

WEMA BANK PLC

**Unaudited IFRS Results
for the quarter ended 30 September 2013**

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Statement of Financial Position

As at 30 September 2013

	Notes	30 September 2013	31 December 2012
<i>In thousands of Nigerian Naira</i>			
ASSETS			
Cash and cash equivalents	18	81,897,536	19,627,505
Non-pledged trading assets	20	-	-
Pledged assets	19	13,596,032	11,485,160
Investment securities	25	70,467,437	77,939,680
Loans and advances to customers	21	89,036,842	73,745,728
Investment in subsidiaries	24	-	-
Investment property	26	629,913	664,907
Assets held for sale	22	-	-
Property and equipment	27	11,848,185	12,433,326
Intangible assets	28	911,529	925,429
Investment in associate	23	2,048,765	2,048,765
Other assets	30	8,248,125	23,464,395
Deferred tax assets	29	23,369,702	23,369,702
TOTAL ASSETS		302,054,066	245,704,597
LIABILITIES			
Deposits from banks	31	3,765,460	730,856
Deposits from customers	32	184,600,997	174,302,424
Current tax liabilities	33	14,270	128,965
Other liabilities	34	15,594,081	7,516,964
Other borrowed funds	35	57,505,281	57,006,619
Deposit for shares	36	-	4,740,454
TOTAL LIABILITIES		261,480,089	244,426,282
EQUITY			
Share capital		19,287,233	6,410,624
Share premium		49,238,358	24,701,231
Regulatory risk reserve		816,364	816,364
Treasury shares		-	(4,571,482)
Retained earnings		(37,944,750)	(35,307,930)
Other reserves		9,176,773	9,229,507
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		40,573,977	1,278,315
TOTAL EQUITY		40,573,977	1,278,315
TOTAL LIABILITIES AND EQUITY		302,054,066	245,704,597

Statement of Comprehensive Income

For the period ended 30 September 2013

<i>In thousands of Nigerian Naira</i>	<i>Notes</i>	<u>30 September 2013</u>	<u>31 December 2012</u>
Interest income	8	20,222,112	25,055,599
Interest expense	8	(12,027,787)	(13,287,493)
Net interest income		8,194,325	11,768,106
Net impairment loss/write back on financial assets	13	845,452	(4,952,760)
Net interest income after impairment charge for credit losses		9,039,777	6,815,346
Net fee and commission income	9	3,742,006	4,762,997
Net trading income	10	581,172	93,174
Other income	11	1,777,675	804,616
		<u>6,100,853</u>	<u>5,660,787</u>
Operating income		15,140,630	12,476,133
Loss on disposal of subsidiaries	12	-	-
Personnel expenses	14	(5,510,148)	(7,831,273)
Operating lease expenses	15(a)	(511,288)	(507,695)
Depreciation and amortisation		(1,034,280)	(1,720,274)
Other operating expenses	15	(7,521,114)	(7,726,998)
		<u>563,800</u>	<u>(5,310,107)</u>
Share of profit in associate	23	-	367,896
Profit before tax		<u>563,800</u>	<u>(4,942,211)</u>
Income tax expense	16	-	(98,418)
Profit for the year		563,800	(5,040,629)
Other comprehensive income, net of income tax			
Share of other comprehensive income of associate	23	-	126,009
Fair value (loss)/ gain on available-for-sale investments	16	(52,736)	(75,196)
Other comprehensive income for the year, net of income tax		(52,736)	50,812
Total comprehensive income for the year		511,064	(4,989,816)
Profit attributable to:			
Equity holders of the Bank		<u>563,800</u>	<u>(5,040,629)</u>
Total comprehensive income for the year		<u>511,064</u>	<u>(4,989,816)</u>
Profit per share-basic	17	5	(42)
Profit per share-diluted	17	4	(42)

Statement of Changes in Equity

In thousands of Nigerian naira (000s)

