

WEMA BANK PLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019

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Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 30 June, 2019

Statement of Profit or loss and other Comprehensive Income

In thousands of Nigerian Naira	Notes	Group				Bank			
		3 Months 30-Jun-19	6 Months 30-Jun-19	6 Months 30-Jun-18	12 Months 31-Dec-18	3 Months 30-Jun-19	6 Months 30-Jun-19	6 Months 30-Jun-18	12 Months 31-Dec-18
Gross Earnings		20,981,205	40,835,294	32,033,960	71,529,939	20,981,205	40,181,576	32,033,317	70,907,759
Interest income	7	16,814,453	32,892,635	25,395,777	57,634,999	16,814,453	32,238,917	25,395,134	57,012,819
Interest expense		(10,511,615)	(20,995,856)	(16,306,130)	(30,642,651)	(10,511,615)	(20,286,188)	(16,306,130)	(29,997,631)
Net interest income	7	6,302,838	11,896,779	9,089,647	26,992,348	6,302,838	11,952,729	9,089,004	27,015,188
Net impairment loss on financial assets	11	(469,177)	(823,574)	(344,165)	(3,510,537)	(469,177)	(823,574)	(344,165)	(3,510,537)
Net interest income after impairment charge for credit losses		5,833,661	11,073,205	8,745,482	23,481,811	5,833,661	11,129,155	8,744,839	23,504,651
Net gain on FVTPL investment securities		-	78,251	118,779	33,188	-	78,251	118,779	33,188
Net fee and commission income	8	2,057,363	3,755,628	3,003,782	6,507,409	2,057,363	3,755,628	3,003,782	6,507,409
Net trading income	9	1,798,385	3,651,201	3,298,776	5,532,402	1,798,385	3,651,201	3,298,776	5,532,402
Other income	10	311,004	457,579	216,846	1,821,941	311,004	457,579	216,846	1,821,941
		4,166,752	7,942,659	6,638,183	13,894,940	4,166,752	7,942,659	6,638,183	13,894,940
Operating income		10,000,413	19,015,864	15,383,666	37,376,751	10,000,413	19,071,814	15,383,022	37,399,591
Personnel expenses	12	(3,360,532)	(6,628,000)	(5,003,946)	(12,336,818)	(3,360,532)	(6,628,000)	(5,003,946)	(12,336,818)
Depreciation and amortization	13b	(726,432)	(1,404,314)	(1,294,200)	(2,622,568)	(726,432)	(1,404,314)	(1,294,200)	(2,622,568)
Other operating expenses	13a	(4,636,802)	(8,375,560)	(7,270,607)	(17,619,656)	(4,636,802)	(8,375,560)	(7,270,607)	(17,609,656)
Profit before tax		1,276,647	2,607,990	1,814,913	4,797,710	1,276,648	2,663,940	1,814,269	4,830,549
Income tax expense	26	(172,347)	(359,632)	(244,926)	(1,471,290)	(172,347)	(359,632)	(244,926)	(1,471,290)
Profit for the year		1,104,300	2,248,359	1,569,987	3,326,420	1,104,300	2,304,309	1,569,343	3,359,259
Other comprehensive income, net of income tax Items that will not be subsequently reclassified to profit or loss		-	-	-	-	-	-	-	-
Net change in fair value of investments FVTOCI		-	-	-	200	-	-	-	200
		-	-	-	200	-	-	-	200
Items that will be subsequently reclassified to profit or loss		-	-	-	-	-	-	-	-
Net change in fair value of investments FVOCI		27,337	63,360	12,101	-	27,337	63,360	12,101	-
Income tax relating to items that may be reclassified subsequently to profit or Loss		(4,105)	(8,554)	(1,494)	-	(4,105)	(8,554)	(1,494)	-
Other comprehensive income for the year		23,232	54,806	10,607	200	23,232	54,806	10,607	200
Total comprehensive income for the year		1,127,532	2,303,165	1,580,594	3,326,620	1,127,533	2,359,115	1,579,949	3,359,459
Profit attributable to:		-	-	-	-	-	-	-	-
Equity holders of the Bank		1,104,300	2,248,359	1,569,987	3,326,420	1,104,300	2,304,309	1,569,343	3,359,259
Total comprehensive income for the year		1,127,532	2,303,165	1,580,594	3,326,620	1,127,533	2,359,115	1,579,949	3,359,459
Earnings per share-basic	14	11.5	11.6	8.2	8.6	11.5	12.0	8.2	8.6

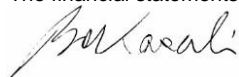
Wema Bank Plc

Consolidated and Separate Financial Statements As at 30 June, 2019

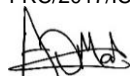
Statement of financial Position

	Notes	30-Jun-19	Group 30-Jun-18	31-Dec-18	30-Jun-19	Bank 30-Jun-18	31-Dec-18
<i>In thousands of Nigerian Naira</i>							
Cash and cash equivalents	15	58,944,400	49,754,832	42,122,799	58,944,400	49,781,001	42,122,799
Restricted Deposit with CBN	15b	84,741,989	47,722,308	58,054,204	84,741,989	47,722,308	58,054,204
Pledged assets	16	78,659,183	17,410,637	20,583,433	78,659,183	17,410,637	20,583,433
Investment securities:							
Fair value through other comprehensive income	17a	7,134,406	8,109,900	880,074	7,135,406	8,110,900	881,074
Fair Value through profit or loss	17b	29,925,604	19,867,779	11,708,530	29,925,604	19,867,779	11,708,530
Available for sale	17a	0	-	0	0	-	-
Held at amortised cost	17c	42,766,354	28,192,322	59,029,181	31,876,780	25,370,669	48,139,606
Held to maturity	17c	-	-	-	-	-	-
Loans and advances to customers	18	280,964,790	223,432,254	252,189,613	280,964,791	223,432,254	252,189,613
Investment properties	19	39,806	42,887	40,273	39,806	42,887	40,273
Property and equipment	20	19,785,572	17,587,759	18,602,696	19,785,572	17,587,759	18,602,696
Intangible assets	21	710,790	797,890	927,391	710,790	797,890	927,391
Other assets	23	8,649,554	18,668,865	4,459,906	8,649,554	18,724,921	4,459,906
Deferred tax assets	22	20,206,217	21,269,702	20,206,217	20,206,217	21,269,702	20,206,217
		632,528,666	452,857,135	488,804,317	621,640,092	450,118,707	477,915,742
Deposits from banks	24	50,500,000	-	-	50,500,000	-	-
Deposits from customers	25	446,090,528	354,855,582	369,199,768	446,140,610	354,881,751	369,314,164
Current tax liabilities	26	723,780	267,694	429,079	723,780	267,694	429,079
Other liabilities	27	32,404,271	19,568,150	22,837,603	32,347,627	19,559,057	22,772,597
Other borrowed funds	28	50,775,008	27,265,607	45,448,718	39,727,315	24,433,856	34,401,024
		580,493,588	401,957,033	437,915,168	569,439,332	399,142,358	426,916,863
EQUITY							
Share capital	30	19,287,233	19,287,233	19,287,233	19,287,233	19,287,233	19,287,233
Share premium	30	8,698,230	8,698,230	8,698,230	8,698,230	8,698,230	8,698,230
Regulatory risk reserve		3,384,894	5,551,202	3,384,894	3,384,894	5,551,202	3,384,894
Retained earnings	30	6,392,453	5,659,556	5,992,622	6,558,134	5,735,803	6,102,353
Other reserves		14,272,269	11,703,881	13,526,170	14,272,269	11,703,881	13,526,170
		52,035,079	50,900,102	50,889,149	52,200,760	50,976,349	50,998,879
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		52,035,079	50,900,102	50,889,149	52,200,760	50,976,349	50,998,879
TOTAL LIABILITIES AND EQUITY		632,528,666	452,857,135	488,804,317	621,640,092	450,118,707	477,915,742

