



WEMA BANK

## WEMA BANK PLC

### UNAUDITED RESULTS FOR THE 9 MONTHS ENDED SEPTEMBER 30, 2019 Announces a double-digit growth of 55.56% in Profit Before Tax (PBT), to **₦4.76billion**.

LAGOS, NIGERIA – 28<sup>th</sup> October 2019 – Wema Bank PLC (Bloomberg: Wema NL) (“Wema” or “the Bank”) announces its unaudited Q3’2019 financial results.

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The Chief Finance Officer, Tunde Mabawonku gave the following updates:

“We are delighted to announce the Bank’s Q3 2019 results. The performance shows growth in key financial metrics despite the challenging macro-economic environment. Wema Bank recorded YoY growth of 55.56% in profit before tax (PBT) to close the quarter at **₦4.76billion**. This was on the back of growth of 30.95% in Gross earnings from **₦48.99billion** in Q3’2018 to **₦64.15billion** in Q3’2019. The Bank continued to benefit from fees and other non-interest income which closed at **₦15.79billion** in Q3’2019 compared to **₦10.10 billion** in Q3’2018; a growth of **56.34%**. Net interest income also recorded a growth of **8.85%**, compared to Q3 2018. (Q3 2019; **₦17.2billion**; Q3 2018; **₦15.8billion**).”

According to the Chief Finance Officer, “The key measure of success for us is growth in customers and customer activity – and we are glad that we are reporting strong double-digit growth here. Customer deposits grew by **23.69%** to **₦456.8billion** from **₦369.3billion** in 2018 FY. Net loans grew by **13.76%** from **₦252.2billion** (2018 FY) to **₦286.9 billion** (Q3 2019), with a loan to deposit ratio above the regulatory prescribed minimum threshold. NPL numbers remained below 5% while Capital Adequacy of 14.78% is above the regulatory minimum of 10%.

The Bank continues to do well in the Digital space, with ALAT. The Managing Director – Mr. Ademola Adebise also further reiterated this strong performance stating that, “The future for Wema remains growth through innovation and we are proud to be the leading Bank in the Digital Banking space. ALAT has revolutionized customer on-boarding in the industry, now we are taking on payments and commerce. We are creating a digital platform for youths, young entrepreneurs and young professionals. The Bank has also commenced trade partnership with the Bank of Africa group to strengthen its commercial business. We believe that with the focused execution of our 3-year strategy, Wema will remain the Bank to watch out for. The bank remains committed to sustaining this impressive performance and to deliver on the FY 2019 guidance across all key metrics.”

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### Income Statement

- Gross earnings increased by 30.95% (Y-o-Y) to ₦64.15billion in Q3'2019 from ₦48.99billion in Q3 2018
- Reported Profit before Tax (PBT) and Profit After Tax (PAT) of ₦4.76billion and ₦4.12billion, an increase of 55.56% and 56.06% respectively in Q3'2019 (Q3 2018; ₦3.06billion PBT, ₦2.64billion PAT)
- Net-Interest Income grew to ₦17.2billion from ₦15.8billion in Q3 2018; growth of 8.85%
- A growth of 56.34% in Non-Interest Income to ₦15.79billion from ₦10.10billion in Q3 2018

### Statement of Financial Position

- Deposit Liabilities up by 23.69% to ₦456.8billion from ₦369.3billion in 2018 FY
- Net loans grew by 13.76% from ₦252.2billion (2018 FY) to ₦286.9 billion (Q3 2019)
- Total Asset increased by 25.70% to ₦600.7billion in Q3 2019 from ₦477.9billion in 2018 FY

### Key Ratios

- ROAE of 11.93% in Q3 2019 (Q3 2018; 7.83%)
- ROAA of 1.07% in Q3 2019 (Q3 2018; 0.85%)
- 3.99% NPL ratio (Q3 2018; 4.28%)
- CAR is 14.78% (Q3 2018; 13.33%)

### Operational Achievements

- Fitch, GCR and Agosto re-affirm Wema's National Long-term rating at (BBB-)
- We have upgraded our core banking application and infrastructure to enhance customer service excellence across all banking channels
- Our Agent banking network has increased to over 2,700, thus deepening our retail franchise and banking penetration.

