LivingTrust Mortgage Bank PLC

...the Specialist Bank

LIVINGTRUST MORTGAGE BANK PLC

FINANCIAL STATEMENTS
DECEMBER 31st 2023

OUR VISION

To be the foremost Mortgage Bank enabling sustainable housing in our market.

OUR MISSION

Enabling customer satisfaction by delivering superior performance, leveraging technology and a motivated team.

LIVINGTRUST MORTGAGE BANK PLC
FOR THE YEAR ENDED 31 DEECMBER 2023

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Corporate Information

Location

Corporate Office: Km 2, Gbongan Road P.M.B 4488 Osogbo, Osun State
Branch Location: Osogbo, Ejigbo & Ilesha.
Website: www.livingtrustng.com
Email: info@livingtrustng.com

Registrar:

Africa Prudential Registrar Plc, Registrar's Department, 220B, Ikorodu Road, Palmgroove, Lagos Email:info@africaprudential.com

Company Secretary Timothy Gbadeyan Esq.
Mob: +234 806 024 4691
timothygbadeyan@livingtrustng.com

Independent Auditors: PKF Professional Services Tel: +234(01)8042074 / 7734940 / 7748366
E-mail: lagos@pkf-ng.com info@pkf-ng.com
PKF House/205A Ikorodu Road, Obanikoro, Lagos

RC No: 217889
License No: 000317

Bankers:	Address
First Bank of Nigeria Plc	– Station Road Branch, Osogbo Osun State.
Providus Bank	– 16, Diya Street, Ifako-Gbagada, Lagos State
Access Bank Plc.	– Post Office Branch, Osogbo Osun State.
Sterling Bank	– Osogbo Branch, Ogo-Oluwa, Osogbo, Osun State.
Stanbic IBTC Bank	– Osogbo Branch, Aregbesola Bus-Stop, Osogbo Osun St.
First City Monument Bank Plc.	- Osogbo Branch, Ogo-Oluwa, Osogbo, Osun State.
Zenith Bank Plc.	– Fakunle Branch, Osogbo, Osun State.
Wema Bank	- Igbonna Branch, Osogbo, Osun State.

Awards

2023- PFI with the Highest impact on MSMEs Accessing Credit for the first time
2022 - Most Innovative Mortgage Banking Brand, Nigeria- Global Brands, Britain
2022 – Africa's Most Reliable Mortgage Bank - Africa Fintech Brands
2022 - Most Improved Mortgage Bank - Africa Fintech Brands
2022 - Mortgage Bank of the year 2022- Independent Newspaper
2022 - Service Ambassador Award: Highest Impact on MSME Accessing: DBN
2022 - Service Ambassador Award: Highest Impact on Start-up DBN
2022 - The Mortgage Bank of the Year: Independent Finance Award
2022 - Adekunle Adewole, PhD. - Top Professionals who made impact in 2022- Business Day
2021 - Company of the Year by: Commercial Banking Group
2021- Mortgage Bank of the Year by: Africa Housing Award
2020 – Company of the Year by: CITITRUST Holdings Plc
2021 – Customer Appreciation Award by: Interswitch
2021 – Chief Executive of the Year by: CITITRUST Holdings Plc
2020 –Sustainability and Growth award by: CitiTrust Financial Services
2020 – Most Innovative Company of the Year by: CITITRUST Holdings Plc
2020 – Best Performing Company of the Year by: CITITRUST Holdings Plc
2020 – Adekunle Adewole, Ph.D: Managing Director of the Year by: CITITRUST Holdings Plc
2020 – Best Product of the Year by: CITITRUST Holdings Plc

MANAGEMENT STAFF

S/N	FIRST-NAME	LAST-NAME	JOB FUNCTION	GENDER
1	Charles	Babajide	Relationship Manager	M
3	Timothy	Gbadeyan	Comp. Sec/Group Head, Legal & Strategy	M
2	Olugbenga	Fatanmi	Head, Treasury	M
4	Babatunde	Tadese	Head, Credit risk	M
5	Mayowa	Fayiga	Relationship Manager	F
6	Sunday	Ezeja	Relationship Manager	M
7	Femi	Olusola	Financial Controller	M
8	Adewole	Aderanti	Group Head, Customer Experience	M
9	Kikelomo	Adesina	Head HR/Admin	F
10	Seun	Adetoro	Relationship Manager	M
11	Abimbola	Olagunju	Head, e-Business	F
12	Olabode	Owoeye	Relationship Manager	M
13	Ademola	Yusuf	Relationship Manager	M
14	Olusegun	Akinradewo	Head Internal Control & Audit	M
15	Faheem	Aileru	Head, Compliance	M
16	Olarotimi	Amuda	Head, I.T	M
17	Anthonia	Oyedemi	Relationship Manager	F
18	Yinka	Badru	Relationship Manager	F
19	Clement	Oyedeji	Relationship Manager	M
20	Adijat	Babalola	Relationship Manager	F
21	Ayoola	Olayemi	Relationship Manager	M
22	Kareem	Alaji	Relationship Manager	M
23	Mudashiru	Adebayo	Relationship Manager	M

Brief Profile

Livingtrust Mortgage Bank Plc was incorporated on March 9, 1993. The Bank converted from a Private Limited Liability Company to a Public Limited Liability Company on January 25, 2013 and subsequently listed on the Nigerian Stock Exchange on December 11, 2013 where its shares are being publicly traded.

The principal activity of the Bank is the provision of mortgage financing, Real Estate Construction finance amongst other banking services to individuals, groups and corporate entities. The Bank has made significant impact in reducing housing deficits by advancing residential mortgage loans to thousands of individuals and has also financed tens of estate development projects across several states of the federation. Beyond its impact in Nigerian metropolises, the Bank has provided mortgage loans to several average and low-income earners to acquire residential houses in urban sprawls and semi-rural areas, in a bid to drive mortgage inclusion which is a fundamental strategic focus of the Bank. In consideration of the financial inclusion drive of the Bank, the Central Bank of Nigeria recently gave approval to the Bank as a participating financial institution in MSME funding. Since the CBN approval, Livingtrust Mortgage Bank Plc has disbursed loan facilities to over 620 small businesses across different regions of Nigeria. The Bank also participates in the National Housing Fund scheme.

As at 31st December 2023, the Bank had an Authorized Share Capital of 11,000,000,000 ordinary shares of 50 kobo each; and Issued Shares of 5,000,000,000 ordinary shares of 50 kobo each. The Bank is headed by the Managing Director with the banking operations segregated into respective units. The Mortgage Bank maintains its head office in Osogbo and operates four branches within Osun State.

Historical Timeline

- **1993** - Incorporation to carry out banking activities and formal commencement of operations
- **2013** - Privatization of the bank from Osun State Government and raising of additional N1.65 billion capital
- **2014** - Listing on the Alternative Securities Market (ASM) of the Nigeria Stock) Exchange (NSE
- **2015** - New Management team takes over, Restructuring and Re-Organizing
- **2016** - Official Change of name from Omoluabi Savings & Loans Plc. to Omoluabi Mortgage Bank Plc.
- **2020** - Cititrust Holdings Plc took over and assembled a dynamic Management Team. The following also happened in the same period: (a) Strategic Re-organizing and transformation of the Bank. (b) Migration to the Growth Board on Nigeria Stock Exchange (c) Change of Name from Omoluabi Mortgage Bank to LivingTrust Mortgage Bank Plc. Similarly, the Bank has paid dividend consistently since 2020.
- **2022 –** The Bank commenced re-capitalization to metamorphose into a national mortgage bank in Nigeria.

Current Ownership

The company has in issue 5,000,000,000 ordinary shares of N0.5k each. The banks' shares are held majorly by CITITRUST HOLDINGS PLC, together with the public sector, made up of Osun state government and local governments in the state and others.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting (the "Meeting") of LivingTrust Mortgage Bank PLC ("the Company") will be held in hybrid form and hosted at **Banquet Hall, Aenon Suites, No. 1, Femi Adefila Crescent, GRA, Osogbo, Osun State** on Thursday, the 25th day of July 2024 at 11:00am for the purposes of:

AGENDA

ORDINARY BUSINESS

1. Transacting the following ordinary business:

1.1. To lay the Audited Financial Statements for the year ended 31st December 2023, the Reports of the Directors, Auditors, and the Statutory Audit Committee thereon.

1.2. To declare a dividend

1.3. To elect the members of the Statutory Audit Committee

1.4. To authorize the Directors to fix the remuneration of the Auditor

1.5. To disclose the remuneration of the Managers of the Company in accordance with section 238 and 257 of the Companies and Allied Matters Act 2020

NOTES

1. Proxy

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her/its stead. To be valid, a completed proxy form must be deposited at the office of the Registrar, African Prudential Plc., Palmgrove bus stop, 220B Ikorodu Road, Somolu, Lagos State or sent electronically to: cxc@africaprudential.com not later than 48 hours before the time of the meeting. A blank proxy form is attached to the Annual Report and can also be downloaded on the Bank" s website: https://livingtrustng.com

2. Virtual Attendance and Voting

In line with Section 240 (2) of the Companies and Allied Matters Act 2020 [as amended by the Business Facilitation (Misc. Provisions) Act 2022], the Annual General Meeting shall hold in hybrid form and persons who are unable to be physically present may participate in the proceedings online via Zoom virtual meeting room. The meeting shall be streamed online and members can connect via zoom. The meeting ID. and password shall be communicated to all members prior to the meeting.

Shareholders are also advised that in line Section 248 of Companies and Allied Matters Act 2020 [as amended by the Business Facilitation (Misc. Provisions) Act 2022], electronic resolution voting is now allowed and the votes of shareholders attending virtually shall be taken into account by the Registrar.

3. Dividend

If approved, a dividend in the sum of N0.03kobo for every share of 50 kobo subject to withholding tax will be paid on July 25, 2024 to shareholders, whose names are registered in the Register of Members at the close of business on 7th day of July, 2024. Shareholders are advised to complete the e-dividend registration and mandate the Registrar to pay their dividends directly into their Bank Accounts.

4. Closure of Register

The Register of Members and Transfer Books of the Company will be closed From July 7th to July 11th 2024 (both dates inclusive), to enable the Registrar prepare for 2024, payment of dividend.

5. E-Dividend Mandate

Shareholders are requested to update their records and advise African Prudential Plc of their relevant bank Accounts for the payment of their dividends. Shareholders are advised to download the Registrar's E-Dividend Mandate Activation Form available on their website: https://africaprudential.com/claim-your-dividend-here/ The forms can also be downloaded from African Prudential Plc's website at cxc@africaprudential.com. The duly completed forms should be returned to African Prudential Plc., Palmgrove bus stop, 220B Ikorodu Road, Somolu, Lagos State or to the Bank.

6. E-Annual Report

The electronic version of the Annual Report will be available at https://livingtrustng.com Shareholders who have provided their email addresses to the Registrar will receive the electronic version of the Annual Report via email.

7. Statutory Audit Committee

The Statutory Audit Committee consists of three Shareholders and two Directors. Any member may nominate a Shareholder as a member of the Statutory Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one (21) days before the Annual General Meeting. The Companies and Allied Matters Act 2020 provides that all members of the Statutory Audit Committee shall be financially literate and at least one shall be a member of a professional accounting body established by an Act of the National Assembly in Nigeria. We therefore request that nominations be accompanied by a copy of the nominee's curriculum vitae.

9 Re-election of Directors

In accordance with the Provisions of the Company's Articles of Association, the Directors to retire by rotation at the 10th Annual General Meeting are Alh. Adebayo Jimoh, Mrs. Fehintola Olatunde-Agbeja and Mr. Olufemi Adesina. The retiring Directors, being eligible, offer themselves for re-election. The profiles of the Directors retiring by rotation are available in the Annual Report and on the Bank" s website at https://livingtrustng.com

10. Shareholders' Right to ask Questions

Shareholders reserve the right to ask questions not only at the meeting, but also in writing prior to the meeting on any item contained in the Annual Report and Financial Statements. Please send questions to **info@livingtrustng.com** not later than 9th of July, 2024.

Dated this 15th day of June, 2024

BY ORDER OF THE BOARD

Timothy Gbadeyan Esq.
Company Secretary

BOARD OF DIRECTORS DETAILS

The Chairman - Alh. Adebayo Jimoh
Mr. Adebayo Jimoh joined the services of John Holt Plc. (A British Multinational Company) as a Management Trainee in 1983 from where he rose through the ranks in quick succession to become the Deputy General Manager in charge of Operations for the company in 1993.

Mr Jimoh served as General Manager for John Holt ventures from 1994-1996 and thereafter moved to Yamaha Aimarine Company as General Manager in 1997. He was later promoted as Chief Executive in charge of Trade and Export for John Holt Group in Nigeria and West Africa before his appointment as Executive Director in charge of Group operations of John Holt Plc. in 2003.

In May 2005, he was appointed Group Managing Director/CEO of Odua Investment Company Limited, the investment basket of the five South Western states in Nigeria. He served for a period of nine years and retired in October 2014.

Alh. Adebayo Jimoh currently runs a cotton export business under the name Synergy Cotton and Agro Allied Company in partnership with Plexus Cotton, UK. He is the Chairman of the Company. He is a fellow of the National Institute of Marketing of Nigeria, and e member of the Institute of Directors.

Adekunle Adewole, PhD. – Managing Director and Chief Executive Officer
Adekunle is a thorough-bred banking professional with over 22 years‟ experience cutting across Retail, Commercial, Corporate banking, Public sector, Corporate Strategy, Corporate & Structured Finance, Risk management, Credit Collections & Recoveries and Legal. He was at various times Head of branch operations, Profit Center Manager, Branch Manager, Regional Director and Group Head in Omega Bank (now Keystone bank), Standard Trust Bank (now UBA), Broad bank (now Union Bank) and Sterling bank where he left in 2018 on General Management Cadre. He has honed relevant skills in building and leading high performing teams and brings on board a deep knowledge of the market, personal acumen, team leadership skills and business fundamentals relevant to Mortgage Banking. He holds a Bachelors of Technology degree in Applied Meteorology from the Federal University of Technology, Akure, two Master in Business Administration degrees in Marketing and Finance from University of Ado Ekiti and Metropolitan School of Business & Management, UK respectively. He also holds a Master in Business Law (LLM) from the Metropolitan School of Business & Management, UK and a Certificate in Global Management (CGM) from the Institut Européen d'Administration des Affaires (INSEAD), Fontainebleau, France. He has attended several executive management courses in risk management, leadership, general management and management entrepreneurship in Nigeria, Ghana, Cameroon, South Africa, UK, and UAE. He has also attended executive courses in leading international institutions including Harvard Business School, INSEAD (Singapore), INSEAD (Abu Dhabi) and INSEAD (Fontainebleau, France). He is a member of the Nigeria Institute of Management, Honorary Senior Member of the Chartered Institute of Bankers of Nigeria, Alumnus of the prestigious INSEAD 12 Global Management Program and Lagos Business School's Advanced Management Program. Adekunle is passionate about building the next generation of business

leaders, a passion he has been fulfilling progressively as an adjunct faculty of leading business schools in Nigeria, UAE and Europe where he teaches strategic management and leadership. At his leisure, Adekunle enjoys reading, watching science and engineering documentaries, travelling, watching heavy weight boxing and airplane spotting. He is married with children.

Mr. Yemi Adefisan - Non-Executive Director
Yemi has been widely exposed to business formation, strategy and planning in the course of his career spanning over twenty (20) years, traversing through banking, Oil and Gas, Real Estate, Manufacturing and Logistics Industry. Yemi is a consummate Banker and Financial Expert having previously worked with Seven Up Bottling Co. Plc, Pacific Bank Limited (Unity Bank Plc), Crystal Microfinance Bank Limited, Skye Bank Plc and Fast Credit Limited.

He holds two Masters degrees in Business Administration from Ladoke Akintola University and Metropolitan School of Business and Management, United Kingdom. A Fellow of Microfinance Association UK, National Institute of Marketing of Nigeria and Institute of Management Consultants. He is also a member of the Nigerian Institute of Management (Chartered), Institute of Directors Nigeria and Nigerian Economic Summit Group (NESG). He has attended several Executive Management and Board training programs at IESE Business School Barcelona, Spain, Lagos Business School, the Wharton School of the University of Pennsylvania, USA, The Housing Finance, Canada and Strathmore University Business School, Kenya. He seats on the Board of over 15 Companies across Africa. He currently serves as the Group Chief Executive of CITITRUST Holdings Plc.

Hon. Ogungbile Olusola
He holds a bachelors and Master's degrees in International Relations and Public Administration at the Obafemi Awolowo University, Ife and Lagos State University, Ojo. After a brief stint with the Pacific Bank Plc, Oregun, Lagos, He joined the services of Unity Bank and Oceanic Bank, now (Ecobank Nigeria Plc). He later joined the services of First City Monument Bank (FCMB) from 2010 until his appointment as the Hon. Commissioner of Finance, Osun State in 2023.

Hon. Ogungbile Olusola has attended several Executive Management Courses in Managing Trade Consumer, Multiplying Trade Consumer, Effective Marketing Skills, Anti-Money Laundering, Basic Selling Skills and Communication Skills.

A performance-driven Business Executive with demonstrated years of banking with expertise in branch management, sales operations, marketing, relationship management, and revenue generation. Systematic Business Manager with a career track of growing company revenue through team development/management, strategic marketing initiatives and techniques.

Mrs. Fehintola Olatunde-Agbeja - Independent Director
A Fellow of the Institute of Chartered Accountants of Nigeria who graduated in 1980 with a Bachelor of Science Degree in Computer Science and Mathematics from the University of Lagos, Lagos. Thereafter, she became an Audit Trainee at the accounting firm of Peat, Marwick, Ani, Ogunde & Co. (now KPMG) and qualified as a Chartered Accountant in 1987.

She joined the services of the Central Bank of Nigeria (CBN) as a Senior Supervisor in 1986 and her experience spanned over thirty-two (32) years in the key areas such as Banking Operations, Internal Audit, Banking and Other Financial Institutions Supervision amongst others. She has attended various leadership, management and professional courses in Nigeria, United Kingdom, Canada and the USA.

She became an Executive that is, appointed an Assistant Director of the CBN in 2006, and further appointed as the Branch Controller of CBN Abeokuta Branch, Ogun State where she retired as a Director in September 2018. She joined Boff & Company as Executive Director, Finance and Administration in February 2019.

Mr. Olufemi Adesina - Independent Director

Mr Olufemi A. Adesina is a Financial, Marketing and Management professional with over 20 years of extensive and diverse experience in, Finance, Private Equity, Banking, and Venture Capital Marketing, Marketing Communication, Sales and Administration.

He started his career with KPMG before moving to the business group of a top Nigerian bank. He later moved to the Financial Control and Strategic Planning unit of the bank. He has worked with a number of other firms. In 2005, he became the pioneer Managing Director of Fluffy Enhancing lives Funds Limited, a private equity firm.

He consults for a lot of businesses, including Oasis Shefa Int'l Limited, Jineda Global Limited (both Oil brokerage firms) and Consultoria Foresighta Limitada, a Brazilian firm. He is a fellow of the National Institute of Marketing of Nigeria, fellow of the Certified Institute of Purchasing & Supply of Nigeria.

He holds MBA from Kensington University, Glendale, California. He also sits on the board of Fluffy Funds Limited, Wheely Logistics Limited and Living Springs Helicopters Limited.

Arc. (Mrs.) Mamman-Da Umma Dambo

She holds a bachelors and Master's degrees in Architecture at the Ahmadu Bello University, Zaria. After a brief stint with the Federal Capital Development Authority, she joined the banking industry in the year 2000. Arc. (Mrs.) Dambo has over 16years working experience in banking. She worked at National Bank of Nigeria, Wema Bank and EcoBank in various functions including Internal Control, Operations and Business Development. After leaving banking, Arc. (Mrs.) Dambo has devoted her time to public service. She recently served as the Chairperson of the Governing Board of National Commission for Museums and Monuments.

Arc. (Mrs.) Dambo has attended several Executive Management Courses and Board Training Programs at the local and international level. She has also served on the boards of several companies in Nigeria.

Prof. Charles Ukeje

Prof. Charles Ukeje, holds a doctoral degree in International Relations at Obafemi Awolowo University, Ile-Ife. He joined the Faculty of the University as a Graduate

Assistant in 1992 and rose through the ranks to become University Professor in 2008. He has held prestigious awards, including the Fulbright Scholarship; taught and conducted research in major academic centers in Nigeria, the United States, Sweden, the United Kingdom and Ethiopia, including Oxford University's Department of International Development; and provided specialist consultancy advisory to major inter-governmental institutions such as ECOWAS, AU and several UN entities.

His teaching and research interests at the undergraduate and graduate levels as well as international consultancies, are at the intersections of peace, security and development issues in Africa. He has authored, co-authored or coedited over 50 publications in major peer-reviewed journals and books.

Professor Ukeje is widely traveled across Africa and beyond. He joined the Board of Livingtrust Mortgage Bank Plc with a wealth of experience having previously served at the highest levels in notable institutions such as the Advisory Board and Selection Committee of the Next Generation African Social Sciences Fellowship Programme of the Social Science Research Council in New York, and also on the Technical Committee of the Tana High-Level Forum on Security in Africa. He was recently invited to serve as Lead Author of the African Union Peace and Security Council-mandated continental study on the „role and contributions of youth to peace and security in Africa.

Mrs Olaitan Aworonke – Executive Director

Olaitan Aworonke has over 18 years" wealth of experience in Commercial, Consumer, Retail and Mortgage Banking. Her experience cuts across various aspects of Compliance, Short and Long-term Financial Sustainability, Leadership, Operations, Business development, Brand Management, Relationship Management, Sales, Banking, Accounting, Marketing, Human Resources and Mortgage Banking. She has demonstrated strong business and technical skills and ability to lead diverse team with outstanding success.

She is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA) 2019, qualified as a chartered accountant in 2006. Fellow, Institute of Chartered Economists of Nigeria (FCE) 2017 and Associate member, Chartered Institute of Taxation of Nigeria, 2018. Holds a Bachelor of Science degree in Accounting (Second Class Upper Division) from University of Ado-Ekiti, 2001 and Masters in Managerial Psychology (MMP) from the University of Ibadan, 2010.