The financial statements were authorized for issue by the directors on 26 July, 2019



Babatunde Kasali
Chairman
FRC/2017/ICAN/00000016973



Tunde Mabawonku
Chief Financial Officer
FRC/2013/ICAN/00000002097



Ademola Adebise
Managing Director
FRC/2013/ICAN/00000002115

Wema Bank Plc

Consolidated and Separate Financial Statements
As at 30 June, 2019

Statements of changes in equity

Group

In thousands of Nigerian naira (000s)

	Share Capital	Share premium	Regulatory risk	Statutory reserve	SMEIES reserve	Fair value reserves	Retained earnings	Total equity
2019								
Balance at 1 January 2019	19,287,233	8,698,230	3,384,894	12,034,093	526,908	965,169	5,992,622	50,889,149
Profit or loss	-	-	-	-	-	-	(1,157,235)	(1,157,235)
Other comprehensive income							2,248,359	2,248,359
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments							-	-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	54,806	-	54,806
	19,287,233	8,698,230	3,384,894	12,034,093	526,908	1,019,975	7,083,746	52,035,079
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Regulatory risk reserve	-	-	-	-	-	-	-	-
Transfer to Statutory reserve	-	-	-	691,293	-	-	(691,293)	-
Total contribution and distributions to owners	-	-	-	691,293	-	-	(691,293)	-
Balance at 30 June 2019	19,287,233	8,698,230	3,384,894	12,725,386	526,908	1,019,975	6,392,453	52,035,079
2018								
Balance at 1 January 2018	19,287,233	8,698,230	5,846,943	11,026,315	526,908	140,051	4,089,570	49,615,250
Capital Reduction		-					-	-
Total comprehensive income:								
Profit or loss	-	-	-	-	-	-	1,569,986	1,569,986
Other comprehensive income								
Re-measurement of defined benefit obligation	-	-	-	-	-	-	-	-
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments							-	-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	10,607	-	10,607
	19,287,233	8,698,230	5,846,943	11,026,315	526,908	150,658	5,659,556	51,195,842
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Regulatory risk reserve	-	-	(295,741)	-	-	-	-	(295,741)
Transfer to Statutory reserve	-	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	(295,741)	-	-	-	-	(295,741)
Balance at 30 June 2018	19,287,233	8,698,230	5,551,202	11,026,315	526,908	150,658	5,659,556	50,900,102

Wema Bank Plc

Consolidated and Separate Financial Statements
As at 30 June, 2019

Statements of changes in equity

Bank

In thousands of Nigerian naira (000s)

	Share Capital	Share premium	Regulatory risk reserve	Statutory reserve	SMEIES reserve	Fair value reserves	Retained earnings	Total equity
2019								
Balance at 1 January 2019	19,287,233	8,698,230	3,384,894	12,034,093	526,908	965,169	6,102,353	50,998,880
Dividend Payout							(1,157,235)	(1,157,235)
Profit or loss	-	-	-	-	-	-	2,304,309	2,304,309
Other comprehensive income								
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments								-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	54,806	-	54,806
Total comprehensive income for the period	19,287,233	8,698,230	3,384,894	12,034,093	526,908	1,019,975	7,249,427	52,200,760
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Regulatory risk reserve transfer to statutory reserves				691,293			(691,293)	-
Total contribution and distributions to owners	-	-	-	691,293	-	-	(691,293)	-
Balance at 30 June 2019	19,287,233	8,698,230	3,384,894	12,725,386	526,908	1,019,975	6,558,134	52,200,760
2018								
Balance at 1 January 2018	19,287,233	8,698,230	5,846,943	11,026,315	526,908	140,051	4,166,460	49,692,140
Capital Reduction								-
Total comprehensive income:								-
Profit or loss	-	-	-	-	-	-	1,569,343	1,569,343
Other comprehensive income								
Re-measurement of defined benefit obligation								-
Capital Reduction								-
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments								-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	10,607	-	10,607
Total comprehensive income for the period	19,287,233	8,698,230	5,846,943	11,026,315	526,908	150,658	5,735,803	51,272,089
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Regulatory risk reserve transfer to statutory reserves								
			(295,741)				-	(295,741)
Total contribution and distributions to owners	-	-	(295,741)	-	-	-	-	-
Balance at 30 June 2018	19,287,233	8,698,230	5,551,202	11,026,315	526,908	150,658	5,735,803	50,976,349

Wema Bank Plc

Consolidated and Separate Financial Statements As at 30 June, 2019 Statement of Prudential Adjustments

