Oversight: The Committee carried out the responsibility of reviewing the performance of external auditors and making recommendations to the Board regarding their appointment or discharge.

- Internal Audit Function: The Committee confirms that an effective Internal Audit function is in place, which is capable of providing assurance to the Board about the effectiveness of the internal controls within the Bank. The Committee ensures that this function operates independently from management and reports directly to the Audit Committee.

These activities and achievements underscore the committee's commitment to governance, risk management, and compliance, which are critical for maintaining the integrity and reliability of the Bank's financial reporting.

The attendance of the Committee members for meetings were as follows:

BOARD AUDIT COMMITTEE MEETINGS					
Name	**February 24, 2023**	**March 7, 2023**	**April 18, 2023**	**July 6, 2023**	**October 16, 2023**
Ms. Daisy Ekineh	P	P	P	P	p
Mr. Anslem Orazulike	P	P	P	P	p
Mrs. Vivienne Bamgboye	P	P	P	P	p
Mr. Segun Oloketuyi	P	P	P	P	p

The Board Risk Management Committee

The Committee members are:

s/n	Name	Designation
1	Mr. Anselm Orazulike	Chairman
2	Dr. Olutoyin Okeowo	Member
3	Dr. Faruk Umar	Member
4	Mr. Bayo Rotimi	Member (Resigned)
5	Mr. Benson Ogundeji	Member

The Committee has achieved significant progress in carrying out its mandate. Key accomplishments include:

- Risk Management Framework: The Committee reviews and ensures continuous compliance with the approved Risk Philosophy, Risk Appetite, and Tolerance Limits.

- Program Evaluation: The Committee carried out the annual assessment of the adequacy of the bank's risk management programs, proposing necessary enhancements to the Board to ensure the bank remains responsive to changing risk landscapes.

- Management Collaboration: Periodic meetings are held with Management to discuss and oversee the processes, guidelines, and policies established by the bank for identifying, assessing, monitoring, managing, mitigating, and reporting significant risk exposures across all domains.

- Regulatory Compliance Monitoring: The committee monitors the bank's adherence to regulatory Risk-based Supervision requirements, including compliance with the Central Bank of Nigeria's Basel II/III regulations, ensuring the bank meets all statutory obligations

- Capital Adequacy Oversight: Oversight is provided on the bank's capital adequacy levels and capital management processes, ensuring they meet international best-practice standards and regulatory requirements.

- Risk Reporting: Management regularly reports to the Committee on various categories of significant risks faced by the bank. The committee reviews these reports and provides constructive feedback to Management.

- Contingency Planning: The committee ensures robust contingency planning and continuity of business operations, with strategies in place to minimize disruptions from potential threats.

- Information Technology ("IT") Governance: Recommendation of the IT governance framework is made by the committee, with the responsibility for implementation delegated to Management. This includes oversight of IT risk management and disaster recovery planning.

- Compliance Framework Oversight: The committee ensures that the bank maintains a comprehensive compliance framework to adhere to regulations concerning money laundering and financial crimes.

These efforts by the Risk Management Committee were crucial for maintaining the bank's integrity and stability by proactively managing and mitigating risks. The Risk Management Department, along with the Information Security, Compliance, and Information Technology Departments, regularly reports to the Committee, ensuring independent oversight.

The attendance of the members of the Committee for the meetings was as follows:

Board Risk Management Committee				
Name	**February 22, 2023**	**April 12, 2023**	**July 14, 2023**	**October 11, 2023**
Mr. Anslem Orazulike	P	P	P	P
Mr. Bayo Rotimi	P	P	P	P
Mr. Benson Ogundeji	P	p	P	P
Dr. Faruk Umar	P	p	P	P
Dr. Toyin Okeowo	P	p	P	p

THE BOARD CREDIT COMMITTEE

The Committee members are:

s/n	Name	Designation
1	Mr. Segun Oloketuyi	Chairman
2	Mr. Tony Uponi	Member
3	Ms. Daisy Ekineh	Member
4	Mr. Bayo Rotimi	Member (Resigned)
5	Mr. Benson Ogundeji	Member

The Committee has achieved the following:

- Credit Risk Management Review: Regular reviews are conducted on strategies, policies, and procedures related to managing credit risk. This encompasses the administration of credit quality, underwriting standards, and the testing of allowances for credit losses.

- Periodic Credit Risk Framework Approval: As required, the Committee conducts the periodic review and approval of the Credit Risk Framework, the Committee reviews and recommends for Board approval the credit philosophy, risk appetite, and risk tolerance, along with other crucial credit risk policies.

- Credit Portfolio Oversight: The Committee continuously monitors the aggregate credit risk profile of the Bank, including portfolio risk characteristics, capital usage, and performance across different sectors.

- Allowance for Credit Losses Assessment: The adequacy of allowances for credit losses is regularly reviewed and assessed by the Committee. This includes reviewing reserve adequacy measures and the methodology used for computing reserves.

- High-Value Credit Approval: The Committee reviewed and approved credit products that exceeded the transaction limits set for Executive Management, ensuring higher-level oversight on significant credit decisions.

These activities highlight the Committee's critical role in shaping the Bank's Credit Risk Management Framework, ensuring robust oversight and strategic alignment with the Bank's overall risk management objectives.

The attendance of the Committee Members for meetings was as follows:

BOARD CREDIT COMMITTEE				
Name	**February 14, 2023**	**May 15, 2023**	**July 18, 2023**	**October 20, 2023**
Mr. Segun Oloketuyi	P	P	P	p
Mr. Bayo Rotimi	P	P	P	p
Mr. Benson Ogundeji	P	P	P	p
Ms. Daisy Ekineh	P	P	P	p
Mr. Tony Uponi	P	P	P	p

THE BOARD STRATEGY & FINANCE COMMITTEE

The Committee members are:

s/n	Name	Designation
1	Dr. Olutoyin Okeowo	Chairman
2	Mr. Philip Ikeazor	Member
3	Mr. Segun Oloketuyi	Member
4	Mr. Bayo Rotimi	Member
5	Mr. Benson Ogundeji	Member

Strategic Plan and Budget Oversight: The Committee ensures rigorous monitoring of the Bank's strategic plan and budget, reviewing and considering any significant amendments proposed during the year.

- Annual Budget Review and Recommendation: The Committee reviewed the Bank's proposed budget in the context of its overarching strategic goals and recommends it to the Board for approval.
- Financial Performance Monitoring: Regular reports to the Board include detailed analyses of the Bank's financial projections, capital and operating budgets, and the progress of key initiatives, comparing actual results against targets and projections.
- Expenditure Oversight: The Committee reviews major expense lines, approves expenditures within its authorized limits, and recommends Board approval for expenditures exceeding those limits.
- Capital Allocation Planning: Recommendations are made to the Board concerning the annual plan for capital allocation, including any significant changes during the year.
- Cost Control Guidelines: The Committee formulates and periodically updates guidelines on cost control and reduction, aiming to enhance efficiency and advising the Board on these matters.
- Quarterly Business Reviews: Conducting quarterly business reviews with Management and the Board, the Committee evaluates new business initiatives and provides recommendations for Board approval.

These activities underscore the Committee's pivotal role in financial governance and strategic fiscal management, ensuring the Bank operates within its financial means while pursuing its strategic objectives.

The attendance of the Committee Members for meetings was as follows:

BOARD STRATEGY & FINANCE COMMITTEE				
Name	**February 28, 2023**	**April 27, 2023**	**July 13, 2023**	**October 23, 2023**
Dr. Olutoyin Okeowo	p	P	P	p
Mr. Bayo Rotimi	p	P	P	p
Mr. Benson Ogundeji	p	P	P	p
Mr. Philip Ikeazor	p	P	P	Resigned
Mr. Segun Oloketuyi	p	P	P	p

THE BOARD BRANDING & COMMUNICATION COMMITTEE

The Committee members are:

s/n	Name	Designation
1	Mr. Tony Uponi	Chairman
2	Mrs. Vivienne Ochee Bamgboye	Member
3	Mr. Bayo Rotimi	Member (Resigned)

The Committee successfully supervised the overall branding framework of the Bank, culminating in key recommendations to the Board. This oversight ensured that all branding efforts were aligned with strategic organizational goals.

Having completed their assignment, the Committee was dissolved, marking the end of its tenure. These achievements underscored the Committee's crucial role in enhancing the Bank's branding and communications effectiveness throughout the fiscal year 2023, driving forward the Bank's strategic objectives through targeted branding initiatives and strategies.

The attendance of the Committee Members for meetings was as follows:

BOARD BRANDING & COMMUNICATIONS COMMITTEE MEETINGS				
Name	**February 20, 2023**	**April 17, 2023**	**July 4, 2023**	**October 19, 2023**
Mr. Tayo Uponi	P	P	P	p
Mr. Bayo Rotimi	P	P	P	p
Mrs. Vivienne Bamgboye	P	P	P	p

INDEPENDENT PROFESSIONAL ADVICE

Directors of the Bank are encouraged to seek independent professional advice at the Bank's expense when carrying out their duties. This ensures they have the necessary support and expertise to make informed decisions. They have access to the Company Secretary, who plays a pivotal role in ensuring compliance with governance requirements and provides guidance on professional development opportunities. This framework allows Directors to fulfill their responsibilities effectively while upholding the highest standards of corporate governance.

REMUNERATION POLICY

The Bank has an approved Remuneration Policy. The policy ensures that the Board and executive remuneration are aligned with the long-term interests of the Bank and shareholders. Non-executive directors' remuneration is limited to Directors' fees, sitting allowances which are paid for both the Board and Board Committee meetings attendances, and reimbursables, which are paid for expenses incurred by directors, in the discharge of official duties.

The Board Nomination and Governance Committee considers the levels of Board and executive compensation and advises the board on all matters relating to compensation in the Bank.

Directors' fees, the main component of Board remuneration, are paid in four equal installments for each quarter of the year, and in arrears. Sitting allowances are paid for each statutory meeting attended by the Directors.

The Bank's compensation philosophy aims to align with industry best practices, ensuring competitive and sustainable remuneration. This approach helps the Board attract and retain key talent critical to the Bank's success, fostering a stable and effective workforce.

The compensation of the Managing Director and the Executive Director is linked to performance and is specifically designed to prevent excessive risk-taking. The Managing Director and the Executive Director do not receive Directors Fees or sitting allowances for board meetings attendance. Also, as a serving executive, the Managing Director does not receive any Directors Fee or sitting allowances with respect to his board position at the bank's wholly-owned subsidiaries, GAML, and GSL.

The Bank maintains a committed approach to ensuring competitive remuneration for its staff. It achieves this by positioning its compensation packages within the 65th percentile of industry standards, aligning with the Bank's philosophy on staff remuneration. In line with the bank's compensation philosophy and response to economic conditions, including the rising cost of living and the economic challenges impacting the nation, the bank conducted a review and revised staff remuneration in the course of the year.

By consistently offering competitive wages, the Bank effectively attracts and retains top talent. This approach to staff remuneration forms a key part of the bank's broader strategy to adapt to economic fluctuations while upholding its commitment to employee welfare and organizational success.

Details of directors' remuneration are as set out in note .... of the 2023 Annual Report.

A. Confirmation Of the Implementation and Execution of the Remuneration Policy

The Board of Directors confirms that during the 2023 financial year, the Remuneration Policy was implemented and executed effectively. The policy successfully linked compensation to performance metrics, ensured internal fairness, and remained competitive within the industry.

B. Disclosure Of Manager's Remuneration

In compliance with Section 257 of the Companies and Allied Matters Act, 2020, the Board shall disclose to shareholders, at the Annual General Meeting, the remuneration of the bank's managers.

The remuneration of managers is disclosed on page …. of the FY 2023 Audited Financial Statements.

C. Remuneration of Non-Executive Directors ("NEDs")

In compliance with Section 257 of the Companies and Allied Matters Act, 2020, the board shall disclose to shareholders, at the Annual General Meeting, the remuneration of the bank's NEDs.

The remuneration of NEDs is disclosed on page …. of the FY 2023 Audited Financial Statements.

D. Affirmation of the Independence of INEDs

At GMB, we place utmost importance on the independence of our INEDs. The INEDs fully understand their responsibility, as outlined in the NCCG 2018 and the CBN Code of

Corporate Governance, to promptly notify the Board of any circumstance, event, transaction, or relationship that may compromise their independence. The Board conducts an annual assessment to confirm the continued independence of each INED. Should this assessment reveal any impairment, INEDs are required to vacate their seat on the Board. We affirm the independence of the INEDs for the current financial year, 2023, and confirm there are no impairments to their independence.

MANAGEMENT

The Executive Management team is directly accountable to the Board and is entrusted with the day-to-day operations of the Bank, including the development and implementation of strategies and policies approved by the Board. The Executive Management team is led by the Managing Director, who also serves as the Chief Executive Officer (CEO). Supporting the Managing Director are the Executive Director and heads of various departments within the Bank.

Furthermore, the Bank utilizes standing committees to efficiently handle specific functions that span across multiple departments. The standing Committees include:

- Executive Management Committee
- Asset and Liability Committee
- Risk Management Committee
- Management Credit Committee
- IT Steering Committee
- Information Security Steering Committee
- Procurement Committee
- Cost Optimization Committee
- Editorial Committee

CONTROL ENVIRONMENT

The Board has continued to place emphasis on risk management as an essential tool for achieving the Bank's objectives. Towards this end, it has ensured that the Bank has in place robust risk management policies and mechanisms to ensure the identification of risk and effective control. The Board approves the annual budget for the Bank and ensures that a robust budgetary process is operated with adequate authorization levels put in place to regulate capital expenditure.

The fundamental principles guiding the control environment include:

- A steadfast commitment from the Board, management, and staff to uphold the highest standards of integrity and ethical conduct;
- An independent Board and its sub-committees providing oversight on internal controls, separate from management;
- Establishment of structures, reporting lines, and delegation of authority by management, under the oversight of the Board, to ensure the realization of strategic and business objectives;
- Implementation of policies and procedures by the Board and management to support the achievement of objectives; and
- Enforcement of accountability among relevant stakeholders for their internal control responsibilities in alignment with the Bank's objectives.

Over the course of the year, the bank carried out an external evaluation of its internal audit function's effectiveness. Additionally, the bank undertook external Vulnerability Assessment and Penetration Testing (VAPT) as well as a comprehensive review of its Risk Management processes.

SHAREHOLDER RIGHTS

The Board of GMB recognizes the vital role that shareholders play in the governance and success of the Bank. As such, it is committed to fostering a culture of open communication and transparency. Shareholders are regularly provided with timely and comprehensive updates, including notices of meetings, financial reports, and other important information. This commitment ensures that shareholders have access to the information they need to make informed decisions. Additionally, the Board actively seeks feedback from shareholders, valuing their perspectives and input in the bank's strategic direction. By upholding shareholder rights and facilitating meaningful engagement, GMB aims to maintain trust and confidence among its shareholder community.

SUCCESSION PLANNING

The Board Nomination and Governance Committee holds the crucial responsibility of overseeing the Bank's comprehensive succession planning process. This encompasses not only the Board but also management and other key roles within the Bank, ensuring robust continuity across all levels of leadership.

The Committee is tasked with the implementation of a detailed Board Succession Policy and Plan, which articulates the criteria and processes for identifying, evaluating, and nurturing potential candidates for Board positions. This structured approach to succession planning is believed by the Board to significantly strengthen governance practices and guarantee the continuity of effective leadership.

Additionally, succession planning extends beyond the Board to include management and other critical roles, ensuring that the Bank is well-prepared for future transitions and maintains stability in its leadership and operations.

OTHER GOVERNANCE POLICIES AND FRAMEWORKS

The Bank has implemented and actively enforces a range of governance policies and frameworks designed to uphold high standards of conduct and ensure the protection of stakeholder interests:

- Code of Ethics: Establishes the ethical standards required of all employees and executives, promoting integrity and professionalism in business activities. Notably, the Board has a specific Code of Conduct to which members attest on an annual basis, ensuring ongoing commitment and compliance.

- Whistleblowing Policy: Provides a confidential and anonymous secured channel, as mandated by regulation, for employees and stakeholders to report any unethical behavior or malpractices within the organization.

- Clawback Policy: Enables the Bank to recover bonuses or other incentive-based payments from executives if their actions result in misconduct or significant financial losses to the Bank.

- Data Protection Policy: Safeguards the privacy and security of personal data held by the Bank, ensuring compliance with applicable data protection laws.

- Insider Trading Policy: Prevents employees and insiders from trading based on confidential, material information about the Bank or its business partners.

- Related Party Transactions Policy: Governs the conduct of transactions between the Bank and its related parties, ensuring that all dealings are conducted fairly and at arm's length.

Customer Complaints Resolution Policy: Outlines a transparent and effective method for resolving customer complaints, guaranteeing fairness and responsiveness.

These policies collectively contribute to a robust governance framework, reinforcing the Bank's commitment to ethical practices, legal compliance, and the maintenance of a trustworthy business environment.

dcsl
CORPORATE SERVICES LIMITED

28th May 2024

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS OF GREENWICH MERCHANT BANK LIMITED FOR THE YEAR ENDED 31ST DECEMBER 2023

DCSL Corporate Services Limited (DCSL) was engaged by Greenwich Merchant Bank Limited ("the Bank") to carry out a performance evaluation of the Board of Directors for the year ended 31 December 2023, in line with the provisions of the Central Bank of Nigeria Corporate Governance Guidelines for Commercial, Merchant, Non-Interest and Payment Service Providers 2023 ("CBN Corporate Governance Guidelines"), Nigerian Code of Corporate Governance 2018 ("NCCG"), and Companies and Allied Matters Act 2020 ("CAMA), as well as global best practices on Corporate Governance.

The appraisal entailed a review of the Bank's corporate and statutory documents, Minutes of Board and Committee meetings, policies, and other ancillary documents made available to us, and the administration of questionnaires to Directors. To ascertain the extent of compliance with relevant corporate governance principles and appraise the performance of the Board, we benchmarked the Bank's corporate governance structures, policies, and processes against the above-mentioned regulations as well as global best practices and considered the following key seven (7) corporate governance themes:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure.

Our review of the policies and processes in place at the Bank indicates that the Board has maintained the implementation of best corporate governance practices and adherence to the principles enshrined in the CBN Corporate Governance Guidelines, the NCCG, as well as globally accepted best practices. The Directors' Peer Assessment and Chairman's Leadership Assessment surveys administered to the individual Directors indicated that the Directors performed satisfactorily against the set governance indicators and remained committed to sustaining the growth of the Bank.

We have brought to the attention of the Board the few areas that require improvement and have the Board's assurance that these will be implemented. Details of our key findings and recommendations are contained in our detailed Report.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Ajayi (Chairman) – Bisi Adeyemi (Managing Director) – Adeniyi Obe – Dr Anino Emuwa – Obi A. Ogbechi – Mr. Lekan Belo

DCSL Head Office
235 Ikorodu Road, Ilupeju
P. O. Box 965, Marina, Lagos
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ESG & SUSTAINABILITY BANKING REPORT

At GMB, sustainability is central to our business philosophy. We adopt a dual approach, enhancing our internal practices and encouraging stakeholders to adopt sustainable behaviors.

We have integrated sustainability principles into our customer and stakeholder interactions and internal operations, recognizing the significant impact our activities have on the environment and society. This integration helps us manage environmental and social risks effectively.

Our governance framework is robust, underpinning our commitment to environmental and social (E&S) risk management and fostering partnerships with customers to mitigate environmental risks and promote sustainable practices.

Our Environmental, Social, and Governance (ESG) strategy has evolved beyond mere risk management to capitalize on environmental and social opportunities, positioning us as leaders in sustainability and responsible growth.

The Bank acknowledges the issuance of the new International Financial Reporting Standards (IFRS) for Disclosure of Sustainability-related Financial Information, specifically the sustainability disclosure standards S1 and S2, by the International Sustainability Standards Board (ISSB). We are committed to full compliance with these standards. Additionally, we will adhere to the guidelines set forth by the Financial Reporting Council of Nigeria (FRCN) regarding their implementation. This commitment ensures that our reporting processes align with both national and international requirements, maintaining transparency and accountability in our sustainability practices.

OUR SUSTAINABILITY GOALS

For the financial year 2023, the Board approved the Bank's Sustainability Goals which covered the following themes:

a. Cut emissions.

Efforts to achieve this as approved by the Board include the following:

- Reducing our business travel emissions.
- Sourcing renewable energy and energy-saving initiatives for our buildings.
- Plan to convert our fleet to hybrid and electric vehicles as these vehicles become more available in the country.
- Investing in environment-sustaining market solutions for emissions we cannot eliminate.

b. Embed Sustainability

The Bank recognizes that appropriate tone at the top, Board and Senior Management support as well as appropriate governance structure is key to the successful operationalization of the Sustainable Banking Principles. We recognize that we must align our ESG policies, practices, and actions across our organization.

The Board approved the following action plans to achieve this goal:

- Prioritizing discussion of ESG on executive agendas.
- Considering gender-inclusive workplace culture in the Human Capital Policy.
- Embedding climate-smart considerations into decisions on office operations, real estate, and investments.
- Development of Sustainability Policy to drive the implementation of sustainable banking principles.

c. Empower individuals: Educate and inspire staff of the Bank to act on climate change.

By engaging and educating our employees on climate change impacts—decisions about what they consume, use, and buy, we enable our staff to make positive climate choices at home and work, and amplify these through their networks.

d. Collaborate with clients, alliance partners, Non-Govermental Organisations (NGOs), industry groups, suppliers, and others on sustainability initiatives.

The Bank recognizes the importance of collaborating with others in driving sustainability efforts rather than acting alone. To achieve this goal, the Board has approved a plan to ensure collaboration with clients, alliance partners, NGOs, industry groups, suppliers, and others to:

- Increase demand for responsible products and services.
- Remove roadblocks that get in the way of enacting change and
- Support efforts geared at creating innovative climate solutions at a systems and operations level.

Sustainability Achievements in 2023

a. Reduction in Greenhouse Emissions

The Bank is progressing with implementing the sustainable banking principles and currently building structures that will support the achievement of the sustainability goals, the Bank was able to reduce its environmental footprints emanating from its business operations during the year through the following actions:

- Energy efficiency and reduction in carbon emissions: The Bank also invested in the use of energy-saving electrical appliances such as energy-efficient bulbs. The energy-saving requirements are also currently being built into the Bank's procurement process.
- Paper reduction: The Bank was able to cut down on paper usage and printing during the year. This was mainly driven by staff awareness and the launch of the Board Effect solution for board e-papers.

b. Our Employees

Our employees, recognized as our most valuable asset, were actively involved in sustainability efforts and personal development. The Bank maintained a strong focus on learning and development, gender inclusivity, and health and safety. Notable was the increase in female workforce participation to 37.10%, reflecting our ongoing commitment to diversity and inclusion. Comprehensive health services were provided through registered Health Management Organizations ("HMOs"), with robust procedures in place to mitigate occupational hazards.

Our Corporate Social Responsibility (CSR) Initiatives

At GMB, Corporate Social Responsibility (CSR) is not just a commitment, it is a philosophy embedded in us. We actively engage in initiatives that benefit communities, and support education, healthcare, and sustainable development. From promoting financial literacy to participating in environmental conservation projects, we strive to make a positive impact on society.

The Bank recognizes that economic empowerment is necessary for community development. In line with the Bank's commitment to collaborate with clients, alliance partners, NGOs, industry groups, suppliers, and others toward driving sustainability initiatives, the Bank identified and provided financial support to the following bodies during the Year under review:

- **Refurbishment of Ransome Kuti Grammar Memorial School, Mushin, Lagos State**

  Greenwich Foundation, committed to social responsibility, recently upgraded Ransome Kuti Grammar School in the Mushin area of Lagos State. The project involved renovating and reconstructing sixty-six (66) modern restrooms and enhancing sanitation standards. This initiative aligns with the Foundation's focus on education, health, and empowering the girl child.

Notable attendees at the unveiling included the Chairman of the Greenwich Foundation, Erelu Angela Adebayo, and the Managing Director of GMB. Mr. Bayo Rotimi. Greenwich Foundation's dedication to community improvement was highlighted by Mr. Bayo Rotimi and Program Manager Mrs. Yewande Akomolede. Tutor General Dr. Yusuf Sherifat praised the project for fulfilling United Nations Sustainable Development Goal principles. Principal Lasisi Ajadi expressed gratitude, foreseeing improved student attendance and elevated learning experiences. Greenwich Foundation's impact on the school and community was deeply appreciated.

- **Greenwich Merchant Bank Foundation Earns the Recognition of the Lagos State Government for Educational Investment**

  The Bank is proud to announce that the Greenwich Foundation, its social responsibility arm, has received a prestigious award from the Lagos State Government in recognition of its impactful renovation project at Ransome Kuti Grammar School in Mushin, Lagos State.

  The Foundation received the Lagos State Government, Education District VI, Appreciation Award for its commitment to improving the school's facilities. The project involved the renovation and reconstruction of 66 modern restrooms, significantly enhancing sanitation standards for students and staff.

This prestigious award serves as a tremendous validation of the Greenwich Foundation's impact on Ransome Kuti Grammar School and the broader community. GMB remains committed to supporting initiatives that promote a brighter future for our society.

The plans for 2024

The 2024 plans for the Greenwich Foundation include several significant projects aimed at enhancing facilities at the Ransome Kuti Grammar Memorial School in Mushin, Lagos State.

The foundation intends to:

- Undertake painting and structural repairs for both the junior and senior secondary school buildings to address any defects and improve the aesthetic appeal of the educational environment.
- Overhaul the ICT rooms, which involves not only renovating the physical spaces but also equipping them with new laptops, internet connectivity, appropriate furniture, and solar power systems to ensure sustainable energy use.
- Renovate the sick bays for both the junior and senior sections of the schools to improve health care facilities for the students.

These initiatives are designed to create a more conducive learning environment that supports both the educational and health needs of the student.

REPORT OF THE BOARD AUDIT COMMITTEE

To members of Greenwich Merchant Bank Limited

In accordance with the provision of Section 404(7) of the Companies and Allied Matters Act of the Federation of Nigeria 2020, we the members of the Board Audit Committee hereby report as follows:

i. We confirm that we have seen the Audit Plan & Scope, and the Management Letter on the Audit of Greenwich Merchant Bank Limited's Financial Statements for the year ended December 31, 2023, and the responses to the said letter.

ii. In our opinion, the Plan & Scope of the Audit for the year ended December 31, 2023, were adequate. We have reviewed the Auditors' findings, and we are satisfied with the Management responses thereon.

iii. We also confirm that the accounting and reporting policies of the Bank are in accordance with legal requirements and ethical practices.

iv. As required by the provisions of the Central Bank of Nigeria Circular BSD/1/2004 dated February 18, 2004, on Disclosure of Insider-Related Credits in Financial Statements", we reviewed the insider-related credits of the Bank and found them to be as analysed in the Financial Statements for the year ended December 31, 2023.

Ms. Daisy Ekineh
FRC/2019/IODN/00000019013
8th May 2024
Chairman, Board Audit Committee

Members of the Audit committee are:

a. Ms. Daisy Ekineh: Chairman/Independent Non-Executive Director
b. Mr. Anselm Orazulike: Non-Executive Director
c. Mr. Segun Oloketuyi: Non-Executive Director
d. Mrs. Vivienne Ochee Bamgboye : Non-Exécutive Director

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Independent auditor's report

To the Members of Greenwich Merchant Bank Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Greenwich Merchant Bank Limited ("the bank") and its subsidiaries (together "the group") as at 31 December 2023, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

Greenwich Merchant Bank Limited's consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

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<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Impairment allowances on loans and advances to customers (refer to notes 3.27, 6.1a, and 25)

The gross balance of loans and advances to customers as at 31 December 2023 was N23.2 billion for the group and bank respectively. The associated impairment allowance on loans and advances to customers was N76.3 million for the group and bank respectively.

The expected credit losses (ECL) on loans and advances to customers is considered to be a key audit matter because the measurement of impairment allowance is subjective and involves the exercise of significant judgements and the use of complex models and assumptions.

The key areas of significant judgement in the calculation of ECL include:

- definition of default and determination of the criteria for assessing significant increase in credit risk (SICR);
- input assumptions and judgements applied in estimating probability of default (PD), Loss Given Default (LGD), and Exposure At Default (EAD) which are key parameters in the ECL model; and
- methodology applied in weighting forward-looking information using multiple macroeconomic scenarios.

This is considered a key audit matter in the consolidated and separate financial statements.

</td><td>

We evaluated management's default definition against the 90 days past due rebuttable presumption and performed a detailed review of selected customer files and account statements to assess the appropriateness of the days past due on sampled loan accounts.

We checked customer-specific information to assess management's conclusions relating to significant increase in credit risk;

With the assistance of our modelling experts, we:

- evaluated the appropriateness of the IFRS 9 impairment methodology;
- evaluated the appropriateness and accuracy of the probability of default methodology and checked proxy probability of default applied against independent external sources;
- assessed the approach for estimating LGD including checking the appropriateness of the recovery rates used for unsecured exposures and checking the assumptions around collateral values applied in the model;
- checked the accuracy of EAD computation by performing an independent calculation for selected exposures using the customer contractual cash flows;
- assessed the reasonableness of management's assumptions around weightings used for multiple economic scenarios by comparing historical and forecasted macroeconomic data to publicly available sources and recomputing the probability weights; and
- checked the accuracy of ECL computation by performing an independent recalculation.