	Share Capital	Share premium	Treasury shares	Regulatory risk reserve	Statutory reserve	SMEIES reserve	Fair value reserves	Capital reserves	Syndicated Loan Reserves	Retained earnings	Total equity
2012											
Balance at 1 January 2012	6,410,624	24,701,231	(4,571,482)	1,206,808	7,669,552	526,908	182,236	300,000	500,000	(30,657,745)	6,268,132
Total comprehensive income:											
Profit or loss	-	-	-	-	-	-	-	-	-	(5,040,629)	(5,040,629)
Prior year adjustment										-	-
Other comprehensive income											
Fair value reserve (available-for-sale) financial assets	-	-	-	-	-	-	(75,196)	-	-	-	(75,196)
Share of Associate's other comprehensive income							126,009				126,009
Total other comprehensive income	-	-	-	-	-	-	50,813	-	-	-	50,813
Total comprehensive income for the period											
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Regulatory risk reserve				(390,444)						390,444	-
Deposit for shares											-
Total contribution and distributions to owners	-	-	-	(390,444)	-	-	-	-	-	390,444	-
Balance at 31 December 2012	6,410,624	24,701,231	(4,571,482)	816,364	7,669,552	526,908	233,049	300,000	500,000	(35,307,930)	1,278,316
2013											
Balance at 1 January 2013	6,410,624	24,701,231	(4,571,482)	816,364	7,669,552	526,908	233,049	300,000	500,000	(35,307,930)	1,278,316
Total comprehensive income:											
Profit or loss	-	-	-	-	-	-	-	-	-	563,800	563,800
Prior year adjustment										-	-
Other comprehensive income											
Fair value reserve (available-for-sale) financial assets	-	-	-	-	-	-	(52,736)	-	-	-	(52,736)
Share of Associate's other comprehensive income							-				-
Total other comprehensive income	-	-	-	-	-	-	(52,736)	-	-	-	(52,736)
Total comprehensive income for the period	6,410,624	24,701,231	(4,571,482)	816,364	7,669,552	526,908	180,313	300,000	500,000	(34,744,130)	1,789,380
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Regulatory risk reserve				-						-	-
New shares issued	12,876,609.04138	24,537,126.68623	4,571,482							(3,200,621)	38,784,597
Total contribution and distributions to owners	12,876,609	24,537,127	4,571,482							(3,200,621)	38,784,597
Balance at 30 September 2013	19,287,233	49,238,358	-	816,364	7,669,552	526,908	180,313	300,000	500,000	(37,944,750)	40,573,977

The notes on pages .. to ... are an integral part of these financial statements

Statement of Cash Flow

For the period ended 30 September 2013

In thousands of Nigerian Naira

	Notes	2013	2012
Cash flows from operating activities			
Profit/Loss for the year		563,800	(5,040,629)
Adjustments for:			
Taxation expense		-	98,418
Depreciation and amortization	27	1,034,280	1,720,274
Gain on disposal of property and equipment		(23,719)	(335,005)
Fair value loss on trading assets		-	-
Fair value loss on available for sale investments		52,736	75,196
Gain on sale of equity investment		-	-
Loss on disposal of subsidiaries		-	-
Net interest income	8	(8,194,325)	(11,768,106)
Share of profit of associate		-	367,896
Dividend received from equity investment		(81,307)	(3,915)
Impairment loss on financial assets	13	(845,452)	4,952,760
		(7,493,987)	(9,933,111)
Change in trading assets		-	412,308
Change in pledged assets		(2,110,872)	176,691
Change in loans and advances to customers		(9,181,178)	(5,799,181)
Change in other assets		15,216,270	(5,665,957)
Change in deposits from banks		3,034,604	(1,927,312)
Change in deposits from customers		10,298,573	26,915,016
Change in other liabilities		8,077,117	1,015,977
		17,840,527	5,194,431
Income tax paid		(114,695)	(134,431)
Interest received		14,518,536	17,952,876
Vat paid		(96,190)	(91,854)
Interest paid		(8,658,657)	(8,721,207)
Net cash from operating activities		23,489,521	14,199,815
Cash flows from investing activities			
Acquisition of investment securities		7,472,242	(17,517,252)
Dividend received from equity investment		81,307	3,915
Acquisition of property and equipment	27	(700,237)	(964,464)
Proceeds from the sale of property and equipment		722,524	895,029
Proceeds from the sale of investment properties		31,000	59,885
Acquisition of intangible assets		-	(79,136)
Proceeds from disposal of subsidiaries		-	-
Cash received from absorption		-	-
Net cash used in investing activities		7,606,837	(17,602,023)
Cash flows from financing activities			
Deposit for shares		(4,740,454)	4,740,454
Change in other borrowed funds		498,662	(1,078,898)
Proceeds from Issue of Shares		40,000,685	-
Share Issue Expenses		(1,216,090)	-
Interest paid on CBN financial accomodation loan		(3,369,130)	(4,566,288)
Net cash from financing activities		31,173,673	(904,732)
Net increase in cash and cash equivalents		62,270,031	(4,306,940)
Cash and cash equivalents at beginning of period		19,627,505	23,934,445
Cash and cash equivalents at end of period	18	81,897,536	19,627,505