	30-Jun-19	Group 30-Jun-18	31-Dec-18	30-Jun-19	Bank 30-Jun-18	31-Dec-18
Impairment - IFRS						
Loans and Advances:						
- Collective	3,938,646	2,084,816	1,586,070	3,938,646	2,084,816	1,586,070
- Specific	5,642,037	3,913,932	7,808,039	5,642,037	3,913,932	7,808,039
	9,580,683	5,998,748	9,394,109	9,580,683	5,998,748	9,394,109
Other Financial Assets:						
- Long Term investments	-	-	459,583	-	-	459,583
- Other Assets	1,263,559	3,698,269	3,840,077	1,263,559	3,698,269	3,840,077
	1,263,559	3,698,269	4,299,660	1,263,559	3,698,269	4,299,660
Total	10,844,242	9,697,017	13,693,769	10,844,242	9,697,017	13,693,769
Impairment - Prudential Guidelines						
Loans and Advances:						
- General	6,229,179	2,574,620	6,229,179	6,229,179	2,574,620	6,229,179
- Specific	6,736,398	7,131,405	6,549,824	6,736,398	7,131,405	6,549,824
	12,965,577	9,706,025	12,779,003	12,965,577	9,706,025	12,779,003
Other Financial Assets:						
- Long Term investments	-	1,843,925	459,583	-	1,843,925	459,583
- Other assets	1,263,559	3,698,269	3,840,077	1,263,559	3,698,269	3,840,077
	1,263,559	5,542,194	4,299,660	1,263,559	5,542,194	4,299,660
Total	14,229,136	15,248,219	17,078,663	14,229,136	15,248,219	17,078,663
Excess of Prudential impairment over IFRS impairment transferred to regulatory reserve	3,384,894	5,551,202	3,384,894	3,384,894	5,551,202	3,384,894

Wema Bank Plc

Consolidated and Separate Financial Statements For the period ended 30 June, 2019 Statement of Cash Flow

<i>In thousands of Nigerian Naira</i>	Notes	Group 30-Jun 2019	Group 30-Jun 2018	Group 31-Dec 2018	Bank 30-Jun 2019	Bank 30-Jun 2018	Bank 31-Dec 2018
Cash flows from operating activities							
Profit for the year		2,248,359	1,569,986	3,326,420	2,304,309	1,569,343	3,359,259
Adjustments for:							
Taxation expense	26	368,185	246,421	1,471,290	368,185	246,421	1,471,290
Depreciation and amortization		1,404,314	1,294,200	2,622,568	1,404,314	1,294,200	2,622,568
Adjustment for transfer out of PPE now expensed		-	65,302	(1,087)	-	65,302	(1,087)
IFRS 9 impact adjusted directly in retained earnings		-	(295,741)	-	-	(295,741)	-
(Gain)/Loss on disposal of property and equipment	10	(121,871)	(2,382)	(3,766)	(121,871)	(2,382)	(3,766)
Benefit in Kind							
Specific provision on cash	15						
Net interest income		(11,896,779)	(9,089,647)	(26,992,348)	(11,952,729)	(9,089,004)	(27,015,188)
Dividend received from equity investment		(51,111)	-	(38,333)	(51,111)	-	(38,333)
Impairment loss on financial assets		849,224	361,162	3,489,741	849,224	361,162	3,489,741
Operating cashflow before movement in working capital		(7,199,678)	(5,850,699)	(16,125,514)	(7,199,679)	(5,850,699)	(16,115,515)
Change in pledged assets		(58,075,750)	8,009,500	4,836,704	(58,075,750)	8,009,500	4,836,704
Change in loans and advances to customers		(29,624,402)	(7,953,384)	(41,728,917)	(29,624,402)	(7,953,384)	(41,728,917)
Change in other assets		(4,189,648)	(4,319,192)	9,619,514	(4,189,648)	(4,319,193)	9,675,569
Change in deposits from banks	24	50,500,000	(26,575,260)	(26,575,260)	50,500,000	(26,575,260)	(26,575,260)
Change in finance lease obligation		-	-	-	-	-	-
Change in restricted deposit with CBN		(26,687,785)	(21,226,644)	(31,558,540)	(26,687,785)	(21,226,644)	(31,558,540)
Change in deposits from customers		76,890,759	100,394,701	114,738,887	76,826,447	100,394,701	114,827,114
Change in other liabilities		9,566,668	1,898,887	6,239,077	9,575,030	1,926,324	6,210,600
Cashflow generated by operations		11,180,165	44,377,909	19,445,951	11,124,214	44,405,345	19,571,755
Income tax paid	26	(73,484)	(338,604)	(338,604)	(73,484)	(338,604)	(338,604)
Interest received		32,892,635	25,395,777	57,634,999	32,238,917	25,395,134	57,012,819
Vat paid		-	(13,482)	(24,612)	-	(13,482)	(24,612)
Interest paid		(18,005,681)	(15,805,937)	(25,474,742)	(19,443,114)	(15,805,937)	(26,912,175)
Net cash from operating activities		25,993,635	53,615,663	51,242,992	23,846,533	53,642,455	49,309,182
Cash flows from investing activities							
Disposal/Acquisition of investment securities-At Amortised Cost		16,262,827	(3,294,540)	(33,767,245)	16,262,826	(3,293,469)	(25,738,457)
Disposal/Acquisition of investment securities-FVTOCI		(6,199,526)	1,466,264	7,860,365	(6,199,526)	1,466,264	7,860,365
Change in FVTPL investments		(18,217,075)	(9,863,937)	(1,704,688)	(18,217,075)	(9,863,937)	(1,704,688)
Dividend received from equity investment		51,111	-	38,333	51,111	-	38,333
Acquisition of property and equipment	20	(2,404,355)	(1,676,247)	(3,757,759)	(2,404,355)	(1,676,247)	(3,757,759)
Proceeds from the sale of property and equipment		180,753	5,281	30,769	180,753	5,281	30,769
Proceeds from the sale of investment property		-	-	-	-	-	-
Acquisition of intangible assets		(24,650)	(231,141)	(577,531)	(24,650)	(231,141)	(577,531)
Net cash(used in)/generated by investing activities		(10,350,915)	(13,594,320)	(31,877,758)	(10,350,915)	(13,593,249)	(23,848,970)
Cash flows from financing activities							
Proceed from borrowings		7,000,000	4,163,270	31,033,157	7,000,000	4,163,270	22,857,417
Repayment of borrowings		(1,673,710)	(16,357,174)	(25,535,265)	(1,673,710)	(16,357,174)	(25,535,265)
Interest paid on borrowings	7	(2,990,175)	(500,193)	(5,167,909)	(843,074)	(500,193)	(3,085,456)
Dividend paid to shareholders		(1,157,235)	-	-	(1,157,235)	-	-
Net cash from financing activities		1,178,881	(12,694,097)	329,982	3,325,982	(12,694,097)	(5,763,304)
Net increase in cash and cash equivalents		16,821,601	27,327,245	19,695,213	16,821,600	27,355,109	19,696,908
Cash and cash equivalents at beginning of period		42,122,799	22,427,586	22,427,586	42,122,799	22,425,891	22,425,891
Cash and cash equivalents at end of period	15	58,944,400	49,754,831	42,122,799	58,944,400	49,781,000	42,122,799