Olaitan has attended various training courses in the last two decades, some of which are, Corporate Governance, Leadership Management, Enterprise Risk Management, Motivation and Leadership, Performance monitoring, Business Development, Relationship Management, Business Management, Sales, Customer Services, Retail Business and Strategic Marketing in developing economies. She also attended some short courses such as Strategic Leadership and Change Management, London School of Business and Finance (LSBF), Business Research, Herriot Watt University, Edinburgh, Scotland and Turning Strategy to Action at Lagos Business School (LBS).

Prior to her appointment as the Ag. MD/CEO, She is the first Executive Director of the Bank, in charge of Operations, Human Resources and Business Development and formerly, Group Head, Operations and Business Development and Formerly, Group Head, Operations and Business Development. She had previously worked with Stanbic IBTC. Bank, Fidelity Bank Plc and Access Bank Plc. in various capacities.

Dr. Olumide Adedeji – Executive Director

Olumide Adedeji is a highly recognised banker and has 25 years' experience cutting across Retail Banking, Commercial Banking, Corporate Banking, Telecoms, Hospitality and Real Estate. He is a Fellow of the Institute of Chartered Accountants of Nigeria and an Associate of Chartered Institute of Taxation of Nigeria, a Certified Risk Manager, a Chartered Manager and a Forensic expert with Certified Forensic Investigation Professionals.

Olumide is a Deloitte-trained finance expert with demonstrated skills in driving highly competitive businesses, having maintained stellar track record of strong drive for new clients" acquisition, coverage, revenue growth, increased market share, innovative strategies, profitability and customer-centric product offerings in Botswana, Ghana and Nigeria.

Olumide was at various times in charge of Consumer Banking as Deputy General Manager at Equitorial Trust Bank (now Sterling Bank Plc), Assistant Vice President (FCMB), Standard Chartered Bank, Diamond Bank Plc (now Access Bank Plc) and Fidelity Bank Plc. He has served on various banking committees such as Enterprise Risk Management Committee, Asset and Liabilities Committee, Operational Risk Management Committee and Information Technology Steering Committee, providing strategic leadership for outstanding results. He holds a Doctorate Degree, a Master of Science Degree and a Bachelor of Science Degree in Physics from the University of Ibadan, Oyo State.

CHAIRMAN'S STATEMENT

To our Shareholders and our amiable partners in the growth of our bank, LivingTrust Mortgage Bank Plc;

With gratitude for the outgone year and unflinching Hope for the new, I once again put pen to material to apprise you of the lofty new heights your beloved bank has achieved in the last 12months.
Despite the strong headwinds we all experienced as individuals, groups and businesses in 2023, it is my solemn wish that the year 2024 unbundles hope, clarity of purpose and fresh possibilities which I believe we all need to move our nation forward on the right trajectory.

As a revered institution, celebrating our 30years of existence a year ago is a notable milestone which further underscores the importance of our footprint within the banking and financial services landscape. Dr. Adekunle Adewole (PhD.) who joined us four years ago as Managing Director, had within the period steered our bank to newer heights reflected in putting together a world class team of eager professionals and laying the foundation for growth trajectory. On the 30th of January of this year, Adekunle moved on to pursue other interests passing the baton to another thoroughbred professional in the person of Dr. Olumide Adedeji (PhD., FCA), who had previously served as an Executive Director of the Bank, with ample experience of over 25years experience gained from Corporate & Investment banking, Commercial & Retail banking both within and outside Nigeria, and other C-suite experiences working in the telecommunication sector.

The year 2024 for us at LivingTrust mortgage Bank plc. is not only important but strategic as well, noting our current engagements with corporates and individuals, both local and offshore to recapitalize the bank in the short term to a National Mortgage Bank and eventually to become a Regional Commercial Bank, God willing.

The series of events in the last few weeks which has led to incidences recorded in various cities and towns of our country highlight the issues we have faced as a people and a nation. In the spirit of the challenges faced, I make a clarion call to every stakeholder in the bank's project on the need for us to once again gird our loins and put our hands to the plough in an effort to break through all contrary winds and elevate our bank, your bank in the comity of Mortgage banks and by extension, financial service providers, towards making positive mark in the 2024 financial year.

As an honored representative of the Board of directors, I hereby state our collective resolve to you our stakeholders, that we would support all and sundry in making our collective dreams and aspirations for our bank become realized and join hands in shaping it as a renown and reputable organization where people, businesses and opportunities thrive. We are conscious of the state of the economy and we are hopeful that in the course of the 2024 financial year, the expected sustained and continuous improved fortunes of the bank will of necessity allow the management take steps to reward staff performances and provide excellent work conditions with an upgraded wage and other ancillary work-life indicators.

To our inestimable customers, counterparties and those who have helped our activities as one of Nigeria's most profitable and capitalized Mortgage Banks in the year 2023, I extend our utmost appreciations from the board of directors, executive management and shareholders of the bank to you. We look forward to your invaluable contributions in 2024, as we are poised to achieve new heights in our quest.

CLOUDS GATHERED

In 2023, the Nigerian economic growth rate slowed down when compared with the previous year's position, caused to a large extent by the monetary policy changes effected by the past administration which led to Cash shortages and other inimical effects leading to hyper inflationary trends for the greater part of the year which became more pronounced on specific items such as food and energy costs for households on a Quarter-on-Quarter basis. Other contending issues which adversely impacted the day-to-day costs of living for an average household included increased transportation and fuel costs rising by over 350% in some cases.

In the year 2023, it was recorded that Nigeria's Gross Domestic Product which is a reflection of how individuals fared on the macro level experienced a flat growth rate of 2.5% for Q1 – Q3 compared to the same period in the previous year of 2022 (3% growth rate in Q1 – Q3).
It is notable that despite the flat growth rate for the major part of the year, certain segments such as the Financial Services, ICT and Trade sectors were responsible for the overall growth in GDP experienced in year 2023.

LOOKING AHEAD

Noting the strong headwinds experienced in the outgone year, the board of directors of LivingTrust Mortgage Bank Plc. will be working closely with the executive management of the bank in ensuring sustained growth of its affairs in the year 2024. The board is expected to play a pivotal role in the immediate re-capitalization and upgrade of license to National Mortgage Banking. This will in no small measure ensure the bank is placed on a higher pedestal for operational ease, efficiency, proximity to sought-after market segments and the improved public perception of the entity.

Secondly, the successful recapitalization exercise scheduled to conclude by Q2 2024 is important in the light of extant regulatory direction, indicating a looming mandatory recapitalization in the financial sector, to improve the capacity of financial services providers to support the economy. As experienced in the past, this is also expected to lead to corporate re-organization in the financial services sector, in the nearest future.

It is therefore expedient to state that ongoing discussions are being held by the board and management of the bank with strategic institutional investors towards raising additional equity, both to upgrade the current license towards expanding the operational footprints of the Bank and also, to improve the Bank's readiness for increase in capital requirements.

During the year under review, the bank strict compliance with internal and external regulatory requirements. The Board ensured proper oversight and continued to improve the governance practices in the Bank. As a result, the bank as at December 31st 2023 is not exposed to any sanction or penal measures from both primary and secondary regulators.

Ila Orangun Branch birthed!

Towards increasing our market share, taking advantage of emerging opportunities and further championing financial inclusion, our Bank sought and obtained regulatory approval for the commencement of a new branch at the ancient town of Ila-Orangun. The branch which was excitedly received by the host community commenced operations in July 2023. This feat was achieved at moderate cost without budgetary distortion. Once again, we have demonstrated capacity to extend growth under our current licensed jurisdiction and have further our determination to extend financial services to the markets hitherto excluded.

The branch expansion is in line with the strategic intents of the bank and other counterparties such as the Development Bank of Nigeria (DBN), a strategic partner of LivingTrust Mortgage Bank Plc, that provides funds to LTMB for on-lending to the Micro, Small and Medium Enterprises (MSME's) segment of the economy.

EXPANSION AND 2023 FINANCIAL PERFORMANCE
The bank as part of its plans to advance mortgage related services and on-lending to identified pre-qualified groups and individuals, is presently working with a team comprising of Issuing Houses and other counterparties in perfecting a N3Bn Corporate Bond covering a tenor of 3years. The bond issue if successful will enable LivingTrust Mortgage Bank Plc. to provide affordable housing to off-takers in the coming year.

We closed the 2023 financial year with a **Profit-Before Tax** of ₦665,660,000, representing a 34.% decrease compared to our previous year's position. We nonetheless recorded growth across key performance indicators such as:

Total Assets improved by 27% (year-on-year) to ₦17,796,159,000. Loans and Advances saw an increase by 17% to ₦12,790,784,000. Our Liability position increased by 40% to close at ₦ 9,143,651,000. **Gross Earnings** increased to ₦ 2,891,657,000 up by 12%. The **Earnings per Share** of the Bank reduced by 31% to ₦ 11.37k, compared to ₦16.43k in the previous year. The Market Price of the Bank's share rose from ₦1.60k to ₦ 2.90k as at December 31, 2023 which invariably increased the Bank's Market Capitalization to N14,500,000,000 The above highlights areas the bank's performance improved in earning capacity.
As we celebrated our pearl anniversary in 2023, we are more convinced of the capacity of our award-winning Bank to evolve into a financial powerhouse and a subsector leader. We look towards the horizon not with bated breath for the unknown but with a spirit of appreciation for the victories of yesterday and the limitless opportunities that beckon the future. In the year under review, our Bank once again received accolades for the impressive performance of staff and management in 2023 by being awarded by the Development Bank of Nigeria (DBN) under the Other Financial Institutions category with an award as the Best Participating Financial Institution with the Highest Impact on MSME's Accessing Credit for the First Time - Year 2023. We will not relent in our pursuit of excellence and growth. We will continue to push the frontier of success until we attain an undisputable proportion of impact and unmistakable brand recognition. With the support of our stakeholders, we are confident in our ability to rise and thrive.

Thank you.

Alhaji Adebayo Jimoh
Chairman, Board of Directors
FRC/2014/NIM/00000008047

MD'S SPEECH:

Distinguished Shareholders,

I am thrilled to welcome you to the 10th Annual General Meeting of our Bank and to present this 2023FY report to you, being my first, as the Managing Director/CEO following my appointment by the Board of Directors.

On behalf of the Executive Management Team, we accept the opportunity to serve you our esteemed shareholders and the Bank in this leadership position bestowed upon us. We wish to thank many of you who have sent goodwill messages to us since the announcement. We also appreciate the Board for its firm support since we assumed office.

Without doubt, the 2023 financial year was fraught with various challenges both on the global and domestic scenes. On the global scene, inflation failed to decelerate, economic contraction and recession continued to beset several national economies, general rise in cost of living continued northward, the Russian-Ukraine conflict intensified while the Israel-Hamas war began and heightened, leading to interventions from state and non-state actors in a manner detrimental to global supply chain.

On the domestic scene, the year 2023 was influenced by the election cycle which also led to change of guard and consequently policies, at the centre. Some of the policy-shifts such as removal of fuel subsidy and floating of the local fiat currency had far reaching effects on the populace, especially in terms of cost of living and purchasing powers. The impacts of naira redesign and the consequential cash scarcity continued to be felt in 2023. Inflation refused to be tamed, climbing up to 28.92% as at December 2023 and the security situation seemed to have deteriorated. Towards curtailing the inflationary pressure, the Monetary Policy Committee raised the monetary policy rate severally, with the last rate hike in 2023 decided in July 2023 when it was raised by 25 basis points to 18.75 per cent.

Despite the challenges of the outgone year, your Bank has continued to create values for its teeming customers through our bespoke products and commitment to good customer experience. We supported the construction of several residential housing estates across several states of the federation and granted mortgages to subscribers of those estates. We continued to access the National Housing Fund loans for on-lending to customers who are contributors to the fund. We assisted a good number of Nigerians in achieving their desires to own their homes. Leveraging our locations in unserved and underserved communities, we have continued to partner with the Development Bank of Nigeria to avail loan facilities to MSMEs, especially Start-Ups accessing credit for the first time. In these Communities, our services have helped to stimulate commercial activities and enhance trade in the absence of large corporations. In that challenging year, we are proud to have played significant roles in maintaining the going-concern status of small businesses in our locations and surrounding communities.

A major projection for our 2023 business activities was the recapitalization of our Bank, which was expected to lead to the upgrade of our license to national mortgage banking. This did not happen due to various factors which are not unconnected to the state of the economy. However, our Bank has been growing organically over the years and we are confident that this goal would soon be achieved. Our business was impacted in the 2023 financial year due to the inability to achieve the recapitalization objective, which was a major underlying assumption. Despite this, your Bank rose to the occasion and delivered superlative performance in 2023. Although the figures dipped when compared to the prior year, the 2023 performance demonstrated resilience in the face of economic headwinds and galloping increase in the cost of doing business without commensurate increase in opportunities, and in our case, without unusual increase in rates which would have reduced mortgage affordability and have negative impact on mortgage inclusion.

Our successes are fully attributable to our people, the LivingTrust Tribe. In all situations, they have adopted the slogan "yes we can". Our people have deployed technology to achieve incredible things. As we leverage technology, we have also continued to expand our physical operational footprints within the limitation of our license. In this regard, we are pleased to inform you that we opened a branch at Ila-Orangun during the 2023 financial year. The branch was received by the host community with overwhelming excitement. We are also happy to report that the new branch has started contributing meaningfully to the performance of the Bank. In 2023, your Bank was nominated for several awards, both local and international. Your Bank won the Development Bank of Nigeria Award for the Participating Financial Institution with the Highest Impact on MSMEs Accessing Credit for the First Time, for the second consecutive year. This is very important to us due to the objective of the Bank to remain a major driver of financial inclusion in Nigeria, especially in rural and semi-urban areas.

The Executive Management is very mindful of the increase in the level of cyber-threats, especially in the financial services industry. We take every experience, both external happenings and complaints we receive, as risk management data to bolster our cybersecurity. To this end, we further enhanced the features and security measures of our mobile banking application in 2023 to ensure that we have up-to-date response to extant challenges. We used the opportunity also to ensure that **TrustMobile** can perform most of the modern services that customers expect to be able to complete on their mobile devices. This is because as part of customer experience, we continued to pay attention to ease of transaction.

Our Bank celebrated 30years of its existence in 2023. While no single event took place to mark the anniversary, an anniversary logo was approved by the Board for use in official communication. Several in-house activities also took place at various times during the year to mark the occasion. We traced our root to the founding fathers of our Bank. We recognized Sen. Isiaka Adeleke whose vision led to the incorporation of our Bank in 1993. I wish to thank each successive government of Osun State who supported the vision and created enabling business environment for the Bank to thrive. I wish to specially thank the current Governor of Osun State, His Excellency, Senator Ademola Jackson Adeleke who warmly received members of our Board during the anniversary visit. We are optimistic that the vision will thrive in our hands, and that by the end of this new decade, there will be visible growth in the Bank, much more than has been recorded in its first three decades.

BRANDING AND CORPORATE TRANSFORMATION

During the past year, our Bank unveiled a new corporate logo, a strategy statement to reflect our corporate direction and enhanced values to give expression to our evolved culture. The new logo also reflects our extant corporate identity. As we evolve, we continue to manage our brand to ensure that it properly represents us. We are giving our corporate communication and brand support team the requisite support to ensure that we attain widespread brand recognition, as we look forward to becoming an undisputable sub-sector leader.

As earlier mentioned, we are still working on your resolution regarding the recapitalization of your Bank. Although the basis for your resolution was growth, as you have mandated us to either upgrade our Banking license to regional commercial banking or national mortgage banking; the policy thrust of the new administration of the Central Bank of Nigeria has indicated that a regulator-mandated recapitalization may be rolled out soon. We are mindful of this and we have intensified efforts to recapitalize the Bank for more impact and to meet likely increase in capital requirement. We understand the alignment between your intent and regulatory intent, as both parties expect increased market impact. When we recapitalize the Bank, we would be in a capacity to empower more individuals and corporate citizens. We will also be in a position to significantly expand our operational footprints and deliver more values to all our stakeholders. In view of this, the Executive Management, with the support of the Board, is working to ensure that the recapitalization goal is achieved before the next time we will have the opportunity to report our stewardship to you.

In the meantime, the Executive Management is working to leverage institutional partnerships to further raise debt capital towards improving the capacity to take advantage of the latent opportunities in the mortgage subsector. You will recall, esteemed shareholders, that the National Pension Commission (PENCOM) has since allowed pension contributors to access 25% of their Retirement Savings Accounts (RSA) as equity contribution for residential mortgages. If this policy will have sizable impact on access to mortgage, one of the critical factors that must be addressed is the capacity of the Mortgage Banks to provide the liquidity to fund the mortgages. We are taking necessary measures to ensure that your Bank is able to maintain a significant market share and that we are able to have material impact.

2023 REVIEW AND FINANCIAL HIGHLIGHTS

As the world emerged from the scourge of the recent public health crisis and national governments scrambled to re-engineer economic activities and return to growth path, new challenges such as the Russia-Ukraine Conflict and the Israel-Hamas hostility coupled with an enduring surge in inflation rate, have all contributed to slowing economic growth in both developed and developing economies. The International Monetary Fund which earlier predicted that the country's economy would grow by 3.2%, subsequently downgraded Nigeria's economic growth prospect in 2023 by 0.3% to 2.9%, noting the impact of inflation and security issues, particularly in the oil sector. Nigeria recorded a real GDP growth of 2.74% in 2023, lower than even the downgraded prediction of the IMF. The inflationary pressure also led to several hikes in interest rate with significant impact on the private sector and yet, the inflation refused to decelerate, rising to 18 years high, in 2023. The 2023 GDP growth was the lowest since the country recovered from the pandemic. The inflation which subsequently led to an erosion in the value of the domestic fiat currency had negative impact of the consumer purchasing power and worsened poverty level and other socio-economic indicators. As these unfolded, crime rate and unemployment rate increased exponentially.

Expectedly, the economic downturn impacted the financial sector especially in the area of risk asset performance due to shrinking income and reduction in disposable income as a result of material increase in the cost of necessities. The reliance on cash over capital and beyond this, the failure to formalize capital has prevented the fluidity of the Nigerian real estate market, thereby impacting the mortgage subsector. Till now, the vast majority of Nigerian real properties remain un-bankable and without doubt, this represents a major contributory to poverty rate in Nigeria while also remaining a bane to financial inclusion. The inefficiency of the Nigerian justice sector as the enforcer of market ordinances and the sovereign guarantor of commercial deals continues to pose major threat to investor confidence, especially in the mortgage subsector, as the rules governing real properties remains more rigid than those of personal properties.

While these economic bumps undeniably made the operating terrain tortuous in 2023, your Bank continued to fashion ingenious responses to market challenges. We improved on asset originating procedures, put in place stringent monitoring and recovery measures, positioned to attract liquidity amidst tough competition, extended our operational footprints and market share, optimized cost at a time of constant upward price movements and remained materially profitable, despite a dip in profitability.

I am delighted to report to you, our esteemed shareholders, that your Bank recorded a Profit-Before-Tax of N665,660,000. Our Total Assets grew by 37% (year-on-year) to N17,796,159 while Loans and Advances also grew remarkably by 19.7% from N10,679,375,000 in 2022 to N12,790,784,000 in 2023. Deposits grew significantly by 67% from N5,491,601,000 to N9,143,651,000 while Gross Earnings grew material by 14% from N2,538,906,000 to N2,891,657,000. Total Operating Cost also grew significantly by 22% from N943,789,000 in 2022 to N1,151,177,000 in 2023. The growth in Gross Earnings and Total Operating Cost and their impact of the Bank's profitability demonstrated the impacts of inflation on the Bank's income in 2023. The market price of the Bank's share rose from N1.60k to N2.98k as at December 31, 2023 which consequently increased the Bank's market capitalization to N14,900,000,000. We are confident that the growth strategy put in place by the Executive Management is sustainable. Your Bank did was sanctioned in 2023, as it ensured it operated within regulatory guidelines. As usual, all our mortgage facilities are asset-backed and our loan monitoring, collections and recovery mechanisms continue to prove adequate, enabling the Bank to close the 2023 financial year with one of the least Non-Performing Loan ratio.

Based on the 2023 performance, I am certain that the Bank's business model and strategy are market-fit. We will leverage what has been achieved to soar to our preferred height. We are confident of achieving our growth objective during the course of the 2024 financial year. On behalf of the Executive Management Team of your Bank, I am assuring you of our re-dedication to the continuous growth of the

Bank, improved profitability, sound corporate governance practices and the attainment of the corporate objectives you have mandated us to undertake.

Dear esteemed shareholders, I wish to further assure you that we recognize that there are opportunities posing as challenges. We are attentive to all the housing initiatives including the Renewed Hope Housing Scheme. We are constantly positioning the Bank to take advantage of new opportunities. We believe that year 2024 is ladened with opportunities and we will take advantage of them, towards delivering value to all our stakeholders.

APPRECIATION

At this point, I will like to thank our teeming customers for their continued patronage and unwavering loyalty. We recognize that we are where we are because you walk through our doors. We have unique shareholders who pay attention to activities, ask questions and cheer us on, all year round. We take your support and interest very seriously. The Executive Management and the Board are grateful to you for your unusual support and constant encouragement. I also wish to profoundly appreciate my colleagues, the Executive Management and members of staff, whose constant knack for excellence and ever-ready disposition helps in achieving the corporate goals. The dedication of the Livingtrust Tribe is peerless, and it is fitting to attribute the performances of the Bank to their industry.

Our indefatigable Chairman and members of the Board of Directors have once again guided us through a tough year. I am grateful to the Board for continually providing the guidance to sustaining the trajectory of prosperity. During the course of the 2023 financial year, Hon Sola Ogungbile joined the esteemed Board of our Bank. He has continued to demonstrate unusual commitment since then and we are grateful.