We assessed the reasonableness and adequacy of the disclosures in the financial statements in accordance with IFRS 9.

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Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report are Corporate Information, The Directors' Report, Statement of Directors' Responsibilities in Relation to the Financial Statements, Statement of Corporate Responsibility for the Audited Financial Statements, Value Added Statements, Five-Year Financial Summary - Group and Five-Year Financial Summary - Bank, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Banks and Other Financial Institutions Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the bank has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

INDEPENDENT AUDITOR'S REPORT

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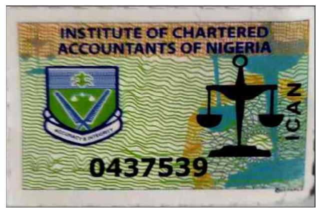
iii) the bank's statement of financial position and statement of comprehensive income are in agreement with the books of account and returns;

iv) the information required by Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in Note 39 to the consolidated and separate financial statements; and

v) 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 2023.



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

28 May 2024

Engagement Partner: Obioma Ubah
FRC/2013/PRO/ICAN/004/00000002002

CONSOLIDATED AND SEPERATE STATEMENTS OF FINANCIAL POSITION
as at 31 December 2023

In thousands of Nigerian Naira	Note	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
ASSETS					
Cash and short term balances with Central Bank of Nigeria	18	32,370	12,725	32,370	12,725
Due from other banks	19	31,649,438	26,455,574	20,421,422	11,849,785
Financial assets at fair value through profit or loss	21	3	160,228	-	160,228
Investment securities:					
Fair value through OCI	22	30,503,824	12,703,436	27,143,342	10,471,898
Amortised cost	23	2,059,831	2,964,585	365,593	1,227,085
Pledged assets	24	13,664,305	15,623,524	13,664,305	15,623,524
Loans and advances to customers	25	23,160,925	33,104,534	23,160,925	33,104,534
Other assets	26	21,293,276	17,451,148	20,780,878	17,253,771
Investment in subsidiaries	27	-	-	1,500,000	1,500,000
Property and equipment	28	300,179	335,353	296,339	332,869
Intangible assets	29	316,648	376,689	313,452	375,328
Deferred tax asset	30	55,528	55,528	-	-
Total assets		**123,036,327**	**109,243,324**	**107,678,625**	**91,911,746**
LIABILITIES					
Due to banks	31	16,828,624	10,291,844	16,828,624	10,291,844
Due to customers	31b	67,754,068	65,947,966	55,151,913	52,176,738
Current tax liability	16	328,890	420,159	79,459	61,144
Other liabilities	32	9,449,542	6,160,751	9,455,195	4,229,101
Deferred tax liability	30	-	51,372	-	50,577
Total liabilities		**94,361,125**	**82,872,092**	**81,515,192**	**66,809,404**
EQUITY					
Share capital	34	5,415,137	5,415,137	5,415,137	5,415,137
Share premium	35	12,667,034	12,667,034	12,667,034	12,667,034
Retained earnings	35	9,384,411	10,847,558	7,028,865	6,597,302
Statutory reserve	35	1,684,352	1,309,617	1,684,351	1,309,617
Regulatory risk reserve	35	642,620	578,865	642,620	578,865
Fair value reserve	37	(470,351)	(3,798,979)	(626,575)	(817,613)
Treasury Shares	34	(648,000)	(648,000)	(648,000)	(648,000)
Total equity		**28,675,203**	**26,371,232**	**26,163,433**	**25,102,342**
Total equity and liabilities		**123,036,327**	**109,243,324**	**107,678,625**	**91,911,746**

The accompanying notes are an integral part of these conslidated and separate financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 15 March, 2024 and signed on its behalf by:

………………………………………………
Mr. Olukayode Akintunde Falowo
(Chairman)
FRC/2014/PRO/DIR/003/00000007051

………………………………………………
Mr. Benson Ogundeji
(Acting.Managing Director)
FRC/2021/PRO/DIR/003/00000022660

Additionally certified by:

………………………………………………
Mr. Adewale Adeniyi
(Chief Financial Officer)
FRC/2012/PRO/ICAN/001/00000000275

CONSOLIDATED AND SEPERATE STATEMENTS OF COMPREHENSIVE INCOME
For the period ended 31 December 2023

In thousands of Nigerian Naira	Note	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Interest income at amortised cost	9	9,258,156	6,194,613	7,247,560	4,563,240
Interest income on financial assets at FVTPL	9	1,056,638	501,471	1,056,638	501,471
Interest income on financial assets at FVTOCI	9	1,579,935	1,566,788	1,433,297	1,450,417
Interest expense	10	(8,453,258)	(5,477,352)	(6,784,311)	(4,178,463)
Net interest income		3,441,471	2,785,521	2,953,184	2,336,665
Impairment charges	11	16,737	(124,986)	24,022	(81,571)
Net interest income after impairment charge for credit losses		3,458,207	2,660,535	2,977,206	2,255,094
Fee and commission income	12	2,108,449	994,195	1,884,317	805,200
Net gains on foreign exchange	12a	504,676	5,801	505,844	5,801
Net gains on financial assets at FVTPL	12b	(926,793)	1,118,644	(1,013,744)	1,112,787
Other operating income	13	794,502	332,504	429,391	169,373
Operating income		5,939,042	5,111,678	4,783,014	4,348,255
Personnel expenses	15	(1,472,176)	(1,342,407)	(1,185,060)	(1,131,482)
Depreciation of property and equipment	28	(136,086)	(130,968)	(134,356)	(129,230)
Amortisation of intangible assets	29	(118,554)	(117,123)	(117,299)	(114,098)
Other operating expenses	14	(2,393,090)	(1,877,805)	(2,065,050)	(1,638,961)
Operating expenses		(4,119,906)	(3,468,303)	(3,501,765)	(3,013,770)
Profit before tax		1,819,136	1,643,375	1,281,249	1,334,485
Income tax expense	16	(158,455)	(54,675)	(32,137)	18,115
Profit for the period		1,660,681	1,588,700	1,249,112	1,352,601
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Net fair value gain/(loss) on financial assets at FVOCI		(99,270)	(870,649)	(99,270)	(691,870)
Net amount transferred to the income statement		282,306	-	156,253	-
		183,036	(870,649)	56,982	(691,870)
Items that may not be reclassified subsequently to profit or loss:					
Net fair value gain/(loss) on financial assets at FVOCI		839,316	-	134,056	-
		839,316	-	134,056	-
Other comprehensive loss for the year, net of taxes		1,022,351	(870,649)	191,038	(691,870)
Total comprehensive income for the year		2,683,033	718,051	1,440,150	660,731
Profit for the period attributable to:					
Equity holders of the Company		1,660,681	1,588,700	1,249,112	1,352,601
Total comprehensive income attributable to:					
Equity holders of the Company		2,683,033	718,051	1,440,150	660,731
Basic earnings per share (kobo)	16	30.67	29.34	23.07	24.98
diluted earnings per share (kobo)	16	31.01	29.67	23.33	25.26

The accompanying notes are an integral part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPERATE STATEMENTS OF CHANGES IN EQUITY
For the period ended 31 December 2023

Group

In thousands of Nigerian Naira	Share capital	Share premium	Fair value reserve	Treasury Shares	Retained earnings	Statutory reserve	Regulatory risk reserve	Total equity
Balance at 1 January 2023	5,415,137	12,667,034	(3,798,981)	(648,000)	10,847,556	1,309,618	578,865	26,371,229
Profit for the year	-	-	-	-	1,660,681	-	-	1,660,681
								-
Other comprehensive income								-
Net Fair value loss on financial asset at FVOCI	-	-	740,045	-	-	-	-	740,045
								-
Transfer to fair value reserve (note 37)			2,306,278		(2,306,278)		-	-
Dividend payment	-	-	-	-	(379,060)		-	(379,060)
Transfer to statutory reserve	-	-	-	-	(374,734)	374,734	-	-
Transfer to regulatory reserve	-	-	-	-	(63,755)	-	63,755	-
Net amount transferred to the income statement			282,306					282,306
As at 31 December 2023	**5,415,137**	**12,667,034**	**(470,352)**	**-648,000**	**9,384,411**	**1,684,352**	**642,621**	**28,675,202**
Balance at 1 January 2022	5,294,137	12,140,034	(2,928,330)	-	11,016,205	903,837	137,671	26,563,554
Issue of new shares	60,000	588,000	-	(648,000)	-	-	-	-
Reclassification	61,000	(61,000)						-
Profit for the year	-	-	-	-	1,588,700	-	-	1,588,700
Other comprehensive income					- -		-	
Fair value movement on financial asset at FVOCI			(870,649)					(870,649)
Dividend payment	-	-	-	-	(910,373)		-	(910,373)
Transfer to statutory reserve	-	-	-	-	(405,780)	405,780	-	-
Transfer to regulatory reserve	-	-	-	-	(441,194)	-	441,194	0
At 31 December 2022	**5,415,137**	**12,667,034**	**(3,798,979)**	**(648,000)**	**10,847,558**	**1,309,618**	**578,866**	**26,371,233**

CONSOLIDATED AND SEPERATE STATEMENTS OF CHANGES IN EQUITY
For the period ended 31 December 2023

Bank

In thousands of Nigerian Naira	Share capital	Share premium	Fair value reserve	Treasury Shares	Retained earnings	Statutory reserve	Regulatory risk reserve	Total equity
Balance at 1 January 2022	5,415,137	12,667,034	(817,613)	(648,000)	6,597,301	1,309,618	578,865	25,102,342
The issue of new shares	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	1,249,112	-	-	1,249,112
								-
Other comprehensive income								-
Fair value movement on financial asset at FVOCI	-	-	34,786	-	-	-	-	34,786
Dividend payment	-	-	-	-	(379,060)	-	-	(379,060)
Transfer to statutory reserve	-	-	-	-	(374,734)	374,734	-	-
Transfer to regulatory risk reserve	-	-	-	-	(63,755)	-	63,755	-
Net amount transferred to the income statement			156,253					156,253
As at 31 December 2023	**5,415,137**	**12,667,034**	**(626,575)**	**(648,000)**	**7,028,865**	**1,684,351**	**642,620**	**26,163,433**
Balance at 1 January 2022	5,294,137	12,140,034	(125,743)	-	7,002,048	903,837	137,671	25,351,984
Issue of new shares	60,000	588,000	-	(648,000)	-	-	-	-
Reclassification	61,000	(61,000)	-	-	-	-	-	-
Profit for the year	-	-	-	-	1,352,601	-	-	1,352,601
								-
								-
Other comprehensive income								-
Fair value movement on financial asset at FVOCI			(691,870)		-	-		(691,870)
	-	-	-	-	(910,373)	-	-	(910,373)
Total comprehensive income onfinancial assets	-	-	-	-	(405,780)	405,780	-	-
Transfers to statutory reserve	-	-	-	-	(441,194)	-	441,194	0
								-
At 31 December 2022	**5,415,137**	**12,667,034**	**(817,613)**	**(648,000)**	**6,597,301**	**1,309,618**	**578,865**	**25,102,342**

CONSOLIDATED AND SEPERATE STATEMENTS OF CASH FLOWS

For the period ended 31 December 2023

In thousands of Nigerian Naira	Note	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Cash flows from operating activities					
Profit before tax for the period		1,819,136	1,643,375	1,281,249	1,334,485
Items not affecting cash:					
Depreciation of property and equipment	28	136,086	130,968	129,573	129,230
Amortisation of intangible assets	29	118,554	117,123	117,299	114,098
Impairment of loans and advances	11	(55,469)	122,670	(55,469)	122,670
Impairment /(write back)of other assets	26	21,851	20,495	21,851	(6,002)
Impairment of investment securities	11	2,463	7,967	260	(1,692)
Impairment on(writeback) off-balance sheet	11	(6,645)	(38,926)	(6,645)	(38,926)
Net interest income	10b	(3,441,471)	(2,785,521)	(2,953,184)	(2,336,665)
Gain on disposal of assets	13	(179)	(305)	(146)	(305)
Unrealised gain/(loss) on financial assets FVTPL	12b	-	35,049	-	35,049
Dividend income	13	(239,894)	(252,988)	(85,050)	(100,238)
Withholding tax credit notes utilised		(279,910)	(176,263)	(43,213)	(90,590)
Corporate tax over provision in prior years					
		(1,925,477)	**(1,176,355)**	**(1,593,474)**	**(838,885)**
Changes in non-cash working capital balances					
Changes in loans and advances	25	9,999,078	(25,898,235)	9,999,078	(25,898,235)
Changes in financial assets FVTPL	21	160,228	(189,493)	160,228	(189,493)
Changes in financial assets FVTOCI	22	(16,778,036)	(6,036,041)	(16,480,406)	(6,152,017)
Changes in due to banks	31a	6,536,780	6,004,185	6,536,780	6,004,185
Changes in pledged assets	24	1,959,219	(7,175,652)	1,959,219	(7,175,652)
Changes in other assets and prepayments	26	(3,863,978)	(580,636)	(3,548,957)	(542,731)
Changes in due to customers	31b	1,806,102	18,323,066	2,975,175	13,424,114
Changes in other liabilities	32	3,295,436	(17,779,782)	5,232,739	(13,260,045)
		1,189,351	**(34,508,943)**	**5,240,382**	**(34,628,758)**
Interest received	9	11,894,729	8,262,872	9,737,495	6,515,128
Interest paid	10	(8,453,258)	(5,477,352)	(6,784,311)	(4,178,463)
Income tax paid	16	(21,187)	(48,529)	(21,187)	(48,529)
Net cash (out)/in flows from operating activities		**4,609,635**	**(31,771,952)**	**8,172,379**	**(32,340,622)**
Cash flows from investing activities					
Purchase of property and equipment	28	(101,974)	(53,563)	(93,043)	(53,563)
Proceed from disposal of property, plant & equipment		1,234	399	146	399
Purchase of intangible	29	(58,513)	(51,949)	(55,422)	(51,949)
Dividend received	13	239,894	252,988	85,050	100,238
Sale/(Purchase) of debt instruments at amortised cost		902,291	2,832,355	861,231	(714,643)
Net cash (out)/inflows from investing activities		**982,932**	**2,980,230**	**797,962**	**(719,518)**
Cash flows from financing activities					
Dividend paid	36	(379,060)	(910,373)	(379,060)	(910,374)
Borrowing	33	-	(5,527)	-	(5,527)
Net cash (out)/inflows from financing activities		(379,060)	(915,900)	(379,060)	**(915,901)**
Net (decrease)/increase in cash and cash equivalents		5,213,508	(29,707,624)	8,591,281	(33,976,041)
Cash and cash equivalents at 1 January		26,468,299	56,175,920	11,862,510	45,838,548
Cash and cash equivalents at 31 December	20	**31,681,808**	**26,468,299**	**20,453,792**	**11,862,510**

The accompanying notes are an integral part of these consolidated and separate financial statements.

1 General Information

Reporting Entity

These financial statements are the consolidated financial statements of the Parent, Greenwich Merchant Bank Limited "the Bank", and its subsidiaries hereafter referred to as ("the Group"). Greenwich Merchant Bank Limited (formerly called Greenwich Trust Limited) was initially incorporated in Nigeria under the Companies and Allied Matters Act as a private limited liability company on 25 February, 1992. The Central Bank of Nigeria (CBN) license for merchant banking was obtained in September 2020 while merchant banking operations commenced on 02 October, 2020.

The principal activity of the group is provision of treasury management services, corporate banking and advisory services in areas such as capital raising, financial advisory services, structured finance and asset management. The Bank subsidiaries carry on businesses as stockbrokers and asset managers.

Greenwich Merchant Bank is a limited liability company incorporated and domiciled in Nigeria.

The address of its registered office is as follows:
Plot 1698A Oyin Jolayemi St,
Victoria Island, Lagos.

The financial statements for the year ended 31 December 2023 were authorised for issue by the Board of Directors on 15th March, 2023.

2 Summary of Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

2.1 Basis of Preparation

The financial statements are prepared in accordance with International Financial Reporting Standard (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, the Banks and other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars.

The consolidated statement of financial position are presented in order of liquidity.

The Directors believe that the underlying assumptions are appropriate and that the group's consolidated financial statements therefore present the financial position and results fairly.

3.1 Basis of Measurement

These financial statements have been prepared based on historical cost basis, except for the following:

- Derivative financial instruments which are measured at fair value.
- Financial assets measured at fair value through profit or loss.
- Financial instruments measured at fair value through other comprehensive income.

3.2 Functional and Presentation Currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Nigerian Naira(N) which is the bank's functional currency and the group's presentation currency.

3.3 Use of Estimates and Judgements

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements, about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. There were no material changes in management's estimates during the period.

3.4 Basis of Consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the group. Control exists when the group has rights to variable returns from its involvement in an entity and has the ability to affect those returns through its power over the entity. The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. Subsidiaries are fully consolidated from the date in which control is transferred to the group. They are deconsolidated from the date control ceases.

The accounting policies of subsidiaries have been changed, where necessary, to align with the policies adopted by the group.

In the separate financial statements, investments in subsidiaries are carried at cost less impairment.

(b) Business Combinations

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The results of the subsidiaries consolidated financial statements from the effective acquisition acquired or disposed of during the year are included in the date and or up to the effective date on which control ceases, as appropriate. The integration of the subsidiaries into the consolidated financial statements is based on consistent accounting and valuation methods for similar transactions and other occurrences under similar circumstances.

Business combinations are accounted for using the acquisition method.

The group measures goodwill at the acquisition date as the total of:

- The fair value of the consideration transferred; plus
- The amount of any non-controlling interest in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;
- Less the net amount of the identifiable assets acquired and liabilities assumed (generally fair value).

When this total is negative, a bargain purchase gain is recognised in the income statement.

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of any previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(c) Disposal of Subsidiaries
When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Transactions Eliminated on Consolidation
Intra-group balances and any unrealised gains or losses or incomes and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.5 Foreign Currency

Foreign Currency Transactions
Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the Net gains on foreign exchange in the income statement.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the year end translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments or qualifying net investment hedging instruments.

All foreign exchange gains and losses recognised in the Income statement are presented net in the Income statement within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

Revenue Recognition

3.6 Interest Income and Interest Expense
Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the statement of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability.

The calculation of the effective interest rate includes all transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

3.7 Fees and Commissions Income and Expenses
Fees and commission are generally recognised on an accrual basis, when the service has been provided. Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income, including financial advisory fees, structured finance fees, arrangement fees, account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed. Other fees and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received. A contract with a customer, that results in a recognised financial instrument in the Group's financial statement may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. if this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of

IFRS 9 and then applies IFRS 15 to the residual. Other fees and commission expenses relate mainly to transaction and service fees, which are expensed as services are received.

Income on cash handling relates to services provided to customers in processing cash withdrawal and deposits above the regulated limit,provided by the Central Bank of Nigeria. Income is recognised as the service is provided. Fees and commission income are recognised at point in time and over time. Fees recognised over time relate to credit related fees (concerning participation fee and invoice discounting), corporate finance fees, account maintenance fees, account servicing fee. Fees recognised at a point in time relate credit related fees other that those recognised over time, account servicing fee, arrangement fees.

3.8 Net Trading and foreign Exchange Income

Net trading income and foreign exchange income comprises gains less losses related to trading assets and liabilities and includes all realised and unrealised fair value changes and foreign exchange differences. Net gains or losses on derivative financial instruments
measured at fair value through profit or loss are also included in net trading income.

3 .9 Dividend income

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of other operating income and recognised gross of the associated withholding tax. The withholding tax expense is included as a component of taxation charge for the relevant period. Usually, this is the ex. dividend date for quoted equity securities. Dividends are presented in net trading gains, or other income based on the underlying classification of the equity investment. Dividends on equity instruments designated as at FVOCI that clearly represent a recovery of part of the cost of the investment are presented in OCI.

3.10 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax liability is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates, and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.11 Cash and bank balances

Cash and bank balances include notes and coins on hand, current balances with other banks, balances held with central banks and placements with banks which are used by the Group in the management of its short-term commitments.

Cash and bank balances are carried at amortised cost in the statement of financial position.
Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non-

restricted current accounts with central banks and amounts due from banks on demand or with an original maturity of three months or less.

3 .12 Trading assets

Trading assets are those assets that the Group acquires principally for the purpose of selling in the near term, or holds as part of a portfolio that is managed together for short term profit or position taking.

Trading assets are measured at fair value with changes in fair value recognised as part of net trading and foreign exchange income in profit or loss.

3.13 Derivative financial instruments

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions and valuation techniques. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Certain derivatives embedded in other financial liabilities are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are separately accounted for at fair value with changes in fair value recognised in the income statement unless the Group chooses to designate the hybrid contracts at fair value through profit or loss.

3.14 Property and Equipment

(a) Recognition and measurement

Items of property and equipment are recognised when available for use and are carried at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(b) Subsequent Costs

Subsequent costs are included in the asset's carrying amount or is recognised if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

c’) Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held-for-sale in accordance with IFRS 5 Non-current assets-held-for-sale and discontinued operations.

The estimated useful lives for the current and comparative period are as follows:

	2023	2022
Freehold Land	Not depreciated	Not depreciated
Freehold buildings	50 years	50 years
Motor vehicles	5 years	5 years
Office improvement	5 years	5 years
Furniture and Fittings	5 years	5 years
Office equipment	5 years	5 years
Work in progress	Not depreciated	Not depreciated
Computer equipment	5 years	5 years

Work in progress represents costs incurred on assets that are not available for use. Work in progress is carried at cost less any required impairment. Depreciation starts when assets are available for use. An impairment loss is recognised, if the assets's recoverable amount is less than cost. The asset is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Once the items are available for use, the related amounts are transferred to the appropriate category of property and equipment.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

(d) De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

3.15 Intangible assets

(a) Software

Software acquired by the group is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognized as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life not exceeding five years, from the date that it is available for use. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates.

Work in progress for intangible assets are not amortized, until they are available for use. Once items are available for use, the related amounts are transferred to the appropriate category of intangible assets.

3.16 Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an assetis required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement. Impairment losses relating to goodwill are not reversed in future periods.

3.17 Repossessed collateral

Repossessed collateral represents financial and non-financial assets acquired by the group in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in the relevant assets depending on the nature and the group's intention in respect of recovery of these assets; and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets. Where repossessed collateral results in acquiring control over a business, the business combination is accounted for using the acquisition method of accounting with fair value of the settled loan representing the cost of acquisition(refer to the accounting policy for consolidation).

3.18 Deposits and debt securities issued

The group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. Debt securities issued are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the group chooses to carry the liabilities at fair value through profit or loss.

3.19 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for. A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.20 Financial guarantee contracts

Financial guarantee contracts are contracts that require the group (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value, which is the premium received, and then amortised over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of the expected credit loss provision and the unamortised premium. Financial guarantees are included within other liabilities.

3.21 Employee benefits

Post-employment benefits

Defined contribution plans

The group operates defined contribution pension scheme. A defined contribution plan is a pension plan under which the group makes fixed contributions on contractual basis. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due.

The bank pays contributions to publicly or privately administered pension plans on a manadatory basis.

The bank and subsidiaries has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments available.

The contribution by employees and the employing entities are 8% and 10% respectively of the employee's basic salary, housing and transport allowances. The contributions made by the group last year were not below the minimum provisions of the Pension Reform Act, 2014.

Termination benefits
The group recognises termination benefits as an expense when the Group is demonstrablycommitted, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The Group settles termination benefits within twelve months and are accounted for as short-term benefits.

Short term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term employee benefits if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.22 Share capital and reserves

(a) Share issue costs
Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(b) Dividend on ordinary shares
Dividends on the group's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the group's shareholders.

(c) Treasury shares
Where the group or any member of the group purchases the group's shares, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

3.23 Earnings per share
The group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.24 Fiduciary activities
The group commonly acts as trustees in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and incomes arising thereon are excluded from these financial statements, as they are not assets of the group.

3.25 Stock of consumables
Stock of consumables comprise materials to be consumed in the process of rendering of services as well as banking accessories held for subsequent issuance to customers. They are measured at the lower of cost and net realisable value. Cost comprises costs of purchase and other costs incurred in bringing the items of stock to their present location and condition. Net realisable value is the estimated issuance price. When items of stock are issued to customers, their carrying amount is recognised as an expense in the period in which the related revenue is recognised.

3.36 Segment reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Chief Executive Officer of the Group, being the chief operating decision maker, to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. All costs that are directly traceable to the operating segments are allocated to the segment concerned, while indirect costs are allocated based on the benefits derived from such cost.

3.37 Financial Instruments
The bank's accounting policies complies with IFRS 9. IFRS 9 replaces the provisions of IAS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments,impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments: Disclosures.

3.27.1 Classification and measurement

Financial assets

It is the Bank's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit of loss.

Classification and subsequent measurement is dependent on the Bank's business model for managing the asset and the cash flow characteristics of the asset. On this basis, the Bank may classify its financial instruments at amortised cost, fair value through profit ot loss and at fair value through other Comprehensive income.

The Bank classifies its financial assets into the following categories in line with the provisions of IFRS 9:

a. those to be measured at fair value through profit or loss (FVTPL)
b. those to be measured at amortised cost; and
c. those to be measured at fair value through other comprehensive income (FVOCI)

The classification depends on the Bank's business model (i.e business model test) for managing financial assets and the contractual terms of the financial assets cash flows(i.e. solely payments of principal and interest - SPPI test.)

The Bank also classify its financial liabilities as liabilities at fair value through profit or loss and liabilities at amortised cost. Management determines the classification of the financial instruments at initial recognition.

Classification of Financial Assets

(a) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

I. The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'investment income'.

The amortised cost of a financial instrument is defined as the amount at which it was measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the 'effective interest method' of any difference between that initial amount and the maturity amount, and minus any loss allowance. The effective interest method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the instrument's net carrying amount.

(b) Financial assets measured at FVTPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. The gain or loss arising from changes in fair value of a debt investment that is subsequently measured at fair value through profit and loss and its not part of a hedging relationship is included directly in the profit or loss and reported as 'Net fair value gain/(loss) in the period in which it arises. Interest income from these financial assets is recognized in profit or loss as 'Investment income'.

In addition, the Bank may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that could otherwise arise. This is done on initial recognition of the instrument.

(c) Financial assets measured at FVOCI

The Bank subsequently measures all equity investment at fair value. For equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment by investment basics at the initial recognition of the instrument. Where the Bank's management has elected to present fair value gains and losses to profit or loss. Dividends from such investments continue to be recognized in profit and loss as dividend income when the Bank's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. All other financial assets are classified as measured at FVTPL. Changes in the fair value of financial assets at fair value through profit or loss are recognized in Net fair value gain/(loss) in the profit or loss.

3.27.2 Business Model Assessment

The Bank assesses the objective of a business model in which as asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

i. The Stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;

ii. How the performance of the portfolio is evaluated and reported to management;

iii. The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

iv. How managers of the business are compensated e.g whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

v. The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking worst case or stress case scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment of whether contractual cash flows are solely payments of principal and interest on principal amount outstanding

As a second step of its classification process, the Bank assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g liquidity risk and administrative costs), as well as profit margin.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgment and considers relevant factors such as the currency in which the financial asset is dominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than 'the minimum' exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

i Contingent events that would change the amount and timing of cash flows;
ii Leverage features;
iii Prepayment and extension terms;
iv Terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse asset arrangements)
v Features that modify consideration of the time value of money e.g periodical reset of interest rates.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cashflows are solely payment of principal and interest.

3.27.3 Classification of Financial Liabilities

Financial liabilities shall be classified into one of the following measurement categories;

(a) Fair Value through Profit or Loss (FVTPL)

(b) Amortised cost

(a) Financial Liabilities at fair value through profit or loss

Financial liabilities accounted for at fair value through profit or loss fall into two categories:

- Financial liabilities held for trading and financial liabilities designed at a fair value through profit and loss on inception.
- Financial liabilities at fair value through profit and loss shall be financial liabilities held for trading. A financial liabilities shall be classified as held for trading if it shall be incurred principally for the purpose of repurchasing it in the near term or if it shall be part of a portfolio of identified financial instruments that shall be managed together and for which they shall be evidence of a recent

actual pattern of profit-taking. Derivatives shall also be categorized as held for trading unless they shall be designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller. Gains and losses arising from changes in fair value of financial liabilities classified as held for trading shall be included in the income statement and shall be reported as Net gains/(losses) on financial instruments classified as held for trading'. Interest expenses on financial liabilities held for trading shall be included in 'Net interest income'.

Financial Liabilities shall be designated at FVTPL when either the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value shall be recognized in the consolidated Statement of Income, except for changes in fair hearing arising from changes in the Bank's own credit risk which shall be recognized in OCI. Changes in fair value of liabilities due to changes in the Bank's own credit risk, which are recognized in OCI, shall not be subsequently reclassified to the Consolidated Statement of Income upon derecognition/ extinguishment of the liabilities.