NOTES TO THE FINANCIAL STATEMENTS

8 Net interest income

In thousands of Nigerian Naira 30 September
2013

Interest income

Cash and cash equivalents	1,130,831
Loans and advances to banks and customers	12,271,288
Investments securities	6,819,993
Total interest income	<u>20,222,112</u>

Interest expense

	30 September 2013
Deposits from banks	717,294
Deposits from customers	7,941,364
Other borrowed funds	3,369,130
Total interest expense	<u>12,027,787</u>

9 Fees and commission income

In thousands of Nigerian Naira 30 September
2013

Retail banking customer fees & commissions	1,669,120
Corporate banking customer fees & commissions	1,333,944
Other fees and charges	738,942
Total fee and commission income	<u>3,742,006</u>

10 Net trading income

In thousands of Nigerian Naira 30 September
2013

Fixed income securities	581,172
Treasury bills	-
Equities (see note (i) below)	-
Foreign exchange trading	-
	<u>581,172</u>

11 Other income

In thousands of Nigerian Naira 30 September
2013

Dividends on available-for-sale equity securities	81,307
Gains on disposal of property and equipment	23,719
Rental income (i)	26,048
Others	1,646,601
	<u>1,777,675</u>

NOTES TO THE FINANCIAL STATEMENTS

13 Impairment loss on financial assets

	30 September
<i>In thousands of Nigerian Naira</i>	<u>2013</u>
Impairment losses on loans and advances	
-specific impairment	204,628
-collective impairment	-
-Allowance no longer required	(1,050,080)
Impairment loss on available for sale financial assets	
- Allowance for the year	-
Impairment loss on other assets (Note 30)	-
	<u><u>(845,452)</u></u>

14 Personnel expenses

	30 September
<i>In thousands of Nigerian Naira</i>	<u>2013</u>
Wages and salaries	3,328,699
Contributions to defined contribution plans	849,096
Other staff costs	1,332,353
	<u><u>5,510,148</u></u>

15 Other operating expenses

	30 September
<i>In thousands of Nigerian Naira</i>	<u>2013</u>
Other premises and equipment costs	1,106,835
Auditors remuneration	101,254
Professional fees	1,212,716
AMCON Levy	626,127
Security expenses	393,284
Cash movement expenses	295,468
NDIC Premium	682,177
Printing and stationery	232,796
Advertising and marketing	590,118
General administrative expenses	2,280,339
	<u><u>7,521,114</u></u>

(a) Operating leases

	30 September
<i>In thousands of Nigerian Naira</i>	<u>2013</u>
Less than one year	-
Between one and five years	511,288
More than five years	-
	<u><u>511,288</u></u>

17 Loss per share**Basic and diluted earnings per share**

Basic earnings or loss per share is calculated by dividing the profit or loss for the year attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

The calculation of basic earnings per share as at 30 September 2013 was based on the profit attributable to ordinary shareholders of N563,800,000 (2012: (N5,040,628,550)) and weighted average number of ordinary shares outstanding of 14,083,864,000 (2012: 11,892,046,000).