Clearly, we have now established the tradition of prosperity by being profitable for the 8th consecutive year and by proposing payment of dividend to shareholders for the 4th consecutive year in 2023. As we take the baton, we will do more of these. We will present you with values, and not excuses. We will commit to proper risk management ideals and ensure sustainable growth. I bid you welcome to the 2024 financial year with a pledge to raise the bar of excellence and give our Bank a pride of place in terms of value delivery.

Thank you.

Dr. Olumide Adedeji, FCA
Managing Director/CEO

Risk management framework
The primary objective of LivingTrust Mortgage Bank Plc's risk management framework is to protect the bank's stakeholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place.

The bank has established a risk management function with clear terms of reference from the board of directors, its committees and the executive management committees.

This is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, the Internal Audit unit provides independent and objective assurance on the robustness of the risk management framework, and the appropriateness and effectiveness.

The bank's principal significant risks are assessed and mitigated under three broad headings:
Strategic risks – This specifically focused on the economic environment, the products offered and market. The strategic risks arises from the bank's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making , resource allocation and its inability to adapt to changes in its business environment.
Operational risks – These are risks associated with inadequate or failed internal processes, people and systems, or from external events.
Financial risks – Risk associated with the financial operation of the bank, including underwriting for appropriate pricing of plans, provider payments, operational expenses, capital management, investments, liquidity and credit.

The board of directors approves the bank" s risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the bank" s identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting to the corporate goals, and specify reporting requirements to meet.

Strategic risks
Capital management policies, objectives and approach.
The following capital management objectives, policies and approach to managing the risks which affect the capital position are adopted by the bank.
-To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.
-To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- To retain financial flexibility by maintaining strong liquidity.
-To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements.
-To maintain financial strength to support new business growth and to satisfy the requirements of the regulators and stakeholders.

The Bank's operations are subject to regulatory requirements of Central Bank Nigeria (CBN) and Nigeria Deposit Insurance Corporation (NDIC), Nigerian Stock Exchange (NSE) in addition, annual returns must be submitted to Corporate Affairs Commission (CAC) on a regular basis.

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E-mail: btnib@bakertillynigeria.com
Website: www.bakertilly.ng

31 March, 2024

The Directors,
Living Trust Mortgage Bank Plc,
KM 2, Gbogan Road,
Osogbo,
Osun State.

Dear Sirs/Madam,

Report on the Corporate Governance Audit of Living Trust Mortgage Bank Plc for the year ended 31 December, 2023.

In conformity with regulatory requirements, the Board of Living Trust Mortgage Bank Plc (hereinafter referred to as the "Bank") mandated Baker Tilly Nigeria Consulting to review the performance of the Board of the Bank in respect of the year ended 31 December, 2023. The exercise was guided mainly by the provisions of the Nigeria code of Corporate Governance (NCCG 2018), Company and Allied Matters Act (CAMA 2020), the CBN guidelines for Other Financial Institutions, SEC guidelines on corporate governance and other recognized Best Practices.

The scope of the assignment is as follows:

1. Review the Company's level of compliance with the Nigeria code of Corporate Governance (NCCG 2018), CBN guidelines for Other Financial Institutions and other issues relating thereto;
2. Assess the performance of the Board, Board Committees and individual Directors;
3. Produce Corporate Governance Report on the Company based on the findings of the audit; and
4. Make recommendations based on items 1 to 3 above.

Our approach to the assignment has been to:

i. Agree the scope of the assignment;
ii. Review the Company's formation documents such as Certificate of Incorporation, Memorandum and Articles of Association, license to practice as a financial institution issued by the CBN.
iii. Review the minutes of meetings of the Board and its Committees;
iv. Review the attendance records of the Directors of the Company at both the level of the Board and Board Committees;
v. Obtain and review the Company's organogram and the job schedule of key officers;
vi. Interview the Directors and administer questionnaires to them;
vii. Review the Directors' compliance with the Code of Conduct issued by NCCG 2018;

viii. Inquire about the trainings attended by the Directors on the platform of the Bank;
ix. Check the Bank's compliance with the CBN guidelines of Corporate Governance;
x. Check the Company's filing status with Regulatory bodies such as the Corporate Affairs Commission (CAC); Federal Inland Revenue Service (FIRS); National Pension Commission etc.
xi. Obtain and review the Curriculum Vitae and profile of the Bank's Directors;
xii. Discuss with the Company Secretary on contributions of Directors at Board and Board Committees meetings; and
xiii. Check the Company's implementation of the National Code of Corporate Governance issued by the Financial Reporting Council of Nigeria.

Our report on the assignment is in two parts namely: -

Part 1 - Report on the appraisal of the Board, Board Committees, and individual Directors.

Part 2 - Report of the External Consultants on the evaluation of the Board to be included in the Reports and Financial Statements of the Bank for the year ended 31 December, 2023.

Our report is for the use of the Directors of Living Trust Mortgage Bank Plc and is therefore not intended for any other purpose or by any other parties without our prior written consent. Our firm, Baker Tilly Nigeria (***hereinafter referred to as BTN***) through its consulting arm has issued the report without any responsibility to third parties. Nothing in this report shall render BTN liable for any loss, damage, cost or expenses whatsoever incurred, caused or sustained by third parties, or arising from fraudulent acts, misrepresentations or willful default on the part of Living Trust Mortgage Bank Plc, its Directors, Agents, Representatives or Servants.

Finally, we wish to express our appreciation to the Directors of Living Trust Mortgage Bank Plc for the opportunity accorded us to be of service to the Bank. Please let us know if you require clarification on any aspect of this report.

Yours faithfully,

Oyeyemi Aremu (Mrs.)
FRC/2021/004/00000024744
***For*: Baker Tilly Nigeria**

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
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0882121

LIVINGTRUST MORTGAGE BANK PLC

CORPORATE INFORMATION

Registration Number	-	RC 217889
Nature of business	-	The Bank is primarily involved in the business of residential and commercial Mortgage financing as well as construction finance among other financial services.
Board of Directors:		
Names		**Designation**
Alh. Adebayo Jimoh	-	Chairman
Mr. Adekunle Adewole	-	Managing Director and Chief Executive Officer
Mrs Olaitan Aworonke	-	Executive Director
Dr. Olumide Adedeji	-	Executive Director
Hon.Ogungbile Olusola	-	Non-Executive Director
Mr. Adeyemi Adefisan	-	Non-Executive Director
Mr. Olufemi Adesina	-	Non-Executive Director
Mrs. Mamman-Da Umma Dambo	-	Independent Director
Mrs.Fehintola Olatunde-Agbeja	-	Independent Director
Prof. Charles Ukeje	-	Independent Director
Registered Office	-	Km 2 Gbongan Road P.M.B 4488 Osogbo, Osun State
Operational Offices	-	**Corporate Office** Km 2 Gbongan Road P.M.B 4488 Osogbo, Osun State
		Osogbo Branch Km 2 Gbongan Road P.M.B 4488 Osogbo, Osun State
	-	**Ejigbo Branch** Off Oko Road, Ejigbo, Osun State
	-	**Ilesha Branch** Adjacent Owa's Palace, Ilesha, Osun State
	-	**Ila-Orangun Branch** Old Bank of Agric. Building, Beside Orangun's Palace, Ila-Orangun, Osun State.
Company Secretary	-	Timothy Gbadeyan Esq. Mob: +234 806 024 4691 timothygbadeyan@livingtrustng.com
Independent Auditors	-	PKF Professional Services (Chartered Accountants) PKF House, 205A Ikorodu Road, Obanikoro, Lagos. www.pkf-ng.com
Company Registrar	-	Africa Prudential Registrar Plc, Registrar's Department, 220B, Ikorodu Road, Palmgroove, Lagos Email:info@africaprudential.com
Bankers	-	Access Bank Plc. First Bank of Nigeria Ltd First City Monument Bank Plc Providus Bank Stanbic IBTC Bank Sterling Bank Wema Bank Plc Zenith Bank Plc

LIVINGTRUST MORTGAGE BANK PLC

FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED 31 DECEMBER, 2023

	2023	2022
	₦'000	₦'000
Major items in statement of financial position		
Loans and advances to customers	**12,790,784**	10,679,375
Property and equipment	**374,591**	378,368
Assets held for sale	**114,297**	149,317
Deposit from customers	**9,143,651**	5,491,601
Borrowed funds	**3,085,875**	2,841,457
Share capital	**2,500,000**	2,500,000
Shareholders fund	**4,254,499**	3,745,951
Total assets	**17,796,159**	12,913,690
Major items in statement of profit or loss and other comprehensive income		
Gross earnings	**2,891,657**	2,538,906
Impairment loss charge	**(220,764)**	(94,112)
Profit before taxation	**665,660**	1,005,734
Taxation	**(97,386)**	(184,056)
Profit after taxation	**568,274**	821,678
Ratios	**%**	%
Cost to income	**56.50**	46.18
Return on assets	**3.19**	6.36
Return on shareholders fund	**13.36**	21.94
Capital adequacy	**40.77**	54.88
Liquidity	**49.64**	60.90
Earnings per share (kobo)	**11.37**	16.43
Others	**Number**	Number
Number of branches	**4**	3
Number of staff	**77**	85
Number of shares in issue	**5,000,000**	5,000,000
Dividend paid	**61,627**	300,000
Ratings	**BBB+**	BBB+

LIVINGTRUST MORTGAGE BANK PLC

REPORTS OF DIRECTORS FOR THE YEAR ENDED 31 DECEBER 2023

The Directors have the pleasure in presenting the annual report for the year ended **December 31, 2023**, which disclose the State of Affairs of the LivingTrust Mortgage Bank Plc. ("the Bank").

1.Representation

The Board of Directors represents all shareholders and acts in the best interest of the company. Each Director represents the Company's shareholders regardless of the manner in which he/she was appointed. Each Director undertakes not to seek, nor to accept, any benefit liable to compromise his/her independence.

2.Principal Activities
The principal activity of the Bank is the provision of mortgage banking, construction finance and other financial intermediation services to corporate and individual customers.

3.Business Review

The Bank carried out Mortgage Banking activities in accordance with its Memorandum and Articles of Association as prescribed by the CBN Guidelines. A comprehensive review of the business for the year and the prospects for the ensuing year is contained in the Chairman's and Managing Director's reports.

4.Legal Form
The Bank was incorporated on March 9, 1993 as Osun Building Society Limited and changed its name to Living Spring Savings & Loans Limited in 2002. The Bank was converted to a Public Limited Liability Company on January 25, 2013 and subsequently changed its name from Omoluabi Savings and Loans Plc. to Omoluabi Mortgage Bank Plc. The Bank obtained its listing on the Nigerian Stock Exchange on December 11, 2014 where its shares are being publicly traded. Omoluabi Mortgage Bank Plc has changed its name to LivingTrust Mortgage Bank Plc

5.Property, Plant & Equipment
Information relating to the movements in the Property, Plant & Equipment of the Bank during the year is provided in the note 22 to the audited financial statements. In the opinion of the Directors, the market value of the Bank's properties is not less than the value shown in the accounts.

6.Operating Results
Gross earnings increased by **88%.** Highlights of the Bank's operating results for the year under review are as follows:

	2023 ₦'000	2022 ₦'000
Gross earnings	**2,891,657**	2,538,906
Net interest income	**1,542,952**	1,442,194
Total operating income	**2,037,601**	2,043,634
Impairment allowance loss charge	**(220,764)**	(94,112)
Net operating income	**1,816,837**	1,949,522
Profit before tax	**665,660**	1,005,734
Income tax expense	**(97,386)**	(184,056)
Profit after taxation	**568,274**	821,678

7.Shareholding Analysis and Register

Authorised Share Capital: The Authorised share capital of the bank remains at 5,500,000,000 made up of 11,000,000,000 ordinary shares of 50k each.

8.Shareholding Band

Range	No. of Shareholders	No. of Holdings	% of Shareholdings
1 - 5,000,000	124	12,585,379	0.25%
5000001 - 10,000,000	0	-	0
10,000,001 - 250,000,000	31	1,090,133,708	21.80%
250,000,001 - 1,000,000,000	1	909,706,292	18.19%
1,000,000,001 - 2,500,000,000	1	2,987,574,621	59.75%
TOTAL	**157**	**5,000,000,000**	**100%**

9.Share Capital History

The movement in the Bank's authorized and paid up ordinary share capital from commencement to date is shown below:

AUTHORISED SHARE CAPITAL

DATE	INCREASE	UNIT PRICE	CUMULATIVE UNIT	N
2014	11,000,000,000	0.5	11,000,000,000	5,500,000,000
2015			11,000,000,000	
2016			11,000,000,000	
2017			11,000,000,000	
2018			11,000,000,000	
2019			11,000,000,000	
2020			11,000,000,000	
2021			11,000,000,000	
2022			11,000,000,000	
2023			11,000,000,000	
			11,000,000,000	**5,500,000,000**

10. ISSUED AND FULLY PAID SHARE CAPITAL HISTORY

YEAR	INCREASE	UNIT PRICE	UNIT	N
2014	5,000,000,000	0.5	5,000,000,000	2,500,000,000.00
2015	-		-	-
2016	-		-	-
2017	-		-	-
2018	-		-	-
2019	-		-	-
2020	-		-	-
2021	-		-	-
2022	-		-	
2023	-		-	
			5,000,000,000	**2,500,000,000.00**

11.SUBSTANTIAL INTEREST IN SHARES

According to the register of members as at 31st December 2023, no. shareholder held more than 5% of the issued share capital of the Bank except the following:

S/N	NAME OFSHAREHOLDERS	HOLDINGS	PERCENTAGE
1	CITITRUST HOLDINGS PLC	2,041,094,418	40.82%
2	OSUN STATE GOVERNMENT	901,466,695	18.03%
3	OSUN STATE LOCAL GOVERNMENT	1,090,133,708	21.80%
4	ADEKUNLE ADEWOLE	369,506,532	7.39%
		4,402,201,353	**88.04%**

12.Ownership Structure

The table below shows the company's shareholdings structure and percentage holding of each major shareholder

S/N	NAME OFSHAREHOLDERS	HOLDINGS	PERCENTAGE
1	CITITRUST HOLDINGS PLC	2,041,094,418	40.82%
2	OSUN STATE GOVERNMENT	901,466,695	18.03%
3	OSUN STATE LOCAL GOVERNMENT	1,090,133,708	21.80%
4	ADEKUNLE ADEWOLE	369,506,532	7.39%
5	OTHERS	597,798,647	11.96%
		5,000,000,000	**100.00%**

13.DIRECT AND INDIRECT HOLDINGS OF DIRECTORS

The direct and indirect interests of directors in the issued share capital of the bank as recorded in the register of directors'shareholding and/or as notified by the directors for the purposes of sections 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange is as stated.

	LIVINGTRUST MORTGAGE BANK PLC DIRECTORS HOLDINGS AS AT DECEMBER 31, 2023				
		31-Dec-23		31-Dec-22	
S/NO	**NAME OF DIRECTORS**	**DIRECT HOLDINGS**	**INDIRECT HOLDINGS**	**DIRECT HOLDINGS**	**INDIRECT HOLDINGS**
1	**Alhaji Adebayo Jimoh**	Nil	901,466,695	Nil	901,466,695
2	**Adekunle Adewale**	369,506,532	Nil	Nil	Nil
3	**Mrs. Olaitan Aworonke**	24,858,015	Nil	Nil	Nil
4	**Dr. Olumide Adedeji**	24,858,015	Nil	Nil	Nil
5	**Mrs. Mamman-Da Umma Dambo**	Nil	Nil	Nil	Nil
6	**Hon. Ogungbile Olusola**	Nil	1,090,133,708	Nil	Nil
7	**Mr. Yemi Adefisan**	115,000	2,041,094,418	Nil	2,987,574,621
8	**Mr. Olufemi Adesina**	4,488,850	Nil	Nil	Nil
9	**Prof. Charles Ukeje**	72,933	Nil	Nil	Nil
10	**Mrs. Fehintola Olatunde-Agbeja**	Nil	Nil	Nil	Nil

14.Acquisition of own shares
The Bank did not purchase its own shares during the period.

15.Director's Name
The names of the Directors during the year ended 31st December, 2023 are as follows:

S/N	NAME	POSITION HELD
1	Alh. Adebayo Jimoh	Chairman
2	Mr. Adekunle Adewole	Managing Director and Chief Executive Officer
3	Mrs Olaitan Aworonke	Executive Director
4	Dr. Olumide Adedeji	Executive Director
5	Hon.Ogungbile Olusola	Non-Executive Director
6	Mr. Adeyemi Adefisan	Non-Executive Director
7	Mr. Olufemi Adesina	Non-Executive Director
8	Mrs. Mamman-Da Umma Dambo	Independent Director
9	Mrs.Fehintola Olatunde-Agbeja	Independent Director
10	Prof. Charles Ukeje	Independent Director

LIVINGTRUST MORTGAGE BANK PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Central Bank of Nigeria in its Circular FIR/DIR/CIR/GEN/07/017 of October 26, 2018 released a new Corporate Governance Code, which includes the protection of equity ownership, enhancement of sound organizational structure and promotion of industry transparency. The Code requires Banks to include in their annual report and accounts, compliance report to the Code of Corporate Governance. In compliance therefore, we state below our Compliance Report as at December 31 2023:

1.Compliance Status

In line with the provisions of the new Code, the Bank has put in place a robust internal control and risk management framework that will ensure optimal compliance with internationally acceptable corporate governance indices in all its operations. In the opinion of the Board of Directors, the Bank has substantially complied with the new Code of Corporate Governance during the 2023 financial year.

2.Statutory Bodies

Apart from the CBN Code of Corporate Governance, which the Bank has strived to comply with since inception, it further relies on other regulatory bodies to direct its policy thrust on Corporate Governance.

3.Shareholders' Meeting

The shareholders remain the highest decision making of LivingTrust Mortgage Bank Plc., subject however to the provisions of the Memorandum and Articles of Association of the Bank, and other applicable legislation. At the Annual General Meetings (AGM), decisions affecting the Management and strategic objectives of the Bank are taken through a fair and transparent process. Such AGM are attended by the shareholders or their proxies and proceedings at such meetings are monitored by members of the press and representatives of the Nigerian Stock Exchange, Central Bank of Nigeria, Nigeria Deposit Insurance Commission, Corporate Affairs Commission, Securities and Exchange Commission and the Bank's statutory auditors.

4.Ownership Structure

Osun State Government and Osun State Local Government Councils represent public sector participation in the ownership of the Bank however they are not majority shareholders in the bank. The lists of shareholders consist of individuals, Public Sector and institutional investors.

5.Board of Directors and Membership

The Board of Directors consists of the Chairman, Managing Director/Chief Executive Officer (MD/CEO), Executive Directors (EDs) and Non- Executive Directors (Non- EDs). The Directors have diverse background covering Economics, Management, Accounting, Psychology, Information Technology, Public Administration, Law, Engineering, and Business Administration.

These competences have impacted on the Bank's stability and growth. The office of the Chairman of the Board is distinct and separate from that of the Managing Director/Chief Executive Officer and the Chairman does not participate in running the daily activities of the Bank. There are no family ties within the Board.

We confirm that the Chairman of the Board is not a member of any Board Committee and appointment to the Board is made by the shareholders at the Annual General Meeting upon the recommendation of the Board of Directors.

Memberships of the Board of Directors during the year ended 31 December, 2023

S/N	Name		Position Held
1	Alh. Adebayo Jimoh	-	Chairman
2	Mr. Adekunle Adewole	-	Managing Director and Chief Executive Officer
3	Mrs Olaitan Aworonke	-	Executive Director
4	Dr. Olumide Adedeji	-	Executive Director
5	Hon.Ogungbile Olusola	-	Non-Executive Director
6	Mr. Adeyemi Adefisan	-	Non-Executive Director
7	Mr. Olufemi Adesina	-	Non-Executive Director
8	Mrs. Mamman-Da Umma Dambo	-	Independent Director
9	Mrs.Fehintola Olatunde-Agbeja	-	Independent Director
10	Prof. Charles Ukeje	-	Independent Director

Tenure of Office – Election/Re-election of Directors

The tenure of office of a Non-Executive Director is a renewable term of four (4) years each for three (3) terms. The tenure of office of an Independent Director is a renewable term of five (5) years each for two (2) terms. The tenure of the Managing Director/CEO and Executive Directors is limited to two terms of five (5) years each.

Delegation of Powers

The Board of Directors delegates any of their powers to Committees consisting of such members of their body as they think fit and have oversight functions on the Committees. The Board also delegates authority to the Management in line with best practices, for the day-to- day Management of the Bank through the MD/CEO, who is supported in this task by the Three (3) Management Staff.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Standing Board Committees

The Board carries out its oversight responsibilities through four (4) standing Committees whose terms of reference it reviews regularly. All the Committees have clearly defined terms of references, which set out their roles, responsibilities and functions, scope of authority and procedures for reporting to the Board.

In Compliance with Code No. 6 on industry transparency, due process, data integrity and disclosure requirement, the Board has in place the following Committees and reporting structures through which its oversight functions are performed:

- Statutory Audit Committee;
- Board Investment and Credit Committee;
- Nomination and Governance Committee
- Audit and Risk Committee

Statutory Audit Committee

This is a joint shareholders/Board Committee that comprises of an equal number of 3 (Three) shareholders and 2 (Two) Directors. The Committee has oversight function on Internal Control system and financial reporting. The Committee's terms of reference are:

General

The Committee shall:

- Ensure that there is an open avenue of communication between the External Auditors and the Board and confirm the Auditors' respective authority and responsibilities.
- Oversee and appraise the scope and quality of the audits conducted by the Internal and External Auditors.
- Review annually, and if necessary propose for formal Board adoption, amendments to the Committee's terms of reference.

Whistle Blowing

Review arrangement by which staff of the Bank may, in confidence, raise concerns about possible improperty in matters of financial reporting or other matters.

As global best practice however that a direct channel of communication is established between the whistle blower and the authority to take action, investigate or cause to be investigated the matter being blown, the Committee shall ensure that arrangements are in place for the proportionate and independent investigation and follow-up of such matters.

E-mail: whistleblower@livingtrustng.com

Regulatory Reports

The Committee shall also:

Examine CBN/NDIC examination Reports and make recommendations thereof.

