



LOTUS BANK LIMITED

SUMMARY OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present the summary financial information of LOTUS Bank Limited for the year ended 31 December 2023. These summary financial information are derived from the full financial statements for the year ended 31 December 2023, and are not the full financial statements of LOTUS Bank Limited. The Bank's Independent Auditor issued an unqualified audit opinion on the full financial statements for the year ended 31 December 2023 from which these summary financial statements were derived.

Separate Statement of Financial Position in thousands of Naira

LOTUS BANK LTD STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	Dec-23 N'000	Dec-22 N'000
Cash and Balances with Central Bank of Nigeria	3	14,662,108	10,116,201
Due from Banks and Financial Institutions	4	16,899,421	5,573,972
Investment in sukuk measured at amortised cost	5a	56,197,288	39,458,311
Interbank Mudarabah Investment	6	7,451,517	2,444,949
Murabaha (Cost plus financing) Receivables	7a.	31,357,954	12,927,688
Istisna (Construction/Manufacturing) Receivables	7b.	4,938,811	25,590
Ijara (Lease Based Financing)	7c.	12,742,890	4,320,283
Qard Financing Assets	9	242,279	-
Inventory Financing	8a	11,396,116	16,073,668
Assets Held for Sale	8b	28,250,251	-
Other Assets	12	13,758,679	5,796,931
Property & Equipment	10	8,150,227	3,508,181
Intangible Assets	11	4,596,117	1,714,250
Deferred Tax	15 (b)	1,993,485	1,168,317
TOTAL ASSETS		212,637,143	103,128,341
LIABILITIES			
Customer Deposits	12	48,115,393	19,704,596
Mudarabah Investment Accounts	16	88,327,305	31,746,352
Financial Institutions Mudarabah	13b	31,441,627	21,411,938
CBN Intervention Fund	13c	2,000,000	-
Auto Murabaha liabilities	14a.	449,540	581,986
Other Liabilities	14b.	19,033,191	17,399,083
Tax Liabilities	15 (a)	32,612	7,187
TOTAL LIABILITIES		189,399,668	90,851,142
OWNERS' EQUITY			
Share capital	17	16,500,000	10,000,000
Share premium	18	4,423,608	3,028,746
Retained earnings	19	(818,348)	(1,680,767)
Regulatory Risk Reserves	20a	1,606,493	502,777
Statutory Reserves	20b	1,259,805	352,358
Other Reserves	21	265,917	74,085
TOTAL OWNERS' EQUITY		23,237,475	12,277,199
Total Liabilities & Owners' Equity		212,637,143	103,128,341
Contingent Asset & Liabilities		30,341,263	10,305,887

TOTAL LIABILITIES AND EQUITY

The financial statements was approved by the Board of Directors on 27 February 2024 and signed on its behalf by:

Bashir Bello
Ag. Chief Financial Officer
FRC/2022/001/00000023870

Kafilat Araoye
Managing Director
FRC/2020/003/00000022115

Hajara Adeola
Chairperson
FRC/2013/IODN/00000002955

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF Lotus Bank Limited

Opinion

The summary financial statements of LOTUS Bank Limited, which comprise the summary statement of financial position as at 31 December, 2023, the summary statements of Profit or Loss and other comprehensive income for the year then ended, are derived from the audited financial statements of LOTUS Bank Limited for the year ended 31 December 2023. In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of LOTUS Bank Limited, in accordance with the requirements of the Companies and Allied Matters Act, 2020 for abridged reports, the Banks and Other Financial Institutions Act, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Central Bank of Nigeria regulatory guidelines and the Financial Reporting Council of Nigeria Act as applicable to summary financial statements.

Other Matter

We have not audited the report on the resolution of customers' complaints by management included in the accompanying summary financial statements and accordingly do not express any opinion thereon.

Summarized financial statements

The summary statement of affairs do not contain all disclosures required by the International Financial Reporting Standards, Companies and Allied Matters Act, 2020, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Banks and Other Financial Institutions Act 2020 and the Financial Reporting Council of Nigeria Act, 2011 as applicable to annual financial statements. Therefore, reading the summary financial statements and the auditor's report thereon is not a substitute for reading the audited financial statements of LOTUS Bank Limited and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effect of events that occurred subsequent to the date of our report on the audited financial statements.

Separate Statement of Profit or Loss and Other Comprehensive Income in thousands of Naira

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

INCOME	Notes	Dec-23 N'000	Dec-22 N'000
Income from financing activities	23	6,143,858	2,292,817
Profit from sukuk investments	24	5,612,853	2,805,785
Profit from interbank Mudarabah	24	661,581	353,962
Profit from inventory financing	24	4,760,063	2,159,019
Gross Income from Islamic financing & Investment transactions		17,178,355	7,611,583
Return on unrestricted investment accounts holders	25	(6,947,363)	(3,152,280)
Bank's share as a mudarib and equity participation in the pool		10,230,992	4,459,302
Impairment charges	31	(463,977)	(174,103)
Net spread		9,767,015	4,285,199
Sukuk Trading income	24	1,540,855	1,375,201
Net Fee and commission	26	476,243	194,441
Foreign currency translation difference	27	24,790	22,673
TOTAL INCOME		11,808,903	5,877,514
EXPENSES			
Staff costs	28	4,043,440	2,081,818
Depreciations & Amortisation	29	1,791,682	1,038,435
Operating expenses	30	3,746,164	2,161,928
Total expenses		9,581,286	5,282,181
Profit before Income tax		2,227,617	595,333
Taxation	15	797,208	579,195
Profit after Tax		3,024,825	1,174,528
Basic and Diluted Earnings Per Share	33	0.17	0.08

(i) ATM complaints data- 31 December 2023	TRANSACTION VOLUME	TRANSACTION VALUE
Unresolved as at 01 Jan	-	-
Number of complaints	262	5,637,300
Number of complaints resolved	259	5,617,300
Unresolved as at 31 December	3	20,000

Directors' responsibility for the Summarised Financial Statements

The directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the Companies and Allied Matters Act, 2020 as applicable to abridged reports, the Financial Reporting Council of Nigeria Act as applicable to summary financial statements, the Banks and Other Financial Institutions Act, circulars and guidelines issued by the Central Bank of Nigeria. The Companies and Allied Matters Act require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS).

Independent Auditors' responsibility for the Audit of the Financial Statements

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS.

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

The Bank complied with the fifth schedule of the Companies and Allied Matters Act 2020.

In accordance with our full audit report, we confirm that:

- We did not report any exceptions under the fifth schedule of the Companies and Allied Matters Act;
- Details of the related party transactions and balances as defined in Central Bank of Nigeria circular BSD/1/2004 are as reported in the notes to the financial statements;
- No contravention of the Banks and Other Financial Institutions Act 2020 and relevant circulars issued by the Central Bank of Nigeria came to our knowledge during the audit.

Michael Osinloye
FRC/2013/ICAN/0000000823
For: Deloitte & Touche
Lagos, Nigeria
28 March 2024