Wema Bank Plc

Consolidated and Separate Financial Statements For the period ended 30 June, 2019

Notes to the Financial Statements

In thousands of Nigerian Naira

	Group				Bank			
	3 Months	6 Months	6 Months	12 Months	3 Months	6 Months	6 Months	12 Months
	30-Jun-19	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-19	30-Jun-18	31-Dec-18
7 Interest income								
Cash and cash equivalents	446,117	845,172	367,696	1,305,176	446,117	845,172	367,053	1,305,176
Loans and advances to banks and customers	14,787,335	28,373,607	22,818,729	51,013,452	14,787,335	28,373,607	22,818,729	51,013,452
Investments securities	1,581,001	3,673,856	2,209,352	5,316,371	1,581,001	3,020,138	2,209,352	4,694,191
Total interest income	16,814,453	32,892,635	25,395,777	57,634,999	16,814,453	32,238,917	25,395,134	57,012,819
Interest expense								
Deposits from banks	1,692,538	3,427,025	1,863,633	983,288	1,692,538	3,427,025	1,863,633	983,288
Deposits from customers	8,403,389	14,578,657	13,942,304	24,491,455	8,403,389	16,016,089	13,942,304	25,928,887
Other borrowed funds	415,688	2,990,175	500,193	5,167,909	415,688	843,074	500,193	3,085,456
Total interest expense	10,511,614	20,995,856	16,306,130	30,642,651	10,511,615	20,286,188	16,306,130	29,997,631
8 Fees and commission income								
Credit related fees	264,705	407,316	271,613	421,057	264,705	407,316	271,613	421,057
Account maintenance fees	266,425	536,369	653,316	964,660	266,425	536,369	653,316	964,660
Management fees	242,013	382,532	274,087	1,113,996	242,013	382,532	274,087	1,113,996
Fees on electronic products	958,048	1,743,364	1,325,204	2,845,751	958,048	1,743,364	1,325,204	2,845,751
Fees on financial guarantees	130,265	193,812	125,342	415,231	130,265	193,812	125,342	415,231
Other fees and charges	195,907	492,235	354,220	746,714	195,907	492,235	354,220	746,714
Total fee and commission income	2,057,363	3,755,628	3,003,782	6,507,409	2,057,363	3,755,628	3,003,782	6,507,409
9 Net trading income								
Fixed income securities	1,784	4,423	13,978	39,551	1,784	4,423	13,978	39,551.00
Treasury bills	1,749,839	3,584,489	2,932,022	4,485,360	1,749,839	3,584,489	2,932,022	4,485,360
Foreign exchange trading (note 9.1)	46,762	62,289	352,776	1,007,491	46,762	62,289	352,776	1,007,491
Other gains	-	-	-	-	-	-	-	-
Total net trading income	1,798,385	3,651,201	3,298,776	5,532,402	1,798,385	3,651,201	3,298,776	5,532,402
Foreign exchange trading income is principally made up of trading income on foreign currencies, as well as gains and losses from revaluation of trading position. The								
9.1 amount reported above are totally from financial assets carried at fair value through profit or loss								
10 Other income								
Dividends on available-for-sale equity securities	51,111	51,111	-	38,333	51,111	51,111	-	38,333
Gains on disposal of property and equipment	109,753	121,871	2,382	3,766	109,753	121,871	2,382	3,766
Rental income	13,949	22,370	21,553	29,824	13,949	22,370	21,553	29,824
Insurance claim received	12,509	12,509	-	18,940	12,509	12,509	-	18,940
Income on contingents	22,200	28,670	29,512	29,512	22,200	28,670	29,512	29,512
Income on deposit accounts	5,070	19,278	21,013	164,077	5,070	19,278	21,013	164,077
Fund transfer	1,400	3,262	5,863	7,564	1,400	3,262	5,863	7,564
FX Revaluation	-	-	-	156,563	-	-	-	156,563
Swift transactions	19,167	39,707	34,617	76,292	19,167	39,707	34,617	76,292
Service charge	29,450	59,084	12,322	70,405	29,450	59,084	12,322	70,405
Advisory fees	5,970	20,971	4,335	46,606	5,970	20,971	4,335	46,606
Gains on disposal of unquoted equities (CSCS)	-	-	-	1,047,492	-	-	-	1,047,492
Others	40,425	78,746	85,249	132,567	40,425	78,746	85,249	132,567
Total other income	311,004	457,579	216,846	1,821,941	311,004	457,579	216,846	1,821,941

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	Group				Bank			
	3 Months 30-Jun-19	6 Months 30-Jun-19	6 Months 30-Jun-18	12 Months 31-Dec-18	3 Months 30-Jun-19	6 Months 30-Jun-19	6 Months 30-Jun-18	12 Months 31-Dec-18
11 Impairment loss of financial assets								
<i>In thousands of Nigerian Naira</i>								
Impairment losses on loans and advances								
- specific impairment	-	-	-	858,118	-	-	-	858,118
- collective impairment	493,912	849,224	361,162	2,585,314	493,912	849,224	361,162	2,585,314
- Recoveries on loans	(915)	(25,650)	(16,997)	(20,796)	(915)	(25,650)	(16,997)	(20,796)
Adjusted interest on impaired loans	-	-	-	(421,162)	-	-	-	(421,162)
	492,997	823,574	344,165	3,510,537	492,997	823,574	344,165	3,510,537

12 Personnel expenses

Wages and salaries	2,463,095	4,855,842	3,582,435	9,966,645	2,463,095	4,855,842	3,582,435	9,966,645
Contributions to defined contribution plans	300,040	622,428	394,006	992,399	300,040	622,428	394,006	992,399
Gratuity Expenses	-	-	-	-	-	-	-	-
Other staff costs	597,397	1,149,730	1,027,505	1,377,774	597,397	1,149,730	1,027,505	1,377,774
	3,360,532	6,628,000	5,003,946	12,336,818	3,360,532	6,628,000	5,003,946	12,336,818

