

WEMA Bank Plc Half Year 2018 Unaudited Financial results

LAGOS, NIGERIA - 20th July 2018 - Wema Bank PLC (Bloomberg: Wema NL) ("Wema" or "the Bank") announces its unaudited H1'2018 financial results.

- **Reports a 5.47% growth in gross earnings, driven by a 0.12% and 32.80% growth in interest and non-interest income.**
 - **Year-on-Year PBT growth of 26.60% from N1.43billion in H1 2017 to N1.81billion in H1 2018**
 - **Awarded the Best Digital Bank in Africa at the 2018 Asian Banker Awards.**
 - **Secured \$15million and N7.3 billion lines of credit from AFDB and DBN**
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Managing Director /Chief Executive Officer's review

Commenting on the results, the Acting MD/CEO, Ademola Adebise provided further insights into the performance of the Bank during the period:

The performance of the Bank in the 1st half of the year was largely in line with our expectations, Deposit grew by 39% to ~~N~~354.88billion (FY 2017; ~~N~~254.5 billion) on the back of continued acceptance of the Wema brand and the sustained success of ALAT – our flagship Digital Bank. We also improved our earnings capacity, gross earnings increased by 5.47% from ~~N~~30.37billion (H1'2017) to ~~N~~32.03billion (H1'2018), while Profit before tax closed 26.60% higher at N1.81billion.

The Bank continues to execute on its 5-year Retail strategy with a clear mandate to improve performance by leveraging innovation. The emphasis for us is not just to digitize our product offerings to customers but also to build a technology driven back-end infrastructure to further improve on turnaround time and efficiency.

The Bank also continues to improve its customer acquisition through the launch of ALAT and the impressive performance of its USSD platform (*945#). The Bank recorded significant growth in Agency Banking partnerships, with the number of agents increasing by 25% to 845 agents as at H1'2018 across all the 36 states of Nigeria. The bank will further leverage on its platforms and in-built capabilities in lowering cost to serve and growing market share.

During the period, the Bank secured credit lines of \$15 million and ~~N~~7.3 billion from the African Development Bank (AFDB) and the Development Bank of Nigeria (DBN) respectively. This is further in-line with the Bank's intent of obtaining long term funding to drive its SME business. The Bank is also expected to open the 2nd tranche of its Debt issuance program in a few weeks.

With these modest half-year results, we believe we are on track to deliver on our commitments to shareholders at the beginning of the year.

Ademola Adebise (Ag. MD/CEO)

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Financial Performance Review

Income Statement (₦bn)	H1 2018	H1 2017	(Δ%)
Gross Earnings	32.03	30.37	5.47
Interest Income	25.39	25.36	0.12
Non-Interest Income	6.64	5.00	32.80
Operating Expenses	13.57	11.97	13.40
Profit Before Tax	1.81	1.43	26.60
Profit After Tax	1.57	1.22	28.70
Earnings Per Share	8.20 Kobo	6.30 Kobo	30.16

Balance Sheet (₦bn)	H1 2018	FY 2017	(Δ%)
Total Assets	450.12	385.4	16.79
Loans & Advances (Net)	223.43	215.8	3.54
Deposits	354.88	254.5	39.44
Shareholders' Funds	50.98	49.72	2.53

Highlights

- Gross earnings increased by 5.47% (Y-o-Y) to N32.03billion in H1'2018 from ₦30.37billion in H1'2017.
- Profit before Tax (PBT) increased by 26.60% to ₦1.81 billion in H1'2018 from ₦1.43 billion in H1'2017.
- Profit after Tax (PAT) rose by 28.70% to ₦1.57 billion in H1'2018 from ₦1.22 billion in H1'2017.

Ratios

- Net Loan to Deposit Ratio: 62.96% (84.82% as at December 2017)
- Non-Performing Loans Ratio: 3.31% (3.52% as at December 2017)
- Capital Adequacy Ratio (CAR): 13.27%

Operational Achievements

- Fitch & GCR re-affirm Wema's National Long-term rating at (BBB-).
- New branches opened -Sangotedo, Aba, Jebba.

FOR FURTHER INFORMATION:

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Notes to editors:

About WEMA Bank Plc

Wema Bank, the pioneer of Nigeria's first fully digital bank ALAT, offers a range of retail, SME banking, corporate banking, treasury, trade and financial advisory services to its customers. Wema Bank operates a National Banking licence, with a network of over 145 branches and service centres across Nigeria, backed by a robust ICT platform

More information can be found at www.wemabank.com/investor-relations/

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