Monitor and review the standards of risk management and internal control, including the processes and procedures for ensuring that material business risks, including risks relating to IT security, fraud and related matters, are properly identified and managed, the effectiveness of internal control, financial reporting, accounting policies and procedures, and the Bank's statements on internal controls before they are agreed by the Board for each year's Annual Report.

Consider and review the process for risk management annually to ensure adequate oversight of risk faced by the Bank and the system of internal controls and reporting of those risks within the Bank.

Statutory Audit Committee

This is a joint shareholders/Board Committee that comprises of 3 (Three) shareholders and 3 (Three) Directors with the Managing Directors and 2 (Two) Executive Directors. The Committee has oversight function on Internal Control system and financial reporting.

COMMITTEE MEMBERS

	Director	Position Held
1	Mr. Olufemi Adesina	Member
2	Prof. Charles Ukeje	Member
	Shareholders	
1	Mr. Olugbosun Ariyo Ayo	Chairman
2	Mr. Yaya Ajagbe Suraju	Member
3	Mr. Oladejo Adeboye	Member

Quorum: The quorum is formed when two/third of the members are available

Committee Roles

The Committee shall:

- Ensure that there is an open avenue of communication between the External Auditors and the Board and confirm the Auditors' respective authority and responsibilities.

- Oversee and appraise the scope and quality of the audits conducted by the Internal and External Auditors.
- Review annually, and if necessary propose for formal Board adoption, amendments to the Committee's terms of reference.

MEETING ATTENDANCE

S/N	MEMBER	POSITION	Meeting Dates		
			07/03/2023	12/07/2023	25/10/2023
1	Mr.Olugbosun Ariyo Ayo	Chairman (Representing the shareholders)	√	√	√
2	Mrs. Fehintola Olatunde-Agbaja	Member (Representing the board)	√	√	Ώ
3	Mr. Olufemi Adesina	Member (Representing the board)	√	√	√
4	Mr. Suraju Ajagbe Yahaya	Member (Representing the shareholders)	√	√	√
5	Otunba Adeboye Oladejo Mukaila	Member (Representing the shareholders)	√	√	√
6	Prof. Charles Ukeje	Member (Representing the board)	Ώ	Ώ	√
IN ATTENDANCE					
7	Mr. Adekunle Adewole	Managing Director	√	√	√
8	Mrs. Olaitan Aworonke	Executive Director	√	√	√
9	Dr. Olumide Adedeji	Executive Director	√	√	√
10	Mr. Timothy Gbadeyan	Company Secretary	√	√	√

Key:

Present - √
Absent- X
Retired – Ώ

Board Investment and Credit Committee

The Board Investment and Credit Committee is charged with the responsibility of evaluating and or approving all credits beyond the power of management from 80Million to 600Million for fund-based facilities.

Membership

The Committee has 6 (Six) members comprising of 3 (Three) Non-Executive Directors and the Managing Director/CEO and 2 (Two) Executive director. The committee members are as follows:

	DIRECTORS NAME	
1	Mr. Olufemi Adesina	Chairman
2	Mr. Yemi Adefisan	Non-Executive Director
3	(Mrs.) Umma Mamman-Da	Independednt Director
4	Mr. Adekunle Adewole	Managing Director
5	Mrs. Olaitan Aworonke	Executive Director
6	Dr. Olumide Adedeji	Executive Director

Quorum: The quorum is formed when two/third of the members are available.

Committee Roles:
- Oversee Management's establishment of policies and guidelines, to be adopted by the Board.
- Articulating the Bank's tolerance with respect to credit risk, and overseeing management's administration of, and compliance with, these policies and guidelines.
- Overseeing Management's establishment of appropriate systems (including policies, procedures, management and credit risks stress testing) that support measurement and control of credit risk.

Periodic review of Management strategies, policies and procedures for managing credit risk, including credit quality administration, underwriting standards and the establishment and testing of provisioning for credit losses.
- Overseeing the administration of the Bank's credit portfolio, including Management responses to trends in credit risk, credit concentration and asset quality.

Coordinate as appropriate its oversight of credit risk with Board risk Management Committee in order to assist the committee in its task of overseeing the Bank's overall management and handling of risk.
Evaluate and approve all credit beyond the power of the Executive Management.
Ensure that a qualitative and profitable credit portfolio exist for the Bank.
Evaluate and recommend to the board all credits beyond the committee's powers.
Review of credit portfolio within its limit in line with set objectives
Any other over sight function as may, from time to time, be expressly requested by the Board.

LIVINGTRUST MORTGAGE BANK PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

MEETING ATTENDANCE

S/N	MEMBER	POSITION	Meeting Dates 17/01/2023	11/04/2023	11/07/2023	24/10/2023
1	Mr. Olufemi Adesina	Chairman	√	√	√	√
2	Mr. Yemi Adefisan	Member	√	√	√	√
3	Arc. (Mrs.) Umma Mamman-Da	Member	√	√	X	X
4	Mr. Adekunle Adewole	Member	√	√	√	√
5	Mrs. Olaitan Aworonke	Member	√	√	√	√
6	Dr. Olumide Adedeji	Member	√	√	√	√
IN ATTENDANCE						
7	Mr. Timothy Gbadeyan	Company Secretary	√	√	√	√

Key:
Present - √
Absent- X
Retired – Ώ

Nomination and Governance Committee

The committee is responsible for the overall governance and personnel function of the Board. Their role includes the following:

Membership

MEMBERS

	MEMBERS	
1	Mrs. Fehintola Olatunde Agbeja	Chairman
2	Prof. Charles Ukeje	Independent Non-Executive Director

MEETING ATTENDANCE

S/N	MEMBER	POSITION	Meeting Dates 18/01/2023	12/04/2023	12/07/2023	25/10/2023
1	Mrs. Fehintola Olatunde Agbeja	Chairman	√	√	√	√
2	Prof. Charles Ukeje	Member	√	√	√	√
		IN ATTENDANCE				
3	Mr. Adekunle Adewole	Managing Director	√	√	√	√
4	Mrs. Olaitan Aworonke	Executive Director	√	√	√	√
5	Dr. Olumide Adedeji	Executive Director	√	√	√	√
6	Mr. Timothy Gbadeyan	Company Secretary	√	√	√	√

Key:
Present - √
Absent- X
Retired – Ώ

BOARD AUDIT AND RISK COMMITTEE

The Board Risk Management Committee has the oversight function of insulating the Bank from operational and lending risks and is charged with the following responsibilities:

COMMITTEE MEMEBRS

	MEMBERS	
1	Mr. Yemi Adefisan	Chairman
2	Mrs. Fehintola Olatunde Agbeja	Independent Non-Executive Director
3	Mr. Charles Ukeje	Independent Non-Executive Director
4	Mrs.Mamman-Da Umma Dambo	Independent Non-Executive Director

LIVINGTRUST MORTGAGE BANK PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Committee Roles

i. Overseeing the overall Risk Management of the Bank
Ii. Reviewing periodically, Risk Management objectives and other specific Risk Policies for consideration of the full Board
iii. Evaluating the Risk Rating Agencies, Credit Bureau and other related Service Providers to be engaged by the Bank
iv. Approving the internal Risk Rating Mechanism.
v.Reviewing the Risk Compliance reports for Regulatory Authorities
vi. Reviewing and approving exceptions to The Bank's Risk Policies
vii. Review of policy violations on Risk issues at Senior Management Level
viii.Certifying Risk Reports for Credits, Operations, Market/Liquidity subject to limits set by the Board
ix.Evaluating the risk profile and risk management plans for major projects and new ventures to determine the impact on the Bank's risk profile
x. Ensuring compliance with global best practice standards as required by the Regulators.
xi.Monitoring the market, Operational, Reputational, Liquidity, Compliance, Strategic, Legal and other Risks as determined by the Board.
xii. Any other oversight functions as may, from time to time, be expressly requested by the Board.

MEETING ATTENDANCE

S/N	MEMBER	POSITION	Meeting Dates			
			17/01/2023	11/04/2023	11/07/2023	23/10/2023
1	Mr. Yemi Adefisan	Chairman	√	√	√	√
2	Prof. Charles Ukeje	Member	√	√	√	√
3	Mrs. Fehintola Olatunde Agbeja	Member	√	√	√	√
4	Arc. (Mrs.) Umma Mannan-Da	Member	√	√	√	√
		IN ATTENDANCE				
5	Mr. Adekunle Adewole	Managing Director	√	√	√	√
6	Mrs. Olaitan Aworonke	Executive Director	√	√	√	√
7	Dr. Olumide Adedeji	Executive Director	√	√	√	√
8	Mr. Timothy Gbadeyan	Company Secretary	√	√	√	√

FULL BOARD MEETING

S/No.	BOARD MEMBERS	POSITIONS	20/01/2023	14/04/2023	17/07/2023	27/10/2023
1	Alh. Adebayo Jimoh	Board Chairman	√	√	√	√
2	Mrs.Fehintola Olatunde-Agbeja	Independent Director	√	√	√	√
3	Mr. Adeyemi Adefisan	Non-Executive Director	√	√	√	√
4	Mr. Olufemi Adesina	Non-Executive Director	√	√	√	√
5	Prof. Charles Ukeje	Independent Director	√	√	√	√
6	Arc. (Mrs.) Umma Mamman-Da	Independent Director	√	√	√	√
7	Mr. Adekunle Adewole	Managing Director	√	√	√	√
8	Mrs. Olaitan Aworonke	Executive Director	√	√	√	√
9	Dr. Olumide Adedeji	Executive	√	√	√	√
10	Hon. Sola Ogungbile	Non-Executive Director	Ώ	Ώ	Ώ	√
		IN ATTENDANCE				
11	Mr. Timothy Gbadeyan	Company Secretary	√	√	√	√

BY ORDER OF THE BOARD

Timothy Gbadeyan Esq.
Company Secretary

Dated: 4 March 2024

LIVINGTRUST MORTGAGE BANK PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

In accordance with the provisions of the Companies and Allied Matters 2020, Sections 23 and 27 of the Banks and Other Financial Institutions Act, 2020 and the Financial Reporting Council Act No. 42, 2023 (as amended), the Directors are responsible for the preparation of annual financial statements which give a true and fair view of the state of affairs of the Bank, and of the financial performance for the year. The responsibilities include ensuring that:

(a) appropriate internal controls are established both to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities;

(b) the Bank keeps accounting records which disclose with reasonable accuracy the financial position of the Bank and which ensure that the financial statements comply with requirements of International Financial Reporting Standards and the Companies and Allied Matters Act, 2020, Banks and Other Financial Institutions 2020, the Financial Reporting Council Act No. 42, 2023 (as amended), Revised Prudential Guidelines and relevant circulars issued by the Central Bank of Nigeria;

(c) the Bank has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and

(d) it is appropriate for the financial statements to be prepared on a going concern basis unless it is presumed that the Bank will not continue in business.

The Directors accept responsibility for the preparation of the accompanying 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 and in the manner required by the Companies and Allied Matters Act, 2020, Banks and Other Financial Institutions Act, 2020, the Financial Reporting Council Act No. 42, 2023 (as amended), Revised Prudential Guidelines, and relevant circulars issued by the Central Bank of Nigeria.

The Directors are of the opinion that the accompanying financial statements give a true and fair view of the state of the financial affairs of the Bank, in accordance with the International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council Act No 42, 2023 (as amended).

The Directors further accept responsibility for the maintenance of adequate accounting records as required by the Companies and Allied Matters Act, 2020 and for such internal controls as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement whether due to fraud or error.
The Directors have made assessment of the Bank's ability to continue as a going concern and have no reason to believe that the bank will not remain as a going concern in the year ahead.

Signed on behalf of the Directors by:

Alhaji Adebayo Jimoh
Chairman
FRC/2014/NIM/00000008047

Dated: 4 March 2024

Dr. Olumide Adedeji
Managing Director/CEO
FRC/2020/004/00000020523

Dated: 4 March 2024

LIVINGTRUST MORTGAGE BANK PLC

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Further to the provisions of section 405 of the Companies and Allied Matters Act, 2020, we, the undersigned, hereby certify the following with regards to our audited financial statements for the year ended 31 December, 2023 that:

i). We have reviewed the report and to the best of our knowledge, the report does not contain:
- Any untrue statement of a material fact, or

- Omission to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;

- To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Bank as of, and for the years presented in the report.

ii). We
- are responsible for establishing and maintaining internal controls;

- have designed such internal controls to ensure that material information relating to the Bank is made known to the responsible officers during the year in which the reports are being prepared;

- have evaluated the effectiveness of the Bank's internal controls as of date of the report;

- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

iii). We have disclosed to the auditors of the Bank
- all significant deficiencies in the design or operation of internal controls which would adversely affect the Bank's ability to record, process, summarize and report financial data and have identified for the Bank's auditors' any material weakness in internal controls, and.

- any fraud, whether material or not material, that involves management or other employees who have significant role in the Bank's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regards to significant deficiencies and material weaknesses.

Alhaji Adebayo Jimoh	**Dr. Olumide Adedeji**
Chairman	**Managing Director/CEO**
FRC/2014/NIM/00000008047	**FRC/2020/004/00000020523**
Dated: 4 March 2024	**Dated: 4 March 2024**

LIVINGTRUST MORTGAGE BANK PLC
FOR THE YEAR ENDED 31 DECEMBER 2023

Certification of management's assessment on internal control over financial reporting

To comply with the provision of Section 1.1 of SEC Guidance on implementation of Sections 60-63 of the investments and securities Act No. 29, 2007 for the year ended **31st December, 2023.**

We the undersigned hereby certify the following with regard to Audited Accounts for the year ended **31st December, 2023** that:

1 We have reviewed the report and to the best of our knowledge, the report does not contain:
a. Any untrue statement of material fact, or
b. Any omission of material fact, which would make the statement, misleading in the light of the circumstances under which such statements were made.
2 To the best of our knowledge, the financial statement and the other financial information included in the report fairly present in all material respects the financial state and result company as at and for the periods presented in the report.
3 We are responsible for:
a. Establishing and maintain internal controls
b. The design of such internal controls and to ensure that material information relating to the company is made known to the officers in the company particularly during the period in which the periodic reports are being prepared.
c. Evaluating the effectiveness of the company's internal controls within 90 days prior to the report.
d. Presenting in the report our conclusions about the effectiveness of the company's internal control based on our evaluation as of that date.
4 We have disclosed to the auditors of the company and Audit committee:
a. All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record process, summarize and report financial data and have identified for the company's Auditor any material weakness in internal controls, and
b. Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls.
5 We have identified in the report whether or not there were significant changes in the internal controls or other factors that could significantly affect internal control subsequent to the date of our evaluation, including any corrective actions with regards to significant deficiencies and material weakness.

Dated this 4th day of March 2024

Femi Olusola	**Dr. Olumide Adedeji**
Financial Controller	**Managing Director/CEO**
FRC/2023/PRO/ICAN/001/267504	**FRC/2020/004/00000020523**

LIVINGTRUST MORTGAGE BANK PLC
FOR THE YEAR ENDED 31 DECEMBER 2023

Management's Annual Assessment of, and Report on, the Entity's Internal Control over Financial Reporting

To comply with the provision of Section 1.3 of SEC Guidance on implementation of Sections 60-63 of the investments and securities Act No. 29, 2007 for the year ended **31st December, 2023.**

We the undersigned hereby make the following statements regarding the Internal Controls of the **Livingtrust Mortgage Bank Plc. Over the audited financial statements** for the year ended **31st December, 2023** that:

i. Management is responsible for establishing and maintaining a system of internal controls over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with International Financial Reporting Standards.

ii. Management used the Committee of Sponsoring Organisation of the Treadway Commission (COSO) internal Control-Integrated Framework to conduct the required evalaution of the effectiveness of the entity's ICFR.

iii. Management has assessed that the entity's ICFR as of the end of 31 December 2023 is effective.

iv. The external auditor Messrs **PKF Professional Services** that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the Bank's internal control over financial reporting.

The attestation report of Messrs **PKF Professional Services** that audited its financial statements will be filed as part of its annual report.

Dated this 4th day of March 2024

Femi Olusola	**Dr. Olumide Adedeji**
Financial Controller	**Managing Director/CEO**
FRC/2023/PRO/ICAN/001/267504	**FRC/2020/004/00000020523**

LIVINGTRUST MORTGAGE BANK PLC

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2023

In compliance with the provisions of section 404(4) of the companies and Allied matters Act, 2020, we confirm that the accounting and reporting policies of the Bank were in accordance with statutory requirement and agreed ethical practices.

In our opinion, the scope and planning of both the internal and external audits for the year ended 31st December 2023 were adequate. We have also received, reviewed and discussed the audit report on Management matters and were satisfied with the departmental responses thereon.

The Members of the Audit Committee reviewed the Audit report on related party transactions and are satisfied with their status as required by Central Bank of Nigeria (CBN). The Committee also reviewed the IFRS disclosure requirements and is satisfied with the disclosures thereon.

The internal control system of the bank was also being constantly effectively monitored.

Dated this 4th day of March 2024.

Mr. Ariyo Olugbosun
FRC/2021/002/00000024831
For: Chairman, Statutory Audit Committee

Members of the Audit Committee

1.	Mr. Olugbosun Ariyo Ayo	Shareholder, Chairman
2.	Mr. Olufemi Adesina	Independent Director, Member
3.	Prof. Charles Ukeje	Independent Director, Member
4.	Yaya Ajagbe Suraju	Shareholder, Member
5.	Mr. Oladejo Adeboye	Shareholder, Member

PKF Professional Services

205A, Ikorodu Road, Obanikoro, Lagos.
G.P.O Box 2047, Marina, Lagos, Nigeria.

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email: info@pkf-ng.com
web: www.pkf-ng.com

Independent Auditor's Report

To the Shareholders of LivingTrust Mortgage Bank Plc

Opinion

We have audited the financial statements of LivingTrust Mortgage Bank Plc ("the Bank") which comprise the statement of financial position as at **31 December 2023**, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at **31 December 2023,** and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act, 2020, the Financial Reporting Council of Nigeria Act, No 42, 2023 (as amended) and relevant Central Bank of Nigeria Guidelines and Circulars.

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 Financial Statements section of our report.

We are independent of the Bank in accordance with the requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Nigeria.

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

Key audit matters

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

Key Audit Matter	How the matter was addressed in the audit
Impairment allowance on loans and advances to customers Loans and advances to customers constitute significant portion of the Bank's total assets, as a major component of the Bank's financial intermediation function revolves round financial assets. The determination of impairment allowance using the Expected Credit Loss (ECL) model requires the application of certain financial indices estimated from historical financial data outside the Bank in determining the level of impairment allowance required. The ECL model involves the application of considerable level of judgement and estimation in determining inputs for ECL calculation such as: • determining criteria for assigning Probability of Default (PD) rates. • assessing the relationship between the quantitative factors such as default and qualitative factors such as macro-economic variables. • incorporating forward looking information in the model building process. • factors incorporated in determining the Probability of Default (PD), the Loss Given Default (LGD), the Recovery Rate and the Exposure at Default (EAD). • factors considered in cash flows estimation including timing and amount. Given the level of complexity and judgement involved in determining of the ECL, and also the material nature of the balance. We considered the impairment of the loans and advances to customers' to be a key audit matter in the financial statements. The Bank's accounting judgement and estimates, accounting policy on impairment and loans and advances to customers are disclosed in notes 2c, 4.12 and 19 respectively.	Our procedures included the following: • We reviewed the ECL model prepared by management for the computation of impairment on loans and advances to customers. • Obtained an understanding of the default definition(s) used in the ECL calculation, and focused on the most significant model assumptions including PD and LGD. • Tested the underlying data behind the determination of the probability of defaults and loss given defaults by agreeing same to underlying supporting documentation. • Critically evaluated the determination of the expected cash flows used in assessing and estimating impairments and the reasonableness of any assumptions. • Evaluated whether the model used to calculate the recoverable amount complies with the requirements of IFRS 9. • Examined the criteria used to allocate loans and advances to customers under stages 1, 2 and 3. • For loans and advances to customers classified under stages 1 and 2, we selected material balances and reviewed the repayment history for possible repayment default. • For loans and advances to customers classified under stage 3, we tested all the assumptions considered in the estimation of recovery cash flows, the discount factor, and timing of realization. • Reviewed the disclosures for reasonableness to ensure conformity with the IFRSs. Based on the work we have performed, we consider the level of impairment allowance acceptable.

Other Information
The directors are responsible for the other information. The other information comprises the Chairman's statement, Directors' Report, Audit Committee's Report, Corporate Governance Report Corporate responsibility report and Company Secretary's report and Other National Disclosures (i.e. statement of value added and five-year financial summary as required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council Act No. 42, 2023 (as amended) but does not include the financial statements and our auditor's report thereon.

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

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

We have also performed an assurance engagement, in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, on the Internal control over financial reporting of LivingTrust Mortgage Bank Plc and our report dated 4 March 2024 expressed an unqualified opinion.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements
The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, 2020, the Banks and Other Financial Institutions Act, 2020, the Financial Reporting Council of Nigeria Act No 42, 2023 (as amended) and relevant Central Bank of Nigeria Guidelines and Circulars and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Bank'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 Bank or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.

- Obtained 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 Bank's internal control.

- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Concluded on the appropriateness of the director's 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 Bank'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 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 Bank to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with the Audit Committee 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.

We also provided the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determined those matters that were of most significance in the audit of the 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

In accordance with the requirement of the fifth schedule of the Companies and Allied Matters Act, 2020, 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 purpose of our audit;
ii) Proper books of account have been kept by the Bank, in so far as it appears from our examination of those books
iii) The Bank's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

In compliance with the Banks and Other Financial Institutions Act, 2020 and circulars issued by Central Bank of Nigeria, we confirm that:

i) As disclosed in Note 36, to the financial statements, no contravention of the provisions of the Banks and Other Financial Institutions Act, 2020 and Central Bank of Nigeria circulars was brought to our attention.

ii) Related party transactions and balances are disclosed in Note 33 to the financial statements in compliance with Central Bank of Nigeria circular BSD/1/2004.