	Group				Bank			
	3 Months 30-Jun-19	6 Months 30-Jun-19	6 Months 30-Jun-18	12 Months 31-Dec-18	3 Months 30-Jun-19	6 Months 30-Jun-19	6 Months 30-Jun-18	12 Months 31-Dec-18
13a Other operating expenses								
<i>In thousands of Nigerian Naira</i>								
Advertising and marketing	262,315	473,776	556,448	1,290,508	262,315	473,776	556,448	1,290,508
AMCON Levy	889,909	1,489,909	587,716	2,452,607	889,909	1,489,909	887,716	2,452,607
Auditors remuneration	45,000	90,000	92,742	142,742	45,000	90,000	92,742	132,742
Business Expenses	91,020	168,476	130,966	410,365	91,020	168,476	130,966	410,365
Cash movement expenses	129,617	269,171	213,850	492,801	129,617	269,171	213,850	492,801
Diesel Expenses	156,759	303,610	271,256	757,429	156,759	303,610	271,256	757,429
Directors Expenses	12,400	19,600	15,650	106,049	12,400	19,600	15,650	106,049
Directors fees	48,038	48,038	23,875	99,657	48,038	48,038	23,875	99,657
Donations	23,950	33,324	43,420	79,307	23,950	33,324	43,420	79,307
Electricity	72,522	143,476	124,301	241,322	72,522	143,476	124,301	241,322
General administrative expenses	329,220	545,933	463,086	988,011	329,220	545,933	463,086	988,011
Legal expenses	72,443	105,777	100,732	149,907	72,443	105,777	100,732	149,907
Insurance	74,071	144,592	119,960	260,523	74,071	144,592	119,960	260,523
NDIC Premium	457,110	800,079	506,505	1,190,528	457,110	800,079	506,505	1,190,528
Other premises and equipment costs	147,791	286,993	228,470	476,706	147,791	286,993	228,470	476,706
PAYE/Withholding expenses	187,065	187,065	228,901	741,807	187,065	187,065	228,901	741,807
Printing and stationery	116,341	217,003	229,317	380,496	116,341	217,003	229,317	380,496
Other Professional fees	212,888	440,174	444,810	679,320	212,888	440,174	444,810	679,320
Digital Bank Professional fees	299,060	299,060	282,422	345,130	299,060	299,060	282,422	345,130
Repairs and maintenance	445,858	792,641	764,692	1,874,635	445,858	792,641	764,692	1,874,635
Security expenses	114,889	233,503	246,289	592,163	114,889	233,503	246,289	592,163
Service charge	91,542	193,909	408,587	988,959	91,542	193,909	108,587	988,959
SMS Expenses & Others	50,991	50,991	39,122	48,129	50,991	50,991	39,122	48,129
Statutory expenses	19,330	19,330	28,143	39,964	19,330	19,330	28,143	39,964
Technology and alternative channels	154,668	753,455	841,590	2,276,268	154,668	753,455	841,590	2,276,268
Transport & Communications	132,005	265,675	277,757	514,323	132,005	265,675	277,757	514,323
	4,636,802	8,375,560	7,270,607	17,619,655	4,636,802	8,375,560	7,270,607	17,609,655

13b Depreciation and amortization

Property, plants and equipment	607,242	1,162,597	1,099,052	2,207,915	607,242	1,162,597	1,099,052	2,207,915
Investment property	235	467	2,783	5,399	235	467	2,783	5,399
Intangible assets	118,955	241,250	192,365	409,254	118,955	241,250	192,365	409,254
	726,432	1,404,314	1,294,200	2,622,568	726,432	1,404,314	1,294,200	2,622,568

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14 Earnings per share

Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit 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 June 2019 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding :

<i>In thousands</i>	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
Weighted average number of ordinary shares - basic; '000	38,574,466	38,574,466	38,574,466	38,574,466	38,574,466	38,574,466
Profit attributable to ordinary shareholders -basic						
Profit for the year attributable to equity holders of the Bank '000	2,248,359	1,569,987	3,326,420	2,304,309	1,569,343	3,359,259
Earnings per share -basic (Kobo)	11.6	8.2	8.6	12.0	8.2	8.6

15 Cash and cash equivalents <i>In thousands of Nigerian Naira</i>	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
Cash and balances with banks	17,996,838	16,455,856	17,114,625	17,996,838	16,455,856	17,114,625
Unrestricted balances with central bank	6,409,226	8,846,780	6,863,422	6,409,226	8,846,780	6,863,422
Money market placements	34,580,680	24,478,365	18,180,366	34,580,680	24,478,365	18,180,366
IFRS 9 ECL Adjustment	(42,344)	-	(35,614)	(42,344)	-	(35,614)
	58,944,400	49,781,001	42,122,799	58,944,400	49,781,001	42,122,799

15b Restricted Deposit with CBN

This represents mandatory cash deposit held with Central Bank of Nigeria as a regulatory Cash Reserve Requirements (CRR). The CRR rate was increased from 20% to 22.5% for both private and public sector funds in the year 2016 and the rate has been maintained till the date. The balance as at end of June 2019 was N84,741,989,478 (N2018 - N57,374,668,326).

Restricted deposits with Central Bank are not available for use in day to day operations.

16 Pledged assets - Held at amortised cost <i>In thousands of Nigerian Naira</i>	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
Treasury bills (note 16.1)	64,815,404	6,580,815	6,793,338	64,815,404	6,580,815	6,793,338
Bonds (16.2)	13,843,778	10,829,822	13,790,095	13,843,778	10,829,822	13,790,095
	78,659,183	17,410,637	20,583,433	78,659,183	17,410,637	20,583,433

16.1 The treasury bills are pledged for clearing activities with the clearing bank and as collection bank for government taxes and electronic card transactions with Federal Inland Revenue Service (FIRS), Nigerian Interbank Settlement System (NIBSS) and Interswitch Nigeria Limited. The bank cannot trade on these pledged assets during the period that such assets are committed as pledged.

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16.2 The Bonds are pledged as collateral for interbank takings and intervention credit granted to the Bank by the Bank of Industry for the purpose of refinancing existing loans to Small and Medium Scale Enterprises Scheme under secured borrowing with related liability of N2.998billion (2018: N2.998billion) as disclosed in note 30.