(b) Financial Liabilities at amortised cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and shall be measured at amortised cost using the effective interest rate method. Financial liabilities measured at amortised cost shall be debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

Reclassifications

The Bank reclassifies financial assets when and only when its business model for managing those assets changes. The reclassifications takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and must be significant to the Bank's operations. When reclassification occurs, the bank reclassifies all affected financial assets in accordance with new business model. Reclassification date is the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not restated when reclassification occurs.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business occurs only when the Bank either begins or ceases to perform an activity that is significant to its operations (e.g.via acquisition or disposal of a business line).

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets.
- A transfer of financial assets between parts of the entity with different business models.

Financial liabilities are not reclassified after initial classification.

Financial assets under the amortised cost classification (i.e. business model whose objective is to collect the contractual cash flows) can still be held as such even when there are sales within the portfolio as long as the sales are infrequent (even if significant in value) or insignificant in value both individual and in aggregate (even if frequent).

However, if more than an infrequent number of sales are made out of a portfolio and those sale are more than insignificant in value (either individually or in aggregate), the Bank will assess whether and how much sales are consistent with an objective of collecting contractual cash flows.

The Bank has defined the following factors which will be considered in concluding on the significant and frequency of sale:

Classification of Financial Liabilities (Continued)

Definition of Insignificance: The Bank considers the sale of assets within the BM1 as insignificant if the total sales constitute a value that is less than or equal to 15% of the current amortised cost portfolio per annum or a 5% per quarter subject to a maximum of 15% per annum threshold.

Definition of Infrequent: The Bank has decided that any sale not more that once a quarter would be considered as an infrequent sale.

Definition of Closeness to maturity: The Bank defines close to maturity as instruments with three months to maturity.

3.27.4 Modifications of financial assets and financial liabilities

1. **Financial Assets**
If the terms of a financial assets are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value. Any difference between the amortized cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit and loss as 'gain and losses arising from the derecognition of financial assets measured at amortised cost.

If the cash flows of the modified asset carried at amortised cost are not substantially different, the modification does not result in derecognition of the financial assets. In this case, the Bank recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchase originated credit-impaired financial assets). The amount arising from adjusting the gross carrying amount is recognised as a modification gain or loss in profit or loss as part of impairment loss on financial assets for the period.

In determining when a modification to terms of a financial asset is substantial or not to the existing terms, the Bank will consider the following non-exhaustive criteria:

Qualitative criteria

Scenarios where modifications could lead to derecognition of existing financial asset and recognition of a new financial asset, i.e. substantial modification, are:

- Change in frequency of repayments i.e. change of monthly repayments to quarterly or yearly repayments
- Reduction of Financial asset's tenor
- Extension of financial asset's tenor
- Reduction in repayment of principals and interest
- Capitalisation of overdue repayments into a new principal amount.
- On occurrence of any of the above factors, the Bank will perform a test to determine whether or not the modification is substantial.

Quantitative criteria

A modification would lead to derecognition of existing financial asset and recognition of a new financial asset. That means, substantial modification if:

The discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

A modification would not lead to derecognition of existing financial asset if:

The discounted present value of the cash flows under the new terms, including any fees received net of any paid and discounted using the original effective interest rate, is less than 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL measured as follows:

If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial assets are included in calculating the cash shortfalls from the existing assets.

If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Modification gain or loss shall be included as part of impairment loss on financial assets for each financial period.

Financial liabilities

The Bank derecognizes a financial liability when its terms are modofied and the cash flows of the modified liability are substantially different. This occurs when the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment (i.e. the modified liability is not substantially different), any costs of fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

3.28 Impairment of financial assets

(a) Overview of the Expected Credit Losses (ECL) Principles

The Bank recognizes allowance for expected credit losses on the following financial instruments that are not measured at FVTPL

- Cash and cash equivalents
- Debt instrument at amortised cost
- Other receivables

The instruments mentioned above are all referred to as 'financial instrument' or 'assets'. Equity instruments are not subject to impairment under IFRS 9

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LT ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined.

The 12m ECL is the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LT ECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Loss allowances for accounts receivable are always measured at an amount equal to lifetime ECL. The Bank has established a policy to perform a assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank groups its financial instruments into stage 1, stage 2, State 3 and POCI, as described below:

Stage 1: When financial assets are first recognised, the Bank recognises an allowance based on 12m ECLs. Stage 1 asset also include facilities where the credit risk has improved and the asset has been reclassified from Stage 2.

Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Bank records an allowance for the LT ECLs. Stage 2 asset also include facilities, where the credit risk has improved and the asset has been reclassified from Stage 3.

Stage 3: Financial assets considered credit-impaired. The Bank records an allowance for the LTECLs.

POCI: Purchase or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime - stage 2 or stage 3 of the ECL bucket, the Bank would continue to monitor such financial asset for a probationary period of 90 days to confirm if the risk of default has decrease sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12 months ECL (Stage 1). In addition to the 90 days probationary period above, the Bank will also observe a further probationary period of 90 days to upgrade from Stage 3 to 2. This means a probationary period of 180 days will be observed before upgrading financial assets from Lifetime ECL (Stage 3) to 12 months ECL (Stage 1).

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced.

This is considered a (partial) derecognition of the financial asset.

(b) The calculation of ECLs

Expected credit losses are probability-weighted estimate of credit losses over the expected life of the financial instrument. Credit losses are the present value of the expected cash shortfalls.

The measurement of the expected credit losses should reflect:

- An unbiased and probability weighted amount;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort.

IFRS 9 does not prescribe a single method for measuring expected credit losses. Rather, it acknowledges that the method used to measure expected credit loss may vary based on the type of the financial asset and the information available.

The Bank calculates the ECLs based on three probability- weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculation are outlined below and the key elements are as follows:

- PD: The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if facility has not previously derecognised and still in the portfolio.
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD: The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the differences between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. it is usually expressed as a percentage of the EAD.
- When estimating the ECLs, the Bank considers three scenarios (a base case, an upside and downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted assets are expected to be recovered, including the probability that the assets will cure and the value of collateral or the amount that might be received for selling the asset.
- Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

- Stage 1: The 12m ECL is calculated as the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: When an asset has shown a significant increase in credit risk since origination, the Bank records an allowance for LT ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For assets considered credit-impaired, the Bank recognizes the lifetime expected credit losses for these assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

POCI: POCI asset are financial assets that are credit impaired on initial recognition. The Bank only recognizes the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR.

(c) Debt instruments measured at fair through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of there financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

(d) Purchased or originated credit impaired financial assets (POCI)

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more event have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

An asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

For POCI financial assets, the Bank only recognises the cumulative changes in LT ECL since initial recognition in the loss allowance.

(e) Presentation of allowance for ECL in the statement of Financial position

Loan allowance for ECL are presented in the statement of financial position as follows:

Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;

Debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of the asset is its fair value. However, the loss allowance is disclosed and recognised in the fair value reserve in equity (through OCI).

(f) Write - off

After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure is recommended for write-off (either partially or in full):

- Continued contact with the customer is impossible;
- Recovery cost is expected to be higher than outstanding debt;
- Amount obtained from realization of credit collateral security leaves a business of the debt; or
- It is reasonably determined that no further recovery on the facility is possible. All credit facility write-offs require endorsement by the Board Risk Management Committee, as defined by the Bank. Credit writ-off approval is documented in writing and properly initiated by the Board Risk Management Committee.

A write-off constitute a derecognition event. The write-off amount is used to reduce the carrying amount of the financial asset. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only.

(g) Forward looking information

In its ECL model, the Bank relies on a broad range of forward looking information as economic inputs, such as, GDP growth, Unemployment rates, Inflation rates and crude oil prices.

3.28.1 Derecognition of financial asset

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the final asset. Any interest in such derecognized asset financial asset that is created or retained by the Bank is recognised as a separate asset or liability. impaired debts are de-recognised when they are assessed as uncollectible.

3.28.2 Derecognition of Financial Liabilities

The Bank de-reognises financial liabilities when, and only when its contractual obligations are discharged or cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in profit or loss.

3.28.3 Write off-policy

The Bank writes off a financial asset (and any related allowances for impairment losses) when the Bank's Credit determines that the assets are uncollectible. Financial assets are written off either partially or in their entirety. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issue's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss on financial assets.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amount due.

3.28.4 These are the various categories as classified according to IFRS 9: Financial instruments

Category (as defined by IFRS 9)		Classes as determined by the Group	Subclasses
Financial asset	Financial assets held for trading	Debt securities	Treasury Bills
			Promissory Notes
			Federal Government of Nigeria Bonds
		Derivative financial instruments	Foreign exchange forward contracts
			Convertible loans
		Equity securities	Quoted Equity Securities
		Mutual funds	Listed Mutual funds
	Financial assets at fair value through other comprehensive income (FVOCI)	Debt Securities	Promissory Notes
			Treasury Bills
			State & Federal Government of Nigeria Bonds
			Corporate Bonds
			Unquoted equities
	Amortised Cost	Investment securities	Treasury Bills
		Cash and Group balances	Cash
			Bank Balances with CBN
			Bank Balances in Nigeria
			Bank Balances outside Nigeria
		Loand and advances to Groups	Placements with Groups and discount houses
			Placement with other financial institutions
		Loans and advances to customers	Term loans, overdrafts
			Commercial bills
			Staff loans
Financial liabilities	Financial liabilities at fair value through profit or loss	Derivative financial instrument liabilities	Foreign exchange forward contracts
	Financial liabilities at amortised cost	Due to Banks	Tenored inter-bank deposits
		Due to Customers	Demand deposits
			Term deposits
		Other liabilities	Accounts payable
			Sundry accounts
		Borrowings	Bank loan
			Other financing loan

4.0 Deferred Tax

Deferred tax is provided using the liability method in respect of temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

5.0 Expense Recognition

Finance cost

Interest paid is recognized in the income statemnet as it accrues and is calculated by using the effective interest rate method.

5.1 Impairment of Intangible Assets

Intangible assets with indefinite useful lives are tested for impairment annually at 31 December, either individually or at the cash generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

5.2 Investment Properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the group, are classified as investment properties. Investment properties comprise mainly of a residential project constructed with the aim of leasing out to tenants.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the statement of financial position. Gains or losses arising from changes in the fair value of investment properties are included in the profit or loss in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is obtained from professional third party valuators contracted to perform valuations on behalf of the Bank. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers.

6 Changes to accounting policies

Except as noted below, the Group has consistently applied the accounting policies as set out in Note 6(b) to all periods presented in these consolidated and separate financial statements. The Group has adopted the following amendments
(a) including any consequential amendments to other standards with initial date of application of January 1, 2021. "Seeamendments to IFRS 9, IAS 39 and IFRS 7 disclosures below".

Significant accounting policies:

Except as noted in Note 6(a), the Group has consistently applied the accounting policies
(b) consolidated and separate financial statements, unless otherwise stated.

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period.

Standards and interpretations effective during the reporting period

Amendments to the following standard(s) became effective in the annual period starting from 1 January, 2023. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

Amendments to IAS 1 and IFRS Practice Statement 2- (ii) Disclosure of Accounting Policies

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The effective date is 1 January 2023.

This amendment is not expected to have a significant impact on the accounting policies disclosed in the financial statement.

The amendment has no impact on the Group financial statements of the year.

Onerous Contracts – Cost of Fulfilling a Contract-Amendments to IAS 37

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The amendment has no impact on the Group financial statements of the year.

Insurance Contracts-Amendments to IAS 17

The IASB issued IFRS 17 in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard.

The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This standard does not impact the Group in anyway as the Bank and its subsidiary companies do not engage in insurance business.

The effective date is 1 January 2023.

This amendment is not expected to have a significant impact on the accounting policies disclosed in the financial statement.

c) Standards and interpretations issued/amended but not yet effective

The following standards have been issued or amended by the IASB but became effective for annual periods beginning on or after 1 January 2024:

Standard	Content	Effective Date
IFRS 16	Amendment to IFRS 16 - Lease liability in a Sale and Leaseback	1 Jan 2024
IAS 1	Amendment to IAS 1 Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current Liabilities	1 Jan 2024
IAS 7	Amendments to IAS 7 Cashflow Statements-Supplier Finance Arrangements	1 Jan 2024
IFRS 10 and IAS 21	Amendments to IFRS 10 and IAS 21-Lack of Exchangeability	1 Jan 2025
IAS 28	IAS 28-Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Indefinite

The Group has not applied the following new or amended standards in preparing these consolidated and separate financial statements as it plans to adopt these standards at their respective effective dates.

Commentaries on these new standards/amendments are provided below.

Amendment to IFRS 16 - Lease liability in a Sale and Leaseback

The narrow-scope amendments to SFRS(I) 16 explain how an entity accounts for a sale and leaseback after the date of the transaction

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The Group does not expect any significant impact arising from applying these amendments.
The effective date is 1 January 2024.

The amendment does not have any material impact on the Group.

Amendment to IAS 1 – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current Liabilities

In October 2022, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendment clarifies:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Board also added two new paragraphs (Paragraph 76A and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

The effective date is 1 January 2024.

The amendment does not have any material impact on the Group.

Amendments to IAS 7 Cashflow Statements-Supplier Finance Arrangements

The amendments clarify the characteristics of supplier finance arrangements ("SFA") and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

The effective date is 1 January 2024.

This amendment is not expected to have a significant impact on the accounting policies disclosed in the financial statement.

Ammendment to IAS 21- Reference to Lack of Exchangeability

The amendments clarifies:

- when a currency is exchangeable into another currency; and

- how a company estimates a spot rate when a currency lacks exchangeability. Assessing exchangeability: When to estimate a spot rate A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate. Estimating a spot rate: Meeting the estimation objective A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements on how to estimate a spot rate. Therefore, when estimating a spot rate a company can use:

- an observable exchange rate without adjustment; or

- another estimation technique. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. This may include:

- the nature and financial impacts of the currency not being exchangeable
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable (Include entity specific impact of the amendments) The amendments apply for annual reporting periods beginning on or after 1 January 2025, with early application permitted.

The effective date is 1 January 2025

The amendment has no impact on the Group

Amendments to IFRS 10 and IAS 28-Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised.

The definition of a business is key to determining the extent of the gain to be recognised. When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV. In either case, the loss is recognised in full if the underlying assets are impaired.

The IASB has decided to defer the effective date for these amendments indefinitely

6.1 Use of estimates and judgements

These disclosures supplement the commentary on financial risk management

(a) key sources of estimation uncertainty

Measurement of the expected credit losses
The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, especially in the application of forward-looking information, the estimation of the amount and timing of future cashflows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by several factors which can result in different levels of allowances.

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVTOCI is as discussed in the accounting policy 3.28

Assessing fair values
The assessment of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3.27. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and

requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(b) Critical accounting judgements in applying the group's accounting policies
The critical accounting judgements made in applying the group's accounting policies include:

Financial asset and liability classification
The group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

(1) In classifying financial assets as measured at amortized cost, the group has determined that it meets the description of financial assets set out in accounting policy 3.27.
(2) In designating financial assets as measured at FVOCI, the group has determined that it has met the criteria for this designation set out in accounting policy 3.27.
(3) In classifying financial assets as measured at FVTPL, the group has determined that it meets the description of financial assets set out in accounting policy 3.27.
(4) In accounting for financial liabilities as FVTPL, the group has determined that it meets the description of financial liabilities set out in accounting policy 3.27.
(5) In carrying financial liabilities at amortized cost, the group has determined that it meets the description of financial liabilities set out in accounting policy 3.27.

Depreciation and carrying value of property and equipment
The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

Valuation of equity financial instruments
The group's accounting policy on fair value measurements is discussed under note 3.27.
The group measures fair values using the following hierarchy of methods.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily quoted equity and debt investments classified as trading securities or available for sale.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. The fair value of financial instruments that are not traded in an active market (for example, overthe-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.
Specific valuation techniques used to value financial instruments include:
• Quoted market prices or dealer quotes for similar instruments;
• Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted

prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.
Valuation techniques include net present value and discounted cashflow models, comparison with similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rate, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets. The Group's valuation methodology for unquoted securities uses a discounted cash flow methodology and dividend discount methodology. The methodologies are often used by market participants to price similar securities.

For more complex instruments, if any, the group uses proprietary valuation models, which are usually developed from recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors such as liquidity risk or model uncertainties, to the extent that the group believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counter party where appropriate.

If the group measures portfolios of financial assets and financial liabilities on the basis of net exposures to market risks, then it applies judgment in determining appropriate portfolio-level adjustments such as bid-ask spreads and relevant risk premiums.

The group has an established control framework with respect to the measurement of fair values. This framework includes the Investment Banking unit taking over the valuation of financial assets under level 2 and 3. Their valuations are independent of the carrying amounts under the purview of Chief Financial Officer who has overall responsibility for valuations. There is also the Risk Measurement unit responsible for independently verifying the results of valuations from other Units.

When third party information, such as broker quotes or pricing services, is used to measure fair value, the risk measurement unit assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS.

This includes:

- Verifying that the broker or pricing service is approved by the group for use in pricing the relevant type of financial instrument;
- Understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;

- When prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- If a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements are recurring.

Financial instruments measured at fair value:

Group:
2023

In thousands of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets at FVTPL	21				
Government bonds		-	-	-	-
Treasury bills		-	-	-	-
Equity investments		3	-	-	3
Investment securities at FVOCI	22				
Bonds		-	12,220,936	-	12,220,936
Treasury bills		-	16,023,713	-	16,023,713
Equity investments		1,158,550	1,100,624	-	2,259,174
Investment securities at amortized cost	23				
Bonds		2,062,294			2,062,294
Total assets		3,220,844	29,345,273	-	32,566,117
Liabilities					

Bank:
2023

In thousands of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets at FVTPL	21				
Government bonds		-	-	-	-
Treasury Bills		-	-	-	-
					-
Investment securities at FVOCI	22				-
Bonds		-	12,222,689	-	12,222,689
Treasury bills		-	13,822,044	-	13,822,044
Equity investments		-	1,098,609	-	1,098,609
					-
Investment securities at amortized cost	23				-
Bonds		365,853			365,853
		365,853	27,143,342	-	27,509,195

Financial instruments measured at fair value

Group:
2022

In thousands of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets at FVTPL	21				
Government Bond		-	-	-	-
Treasury bills		160,228	-	-	160,228
					-
Investment securities at FVOCI	22				-
Commercial Paper		-	-	-	-
Bonds		-	9,301,956	-	9,301,956
Treasury bills		-	465,380	-	465,380
Equity investments		1,969,533	966,568	-	2,936,101
Investment securities at amortized cost	23				
Treasury bills		789,976			789,976
Eurobonds		2,174,609			2,174,609
Total assets		5,094,346	10,733,904	-	15,828,250

Bank:
2022

In thousands of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets at FVTPL	21				
Government bonds		-	-	-	-
Treasury bills		160,228	-	-	160,228
Investment securities at FVOCI	22				
Commercial paper		-	-	-	-
Bonds		-	9,041,964	-	9,041,964
Treasury bills		-	465,380	-	465,380
Equity investments		-	964,553	-	964,553
					-
Investment securities at amortized cost	23				-
Bonds		1,227,085			1,227,085
		1,387,313	10,471,898	-	11,859,210

All valuation processes and techniques are subject to review and approval by the Board Finance and General Purpose Committee. There was no change in the group's valuation technique during the period.

(c)Valuation technique and input used in Level 2 Fair Value Measurement
Where there is limited trading activity in financial instruments, the group uses valuation models, consensus pricing information from third party pricing services and quotes to determine an appropriate valuation.

7.0 Enterprise Risk Management Review

The Group's Enterprise Risk Management process is focused on long-term sustainability and value creation. Greenwich Merchant Bank adopts a risk-intelligent approach to the identification, measurement, mitigation and monitoring of risks across the Bank. Our risk-intelligent and integrated approach seeks to minimize the downside risk and maximize the upside risk inherent in our businesses. The Bank ensures that the business maintains the right balance in terms of the risk-return trade-off whilst limiting the negative variations that could impact the Bank's capital, earnings, risk assets and appetite levels in a constantly changing and dynamic operating environment.

The key elements of Greenwich Merchant Bank Limited 's Enterprise Risk Management are as follows:

The Bank's Risk Philosophy, Culture and Objectives
The Board of Greenwich Merchant Bank Limited sets the tone for risk management and ensures that the Bank's risk frameworks, culture and policies reflect our risk management philosophy. The Bank's risk philosophy is to be a risk-intelligent financial institution that avoids aggressive risk-taking. This philosophy guides strategy formulation and business decisions across the Bank.

Risk Management Governance Framework
The Board is ultimately responsible for risk management in the Bank. The Bank adopts the three-lines-of-defense model with regards to risk management which guarantees risk ownership and accountability across the Bank. The first line of defense is the business units and process owners who are responsible for identification, measurement, and mitigation of risks inherent in their business units and processes. The first line of defense ensures that adequate controls are put in place to mitigate risks and that the Bank does not undertake transactions where the risks cannot be mitigated to an acceptable level within its risk appetite. The second line of defense (Risk, Compliance, and Internal Control) reviews and challenges as well as provides oversight and advisory functions; and the third line (Internal Audit) provides assurance that control processes are fit for purpose. .

Specific Board committees that are responsible for risk management include the Board Credit Committee, Board Risk Management Committee, and the Board Audit Committee. These committees are supported by the following Management committees: Risk Management Committee, Asset and Liability Committee and Management Credit Committee. Each of the Board and Management committees is governed by mandates that set out the expected committee's terms of reference.

Risk Management Policies and Procedures
Greenwich Merchant Bank manages risks in accordance with a set of governance standards, frameworks and policies approved by the Board which align with the global and industry best practices. The Bank has developed a set of policies for the management of risks including credit, market, operational, technology, liquidity, and compliance risks. The policies define the acceptable conditions for the assumption of risks and ensure alignment and consistency in the way these risks are identified, measured, managed, controlled and reported, across the Bank.

7.1 Risk Appetite
Greenwich Merchant Bank Limited's risk appetite guides the Bank in the pursuit of its strategic objectives. There is consistency between the Bank's risk appetite and strategic objectives and the Bank has set its risk appetite at a level that ensures capital protection. The Bank's risk appetite reflects the capacity to sustain losses and continues to meet its obligations as they fall due, under both normal and a range of stress conditions.

- The Risk Appetite Policy approved by the Board of Directors:
- Defines the amount of risk that Greenwich Merchant Bank is willing to accept in pursuit of its objectives.
- Sets risk limits to guide Management in the day-to-day operations of the Bank.
- Provides a basis for measuring the risk-adjusted return and for linking performance to the amount of risk taken in achieving it.

Ensures strong risk management culture across the Bank.

Defines the risk-taking capacity of the Bank and ensures that the Bank does not take on risk beyond its risk-taking capacity.

The Bank expresses its risk appetite using qualitative and quantitative terms. Qualitative risk appetite statements serve as a guide for embedding the Risk Appetite Policy across the Bank and to support strategic and operational decision-making.

The following are covered by qualitative statements:

Credit Risk: The Bank adopts a conservative approach to credit risk taking. Our credit risk mitigation and control techniques involve preventive and remedial controls. This ensures that identified risks are prevented to the greatest extent possible, and where such risks crystallize, remedial actions are available to reduce the eventual loss to the Bank.

Operational Risk: The Bank's appetite for operational risk is low. Greenwich Merchant Bank will not carry-on business where the operational risk cannot be managed to an acceptable low level.

Capital Position: The Bank aims to have a strong capital adequacy position measured by regulatory capital adequacy ratios. Capital levels are managed to support business growth, maintain depositor and creditor confidence, create value for shareholders and ensure regulatory compliance.

Liquidity and funding management: The Bank's approach to liquidity risk management is governed by prudence, in accordance with the applicable laws and regulations and considers, the competitive environment in which the Bank operates. Greenwich Merchant Bank Limited manages liquidity risk on a self-sufficient basis.

Earnings volatility: The Bank aims to have sustainable and well diversified earning streams to minimize earnings volatility through business cycles.

Greenwich Merchant Bank uses quantitative risk appetite to measure capital adequacy under normal market conditions and stressed market conditions.

We have set quantitative measures for the following:

- Total regulatory capital
- Common equity capital (CET1)
- Tier 1 Capital
- Leverage Ratio (LER)
- Non-Performing Loans Ratio
- Liquidity ratio
- Liquidity gap

Each quantitative risk appetite statement has two defined threshold levels:

The risk appetite trigger serves as an early warning trigger. The risk appetite trigger is set at a level that considers the scope and nature of available management actions and ensures that corrective management actions can take effect and prevent a risk tolerance limit breach.

The **risk tolerance limit** is the maximum amount of risk the Bank is prepared to tolerate above its risk appetite.

Risk appetite is expressed in specific limits and triggers to provide assurance that day-to-day decisions do not result in outcomes that threaten compliance or result in a breach of regulations.

7.2 Stress testing

The Bank employs stress testing which involves a set of plausible but severe stress conditions to test its liquidity, market, and credit risk exposures. Stress testing serves as a diagnostic and forwardlooking tool to improve the Bank's understanding of its risk profile under event-based scenarios.

Mitigating actions are immediately activated to minimize and manage the impact of the risks that emerge from the stress testing. Residual risk is then evaluated against the risk appetite.

Highlights of the Bank's methodology for managing major risks to which the Bank is exposed are explained below:

7.3 Credit Risk

Credit risk generally consumes a significant portion of total regulatory capital and as such represents the largest source of risk that Greenwich Merchant Bank is exposed to. Credit risk therefore receives a high degree of Board and Management focus and sufficient resources is deployed to ensure that the risk is adequately mitigated. Credit risk arises from different transactions such as direct lending activities, commitments to extend credit (undrawn loans), guarantees, letters of credit, securities purchased as investments in the Banking Book, interbank placements, brokerage activities, and transactions resulting in settlement risk for the Bank. The Bank's Credit Policy governs all transactions in the Banking Book and all transactions with exposure to credit risk.
Specifically, the Policy:

- Provides standardized credit risk management approach and comprehensive guidelines for the identification, assessment, measurement, monitoring and reporting of credit risks in the Bank.
- Defines clear roles and responsibilities of different parties involved in the credit risk management process.
- Establishes the principles under which the Bank is prepared to assume credit risk, and the overall framework for the consistent and unified governance of credit risk.

Our credit risk appetite is in line with our risk philosophy, strategic objectives, available resources and guidelines issued by regulatory authorities. In setting this appetite/tolerance limits, the Bank takes into consideration, factors that are internal to the Bank as well as macroeconomic and other external factors.

The Bank's approach to credit risk management is three pronged:

I Credit portfolio planning: Credit portfolio plan sets out planned allocation of credits to industries, sectors, geographic regions, risk ratings and tenure. Portfolio planning is a regulatory requirement and a risk management tool to manage credit portfolio concentration risk and keep credit exposure within the risk appetite set by the Board. One of the methodologies employed by the Bank for managing credit concentration is the annual credit portfolio plan which stipulates limits by industry, sector, credit ratings, tenures, and types of facilities. **Credit concentration** risk is the risk of loss to Greenwich Merchant Bank arising from an excessive concentration of exposure to a single counterparty or counterparty segment, an industry, a market, a product, a financial instrument or type of security, a country or geography, or a maturity. This concentration typically exists when a number of counterparties are engaged in similar activities and have similar characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. In the annual credit portfolio plan, the Bank articulates planned credit limits for the different sectors it intends to consider for credit and the different obligor credit ratings. Actual credit portfolio is considered against the plan and where there is a deviation, remedial actions are implemented immediately. Greenwich Merchant Bank tries to maintain a portfolio of credit risk that is adequately diversified and avoids excessive concentration risks.

ii. Credit analysis and structuring: Greenwich Merchant Bank considers varied forms of credit risk mitigation in the analysis and structuring of credit transactions. The credit risk mitigation actions may depend on the credit rating of the obligors and the nature of the transactions. All credit analysis performed in the Bank, at minimum, demonstrates an appropriate understanding of the borrower or counterparty, the purpose and structure of the credit, the transaction, the source of repayment, the integrity and reputation of the borrower, the key risks and mitigants, the model rating and analysis of risk and return in respect of the proposal at hand. Credit risk mitigation is defined as all methods of reducing credit expected loss whether by means of reduction of EAD (for example netting), risk transfer (for example guarantees) or risk transformation. Guarantees, collateral and the transaction structures are used by the Bank to mitigate credit risks both identified and inherent.

iii. Credit rating of obligors/counterparties. Internal counterparty rating is used as an essential tool in the Greenwich Merchant Bank's credit risk management and decision-making process.

Credit rating is used for the following purposes:

- Credit assessment and evaluation
- Credit monitoring
- Performing portfolio provisioning determination in line with IFRS 9
- Credit approval and delegated authority
- Input drivers for impairment calculations
- Economic and regulatory capital calculation
- Portfolio and management reporting
- RARORC (Risk-Adjusted Return on Regulatory Capital) calculation
- Pricing: Probability of Default (PD), Exposures At Default (EAD) and Loss Given Default (LGD) may be used to assess and compare relative pricing of assets/facilities, in conjunction with strategic, relationship, market practice and competitive factors.