Benson O. Adejayan, FCA
FRC/2013/ICAN/00000002226
For: **PKF Professional Services**
Chartered Accountants
FRC/2023/COY/141906
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0889502

Dated: 4 March 2024

LIVINGTRUST MORTGAGE BANK PLC

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023

	Notes	2023 ₦'000	2022 ₦'000
Assets			
Cash and balances with the Central Bank of Nigeria	17	**114,069**	141,492
Due from banks	18	**3,564,827**	970,819
Loans and advances to customers	19	**12,790,784**	10,679,375
Investment securities	20	**98,821**	96,920
Other assets	21	**647,219**	447,866
Property and equipment	22	**374,591**	378,368
Intangible assets	23	**52,080**	49,533
Deferred tax assets	15.4	**39,471**	-
		17,681,862	12,764,373
Non current assets held for sale	24	**114,297**	149,317
Total assets		**17,796,159**	12,913,690
Liabilities and equity			
Liabilities			
Deposit from customers	25	**9,143,651**	5,491,601
Borrowings	26	**3,085,875**	2,841,457
Current income tax liability	15.3	**118,959**	170,150
Deferred tax liability	15.5	**-**	69,685
Other liabilities	27	**1,193,175**	594,846
Total liabilities		**13,541,660**	9,167,739
Equity			
Ordinary share capital	28	**2,500,000**	2,500,000
Retained earnings	29.1	**698,889**	794,768
Statutory reserve	29.2	**491,151**	377,497
Regulatory risk reserve	29.3	**579,671**	90,800
Fair value reserve	29.4	**(15,212)**	(17,114)
Total equity		**4,254,499**	3,745,951
Total liabilities and equity		**17,796,159**	12,913,690

The financial statements were approved by the Board of Directors on **4 March 2024** and signed on its behalf by:

Alhaji Adebayo Jimoh	**Dr. Olumide Adedeji**	**Femi Olusola**
Chairman	**Managing Director/CEO**	**Financial Controller**
FRC/2014/NIM/00000008047	**FRC/2020/004/00000020523**	**FRC/2023/PRO/ICAN/001/267504**

The accompanying notes and significant accounting policies form an integral part of these financial statements.

LIVINGTRUST MORTGAGE BANK PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 ₦'000	2022 ₦'000
Gross earnings		**2,891,657**	2,538,906
Interest and similar income calculated using effective interest rate	7	**2,397,008**	1,937,466
Interest and similar expense calculated using effective interest rate	8	**(854,056)**	(495,272)
Net interest income		**1,542,952**	1,442,194
Net fee and commission income	9	**174,615**	192,045
Other operating income	10	**320,033**	409,395
Total operating income		**2,037,601**	2,043,634
Impairment allowance loss charge	11	**(220,764)**	(94,112)
Net operating income		**1,816,837**	1,949,522
Personnel expenses	12	**(523,599)**	(424,167)
Depreciation of property and equipment	13.1	**(86,212)**	(71,911)
Amortisation of intangible assets	13,2	**(16,214)**	(11,722)
Other operating expenses	14	**(525,152)**	(435,989)
Total operating expenses		**(1,151,177)**	(943,789)
Profit before tax		**665,660**	1,005,734
Income tax expense	15.1	**(97,386)**	(184,056)
Profit for the year after tax		**568,274**	821,678
Other comprehensive loss			
Items that may be subsequently reclassified to profit or loss		**-**	-
Items that will not be subsequently reclassified to profit or loss			
Changes in the fair value of equity investments designated at FTVOCI	29.4	**1,901**	116
Total other comprehensive loss		**1,901**	116
Total comprehensive profit		**570,175**	821,794
Earnings per share - Basic (Kobo)	15	**11.37**	16.43

The accompanying notes and significant accounting policies form an integral part of these financial statements.

LIVINGTRUST MORTGAGE BANK PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Attributable to equity holders					
	Ordinary Share Capital ₦'000	Retained Earnings ₦'000	Statutory Reserves ₦'000	Regulatory Risk Reserves ₦'000	Fair value Reserves ₦'000	Total ₦'000
At 1 January 2022	**2,500,000**	**388,163**	**213,161**	**140,061**	**(17,230)**	**3,224,155**
Changes in equity for the year 2022:						
Profit for the year	-	821,678	-	-	-	821,678
Amount attributable to equity holders	-	821,678	-	-	-	821,678
Transactions with owners directly in equity:						
Transfer between reserves	-	(115,074)	164,336	(49,262)	-	-
Dividend paid	-	(300,000)	-	-	-	(300,000)
Other comprehensive reserve:						-
Changes in the fair value of equity investments designated at FTVOCI	-	-	-	-	116	116
At 31 December, 2022	**2,500,000**	**794,768**	**377,497**	**90,800**	**(17,114)**	**3,745,950**
At 1 January 2023	**2,500,000**	**794,768**	**377,497**	**90,800**	**(17,114)**	**3,745,950**
Changes in equity for the year 2023:						
Profit for the year	**-**	**568,274**	**-**	**-**	**-**	**568,274**
Amount attributable to equity holders	**-**	**568,274**	**-**	**-**	**-**	**568,274**
Transactions with owners directly in equity:						
Transfer between reserves	**-**	**(602,526)**	**113,655**	**488,871**	**-**	**-**
Dividend paid	**-**	**(61,627)**	**-**	**-**	**-**	**(61,627)**
Other comprehensive reserve:						
Changes in the fair value of equity investments designated at FTVOCI	**-**	**-**	**-**	**-**	**1,901**	**1,901**
At 31 December, 2023	**2,500,000**	**698,889**	**491,151**	**579,671**	**(15,212)**	**4,254,498**

Statutory reserve
The revised guidelines for Primary Mortgage Banks in Nigeria require mortgage banks to make an annual appropriation to a statutory reserve. As stipulated by section 5.4 of the revised guidelines, an appropriation of 20% of profit after tax is made, if the statutory reserve is less than the paid up share capital and 10% of profit after tax if the statutory reserve is equal to or in excess of the paid up capital.

Regulatory risk reserve
The Central Bank of Nigeria stipulates that provisions for loans recognized in the profit or loss account be determined based on the requirements of IFRS. The IFRS provision should then be compared with provision determined using the Prudential Guidelines and the expected impact/changes treated in the retained earnings (See Statement of Prudential Adjustments).

Fair value reserve
Fair value reserve (FVR) assets are measured at fair value in the statement of financial position. Fair value changes on FVR assets are recognised directly in equity, through the statement of changes in equity, except for interest on FVR assets (which is recognised in income on an effective yield basis), impairment losses and (for interest-bearing FVR debt instruments) foreign exchange gains or losses. The cumulative gain or loss that was recognised in equity is recognised in the statement of profit or loss when a fair value reserve financial asset is derecognised.

LIVINGTRUST MORTGAGE BANK PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 ₦'000	2022 ₦'000
Cash flows from operating activities			
Profit after tax		**568,274**	821,678
Adjustment for non-cash items			
Impairment charge/(write back) on loans and advances to customers	11	**95,515**	80,931
Impairment written off on loans and advances to customers		**(69,566)**	(96,386)
Impact of Interest in suspense		**105,770**	24,866
Impairment write back on other assets		**126,711**	5,201
Impairment on intangible assets		**-**	1,289
Impact of adjustment to property and equipment		**-**	2,553
Depreciation of property and equipment	13.1	**86,212**	71,911
Amortisation of intangible assets	13,2	**16,214**	11,722
Income tax expense	15.1	**97,386**	184,056
Cashflows before changes in working capital		**1,026,516**	1,107,821
Changes in working capital			
Loans and advances to customers	19	**(2,243,129)**	(2,881,411)
Other assets	21	**(326,063)**	(389,793)
Deposit from customers	25	**3,652,051**	195,289
Other liabilities	27	**598,330**	255,046
		1,681,187	(2,820,869)
Tax paid		**(254,089)**	(193,169)
Withholding tax credit utilised	15.3	**(3,644)**	(10,476)
Net cash from/(used in) operating activities		**2,449,970**	(1,916,693)
Cash flows from investing activities;			
Purchase of property and equipment		**(82,779)**	(194,667)
Purchase of intangible assets		**(18,761)**	(31,821)
Disposal of non-current assets held for sale		**35,020**	34,034
Proceeds from disposal of property and equipment		**344**	19,917
Net cash used in investing activities		**(66,177)**	(172,536)
Cash flows from financing activities			
Additions to borrowed funds	26	**2,046,240**	1,510,972
Repayment of borrowed funds	26	**(1,801,822)**	(891,618)
Dividend Paid to registrar		**(61,627)**	(300,000)
Net cash from financing activities		**182,792**	319,354
Increase/(decrease) in cash and cash equivalents		**2,566,585**	(1,769,875)
Cash and cash equivalents at 1 January		**1,112,311**	2,882,186
Cash and cash equivalents as at 31 December		**3,678,896**	1,112,311
Additional cash flow information			
Cash and cash equivalents			
Cash on hand	17	**6,732**	34,155
Deposit with the Central Bank of Nigeria (CRR)	17	**107,337**	107,337
Balances with banks within Nigeria	18	**2,447,048**	384,038
Placements with banks and other financial institutions	18	**1,117,779**	586,781
		3,678,896	1,112,311

The deposits with the Central Bank of Nigeria are not available to finance the bank's day to day operations and therefore, are not part of cash and cash equivalents. (See Note 16)

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

LIVINGTRUST MORTGAGE BANK PLC

STATEMENT OF PRUDENTIAL ADJUSTMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

The Central Bank of Nigeria (CBN) stipulates that provisions for loans recognized in the statement of profit or loss be determined based on the requirements of IFRS. The IFRS provisions should then be compared with provision determined under the CBN prudential guidelines and the expected impact/changes treated in the retained earnings as follows:

i) Where the prudential provision is greater than IFRS impairment allowance: the difference should be transferred from the retained earnings to a non-distributable regulatory risk reserve.

ii) Where the prudential provision is less than IFRS impairment allowance: The difference should be transferred from the regulatory risk reserve to the retained earnings to the extent of the non-distributable reserve previously recognized.

	2023	2022
	₦'000	₦'000
Analysis of Prudential Guidelines provision		
Performing	**108,517**	103,861
Non-performing:		
Watchlist	**9,084**	885
Substandard	**26,998**	20,949
Doubtful	**325,643**	30,260
Lost	**272,381**	2,294
Interest-in-suspense	**105,770**	69,556
Total prudential impairment provision	**848,393**	227,804
IFRS impairment allowance		
Stage 1 (See note 19.8)	**247,744**	55,188
Stage 2 (See note 19.8)	**17,638**	12,139
Stage 3 (See note 19.8)	**3,340**	69,677
Total ECL impairment	**268,722**	137,004
IFRS impairment allowance (above)/lower prudential provision	**579,671**	90,800
Regulatory risk reserve		
At 1 January	**90,800**	140,061
Transfer from /(to) retained earnings	**488,871**	(49,262)
At 31 December	**579,671**	90,800

The regulatory risk reserve accounts for the difference between the impairment allowance on loans and advances computed based on the Central Bank of Nigeria Prudential Guidelines compared with the expected credit loss model used in calculating the impairment under IFRS.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information
1.1 Reporting entity
LivingTrust Mortgage Bank Plc (formerly Omoluabi Mortgage Bank Plc) is a public limited liability company domiciled in Nigeria. The address of the Bank's registered office is Km2, Gbongon Road, Osogbo, Osun State. The Bank obtained its license to operate as a Mortgage Bank on the 24 February 1993 and commenced operations in March 1993. The Bank became a public limited liability company on 13 January 2014. The Bank changed its name from Omoluabi Mortgage Bank Plc to LivingTrust Mortgage Bank Plc on 7 October 2020.

The Bank is primarily involved in the business of residential and commercial Mortgage financing as well as construction finance among other financial services.

1.2 Basis of preparation

a) Statement of compliance with IFRSs
This financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) in the manner required by the Companies and Allied Matters Act, 2020, the Financial Reporting Council of Nigeria Act No 42, 2023 (as amended), the Banks and Other Financial Institutions Act, and relevant Central Bank of Nigeria circulars. The IFRS accounting policies have been consistently applied to all periods presented.

The financial statements comprises the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the related notes to the financial statements.

b) Basis of measurement
The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:
- Assets and liabilities held for trading are measured at fair;
- Financial instruments designated at fair value through profit or loss are measured at fair value; investments in equity instruments are measured at fair value;
- Other financial assets not held in a business model whose objective is to hold assets to collect contractual cash flows or whose contractual terms do not give rise solely to payments of principal and interest are measured at fair value;
- Recognized financial assets and financial liabilities designated as hedged items in qualifying fair value hedge relationships are adjusted for changes in fair value attributable to the risk being hedged;
- Liabilities for cash-settled share-based payment arrangements are measured at fair value;
- Available-for-sale financial assets are measured at fair value.

c) Presentation currency
The financial statements are presented in Nigerian Naira (₦) and are rounded to the nearest thousand unless otherwise stated.

d) Functional and presentation currency
The financial statements are presented in Naira, which is the Bank's presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Bank operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in Naira, which is the functional currency of the Bank, and the presentational currency for the financial statements.

2. Significant accounting judgments, estimates and assumptions
The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

a) Going concern
The Bank's Management has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, Management will continue to prepare the financial statements on the going concern basis.

b) Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

c) Changes to the impairment calculation
The adoption of IFRS 9 has fundamentally changed the Bank's accounting for loan loss impairments by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Bank to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

Details of the Bank's impairment method are disclosed below:

Impairment model on loans and advances to customers
The Bank divides its loan portfolio into significant and insignificant loans based on Management approved materiality threshold. The Bank also groups its risk assets into buckets with similar risk characteristics for the purpose of collective impairment of insignificant loans and unimpaired significant loans.

The Probability of Default (PD) and the Loss Given default (LGD) are then computed using historical data from the loan buckets.

The Bank reviews its individually significant loans and advances at each statement of financial position date to assess whether an impairment loss should be recorded in the income statement. In particular, Management judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. The Present Value of such cash flows as well as the present value of the fair value of the collateral is then compared to the Exposure at Default.

Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively in buckets of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The collective assessment of impaired insignificant loans is done with a PD of 100% and the historical LGD while the collective assessment of unimpaired insignificant loans and significant loans is done with the historical PD and LGD.
A summary of the assumptions underpinning the Bank's expected credit loss model is as follows:

(a) Loans and advances to customers
The Bank uses Four IFRS buckets & Three categories for loans which reflect their credit risk and how the loan loss allowance is determined for each of those categories.

Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.
Substandard and doubtful	Interest and/or principal repayments are 30 days past due	Lifetime expected losses, credit impaired.
Lost	Interest and/or principal repayments are 90 days past due and there is no reasonable expectation of recovery.	Asset is written off.

Over the term of the loans, the Bank accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Bank considers historical loss rates for each category of customers, and adjusts for forward looking macroeconomic data.

The Bank provides for credit losses against loans to customers as follows:

Performing Watchlist	AA A	12 month expected losses	Gross carrying amount
Substandard Doubtful Very doubtful	BB B C	Lifetime expected losses	Amortised cost
Lost/write off	D	Asset is written off through profit or loss to the extent of expected losses	None

(b) Accounts receivables
The Bank applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The expected credit losses has also incorporated forward looking information. See Note 18e for the credit losses recognised during the year.

Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk
When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank’s historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:
- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

Credit risk grades
The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data:

Corporate and other entities exposures	Individual exposures	All exposures
- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes. - Data from credit bureau agencies. - Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities.	- Internally collected data on customer behaviour - Ability to repay the loan as at when due	- Payment record - Requests for and granting forbearance - Existing and forecast changes in business, financial and economic conditions

Generating the term structure of PD
Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading.

The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For most exposures, key macro-economic indicators include: GDP growth, oil prices, benchmark interest rates and unemployment.

Dividend paid

Determining whether credit risk has increased significantly
The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modelling, the remaining lifetime PD is determined to have increased by more than [a predetermined percentage/range]. (e.g. when the IFRS 9 lifetime PD has doubled since initial recognition and has increased by more than 20 bps a year).

Using its expert credit judgement and, where possible, relevant historical experience, the Bank may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 90 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:
- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

Modified financial assets
The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:
- its remaining lifetime PD at the reporting date based on the modified terms; with
- with 'the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

The Bank renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under the Bank's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Audit Committee regularly reviews reports on forbearance activities.

For financial assets modified as part of the Bank's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Bank's ability to collect interest and principal and the Bank's previous experience of similar forbearance action. As part of this process, the Bank evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired (see Note 18e / in default). A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/ in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL.

Definition of default and cure
The Bank considers a financial asset to be in default and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 180 days past due on its contractual payments. The Bank considers treasury and interbank balances defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements.

As a part of a qualitative assessment of whether a customer is in default, the Bank also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

• Internal rating of the borrower indicating default or near-default;
• The borrower requesting emergency funding from the Bank;
• The borrower having past due liabilities to public creditors or employees;
• The borrower is deceased;
• A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral;
• A material decrease in the borrower’s turnover or the loss of a major customer;
• A covenant breach not waived by the Bank,
• The debtor (or any legal entity within the debtor’s group) filing for bankruptcy application/protection;
• Debtor’s listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties;
• Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; and
• Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. It is the Bank's policy to consider a financial instrument as ‘cured’ and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three six consecutive months (i.e. a probationary period of 90 days to upgrade from Stage 3 to 2 and a further probationary period of 90 days to upgrade from Stage 2 to 1). The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Incorporation of forward-looking information

The Bank incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Bank Risk Committee and economic experts and consideration of a variety of external actual and forecast information, the Bank formulates a ‘base case’ view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

To ensure completeness and accuracy, the Bank obtains the data used from third party sources. The external information includes economic data and forecasts published by governmental bodies and monetary authorities in the countries in Nigeria, supranational organisations such as the OECD and the International Monetary Fund, and selected private-sector and academic forecasters (e.g. Rating Agency, The Economist Society, Bureau of Statistics, etc.). A team of economists within the Bank's Risk Department verifies the accuracy of inputs to the Bank’s ECL models including determining the weights attributable to the multiple scenarios. The base case represents a most-likely outcome and is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 4 years. The following tables set out the key drivers of expected loss and the assumptions used for the Bank’s base case estimate, ECLs based on the base case, as at 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for “Subsequent years” represent a long-term average and so are the same for each scenario.

31 December 2023

Key drivers	**ECL Scenario**	**Assigned probabilities**	**2020**	**2021**	**2022**	**2023**	**2024**	**Subsequent years**
		%	%	%	%	%	%	%
GDP growth %								
	Upside	30	x	2.3	x	x	x	x
	Base case	40	x	2.3	x	x	x	x
	Downside	30	x	2.3	x	x	x	x
Unemployment rates %								
	Upside	40	x	4.8	x	x	x	x
	Base case	40	x	4.8	x	x	x	x
	Downside	20	x	4.8	x	x	x	x
Foreign exchange rates %								
	Upside	40	x	2.2	x	x	x	x
	Base case	30	x	2.2	x	x	x	x
	Downside	30	x	2.2	x	x	x	x
Inflation rates %								
	Upside	20	x	2.7	x	x	x	x
	Base case	45	x	2.7	x	x	x	x
	Downside	35	x	2.7	x	x	x	x
Interest rates %								
	Upside	40	x	2.1	x	x	x	x
	Base case	30	x	2.1	x	x	x	x
	Downside	30	x	2.1	x	x	x	x

Measurement of ECL
The key inputs into the measurement of ECL are the term structure of the following variables:
- probability of default
- loss given default
- exposure at default

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

Probability of default (PD)
PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

Loss given default (LGD)
LGD is the magnitude of the likely loss if there is a default. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

The Bank segments its lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

For loans secured by retail property, LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

Exposure at default (EAD)
The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

To calculate the EAD for a Stage 1 loan, the Bank assesses the possible default events within 12 months for the calculation of the 12 months ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the reporting date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Bank determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Bank's models.

Collective assessment
Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:
- instrument type;
- credit risk gradings;
- collateral type;
- LTV ratio for retail mortgages;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

Debt instruments measured at FVOCI
The write-off of a portfolio of securities following the collapse of the local market.

Impairment of investments at fair value through other comprehensive income
The bank reviews its debt securities classified as investments at fair value through other comprehensive incomes at each statement of financial position date to assess whether they are impaired. This requires similar judgment as applied to the individual assessment of loans and advances.

The bank also records impairment charges on equity investments at fair value through other comprehensive incomes when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is ‘significant’ or ‘prolonged’ requires judgment. In making this judgment, the bank evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than its cost.

Deferred tax assets
Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

Determination of collateral value
The monitoring of market value of collateral is done on a regular basis. Fair value is adjusted to reflect current market conditions. The amount of collateral required depends on the assessment of the counterparty credit risk.

3. Changes in accounting policies and disclosures

3.1.New and amended standards and interpretations that are effective for the current year
Several standards amendments and interpretations apply for the first time in 2023 but did not have an impact on the financial statements of the Bank.

In the current year, the Bank has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

3.1.1. IFRS 17 InsuranceContracts (includingthe June 2020 and December 2021 Amendments to IFRS 17)
The Company has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The Bank does not have any contracts that meet the definition of an insurance contract under IFRS 17.

3.1.2. Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements— Disclosure of Accounting Policies

The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

3.1.3. Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

3.1.4. Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules
The Bank has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum topup taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

3.1.5. Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates
Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar .Two income taxes

The Bank has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted

4. Statement of significant accounting policies
The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Revenue recognition
Interest income is recognized in profit or loss 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 carrying amount of the financial asset or liability. When calculating the effective interest rate, the bank estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points 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.

Interest income and expense presented in the statement of comprehensive income include interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis. Interest income and expense on all trading assets and liabilities are considered to be incidental to the bank's trading operations and are presented together with all other changes in the fair value.

4.2 Fees and commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or a liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement fees and syndication fees, are recognized as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, the related loan commitment fees are recognized on a straight-line basis over the commitment period.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

4.3 Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realized and unrealized fair value changes, interest, dividends and foreign exchange differences.