In thousands of Nigerian Naira	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
17 Investment securities	79,826,365	39,158,511	71,617,784	68,937,790	36,251,065	60,729,209
Current	52,082,585	20,519,356	43,755,275	52,082,585	33,300,476	43,755,275
Non-current	27,743,780	18,639,155	27,862,510	16,855,205	2,950,589	16,973,934
17a Investment securities measured at FVTOCI						
Treasury bills	6,254,332	5,701,865	-	6,254,332	7,967,016	-
Equity (see note (i) below)	880,074	140,345	880,074	881,074	143,884	881,074
	7,134,406	5,842,210	880,074	7,135,406	8,110,900	881,074
17b Investment securities measured at FVTPL						
Treasury Bills (see (ii) below)	29,925,604	4,333,365	11,708,530	29,925,604	19,867,779	11,708,530
17c Investment securities measured at amortised cost						
Treasury Bills	15,902,648	10,484,126	32,046,745	15,902,648	5,465,681	32,046,745
FGN Bonds	25,086,418	14,464,567	25,253,421	14,196,843	17,417,099	14,363,846
Other Bonds (see (iii) below)	1,785,720	4,034,243	2,044,825	1,785,720	2,487,889	2,044,825
Impairment on bond	-	-	(72,699)	-	-	(72,699)
Opening IFRS 9 Adjustment	-	-	(241,936)	-	-	(241,936)
IFRS 9 ECL Adjustment	(8,432)	-	(1,175)	(8,432)	-	(1,175)
	42,766,354	28,982,936	59,029,181	31,876,780	25,370,669	48,139,606
(i) Equity						
Quoted Investments:	-	-	-	-	-	-
Unquoted Investments:						
Unified Payment Services Limited	7,474	7,474	7,474	7,474	7,474	7,474
Central Securities System Nigeria Limited	-	87,928	0	-	87,928	0
Nigeria Inter-Bank Settlement System	47,482	47,482	47,482	47,482	47,482	47,482
WEMA Funding SPV Plc (a)	-	-	-	1,000	1,000	1,000
Fair value gain on (FVTOCI) financial assets	825,118	-	825,118	825,118	-	825,118
	880,074	142,884	880,074	881,074	143,884	881,074
	880,074	142,884	54,956	881,074	143,884	54,956

(a) Wema Funding SPV PLC was incorporated on 30 June 2016 and commenced operations on 12 October 2016. The principal activity of the company is to raise or borrow money by the issue of bond or debt instruments and invest the money raised or borrowed in securities or any other investments as the company may deem fit.

(ii) This represents Nigerian Treasury Bills with maturity of less than 360 days; a face value of N124,574,332,000 stated at Fair value through profit or loss.

(iii) Other bonds - these are held to maturity securities for state and corporate entities, stated at amortised cost as shown below:

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		2019	2018
		N	N
CORPORATE			
1	TYR: DANA Group Bond Series 1	1,271,399	1,344,098
STATE BONDS			
2	EKITI State Govt Bond Tranche 11	287,861	371,423
3	ONDO State Govt Bond	226,459	329,305
		<u>514,321</u>	<u>700,728</u>
		<u>1,785,720</u>	<u>2,044,826</u>

18 Loans and advances to customers at amortised cost

	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
<i>In thousands of Nigeria Naira</i>						
Overdrafts	32,220,221	23,000,552	28,517,756	32,220,221	23,000,552	28,517,756
Term Loans	256,546,199	204,966,187	231,163,886	256,546,199	204,966,187	231,163,886
Advances under finance lease	1,779,054	1,464,263	1,902,080	1,779,054	1,464,263	1,902,080
Gross loans and receivables	<u>290,545,474</u>	<u>229,431,002</u>	<u>261,583,722</u>	<u>290,545,474</u>	<u>229,431,002</u>	<u>261,583,722</u>
Less Allowances for Impairment						
Opening IFRS 9 adjustment	-	-	(2,633,426)	-	-	(2,633,426)
Closing IFRS 9 adjustment	-	-	(63,610)	-	-	(63,610)
Adjusted interest on impaired loans	-	-	421,162	-	-	421,162
Specific Allowances for impairment	(5,642,037)	(3,913,932)	(5,532,165)	(5,642,037)	(3,913,932)	(5,532,165)
Collective allowances for impairment	(3,938,646)	(2,084,816)	(1,586,070)	(3,938,646)	(2,084,816)	(1,586,070)
	<u>(9,580,683)</u>	<u>(5,998,748)</u>	<u>(9,394,109)</u>	<u>(9,580,683)</u>	<u>(5,998,748)</u>	<u>(9,394,109)</u>
Net loans and advances to customers	<u>280,964,790</u>	<u>223,432,254</u>	<u>252,189,613</u>	<u>280,964,791</u>	<u>223,432,254</u>	<u>252,189,613</u>
Overdrafts						
Gross Overdrafts	32,220,221	23,000,552	28,517,756	32,220,221	23,000,552	28,517,756
Less Allowances for Impairment						
Specific Allowances for impairment	(1,738,548)	(817,907)	(2,716,451)	(1,738,548)	(817,907)	(1,516,451)
Collective allowances for impairment	(477,544)	(292,319)	(469,454)	(477,544)	(292,319)	(219,454)
	<u>(2,216,092)</u>	<u>(1,110,226)</u>	<u>(3,185,905)</u>	<u>(2,216,092)</u>	<u>(1,110,226)</u>	<u>(1,735,905)</u>
Net Overdrafts	<u>30,004,129</u>	<u>21,890,326</u>	<u>25,331,851</u>	<u>30,004,129</u>	<u>21,890,326</u>	<u>26,781,851</u>
Term Loans						
Gross Term Loans	256,546,199	204,966,187	231,163,886	256,546,199	204,966,187	231,163,886
Less Allowances for Impairment						
Specific Allowances for impairment	(6,022,248)	(2,915,498)	(4,888,048)	(6,022,248)	(2,915,498)	(6,172,803)
Collective allowances for impairment	(1,116,567)	(1,783,573)	(1,094,467)	(1,116,567)	(1,783,573)	(1,344,467)
	<u>(7,138,815)</u>	<u>(4,699,071)</u>	<u>(5,982,515)</u>	<u>(7,138,815)</u>	<u>(4,699,071)</u>	<u>(7,517,270)</u>
Net Term Loans	<u>249,407,384</u>	<u>200,267,116</u>	<u>225,181,371</u>	<u>249,407,384</u>	<u>200,267,116</u>	<u>223,646,616</u>