Our internal credit rating model combines quantitative and qualitative metrics to determine the appropriate rating grade for the obligor/counterparty. The Bank does not engage with counterparties or enter credit transactions where there is insufficient information to identify and evaluate risks. The Bank makes use of Risk Assets Acceptance Criteria that are comprehensive enough to ensure reliable credit rating of counterparties. Defined acceptable risk characteristics are summarized to form the Risk Assets Acceptance Criteria (RAAC).

The Bank uses the obligor/counterparty rating scale below:

Description of Grade	**Internal Credit Rating**	
Extremely low risk	AAA	Investment Grade
Very low risk	AA	
Low risk	A	
Acceptable risk	BBB	
Moderately high risk	BB	Sub-investment Grade/Speculative Grade
High risk	B	
Very high risk	CCC	Cautionary Grade
Extremely high risk	CC	
High likelihood of default	C	

The Bank's credits to different obligors based on our internal credit rating as at 31 December 2023 are as follows:

On-Balance Sheet

GROUP

Loans by rating

Credit rating	Gross loans	Impairment Allowance	Carrying amount
AAA	1,673,200	11,971	1,661,228
AA	2,360,332	595	2,359,737
A	7,432,269	54,617	7,377,652
BBB	11,771,415	9,108	11,762,307
BB	-	-	-
B	-	-	-
Gross loans	**23,237,216**	**76,291**	**23,160,925**

BANK

Loans by rating

Credit rating	Gross loans	Impairment Allowance	Carrying amount
AAA	1,673,200	11,971	1,661,228
AA	2,360,332	595	2,359,737
A	7,432,269	54,617	7,377,652
BBB	11,771,415	9,108	11,762,307
BB	-	-	-
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Gross loans	**23,237,216**	**76,291**	**23,160,925**

The Bank's credits to different obligors based on our internal credit rating as at 31 December 2022 are as follows:

GROUP

Loans by rating

Credit rating	Gross loans	Impairment Allowance	Carrying amount
AAA	9,489,177	53,326	9,435,850
AA	406,134	41,206	364,928
A	18,844,860	28,085	18,816,775
BBB	4,462,941	8,827	4,454,114
BB	33,183	316	32,867
B	-	-	-
Gross loans	**33,236,294**	**131,760**	**33,104,534**

BANK

Loans by rating

Credit rating	Gross loans	Impairment Allowance	Carrying amount
AAA	9,489,177	53,326	9,435,850
AA	406,134	41,206	364,928
A	18,844,860	28,085	18,816,775
BBB	4,462,941	8,827	4,454,114
BB	33,183	316	32,867
B	-		-
Gross loans	**33,236,294**	**131,760**	**33,104,534**

Collateral

Among the Bank's credit risk mitigation actions is the use of collateral to reduce the exposures at default (EAD). All credit exposures, particularly where the obligors are considered to have a higher probability of default, must be secured by tangible assets, cash, or other types of collateral acceptable to the Bank. The Bank engages the services of independent consultants/valuers for periodic valuation of tangible collateral pledged for loans and advances. Collateral analysis is also carried out as part of the credit appraisal process. Collateral analysis includes a good description of the collateral, its value, how the value was arrived at, and when the valuation was made.

The collateral usually includes the following categories:

I. Real estate, plant, and equipment. This usually takes the form of all asset or mortgage debenture or charge and is registered and enforceable under Nigerian law

ii. Shares of publicly quoted companies

iii. Cash

iv. Near cash and highly liquid financial instruments such as Eurobonds, Treasury Bills and Federal Government of Nigeria bonds

The collateral is valued and inspected prior to disbursement and on a regular basis thereafter until full repayment of the exposure. Periodic inspection of physical collateral is performed where appropriate and where reasonable means of doing so are available.

The following are loans and advances and collateral pledged by customers for outstanding facilities as at 31 December 2023:

GROUP
31 December 2023

Disclosure by collateral	Overdraft	Term Loans	Total	Gross loan exposure	Gap
All asset debenture	-	-	-	-	-
Cash	-	10,963,923	10,963,923.42	13,707,805	2,743,881
Clean	-	-	-	7,760,583	7,760,583
Payment Guarantee	-	1,500,000	1,500,000	1,369,057	(130,943)
Salaries	-	-	-	6,659	6,659
Shares	-	807,593	807,593	393,113	(414,480)
Subtotal		13,271,517	13,271,517	23,237,216	9,965,699
Gross Loans	**6,123,502**	**17,113,714**	**23,237,216**		
Impairment	**(42,422)**	**(33,869)**	**(76,291)**	**(76,291)**	**-**
Net amount	**6,081,080**	**17,079,845**	**23,160,925**	**23,160,925**	**-**
Gross Total: Amount of under-collaterisation	**Overdraft**				**6,123,502**
	Term loan		-	-	**3,842,197**
					9,965,699

BANK
31 December 2023

Disclosure by collateral	Overdraft	Term Loans	Total	Gross loan exposure	Gap
All asset debenture	-	-	-	-	-
Cash	-	10,963,923	10,963,923	13,707,805	2,743,881
Clean	-	-	-	7,760,583	7,760,583
Payment Guarantee	-	1,500,000	1,500,000	1,369,057	(130,943)
Salaries	-	-	-	6,659	6,659
Shares	-	807,593	807,593	393,113	(414,480)
Subtotal		**13,271,517**	**13,271,517**	**23,237,216**	**9,965,699**
Gross Loans	**6,123,502**	**17,113,714**	**23,237,216**		
Impairment	**(42,422)**	**(33,869)**	**(76,291)**	**(76,291)**	**-**
Net amount	**6,081,080**	**17,079,845**	**23,160,925**	**23,160,925**	**-**
Gross Total: Amount of under-collaterisation	**Overdraft**				**6,123,502**
	Term loan		-	-	**3,842,197**
GAP					**9,965,699**

GROUP
31 December 2022

Disclosure by collateral	Overdraft	Term Loans	Total	Gross loan exposure	Gap
All asset debenture	-	-	-	-	-
Cash	-	7,791,910	7,791,910.25	9,608,944	1,817,034
Clean	-	-	-	14,846,838	14,846,838
Payment Guarantee	-	1,061,000	1,061,000	1,002,055	(58,945)
Property	-	13,000	13,000	3,385	(9,615)
Letter of Credit	-	8,278,978	8,278,978	7,770,692	(508,286)
Stock Hypothecation	-	-	-	4,380	4,380
Subtotal	**-**	**17,144,888**	**17,144,888**	**33,236,294**	**16,091,406**
Gross Loans	**8,342,730**	**24,893,564**	**33,236,294**	**-**	**-**
Impairment	**(11,615)**	**(120,145)**	**(131,760)**	**-**	**-**
Net amount	**8,331,115**	**24,773,419**	**33,104,534**	**33,236,294**	**-**
			-		
Gross Total: Amount of under-collaterisation	**Overdraft**		**-**		**8,342,730**
	Term loan		**-**	**-**	**7,748,676**
GAP					**16,091,406**

BANK
31 December 2022

Disclosure by collateral	Overdraft	Term Loans	Total	Gross loan exposure	Gap
All asset debenture	-	-	-	-	-
Cash	-	7,791,910	7,791,910.25	9,608,944	1,817,034
Clean	-	-	-	14,846,838	14,846,838
Payment Guarantee	-	1,061,000	1,061,000	1,002,055	(58,945)
Property	-	13,000	13,000	3,385	(9,615)
Letter of Credit	-	8,278,978	8,278,978	7,770,692	(508,286)
Stock Hypothecation	-	-		4,380	
Subtotal	**-**	**17,144,888**	**17,144,888**	**33,236,294**	**16,091,406**
Gross Loans	**8,342,730**	**24,893,564**	**33,236,294**	**-**	**-**
Impairment	**(11,615)**	**(120,145)**	**(131,760)**	**-**	**131,760**
Net amount	**8,331,115**	**24,773,419**	**33,104,534**	**33,236,294**	**-**
Gross Total: Amount of under-collaterisation	**Overdraft**				**8,342,730**
	Term loan				**7,748,676**
					16,091,406

Credit Risk Measurement

The starting point of all credit risk assessment and evaluation lies in the counterparty risk grading, which is quantified and calculated in compliance with the Bank's Credit Policy. Credit risk quantification for any exposure or portfolio is summarized by the calculation of the Expected Credit Loss (ECL), which is arrived at in the following way:

Based on the risk rating, the Bank determines the counterparty's Probability of Default (PD). A forward-looking quantification of the exposure at default (EAD) is determined and the credit risk mitigants such as security and asset recovery propensities are then quantified to moderate the Exposure At Default (EAD) to derive the Loss Given Default (LGD). Finally, the ECL is a function of the PD, the LGD and the EAD. The Bank is still in the process of gathering internal data for PD and LGD and such makes use of external PD and LGD data such as Standard and Poor PD data.

Impairment model

All credit exposures including undrawn loan commitments, off-balance sheet engagements such as guarantees and letters of credit and debt instruments that are carried at amortised cost or fair value through other comprehensive income are assessed for expected credit
loss (ECL) on a forward-looking basis in line with IFRS 9. The Group adopts three-stage model for impairment based on the changes in the credit risk associated with the exposures and consistent with the provisions of IFRS 9.

Staging of financial instruments

Financial instruments that are not already credit-impaired are originated into stage 1 and a 12-month expected credit loss allowance is recognized. Instruments will remain in stage 1 until they are repaid, unless they experience significant credit deterioration in which case, they are moved to stage 2 or they become credit-impaired and are moved to stage 3.

Instruments will transfer to stage 2 and a lifetime expected credit loss allowance is recognized when there has been a significant change in the credit risk compared with what was expected at origination. Instruments are classified as stage 3 when they become credit impaired. A lifetime expected credit loss allowance is recognized for instruments classified as stage 3.

Incorporation of forward-looking information

The determination of expected credit loss includes various assumptions and judgements in respect of forward-looking, company-specific, and macroeconomic information.

Significant increase in credit risk ('SICR')

Expected credit loss for financial assets will transfer from a 12-month basis to a lifetime basis when there is a significant increase in credit risk (SICR) relative to that which was expected at the time of origination, or when the asset becomes credit impaired. On transfer to a lifetime basis, the expected credit loss for those assets will reflect the impact of a default event expected to occur over the remaining lifetime of the instrument rather than just over the 12 months from the reporting date. SICR is assessed by comparing the risk of default of an exposure at the reporting date with the risk of default at origination (after considering the passage of time). Whether a change in the risk of default is significant or not is assessed using quantitative and qualitative criteria, the weight of which will depend on the type of product and counterparty. Factors considered in assessing significant increase in credit risk include the following:

- Potential or actual bankruptcy of the obligor
- Debt restructuring by the Bank due to significant financial difficulty affecting the borrower where the Bank has granted concessions that it would not ordinarily consider (forbearance)
- Fraud impacting the obligor's credit rating and ability to meet its debt obligations
- Significant credit rating downgrades
- Death of key personnel of the obligor with likelihood of impacting its ability to pay its debt obligations
- More than 30 days past due

Assessment of credit-impaired financial assets

Credit-impaired financial assets comprise those assets that have experienced an observed credit event and are in default. Default represents those assets that are at least 90 days past due in respect of principal and interest payments and/or where the assets are otherwise considered unlikely to pay.
Evidence that a financial asset is credit-impaired includes the following observable data.

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.
- An asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cashflows has reduced significantly and there are no other indicators of impairment.

Transfers between stages

Assets will transfer from stage 3 to stage 2 when they are no longer considered to be credit impaired. Assets will not be considered credit-impaired only if the customer makes payments such that they are paid to current in line with the original contractual terms. In addition, loans that were subject to forbearance measures must remain current for 12 months before they can be transferred to stage 2. Assets may transfer to stage 1 if they are no longer considered to have experienced a significant increase in credit risk. This will occur when the original PD based transfer criteria are no longer met and if none of the other transfer criteria apply. Where assets were transferred using other measures, the assets will only transfer back to stage 1 when the condition that caused the significant increase in credit risk no longer applies and as long as none of the other transfer criteria apply.

The ECL on loans and advances as of 31 December 2023 is as follows:

31 December 2023

Loans and advances to customers at amortised cost	**Note 25**	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**
Balance at 1 January		131,760	-	-
Net remeasurement of loss allowances		(55,469)	-	-
Closing balance		**76,291**	**-**	**-**
Gross amount		**23,237,216**	**-**	**-**

BANK
31 December 2023

Loans and advances to customers at amortised cost	**Note 25**	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**
Balance at 1 January		131,760	-	-
Net remeasurement of loss allowances		(55,469)	-	-
Closing balance		**76,291**	**-**	**-**
Gross amount		**23,237,216**	**-**	**-**

GROUP
31 December 2023

Debt securities at amortised cost	**Note 23**	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**
Balance at 1 January		**7,967**	**-**	**-**
Net remeasurement of loss allowances		(5,504)	**-**	**-**
Closing balance		**2,463**	**-**	**-**
Gross amount		**2,062,294**	**-**	**-**

BANK
31 December 2023

Debt securities at amortised cost	Note 23	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired
Balance at 1 January		**538**	-	-
Net remeasurement of loss allowances		(278)	-	-
Closing balance		**260**	-	-
Gross amount		**365,853**	-	-

GROUP
31 December 2023

Due from other banks	Note 19	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired
Balance at 1 January		**25,168**	-	-
Net remeasurement of loss allowances		15,539	-	-
Closing balance		**40,707**	-	-
Gross amount		**21,291,141**	-	-

BANK
31 December 2023

Due from other banks	Note 19	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired
Balance at 1 January		**8,559**	-	-
Net remeasurement of loss allowances		4,750	-	-
Closing balance		**13,308**	-	-
Gross amount		**10,838,093**	-	-

GROUP
31 December 2023

Other assets	Note 26	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired
Balance at 1 January		**184,199**		
Net remeasurement of loss allowances		(28,149)		
Closing balance		**156,050**		
Gross amount		**21,241,447**		

BANK
31 December 2023

Other assets	Note 26	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired
Balance at 1 January		**90,023**		
Net remeasurement of loss allowances		(28,149)		
Closing balance		**61,874**		
Gross amount		**20,660,824**		

Credit provisioning based on prudential guidelines

The Bank determines provisions for loans and advances under prudential guidelines using the time-based provisioning specified by the CBN. A minimum of 2% general provision on performing loans is made in accordance with the Prudential Guidelines.

In addition to the 2% general provisions, the Prudential Guidelines require the following provisions:

Interest and/or principal outstanding for over:	Classification	Minimum provision
1 day but less than 90 days	Watchlist	5%
90 days but less than 180 days	Substandard	20%
180 days but less than 360 days	Doubtful	50%
Over 360 days	Lost	100%

The revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS. Banks are required to comply with the following:

(a) Expenses for loan losses recognized in the profit and loss account should be determined based on the relevant IFRS 9. However, the provisions for loan losses determined under the IFRS 9 should be compared with the loan loss provisions determined under the Prudential Guidelines. The differences between both provisions should be treated as follows:

(i) Where Prudential Provisions is greater than IFRS 9 provisions, the resulting difference should be transferred from the general reserve account to a non-distributable regulatory credit risk reserve.

(ii) Where Prudential Provisions is less than IFRS 9 provisions, the IFRS 9 determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter transferred to the general reserve account.

Please see below:

In thousands of Nigerian Naira	Bank 31-Dec-23	Bank 31-Dec-22
Total impairment on IFRS	76,291	131,760
Total impairment based on Prudential Guidelines	464,744	664,726
Opening balance	578,865	137,671
Amount to be transferred	63,755	63,755
Closing balance	**642,620**	**578,865**

As per the computation where IFRS impairment is lower than the computed provision based on prudential guidelines, the Bank’s regulatory risk reserve as at 31 December 2023 was ₦464.74m.

7.4 Market Risk

Market risk is the risk of an adverse change in the actual or effective market value or earnings of a portfolio of financial instruments caused by adverse movements in market variables such as equity, bond and commodity prices, foreign exchange rates, interest rates, credit spreads, recovery rates, correlations, and implied volatilities in the market variables.

Market Risk Monitoring, and Mitigation

The Bank's Market Risk Framework and Asset and Liability Management Policy govern the identification, management, control, measurement and reporting of market risk. Trading, security position and loss limits and triggers are set out in the Treasury Limits Framework approved by the Board. The Market and Liquidity Risk Management Unit is independent of the Treasury Division and monitors limits utilization daily. The Unit is also responsible for the identification, measurement, management, control and reporting of market risk as outlined in the policies. The Asset and Liability Committee (ALCO) receives reports regularly on market risk exposures and ensures that all market risk exposures are curtailed within the risk appetite set by the Board. The techniques used by the Bank to measure and control market risk include:

i. Daily trading position limits

ii. Stress testing and sensitivity analysis

iii. Stop loss limits and Management action triggers

iv. Limits on portfolio concentration

Where breaches in limits and triggers occur, actions are taken by the business units concerned and Market Risk Management Unit immediately to ensure that traders hedge exposures back in line with approved market risk appetite and such breaches are reported to Management, ALCO and the Board.

Below is a summary of Greenwich Merchant Bank's fixed income portfolio where the Bank is exposed to market risk as at 31st December, 2023.

The Bank stress-tests its market exposures to determine the effects of potentially extreme market developments on the value of its portfolio. The scenarios are developed taking into consideration specific and generic risk factors, and the outcome of the stress tests provides an insight to the amount of economic capital the Bank would require covering the investment risk exposure under extreme market conditions. Sensitivity analysis is also done daily to determine the impact of 100 basis points and 200 basis points increase in yield on the Bank’s portfolio. The sensitivity analysis as at 31 December 2023 is as follows:

GROUP-2023

Asset	**Carrying amount**	**Trading**	**Non-trading**	**100bps**	**200bps**
In Thousands of Naira					
Cash and balances with central bank	32,370		32,370		
Due from other banks	31,649,438		31,649,438		
Pledged assets	13,664,305		13,664,305	136,643	273,286
Loans & Advances	23,160,925		23,160,925	231,609	463,218
Investment securities	32,563,655		32,563,655	325,637	651,273
Financial instrument at FVPL	3	3			
Other assets (note 26)	21,085,397		21,085,397		
Liabilities					
Due to banks	16,828,624		16,828,624		
Due to customers	67,754,068		67,754,068		
Other liabilities (note 32)	591,487		591,487		
Borrowings	-		-		
Sensitivity Result				**693,889**	**1,387,778**

* Excludes non financial liabilities including WHT, VAT, LC collateral, stampduty, provision for impairement, provision for litigation and accrued liabilities

* Excludes non-financial assets including WHT receivables, other receivables and prepayments.

BANK-2023

Asset	Carrying amount	Trading	Non-trading	100bps	200bps
In Thousands of Naira					
Cash and balances with central bank	32,370		32,370		
Due from other banks	20,421,422		20,421,422		
Pledged assets	13,664,305		13,664,305	136,643	273,286
Loans & Advances	23,160,925		23,160,925	231,609	463,218
Investment securities	27,508,935		27,508,935	275,089	550,179
Financial instrument at FVPL	-	-	-	-	-
Other assets (note 26)	20,598,950		20,598,950		
Liabilities					
Due to banks	16,828,624		16,828,624		
Due to customers	55,151,913		55,151,913		
Other liabilities (note 32)	700,335		700,335		
Borrowings	-		-		
Sensitivity Result				**643,342**	**1,286,683**

* Excludes non financial liabilities including WHT, VAT, LC collateral, stampduty, provision for impairement, provision for litigation and accrued liabilities

* Excludes non-financial assets including WHT receivables, other receivables and prepayments.

GROUP-2022

Asset	Carrying amount	Trading	Non-trading
Cash and balances with central bank	12,725		12,725
Due from other banks	26,455,574		26,455,574
Pledged assets	15,623,524		15,623,524
Loans & Advances	33,104,534		33,104,534
Investment securities	15,668,021		15,668,021
Financial instrument at FVPL	160,228	160,228	
Other assets (note 26)	17,308,247		17,308,247
Liabilities			
Due to banks	10,291,844		10,291,844
Due to customers	65,947,966		65,947,966
Other liabilities (note 32)	2,546,062		2,546,062
Borrowings	-		-

* Excludes non financial liabilities including WHT, VAT, LC collateral, stampduty, provision for impairement, provision for litigation and accrued liabilities

* Excludes non-financial assets including WHT receivables, other receivables and prepayments.

BANK-2022

Asset	Carrying amount	Trading	Non-trading
Cash and balances with central bank	12,725		12,725
Due from other banks	11,849,785		11,849,785
Pledged assets	15,623,524		15,623,524
Loans & Advances	33,104,534		33,104,534
Investment securities	11,698,982		11,698,982
Financial instrument at FVPL	160,228	160,228	
Other assets (note 26)	17,116,690		17,116,690
Liabilities			
Due to banks	10,291,844		10,291,844
Due to customers	52,176,738		52,176,738
Other liabilities (note 32)	317,095		317,095
Borrowings	-		-

* Excludes non financial liabilities including WHT, VAT, LC collateral, stampduty, provision for impairement, provision for litigation and accrued liabilities

* Excludes non-financial assets including WHT receivables, other receivables and prepayments.

Foreign Exchange Risk

The Group manages exposures to foreign exchange risk with limits on the net open and trading positions. These limits are monitored on a daily basis by the Market Risk Unit. The Board sets limits on the level of exposure by currency and in aggregate for overnight positions. The latter is also aligned to the foreign currency trading position limit as specified by the regulators, which is usually a proportion of the Bank's shareholder fund. The Group's net open position as at 31 December 2023;

The Group's net open position as at 31 December 2023

Foreign Currency Assets	NGN N'000	USD N'000	EUR N'000	GBP N'000	Gross Amount	Carrying Amount N'000
Cash and balances with Central Bank of Nigeria	3,481	28,889	-	-	32,370	32,370
Due from other banks	20,019,990	10,912,950	660,275	96,930	31,690,145	31,649,438
Financial assets at fair value through profit or loss	3				3	3
Investment securities	32,689,708	126,053			32,563,655	32,561,192
Pledged assets	13,664,306				13,664,306	13,664,306
Loans and advances to customers	7,809,112	15,250,304	102,675	75,124	23,237,216	23,160,925
Other assets	21,239,061	166			21,239,228	21,083,177
					-	
Total	**95,425,661**	**26,066,257**	**762,950**	**172,054**	**122,426,922**	**122,151,411**
Foreign Currency Liabilities						
Due to banks	2,003,452	14,738,476	37,892	48,804	16,828,624	16,828,624
Due to customers	64,310,548	3,442,615		905	67,754,068	67,754,068
Other foreign Liabilities	2,180,690	6,635,722	567,760	93,774	9,477,947	9,477,947
Total	**68,494,690**	**24,816,814**	**605,652**	**143,483**	**94,060,639**	**94,060,639**
Net Exposure		1,249,443	157,298	28,571	1,435,312	1,435,312
SHAREHOLDERS' FUNDS UNIMPAIRED BY LOSSES						28,675,203
GROSS AGGREGATE OPEN POSITION AS A PERCENTAGE OF SHF						**5%**

The Bank's net open position as at 31 December 2023

	NGN NGN'000	USD NGN'000	EURO NGN'000	GBP NGN'000	Gross Amount	Carrying Amount NGN'000
Foreign Currency Assets						-
Cash and balances with Central Bank of Nigeria	3,480.77	28,889.24			32,370	32,370
Due from other banks	8,764,576	10,912,950	660,275	96,930	20,434,730	20,421,422
Financial assets at fair value through profit or loss	-				-	-
Investment securities	27,508,935				27,508,935	27,508,675
Pledged assets	13,664,305				13,664,305	13,664,305
Loans and advances to customers	7,809,112	15,250,304	102,675	75,124	23,237,216	23,160,925
Other assets	20,660,657	166			20,660,824	20,598,950
Total	**78,411,066**	**26,192,310**	**762,950**	**172,054**	**105,538,380**	**105,386,646**
Foreign Currency Liabilities						
Due to banks	2,003,452	14,738,476	37,892	48,804	16,828,624	16,828,623.87
Due to customers	51,708,393	3,442,615		905	55,151,913	55,151,913.16
Other foreign Liabilities	2,157,939	6,635,722	567,760	93,774	9,455,195	9,499,895.61
Total	**55,869,783**	**24,816,814**	**605,652**	**143,483**	**81,435,732**	**81,480,433**
Net Exposure		1,375,496	157,298	28,571	1,561,365	1,561,365
SHAREHOLDERS' FUNDS UNIMPAIRED BY LOSSES						26,163,433
GROSS AGGREGATE OPEN POSITION AS A PERCENTAGE OF SHF						6%

The Bank exposure to foreign exposure to foreign currency risk is largely concentrated in US Dollar. Movement in exchange rate between the US Dollar, and the Nigerian Naira affects reported earnings through revaluation gain or loss and statement of financial position size through increase or decrease in the revalued amounts of assets and liabilities denominated in US Dollars. The table below shows the impact on the Group's profit or loss and statements of financial position size if the exchange rate between the US Dollars, and Nigerian Naira had increased or decreased by 6% with all other variable held constant (that is the % change of dollar rate as at 1 January, 2022 461.10 and 31st December,2022 951.79). We applied the 6% on the closing dollar rate of N951.79 to get a absolute change of N57.1

The Group's net open position as at 31 December 2022

Foreign Currency Assets	NGN N'000	USD N'000	EUR N'000	GBP N'000	Gross Amount	Carrying Amount N'000
Cash and balances with Central Bank of Nigeria	1,659	11,066			12,725	12,725
Due from other banks	21,966,286	4,292,266	218,045	4,175	26,480,772	26,455,574
Financial assets at fair value through profit or loss	160,228				160,228	160,228
Investment securities	14,123,887	1,552,102			15,675,989	15,668,022
Pledged assets	15,623,524				15,623,524	15,623,524
Loans and advances to customers	24,348,412	8,476,222	389,935	21,725	33,236,294	33,104,534
Other assets	17,332,034	160,412			17,492,446 -	17,308,247
Total	**93,548,063**	**14,492,068**	**607,980**	**25,900**	**108,674,011**	**108,332,853**
Foreign Currency Liabilities						
Due to banks		9,896,237	375,767	19,840	10,291,844	10,291,844
Due to customers	64,858,570	1,088,902	77	417	65,947,966	65,947,966
Other foreign Liabilities	3,053,155	2,889,503	218,093		6,160,751	6,160,751
Total	**67,911,725**	**13,874,642**	**593,937**	**20,257**	**82,400,561**	**82,400,561**
Net Exposure	25,636,338	617,426	14,043	5,643	26,273,450	637,112
SHAREHOLDERS' FUNDS UNIMPAIRED BY LOSSES						26,371,232
GROSS AGGREGATE OPEN POSITION AS A PERCENTAGE OF SHF						2%

The Bank's net open position as at 31 December 2022

Foreign Currency Assets	NGN N'000	USD N'000	EUR N'000	GBP N'000	Gross Amount	Carrying Amount N'000
Cash and balances with Central Bank of Nigeria	1,659	11,066			12,725	12,725
Due from other banks	7,478,191	4,157,932	218,045	4,175	11,858,343	11,849,784
Financial assets at fair value through profit or loss	160,228				160,228	160,228
Investment securities	10,433,927	1,265,593			11,699,520	11,698,982
Pledged assets	15,623,524				15,623,524	15,623,524
Loans and advances to customers	24,348,412	8,476,222	389,935	21,725	33,236,294	33,104,534
Other assets	17,046,301	160,412			17,206,713	17,116,690
Total	75,091,704	14,071,225	607,980	25,900	89,796,809 **-**	**14,705,105**
Foreign Currency Liabilities						
Due to banks		9,896,237	375,767	19,840	10,291,844	10,291,844
Due to customers	51,087,343	1,088,902	77	417	52,176,739	52,176,739
Other foreign Liabilities	1,121,505	2,889,503	218,093	-	4,229,101	4,229,101
Total	**52,208,848**	**13,874,642**	**593,937**	**20,257**	**66,697,684**	**66,697,684**
Net Exposure		196,583	14,043	5,643	216,269	216,269
SHAREHOLDERS' FUNDS UNIMPAIRED BY LOSSES						25,102,341
GROSS AGGREGATE OPEN POSITION AS A PERCENTAGE OF SHF						1%

Group

In thousands of Naira	**31-Dec-23**
US Dollar effect of 6% up movement on profit before tax and statement of financial position size	86,119
In thousands of Naira	**31-Dec-23**
US Dollar effect of 6% (down) movement on profit before tax and statement of financial position size	(86,119)

Bank

In thousands of Naira	**31-Dec-23**
US Dollar effect of 6% up movement on profit before tax and statement of financial position size	93,682
In thousands of Naira	**31-Dec-23**
US Dollar effect of 6% (down) movement on profit before tax and statement of financial position size	(93,682)

Interest Rate Risk

Interest rate risk in the banking book (IRRBB) is the risk of loss in the Bank's earnings or capital due to adverse changes in interest rates. IRRBB generally arises from repricing risk, basis risk, yield curve risk and options risk. IRRBB is further divided into the following sub-risk types:

Repricing risk is the risk of loss in earnings or capital as a result of changes in interest rates arising from differences in the timing of interest rate changes on the Bank's assets and liabilities. Repricing risk is related to the timing mismatch in the maturity and repricing of assets and liabilities and off-balance sheet short and long-term positions.