4.4 Net income from other financial Instruments at fair value through profit or loss

Net income from other financial instruments at fair value through profit or loss relates to non-trading derivatives held for risk management purposes that do not form part of qualifying hedge relationships, financial assets mandatorily measured at fair value through profit or loss other than those held for trading, and financial assets and liabilities designated at fair value through profit or loss. It includes all realized and unrealized fair value changes, interest, dividends and foreign exchange differences.

4.5 Dividends

Dividend income is recognized when the right to receive income is established. Usually this is the ex-dividend date for equity securities. Dividends are presented in net trading income or net income from other financial instruments at fair value through profit or loss based on the underlying classification of the equity investment. Dividends on equity instruments designated as at fair value through other comprehensive income are presented in other revenue in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case it is presented in other comprehensive income.

4.6 Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

4.7 Tax expense
Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss of the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

4.8 Deferred taxation
Deferred tax is recognized 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 measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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 realized simultaneously.

Additional taxes that arise from the distribution of dividends by the Bank are recognized at the same time as the liability to pay the related dividend is recognized.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.9 Financial assets and financial liabilities
i) Recognition and initial measurement
The bank initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date at which they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognized on the trade date at which the bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

ii) Classification
Financial assets:
At inception a financial asset is classified as measured at amortized cost or fair value. A financial asset qualifies for amortized cost measurement only if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and 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.

If a financial asset does not meet both of these conditions, then it is measured at fair value. The Bank makes an assessment of a business model at a portfolio level as this reflects best the way the business is managed and information is provided to management.

In making an assessment of whether an asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, the bank considers:

- Management's stated policies and objectives for the portfolio and the operation of those policies in practice;
- How management evaluates the performance of the portfolio;
- Whether management's strategy focus on earning contractual interest revenues;
- The degree of frequency of any expected asset sales;
- The reason or any asset sales; and
- Whether assets that are sold are held for an extended period of time relative to their contractual maturity or are sold shortly after acquisition or an extended time before maturity.

Financial assets held for trading are not held within a business model whose objective is to hold the asset in order to collect contractual cash flows.

The Bank has designated certain financial assets at fair value through profit or loss because the designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise. Financial assets are not reclassified subsequent to their initial recognition, except when the bank changes its business model or managing financial assets.

Financial liabilities

The bank classifies its financial liabilities as measured at amortized cost or fair value through profit or loss.

The bank designates financial liabilities at fair value through profit or loss when liabilities contain embedded derivatives that significantly modify the cash flows that would otherwise be required under the contract.

Financial guarantees and commitments to provide a loan at a below-market interest rate are subsequently measured at the higher of the amount determined in accordance with IAS 37 provisions, Contingent Liabilities and Contingent Assets and the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IAS 18 Revenue.

iii) De-recognition

The bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers 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 financial asset. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the bank is recognized as a separate asset or liability in the statement of financial position. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

The bank enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

In transactions in which the bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the bank continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions the bank retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognized if it meets the de-recognition criteria. An asset or liability is recognized for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

The bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Retained interests are measured at amortized cost or fair value with fair value changes recognized profit or loss.

iv) Off-setting
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the bank has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the bank's trading activity.

v) Amortized cost measurement
The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

vi) Fair value measurement
Fair value is price received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the bank measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the bank establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analysis and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the bank, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The bank calibrates valuation techniques and tests them for validity using prices form observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, i.e. without modification or repackaging, or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognized in profit or loss immediately but is recognized over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value become observable.

Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price.

vii) Identification and Measurement of Impairment
At each reporting date the bank assesses whether there is objective evidence that financial assets carried at amortized cost are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or advance by the bank on terms that the bank would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable date relating to a group of assets such as adverse changes in the payment status of borrowers or issuers, or economic conditions that correlate with defaults.

The bank considers evidence of impairment for loans and advances and investment securities measured at amortized costs at both a specific asset and collective level. All individually significant loans and advances and investment securities measured at amortized cost found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances and investment securities measured at amortized cost that are not individually significant are collectively assessed for impairment by grouping together loans and advances and investment securities measured at amortized cost with similar risk characteristics.

In assessing collective impairment the bank uses statistical modeling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modeling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit or loss and reflected in an allowance account against loans and advances. Interest on impaired assets continues to be recognized through the unwinding of the discount. When a subsequent event cause the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The bank writes off loans and advances and investment securities when they are determined to be uncollectible.

4.10 Cash and cash equivalents
Cash and cash equivalents include notes and coins on hand, unrestricted balances held with banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the bank in the management of its short term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

4.11 Trading assets and liabilities
Trading assets and liabilities are those assets and liabilities that the bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking. Trading assets and liabilities are measured at fair value with changes in fair value recognized as part of net trading income in profit or loss.

4.12 Loans and advances
Loans and advances are non-derivative financial assets with fixed or determinable payments, other than investment securities that are not held for trading.

When the bank is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of the asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognized and presented within loans and advances.

When the bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognized in the Bank’s financial statements.

Subsequent to initial recognition loans and advances are measured at amortized cost using the effective interest method, except when the bank recognizes the loans and advances at fair value through profit or loss.

4.13 Investment securities
Subsequent to initial recognition investment securities are accounted for depending on their classification s either amortized cost, fair value through profit or loss or fair value through other comprehensive income.

Investment securities are measured at amortized cost using the effective interest method, if:
- They are held within a business model with an objective to hold assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest; and
- They have not been designated previously as measured at fair value through profit or loss.

The bank elects to present changes in fair value of certain investments in equity instruments held for strategic purposes in other comprehensive income. The election is irrevocable and is made on an instrument-by-instrument basis at initial recognition.

4.14 Property and equipment
i) Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition or their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property and equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment, and is recognized in other income/other expenses in profit or loss.

ii) Reclassification to investment property
When the use of property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in revaluation reserve in equity. Any loss is recognized immediately in profit or loss.

iii) Subsequent costs
The cost of replacing a component of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the bank and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-ay servicing of property and equipment are recognized in profit or loss as incurred.

iv) Depreciation
Depreciation is recognized in profit or loss 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 under finance leases are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

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

Building	50 years
Plant & machinery	5 years
Leasehold improvement	5 years
Furniture & fittings	5 years
Computer and office equipment	5 years
Motor vehicles:	
New	4 years
Fairly used	3 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

4.15 Investment property
Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. The bank holds some investment property as a consequence of the ongoing rationalization of its retail branch network. Other property has been acquired through the enforcement of security over loans and advances. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognized in profit or loss as part of other revenue.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

4.16 Intangible assets (computer software)

Software
Software acquired by the Bank is stated at cost less accumulated amortization and accumulated impairment losses and depreciated over 5 years.

Expenditure on internally developed software is recognized as an asset when the bank 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 capitalized costs of internally developed software include all costs directly attributable to developing the software and capitalized borrowing costs, and are amortized over its useful life. Internally developed software is stated at capitalized cost less accumulated amortization 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.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is three to five years.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.17 Leased assets – lessee

Leases in terms of which the bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Other leases are operating leases and are not recognized in the Bank's statement of financial position.

4.18 Impairment of non-financial assets

The carrying amounts of the bank's non-financial assets, other than investment property and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its Cash Generating Unit exceeds its estimated recoverable amount.
The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. 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 or cash generating unit.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating unit.

The bank's corporate assets do not generate separate cash inflows and are utilized by more than one cash generating unit. Corporate assets are allocated to cash generating units on a reasonable and consistent basis and tested for impairment as part of the testing of the cash generating unit to which the corporate asset is allocated.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of the assets in the cash generating unit on a pro rata basis.

Impairment losses recognized in prior periods (on assets other than good will) are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.19 Deposits, debt securities issued and subordinated liabilities
Deposits, debt securities issued and subordinated liabilities are the bank's sources of debt funding. When the bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognized in the bank's financial statements.

The bank classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The bank's convertible preference shares are classified as equity. Subsequent to initial recognition deposits, debts securities issued and subordinated liabilities are measured at their amortized cost using the effective interest method, except where the bank designates liabilities at fair value through profit or loss.

When the bank designates a financial liability as at fair value through profit or loss, the amount of change in the fair value of such liability that is attributable to its changes in credit risk is presented in other comprehensive income. At inception of a financial liability designated as at fair value though profit or loss, the bank assesses whether presentation of the amount of change in the fair value of the liability that is attributable to credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The assessment is first made qualitatively, on an instrument-by-instrument basis, as to whether there is an economic relationship between the characteristics of the liability and the characteristics of another financial instrument that would cause such an accounting mismatch. No such mismatch has been identified in respect of the financial liabilities entered into by the bank and therefore no further detailed analysis has been required.

4.20 Provisions
A provision is recognized if, as a result of a past event, the bank 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 recognized when the bank has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

4.21 Financial guarantees
Financial guarantees are contracts that require the bank 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 terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

4.22 Employee benefits

i) Defined contribution plans
The bank makes use of defined contribution plans.
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Employees contributes 8% their basic, housing and transport allowances while the Bank contributes 10% of same. The total contribution is remitted to the Retirement Savings Accounts of the employees in line with Pension Reform Act 2004 (as amended). Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Contributions to a defined contribution plan that are due more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value at the reporting date.

ii) Termination benefits
Termination benefits are recognized as an expense when the bank is committed demonstrably, 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. Termination benefits for voluntary redundancies are recognized if the bank has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the end of the reporting date, then they are discounted at their present value.

iii) 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 recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the bank has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

4.23 Share capital and reserves
i) Ordinary share capital
The Bank has issued ordinary shares that are classified as equity instruments.

ii) Share premium
This represents the excess of the proceeds from the issue of shares over the nominal value (par value) of the share.

iii) Share Issue costs
Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments. Other costs are applied against the Bank’s share premium reserves.

4.24 Earnings per share
The bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank 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, which comprise issued and fully paid convertible preference shares.

4.25 Non-current assets held for sale
Property, plant and equipment and intangible asset classified as Held for sale are not depreciated or amortized. The Bank recognizes all impairment losses for any initial or subsequent write down of the asset to fair value less cost to sell, a gain is recognized in any subsequent increase in fair value less cost to sell of an asset held for sale, up to the cumulative impairment loss that has been recognized. A gain or loss not previously recognized by the date of the sale of a non-current asset shall be recognized at the date of de-recognition. An impairment loss recognized will reduce the carrying amount of the non-current asset held for sale.

4.26 Segment reporting
An operating segment is a component of the Bank that engages in business activity from which it can incur expenses and earn revenues and expenses including those that relate to transactions with any of the Bank's other components, whose operating results are reviewed regularly by the Bank's Management Committee to make decisions about resources allocated to each segment and assess its performance, and for which specific information is available.

4.27 Segment Information
Segment information is based on geographical segments or business segments as primary reporting segments. A geographical segment is engaged in providing products and/or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

The operating results of segments are monitored separately with the aim of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits and losses which in certain respects are measured differently from operating profits or losses in the financial statements. Reliance is placed primarily on growth in Deposit, Loans and Profit before taxes as measures of performance.

All transactions between segments are conducted on an arms length basis; the internal charges and transfer pricing adjustments are reflected in the performance of each segment units.

4.28. Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

4.28.1. Standards issued and effective on or after 1 January 2024
* **Amendments to IFRS 10 and IAS 28** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
* **Amendments to IAS 1** - Classification of Liabilities as Current or Non-current
* **Amendments to IAS 1** - Non-current Liabilities with Covenants
* **Amendments to IAS 7 and IFRS 7** - Supplier Finance Arrangements
* **Amendments to IFRS 16** - Lease Liability in a Sale and Leaseback

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Bank in future periods, except if indicated below.

4.28.1.1.Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Bank anticipate that the application of these amendments may have an impact on the Bank's financial statements in future periods should such transactions arise.

The directors of the Bank anticipate that the application of these amendments may have an impact on the Bank's financial statements in future periods.

4.28.1.2.Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early

The directors of the company anticipate that the application of these amendments may have an impact on the Bank's financial statements in future periods.

4.28.1.3.Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity
may have difficulties complying with the covenants

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

The directors of the Bank anticipate that the application of these amendments may have an impact on the Bank's financial statements in future periods.

4.28.1.4.Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier financearrangements:

* The terms and conditions of the arrangements
* The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
* The carrying amount, and associated line items for which the suppliers have already received payment from thefinance providers
* Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
* Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

4.28.1.5.Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

5. Capital management
i) Objectives
The primary objectives of the bank’s capital management policy are to ensure that the bank complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Bank manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the bank may adjust the amount of dividend payment to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

ii) Regulatory capital
The Bank maintains an actively managed capital base to cover risks inherent in the business and meet the capital adequacy requirements of the local banking supervisor, Central Bank of Nigeria. The adequacy of the Bank's capital is monitored using among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (BIS rules/ratios) and adopted by the Central Bank of Nigeria in supervising Banks. The Central Bank of Nigeria requires the Bank to maintain a prescribed ratio of total capital to total risk weighted assets.

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The Bank's regulatory capital is analyzed into two tiers:
Tier 1 Capital: This includes ordinary share capital, share premium, retained earnings, deductions for intangibles and other regulatory adjustment relating to items that are included in equity but are treated differently for capital purposes.
Tier 2 Capital: Which includes qualifying subordinated liabilities, preference shares, revaluation reserves and the element of the fair value reserve relating to unrealized gains on equity instruments classified as available for sale.

Regulatory limits are applied to the capital base. The qualifying tier 2 cannot exceed tier 1 capital. There are also restrictions on the amount of collective impairment that may be included as part of tier 2 capital.

iii) Capital Adequacy Ratio (CAR)
This is the quotient of the capital base of the Bank and its risk weighted asset base. In compliance with the Central Bank of Nigeria regulations, a minimum ratio of 10% is to be maintained.

	2023	2022
	₦'000	₦'000
Regulatory capital		
Tier 1 capital		
Share capital	**2,500,000**	2,500,000
Statutory reserves	**491,151**	377,497
Retained earnings	**698,889**	794,768
Intangible assets	**(52,080)**	(49,533)
Total qualifying Tier 1 capital	**3,637,961**	3,622,732
Tier 2 capital		
Long term loans	**3,085,875**	2,841,457
Fair value through other comprehensive income - FVTOCI	**(15,212)**	(17,114)
Total qualifying Tier 2 capital	**3,070,663**	2,824,343
Total qualifying capital	**6,708,623**	6,447,075
Risk-weighted assets:		
On-balance sheet	**16,454,432**	11,747,113
Ratio	**40.77**	54.88
During the year, the highest and lowest peaks of the Bank's computed CAR are shown below:		
Highest	**54.88**	56.75%
Lowest	**40.77**	44.00%
Average	**47.83**	50.58%

6. Risk management framework
The primary objective of LivingTrust Mortgage Bank Plc's risk management framework is to protect the bank's stakeholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place.

The bank has established a risk management function with clear terms of reference from the board of directors, its committees and the executive management committees.

This is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, the Internal Audit unit provides independent and objective assurance on the robustness of the risk management framework, and the appropriateness and effectiveness.

The bank's principal significant risks are assessed and mitigated under three broad headings:
Strategic risks – This specifically focused on the economic environment, the products offered and market. The strategic risks arises from the bank's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making , resource allocation and its inability to adapt to changes in its business environment.
Operational risks – These are risks associated with inadequate or failed internal processes, people and systems, or from external events.
Financial risks – Risk associated with the financial operation of the bank, including underwriting for appropriate pricing of plans, provider payments, operational expenses, capital management, investments, liquidity and credit.

The board of directors approves the bank's risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the bank's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting to the corporate goals, and specify reporting requirements to meet.

6.1 Strategic risks
Capital management policies, objectives and approach.
The following capital management objectives, policies and approach to managing the risks which affect the capital position are adopted by the bank.
- To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- To retain financial flexibility by maintaining strong liquidity.
- To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements.
- To maintain financial strength to support new business growth and to satisfy the requirements of the regulators and stakeholders.

The Bank's operations are subject to regulatory requirements of Central Bank Nigeria (CBN) and Nigeria Deposit Insurance Corporation (NDIC), Nigerian Stock Exchange (NSE) in addition, annual returns must be submitted to Corporate Affairs Commission (CAC) on a regular basis.

6.2 Operational risks
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the bank's processes, personnel, technology and infrastructure, and from external factors. Others are legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the bank's operations.

The bank’s objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the bank’s reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:
- requirements for appropriate segregation of duties, including independent authorisation of transactions.
- requirements for the reconciliation and monitoring of transactions.
- compliance with regulatory and other legal requirements.
- documentation of controls and procedures.
- training and professional development.
- ethical and business standards.

6.3 Financial risks
The bank's operations exposes it to a number of financial risks. Adequate risk management procedures have been established to protect the bank against the potential adverse effects of these financial risks. There has been no material change in these financial risks since the prior year. The following are the risks the bank is exposed to due to financial instruments:
- Credit risks
- Liquidity risks
- Market risks

6.3.1 Credit risks
Credit risks arise from a customer delays; inability to fully meet contractual obligations by customers. Exposure to this risk results from financial transactions with customers.

The bank has policies in place to mitigate its credit risks.

The bank’s risk management policy sets out the assessment and determination of what constitutes credit risk for the bank. Compliance with the policy is monitored and exposures and breaches are reported to the bank's Board of Directors. The policy is regularly reviewed for pertinence and for changes in the risk environment.

The carrying amount of the bank's financial instruments represents the maximum exposure to credit risk.

Exposure to risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	2023	2022
	₦'000	₦'000
Financial assets		
Cash and balances with CBN	**114,069**	141,492
Due from banks	**3,564,827**	970,820
Loans and advances to customers	**12,790,784**	10,679,374
-At Fairvalue through other comprehensive income	**98,821**	96,920
Other assets	**(131,911)**	(5,201)
	16,436,590	11,883,405

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6.3.2a Liquidity risks
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The bank maintains sufficient amount of cash for its operations. Management reviews cashflow forecasts on a regular basis to determine whether the bank has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

The bank employs policies and procedures to mitigate it's exposure to liquidity risk. The bank complies with minimum regulatory requirements.

6.3.2b Liquidity risks
Below is the contractual maturities of financial liabilities in Nigerian naira presented in the financial statements.

	Current	Non-current	Total
	₦'000	₦'000	₦'000
31 December 2023			
Deposit from customers	**9,143,651**	**-**	**9,143,651**
Borrowings/on-lending facilities	**-**	**3,085,875**	**3,085,875**
Other liabilities	**1,191,855**	**-**	**1,191,855**
	10,335,507	**3,085,875**	**13,421,382**
31 December 2022			
Due to customers	5,491,601	-	5,491,601
Borrowings/on-lending facilities	-	2,841,457	2,841,457
Other liabilities	593,868	-	593,868
	6,085,468	2,841,457	8,926,925

The bank's focus on the maturity analysis of its financial liabilities is as stated above, the bank classifies their financial liabilities into those due within one year (current) and those due after one year (non-current).

The contractual cashflows disclosed in the maturity analysis are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount stated in the financial statements which is based on the discounted cash flows using the effective interest rate.

The financial liabilities affected by discounting are the long term borrowings (including the current portion), all other financial liabilities stated are assumed to approximate their carrying values due to their short term nature and are therefore not discounted.

6.3.3 Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

6.3.4 Currency risk
All transactions of the company have been carried out and consummated in the local currency which is Naira. Hence the Bank is not exposed to any currency risk.

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6.3.5 Interest rate risk
Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that are used by the bank. Interest bearing assets comprise cash and cash equivalents and loans to subsidiaries which are considered short term liquid assets. The bank's interest rate liability risk arises primarily from borrowings issued at variable interest rates which exposes the bank to cash flow interest rate risk. It is the bank's policy to settle trade payables within the credit limit terms allowed, thereby not incurring interest on overdue balances. Borrowings are sourced from local financial markets, covering short and long term funding.

The bank manages interest rate risk on borrowings by ensuring access to diverse sources of funding, reducing risks of refinancing by establishing and managing in accordance with target maturity profiles.

6.3.6 Market price risk
Exposure to this risk is minimal as the bank has no investment in listed securities.

6.4. Interest rate risk
The table below shows an analysis of interest bearing assets and liabilities analysed according to when they are expected to be settled.

