



BALANCE SHEET

As at 31 December 2010

	Group Dec-10 N'000	Group Dec-09 N'000	Bank Dec-10 N'000	Bank Dec-09 N'000
ASSETS				
Cash and balances with CBN	6,567,639	6,354,206	6,026,043	5,851,836
Treasury bills	8,176,207	5,049,245	8,176,207	5,049,245
Due from financial institutions	50,239,452	60,292,150	48,544,435	58,729,492
Loans and advances to customers	42,793,251	30,001,550	38,637,809	28,636,557
On-lending facilities	6,718,813	-	6,718,813	-
Advances under finance lease	896,608	463,206	896,608	456,882
Insurance receivables	209,872	212,049	-	-
Investment securities	49,763,750	2,520,349	48,644,369	1,111,079
Investment in subsidiaries	-	-	1,984,193	2,894,479
Investment in associates	1,578,744	1,353,703	1,353,703	1,353,703
Deferred tax asset	25,054,033	20,242,539	23,384,264	19,759,352
Other assets	6,767,437	5,964,253	6,163,901	5,725,233
Investment property	4,296,052	4,198,020	-	-
Property and equipment	13,922,543	14,284,971	12,614,282	13,217,865
Goodwill	-	-	-	-
TOTAL ASSETS	216,984,401	150,936,241	203,144,627	142,785,723
LIABILITIES				
Customers deposits	120,883,753	94,058,964	121,507,898	94,791,074
Due to other banks	2,588,220	467,797	2,588,220	467,797
On-lending liabilities	6,718,813	-	6,718,813	-
Claims payable	305,232	205,017	-	-
Liability on investment contracts	1,135,391	443,422	-	-
Liabilities on insurance contracts	1,328,593	985,051	-	-
Income tax payable	609,954	406,245	386,453	224,081
Other liabilities	12,861,712	11,195,634	6,875,670	4,968,942
Deferred tax liabilities	279,262	277,620	-	-
Retirement benefit obligations	172,175	61,803	160,840	53,405
Other borrowings	54,331,986	88,672,659	50,069,457	87,779,538
TOTAL LIABILITIES	201,215,091	196,774,212	188,307,351	188,284,837
NET LIABILITIES	15,769,310	(45,837,971)	14,837,276	(45,499,114)
CAPITAL AND RESERVES				
Share capital	6,410,623	5,160,315	6,410,623	5,160,315
Share premium	24,701,231	18,791,971	24,701,231	18,791,971
Revaluation reserve	4,249,457	4,249,457	2,088,605	2,088,605
Retained earnings	(28,646,302)	(77,438,607)	(27,359,643)	(75,664,905)
Other reserves	9,653,463	4,245,536	8,996,460	4,124,900
Attributable to Banks' equity holders	16,368,472	(44,991,328)	14,837,276	(45,499,114)
Non-controlling interest	(599,162)	(846,643)	-	-
TOTAL EQUITY	15,769,310	(45,837,971)	14,837,276	(45,499,114)
CONTINGENTS	18,598,027	2,612,397	18,598,027	2,612,397

PROFIT & LOSS SUMMARY

As at 31 December 2010

	Group 12 Months Dec-10 N'000	Group 9 Months Dec-09 N'000	Bank 12 Months Dec-10 N'000	Bank 9 Months Dec-09 N'000
Gross earning	21,796,628	18,994,974	19,929,693	16,272,245
Interest and similar income	14,085,939	12,945,257	13,570,104	11,563,403
Interest and similar expenses	(8,243,938)	(8,634,693)	(7,899,927)	(7,845,973)
Net interest income	5,842,001	4,310,564	5,670,177	3,717,430
Other income	7,710,689	6,049,717	6,359,589	4,708,842
Operating income	13,552,690	10,360,281	12,029,766	8,426,272
Operating expenses	(20,859,032)	(14,390,194)	(18,206,006)	(13,293,765)
Loan loss (expense)/recoveries (Recoveries)/diminution in value of other assets and investments	21,514,830 (1,237,997)	(4,292,504) (545,782)	21,010,066 (1,869,718)	1,336,228 222,011
Group's share of associate's profit	171,273	-	-	-
Profit/(loss) before taxation	13,141,764	(8,868,199)	12,964,108	(3,309,254)
Taxation	4,313,891	1,337,901	3,274,425	1,214,562
Profit/(loss) after taxation	17,455,655	(7,530,298)	16,238,533	(2,094,692)
Minority interest	(247,480)	766,864	-	-
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS	17,208,175	(6,763,434)	16,238,533	(2,094,692)
APPROPRIATIONS				
Transfer to statutory reserve	4,903,239	43,796	4,871,560	-
Transfer to general reserve	12,304,936	(6,807,230)	11,366,973	(2,094,692)
	17,208,175	(6,763,434)	16,238,533	(2,094,692)
Total non-performing loans to loans and advances	56%	74%	59%	74%
Earnings/(Loss) per share	163k	(66)k	154k	(21)k

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Chief Samuel Bolarinde
CHAIRMAN

Mr. Segun Oloketuyi
MANAGING DIRECTOR/CEO

INDEPENDENT AUDITOR'S REPORT

To the Members of Wema Bank Plc:

The accompanying balance sheets as at 31 December 2010 and the profit and loss accounts for the year then ended, are derived from the audited Group and Separate financial statement of Wema Bank Plc ("the Bank") and its subsidiary companies (together "the Group") for the year ended 31 December 2010. We expressed a qualified audit opinion on the Group and Separate financial statements in our report dated 15 April 2011.

The accompanying balance sheets and profit and loss accounts do not contain all the disclosures required by Statements of Accounting Standards applicable in Nigeria, the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act, and other relevant Central Bank of Nigeria circulars applied in the preparation of the audited financial statements of the Bank and the Group. Reading the accompanying balance sheets and profit and loss accounts, therefore, is not a substitute for reading the audited financial statements of the Bank and the Group.

In our opinion, the accompanying balance sheets and profit and loss accounts are consistent, in all material respects, with the audited Group and Separate financial statements of Wema Bank Plc for the year ended 31 December 2010 from which they were derived. However, the accompanying balance sheets and profit and loss accounts contains a misstatement to the equivalent extent as the audited financial statements of Wema Bank Plc for the year ended 31 December 2010.

The misstatement of the audited financial statements is described in our qualified audit opinion in our report dated 15 April 2011. Our qualified audit opinion is based on the accounting for the forbearance received by the

Bank from the Central Bank of Nigeria during the year. The forbearance of N36 billion was credited directly to retained earnings rather than being recognised as extraordinary item in the profit and loss account as required by the Statement of Accounting Standard 6 On Extraordinary Items and Prior Year Adjustments. Had the forbearance been recorded in the profit and loss account, the profit before tax of the Bank and the Group would have increased by N36 billion the profit after tax would have increased by N25.2 billion, the income tax liabilities would have increased by N10.8 billion and the shareholders' funds would have reduced by N10.8 billion.

Compliance with Section 27 (2) of the Banks and Other Financial Institutions Act of Nigeria and Central Bank of Nigeria Circular BSD/1/2004.

The Bank paid a penalty in respect of the contravention of the provisions of section 3 (1) of the Money Laundering (Prohibition) Act. Details of the contravention are as disclosed in note 45 to the financial statements. Related party transactions and balances have been disclosed in the financial statements in compliance with the Central bank of Nigeria Circular BSD/1/2004.

KPMG

Lagos, Nigeria
15 April 2011