Yield curve risk is the risk of loss in earnings or capital resulting from unequal changes in spreads between two or more rates for different maturities on the same yield curve i.e. Short-term interest rates changing by more or less than the change in long term interest rates. It is the interest rate risk associated with changes in the slope and the shape of the yield curve.

Basis risk is the risk of loss in earnings or capital when interest rates paid on liabilities are determined on a basis that is different from the basis used to determine interest rates earned on assets. Basis risk arises from hedging exposure to one interest rate with exposure to a rate which reprices under slightly different conditions.

Options risk is the risk that the Bank's counterparties may exercise their rights resulting in rate changes or changes in the maturity of the assets or liabilities. Option risks arising from options, including embedded options, e.g. Customers exercising their rights to redeem fixed rate products when market rates change.

Techniques for Managing IRRBB

The Bank manages exposures to IRRBB using the following techniques:

I. Interest rate hedging through derivatives and non-interest rate sensitive hedging
ii. Interest rate forecasting
iii. Limits on rate sensitive assets and liability gap

The Bank's approach to managing IRRBB is governed by the Asset and Liability Management Policy and is in accordance with the applicable laws and regulations, best international practice and the competitive situation within which the Bank operates. The Bank aggregates exposures to interest rate risk within its Treasury functions for centralised management and monitoring. The interest rate gaps between fixed rate and variable rates as at 31 December 2023 are as follows:

Group-2023

INTEREST RATE GAP Asset	Carrying amount NGN'000	Variable rate NGN'000	Fixed rate NGN'000
Cash and balances with central bank	32,370	-	32,370
Due from other banks	31,649,438	-	31,649,438
Pledged assets	13,664,305	-	13,664,305
Loans & Advances	23,160,925	15,040,743	8,120,182
Investment securities	32,563,655	-	32,563,655
Financial instrument at FVTPL	3	-	202,411
Other assets	21,293,276	-	21,293,276
	122,363,971	**15,040,743**	**107,525,636**
Liabilities			
Due to banks	16,828,624	14,825,172	2,003,452
Due to customers	67,754,068	-	67,754,068
Other liabilities	9,449,542	-	9,449,542
Borrowings	-		
	94,032,234	**14,825,172**	**79,207,062**
Total interest rate gap	**28,331,737**	**215,571**	**28,318,574**

Bank-2023

INTEREST RATE GAP	Carrying Amount NGN'000	Variable Rate NGN'000	Fixed Rate NGN'000
Financial Assets			
Cash and balances with central bank	32,370	-	32,370
Due from other banks	20,421,422	-	20,421,422
Pledged assets	13,664,305		13,664,305
Loans & Advances	23,160,925	15,040,743	23,160,925
Investment securities	27,508,935	-	27,508,935
Financial instrument at FVTPL	-	-	-
Other assets	20,780,878	-	20,780,878
	105,568,835	**15,040,743**	**105,568,835**
Financial Liabilities			
Due to banks	16,828,624	14,825,172	2,003,452
Due to customers	55,151,913		55,151,913
Other liabilities	9,455,195		9,455,195
	81,435,732	**14,825,172**	**66,610,561**
Total interest rate gap	**24,133,102**	**215,571**	**38,958,274**

Group-2022

INTEREST RATE GAP Asset	Carrying amount NGN'000	Variable rate NGN'000	Fixed rate NGN'000
Cash and balances with central bank	12,725	-	12,725
Due from other banks	26,455,574	-	26,455,574
Pledged assets	15,623,524	-	15,623,524
Loans & Advances	33,104,534	8,814,244	24,290,290
Investment securities	15,668,021	-	15,668,021
Financial instrument at FVTPL	160,228	-	160,228
Other assets	17,451,148	86,955	17,364,193
	108,475,754	**8,901,199**	**99,574,555**
Liabilities			
Due to banks	10,291,844	1,483,571	8,808,273
Due to customers	65,947,966		65,947,966
Other liabilities	6,160,751	47,411	6,113,339
	82,400,561	**1,530,982**	**80,869,579**
Total interest rate gap	**26,075,193**	**7,370,217**	**18,704,976**

Bank-2022

INTEREST RATE GAP

Asset	**Carrying amount NGN'000**	**Variable rate NGN'000**	**Fixed rate NGN'000**
Cash and balances with central bank	12,725	-	12,725
Due from other banks	11,849,785	-	11,849,785
Pledged assets	15,623,524		15,623,524
Loans & Advances	33,104,534	8,814,244	24,290,290
Investment securities	11,698,982	-	11,698,982
Financial instrument at FVTPL	160,228	-	160,228
Other assets	17,253,771	-	17,253,771
	89,703,549	**8,814,244**	**80,889,305**
Liabilities			
Due to banks	10,291,844	8,764,839	1,527,005
Due to customers	52,176,738	-	52,176,738
Other liabilities	4,229,101	-	4,229,101
Borrowings	-	-	-
	66,697,683	**8,764,839**	**57,932,844**
Total interest rate gap	**23,005,866**	**49,405**	**22,956,461**

GROUP

Interest rate senstivity on interest bearing asset	**31-Dec-23**	**31-Dec-22**
In thousand of Naira		
Pledged assets	13,664,305	15,623,524
Investment securities	32,563,655	15,668,021
Financial instrument at FVTPL	3	160,228
Total	**46,227,963**	**31,451,773**
Impact on income statement		
Favourable change at 2% reduction in interest rate	924,559	629,035
Unfavourable change at 2% increase in interest rate	(924,559)	(629,035)

BANK

Interest rate senstivity on interest bearing asset	**31-Dec-23**	**31-Dec-22**
In thousand of Naira		
Pledged assets	13,664,305	15,623,524
Investment securities	27,508,935	11,698,982
Financial instrument at FVTPL	-	160,228
Total	**41,173,240**	**27,482,734**
Impact on income statement		
Favourable change at 2% reduction in interest rate	823,465	549,655
Unfavourable change at 2% increase in interest rate	(823,465)	(549,655)

The management of interest rate against interest rate gap limit is supplemented by the sensitivity of the Group's financial assets and liabilities to various scenarios. Interest rate movements affect reported earnings by causing an increase or decrease in net interest income and fair value changes.

The table shows the maturity profile of Group's variable rate financial instruments for 31 December 2023

In Thousands of Naira	Up to 1 Month NGN'000	1-3 Months NGN'000	3-6 Months NGN'000	6-12 Months NGN'000	Carrying amount NGN'000
Assets					
Loans & Advances	12,463,703	935,765	1,641,275	-	15,040,743
	12,463,703	935,765	1,641,275	-	15,040,743
Liabilities					
Due to banks			-	-	0
Other liabilities			-	-	0
	0	0	0	-	0
Total interest repricing Gap	**12,463,703**	**935,765**	**1,641,275**	**-**	**15,040,743**

The table shows the maturity profile of Bank 's variable rate financial instruments 31 December 2023

In Thousands of Naira	Up to 1 Month NGN'000	1-3 Months NGN'000	3-6 Months NGN'000	6-12 Months NGN'000	Carrying amount NGN'000
Assets					
Loans & Advances	12,463,703	935,765	1,641,275	0	15,040,743
Other assets		0	0		0
	12,463,703	935,765	1,641,275	0	15,040,743
Liabilities					
Due to banks				-	0
Other liabilities		0	-		0
	0	0	0	0	0
Total interest repricing Gap	**12,463,703**	**935,765**	**1,641,275**	**0**	**15,040,743**

7.5 Liquidity Risk

Liquidity risk is defined as the risk that the Bank, although balance-sheet solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so on materially disadvantageous terms. The inability to maintain or generate sufficient cash resources occurs when counterparties who provide the bank with funding, withdraw, or do not roll over that funding, or because of a general disruption in asset markets that renders normally liquid assets illiquid. The nature of banking and trading activities results in a continuous exposure to liquidity risk. The Bank manages liquidity risk under both normal and considerably stressed conditions. The Board of Directors is ultimately responsible for liquidity risk management and the Board delegates some of the functions to the BRMC and the Asset and Liability Committee (ALCO) . At an operating level, a distinction is made between funding liquidity risk and market liquidity risk:

Funding liquidity risk is the risk that the Bank will not be able to effectively meet both expected and unexpected current and future cash flow and collateral requirements without negatively affecting the daily operations or financial condition of the bank. The risk that the counterparties who provide the bank with short-term funding, will withdraw or not roll-over that funding. It aims at a well-diversified, reliable, cost-efficient funding structure supporting the Bank's business mix and strategy.

Market liquidity risk is the risk that the bank cannot easily offset or eliminate a position without significantly affecting the market price because of inadequate market depth or market disruption and incurring losses as a result. The risk of a generalised disruption in asset markets that make normally liquid assets illiquid and the potential loss through the forced sale of assets resulting in proceeds being below their fair market value.

Liquidity risk is difficult to predict and can rapidly escalate. A liquidity crisis could have negative effects, the most severe being the failure of a bank. These could include sharp falls in profits, asset sales at forced-sale prices that disrupt financial markets and sudden changes in the volume and terms of bank loans, which might reduce activity in the wider economy. The bank's liquidity policies provide for very conservative liquidity management parameters to ensure that the bank has adequate liquidity for normal and stress situations. Techniques employed by the Bank for the management of liquidity risk include the following limits:

Dimension	Statement
Net Interbank Deposits/total Deposits	Interbank reliance is measured as percentage of net interbank deposits to total deposits.
Loan to Deposits ratio (LDR)	Loan to Deposit is measured as a percentage of gross loans to customer's deposits
Top 5 Significant Funding Sources (SFS)/Total Deposit	Top 5 SFS is measured as the proportion of top 5 providers of funds to total customer deposits
Top single SFS/Total Deposit	Top Single SFS is measured as the proportion of largest provider of funds to total customer deposits
Regulatory Liquidity Ratio	Liquidity ratio as a measure of liquidity risk is calculated as a ratio of Naira liquid assets to local currency deposits.
Liquidity Coverage Ratio	LCR is measured as High Quality Liquid Assets (HQLA) as a proportion of total net cash outflows over a 30 day period.
NSFR – LCY & FCY	The structural liquidity mismatch arising from tenor mismatches between assets and liabilities will be maintained within the liquidity mismatch capacity.

Tolerance limits, appetite thresholds and monitoring items are conservatively set and reflect the Bank's conservative appetite for liquidity risk. The limits and other liquidity risk indicators are monitored on a daily basis by the Market and Liquidity Risk Unit and reports are rendered to the ALCO and BRMC periodically. Some of the techniques employed by the Bank to manage liquidity risk are explained below:

Liquidity Ratio
The Bank ensures that it is within the regulatory liquidity ratio of 20% on a daily basis. Liquidity ratios for 2023 and 2022 are shown below:

BANK

Liquidity Ratio	2023	2022
Minimum	68.45%	66.42%
Average	55.23%	63.69%
Maximum	68.77%	69.39%
As at Year end	68.45%	66.42%

Structural Liquidity Mismatch Management

The mismatch principle measures the Group's liquidity by assessing the mismatch between expected inflow and outflow of funds within different time bands on a maturity ladder. The structural liquidity mismatch is based on contractual cash flows which. A significant proportion of the Bank's deposits is purchased therefore, assessing and managing the contractual liquidity gap is essential for liquidity risk management. A net mismatch figure is obtained by subtracting liabilities and netting off-balance sheet positions from assets in each time band. The Bank's liquidity position is assessed by means of the net cumulative mismatch position, while its liquidity mismatch performance is an aggregation of the net liquidity position in each successive time band expressed as a percentage of total funding related to deposits. As at 31 December 2023, the Bank's contractual liquidity gaps are:

The Group's Contractual Gap as at 31st Dec 2023

Assets	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross amount
Cash and balances with central bank	32,370	-	-	-		32,370
Due from other banks	31,690,145		-			31,690,145
Pledged assets		-	-	9,849,089	3,815,216	13,664,305
Loans & Advances	12,463,703	1,924,442	3,540,502	5,308,569	-	23,237,216
Investment securities	-	-	13,973,028	12,336,700	6,253,926	32,563,655
Financial instrument at FVPL	-			3		3
Other assets	20,097,990	501,547	-	639,690		21,239,228
	64,284,208	2,425,989	17,513,530	28,134,051	10,069,142	122,426,921
Liabilities						
Due to banks	461,972	9,634,468	6,529,518	202,666		16,828,624
Due to customers	30,704,181	31,664,590	2,076,584	3,275,331	33,382	67,754,068
Other liabilities	9,420,450	47,295	2,016	6,949	1,237	9,477,947
Total Liabilities	40,586,603	41,346,353	8,608,118	3,484,946	34,619	94,060,639
Net Cash flows	23,697,605	(38,920,364)	8,905,412	24,649,105	10,034,523	28,366,282
Cumulative Contractual Gap	23,697,605	(15,222,759)	(6,317,346)	18,331,759	28,366,282	56,732,564

The Bank's's Contractual Gap as at 31st Dec 2023

Assets	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross amount
Cash and balances with central bank	32,370	-	-	-	-	32,370
Due from other banks	20,434,730		-	-	-	20,434,730
Pledged assets		-	-	9,849,089	3,815,216	13,664,305
Loans & Advances	12,463,703	1,924,442	3,540,502	5,308,569	-	23,237,216
Investment securities	-		10,490,691	11,404,964	5,613,280	27,508,935
Financial instruement at FVPL	-			-	-	-
Other assets	20,021,134	-	-	639,690	-	20,660,824
	52,951,937	1,924,442	14,031,194	27,202,312	9,428,496	105,538,380
Liabilities						
Due to banks	664,638	5,276,615	8,708,445	2,178,927	-	16,828,624
Due to customers	40,337,294	14,470,442	344,177		-	55,151,913
Other liabilities	9,455,195					9,455,195
Total Liabilities	50,457,127	19,747,057	9,052,622	2,178,927	-	81,435,732
Net Cash Inflows/(outflows)	2,494,809	17,822,615	4,978,572	25,023,385	9,428,496	24,102,647
Cumulative Gap	2,494,809	15,327,806	10,349,233	14,674,152	24,102,647	48,205,295

The Group's Contractual Gap as at 31st Dec 2022

Assets	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Carrying amount
Cash and balances with central bank	12,725					12,725
Due from other banks	26,480,772				-	26,480,772
Pledged assets		7,282,760	-	-	8,340,764	15,623,524
Loans & Advances	1,034,474	12,402,552	14,969,731	4,826,153	3,385	33,236,295
Investment securities	-	465,380		1,971,547	13,239,062	15,675,989
Financial instrument at FVPL	-			160,228		160,228
Other assets	16,628,096	285,733	-	578,617		17,492,446
	44,156,067	20,436,425	14,969,731	7,536,545	21,583,211	108,681,979
Liabilities						
Due to banks	461,972	3,097,688	6,529,518	202,666		10,291,844
Due to customers	28,898,079	31,664,590	2,076,584	3,275,331	33,382	65,947,966
Other liabilities	6,103,254	47,295	2,016	6,949	1,237	6,160,751
Total Liabilities	35,463,305	34,809,573	8,608,118	3,484,946	34,619	82,400,561
Net Cash flows	8,692,762	(14,373,148)	6,361,613	4,051,599	21,548,592	26,281,418
Cumulative Contractual Gap	8,692,762	(5,680,386)	681,227	4,732,826	26,281,418	52,562,836

The Bank's's Contractual Gap as at 31st Dec 2022

Assets	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Carrying amount
Cash and balances with central bank	12,725	-	-	-	-	12,725
Due from other banks	11,858,343		-	-	-	11,858,343
Pledged assets		7,282,760	-	-	8,340,764	15,623,524
Loans & Advances	1,034,474	12,402,552	14,969,731	4,826,153	3,385	33,236,295
Investment securities	465,380				11,234,140	11,699,520
Financial instruement at FVPL	-			160,228	-	160,228
Other assets	16,628,096	-	-	578,617	-	17,206,713
	29,999,018	19,685,312	14,969,731	5,564,998	19,578,289	89,797,348
Liabilities						
Due to banks	461,972	3,097,688	6,529,518	202,666	-	10,291,844
Due to customers	28,180,168	19,705,617	1,836,952	2,454,002	-	52,176,739
Other liabilities	4,171,604	47,295	2,016	6,949	1,237	4,229,101
Total Liabilities	32,813,744	22,850,600	8,368,486	2,663,617	1,237	66,697,684
Net Cash Inflows/(outflows)	(2,814,726)	3,165,288	6,601,245	2,901,381	19,577,052	23,099,664
Cumulative Gap	(2,814,726)	5,980,014	621,231	3,522,612	23,099,664	46,199,329

Maintaining Minimum Levels of Liquid and Marketable Assets

Minimum levels of prudential liquid assets are held in accordance with prudential requirements as specified by the CBN. The Bank holds additional unencumbered marketable assets, in excess of minimum prudential liquid asset requirement, to cater for volatile depositor withdrawals, draw-downs under committed facilities, collateral calls, etc. Highly Liquid Assets as at 31 December 2023 are listed below:

GROUP-2023

	Encumbered	Unencumbered	Total
Cash and balances with central bank	(0)	32,370	32,370
Due from other banks	-	31,690,145	31,690,145
Pledged assets	13,664,305	-	13,664,305
Loans & Advances	-	23,160,925	23,160,925
Investment securities	-	32,563,655	32,563,655
Financial instrument at FVTPL	-	3	3
Other assets	19,281,789	2,011,487	21,293,276

BANK-2023

	Encumbered	Unencumbered	Total
Cash and balances with central bank	(0)	32,370	32,370
Due from other banks	-	20,421,422	20,421,422
Pledged assets	13,664,305	-	13,664,305
Loans & Advances	-	23,160,925	23,160,925
Investment securities	-	27,508,935	27,508,935
Financial instrument at FVTPL	-	-	-
Other assets	19,281,789	1,499,089	20,780,878

GROUP-2022

	Encumbered	Unencumbered	Total
Cash and balances with central bank	-	12,725	12,725
Due from other banks	-	26,455,574	26,455,574
Pledged assets	15,623,524	-	15,623,524
Loans & Advances	-	33,104,534	33,104,534
Investment securities	-	15,668,021	15,668,021
Financial instrument at FVTPL	-	160,228	160,228
Other assets	16,279,511	1,171,637	17,451,148

BANK-2022

	Encumbered	Unencumbered	Total
Cash and balances with central bank	-	12,725	12,725
Due from other banks	-	11,849,785	11,849,785
Pledged assets	15,623,524	-	15,623,524
Loans & Advances	-	33,104,534	33,104,534
Investment securities	-	11,698,982	11,698,982
Financial instrument at FVTPL	-	160,228	160,228
Other assets	16,279,511	974,260	17,253,771

Any single liquidity provider (including corporations, financial institutions, and individuals) or a group that provides more than 5% of total deposit liabilities is considered a significant funding source. Significant funding sources can be a single name or a single group funding source. Significant funding sources are established as part of the annual liquidity and funding plan. The ALCO committee reviews report on significant funding source exposures at least on a bi-monthly basis. Thresholds are established for determining which single liquidity provider, as well as groups of liquidity providers are significant funding source. The threshold shall be a function of the market and the balance sheet of the bank and the determination of liquidity by provider is industry-based.

To ensure that the Bank does not place undue reliance on any single entity as a funding source, limits are imposed on significant funding sources and these limits are monitored by the Liquidity Risk Unit within the Risk Management Department. Concentration risk limits are used to ensure that funding diversification is maintained across products, sectors, and counterparties.

Loan to Deposit Limit

A limit is put in place, restricting the ratio of local currency loans to local currency deposits to a maximum specified level, and this is reviewed yearly. Similarly, in order to restrict the extent of foreign currency lending from the foreign currency deposit base, a foreign currency loan to deposit limit, is set by ALCO.

To ensure compliance with regulatory Loans to Deposit Ratio (LDR) and also ensure effective liquidity risk management, the Bank has set an internal limit of 104% of regulatory limit for LDR. The regulatory limit is currently 65% and Bank internal limit is 67%. The Bank Loans to Deposit Ratio as at 31 December 2023 was 42.13% . The Bank plans to grow this ratio to meet its internal limit in the coming year.

Loan to Deposit Ratio	BANK NGN'000
Gross Loans	23,237,216
Total Deposits	55,151,913
LDR	42.13%

Daily Cash Flow and Intraday Liquidity Management

The Bank forecasts maturities and withdrawals at least 3 months in advance to alert Management of significant outflows. The forecast summarises daily new deposits (by customer, value, rate, and maturity), as well as the interbank and top depositor reliance (by value and product) and updated on a weekly basis. The daily cash flow report is used to proactively anticipate and plan for large cash outflows.

Treasury Division and Market and Liquidity Risk Unit summarizes material daily new deposits as well as the interbank and top depositor reliance (by value and product). The daily cash flow management report forms an integral part of the ongoing liquidity management process and is a crucial tool to proactively anticipate and plan for large cash outflows.

Liquidity Stress Testing

The Bank subjects anticipated on- and off-balance sheet cash flows to a variety of Bank- specific and systemic stress scenarios to evaluate the impact of unlikely but plausible events on the Bank's liquidity. The scenarios used are based on both historical events, such as past local financial markets crisis and hypothetical events, such as an entity specific crisis. The results obtained from the stress testing provide meaningful input when defining target liquidity risk positions and preparing contingency funding plan.

The Bank analyses cash flows on a contractual, undiscounted basis based on the earliest date on which the Group can be required to pay and may therefore not agree directly to the balances disclosed in the consolidated statement of financial position.

Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) is introduced to assess and manage the short-term resilience of the liquidity risk profile of the Bank. The Bank holds a buffer of "high quality" liquid assets to match net liquidity outflows during a 30-day period of stress. LCR aims to ensure that the Bank has an adequate stock of unencumbered HQLA that consists of cash or assets that can be converted into cash at little or no loss of value in private markets, to meet its liquidity needs for a 30-calendar day liquidity stress scenario.

The LCR has two components:

I. Value of the stock of HQLA; and

ii. Total net cash outflows calculated according to the scenario parameters outlined below.

The Bank maintains a portfolio of HQLA to ensure compliance with requirements to honour any commitments due in the next 30 days. These requirements are defined as the net outflows over a 30-day time horizon. The available liquidity must exceed the required liquidity, meaning LCR must be at least 100%. The LCR and its components as at 31 December 2023 are as shown below:

Metric	Value
Liquidity Coverage Ratio	1270.45%
High Quality Liquid Assets – NGN	29,566,981,370

Contingency Funding Plan

The Bank considers adequate liquidity critical in meeting its business obligations and the need to ensure sustainable liquidity buffers to hedge any likely incidence of funding gap that may arise through internal business activities or systemic events. The Board has put in place Contingency Funding Framework to guide the actions of Executive Management in the event of a liquidity crisis. It is not possible to hold sufficiently large enough quantity of readily available liquidity to cover the least likely liquidity events. However, since such events can have devastating consequences, it is imperative to bridge the gap between the liquidity the Bank chooses to hold and the maximum liquidity it might need.

The Bank's Contingency Funding Plan is designed to, as far as possible, protect the Bank and maintain market confidence in order to ensure a positive outcome in the event of a liquidity crisis. The Bank uses an extensive early warning indicator methodology supported by a clear and decisive crisis response strategy.

he following can be the sources of contingency liquidity risk:

- Unexpected loan demand.
- Unexpected credit drawdown and other commitment draws.
- Requirements for increased collateral pledging.
- Unexpected deposit withdrawals.
- Evaporation of unused funding capacity.
- Erosion in the market value of unencumbered, marketable assets.

The CFP is consistent with the Greenwich Merchant Bank's business continuity plans and can be operational under situations where business continuity arrangements are invoked.

Liquidity Ratio

The Bank maintains a cushion of unencumbered and high quality liquid assets at all times, to enable it meet up with due obligations and withstand a range of stress events that might impair funding sources. A key measure of the Bank's liquidity risk is the ratio of liquid assets to deposit liabilities. Liquid assets include local currency cash, cash equivalents and active liquid investment-grade debt securities. Customer deposit are made up of local currency deposit liabilities. Below are details of the Bank's ratio of liquid assets to deposits liabilities for the period under review.

GROUP	NGN'000
Unrestricted balances with central bank	3,481
Current account balances with other banks within Nigeria	1,105,194
Placements with other Banks	21,291,141
Investment securities	33,033,169
HIGHLY LIQUID ASSET	55,432,985
DEPOSIT	
Term deposit	45,849,139
Demand deposits	21,904,929
Interbank takings	2,003,452
Total Deposit Liabilites	69,757,520
LIQUIDITY RATIO	79.47%

Bank	NGN'000
Cash and Balances with Central Bank	3,481
Balances with Other Banks within Nigeria	302,828
Net Inter Bank Placement With Other Banks	10,838,093
Investment securities	27,978,446
OTHER LIQUID ASSETS	
HIGHLY LIQUID ASSET	39,122,847
DEPOSIT	
Demand	20,333,906
Time Deposits	34,818,007
Interbank Takings	2,003,452
Total Deposit Liabilities	57,155,365
LIQUIDITY RATIO	68.45%

7.6 Capital Adequacy

The Bank undertakes a regular review of its capital adequacy based on the guidelines provided by the Central Bank of Nigeria (CBN) and international best practices to ensure compliance with regulatory requirements. The Capital Adequacy Ratio of the Bank is above the minimum statutory requirement, with all of the Bank's capital originating from Common Equity Tier 1 Capital (CET1), which consists of essentially share capital, share premium and reserves from retained earnings. The table below shows the computation of the Bank's capital adequacy ratio for the period.

BANK

Components of Eligible Capital	NGN'000
Paid-up Common Equity Share	5,415,137
Share Premium iro Common Equity Share	12,667,034
General Reserves (Retained Profit)	7,028,865
Statutory Reserves	1,684,351
	26,795,387
Deductions:	
Treasury shares	648,000
Intangile assets	313,452
Investemnt in capital of banking and financial institutions	706,050
Investment in capital instruments of unconsolidated subsidiairies	1,500,000
Total Regulatory Deductions at CET1 level	3,167,502
CET1 After Regulatory Deduction	23,627,886

Risk Weight Components	Amount
Credit Risk Weighted Assets	43,836,497
Market Risk Weighted Assets	1,623,863
Operational Risk Weighted Assets	7,198,176
	52,658,537
Pillar 2 capital add-on (Risk Weighted)	-
Total Risk Weighted Assets	52,658,537

CAPITAL ADEQUACY RATIOS

Capital Ratios (Full Impact)	Actual (Full Impact)	Required Minimum
Capital Adequacy Ratios:	44.87%	7.00%
CET1 to TRWAs	44.87%	7.50%
T1 Capital to TRWAs	44.87%	10.00%
Total Eligible Capital to TRWAs (CAR)		
Leverage Ratio (Full Impact)	19.25%	4.00%

As, a Merchant Bank, the Central Bank of Nigeria's regulatory requirements are as follows:

a. Hold the minimum level of the regulatory capital of N15 billion and

b. Maintain a ratio of total regulatory capital to the risk-weighted asset at or above the minimum of 10%.
c. Maintain a leverage ratio minimum of 4%.

During the year, the Bank divested its investment in Greenwich Registrars & Data Solutions Limited, which ultimately impacted on its regulatory capital.

As at 31 December 2023, Bank had eligible risk capital of N23.69billion and a total risk weighted assets of N47.99bn, which translates to a capital adequacy ratio of 49.41% which was in excess of the regulatory minimum. The risk weighted assets are measured using the Central Bank of Nigeria's interpretation and ranking of the risk assets.

Currently, the Bank's capital and regulatory ratios are in excess of the CBN regulatory minimum.

BASEL III Implementation

Greenwich Merchant Bank adopted the capital, leverage, and liquidity standards required by the CBN guideline to strengthen the regulation, supervision, and risk management of the banking sector. The total regulatory capital (CET1, AT1, & T2) and additional capital buffers require banks to hold more capital, and higher quality of capital, than under the earlier Basel II rules. The leverage ratio introduces a non-risk-based measure to supplement the risk-based minimum capital requirements. The liquidity ratios ensure that adequate funding is available during periods of stress. The computation of risk weighted assets are consistent with the requirements of pillar I of Basel II which is expected to ensure that banks have quality capital to support their risk-taking activities and that banks establish effective risk management systems to commensurate their level of operations.

The Bank performs an independent and complete forward-looking assessment of the risks to which we are exposed to and estimate the internal capital and liquidity requirements that adequately reflects our risk profile, business strategy and risk acceptance level (ICAAP & ILAAP).

The Supervisory Evaluation Review Process (SREP) specifies how the CBN reviews and assesses the Bank's ICAAP and ILAAP and verifies overall compliance with prudential requirements and supervisory expectations in relation to the quantification of internal capital and liquidity requirements.