30 September
2013

In thousands

Weighted average number of ordinary shares - basic

Weighted average number of shares 11,892,046

Weighted average number of ordinary shares - diluted

Weighted average number of shares	11,892,046
Weighted average number of treasury shares	-
Weighted effect of new shares issued	<u>2,191,818</u>
	<u><u>14,083,864</u></u>

Profit attributable to ordinary shareholders -basic & diluted

30 September

In thousands of Nigerian Naira

Profit for the year attributable to equity holders of the Bank	<u>563,800</u>
Loss per share -basic	<u><u>0.05</u></u>
Loss per share - diluted	<u><u>0.04</u></u>

NOTES TO THE FINANCIAL STATEMENTS

18 Cash and cash equivalents

<i>In thousands of Nigerian Naira</i>	30 September 2013
Cash and balances with banks	10,003,095
Unrestricted balances with central bank	2,075,138
Deposits with the Central Bank of Nigeria	47,060,002
Money market placements	22,759,300
	<u>81,897,536</u>

19 Pledged assets - Held to maturity

<i>In thousands of Nigerian Naira</i>	30 September 2013
Treasury bills	5,192,629
Bonds	8,403,403
	<u>13,596,032</u>

21 Loans and advances to customers at amortised cost

<i>In thousands of Nigerian Naira</i>	30 September 2013
Overdrafts	12,308,566
Term Loans	79,717,523
Advances under finance lease	901,990
Gross loans and receivables	<u>92,928,078</u>
<i>Less Allowances for Impairment</i>	
Specific Allowances for impairment	<u>(3,207,960)</u>
Collective allowances for impairment	(683,277)
	(3,891,237)
Net loans and advances to customers	<u>89,036,842</u>

25 Investment securities	30 September <u>2013</u>
<i>In thousands of Nigerian Naira</i>	
Investment securities	70,467,437
(a) Available-for-sale investment securities comprise:	
Bonds	7,678,377
Treasury bills	19,387
Equity	2,016,818
Less: specific allowance for impairment	<u>(1,564,965)</u>
	<u>8,149,616</u>
(b) Held for trading investment securities comprise:	
Treasury bills	226,355
FGN Bonds	-
Other bonds	-
	<u>226,355</u>
(c) Held to maturity investment securities comprise:	
Treasury bills	30,158,398
FGN Bonds	21,694,205
Other bonds	10,238,863
	<u>62,091,465</u>
(i) Specific allowance for impairment	30 September <u>2013</u>
<i>In thousands of Nigerian Naira</i>	
Balance, beginning of year	1,891,540
Charge for the year	-
Acquired from merger of business	-
Write-offs	-
Allowance no longer required	<u>(59,839)</u>
Balance, end of year	<u>1,831,701</u>