	Up to 1 Month ₦'000	1 to 3 Months ₦'000	3 to 6 Months ₦'000	6 to 12 Months ₦'000	1 to 3 Years ₦'000	Total ₦'000
a) At 31 December 2023						
Assets						
Due from Banks	**3,564,827**	**-**	**-**	**-**	**-**	**3,564,827**
Loans and advances to customers	**514,417**	**729,571**	**254,244**	**1,107,232**	**10,185,320**	**12,790,784**
	4,079,244	**729,571**	**254,244**	**1,107,232**	**10,185,320**	**16,355,611**
Liabilities						
Deposit from customers	**4,965,808**	**2,088,922**	**1,253,353**	**835,569**	**-**	**9,143,651**
Borrowings/on-lending facilities	**-**	**-**	**-**	**-**	**876,075**	**876,075**
	4,965,808	**2,088,922**	**1,253,353**	**835,569**	**876,075**	**10,019,726**
Gap	**(886,565)**	**(1,359,350)**	**(999,108)**	**271,664**	**9,309,245**	**6,335,885**

	Up to 1 Month ₦'000	1 to 3 Months ₦'000	3 to 6 Months ₦'000	6 to 12 Months ₦'000	Over 12 Months ₦'000	Total ₦'000
b) At 31 December 2022						
Assets						
Due from Banks	970,819	-	-	-	-	970,819
Loans and advances to customers	426,059	604,258	210,575	917,051	8,521,427	10,679,371
	1,396,878	604,258	210,575	917,051	8,521,427	11,650,190
Liabilities						
Deposit from customers	2,973,295	1,259,153	755,492	503,661	-	5,491,601
Borrowings/on-lending facilities	-	-	-	-	2,841,457	2,841,457
	2,973,295	**1,259,153**	**755,492**	**503,661**	**2,841,457**	**8,333,058**
Gap	**(1,576,417)**	**(654,895)**	**(544,917)**	**413,390**	**5,679,970**	**3,317,132**

6.5. Maturity analysis

6.5.1 Maturity profile of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

a) At 31 December 2023

	Up to 1 Month ₦'000	1 to 3 Months ₦'000	3 to 6 Months ₦'000	6 to 12 Months ₦'000	Over 12 Months ₦'000	Total ₦'000
Assets						
Cash and balances with CBN	6,732	-	-	-	107,337	114,069
Due from Banks	3,564,827	-	-	-	-	3,564,827
Loans and advances to customers	514,417	729,571	254,244	1,107,232	10,185,320	12,790,784
- At fair value through other comprehensive income	-	-	-	-	98,821	98,821
Other assets	323,609	194,166	129,444	-	-	647,219
Property and equipment	-	-		-	374,591	374,591
Intangible assets	-	-	-	-	52,080	52,080
Deferred tax assets	-	-	-	-	39,471	39,471
Non current assets held for sale	-	-	114,297		-	114,297
Total assets	4,409,585	923,737	497,985	1,107,232	10,857,621	17,796,160
Liabilities						
Deposit from customers	4,965,808	2,088,922	1,253,353	835,569	-	9,143,651
Borrowings/on-lending facilities	-	-	-	-	3,085,875	3,085,875
Current income tax liabilities	-	-	-	118,959	-	118,959
Deferred income tax liability	-	-	-	-	-	-
Other liabilities	1,193,175	-	-	-	-	1,193,175
Total liabilities	6,158,983	2,088,922	1,253,353	954,527	3,085,875	13,541,660
Gap	(1,749,398)	(1,165,185)	(755,368)	152,705	7,771,746	4,254,500

b) Maturity profile of assets and liabilities

At 31 December 2022

	Up to 1 Month ₦'000	1 to 3 Months ₦'000	3 to 6 Months ₦'000	6 to 12 Months ₦'000	Over 12 Months ₦'000	Total ₦'000
Cash and balances with CBN	34,155	-	-	-	107,337	141,492
Due from Banks	970,819	-	-	-	-	970,819
Loans and advances to customers	426,059	604,258	210,575	917,051	8,521,427	10,679,371
- At fair value through other comprehensive income	-	-	-	-	96,920	96,920
Other assets	223,933	134,360	89,573	-	-	447,866
Property and equipment	-	-		-	-	378,368
Intangible assets	-	-	-	-	-	49,533
Deferred tax assets	-	-	-	-	-	-
Non current assets held for sale	-	-	149,317		-	149,317
Total assets	1,654,966	738,618	449,465	917,051	8,725,684	12,913,686
Liabilities						
Deposit from customers	2,973,295	1,259,153	755,492	503,661	-	5,491,601
Borrowings/on-lending facilities	-	-	-	-	2,841,457	2,841,457
Current income tax liabilities	-	-	-	170,150	-	170,150
Deferred income tax liability	-	-	-	-	69,685	69,685
Other liabilities	594,847	-	-	-	-	594,847
Total liabilities	3,568,142	1,259,153	755,492	673,811	2,911,142	9,167,740
Gap	(1,913,176)	(520,535)	(306,027)	243,240	5,814,542	3,745,946

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	2023	2022
	₦'000	₦'000
7. Interest and similar income calculated using effective interest rate		
7.1 Loans and advances to customers		
National Housing Fund loans	**45,618**	40,553
Other mortgage loans	**2,261,391**	1,824,616
7.2 Cash and balances with other banks and financial institutions		
Placements with other banks and financial institutions	**89,999**	72,297
7.3 Investment securities		
	2,397,008	1,937,466
8. Interest and similar expense calculated using effective interest rate		
8.1.Interest bearing borrowings and other borrowed funds		
National Housing Fund loans-NHF (Note 26.2.1)	**36,617**	30,224
Nigeria Mortgage Refinance Company loans-NMRC (Note 26.1.1)	**81,703**	41,155
Development Bank of Nigeria loans-DBN (Note 26.2.2)	**196,959**	146,668
8.2.Deposit from customers		
Fixed deposits	**514,505**	270,507
Savings deposits	**23,538**	4,416
Current accounts	**734**	2,302
	854,056	495,272
9. Fees and commission income		
Credit related fees and commission (Note 9.1)	**133,081**	133,362
Account maintenance charge and handling commission	**16,885**	29,264
Channels and other e-business income	**16,002**	25,506
Commission on other financial services	**8,647**	3,913
	174,615	192,045

9.1 Credit related fees and commissions above exclude amounts included in determining the effective interest rate on financial assets that are not at fair value through profit or loss.

	2023	2022
10. Other operating income		
Dividend income on securities	**7,520**	7,360
Foreign exchange gain	**2,777**	1,958
Other e-business income	**36,400**	22,993
Miscellaneous income (Note 10.1)	**273,336**	377,084
	320,033	409,395

10.1. Included in the figure above are non interest and non commission incomes earned in the deployment of banking services. These include income from Advisory fees, SMS alerts, E-business, cheque book issuance and other electronic income.

	2023	2022
11. Impairment loss (write back)/charged		
Placement with other banks and other financial institutions (Note 18.3)	**(1,462)**	7,980
Loans and advances to customers (19.8)	**95,515**	80,931
Other assets (Note 21.2)	**126,711**	5,201
	220,764	94,112

	2023	2022
	₦'000	₦'000
12. Personnel expenses		
Salaries and wages	**389,403**	368,469
Pension contribution and gratuity	**34,558**	25,598
PAYE,NHF and NSITF	**533**	329
Contract staff,13th months, and bonus	**99,105**	29,772
	523,599	424,167
13.Depreciation and amortisation expenses		
13.1.Depreciation of property and equipment		
Building	**2,829**	2,604
Leasehold improvement	**982**	-
Computer equipment	**3,797**	3,564
Office equipment	**6,662**	6,840
Furniture & Fittings	**6,488**	6,698
Motor vehicles	**50,693**	40,022
Household assets	**3,794**	2,556
Plant and equipment	**10,966**	9,626
	86,212	71,911
13.2.Amortisation of intangible assets		
Software	**8,374**	7,652
Other intangible assets	**7,840**	4,070
	102,426	83,633
14. Other operating expenses		
Directors' emoluments	**55,711**	53,128
NDIC premium	**19,205**	20,962
Insurance	**13,952**	12,476
Bank charges and commission on Mortgage activities	**104,667**	51,480
Rent, lease and rates	**15,634**	15,272
Diesel for IT Department	**26,082**	23,550
Auditor's remuneration (Note 14.1)	**7,500**	5,500
Legal and professional fees	**7,935**	6,429
Repairs and maintenance	**28,474**	28,586
Information technology	**37,068**	33,369
Security services	**14,955**	15,966
Printing and stationery	**6,912**	7,523
Electricity, fuel and lubricants	**28,321**	19,766
Diesel expense	**47,951**	34,841
Travel,Hotel and accommodation	**81,508**	63,458
Telephone and communication	**8,427**	8,327
Subscriptions	**9,121**	15,416
VAT expenses	**-**	8,661
Office consumables	**11,728**	11,277
	525,152	435,989

14.1.This represents fee charged on the audit exercise carried out by the external auditors (the"Firm) during the year for the Bank.The Firm did not carry out any other non-audit engagements for the Company during the year.

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	2023	2022
	₦'000	₦'000
15. Taxation		
15.1 Income tax expense		
Income tax	86,962	149,523
Education tax	11,881	16,528
Information technology levy	6,657	10,057
Police fund levy	33	50
Total current tax charge	105,533	176,158
Under provision in prior years	101,009	-
Deferred tax liability charge	-	7,898
Deferred tax assets charge	(109,156)	-
Total income tax expense	97,386	184,056
15.2 Reconciliation of effective tax		
Profit before income tax	665,660	1,005,734
Tax thereon at 30% (2022: 30%)	199,698	301,720
Non-deductible expenses	(592,806)	(152,197)
Non-taxable Income	323,190	-
Accelerated capital allowance	156,880	-
Effect of education tax levy	11,881	16,528
Effect of information technology levy	6,657	10,057
Effect of Police fund levy	33	50
Under provision in prior years	101,009	-
Effect of deferred tax	(109,156)	7,898
	97,386	184,056
Effective tax rate	15%	18%
15.3 Current income tax liability		
At 1 January	170,150	197,636
Charge for the year	105,533	176,158
Under provision in prior years	101,009	-
Education tax paid	-	(19,223)
Payments during the year	(254,089)	(173,946)
Witholding tax credit notes	(3,644)	(10,476)
At 31 December	118,959	170,150
15.4 Deferred tax (assets)		
At 1 January	(45,685)	(45,685)
Charge in the year (Note 15.1)	(109,156)	-
At 31 December	(154,841)	(45,685)
15.5 Deferred tax liability		
At 1 January	24,000	16,102
Charge in the year (Note 15.1)	-	7,898
At 31 December	24,000	24,000
Deferred tax (assets)/liabilities	(39,471)	69,685

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	2023	2022
	₦'000	₦'000
15.6 Deferred tax liability are attributable to the following:		
Property and equipment	-	39,623
Computer software	-	9,830
Impairments on financial assets	-	20,231
	-	69,684

15.7. The Company has adopted the International Accounting Standard (IAS) 12 Income tax.

16. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date. The following reflects the income and share data used in the basic earnings per share computations:

	2023	2022
Profit attributable to ordinary shareholders	**568,274**	821,678
Weighted average number of ordinary shares	**5,000,000**	5,000,000
Basic earnings per ordinary share (kobo)	**11.37**	16.43

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

17. Cash and balances with CBN

	2023	2022
Cash on hand	**6,732**	34,155
Deposit with the Central Bank of Nigeria (CRR) (Note 17.1)	**107,337**	107,337
	114,069	141,492

17.1 This represents restricted bank balances with the Central Bank of Nigeria (CBN) and is not available for use in the Bank's day to day operations. The cash reserve ratio represents a mandatory cash deposit which should be held with the CBN as a regulatory requirement.

	2023	2022
	₦'000	₦'000
18. Due from banks		
Balances with banks within Nigeria (Note 18.1)	**2,447,048**	384,038
Placements with banks and other financial institutions (Note 18.2)	**1,124,302**	594,765
	3,571,349	978,803
Impairment allowance on placements with banks and other financial institutions (Note 18.3)	**(6,522)**	(7,984)
	3,564,827	970,819

18.1. Analysis of balances with banks within Nigeria

	2023	2022
Access Bank Plc	**6,657**	10,707
Ecobank Plc	**812**	699
Fidelity Bank Plc	**1**	1
First Bank Plc	**15,938**	10,613
First City Monument Bank Plc	**6,536**	21,353
First Option Microfinance Bank	**-**	6,681
Guaranty Trust Bank Plc	**6,228**	2,481
Heritage Bank Plc	**584**	85
Polaris Bank Limited	**1,900**	1,753
Providus Bank Limited	**425,884**	207,708
Stanbic Bank Plc	**488,343**	79,334
Sterling Bank Plc	**1,026**	593
Union Bank Plc	**42**	42
United Bank For Africa Plc	**132**	3,290
Unity Bank Plc	**394**	271
Wema Bank Plc	**1,490,175**	35,898
Zenith Bank Plc	**2,396**	2,528
	2,447,048	384,038

18.2. Analysis of placements with banks and other financial institutions

	2023	2022
Core Asset Management Limited	**-**	27,544
First Bank Plc	**30,218**	30,132
First Option Microfinance Bank	**-**	50,828
Providus Bank Limited	**491,287**	486,261
Wema Bank Plc	**602,797**	-
	1,124,302	594,765

18.3. Impairment allowance loss on placements with financial Institutions
An analysis of changes in the gross carrying amount of and the corresponding ECL allowances is, as follows:

	Stage 1	Stage 2	Stage 3	Total
	₦'000	₦'000	₦'000	₦'000
Gross carrying amount as at 1 January 2023	**594,761**	**-**	**4**	**594,765**
New assets originated or purchased	**529,537**	**-**	**-**	**529,537**
Assets derecognised or repaid	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
At 31 December 2023	**1,124,298**	**-**	**4**	**1,124,302**
ECL impairment allowance as at 1 January 2023	**7,980**	**-**	**-**	**7,980**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	(1,462)	-	-	(1,462)
Transfer to stage 2	-	-	-	-
Credit loss charge for the year	(1,462)	-	-	(1,462)
At 31 December 2023	**6,518**	**-**	**-**	**6,518**

	Stage 1	Stage 2	Stage 3	Total
	₦'000	₦'000	₦'000	₦'000
Gross carrying amount as at 1 January 2022	**1,164,390**	**-**	**4**	**1,164,394**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	(569,629)	-	-	(569,629)
Transfer to stage 2	-	-	-	-
At 31 December 2022	**594,761**	**-**	**4**	**594,765**
ECL impairment allowance as at 1 January 2022	**-**	**-**	**-**	**-**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	7,980	-	-	7,980
Amount written off	-	-	-	-
Credit loss charge for the year	7,980	-	-	7,980
At 31 December 2022	**7,980**	**-**	**-**	**7,980**

	2023 ₦'000	2022 ₦'000
19. Loans and advances to customers		
19.1 Analysis by product type		
Mortgage loans (Note 19.2)	**3,369,248**	3,482,930
On-lending facilities (National Housing Fund)	**1,690,868**	1,632,401
Estate development loans (Note 19.3)	**2,991,973**	2,444,297
Other loans (Note 19.4)	**5,007,419**	3,256,751
Gross loans and advances to customers	**13,059,508**	10,816,378
Impairment allowance on loans and advances (Note 19.5)	**(268,723)**	(137,004)
Net carrying amount	**12,790,784**	10,679,375
19.2 Analysis of mortgage loans		
Residential	**1,649,909**	1,930,180
Commercial	**1,634,346**	1,496,094
Interest receivable	**84,992**	56,656
	3,369,248	3,482,930
19.3 Analysis of estate development loans		
Estate development loans	**2,887,224**	2,397,435
Interest receivable	**104,749**	46,862
	2,991,973	2,444,297
19.4 Analysis of other loans		
Term loans	**4,095,144**	2,539,582
Staff loans	**461,214**	229,974
Personal loan	**146,610**	199,961
Unauthorised overdrafts	**188,474**	74,155
Authorised overdrafts	**-**	148,460
Interest receivable	**115,977**	64,618
	5,007,419	3,256,751
19.5 Analysis by maturity		
Under 1 month	**514,417**	426,059
1-3 months	**729,571**	604,258
3-6 months	**254,244**	210,575
6-12 months	**1,107,232**	917,051
Over 12 months	**10,454,043**	8,658,431
	13,059,508	10,816,375
19.6 Analysis by performance		
Performing	**10,851,729**	10,386,062
Non-performing:		
Watchlist	**908,364**	88,459
Substandard	**269,978**	209,488
Doubtful	**651,286**	60,519
Lost	**272,381**	2,294
Interest in suspense	**105,770**	69,556
	13,059,508	10,816,378
19.7 Loan and Advances analysis by IFRS buckets		
Commercial	**1,719,338**	4,656,537
Micro	**5,007,419**	3,061,058
Residential	**3,340,777**	2,060,540
Social residential	**2,991,973**	1,038,243
	13,059,508	10,816,378

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 19.9 and policies about whether ECL allowances are calculated on an individual or collective basis is set out in Note 19.8.

19.8 Reconciliation of impairment allowances on loans and advances to customers as follows:

	Stage 1	Stage 2	Stage 3	Total
	₦'000	₦'000	₦'000	₦'000
Gross carrying amount as at 1 January 2023	**8,035,405**	**2,348,131**	**432,839**	**10,816,375**
New assets originated or purchased	**1,723,085**	**-**	**520,048**	**2,243,133**
Assets derecognised or repaid	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**(483,773)**	**483,773**	**-**
Write off in the year	**-**	**-**	**-**	**-**
At 31 December 2023	**9,758,490**	**1,864,358**	**1,436,660**	**13,059,508**
ECL impairment allowance as at 1 January 2023	**55,188**	**12,139**	**69,677**	**137,004**
New assets originated or purchased	**192,556**	**5,499**	**-**	**198,055**
Assets derecognised or repaid	**-**	**-**	**(102,541)**	**(102,541)**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
Credit loss charge for the year	**192,556**	**5,499**	**(102,541)**	**95,514**
Reversal in the year	**-**	**-**	**(69,566)**	**(69,566)**
Interest in suspense (Note 19.8.1)	**-**	**-**	**105,770**	**105,770**
At 31 December 2023	**247,744**	**17,638**	**3,340**	**268,722**

	Stage 1	Stage 2	Stage 3	Total
	₦'000	₦'000	₦'000	₦'000
Gross carrying amount as at 1 January 2022	**7,808,351**	**71,844**	**54,773**	**7,934,968**
New assets originated or purchased	323,449	2,276,287	378,066	2,977,802
Assets derecognised or repaid	-	-	-	-
Transfer to stage 2	-	-	-	-
Write off in the year	(96,395)	-	-	(96,395)
At 31 December 2022	**8,035,405**	**2,348,131**	**432,839**	**10,816,375**
ECL impairment allowance as at 1 January 2022	**71,200**	**9,497**	**46,896**	**127,593**
New assets originated or purchased	67,468	10,239	3,224	80,931
Assets derecognised or repaid	-	-	-	-
Transfer to stage 1	12,906	(7,597)	(5,309)	-
Transfer to stage 3	-	-	-	-
Credit loss charge for the year	80,374	2,642	(2,085)	80,931
Write off in the year	(96,386)	-	-	(96,386)
Interest in suspense opening balance adjusted	-	-	(44,700)	(44,700)
Interest in suspense (Note 19.8.1)	-	-	69,566	69,566
At 31 December 2022	**55,188**	**12,139**	**69,677**	**137,004**

19.8.1 Interest in suspense represents interest on past due loan facilities.

	2023	2022
	₦'000	₦'000
19.9 Analysis by internal rating		
AA	**11,018,194**	9,125,682
A	**1,255,202**	1,039,605
BB	**358,281**	296,742
C	**183,046**	151,606
D	**244,785**	202,740
	13,059,508	10,816,375
19.10 Analysis by security		
Secured against real estate	**11,496,385**	9,521,738
Otherwise secured	**1,485,448**	1,230,303
Unsecured	**77,675**	64,334
	13,059,508	10,816,375
	-	-

19.11 Concentration of credit risk
Mortgage Banks in Nigeria as follows:

Residential Mortgages		-	Not less than 75% of mortgage assets.
Real Estate Construction finance		-	Not more than 25% of total assets.
Single obligor	- Individual	-	Not more than 5% of shareholders funds unimpaired by losses.
Single obligor	- Corporate	-	Not more than 20% of shareholders funds unimpaired by losses.

	2023	2022
	%	%
Residential Mortgages (75% floor)	**48.49**	28.65
Real Estate Construction finance (25% cap)	**22.91**	22.60
Single obligor - Individual (5% cap)	**4.20**	0.86
Single obligor - Corporate (20% cap)	**19.50**	7.92

	2023	2022
	₦'000	₦'000
20. Investment Securities		
At Fair value through other comprehensive income (FVTOCI) (Note 20.1)	**98,821**	96,920
20.1. At Fairvalue through other comprehensive income (FVTOCI)		
Quoted equities (Note 20.1.1)	**1,043**	3,764
Unquoted equities (Note 20.1.2)	**97,778**	93,156
	98,821	96,920
20.1.1. Quoted equity instrument		
At 1 January	**3,764**	3,648
Additions/bonus	**-**	-
	3,764	3,648
Fair value (loss)/gain (Note 29.4.2)	**(2,605)**	116
At 31 December	**1,043**	3,764
20.1.2 Unquoted equity instrument- Nigeria Mortgage Refinancing company		
At 1 January	**103,467**	103,467
Additions/bonus	**-**	-
	103,467	103,467
Fair value loss (Note 29.4.2)	**(5,689)**	(10,311)
At 31 December	**97,778**	93,156
21. Other assets		
Account receivables	**27,295**	37,699
E-cards and other settlement accounts	**463,500**	211,183
Stationeries and consumables	**3,231**	3,579
Prepayments	**285,104**	200,606
	779,130	453,067
Impairment allowance on other assets (Note 21.2)	**(131,911)**	(5,201)
	647,219	447,866
21.1 Analysis by maturity		
Under 1 month	**-**	-
1-3 months	**494,026**	442,618
3-6 months	**-**	-
6-12 months	**285,104**	10,449
Over 12 months	**-**	-
	779,130	453,067
21.2. Movement in Impairment allowance on other assets		
At 1 January	**5,201**	-
Additional charged in the year (Note 11)	**126,711**	5,201
At 31 December	**131,911**	5,201

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22. Property and equipment

	Land ₦'000	Building ₦'000	Leasehold Improvements ₦'000	Computer Equipment ₦'000	Office Equipment ₦'000	Furniture & Fittings ₦'000	Motor Vehicle ₦'000	Household Asset ₦'000	Plant and Equipment ₦'000	Work in progress ₦'000	Total ₦'000
Cost											
At 1 January 2022	**41,082**	**124,274**	-	**36,903**	**45,677**	**43,022**	**125,788**	**3,940**	**86,947**	**8,483**	**516,116**
Additions	-	16,530	-	5,962	10,537	17,914	107,422	17,454	18,848	-	194,667
Reclassified to intangible assets (Note 23)	-	-	-	-	-	-	-	-	-	(8,483)	(8,483)
Adjustments (Note 22.3)	-	-	-	-	8,133	467	-	305	(6,713)	-	2,192
Disposal	-	-	-	-	-	(80)	(40,027)	(601)	-	-	(40,708)
At 31 December 2022	**41,082**	**140,804**	**-**	**42,865**	**64,347**	**61,323**	**193,184**	**21,098**	**99,082**	**-**	**663,785**
At 1 January 2023	**41,082**	**140,804**	**-**	**42,865**	**64,347**	**61,323**	**193,184**	**21,098**	**99,082**	**-**	**663,785**
Additions	**-**	**2,720**	**29,456**	**4,061**	**3,770**	**2,557**	**16,560**	**111**	**23,544**	**-**	**82,779**
Disposal	**-**	**-**	**-**	**(589)**	**-**	**-**	**-**	**-**	**-**	**-**	**(589)**
At 31 December 2023	**41,082**	**143,524**	**29,456**	**46,337**	**68,117**	**63,880**	**209,743**	**21,209**	**122,626**	**-**	**745,975**
Accumulated depreciation/ impairment											
At 1 January 2022	**-**	**18,217**	**-**	**27,954**	**28,994**	**30,962**	**60,122**	**2,604**	**60,699**	**-**	**229,552**
Charged for the year	-	2,604	-	3,564	6,840	6,698	40,022	2,556	9,626	-	71,911
Adjustments (Note 22.3)		650	-	(338)	7,264	1,547	(1,011)	341	(3,708)		4,745
Disposal	-	-	-		-	(36)	(20,265)	(490)		-	(20,791)
At 31 December 2022	-	21,471	-	31,180	43,098	39,171	78,868	5,011	66,617	-	285,417
At 1 January 2023	**-**	**21,471**	**-**	**31,180**	**43,098**	**39,171**	**78,868**	**5,011**	**66,617**	**-**	**285,417**
Charged for the year	**-**	**2,829**	**982**	**3,797**	**6,662**	**6,488**	**50,693**	**3,794**	**10,966**	**-**	**86,212**
Disposal	**-**	**-**	**-**	**(245)**	**-**	**-**	**-**	**-**	**-**	**-**	**(245)**
At 31 December 2023	**-**	**24,300**	**982**	**34,732**	**49,760**	**45,659**	**129,561**	**8,806**	**77,583**	**-**	**371,384**
Carrying amount:											
At 31 December 2023	**41,082**	**119,224**	**28,475**	**11,604**	**18,357**	**18,220**	**80,182**	**12,404**	**45,043**	**-**	**374,591**
At 31 December 2022	41,082	119,333	-	11,685	21,249	22,152	114,315	16,087	32,465	-	378,368

22.1.Depreciation charged is included in the statement of profit or loss and other comprehensive income.