Regulatory Ratios	National and Regional Banks	International Banks and DSIBs	GMB year end Position
CET1 Capital Ratio	7.00%	10.50%	44.87%
Tier 1 Capital Ratio	7.50%	11.25%	44.87%
Capital Adequacy Ratio	10.00%	15.00%	44.87%
Capital Conservation Buffer I	1.00%	1.00%	N/A
Capital Conservation Buffer II	As determined by CBN from time to time		N/A
Leverage Ratio	4.00%	5.00%	19.25%
Liquidity Coverage Ratio	>100.00%	>100.00%	1270.45%
Net Stable Funding Ratio	>100.00%	>100.00%	100.28%

7.7.1

(I) Maximum exposure to credit risk before collateral held or other credit enhancements

The following table shows the maximum exposure to credit risk by class of financial asset. The group's maximum exposure to credit risk is represented by the net carrying amounts of the financial assets with the exception of financial and other guarantees issued by the group for which the maximum exposure to credit risk is represented by the maximum amount the group would have to pay if the guarantees are called on.

Credit risk exposures relating to on-balance sheet assets are as follows:

	Maximum exposure		Maximum exposure	
	Group		Bank	
In thousands of Nigerian Naira	Dec. 2023	Dec. 2022	Dec. 2023	Dec. 2022
Cash and bank balances				
Cash & E-Naira in vault with Central Banks	28,889	11,116	28,889	11,116
Balances with central bank excluding mandatory deposit	3,481	1,609	3,481	1,609
Restricted balances with central bank	-	-	-	-
Due from Banks				
Fixed placements	21,250,434	21,077,685	10,824,784	7,887,182
Current balances with banks within Nigeria	1,105,194	1,864,142	302,828	448,826
Current balances with banks outside Nigeria	9,293,810	3,513,777	9,293,810	3,513,777
Financial assets at fair value through profit or loss				
Treasury bills	-	160,228	-	160,228
Loans and advances to customers:				
Loan and advances	23,160,925	33,104,534	23,160,925	33,104,534
Investment securities at fair value through other comprehensive income:				
Treasury bills	16,023,713	465,380	13,822,044	465,380
State bonds	32,635	35,205	32,635	35,205
Euro bonds	(1,753)	1,525,585	-	1,265,593
Corporate Bonds	54,953	53,179	54,953	53,179
FGN Bonds	12,135,101	7,687,986	12,135,101	7,687,986
Quoted equity	1,158,550	1,969,533	-	-
Unquoted equity	1,100,624	966,568	1,098,609	964,553
Investment securities at amortised cost:				
Debt instrument	2,059,831	2,964,585	365,593	1,227,085
			-	-
Pledged assets:				
Treasury bills	13,664,305	15,623,524	13,664,305	15,623,524
Other assets (note 26)	21,085,397	17,308,247	20,598,950	17,116,690
Total	**122,156,090**	**108,332,883**	**105,386,907**	**89,566,468**
Loans exposure to total exposure	19%	31%	22%	37%
Debt securities exposure to total exposure	27%	14%	26%	13%
Pledged assets exposure to total exposure	11%	14%	13%	17%
Other exposure to total exposure	28%	24%	30%	25%

7.7.2 Credit concentration - Location

The Group monitors concentrations of credit risk by sector, geographic location and industry. Concentration by location for loans and advances is measured based on the location of the Group entity holding the asset, which has a high correlation with the location of the borrower. Concentration by location for investment securities is measured based on the location of the issuer of the security. The amounts stated are net of impairment allowances.

An analysis of concentrations of credit risk at the reporting date is shown below:

31 December 2023

In thousands of Nigerian Naira	Group			Bank		
	Nigeria	Outside Nigeria	Total	Nigeria	Outside Nigeria	Total
Financial assets						
Cash and bank balances:						
- Current balances with banks	1,105,194	9,293,810	10,399,004	302,828	9,293,810	9,596,638
-Cash & E-Naira in vault with Central Banks	28,889		28,889	28,889		28,889
- Fixed placements	21,250,434	-	21,250,434	10,824,784	-	10,824,784
- Balances with central banks excluding mandatory deposit	3,481	-	3,481	3,481	-	3,481
Financial assets at FVTPL:						
- Treasury bills	-	-	-	-	-	-
- Government bonds	-	-	-	-	-	-
Loans and advances to customers:						
- Loans and advances	23,160,925	-	23,160,925	23,160,925	-	23,160,925
Investment securities:						
At amortised cost Bonds	2,059,831	-	2,059,831	365,593	-	365,593
At FVOCI			-			-
- Eurobonds	(1,753)	-	(1,753)	1,525,585	-	1,525,585
- Treasury bills	16,023,713	-	16,023,713	13,822,044	-	13,822,044
- Commercial paper		-	-		-	-
- State Bonds	32,635		32,635	32,635		32,635
- Corporate Bonds	54,953		54,953	54,953		54,953
- FGN Bonds	12,135,101		12,135,101	12,135,101		12,135,101
- Quoted equity	1,158,550		1,158,550	-		-
- Unquoted equity	1,100,624		1,100,624	1,098,609		1,098,609
Pledged assets			-			-
- Treasury bills	13,664,305		13,664,305	13,664,305		13,664,305
Other assets (note 26)	21,085,397	-	21,085,397	20,598,950	-	20,598,950
Total financial assets	**112,862,280**	**9,293,810**	**122,156,090**	**97,618,682**	**9,293,810**	**106,912,491**

Credit concentration - location (continued)

31 December 2022

In thousands of Nigerian Naira	Group			Bank		
	Nigeria	Outside Nigeria	Total	Nigeria	Outside Nigeria	Total
Financial assets						
Cash and bank balances:						
- Current balances with banks	1,864,142	3,513,777	5,377,919	448,826	3,513,777	3,962,603
-Cash & E-Naira in vault with Central Banks	11,116	-	11,116	11,116	-	11,116
- Fixed placements	21,077,685	-	21,077,685	7,887,182	-	7,887,182
- Balances with central banks excluding mandatory deposit	1,609	-	1,609	1,609	-	1,609
Financial assets at FVTPL:						
- Treasury bills	160,228	-	160,228	160,228	-	160,228
- Government bonds	-	-	-		-	-
Loans and advances to customers:						
- Loans and advances	33,104,534	-	33,104,534	33,104,534	-	33,104,534
Investment securities:						
At amortised cost						
Bonds	2,964,585		2,964,585	1,227,085		1,227,085
At FVOCI						
- Eurobonds	-	-	-		-	-
- Treasury bills	465,380	-	465,380	465,380	-	465,380
- Commercial paper						
- State Bonds	35,205	-	35,205	35,205	-	35,205
- Corporate Bonds	53,179	-	53,179		-	53,179
- FGN Bonds	7,687,986		7,687,986	7,687,986 53,179	-	7,687,986
- Quoted equity	1,969,533	-	1,969,533		-	-
- Unquoted equity	966,568	-	966,568	964,553	-	964,553
Pledged assets						
- Treasury bills	15,623,524	-	15,623,524	15,623,524	-	15,623,524
Other assets (note 26)	17,308,247	-	17,308,247	17,116,690	-	17,116,690
Total financial assets	**103,293,521**	**3,513,777**	**106,807,298**	**84,787,097**	**3,513,777**	**88,300,874**

7.7.3

(iii) Credit concentration - Industry

The following table analyses the Group's credit exposure at carrying amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Group's counterparties. The amounts stated are net of impairment allowances.

Group	Agriculture	Trading	Finance and Insurance	General	Service	Governments	Oil and Gas	Manufacturing	Total
31 December 2023									
In thousands of Nigerian Naira									
Cash and bank balances:									
- Current balances with banks	-	-	10,399,004	-	-	-	-	-	10,399,004
- Cash and E-Naira with Central Bank	-	-	-	-	-	28,889	-	-	28,889
- Fixed placements	-	-	21,250,434	-	-	-	-	-	21,250,434
- Balances with central bank excluding mandatory deposit	-	-	3,481	-	-	-	-	-	3,481
									-
Financial assets at FVTPL:									
- Treasury bills	-	-	-	-	-	-	-	-	-
- Government bonds	-	-	-	-	-	-	-	-	-
Loans and advances to customers:									-
- Loans and advances	4,111	10,167,331	227,217	2,108,364	2,001,388	-	4,030,331	14,565,792	33,104,535
Investment securities:									-
At Amortised cost									-
- Treasury bills	-	-	-	-	-	2,059,831	-	-	2,059,831
- Bonds	-	-		-	-	-	-	-	-
At FVOCI			-	-	-	-	-	-	-
- Treasury bills	-	-	-	-	-	16,023,713	-	-	16,023,713
- State Bonds	-	-	-	-	-	32,635	-	-	32,635
- Euro Bonds			(1,753)			-			(1,753)
- Corporate Bonds	-	-	-	-	-	54,953	-	-	54,953
- FGN Bonds	-	-	-	-	-	12,135,101	-	-	12,135,101
- Quoted equity	-	-	-	1,158,550	-	-	-	-	1,158,550
- Unquoted equity	-	-	-	1,100,624	-	-	-	-	1,100,624
Pledged assets									
Bonds & Treasury bills	-	-	13,664,305	-	-		-	-	13,664,305
Other assets	-	-	-	1,803,609	-	19,281,789	-	-	21,085,397
Total financial assets	**4,111**	**10,167,331**	**45,544,441**	**6,171,146**	**2,001,388**	**63,281,216**	**4,030,331**	**14,565,792**	**132,101,452**

Credit concentration - Industry (continued)

Bank	**Agriculture**	**Trading**	**Finance and** Insurance	**General**	**Service**	**Governments**	**Oil and Gas**	**Manufacturing**	**Total**
31 December 2023									
Financial assets									
In thousands of Nigerian Naira									
Cash and bank balances:									
- Current balances with banks	-	-	9,596,638	-	-	-	-	-	9,596,638
- Cash and E-Naira with Central Bank	-	-	-	-	-	28,889	-	-	28,889
- Fixed placements	-	-	10,824,784	-	-	-	-	-	10,824,784
- Balances with central bank excluding mandatory deposit	-	-	3,481	-	-	-	-	-	3,481
Financial assets at FVTPL:	-	-	-	-	-	-	-	-	-
- Treasury bills	-	-	-	-	-	-	-	-	-
- Government bonds	-	-	-	-	-	-	-	-	-
Loans and advances to customers:	-	-	-	-	-	-	-	-	-
- Loans and advances (net of impairment)	4,111	10,167,331	227,217	2,108,364	2,001,388	-	4,030,331	14,565,792	33,104,535
Investment securities:	-	-	-	-	-	-	-	-	-
At Amortised cost	-	-	-	-	-	-	-	-	-
- Treasury bills	-	-	-	-	-	-	-	-	-
- Bonds	-	-	-	-	-	-	-	-	-
At FVOCI	-	-	-	-	-	-	-	-	-
- Treasury bills	-	-	-	-	-	13,822,044	-	-	13,822,044
- State Bonds	-	-	-	-	-	32,635	-	-	32,635
- Corporate Bonds	-	-	-	-	-	54,953	-	-	54,953
- FGN Bonds	-	-	-	-	-	12,135,101	-	-	12,135,101
- Quoted equity	-	-	-	-	-	-	-	-	-
- Unquoted equity	-	-	-	1,098,609		-	-	-	1,098,609
Pledged assets									
- Treasury bills	-	-	13,664,305	-	-		-	-	13,664,305
Other assets	-	-	-	1,317,161	-	19,281,789	-	-	20,598,950
Total financial assets	**4,111**	**10,167,331**	**34,316,425**	**4,524,135**	**2,001,388**	**45,355,410**	**4,030,331**	**14,565,792**	**114,964,923**

Credit concentration - Industry (continued)

Group	Agriculture	Education	Finance and Insurance	General	General Commerce	Governments	Information and Communication	Manufacturing	Total
31 December 2022									
In thousands of Nigerian Naira									
Cash and bank balances:									
- Current balances with banks	-	-	5,377,919	-	-	-	-	-	5,377,919
- Cash and E-Naira with Central Bank	-	-	-	-	-	11,116	-	-	11,116
- Fixed placements	-	-	21,077,685	-	-	-	-	-	21,077,685
- Balances with central banks excluding mandatory deposit	-	-	1,609	-	-	-	-	-	1,609
Financial assets FVTPL :									
- Treasury bills	-	-	-	-	-	160,228	-	-	160,228
- Government bonds	-	-	-	-	-	-	-	-	-
Loans and advances to customers:									
- Loans and advances	4,111	10,167,331	227,217	2,108,364	2,001,388	-	4,030,331	14,565,792	33,104,535
Investment securities:									
At Amortised cost									
- Treasury bills	-	-	-	-	-	1,227,085	-	-	1,227,085
Bonds	-	-		-	-	-	-	-	-
At FVOCI									
- Treasury bills	-	-	-	-	-	465,380	-	-	465,380
- Commercial paper	-	-	-	-	-	35,205	-	-	35,205
- State Bonds	-	-	-	-	-	-	-	-	
- Corporate Bonds	-	-	-	-	-	-	53,179	-	53,179
- FGN Bonds	-	-	-	-	-	7,687,986	-	-	7,687,986
- Euro Bonds			1,525,585	-	-	-	-	-	1,525,585
- Quoted equity	-	-	-	1,969,533	-	-	-	-	1,969,533
- Unquoted equity	-	-	-	966,568	-	-	-	-	966,568
Pledged assets									
- Treasury bills	-	-		-	-	15,623,524	-	-	15,623,524
Other assets	-	-	-	1,028,736	-	16,279,511	-	-	17,308,248
Total financial assets	**4,111**	**10,167,331**	**28,210,015**	**6,073,201**	**2,001,388**	**41,490,036**	**4,083,510**	**14,565,792**	**106,595,385**

Credit concentration - Industry (continued)

Bank	Agriculture	Education	Finance and Insurance	General	General Commerce	Governments	Information and Communication	Manufacturing	Total
31 December 2022									
Financial assets									
In thousands of Nigerian Naira									
Cash and bank balances:									
- Current balances with banks	-	-	3,962,603	-	-	-	-	-	3,962,603
- Cash and E-Naira with Central Bank	-	-	-	-	-	11,116	-	-	11,116
- Fixed placements	-	-	7,887,182	-	-	-	-	-	7,887,182
- Balances with central bank excluding mandatory reserve	-	-	1,609	-	-	-	-	-	1,609
Financial at FVTPL :									
- Treasury bills	-	-	-	-	-	160,228	-	-	160,228
- Government bonds	-	-	-	-	-	-	-	-	-
Loans and advances to customers:									
- Loans and advances	4,111	10,167,331	227,217	2,108,364	2,001,388	-	4,030,331	14,565,792	33,104,535
Investment securities:									
At Amortised cost									
- Treasury bills	-	-	-	-	-	-	-	-	-
- Bonds	-	-	-	-	-	-	-	-	-
At FVOCI									
- Treasury Bills	-	-	-	-	-	465,380	-	-	465,380
- Corporate bonds	-	-	-	-	-	-	53,179	-	53,179
- State Bond						35,205			35,205
- FGN bonds	-	-	-	-	-	7,687,986	-	-	7,687,986
- Unquoted equity	-	-	-	964,553	-	-	-	-	964,553
Pledged assets									
- Treasury bills	-	-	-	-	-	15,623,524	-	-	15,623,524
Other assets	-	-	-	837,179	-	16,279,511		-	17,116,690
Total financial assets	**4,111**	**10,167,331**	**12,078,611**	**3,910,096**	**2,001,388**	**40,262,950**	**4,083,510**	**14,565,792**	**87,073,790**

7.7.4 The table below shows the various risk exposures relating to off balance sheet assets:

	Maximum exposure		Maximum exposure	
	Group		Bank	
In thousands of Nigerian Naira	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Performance bonds and guarantees	-	-	-	-
Allowance for credit losses	-	-	-	-
Net carrying amount	-	-	-	-
Letters of credits	9,768,738	11,818,762	9,768,738	11,818,762
Allowance for credit losses	(2,970)	(9,614)	(2,970)	(9,614)
Net carrying amount	9,765,769	11,809,148	9,765,769	11,809,148
Undrawn commitments	8,812,919	10,783,079	8,812,919	10,783,079
Allowance for credit losses	-	-	-	-
Net carrying amount	8,812,919	10,783,079	8,812,919	10,783,079
Gross amount	18,581,658	22,601,841	18,581,658	22,601,841
Total Allowance for credit losses	(2,970)	(9,614)	(2,970)	(9,614)
Total net carrying amount	18,578,688	22,592,227	18,578,688	22,592,227
Bonds and guarantee exposure to total exposure	0%	0%	0%	0%
Letters of credit exposure to total exposure	53%	52%	53%	52%
Undrawn commitments exposure to total exposure	47%	48%	47%	48%

Credit rating of obligors/counterparties: Internal counterparty rating is used as an essential tool in the Greenwich Merchant Bank's credit risk management and decision-making process.
The Bank's credits to different obligors based on our internal credit rating as at 31 December 2022 are as follows:

	Group				
As at December 2023	**AAA to A N'000**	**BBB to B N'000**	**Below B N'000**	**Unrated N'000**	**Total N'000**
Bonds and Guarantees	-	-		-	-
Allowance for credit losses	-	-		-	-
Net Carrying Amount	-	-	-	-	-
Letters of credits	4,599,891	5,168,847	-	-	9,768,738
Allowance for credit losses	(1,409)	(1,561)	-		(2,970)
Net carrying amount	4,598,483	5,167,286	-	-	9,765,769
Undrawn commitments	5,047,500	3,765,419	-	-	8,812,919
Allowance for credit losses	-	-	-		-
Net carrying amount	5,047,500	3,765,419	-	-	8,812,919
Gross amount	9,647,391	8,934,266	-	-	18,581,658
Total Allowance for credit losses	(1,409)	(1,561)	-	-	(2,970)
Total net carrying amount	**9,645,983**	**8,932,705**	**-**	**-**	**18,578,688**

	Bank				
As at December 2023	**AAA to A N'000**	**BBB to B N'000**	**Below B N'000**	**Unrated N'000**	**Total N'000**
Bonds and Guarantees	-	-		-	-
Allowance for credit losses	-	-		-	-
Net Carrying Amount	-	-	-	-	-
Letters of credits	4,599,891	5,168,847	-	-	9,768,738
Allowance for credit losses	(1,409)	(1,561)	-		(2,970)
Net carrying amount	4,598,483	5,167,286	-	-	9,765,769
Undrawn commitments	5,047,500	3,765,419	-	-	8,812,919
Allowance for credit losses	-	-	-		-
Net carrying amount	5,047,500	3,765,419	-	-	8,812,919
Gross amount	9,647,391	8,934,266	-	-	18,581,658
Total Allowance for credit losses	(1,409)	(1,561)	-	-	(2,970)
Total net carrying amount	**9,645,983**	**8,932,705**	**-**	**-**	**18,578,688**

Loss allowance: December, 2023	Group Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
- Performance bonds and guarantees	-	-	-	-
ECL provision	-	-	-	-
Net carrying amount	-	-	-	-
ECL Coverage (%)	0.00%	-	-	0.00%
- Letters of credits	9,768,738	-	-	9,768,738
ECL provision	(2,970)	-	-	(2,970)
Net carrying amount	9,765,769	-	-	9,765,769
ECL Coverage (%)	0.03%	-	-	0.03%
- Undrawn commitments	8,812,919	-	-	8,812,919
ECL provision	-	-	-	-
Net carrying amount	8,812,919	-	-	8,812,919
ECL Coverage (%)	0.00%	-	-	0.00%
Gross amount	18,581,658	-	-	18,581,658
Total ECL provision	(2,970)	-	-	(2,970)
Total net carrying amount	**18,578,688**	**-**	**-**	**18,578,688**
ECL Coverage (%)	0.02%	-	-	0.02%

Transfer between stages: December, 2023	Group Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross amount at 1 January 2023	22,601,841	-	-	22,601,841
Transfer from stage 1 to stage 2	-	-	-	-
Transfer from stage 1 to stage 3	-	-	-	-
Addition	-	-	-	-
Derecognition (other than write offs)	(4,023,153)	-	-	(4,023,153)
Foreign Exchange difference	-	-	-	-
Gross amount	18,578,688	-	-	18,578,688

Movement in loss allowance: 31 December, 2022 Off Balance Sheet Items	Group Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Balance as at 1 January 2022	68,428	-	-	68,428
ECL provision / (writeback)	(58,814)	-	-	(58,814)
Closing balance	9,614	-	-	9,614

Geography

31-Dec-23	Group			BANK		
In thousands of Nigerian Naira	Nigeria	Outside Nigeria	Total	Nigeria	Outside Nigeria	Total
- Performance bonds and guarantees	-	-	**-**		-	**-**
- Letters of credits	9,768,738	-	**9,768,738**	9,768,738	-	**9,768,738**
- Undrawn commitments	10,783,079	-	**10,783,079**	8,812,919	-	**8,812,919**
Total Letter of credit and guarantees	20,551,817	-	**20,551,817**	18,581,658	-	**18,581,658**

Industry

Group					
31-Dec-23	**Agriculture**	**Trading**	**Oil & Gas**	**Manufacturing**	**Services**
			1000		
- Performance bonds and guarantees	-	-	-	-	-
- Letters of credits	-	80,983	797,409	8,890,347	-
-Undrawn commitments		936,797	5,047,500	2,828,622	-
Total Letters of credit & guarantees	-	1,017,780	5,844,909	11,718,969	-

Bank					
31-Dec-23	**Agriculture**	**Trading**	**Oil & Gas**	**Manufacturing**	**Services**
- Performance bonds and guarantees	-	-	-	-	-
- Letters of credits	-	80,983	797,409	8,890,347	-
- Undrawn commitments	-	936,797	5,047,500	2,828,622	-
Total Letters of credit & guarantees	-	1,017,780	5,844,909	11,718,969	-

LIQUIDITY RISK

Liquidity risk on off balance sheet
Residual contractual maturity

Group					
At December 31, 2023	**Total N'000**	**Less than 3 months N'000**	**3 - 6 months N'000**	**6 -12 months N'000**	**1 to 5 Years N'000**
- Performance bonds and guarantees	**-**	**-**	**-**	**-**	**-**
ECL provision	-	-	-	-	-
Total carrying amount	-	-	-	-	-
- Letters of credits	9,768,738			9,768,738	-
ECL provision	(2,970)			(2,970)	-
Total Letters of credit & guarantees	9,765,769	-	-	9,765,769	-
- Undrawn commitments	8,812,919	8,812,919	-	-	-
ECL provision	-	-		-	-
Total Letters of credit & guarantees	8,812,919	8,812,919	-	-	-
Gross amount	18,581,658	8,812,919	-	9,768,738	-
Total ECL provision	(2,970)	-	-	(2,970)	-
Total net carrying amount	**18,578,688**	**8,812,919**	**-**	**9,765,769**	**-**

Bank					
At December 31, 2023	**Total N'000**	Less than 3 **months N'000**	**3 - 6 months N'000**	**6 -12 months N'000**	**1 to 5 Years N'000**
- Performance bonds and guarantees	-	-	-	-	-
ECL provision	-	-	-	-	-
Total carrying amount	-	-	-	-	-
- Letters of credits	9,768,738	-	-	9,768,738	-
ECL provision	(2,970)	-	-	(2,970)	-
Total Letters of credit & guarantees	9,765,769	-	-	9,765,769	-
- Undrawn commitments	8,812,919	8,812,919	-	-	-
ECL provision	-	-	-	-	-
Total Letters of credit & guarantees	8,812,919	8,812,919	-	-	-
Gross amount	18,581,658	8,812,919	-	9,768,738	-
Total ECL provision	(2,970)	-	-	(2,970)	-
Total net carrying amount	**18,578,688**	**8,812,919**	**-**	**9,765,769**	**-**

MARKET RISK

Off Balance Sheet by Currency

31-Dec-23 Group	NGN N'000	USD N'000	EUR N'000	GBP N'000	Total N'000
- Performance bonds and guarantees	-	-	-	-	-
- Letters of credits	-	9,768,738	-	-	9,768,738
- Undrawn commitments	8,812,919	-	-	-	8,812,919
	8,812,919	**9,768,738**	**-**	**-**	**18,581,658**

31-Dec-23 Bank	NGN N'000	USD N'000	EUR N'000	GBP N'000	Total N'000
- Performance bonds and guarantees	-	-	-	-	-
- Letters of credits	-	9,768,738	-	-	9,768,738
- Undrawn commitments	8,812,919	-	-	-	8,812,919
	8,812,919	**9,768,738**	**-**	**-**	**18,581,658**

8 Operating Segments

The Group runs five reportable segments as its strategic business units (SBUs). The SBUs offer varied products and services which are managed separately based on the Group's management and internal reporting structure. The Executive Management Committee reviews internal management reports of each of the SBUs on a monthly basis.

The operations in each of the Group's reportable segments are summarised below.

(I) Investment banking - involves in capital raising, financial advisory services and structured finance to public and private sectors.

(ii) Treasury and Financial Markets- provides innovative financing and risk management solutions and advisory services to the Group's corporate and institutional customers.

(iii) Corporate banking- engages in offerning services/products such as loans, foreign currency trading, derivatives and other credit facilities to large corporate customer and blue chips

(iv) Securities trading- the segment trades in equities, government securities, debentures, bonds and other capital market securities as well as listing of these securities on the recognised Securities Exchange.

(v) Asset management- engages in fund and portfolio management and positioned to providing innovative investment management services.