NOTES TO THE FINANCIAL STATEMENTS

27 Property and equipment

<i>In thousands of Nigerian Naira (000s)</i>	Land & Buildings	Furniture & Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
Cost						
Balance at 1 January 2013	14,500,320	4,755,627	1,869,142	3,652,791	209,979	24,987,859
Additions	355,723	294,877	26,736	88,413	(65,512)	700,237
Disposals	(602,476)	(93,302)	(101,862)	(53,915)		(851,556)
Reclassifications	(881,043)	802,699	0	78,343		(0)
Removal of Obsolete Items	0	(2,381,991)	(615,224)	(2,159,942)		(5,157,157)
Balance at 30 September 2013	13,372,524	3,377,911	1,178,791.30	1,605,690	144,467	19,679,383
Accumulated depreciation and impairment						
Balance at 1 January 2013	3,977,151	3,904,372	1,496,656	3,176,354	0	12,554,533
Charge for the year	259,752	366,736	130,160	209,249	0	965,896
Disposals	(316,226)	(79,215)	(94,618)	(47,191)	0	(537,250)
Reclassifications	(458,067)	442,548		15,519		0
Removal of Obsolete Items		(2,388,867)	(615,198)	(2,147,916)	0	(5,151,981)
Balance at 30 September 2013	3,462,609	2,245,574	917,000	1,206,016	-	7,831,199
Carrying amounts						
Balance at 1 January 2013	10,523,169	851,255	372,486	476,437	209,979	12,433,326
Balance at 30 September 2013	9,909,915	1,132,337	261,791.36	399,675	144,467	11,848,185

28 Intangible assets
In thousands of Nigerian Naira

	30 September
	<u>2013</u>
Cost	
Balance beginning of the year	2,245,227
Additions	
Reclassifications	<u>217,722</u>
Balance end of the year	<u>2,462,949</u>
Amortization and impairment losses	
Balance beginning of the year	1,319,798
Amortisation for the period	68,384
Acquired from business merger	
Reclassifications	<u>163,238</u>
Balance end of the year	<u>1,551,420</u>
Carrying amounts	<u><u>911,529</u></u>

NOTES TO THE FINANCIAL STATEMENTS

29 Deferred tax assets and liabilities

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	30 September
	<u>2013</u>
<i>In thousands of Nigerian Naira</i>	
Tax Losses c/f	23,369,702
Available-for-sale securities	
Allowances for loan losses	
Others	
	<u>23,369,702</u>

(b) Movements in temporary differences during the year

	Recognised in profit or loss
31 December 2012	
<i>In thousands of Nigerian Naira</i>	
Unused tax losses (i)	-
Available-for-sale securities	-
Allowances for loan losses	-
Others	-
	<u>-</u>

30 Other assets

	30 September
	<u>2013</u>
<i>In thousands of Nigerian Naira</i>	
Accounts receivable and prepayments	7,403,196
Divestment proceeds receivable	-
Others	4,289,634
Specific impairment on other assets	(3,444,705)
	<u>8,248,125</u>

31	Deposits from banks	30 September
	<i>In thousands of Nigerian Naira</i>	<u>2013</u>
	Money market deposits	3,765,460
	Other deposits from banks	-
	Items in the course of collection	-
		<u>3,765,460</u>
32	Deposits from customers	30 September
	<i>In thousands of Nigerian Naira</i>	<u>2013</u>
	Retail customers:	
	Term deposits	21,626,233
	Current deposits	39,811,516
	Savings	31,593,278
	Corporate customers:	
	Term deposits	48,011,050
	Current deposits	43,389,219
	Others	169,700
		<u>184,600,997</u>
33	Taxation payable	30 September
	<i>In thousands of Nigerian Naira</i>	<u>2013</u>
	Balance, beginning of the year	128,965
	Charge for the year	-
	Payment during the year	(114,695)
		<u>14,270</u>
34	Other liabilities	30 September
	<i>In thousands of Nigerian Naira</i>	<u>2013</u>
	Contributions to defined contribution plans	-
	Creditors and accruals	4,240,070
	Other current liabilities	6,674,235
	Accounts payable	1,524,213
	Amcon Levy	-
	Certified cheques	1,358,975
	Foreign currency transfers payable	1,506,963
	Finance lease liability (see note (i) below)	-
	Interest bearing liability (see note (ii) below)	289,625
		<u>15,594,081</u>
35	Other borrowed funds	30 September
	<i>In thousands of Nigerian Naira</i>	<u>2013</u>
	Due to CBN (see (i) below)	50,061,711
	National Housing Fund	142,482
	Due to BOI (see (ii) below)	6,601,087
	CBN Agric loan (see iii below)	700,000
		<u>57,505,281</u>