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## Financial Performance Highlights

Below is the performance summary of the Bank.

| <b>Income statement (N'bn)</b> | <b>Q3 2019</b> | <b>Q3 2018</b> | <b>(Δ)</b> | <b>(Δ%)</b> |
|--------------------------------|----------------|----------------|------------|-------------|
| <i>Gross Earnings</i>          | 64.15          | 48.99          | 15.16      | 30.95%      |
| <i>Interest Income</i>         | 48.36          | 38.89          | 9.47       | 24.35%      |
| <i>Net Interest Income</i>     | 17.22          | 15.82          | 1.40       | 8.85%       |
| <i>Non-interest income</i>     | 15.79          | 10.10          | 5.69       | 56.34%      |
| <i>Operating expense</i>       | 26.63          | 22.39          | 4.24       | 18.94%      |
| <i>Profit before Tax</i>       | 4.76           | 3.06           | 1.70       | 55.56%      |
| <i>Profit after Tax</i>        | 4.12           | 2.64           | 1.48       | 56.06%      |
| <i>Earnings Per Share</i>      | 14.30kobo      | 9.20kobo       | 5.10       | 55.43%      |

| <b>Balance Sheet (N'bn)</b> | <b>Q3 2019</b> | <b>FY 2018</b> | <b>(Δ)</b> | <b>(Δ%)</b> |
|-----------------------------|----------------|----------------|------------|-------------|
| <i>Total Assets</i>         | 600.7          | 477.9          | 122.8      | 25.70%      |
| <i>Loans and Advances</i>   | 286.9          | 252.2          | 34.70      | 13.76%      |
| <i>Deposits</i>             | 456.8          | 369.3          | 87.50      | 23.69%      |
| <i>Shareholders' Funds</i>  | 53.8           | 50.9           | 2.90       | 5.70%       |

| <b>Key Ratios (in %)</b>          | <b>Q3 2019</b> | <b>Q3 2018</b> | <b>(Δ)</b> |
|-----------------------------------|----------------|----------------|------------|
| <i>Return on Average Equity</i>   | 11.93          | 7.83           | 3.95       |
| <i>Return on Average Asset</i>    | 1.07           | 0.85           | 0.21       |
| <i>Yield on Asset</i>             | 16.54          | 17.98          | -1.44      |
| <i>Net Interest Margin</i>        | 5.89           | 6.85           | -0.96      |
| <i>Capital Adequacy Ratio</i>     | 14.78          | 13.33          | 1.45       |
| <i>Liquidity Ratio</i>            | 32.04          | 30.38          | 1.66       |
| <i>Loan-to-Deposit Ratio</i>      | 60.46          | 63.91          | -3.45      |
| <i>Non-Performing Loans Ratio</i> | 3.99           | 4.28           | 0.29       |
| <i>Cost to Income Ratio</i>       | 84.84          | 85.39          | 0.55       |

**FOR FURTHER INFORMATION:**

**WEMA Bank Plc**

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***Notes to editors:***

**About WEMA Bank Plc**

Established in 1945, Wema Bank is Nigeria's longest surviving indigenous bank. Wema Bank offers a range of retail and SME banking, corporate banking, treasury, trade services and financial advisory to its numerous customers. In 2009, the Bank initiated a strategic repositioning exercise which culminated in a decision to operate as a commercial Bank with regional authorisation in South-South Nigeria, South-West Nigeria, Lagos and Abuja in 2011. Pursuant to meeting the Central Bank of Nigeria requirements, the Bank was granted a banking licence with National authorization in 2015. Wema Bank operates a network of over 150 branches and service stations backed by a robust ICT platform across Nigeria.

WEMA Bank is the pioneer of Africa's first fully digital bank ALAT and one of Nigeria's most resilient banks. With over 73 years in the business of banking, the bank has remained innovative in delivering value to its stakeholders.

More information can be found at [www.wemabank.com/investor-relations/](http://www.wemabank.com/investor-relations/)

**CAUTION REGARDING FORWARD LOOKING STATEMENTS**

Any forward-looking statement contained in this presentation, based on past or current trends and/or activities of Wema Bank should not be taken as a representation that such trends or activities will continue in the future. No statement in this presentation is intended to be a profit forecast or to imply that the earnings of the Bank for the current year or future years will necessarily match or exceed the historical or published earnings of the Bank. Each forward-looking statement speaks only as of the date of the statement. Wema Bank expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Wema Bank's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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