Information about operating segments

2023
In thousands of Nigerian Naira

	Investment Banking	Treasury & Financial Markets	Corporate Banking	Securities Dealing	Asset Management	Total
Total Revenue	1,384,472	4,378,880	5,847,181	775,681	2,059,177	14,445,391
Interest expenses		(4,341,959)	(2,442,352)	-	(1,668,947)	(8,453,258)
Fee and commission expenses		-	(152,282)	(934)	(1,663)	(154,879)
Net operating income	1,384,472	36,921	3,252,547	774,747	388,567	5,837,255
Operating Expenses	(1,025,643)	(1,133,833)	(1,090,634)	(356,728)	(258,428)	(3,865,265)
Net impairment loss on financial assets			24,022	(5,551)	(1,734)	16,737
Depreciation and amortisation	(79,415)	(87,792)	(84,447)	(322)	(2,663)	(254,639)
Total cost	(1,105,058)	(1,221,625)	(1,151,059)	(362,601)	(262,824)	(4,103,168)
Profit/(loss) before tax from reportable segments	279,415	(1,184,704)	2,101,488	412,146	125,742	1,734,086
Tax	(7,009)	27,583	(52,711)	(82,978)	(43,340)	(158,455)
Profit/(loss) after tax from reportable segments	272,406	(1,157,121)	2,048,777	329,168	82,403	1,575,631

2022
In thousands of Nigerian Naira

	Investment Banking	Treasury & Financial Markets	Corporate Banking	Securities Dealing	Asset Management	Total
Total Revenue	458,683	5,601,254	2,513,451	426,742	1,669,283	10,669,414
Interest expenses		(3,654,216)	(524,247)	(33)	(1,298,856)	(5,477,352)
Fee and commission expenses		-	(134,472)	(681)	-	(135,152)
Net operating income	458,683	1,947,038	1,854,733	426,029	370,427	5,056,910
Operating Expenses	(874,273)	(966,497)	(929,673)	(282,719)	(167,049)	(3,220,211)
Net impairment loss on financial assets			(81,571)	2,232	(45,647)	(124,986)
Depreciation and amortisation	(76,787)	(84,887)	(81,653)	(252)	(4,511)	(248,091)
Total cost	**(951,061)**	**(1,051,384)**	**(1,092,897)**	**(280,739)**	**(217,207)**	**(3,593,288)**
Profit/(loss) before tax from reportable segments	(492,377)	895,655	761,836	145,290	153,219	1,463,622
Tax	403,201	(141,298)	(243,787)	(2,349)	(70,442)	(54,675)
Profit/(loss) after tax from reportable segments	**(89,176)**	**754,356**	**518,048**	**142,941**	**82,778**	**1,408,947**

The following is an analysis of the Group's revenue and gains from continuing operations by products and services:

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022
Advisory services	2,003,892	901,768
Bonds	1,638,178	550,387.21
Placements	4,534,614	3,607,579
Loan	3,265,065	1,865,250
Treasury bills	1,056,638	2,070,532
Stockbroking	858,712	398,320
Equity trading	326,845	258,844
Asset and fund management	606,569	297,262
	14,290,514	9,949,941

Reconciliation of reportable segment revenues, operating expenses, profit or loss and assets and liabilities

Reconciliation of revenues

In thousands of Nigerian Naira	Group 31 December 2023	31 December 2022
Continuing Operations:		
Total revenue from reportable segments	14,290,513	10,669,414
Consolidation and adjustments:		
- Other operating income	85,050	79,211
Revenue from continuing operations	14,375,563	10,748,624

Revenue from continuing operations as shown above is made up of:

In thousands of Nigerian Naira	Group 31 December 2023	31 December 2022
Interest income	11,894,729	8,262,872
Fee and commission income	2,263,328	1,129,347
Net gains on financial instruments classified as held for trading	(926,793)	1,118,644
Other operating income	1,144,300	(560,922)
Revenue and gains from continuing operations	14,375,564	9,949,941
Less gains:		
- Dividends income	(85,050)	(100,238)
- Gain on disposal of fixed assets	-	(305)
Revenue from continuing operations	14,290,514	9,849,399

Reconciliation of operating expenses

In thousands of Nigerian Naira	Group 31 December 2023	31 December 2022
Continuing Operations:		
Total operating expense from reportable segments	3,865,265	3,220,211
Operating expense from continuing operations	3,865,265	3,220,211

Operating expense from continuing operations as shown above is made up of:

In thousands of Nigerian Naira	Group 31 December 2023	31 December 2022
Personnel expenses (See Note15)	1,472,176	1,342,407
Other operating expenses (See Note14)	2,393,090	1,877,805
	3,865,265	3,220,213

Reconciliation of profit or loss

In thousands of Nigerian Naira	Group 31 December 2023	31 December 2022
Continuing Operations:		
Total profit or loss before tax for reportable segments	1,734,086	1,463,622
Consolidation and adjustments:		
- Other operating income	-	79,211
Gains:		
- Dividends income	85,050	100,238
- Gain on disposal of fixed assets	-	305
Profit before income tax from continuing operations	1,819,136	1,643,375

9 Interest income

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Interest income:				
- Loan customers	3,265,065	1,865,250	3,265,065	1,865,250
- Trade loans	1,400,233	573,046	1,400,233	573,046
- Placement	4,534,614	3,607,579	2,524,018	1,976,206
- Bond	58,244	148,738	58,244	148,738
Interest income at amortised cost	**9,258,156**	**6,194,613**	**7,247,560**	**4,563,240**
Investment securities at FVTPL				
- Treasury bills	1,056,638	501,471	1,056,638	501,471
Interest income on financial assets at FVTPL	**1,056,638**	**501,471**	**1,056,638**	**501,471**
Investment securities at FVTOCI				
- FGN Bonds	1,557,239	1,483,958	1,410,601	1,367,587
- State Bonds	6,408	4,625	6,408	4,625
- Euro Bonds	12,768	75,030	12,768	75,030
- Corporate bonds	3,520	3,175	3,520	3,175
Interest income on financial assets at FVTOCI	**1,579,935**	**1,566,788**	**1,433,297**	**1,450,417**
Total Interest Income	**11,894,729**	**8,262,872**	**9,737,495**	**6,515,128**
10 Interest expense				
Deposits from customers	6,976,094	4,917,401	5,307,147	3,618,545
Deposits from other banks	1,477,163	559,951	1,477,163	559,918
Total Interest expense	8,453,258	5,477,352	6,784,311	4,178,463
10b Net Interest Income	**3,441,471**	**2,785,521**	**2,953,184**	**2,336,665**

11 Impairment charges/(write back)

	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
- Loan and advances	(55,469)	122,670	(55,469)	122,670
- Other financial assets	23,526	20,747	16,241	3,829
- Other assets	21,851	20,495	21,851	(6,002)
- Impairment on off-balance sheet	(6,645)	(38,926)	(6,645)	(38,926)
Total impairment	(16,737)	124,986	(24,022)	81,571

	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Impairment on other financial assets				
. Investment securities	8,295	(4,021)	11,769	(1,692)
. Debt Securities at Amortised cost	(278)	8,497	(278)	3,553
. Due from banks	15,509	16,271	4,750	1,968
Net impairment charge on other financial assets	23,526	20,747	16,241	3,829

12 a) Fees and commission income

In thousands of Nigerian Naira	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Corporate finance fee	1,005,013	291,471	1,005,013	291,471
Credit-related fees and commissions	196,492	144,273	196,492	144,273
Electronic banking fee	20,679	8,400	20,679	8,400
Trade related fee	437,513	388,793	256,054	237,433
Fund management fees and commissions	603,631	296,410	558,360	258,095
	2,263,328	1,129,347	2,036,599	939,672
Fees and commission expense				
Transaction processing fees	154,879	135,152	152,282	134,472
Net Fees and commission income	2,108,449	994,195	1,884,317	805,200

12a Net gains on foreign exchange

In thousands of Nigerian Naira	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Gain on foreign currency translation	113,951	-	115,119	-
Foreign exchange revaluation gain	390,725	5,801	390,725	5,801
	504,676	5,801	505,844	5,801

12b Net gains on financial assets at FVTPL

In thousands of Nigerian Naira	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Trading gain/(losses)	(926,793)	1,083,595	(1,013,744)	1,077,739
Unrealised gain	-	35,049	-	35,049
	(926,793)	1,118,644	(1,013,744)	1,112,787

13 Other operating income

In thousands of Nigerian Naira	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Dividend Income	239,894	252,988	85,050	100,238
Sundry income	554,429	79,211	344,195	68,832
Gain on sale of fixed assets	179	305	146	305
	794,502	332,504	429,391	169,373

The N344m sundry income reported for the bank relate to fee on foreign exchange forward discounting for customers

14 Other operating expenses

In thousands of Nigerian Naira	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Auditors' fees	47,695	45,600	37,270	35,600
Directors' emoluments (Note 42)	161,621	177,415	125,825	149,710
Administration and general expenses	58,505	56,081	10,505	24,999
Insurance	51,947	54,058	45,933	49,353
Rent and rates	75,235	48,100	60,033	42,308
Travelling	181,265	253,976	151,488	243,350
Donations	41,407	350	35,601	-
Other operating expenses	123,379	127,041	122,498	77,079
Consultancy	178,557	146,638	125,321	123,668
Training	45,288	89,181	37,548	74,239
Bank charges	22,360	12,661	8,257	6,261
Advert expenses	36,935	36,815	35,670	35,672
End of year party	8,962	-	7,165	-
Corporate gifts	4,805	-	4,805	-
Printing and stationery	7,830	12,151	6,253	10,189
Legal fees expenses	20,489	25,015	20,489	25,015
Communication expenses	36,018	37,765	32,809	32,605
Courier expenses	4,374	3,419	4,374	3,419
Entertainment	27,459	13,031	25,795	11,756
Electricity	10,272	10,343	8,983	9,504
Diesel expenses	30,260	18,820	28,956	18,820
Subscription & Software Maintenance expenses	580,525	261,536	524,772	241,647
Security expenses	10,906	8,562	9,513	7,669
Newspaper and magazine	146	87	131	84
Fuel expenses	21,105	7,760	16,587	5,327
Recruitment expenses	6,820	12,581	6,820	12,581
Education expenses	20,161	-	20,161	-
Medical expenses	11,256	15,161	8,618	14,174
ITF & NSITF contribution	30,719	40,144	29,013	37,361
Hotel and accomodation	70,367	17,070	70,367	17,070
Staff subscription	10,538	42,840	10,538	42,840
NDIC Premium	206,499	87,241	206,499	87,241
Technology Fees	204,874	185,370	188,144	171,694
Industrial training fund (ITF) contribution	862	-	-	-
Repairs and maintenance	43,650	30,992	38,312	27,726
	2,393,090	1,877,805	2,065,050	1,638,961

15 Personnel expenses

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Wages and salaries	1,381,538	1,271,428	1,114,548	1,068,980
Pension costs:				
. *Defined contribution	90,637	70,979	70,512	62,502
	1,472,176	1,342,407	1,185,060	1,131,482

Pension Contribution

* In accordance with the provisions of the Reform Act 2014, the Bank and its subsidiaries contributed pension last year, 2023. For entities, operating in Nigeria, the contribution by employees and the employing entities are 8% and 10% respectively of the employee's basic salary, housing and transport allowances. Entities operating outside Nigeria contribute in line with the relevant pension laws in their jurisdictions. The contribution by the Group and the Bank during the year were contributed (as shown above).

16 Taxation

Income tax expense

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Corporate tax	206,572	119,394	79,459	49,360
Prior year (over)/under provision	3,255	15,822	3,255	15,822
	209,827	**135,216**	**82,714**	**65,182**
Deferred tax	(51,372)	(80,541)	(50,577)	(83,297)
Income tax (credit)/expense	**158,455**	**54,675**	**32,137**	**(18,115)**

Current tax liablity

The movement in the current income tax balance is as follows:

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
At start of period	420,159	435,798	61,144	123,296
Prior year under provision	3,255	15,823	3,255	15,823
Withholding tax credit utilised	(279,910)	(176,263)	(43,213)	(90,590)
Cash paid	(21,187)	(48,529)	(21,187)	(48,529)
Current period's provision	206,572	193,330	79,459	61,144
At end of period	**328,890**	**420,159**	**79,459**	**61,144**

Income tax expense is recognised based on Management's estimate of the weighted average annual income tax rate expected for the full financial year. The Bank's estimated average annual tax rate used for the year to 31 December 2023 is -2.8%, compared to (31 Dec 2022: 1.36%). While the total effective tax rate for the Group is 9.7%, compared to (31 Dec 2022: 3.33%).

Reconciliation of effective tax rate

Reconciliation of effective tax rate In thousands of Naira	Group Rate		Bank Rate	
		N'000	N'000	N'000
Profit before income tax		1,819,138		1,281,249
Income tax using the domestic tax rate	30%	(223,008)	30%	(384,375)
Non deductible expenses		(363,634)		(382,253)
Income that are exempted from tax		653,899		830,903
Loss relieved		(2,981)		-
Education tax		11,244		-
Income tax		47,083		(63,380)
IT Levy		(7,434)		(12,812)
Nigeria Police Force Trust Fund		(37)		(64)
NASENI		(3,203)		(3,203)
Deferred tax		49,781		50,577
Prior year under/over provision		(3,255)		(3,255)
Effective tax rate	**8.7%**	**158,455**	**2.5%**	**32,137**

Reconciliation of effective tax rate

Reconciliation of effective tax rate In thousands of Naira	Group Rate		Bank Rate	
		N'000	N'000	N'000
Profit before income tax		1,643,375		1,334,486
Income tax using the domestic tax rate	30%	307,679	30%	400,346
Non deductible expenses		127,403		133,187
Income that are exempted from tax		393,276		494,023
Loss relieved		19,173		-
Education tax		2,890		-
Income tax		17,833		42,540
IT Levy		10,256		13,345
Nigeria Police Force Trust Fund		51		67
NASENI		3,336		3,336
Deferred tax		86,053		83,297
Prior year under/over provision		15,823		15,823
Effective tax rate	**3.3%**	**54,675**	**-1.4%**	**18,115**

17 Earnings per shares

(a) Basic

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Group & Bank by the weighted average number of ordinary shares in issue during the period.

	Group		Bank	
In thousands of Nigerian Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Profit attributable to equity holders	1,660,681	1,588,700	1,249,112	1,352,601
Weighted average number of ordinary shares in issue (in '000s)	5,355,137	5,355,137	5,355,137	5,355,137
Basic earnings per share (expressed in Kobo per share)	31.01	29.67	23.33	25.26

(b) Diluted

The Bank does not have potential ordinary shares with convertible options and therefore there is no dilutive impact on the profit attributable to the equity holders of the parent (31 December 2020: Nil).

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Profit attributable to equity holders	1,660,681	1,588,700	1,249,112	1,352,601
Weighted average number of ordinary shares in issue (in '000s)	5,415,137	5,415,137	5,415,137	5,415,137
Basic earnings per share (expressed in Kobo per share)	30.67	29.34	23.07	24.98

18 Cash and short term balances with Central Bank of Nigeria

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Cash	28,889	11,116	28,889	11,116
Unrestricted balances with central bank	3,481	1,609	3,481	1,609
Restricted balances with central bank	-	-	-	-
Included in cash and cash equivalents	32,370	12,725	32,370	12,725
Mandatory reserve deposits with Central Bank of Nigeria				
Current	32,370	12,725	32,370	12,725
Non-Current	0	0	0	0
	32,370	12,725	32,370	12,725

19 Due from other banks

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Current account balances with banks within Nigeria	1,105,194	1,864,142	302,828	448,826
Current account balances with banks outside Nigeria	9,293,810	3,513,777	9,293,810	3,513,777
Fixed placements with financial institutions within Nigeria	21,291,141	21,102,853	10,838,093	7,895,741
Total balances	31,690,145	26,480,772	20,434,730	11,858,343
ECL on cash & cash equivalent	(40,707)	(25,168)	(13,308)	(8,559)
	31,649,438	**26,455,574**	**20,421,422**	**11,849,785**
Current	31,649,438	26,455,574	20,421,422	11,849,785
Non-current	**31,649,438**	**26,455,574**	**20,421,422**	**11,849,785**

Movement of ECL on cash & cash equivalent

	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Allowance for impairment on cash & cash equivalent				
Balance at 1 January	(25,168)	(8,897)	(8,559)	(6,591)
(Additional)/write-back of provision	(15,539)	(16,271)	(4,750)	(1,968)
Balance at 31 December	(40,707)	(25,168)	(13,308)	(8,559)

19a Right of use asset

20 Cash and cash equivalents

Cash and cash equivalents for purposes of the cash flow statements comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities less than three months. Excluded from loans and advances to banks are cash collateral balance.

In thousands of Nigerian Naira	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Cash and balances with Central Bank of Nigeria	32,370	12,725	32,370	12,725
Treasury bills with original maturities less than 3 months	-	-	-	-
Due from other banks with original maturities less than 3 months	31,649,438	26,455,574	20,421,422	11,849,785
	31,681,808	26,468,301	20,453,792	11,862,510

21 Financial assets at fair value through profit or loss

The Group and Bank debt securities measured at FVTPL comprise Coporate Bonds (31 December 2023: N38.5million respectively)

In thousands of Nigerian Naira	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Treasury bills	-	160,228	-	160,228
Listed equity investments	3	-	-	-
	3	160,228	-	160,228
Current	3	160,228	-	160,228
Non-current	-	-	-	-
	3	160,228	-	160,228
Movement in FVTPL instrument				
At the start of the year	160,228	5,784	160,228	5,784
Unrealised loss on FVTPL instruments	-	35,049	-	(35,049)
Net cash outflow in FVTPL instruments	(160,225)	189,493	(160,228)	189,493
At the end of the year	**3**	**160,228**	**-**	**160,228**

22 Investments securities at fair value through OCI

(a) ***In thousands of Nigerian Naira***	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Fair value through OCI				
State bonds	32,635	35,205	32,635	35,205
Corporate bonds	54,953	53,179	54,953	53,179
Treasury bills	16,023,713	465,380	13,822,044	465,380
FGN bonds	12,135,101	7,687,986	12,135,101	7,687,986
Euro Bonds	1,752.81	1,525,585	-	1,265,593
Total	28,244,650	9,767,336	26,044,733	9,507,344
Expected credit loss (ECL) on investment securities	-	-		

	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	28,244,650	9,767,336	26,044,733	9,507,344
Equity securities at FVOCI				
Listed equity investments	1,158,550	1,969,533	-	-
Unlisted equity investments	1,100,624	966,568	1,098,609	964,553
	-	-		
Total investments securities	30,503,824	12,703,436	27,143,342	10,471,898
Movement in Fair value through OCI				
Opening FVOCI	12,703,436	7,538,044	10,471,898	5,011,751
Change in fair value OCI (see SOCI)	(99,270)	(870,649)	191,038	(691,870)
Impairment charge on financial assets	(8,295)	-	(11,769)	-
Cash outflow due to changes in FVOCI assets	17,907,953	6,036,041	16,492,175	6,152,017
Balance as at the end of the year	**30,503,824**	**12,703,436**	**27,143,342**	**10,471,898**

23 Debt securities at Amortised cost

The Group and Bank debt securities measured at amortised cost can be analysed as follows:

In thousands of Nigerian Naira	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Eurobond	984,848	954,954	-	-
State bonds	365,853	444,006	365,853	444,006
Fixed income securities	711,593	789,976	-	-
FGN bonds	-	783,617	-	783,617
Impairment loss	(2,463)	(7,967)	(260)	(538)
	2,059,831	**2,964,585**	**365,593**	**1,227,085**
Total	**2,059,831**	**2,964,585**	**365,593**	**1,227,085**
Current	2,059,831	2,964,585	365,593	1,227,085
Non-current	-	-	-	-
	2,059,831	**2,964,585**	**365,593**	**1,227,085**
Movement in amortised cost investment				
At the start of the year	2,964,585	2,964,585	1,227,085	**512,442**
Impairment loss on amortised cost investment	(2,463)	(7,967)	(260)	(538)
Net cash outflow on amortised cost investment	902,291	7,967	861,231	**715,181**
At the end of the year	**2,059,831**	**2,964,585**	**365,593**	**1,227,085**
Movement in impairment on amortised cost investments				
Balance at 1 January	7,967	7,074	538	2,230
(Additional)/write-back of provision	(5,504)	893	(278)	(1,692)
Balance at 31 December	**2,463**	**7,967**	**260**	**538**

24 Pledged assets

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Pledged asset	-	-		
Treasury bills	10,047,776	7,459,085	10,047,776	7,459,085
Bonds	3,616,529	8,164,439	3,616,529	8,164,439
	13,664,305	15,623,524	13,664,305	15,623,524

Treasury bills are pledged to other financial institutions as collateral for inter-bank takings (OBB takings).

Current	13,664,305	15,623,524	13,664,305	15,623,524
Non-current	-	-	-	-
	13,664,305	**15,623,523.57**	**13,664,305**	**15,623,524**

Movement in pledged assets				
At the start of the year	15,623,524	8,447,871	15,623,524	8,447,871
Net cash outflow duriing the year	1,959,219	7,175,653	1,959,219	7,175,653
	13,664,306	**15,623,524**	**13,664,305**	**15,623,524**

The allowance for impairment relates to trade receivable as at 31 December 2023.

25 Loans and advances to customers

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Overdraft	6,123,502	8,342,730	6,123,502	8,342,730
Term Loan	17,113,714	24,893,564	17,113,714	24,893,564
Gross Loans	23,237,216	33,236,294	23,237,216	33,236,294
ECL on loans	(76,291)	(131,760)	(76,291)	(131,760)
	-	-	-	-
12-month ECL	(76,291)	(131,760)	(76,291)	(131,760)
Loans and advances to customers	-	-	-	-
Staff loans	-	-	-	-
Impairment on Lifetime ECL not credit impaired			-	-
Loans and advances to customers	-	-	-	-
Staff loans	-	-	-	-
Total impairment				
Loans and advances to customers	23,237,216	33,236,294	23,237,216	33,236,294
12-month ECL	(76,291)	(131,760)	(76,291)	(131,760)
Net carrying amount	**23,160,925**	**33,104,534**	**23,160,925**	**33,104,534**

Current	23,160,925	33,104,534	23,160,925	33,104,534
Non-current	-	-	-	-
	23,160,925	**33,104,534**	**23,160,925**	**33,104,534**

	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Movement in Loans & Advances				
Balance at the beginning of the year	33,104,534	7,328,969	33,104,534	7,328,969
Cash outflow due to loans and advances to customers	9,867,318	25,907,325	(9,867,318)	25,907,325
Allowance for impairment	(76,291)	(131,760)	(76,291)	(131,760)
Balance as at the end of the year	**23,160,925**	**33,104,534**	**23,160,925**	**33,104,534**

Group 2023

		Total 31-Dec-23				
		12-month ECL	Lifetime ECL not credit Impaired	Lifetime ECL credit Impaired		Total
At 1 January		(131,760)	-	-	-	131,760.25
Impairment recognised during the year		55,469	-	-		55,469
		-	-	-		-
Transfer between stages		-	-	-		-
At 31 December		(76,291)	-	-	-	76,291

Bank 2023

		Total 31-Dec-23				
		12-month ECL	Lifetime ECL not credit Impaired	Lifetime ECL credit Impaired		Total
At 1 January	-	131,760.25	-	-	-	131,760
Impairment recognised during the year		55,469				55,469
						-
Transfer between stages						-
At 31 December	-	76,291	-	-		76,291

Group 2022

		Total 31-Dec-23				
		12-month ECL	Lifetime ECL not credit Impaired	Lifetime ECL credit Impaired		Total
At 1 January		-	-	-		-
Derecognised		-	-	-		-
Impairment recognised during the year	-	131,760	-	-	-	131,760
Transfer between stages		-	-	-		-
At 31 December 2022	-	131,760	-	-	-	131,760

Bank 2022

		Loans to Customers 31-Dec-23				
		12-month ECL	Lifetime ECL not credit Impaired	Lifetime ECL credit Impaired		Total
Balance at 1 January		-	-	-		-
Derecognised			-	-		-
Impairment recognised during the year	-	131,760	-	-	-	131,760.25
Transfer between stages		-	-	-		-
Balance at 31 December 2022	-	131,760	-	-	-	131,760

26 Other assets

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Other financial assets:				
Restricted balances with central bank	19,281,789	16,279,511	19,281,789	16,279,511
Intercompany receivables	0	-	91,164	108,585
Fee receivable	1,081,616	728,352	1,081,616	728,352
Other receivable	878,043	484,584	206,255	90,265
	21,241,447	17,492,447	20,660,824	17,206,713
Less allowances for impairment of other financial assets	(156,050)	(184,199)	(61,874)	(90,023)
	21,085,397	17,308,247	20,598,950	17,116,690
Non-financial assets:				
Withholding tax receivable	21,483	42,416	21,483	42,416
Other receivable	44,700	21,852	44,700	21,852
Prepayments	141,696	78,633	115,745	72,814
	207,878	142,901	181,928	137,082
	-	-	-	-
	207,878	142,901	181,928	137,082
Other assets	**21,293,276**	**17,451,148**	**20,780,878**	**17,253,771**
Current	21,293,276	17,451,148	20,780,878	17,253,771
Non-current	-	-	-	-
	21,293,276	**17,451,148**	**20,780,878**	**17,253,771**

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Movement in other assets				
Balance at the beginning of the year	17,451,148	811,496	17,253,771	625,529
Cash outflow due to changes in other asset	3,998,177	16,823,852	3,588,981	16,718,265
(Impairment)/writeback on other financial asset	(156,050)	(184,199)	(61,874)	(90,023)
Balance as at year end	**21,293,276**	**17,451,148**	**20,780,878**	**17,253,771**
Current	21,293,276	17,451,148	20,780,878	17,253,771
Non-current	-	-	-	-
	21,293,276	17,451,148	20,780,878	17,253,771

The allowance for impairment relates to trade receivable as at 31 December 2023.

Movement in Allowance for impairment on financial asset				
Balance at 1 January	184,199	163,801	90,023	96,025
Write off	(50,000)	-	(50,000)	-
(Additional)/write-back of provision	21,851	20,398	21,851	(6,002)
Balance at 31 December	156,050	184,199	61,874	90,023

27 Investment in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

In thousands of Nigerian Naira	Bank 31 December 2023	Bank 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Investment in Greenwich Securities Limited (GSL)	100%	100%	1,000,000	1,000,000
Investment in Greenwich Asset Management Limited (GAML)	100%	100%	500,000	500,000
Less allowances for impairment			-	-
			1,500,000	1,500,000

27.1 Group entities

Set out below are the Group's subsidiaries. Unless otherwise stated, the subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals to the voting rights held by the Group. The country of incorporation is also their principal place of business.

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of any member of the Group to the extent that regulation does not inhibit the Group from having access, and in liquidation scenario, this restriction is limited to its level of investment in the entity.

In thousands of Nigerian Naira	Group 31 December 2023
Greenwich Securities Limited	1,000,000
Greenwich Asset Management	500,000
	1,500,000

The Group consolidates its subsidiary undertakings. The nature of the business of all the subsidiaries involve the provision of stock brockerage and asset management services.

27.2 The summarised financial information of the subsidiaries is as follows

i Condensed statement of comprehensive income

In thousands of Nigerian Naira	Greenwich Securities Limited 31 December 2023	Greenwich Asset Management 31 December 2023	Greenwich Securities Limited 31 December 2022	Greenwich Asset Management 31 December 2022
Operating income	774,747	388,566	435,557	371,278
Total operating expenses	(357,050)	(261,090)	(282,971)	(171,560)
Net impairment gain/(loss) on financial assets	(5,551)	(1,734)	2,232	(45,647)
Profit/(loss) before income tax	412,146	125,742	154,817	154,071
Income tax rebate/(expense)	(82,978)	(43,340)	(2,349)	(70,442)
Profit/(loss) for the period	329,168	82,402	152,469	83,629

ii Condensed statement of financial position for the year ended 31 December 2023

In thousands of Nigerian Naira	Greenwich Securities Limited 31 December 2023	Greenwich Asset Management 31 December 2023	Greenwich Securities Limited 31 December 2022	Greenwich Asset Management 31 December 2022
Assets				
Cash and cash equivalents	2,988,018	13,320,952	1,284,837	13,320,952
Fair value through profit and loss financial asset	3			
Fair value through other comprehensive income financial asset	775,972	237,756	1,993,782	237,756
Amortised cost Investment	983,975	783,419	954,081	783,419
Property and equipment	2,445	1,331	1,151	1,331
Intangible assets	-	1,360	-	1,360
Deferred tax assets	55,528	-	55,528	-
Other assets	223,952	279,704	91,876	279,704
	5,029,893	14,624,522	4,381,255	14,624,522
Financed by:				
Accruals and other liabilities	50,602	139,873	135,523	139,873
Customer deposits	1,571,023	13,771,227	1,830,458	13,771,227
Tax payable	179,655	86,955	272,060	86,955
Deferred tax liabilities	-	796	-	796
Total equity	3,228,613	625,672	2,143,215	625,672
	5,029,893	14,624,522	4,381,255	14,624,522

28 Property and equipment

Group- 2022 In thousands of Nigerian Naira	Motor Vehicle	Office Improvement	Furniture Fittings	Office Equipment	Work in Progress	Computer Equipment	Total
Cost							
At 1 January	387,013	48,439	65,174	86,720	-	268,132	855,478
Addition during the period	36,438	7,415	8,855	1,593	39,277	8,396	101,974
Reclassifications		16,101	1,092	5,900	(39,277)	16,184	-
As at 31 December 2023	**423,451**	**71,955**	**74,549**	**94,181**	**-**	**287,248**	**951,384**
Depreciation							
At 1 January	252,392	25,313	49,587	61,270	-	131,564	520,126
Charge for period	58,540	11,079	6,615	12,085	-	47,766	136,086
As at 31 December 2023	**310,932**	**36,392**	**55,747**	**73,322**		**174,810**	**651,205**
Net book value							
As at 31 December 2023	**112,518**	**35,563**	**18,802**	**20,859**		**112,438**	**300,179**

All property and equipment are non-current.

Group- 2022 In thousands of Nigerian Naira	Motor Vehicle	Office Improvement	Furniture Fittings	Office Equipment	Work in Progress	Computer Equipment	Total
Cost							
At 1 January	352,563	48,439	58,583	86,551	2,046	254,046	802,228
Addition during the period	34,450	-	6,591	169	-	12,353	53,563
write off						(313)	(313)
Reclassifications	-	-	-	-	(2,046)	2,046	-
At 31 December	**387,013**	**48,439**	**65,174**	**86,721**	**-**	**268,131**	**855,478**
Depreciation							
At 1 January	196,307	15,625	43,908	48,181	-	85,356	389,377
Charge for period	56,085	9,688	5,679	13,088	-	46,427	130,967
write off						(219)	(219)
At 31 December	**252,392**	**25,313**	**49,587**	**61,269**		**131,564**	**520,125**
Net book value							
At 31 December, 2022	**134,621**	**23,126**	**15,588**	**25,452**		**136,567**	**335,353**

28 Property and equipment

Bank 2023 In thousands of Nigerian Naira	Motor Vehicle	Office Improvement	Furniture Fittings	Office Equipment	Work in Progress	Computer Equipment	Total
Cost		-	45,937.64	4,919.41		264,918.72	(11,666.28)
At 1 January	358,723	48,439	42,352	79,148	-	259,462	788,123
Addition during the period	36,438	7,415	7,762	1,593	39,277	6,402	98,887
Disposals during the period	-	-	(349)	(32)	-	(5,463)	(5,844)
Reclassifications		16,101	1,092	5,900	(39,277)	16,184	-
As at 31 December 2023	**395,161**	**71,955**	**50,857**	**86,609**	**-**	**276,585**	**881,165**

All property and equipment are non-current.