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Advance Under Finance Lease In thousands of Nigerian Naira

	30-Jun-19	Group 30-Jun-18	31-Dec-18	30-Jun-19	Bank 30-Jun-18	31-Dec-18
Gross Advance	1,779,054	1,464,263	1,902,080	1,779,054	1,464,263	1,902,080
Less Allowances for Impairment						
Specific Allowances for impairment	(203,540)	(180,527)	(203,540)	(203,540)	(180,527)	(118,785)
Collective Allowances for impairment	(22,236)	(8,924)	(22,149)	(22,236)	(8,924)	(22,149)
	(225,776)	(189,451)	(225,689)	(225,776)	(189,451)	(140,934)
Net advances	1,553,278	1,274,812	1,676,391	1,553,278	1,274,812	1,761,146
Total Loans and Advances						
Current	167,888,746	126,774,094	138,926,994	167,888,746	126,774,094	138,926,994
Non-current	122,656,728	102,656,908	122,656,728	122,656,728	102,656,908	122,656,728
	290,545,474	229,431,002	261,583,722	290,545,474	229,431,002	261,583,722

ECL staging	Credit portfolio					
	2019					2018
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total	Total
12-month ECL	Lifetime ECL	Lifetime ECL				
N'million	N'million	N'million	N'million	N'million	N'million	
Credit grade						
Investment grade	185,072	14,195	3,448	0	202,716	169,715
Speculative grade	78,143	2,824	6,863	0	87,830	91,869
Gross carrying amount	263,215	17,019	10,311	0	290,546	261,584
Loss allowance	3,763	176	5,642	0	9,581	9,394
Carrying amount	259,452	16,843	4,669	0	280,965	252,190

In thousands of Nigerian Naira	Overdraft	Term Loan	Advances under finance lease	Totals
Balance as at 1 January 2019	2,685,904	6,482,515	225,689	9,394,109
Specific impairment	2,216,450	3,027,725	203,540	5,447,715
Collective impairment	469,454	3,454,790	22,149	3,946,393
Reclass from Regulatory Risk Reserve	-	-	-	-
Additional impairment for the year	50,926	464,584	4,704	520,214
Specific impairment	-	-	-	-
Collective impairment	50,926	464,584	4,704	520,214
Written off in the year as uncollectible	(85,569)	(221,631)	(790)	(307,990)
Amounts recovered during the year		(25,650)	-	(25,650)
Balance as at 30 June 2019	2,651,261	6,699,818	229,604	9,580,683
Specific impairment	2,130,881	2,780,444	202,750	5,114,076
Collective impairment	520,380	3,919,374	26,853	4,466,607

Contingent Liabilities & Commitments:

	30-Jun-19	Group 30-Jun-18	31-Dec-18	30-Jun-19	Bank 30-Jun-18	31-Dec-18
Financial guarantee	63,794,186	41,923,715	49,408,931	63,794,186	41,923,715	49,408,931
Other contingent	11,379,110	13,414,184	13,511,351	11,379,110	13,414,184	13,511,351
	75,173,296	55,337,899	62,920,283	75,173,296	55,337,899	62,920,283

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Notes to the Financial Statements

19 Investment properties

In thousands of Nigeria Naira

	30-Jun-19	Group 30-Jun-18	31-Dec-18	30-Jun-19	Bank 30-Jun-18	31-Dec-18
Cost						
Balance at 1 January 2019	47,079	280,633	280,633	47,079	280,633	280,633
Additions	-		-	-		-
Write -off	-		(233,554)	-		(233,554)
Disposals	-		-	-		-
Balance at 30 June 2019	47,079	280,633	47,079	47,079	280,633	47,079
Accumulated depreciation and impairment						
Balance at 1 January 2019	6,807	234,962	234,962	6,807	234,962	234,962
Charge for the year	467	2,784	5,399	467	2,784	5,399
Write -off	-		(233,554)	-		(233,554)
Disposals	-		-	-		-
Balance at 30 June 2019	7,274	237,746	6,807	7,274	237,746	6,807
Cost	47,079	280,633	47,079	47,079	280,633	47,079
Accumulated depreciation	7,274	237,746	6,807	7,274	237,746	6,807
	39,806	42,887	40,273	39,806	42,887	40,273

- (i) Investment properties represent land and buildings that are not substantially occupied by the bank but held for investment purposes. Investment properties are carried at cost less accumulated depreciation and impairment losses in accordance with the cost model. Investment properties are depreciated over a useful life of 50 years with a nil residual value. Had investment property been carried at fair value, the fair value as at 30 June 2019 would have been N103,305,825.08 (31 December 2018: N103,305,825.08).
- (ii) On 19 December, 2013 the Central Bank of Nigeria issued a circular that all deposit money banks should dispose off all the investment properties in their books on or before 30 June, 2014. The directors are aware of this directive and all necessary efforts is being made to ensure compliance. Although the directors are committed to a plan to sell the asset as directed by the Central bank of Nigeria; however, the asset requires some process to be in place before disposal and this we have initiated. Hence, the sale is not expected to qualify for recognition as a completed sale within one year from the date of classification.

Consequently, the assets were not classified as Held for sale as the stipulated criteria in IFRS 5 regarding this has not been met.