22.2. The Bank's property and equipment were not pledged as collateral for borrowings.

22.3. This represents an adjustment to align with the assets register.

22.4. This represents cost incurred to reburshment of Ila-Orangun branch of the Bank.

	Computer Software	Other intangible assets	Total
	₦'000	₦'000	₦'000
23. Intangible assets			
Cost			
At 1 January 22	90,441	23,127	113,568
Additions	7,340	24,481	31,821
Reclassified from property and equipment (Note 22)	-	8,483	8,483
At 31 December 22	**97,781**	**56,091**	**153,872**
At 1 January 23	**97,781**	**56,091**	**153,872**
Additions	**10,000**	**8,761**	**18,761**
At 31 December 23	**107,781**	**64,852**	172,633
Accumulated amortisation and impairment			
At 1 January 22	69,769	21,559	91,327
Adjustment (Note 23.2)	-	1,289	1,289
Amortised for the year	7,652	4,070	11,722
At 31 December 22	**77,421**	**26,918**	104,339
At 1 January 23	**77,421**	**26,918**	**104,339**
Amortised for the year	**8,374**	**7,840**	**16,214**
At 31 December 23	**85,795**	**34,758**	**120,553**
Carrying amount:			
At 31 December 23	**21,986**	**30,094**	**52,080**
At 31 December 22	20,360	29,173	49,533

23.1 This represents the cost of a new bank website, mobile application, and human resources application.

23.2. This represents an adjustment to align with the assets register.

24. Non-current assets held for sale		
At 1 January	**149,317**	183,351
Disposals in the year	**(35,020)**	(34,034)
At 31 December	**114,297**	149,317

The balance on non-current assets held for sale represents the stock of houses previously held by the Bank as investment properties while additions represents necessary improvement on the properties to make it sellable to willing buyers as well as assets repossessed from customers as a result of consistent default in repayment. In line with CBN regulations on permissible business of PMBs, they were derecognised as investment properties and classified as held for sale in line with IFRS 5. They were expected to have been sold before the year end, but due to market conditions, some of them are still unsold at the year end. However, the Bank is still committed to disposing them off. They are held at cost. No impairment have been recognised on the properties since the market value is much higher than the cost.

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	2023	2022
	₦'000	₦'000
25. Deposits from customers		
25.1 Analysis by type		
Demand accounts	**3,536,706**	2,542,631
Savings accounts	**1,429,102**	430,663
Time deposits	**4,177,843**	2,518,306
	9,143,651	5,491,601
25.2 Analysis by maturity		
Under 1 month	**4,965,808**	2,973,295
1-3 months	**4,177,843**	2,518,306
3-6 months	-	-
6-12 months	-	-
Over 12 months	-	-
	9,143,651	5,491,601
26. Borrowings		
26.1.Other facilities		
Nigeria Mortgage Refinancing Company (Note 26.1.1)	**876,075**	525,481
26.2.On-lending facilities:		
Federal Mortgage Bank of Nigeria (Note 26.2.1)	**1,002,960**	746,502
Development Bank of Nigeria (Note 26.2.2.)	**1,206,841**	1,569,474
	3,085,875	2,841,457
26.1.1. Nigeria Mortgage Refinancing Company		
At 1 January	**525,481**	339,939
Receipts during the year	**393,212**	212,975
Repayments in the year	**(124,321)**	(68,588)
	794,372	484,326
Interest capitalised and paid (Note 8.1)	**81,703**	41,155
At 31 December	**876,075**	525,481
Analysis by maturity		
Current	**87,607**	-
Non-current	**788,467**	525,481
	876,075	525,481
26.2.1 Federal Mortgage Bank of Nigeria		
At 1 January	**746,502**	640,914
Receipts during the year	**511,192**	159,950
Repayments in the year	**(291,352)**	(84,586)
	966,343	716,278
Interest capitalised and paid (Note 8.1)	**36,617**	30,224
At 31 December	**1,002,960**	746,502
Analysis by maturity		
Current	**200,592**	-
Non-current	**802,368**	746,502
	1,002,960	746,502

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	2023	2022
	₦'000	₦'000
26.2.2 Development Bank of Nigeria		
At 1 January	**1,569,474**	1,241,250
Receipts during the year	**826,557**	920,000
Repayments in the year	**(1,386,149)**	(738,444)
	1,009,882	1,422,806
Interest capitalised and paid (Note 8.1)	**196,959**	146,668
At 31 December	**1,206,841**	1,569,474
Analysis by maturity		
Current	**-**	-
Non-current	**1,206,841**	1,569,474
	1,206,841	1,569,474

26.1.1.Nigeria Mortgage Refinancing Company: The balance relates to the outstanding balance of the refinancing loan granted by Nigeria Mortgage Refinancing Company on 9 April 2018. The principal and interest are repayable over 15 years on a monthly basis effective October 2018. The interest rate is 14.5% per annum.

26.2.1. **Federal Mortgage Bank of Nigeria:** The balance on the Federal Mortgage Bank of Nigeria (FMBN) represents the outstanding balance due to FMBN for amount disbursed to the Bank for on-lending for duly prequalified and approved National Housing Fund beneficiaries.

All loans from the Federal Mortgage Bank are secured by Bank Guarantees with the exception of loans with Legal Mortgages.

26.2.2.Development Bank of Nigeria: The balance relates to the outstanding balance of N500 million MSME/Small corporate Series 6 sub-loan granted during the year on 2 August 2023 and N320 million on 14 December 2022 while the remaining has been carried forward.

	2023	2022
27. Other liabilities		
Account payables (Note 27.1)	**499,545**	369,797
Accrued expenses	**7,230**	5,500
E-cards and other settlement accounts	**625,337**	160,518
Unclaimed dividend payable	**14,161**	14,161
Taxes and statutory collection payables	**45,332**	43,641
Unearned incomes	**250**	250
Contribution to pension fund (Note 27. 2)	**1,320**	979
	1,193,175	594,846

27.1 Included in the figure above is N325.3 million representing the amount payable as awaiting approval for deed of assignments.

	2023	2022
	₦'000	₦'000
27.2. Defined contribution plan		
Retirement benefit plan		
At 1 January	**979**	97
Contribution for the year (Note 12)	**19,238**	19,944
Payment to fund administrators	**(18,897)**	(19,062)
At 31 December	**1,320**	979

27.2.1. A defined contribution plan is a pension plan under which the Bank pays fixed contributions; There is no legal or constructive obligation to pay further benefits. This is in compliance with the Pension Reform Act, 2014. Both employees and employer contribute to the plan based on specified rates as stated in the Act. The employees contribute 8% of basic, housing and transport allowances, while the Bank contributes 10% of same making a total contribution of 18%, into employees RSA, maintained with Pension Fund Administrators.

	2023	2022
28. Share capital		
Ordinary shares		
a) Authorised		
11,000,000,000 ordinary shares of 50 kobo each	**5,500,000**	5,500,000
b) Issued and fully paid:		
5,000,000,000 ordinary shares of 50k each	**2,500,000**	2,500,000
29. Reserves		
29.1 Retained earnings		
At 1 January	**794,765**	388,163
Profit for the year	**568,274**	821,678
Dividend paid during the year	**(61,627)**	(300,000)
Transfer to statutory reserve (Note: 29.2)	**(113,655)**	(164,336)
Transfer (from)/to regulatory risk reserve (Note 29.3)	**(488,871)**	49,262
At 31 December	**698,886**	794,765
29.2 Statutory reserve		
At 1 January	**377,497**	213,161
Transfer from retained earnings (Note 29.1)	**113,655**	164,336
At 31 December	**491,152**	377,497

29.2.1. The revised guidelines for Primary Mortgage Banks in Nigeria require mortgage banks to make an annual appropriation to a statutory reserve. As stipulated by section 5.4 of the revised guidelines, an appropriation of 20% of profit after tax is made if the statutory reserve is less than the paid up share capital and 10% of profit after tax if the statutory reserve is equal to or in excess of the paid up capital.

	2023	2022
	₦'000	₦'000
29.3. Regulatory risk reserve		
At 1 January	**90,799**	140,061
Arising in the year (Note 29.1)	**488,871**	(49,262)
At 31 December	**579,671**	90,799

29.3.1 The Central Bank of Nigeria stipulates that provisions for loans recognized in the profit or loss account be determined based on the requirements of IFRS. The IFRS provision should then be compared with provision determined using the Prudential Guidelines and the expected impact/changes treated in the retained earnings (See Statement of Prudential Adjustments).

	2023	2022
29.4. Fair value reserve		
At 1 January	**(17,114)**	(17,230)
Net gain on fair value through other comprehensive income in the year (Note 29.4.1.)	**1,901**	116
At 31 December	**(15,212)**	(17,114)
29.4.1. Analysis of net gain on fair value through other comprehensive		
Quoted equities	**(2,721)**	116
Unquoted equities	**4,622**	-
	1,901	116

29.4.2. Analysis of net loss on fair value through other comprehensive income into investments

	Quoted equities ₦'000	Unquoted equities ₦'000
At 1 January 22	-	(10,311)
Net gain/(loss) on fair value through other comprehensive income in the year (Note 29.4.1.)	116	-
At 31 December 22	**116**	**(10,311)**
Net (loss)/gain on fair value through other comprehensive income in the year (Note 29.4.1.)	**(2,721)**	**4,622**
At 31 December 23	**(2,605)**	**(5,689)**

29.4.2. Fair value reserve are measured at fair value through other comprehensive income in statement of profit or loss and other comprehensive income. The fair value changes are recognised through other comprehensive income.

30. Fair value of financial instruments
30.1.Financial instruments recorded at fair value
The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the bank's estimate of assumptions that a market participant would make when valuing the instruments.

30.2.Financial investments – FVTOCI
Financial assets at FVTOCI valued using valuation techniques or pricing models primarily consist of unquoted equities.

30.2.Financial investments – FVTOCI cont'd

These assets are valued using models that use both observable and un-observable data. The un-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

30.3.Determination of fair value and fair value hierarchy

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Bank has no transactions fitting into these categories.

Set out below is a comparison, by class, of the carrying amounts and fair values of the bank's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	2023		2022	
	Carrying amount ₦'000	**Fair value ₦'000**	Carrying amount ₦'000	Fair value ₦'000
Financial assets				
Cash and balances with Central Bank	**114,069**	**114,069**	141,492	141,492
Due from banks	**3,564,827**	**3,564,827**	970,819	970,819
Loans and advances to customers	**12,790,784**	**12,790,784**	10,679,375	10,679,375
	16,469,681	**16,469,681**	11,791,686	11,791,686
Financial investments				
FVTOCI	**98,821**	**98,821**	96,920	96,920
	16,568,502	**16,568,502**	11,888,606	11,888,606
Financial liabilities				
Deposit from customers	**9,143,651**	**9,143,651**	5,491,601	5,491,601
Borrowings	**3,085,875**	**3,085,875**	2,841,457	2,841,457
	12,229,526	**12,229,526**	8,333,058	8,333,058

30.3.1.Fair value of financial assets and liabilities not carried at fair value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

i) Assets for which fair value approximates carrying value

For financial assets and financial liabilities that have a short term maturity (0 - 6 months) it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to demand deposits, and savings accounts without a specific maturity.

ii) Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments.

iii) Fair value of financial assets attributable to changes in credit risk
In respect of any net gain on Available for Sale Financial Assets (Debt Securities), recognised in equity, the fair value changes are attributable to changes in market interest rate and not the credit risk of the issuer.

31. Contingent liabilities, commitments and lease arrangements

a) Legal claims

Litigation is a common occurrence in the banking industry due to the nature of the business undertaken. The bank has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing.

The Bank in the ordinary course of business is presently involved in 25 (Dec 2022: 5) litigation suits. All 25 cases were instituted by the Bank against defaulting customers, which is not likely to give rise to any material contingent liability, or have any material effect on the Bank. The Directors are not aware of any other pending or threatened claims and litigations.

b) Capital commitments

As at 31 December 2023, the Bank has no capital commitments at the end of the year (2022 : Nil) in respect of authorized and contracted capital projects.

32. Lease arrangements

Operating lease commitments – Bank as lessee

The Bank did not enter into commercial leases for premises and equipment during the financial year (2022 : Nil).

33. Related party disclosures

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 one other party controls both. The definition include directors and key management personnel among others. Key management personnel is defined to include executive and non executive directors of the Bank The bank enters into transactions, arrangements and agreements involving directors, and their related concerns in the ordinary course of business at commercial interest and commission rates.

	2023	2022
	₦'000	₦'000
33.1 The directors remuneration below relates to payment to non-executive directors and charged as expense in the year. The non-executive directors do not receive pension entitlements from the Bank.		
Fees and sitting allowances	**28,100**	29,651
Other director expenses	**27,611**	23,477
	55,711	53,128
33.2 The following table provides the total amount of transactions, which have been entered into with key management personnel and their related parties for the relevant financial years.		
Loans and advances	**202,419**	73,148
Deposit liabilities	**39,656**	117,376

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33.3 Insider related credits outstanding as at 31 December 2023
Further disclosure of related party's loans is shown in the table below in compliance with Central Bank of Nigeria circular BSD/1/2004.

31 December, 2023

Name of Borrower	Relationship to reporting Institution	Date granted	Expiry Date	Outstanding Balance	Status	Interest Rate	Nature of security
				₦'000			
1. Adewole Adekunle Adewumi	MD/CEO	26/01/2021	26/06/2028	**44,737**	**Performing**	**7**	Legal mortgage
	MD/CEO	15/06/2023	26/06/2028	**27,931**	**Performing**	**7**	Legal mortgage
2. Aworonke Olaitan Omotara	Executive Director	01/02/2018	01/02/2033	**30,551**	**Performing**	**7**	Legal mortgage
	Executive Director	15/06/2023	26/06/2028	**18,700**	**Performing**	**7**	Legal mortgage
3- Adedeji Olumide	Executive Director	15/06/2023	26/06/2028	**18,700**	**Performing**	**7**	Legal mortgage
4-Adefisan Williams Adeyemi	Non-Executive Director	28/07/2023	28/01/2024	**61,800**	**Performing**	**27**	Legal mortgage
				202,419			

31 December, 2022

Name of Borrower	Relationship to reporting Institution	Date granted	Expiry Date	Outstanding Balance	Status	Interest Rate	Nature of security
				₦'000			
1. Adewole Adekunle Adewumi	MD/CEO	26/01/2021	26/06/2028	40,255	Performing	7.0	Legal mortgage
2. Aworonke Olaitan Omotara	Executive Director	01/02/2018	01/02/2033	32,893	Performing	7.0	Legal mortgage
				73,148			

34. Employees
The average number of persons employed by the Bank during the year was as follows:

	2023	**2022**
	Number	Number
Directors	**3**	3
Management	**22**	25
Non-management	**52**	57
	77	85

34.1. Key management Compensation
Key Management includes Executive Director and member of the Manangement Committee. The compensation paid or payable by the key management for employee services is shown below:

	2023	**2022**
	N'000	N'000
Salaries and other short term benefits	**108,370**	81,289
Post-emplyment benefits	**9,779**	5,726
	118,149	87,015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

35. Distribution proposed

The Directors proposed a dividend of N0.12 per share (2022:N0.60) from the retained earnings account based on the 2023 financial year results. The dividend amount of N61.6 million (2022: N300 million) which is liable to withholding tax at a rate of 10% is subject to approval by the shareholders at the Annual General Meeting. Consequently, the dividend has not been included as a liability in these financial statements.

36. Contraventions

There was no penalty paid in the current year and no other contravention occurred during the year of such regulatory bodies like Banks and Other Financial Institutions Act, CAP B3, LFN 2020, and Central Bank of Nigeria circulars (2022: Nil).

37. Comparative figures

Certain comparative figures have been reclassified in order to have a more meaningful comparison.

38. Events after the reporting date

There are no events after reporting date which could have a material effect on the financial statements of the Bank as at 31 December 2023 or the financial performance for the year ended that have not been adequately provided for or disclosed.

39.Going Concern Assessment

Based on current assessment and result for the year just concluded, the Directors are confident that the Going Concern of the Company will not be threatened and would be able to continue to operate in the foreseeable future.

40. Statement of fraud and forgery

In the 2023 audited financial statements, there is no incidence of fraud and forgery in the Bank " Livingtrust Mortgage Bank Plc" for the year ended 31 December 2023.

Other national disclosures

LIVINGTRUST MORTGAGE BANK PLC

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 ₦'000	%	2022 ₦'000	%
Gross earnings	**2,891,657**		2,538,906	
Interest expense	**(854,056)**		(495,272)	
	2,037,601		2,043,634	
Net impairment	**220,764**		94,112	
Bought-in-materials and services - local	**(589,774)**		(106,165)	
Value added	**1,668,590**	**100**	2,031,581	100
Applied as followed:				
To pay employees				
Employees as salaries, wages and pensions	**523,599**	**31**	424,167	21
To pay government				
Government taxes	**97,386**	**6**	184,056	9
To pay provider of capital				
Interest on borrowings	**315,279**	**19**	218,047	11
-'Dividend paid	**61,627**	**4**	300,000	15
To provide for assets replacements and future expansion:				
-'Depreciation and amortisation	**102,426**	**6**	83,633	4
- Profit for the year	**568,274**	**34**	821,678	40
Value added	**1,668,590**	**100**	2,031,581	100

Value added is the wealth created by the efforts of the Bank and its Employees. The statement shows the allocation of the wealth amongst employees, government, capital providers and that retained in the business for expansion and future wealth creation.

LIVINGTRUST MORTGAGE BANK PLC

FIVE-YEAR FINANCIAL SUMMARY

31 DECEMBER	2023	2022	2021	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000
Assets					
Cash and balances with CBN	**114,069**	141,492	159,427	112,892	88,942
Due from banks	**3,564,827**	970,819	2,722,755	1,346,860	1,291,081
Loans and advances to customers	**12,790,784**	10,679,375	7,807,374	4,078,130	1,801,288
Investment securities	**98,821**	96,920	96,803	106,717	710,794
Other assets	**647,219**	447,866	63,274	90,684	149,250
Property and equipment	**374,591**	378,368	286,564	260,430	226,895
Intangible assets	**52,080**	49,533	22,241	32,154	25,919
Deferred tax assets	**39,471**	-	-	1,833	5,575
Non current assets held for sale	**114,297**	149,317	183,351	268,051	295,251
Total assets	**17,796,160**	12,913,690	11,341,789	6,297,750	4,594,994
Liabilities and equity					
Liabilities					
Deposit from customers	**9,143,651**	5,491,601	5,296,312	2,619,302	1,209,132
Borrowings	**3,085,875**	2,841,457	2,222,103	646,116	550,945
Current income tax liability	**118,959**	170,150	197,636	25,085	12,888
Deferred tax liability	**-**	69,685	61,787	-	-
Other liabilities	**1,193,175**	594,846	339,795	230,139	173,162
Total liabilities	**13,541,660**	9,167,738	8,117,633	3,520,641	1,946,127
Equity					
Ordinary share capital	**2,500,000**	2,500,000	2,500,000	2,500,000	2,500,000
Retained earnings	**698,889**	794,768	388,163	107,591	65,975
Statutory reserve	**491,151**	377,497	213,161	111,769	85,297
Regulatory risk reserve	**579,671**	90,800	140,062	65,065	796
Fair value reserve	**(15,212)**	(17,114)	(17,230)	(7,317)	(3,201)
Total equity	**4,254,499**	3,745,951	3,224,156	2,777,109	2,648,867
Total liabilities and equity	**17,796,159**	12,913,689	11,341,789	6,297,750	4,594,994
Statement of comprehensive income					
Gross earnings	**2,891,657**	2,538,906	1,627,777	652,616	502,406
Total operating income	**2,037,601**	2,043,634	1,395,961	599,854	452,057
Operating expenses	**(1,151,177)**	(943,789)	(681,425)	(408,860)	(429,407)
Impairment (losses)/write-back	**(220,764)**	(94,112)	53,674	(39,570)	34,668
Profit before tax	**665,660**	1,005,734	768,210	151,424	57,318
Income tax expense/(credit)	**(97,386)**	(184,056)	(261,248)	(19,065)	5,214
Profit after tax	**568,274**	821,678	506,962	132,359	62,531
Other comprehensive income/(loss)	**1,901**	116	(9,913)	(4,116)	44
Other comprehensive income income for the year	**570,175**	821,794	497,049	128,244	62,576