Depreciation							
At 1 January	225,269	25,313	26,815	53,790	-	124,066	455,253
Charge for period	57,373	11,079	6,484	12,033	-	47,387	134,356
Disposals during the period	-	-	(231)	(32)	-	(4,520)	(4,783)
Write off						-	-
As at 31 December 2023	**282,642**	**36,392**	**33,069**	**65,791**	**-**	**166,933**	**584,826**
Net book value							
As at 31 December 2023	**112,518**	**35,563**	**17,788**	**20,818**		**109,652**	**296,339**

Bank 2022 In thousands of Nigerian Naira	Motor Vehicle	Office Improvement	Furniture Fittings	Office Equipment	Work in Progress	Computer Equipment	Total
Cost							
At 1 January	324,273	48,439	35,759	78,979	2,046	245,376	734,872
Addition during the period	34,450	-	6,591	169	-	12,353	53,563
	-	-	-	-	-	(313)	(313)
Reclassifications	0	0	0	-	(2,046)	2,046	-
At 31 December	**358,723**	**48,439**	**42,351**	**79,148**	**-**	**259,461**	**788,122**
Depreciation							
At 1 January	170,584	15,625	21,169	40,754	-	78,111	326,243
Charge for period	54,685	9,688	5,647	13,036	-	46,174	129,230
Disposals during the period						(219)	(219)
At 31 December	**225,269**	**25,313**	**26,816**	**53,790**	**-**	**124,066**	**455,254**
Net book value							
At 31 December, 2022	**133,454**	**23,126**	**15,534**	**25,358**		**135,396**	**332,868**

29 Intangible assets

Group 2023 In thousands of Nigerian Naira	Purchased software	Work in progess	Total
Cost			
At 1 January	666,617	26,035	692,652
Reclassified	-	-	-
Additions for the year	18,007	40,506	58,513
As at 31 December 2023	**684,624**	**66,541**	**751,165**
Amortisation			
At 1 January	315,964	-	315,964
Charge for Year	118,554	-	118,554
As at 31 December 2023	**434,517**	**-**	**434,517**
	250,107	66,541	316,648

1Intangible assets work-in-progress refers to capital expenditure incurred on software which are however not ready for use and as such are not being depreciated.

All intangible assets are non-current and there was no internally generated intangible asset as at the year end

Group 2022 In thousands of Nigerian Naira	Purchased software	Work in progess	Total
Cost			
At 1 January	617,257	23,447	640,704
Additions for the year	23,447	23,447	-
Reclassified	25,913	26,035	51,949
At 31 Dec 2022	**666,617**	**26,035**	**692,652**
Amortisation			
At 1 January	198,840	-	198,840
Charge for Year	117,123	-	117,123
At 31 Dec 2022	**315,964**	-	**315,964**
	350,653	26,035	376,689

29 Intangible assets

Bank 2023 In thousands of Nigerian Naira	Purchased software	Work in progess	Total
Cost			
At 1 January	578,394	26,035	604,429
Reclassification			-
Additions for the year	14,916	40,506	55,422
As at 31 December 2023	**593,310**	**66,541**	**659,851**
Amortisation			
At 1 January	229,101	-	229,101
Charge for Year	117,299	-	117,299
As at 31 December 2023	**346,400**	-	**346,400**
	246,910	**66,541**	**313,452**

Intangible assets work in progress refers to capital expenditure incurred on software which are however not ready for use and as such are not being Amortized.

All intangible assets are non-current and there was no internally generated intangible asset as at the year end.

Bank 2022 In thousands of Nigerian Naira	Purchased software	Work in progess	Total
At 1 January	529,034	23,447	552,480
Reclassification	23,447	(23,447)	-
Additions for the year	25,913	26,035	51,949
At 31 Dec 2022	**578,394**	**26,035**	**604,429**
Amortisation			
At 1 January	115,003	-	115,003
Charge for Year	114,098	-	114,098
At 31 Dec 2022	**229,101**	-	229,101
	349,293	**26,035**	**375,328**

30 Deferred tax

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2023: 30%).

Deferred tax assets and liabilities are attributable to the following items:

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Deferred tax liability				
Property and equipments and intangible assets	-	51,372	-	50,577
Tax loss carry forward	-	-	-	-
	-	51,372	-	50,577
Deferred tax asset				
Property and equipments and intangible assets	(55,528)	(55,528)	-	-
Tax loss carry forward	-	-	-	-
Impairment on loan	-	-		
	(55,528)	(55,528)	-	-
Net	**(55,528)**	**(4,156)**	-	**50,577**
Deferred tax asset as a result of timing diffrences in the treatement of Capital allowance on PPE & intangibles				
Deferred tax asset			-	
Deferred tax asset to be recovered after more than 12 months	(55,528)	(55,528)	-	-
Deferred tax asset to be recovered within 12 months	-	-		-
Deferred tax liability			-	
Deferred tax liability to be recovered after more than 12 months	-	51,372		50,577
Deferred tax liability to be recovered within 12 months				

31 Due to banks

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Due to banks comprise:				
Trade facility takings	14,825,172	8,764,839	14,825,172	8,764,839
Interbank takings	2,003,452	1,527,005	2,003,452	1,527,005
	16,828,624	10,291,844	16,828,624	10,291,844
Current	16,828,624	10,291,844	16,828,624	10,291,844
Non-current	-	-	-	-
	16,828,624	10,291,844	16,828,624	10,291,844

31a Movement in amounts due to banks

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Balance as at beginning of the year	10,291,844	10,291,844	10,291,844	10,291,844
Cash inflow due to increase in liabilities-due to customers	6,536,780	-	6,536,780	-
Balance as at the year end	16,828,624	10,291,844	16,828,624	10,291,844

31b Due to customers

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Demand deposits	21,904,929	9,713,522	20,333,906	9,713,522
Term deposits	45,849,139	56,234,444	34,818,007	42,463,216
	67,754,068	65,947,966	55,151,913	52,176,738
Current	67,754,068	65,914,584	55,151,913	52,176,738
Non-current	-	33,382	-	-
	67,754,068	65,947,966	55,151,913	52,176,738
Movement in amounts due to customers				
Balance as at beginning of the year	65,947,966	65,914,584	52,176,738	38,752,624
Cash inflow due to increase in liabilities-due to customers	1,806,102	33,382	2,975,175	13,424,114
Balance as at the year end	67,754,068	65,947,966	55,151,913	52,176,738

32 Other liabilities

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Financial liabilities:				
Accounts payable	700,335	717,396	700,335	717,396
Stockbroking clents' credit balances	108,848	1,828,666	-	-
	591,487	**2,546,062**	**700,335**	**717,396**
Non financial liabilities:				
WHT Payable	206,513	317,095	206,513	317,095
VAT payable	29,463	5,642	29,463	5,642
LC Collateral	8,318,087	3,043,684	8,318,087	3,043,684
Stamp duty	11	47	11	47
Provision for litigation	16,217	16,217	16,217	16,217
Impairment off-balance sheet *	2,970	9,614	2,970	9,614
Accrued liabilities	284,796	222,390	181,600	119,406
	8,858,055	**3,614,689**	**8,754,860**	**3,511,705**
	9,449,542	**6,160,751**	**9,455,195**	**4,229,101**
Current	9,448,305	6,159,514	9,453,958	4,227,864
Non-current	1,237	1,237	1,237	1,237
	9,449,542	**6,160,751**	**9,455,195**	**4,229,101**

Movement in Other Liabilities	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
At the start of the year	6,160,751	23,979,458.00	4,229,101	17,528,072
Additions	3,295,436	(17,779,782)	5,232,739	13,260,045.35
Impairment off-balance sheet *	(6,645)	(38,926)	(6,645)	(38,926)
At the end of the year	**9,449,542**	**6,160,751**	**9,455,195**	**4,229,101**
Balance at 1 January	9,614	48,540	9,614	48,540
(Additional)/write-back of provision	(6,645)	(38,926)	(6,645)	(38,926)
Balance as at the year end	**2,970**	**9,614**	**2,970**	**9,614**

34 Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Group. All ordinary shares rank equally with regards to the Group's residual assets.

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
(i) Authorised				
6 billion ordinary shares of N1 each (2020: 6 billion ordinary share of N1 each)	7,500,000	6,000,000	6,000,000	6,000,000
(ii) Issued and fully paid				
5,415,136,862 ordinary shares of N1 each (2022: 5,415,136,862 billion ordinary share of N1 each)	5,415,137	5,415,137	5,415,137	5,415,137
Movement in the share capital account during the year is shown below.				
Balance, beginning of year	5,415,137	5,294,137	5,415,137	5,294,137
Additions through issuance of shares during the year	-	60,000		60,000
Reclassification from share premium to share capital		61,000		61,000
Balance, end of the year	5,415,137	5,415,137	5,415,137	5,415,137

(iii) There was no movement on the number of shares in issue during the year

In thousands of units	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Balance, beginning of year	5,415,137	5,294,137	5,415,137	5,294,137
Additions through issuance of shares during the year	-	-	-	60,000
Reclassification from share premium to share capital	-	-	-	61,000
Balance, end of the year	5,415,137	5,294,137	5,415,137	5,415,137

(iv) Treasury Shares

Treasury shares amount of N648,000,000 represents paid up sum for 60million units of the bank' s shares held by Trustees on behalf of the staff of the group under the Employee Shares Option Plan(ESOP)

35 Share premium and reserves

The nature and purpose of the reserves in equity are as follows:

Share premium:
Share premium is the excess paid by shareholders over the nominal value for their shares

In thousands of Nigerian Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Balance, beginning of year	12,667,034	12,140,034	12,667,034	12,140,034
Additions through issuance of shares during the year	-	588,000		588,000
Reclassification from share premium to share capital	-	61,000	-	61,000
Balance, end of the year	**12,667,034**	**12,667,034**	**12,667,034**	**12,667,034**

Retained earnings: Retained earnings represent undistributed profits, net of statutory appropriations attributable to the ordinary shareholders.	10,847,558	11,016,205	6,597,302	7,002,048
Statutory reserve: Statutory reserves represents 30% of Profit after tax (Undistributable earnings required to be kept by the Central Bank of Nigeria.)	1,309,617	903,837	1,309,617	903,837
Regulatory risk reserve: Non-distributable regulatory reserve for the excess between the impairment reserve on loans and advances determined using the prudential guidelines issued by the Central Bank of Nigeria over the impairment reserves calculated under IFRS.	578,865	137,671	578,865	137,671

36 Proposed Dividend

The Board of Directors, pursuant to the powers vested in it by the provisions of section 426 of the Companies and Allied Matters Act (CAMA 2020) of Nigeria, proposed a dividend of 7 kobo per share for full year 2023 (2022: 7 kobo per share). This will be presented for ratification by the shareholders at the next Annual General Meeting.

Payment of dividends is subject to withholding tax at a rate of 10% in the hands of qualified recipients.

37 Fair Value Reserve

The fair value reserve shows the effects of the fair value measurement of financial instruments classified as FVOCI. Gains or losses are not recognised in the condensed income statement until the asset has been sold or impaired.

Below is the movement in available for sale reserves.

	Group		Bank	
In thousands of Nigerian Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022
FVOCI				
At beginning of the period	(3,798,981)	(2,928,330)	(817,613)	(125,743)
Fair value movement during the period (unrealised net gain/(loss))	740,045	(870,649)	34,786	(691,870)
Transfers	2,306,278	-	-	-
Net amount transferred to the income statement	282,306		156,253	
At end of the period	**(470,351)**	**(3,798,979)**	**(626,575)**	**(817,613)**

38 Litigation

The Bank had a pending litigations of N81m as at December 31, 2022. A 20% provision equalling N16m was made in accordance with the bank's litigation provisioning and dispute resolution policy.

Contingent liabilities and commitments

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risk. These instruments are issued to meet the credit and other financial requirements of customers. Contingent liabilities and Commitments typically comprise guarantees and letters of credit. The contractual amounts of the off-balance sheet financial instruments are:

	Group		Bank	
In thousands of Nigerian Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Performance bonds and guarantees		-		-
Letters of credits	11,818,762	11,818,762	11,818,762	11,818,762
Total	11,818,762	11,818,762	11,818,762	11,818,762
Less: impairment	(2,970)	(9,614)	(2,970)	(9,614)
Total Letters of Credit & Bonds	**11,815,792**	**11,809,148**	**11,815,792**	**11,809,148**

Capital commitments
At the end of the year, the Bank had no capital commitments (31 December 2021: Nil).

39 Insider related credits

In n compliance with Central Bank of Nigeria circular BSD/1/2004 on Insider related credits, the Bank had no insider related credits during the year.

40 Related Parties

40.1 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or another party controls both. The parties include subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

40.2 Subsidiaries

Transactions between Greenwich Merchant Bank and its subsidiaries meet the definition of related party transactions and are eliminated on consolidation. Therefore, they are not disclosed in the consolidated financial statements but are disclosed in the books of the Bank.

40.3 Receivables and Payables

As at the balance sheet date, the Bank had a receivable of N47,962,000 from the payments made on behalf of companies whose one or more of the directors are also directors of Greenwich Merchant Bank Limited (Director Related). There was also a payable amount of N80,811,000 during the year.

	Relationship	Receivables		Payables	
		2023 N'000	2022	2023 N'000	2022
DN Meyer	Director related	-	-	-	-
Greenwich Registrars & Data Solution Limited	Director related	-	-	-	-
Greenwich Asset Management Limited	Subsidiary	91,164	90,572	-	21,612
Greenwich Securities Limited	Subsidiary	-	81,838	-	42,214
GTL Property Limited	Director related	-	-	-	-
GTL Trustees Limited	Director related	-	-	-	212
		91,164	**172,410**	**0**	**64,038**

40.4 Loans and Advances to Related Parties

The Bank did not grant credit facilities to its key management personnel during the year. In the year where it is applicable, the rates and terms agreed are comparable to other facilities being held in the Bank's portfolio.

In thousands of Nigerian Naira		Facility type	Status	Key management personnel 31 December 2023	31 Decemer 2022
Loans and advances to related parties	Key management personnel staff loan	Staff loan	Performing		
Loans outstanding at 1 January				-	3,574
Loans issued during the period				-	-
Loan repayments during the period				-	(3,574)
Balance				**-**	**-**

Interest income earned: Interest income of N820,396.99 was received in year 2023. (2022: N507,334.91)

40.5 Deposits from related parties

	Relationship	2023 N'000	2022 N'000
Citadel Nominees Limited	Director related	-	155,589
Greenwich Asset Management Limited	Subsidiary	5,253	383,416
Greenwich Capital Limited	Director related	1,100,861	2,060,646
Greenwich Nominees Limited	Director related	3,071,672	50,134
Greenwich Registrars & Data Solution Limited	Director related	3,197	1,031,684
		93,223	-
Greenwich Securities Limited	Subsidiary	1,000,000	1,024,109
GTL Trustees Limited	Director related	21,075	241,856
Metropolitan Motors Limited	Director related	1,459,270	13,464
Directors	Directorship	1,053,829	171,972
Key Management Personnel	Key Management	13,161	8,024
Total		**7,821,541**	**5,140,894**

Year ended 31 December 2023	Entities controlled by the parent (N'000)	Key management personnel (N'000)
Deposit from customers		
Deposits at 1 January	1,407,525	-
Movement during the year	1,381,197	8,024
	26,328	8,024
Deposits at 31 December	**26,328**	**8,024**

Interest expenses on deposits: Interest expense of N were paid at the year end (2022: N151,715,716.1132)

Year ended 31 December 2022		
Deposit from customers		
Deposits at 1 January	-	-
Movement during the year	1,407,525	-
	1,407,525	-
Deposits at 31 December	**1,407,525**	-

Interest expenses on deposits: Interest expense of N506,275,534.28 were paid at the year end (2022: N151,715,716.1132)

41 Employee

The number of persons employed by the Bank as at end of period are as follows:

	Bank				
	Total No.	Male	Female	Male	Female
		Number		Percentage	
Employees	132	86	46	65%	35%
Gender Analysis of Board and Management 2023					
Board	11	9	2	82%	18%
Top Management (AGM to GM)	8	7	1	88%	13%
	19	16	3	84%	16%
Gender Analysis of Board and Management 2023					
Assistant General Manager	6	6	-	100%	0%
Deputy General Manager	2	1	1	50%	50%
General Manager	0	0	0	100%	0%
Executive Director	1	1	-	100%	0%
Managing Director	1	1	-	100%	0%
Non-Executive Directors	9	7	2	78%	22%
	19	16	3	84%	16%

The number of persons employed by the Bank as at end of period is as follows:

	Bank				
	Total No.	Male	Female	Male	Female
		Number		Percentage	
Employees	101	64	37	63%	37%
Gender Analysis of Board and Management 2022					
Board	11	9	2	82%	18%
Top Management (AGM to GM)	6	5	1	71%	29%
	17	14	3	82%	18%
Gender Analysis of Board and Management 2022					
Assistant General Manager	4	3	1	100%	0%
Deputy General Manager	2	1	1	50%	50%
General Manager	1	1	-	100%	0%
Executive Director	1	1	-	100%	0%
Managing Director	1	1	-	100%	0%
Non-Executive Directors	9	7	2	78%	22%
	18	14	4	83%	17%

41.1 Employee

Compensation for the above staff excluding Executive Management:

In thousands of Nigerian Naira	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Wages and salaries	1,156,538	1,046,428	964,548	918,980
Other pension costs	79,082	59,424	63,250	55,240
	1,235,620	**1,105,851**	**1,027,797**	**974,220**

41.2 Key Management Personnel

In thousands of Nigerian Naira	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Wages and salaries	233,000	233,000	233,000	233,000
Other pension costs	13,644	13,644	13,644	13,644
	246,644	**246,644**	**246,644**	**246,644**

The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control.

42 Directors' Emoluments

Remuneration paid to the Bank's Directors was:

In thousands of Nigerian Naira	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Fees and sitting allowances	161,621	176,765	125,825	149,060
	161,621	**176,765**	**125,825**	**149,060**
Executive compensation:				
Wages and salaries	225,000	225,000	150,000	150,000
Other pension costs	11,555	11,555	7,262	7,262
	236,555	**236,555**	**157,262**	**157,262**

Fees and other emoluments disclosed above include amounts paid to:				
Chairman	17,000	17,000	17,000	17,000
Highest paid Director	86,684	86,684	86,684	86,684

The number of Directors who received fees and other emoluments (excluding pension contributions and certain benefit) in the following ranges was:

In thousands of Nigerian Naira	Number			
	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
N5,000,001 and above	9	9	9	9
	9	9	9	9

43 Non-audit services

During the year, the auditors PwC performed the following non-audit engagements.

Name of Signer	FRC number	Name of firm	Contract sum (N)	Service Description
Obioma N. Ubah	2013/ICAN/00000002002	PricewaterhouseCoopers	1,000,000	Certification of total deposit outstanding in the books of the bank as at 31 Dec. 2023

44 Compliance with banking regulations

During the period, 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 period ended 31 December 2023

45 Comparatives

Certain disclosures and some prior year figures have been re-presented to conform with current period presentation

46 Subsequent Events

There are no subsequent events after the financial year end that could significantly impact the financial statement for the year ended 31 December 2023

OTHER NATIONAL DISCLOSURES

VALUE ADDED STATEMENT

For the Year ended 31 December 2023

In thousands of Nigerian Naira	Group				Bank			
	31 December 2023	%	31 December 2022	%	31 December 2023	%	31 December 2022	%
Total revenue	14,530,442		10,849,167		11,695,584		8,742,761	
Impairment	16,737		(124,986)		24,022		(81,571)	
Brought-in-materials and services -Local	(2,547,969)		(2,012,958)		(2,217,332)		(1,773,430)	
Value added	**11,999,210**	**100**	**8,711,223**	**100**	**9,502,275**	**100**	**6,887,760**	**100**
Distribution of Value Added								
To employees:								
- Employees as wages and salaries	1,472,176	13	1,342,407	15	1,185,060	13	1,131,482	16
- To provider of funds:								
- Finance expenses	8,453,258	70	5,477,352	63	6,784,311	71	4,178,463	61
- To Government:								
- Government as taxes	158,455	1	54,675	1	32,137	-	(18,115)	-
Retained in the business:								
- For replacement of property and equipment	254,639	2	248,091	3	251,655	2	243,328	4
- To augment reserves	1,660,681	14	1,588,699	18	1,249,112	14	1,352,601	20
Value added	**11,999,210**	**99**	**8,711,223**	**100**	**9,502,275**	**101**	**6,887,760**	**100**

FIVE-YEAR FINANCIAL SUMMARY-GROUP

For the Year ended 31 December 2023

In thousands of Nigerian Naira	Group 31 December 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Assets					
Cash and short term balances with Central Bank of Nigeria	32,370	12,725	779,073	20,023,314	1,660,802
Due from other banks	31,649,438	26,455,574	55,396,848	-	-
Financial assets at fair value through profit or loss	3	160,228	5,784	969,385	99,295
Investment securities:					
Fair value through OCI	30,503,824	12,703,436	7,538,044	-	-
Amortised cost	2,059,831	2,964,585	5,804,907	10,837,504	15,713,108
Pledged assets	13,664,305	15,623,524	8,447,871	-	-
Loans and advances to customers	23,160,925	33,104,534	7,328,969	-	165,062
Other assets	21,293,276	17,451,148	16,891,007	1,892,474	1,829,723
Property and equipment	300,179	335,353	412,850	513,425	552,692
Intangible assets	316,648	376,689	441,863	422,139	22,801
Deferred tax asset	55,528	55,528	57,488	69,893	134,064
Total assets	**123,036,327**	**109,243,323**	**103,104,704**	**34,728,134**	**20,177,547**
Liabilities					
Due to banks	16,828,624	10,291,844	4,287,659	-	-
Due to customers	67,754,068	65,947,966	47,624,900	509,804	-
Current tax liability	328,890	420,159	497,949	418,417	414,935
Other liabilities	9,449,542	6,160,751	23,979,458	7,853,773	10,265,959
Borrowings	-	-	5,527	191,468	-
Deferred tax liability	-	51,372	145,657	36,054	14,674
Total liabilities	**94,361,124**	**82,872,092**	**76,541,150**	**9,009,516**	**10,695,568**
Capital and reserves					
Share capital	5,415,137	5,415,137	5,294,137	5,294,137	2,500,000
Share premium	12,667,034	12,667,034	12,140,034	12,140,034	-
Retained earnings	9,384,411	10,847,558	11,016,205	9,557,298	9,159,952
Other reserves	1,208,621	(2,558,497)	1,886,822	(1,272,851)	(2,177,973)
Total equities	28,675,203	26,371,232	26,563,554	25,718,618	9,481,979
Total equity and liabilities	**123,036,327**	**109,243,324**	**103,104,704**	**34,728,134**	**20,177,547**
Statement of profit or loss and other comprehensive income					
Gross revenue	14,530,442	10,849,168	6,487,514	3,205,531	3,110,475
Profit before taxation	1,819,136	1,643,375	2,432,372	1,296,547	1,566,323
Taxation	(158,455)	(54,675)	279,745	(140,159)	10,964
Profit after tax	1,660,681	1,588,700	2,152,627	1,156,388	1,577,287
Earnings per share (kobo) - basic and diluted	31	30	41	22	63

GREENWICH MERCHANT BANK

FIVE-YEAR FINANCIAL SUMMARY-BANK

For the Year ended 31 December 2023

	Bank				
In thousands of Nigerian Naira	31 December 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Assets					
Cash and short term balances with Central Bank of Nigeria	32,370	12,725	779,073	16,104,401	1,325,549
Due from other banks	20,421,422	11,849,785	45,059,475	-	-
Financial assets at fair value through profit or loss	-	160,228	5,784	969,385	-
Investment securities:					
Fair value through OCI	27,143,342	10,471,898	5,011,751	-	-
Debt securities at amortised cost	365,593	1,227,085	510,750	5,002,564	3,649,161
Pledged asset	13,664,305	15,623,524	8,447,871	-	-
Loans and advances to customers	23,160,925	33,104,534	7,328,969	-	75,717
Other assets	20,780,878	17,253,771	16,705,038	1,718,809	929,381
Investments in subsidiaries	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Property and equipment	296,339	332,869	408,629	507,926	543,357
Intangible assets	313,452	375,328	437,479	414,029	9,615
Total assets	107,678,625	91,911,745	86,194,820	26,217,114	8,032,780
Liabilities					
Deposits from banks	16,828,624	10,291,844	4,287,659	-	-
Deposits from customers	55,151,913	52,176,738	38,752,624	509,804	-
Current tax liability	79,459	61,144	123,296	52,448	51,126
Other liabilities	9,455,195	4,229,101	17,528,072	269,020	55,153
Borrowings	-	-	5,527	191,468	-
Deferred tax liability	-	50,577	145,657	36,054	14,674
Total liabilities	81,515,192	66,809,403	60,842,835	1,058,794	120,953
Capital and reserves					
Share capital	5,415,137	5,415,137	5,294,137	5,294,137	2,500,000
Share premium	12,667,034	12,667,034	12,140,034	12,140,034	-
Retained earnings	7,028,865	6,597,302	7,002,048	5,885,619	5,665,381
Other reserves	1,052,397	422,869	915,765	1,838,530	(253,554)
Total equities	26,163,433	25,102,342	25,351,984	25,158,320	7,911,827
Total equity and liabilities	107,678,625	91,911,745	86,194,819	26,217,114	8,032,780
Statement of profit or loss and other comprehensive income					
Revenue	11,695,584	8,742,761	5,852,872	2,510,461	2,227,863
Profit before taxation	1,281,249	1,334,485	2,062,210	1,281,311	1,386,818
Taxation	(32,137)	18,115	(256,902)	(73,828)	(21,763)
Profit after tax	1,249,112	1,352,600	1,805,308	1,207,483	1,365,055
Earnings per share (kobo) - basic and diluted	23	25	34	23	55

PROXY FORM

The 29th Annual General Meeting of **GREENWICH MERCHANT BANK LIMITED** (the "**Company**"), will hold at Lekki Meeting Room, Radisson Blu Anchorage Hotel No 1a Ozumba Mbadiwe Avenue, Victoria Island, Lagos **on Thursday, May 30, 2024,** at **11:00 am.**

I/We ____being a member/members of GREENWICH MERCHANT BANK LIMITED hereby appoint ____ or failing him Kayode Falowo or failing him, Benson Ogundeji as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on **Thursday, May 30, 2024** at **11:00 am.**and at any adjournment thereof.

NOTES

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. To be effective, this form of proxy must be signed and deposited at Greenwich Merchant Bank Limited, Plot 1698A, Oyin Jolayemi Street, Victoria Island, Lagos, not less than 48 hours before the time for holding the Annual General Meeting. A proxy need not to be a member of the Company. In the case of joint Shareholders, anyone of such may complete the form but the name of all joint shareholders must be stated.

2. It is required by the law under Stamp Duties Act, Cap S8 Laws of the Federation of Nigeria 2004 as amended, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear Stamp Duty at the appropriate rate, not adhesive postage stamps.

3. If the shareholder is a corporation, this form may be under its common seal if the corporation has a common seal.

	Resolutions	For	Against	Abstain
1	To lay before the meeting the Audited Financial Statements for the year ended December 31, 2023, together with the report of the Directors and Auditors thereon.			
2	To declare a dividend.			
3a.	To re-elect Mr. Tony Uponi			
3b.	To re-elect Mrs. Vivienne Bamgboye			
3c.	To re-elect Mr. Benson Ogundeji			
4	To approve the appointment of Mrs. Yemisi Lowo-Adesola who was appointed as an Independent Non-Executive Director by the Board of Directors since the last Annual General Meeting.			
5	To authorize the Directors to fix the remuneration of the Auditors.			
6	To disclose the remuneration of the Managers of the Bank.			
7	To approve the remuneration of the Directors of the Bank for the year ending December 31, 2024.			
8	That the issued Share Capital of the Company be and is hereby increased from ₦5,415,136,861 (Five Billion, Four Hundred and F i f t e e n			

9	That the Board of Directors of the Company be and is hereby authorized, subject to obtaining the necessary regulatory approvals, to further increase the share capital of the Company beyond the amount stated in resolution 8, if deemed necessary or expedient to further strengthen the Company's financial position and support its long-term growth objectives.			
10	That the Board of Directors of the Company be and is hereby authorized to establish a capital raising programme whether by way of private placement, rights issue, special placing or other methods that the Directors may deem fit, with or without preferential allotments, either locally or internationally, in such currencies at such dates and on such terms and conditions as shall be determined by the Directors, subject to the approval of the Central Bank of Nigeria and any other relevant regulatory authorities".			
11	That in the event of a Private Placement, the pre-emptive rights of existing shareholders to subscribe to new shares be and are hereby waived, subject to the approval of the relevant regulatory authorities.			
12	That in the event of a Rights Issue, any shares not taken up by existing shareholders within the period stipulated under the Rights issue may be offered for sale to Other interested shareholders of the Bank on such terms and conditions as may be determined by the Directors subject to the approvals of the relevant regulatory authorities.			
13	That Clause 6 of the Memorandum of Association of the Company be amended consequent upon the above-mentioned increase in share capital to reflect the new issued share capital of the Company.			
14	That the Board be and is hereby authorized to do all acts and things and to approve, sign and/or execute all documents, for the allotment of new shares of such amount as it considers expedient subject to any required approval of the Central Bank of Nigeria and any other relevant regulatory authorities.			
15	That the Board be and is hereby authorized to appoint such professional parties and advisers, work with any company or group and perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any relevant regulatory authority.			

Please indicate how you wish your votes to be cast on the resolutions set out above by marking 'X' in the appropriate space.

Dated this __________ day of ____________________ 2024.

Signature of the shareholder:

____

The common seal of the shareholder _______________________________________ was hereunto affixed in the presence of:

_________________________ ___________________________________

DIRECTOR DIRECTOR/SECRETARY

Please affix Postage stamp

GREENWICH MERCHANT BANK LIMITED
PLOT 1698A, OYIN JOLAYEMI STREET, VICTORIA ISLAND
LAGOS