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For the period ended 30 June, 2019

20 Property and equipment

Group / Bank

In thousands of Nigerian Naira (000s)

	Land	Buildings	Furniture & Office Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
Cost							
Balance at 1 January 2019	1,295,911	15,822,468	6,779,414	2,314,087	7,042,609	1,811,324	35,065,813
Additions	80,750	250,775	585,214.07	452,834.25	980,584.19	54,197.55	2,404,355
Reclassification from WIP	-	-	-	-	-	-	-
Transfer to software (note 21)	-	-	-	-	-	-	-
Transfer to prepaid expenses	-	-	-	-	-	-	-
Disposals	-	(57,915)	(16,954)	(175,830)	(15,934)	-	(266,633)
Balance at 30 June 2019	1,376,661	16,015,328	7,347,674	2,591,091	8,007,260	1,865,522	37,203,536
Accumulated depreciation and impairment							
Balance at 1 January 2019	-	4,662,373	4,733,308	1,600,677	5,466,760	-	16,463,117
Charge for the year	-	157,335	387,554	134,497	483,210	-	1,162,597
Disposals	-	(6,978)	(16,903)	(168,154)	(15,716)	-	(207,751)
Transfer to Capital Reduction (note 30.1)	-	-	-	-	-	-	-
Balance at 30 June 2019	-	4,812,731	5,103,959	1,567,020	5,934,254	-	17,417,964
Carrying amounts							
Balance at 1 January 2019	1,295,911	11,160,095	2,046,107	713,410	1,575,850	1,811,324	18,602,696
Balance at 30 June 2019	1,376,661	11,202,598	2,243,716	1,024,070	2,073,006	1,865,522	19,785,572

Property and equipment

Group / Bank

In thousands of Nigerian Naira (000s)

	Land	Buildings	Furniture & Office Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
Cost							
Balance at 1 January 2018	1,225,581	14,697,341	6,090,524	1,952,289	6,378,768	1,372,248	31,716,751
Additions	70,330	1,125,127	940,447	515,714	667,065	439,076	3,757,759
Transfer to software (note 21)	-	-	-	-	-	-	-
Transfer to prepaid expenses	-	-	437	-	-	-	437
Disposals	-	-	(251,994)	(153,916)	(3,223)	-	(409,134)
Balance at 31 December 2018	1,295,911	15,822,468	6,779,414	2,314,087	7,042,609	1,811,324	35,065,813
Accumulated depreciation and impairment							
Balance at 1 January 2018	-	4,362,690	4,299,245	1,485,545	4,490,482	-	14,637,962
Charge for the year	-	300,312	673,447	255,527	978,629	-	2,207,914
Adjustments	-	(629)	-	-	-	-	-
Disposals	-	-	(239,385)	(140,395)	(2,351)	-	(382,131)
Transfer to Capital Reduction (note 30.1)	-	-	-	-	-	-	-
Balance at 31 December 2018	-	4,662,373	4,733,308	1,600,677	5,466,760	-	16,463,117
Carrying amounts							
Balance at 1 January 2018	1,225,581	10,334,651	1,791,279	466,744	1,888,286	1,372,248	17,078,789
Balance at 31 December 2018	1,295,911	11,160,095	2,046,107	713,410	1,575,850	1,811,324	18,602,696

Wema Bank Plc

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<i>In thousands of Nigerian Naira</i>	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
21 Intangible assets						
Cost						
Cost 1 January, 2019	4,197,401	3,619,870	3,619,870	4,197,401	3,619,870	3,619,870
Additions	24,650	231,141	577,531	24,650	231,141	577,531
Transfer from property and equipment (note 20)	-	-	-	-	-	-
Transfer to computer equipment	-	-	-	-	-	-
Balance at 30 June 2019	4,222,051	3,851,011	4,197,401	4,222,051	3,851,011	4,197,401
Amortization and impairment losses						
Cost 1 January, 2019	3,270,010	2,860,778	2,860,778	3,270,010	2,860,778	2,860,778
Amortization for the year	241,250	192,343	409,232	241,250	192,343	409,232
Transfer to Capital Reduction (note 30i)	-	-	-	-	-	-
Balance at 30 June 2019	3,511,261	3,053,121	3,270,010	3,511,261	3,053,121	3,270,010
Carrying amounts	710,790	797,890	927,391	710,790	797,890	927,391

- (a) The intangible assets have got finite lives and are amortised over the higher of 3 years or the contractual licensing period. No impairment losses were recognised against intangible assets.
- (b) The authorised and contracted capital commitments as at the balance sheet date was nil (31 December 2018 nil)
- (c) There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (31 December 2018: nil)

22 Deferred tax assets and liabilities

- (a) Recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

<i>In thousands of Nigerian Naira</i>	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
At 1 January 2019	20,206,217	21,269,702	21,269,702	20,206,217	21,269,702	21,269,702
Write down	-	-	(1,063,485)	-	-	(1,063,485)
Capital Reduction (note 30i)	-	-	-	-	-	-
Closing balance	20,206,217	21,269,702	20,206,217	20,206,217	21,269,702	20,206,217

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In thousands of Nigerian Naira

	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
23 Other assets						
Accounts receivables	29,100	3,261,267	3,269,568	29,100	3,261,267	3,269,568
Prepayments	6,381,729	6,129,988	1,311,633	6,381,729	6,129,988	1,311,633
Stock	629,900	480,865	558,870	629,900	480,865	558,870
Collaterised Placement	52,917	52,917	52,917	52,917	52,917	52,917
Clearing Balance	487,502	303,653	405,250	487,502	303,653	405,250
Fraud & Burglary	555,209	540,125	545,918	555,209	540,125	545,918
CBN Special Reserve (see 23.1 below)	677,214	10,677,214	677,214	677,214	10,677,214	677,214
AGSMEIS Investment with CBN	115,058	115,058	115,058	115,058	115,058	115,058
Card Receivables	821,708	744,638	833,931	821,708	744,638	833,931
FBN Settlement	1,238	0	42,838	1,238	0	42,838
Other Settlements	-	0	395,707	0	0	395,707
Others	161,538	117,465	91,079	161,538	117,465	91,079
	9,913,113	22,423,190	8,299,983	9,913,113	22,423,190	8,299,983
Specific impairment on other assets	(1,263,559)	(3,698,269)	(3,840,077)	(1,263,559)	(3,698,269)	(3,840,077)
	8,649,554	18,724,921	4,459,906	8,649,554	18,724,921	4,459,906
At 1 January 2019	3,840,077	3,621,834	3,621,834	3,840,077	3,621,834	3,621,834
Allowance made during the year	(2,576,518)	76,435	218,243	(2,576,518)	76,435	218,243
Transfer from investment	-	-	-	-	-	-
Closing balance	1,263,559	3,698,269	3,840,077	1,263,559	3,698,269	3,840,077

23.1 CBN Special Reserve

The balance represents amount debited to the bank's current account with CBN as eligibility contribution to the Special Intervention Reserve for the Real Sector Support Facility (RSSF). The RSSF will be used to support start-ups and expansion financing needs of priority sectors of the economy to expand the industrial base and consequently diversify the economy. Draw down will be subject to banks contribution to the Special Intervention Reserve (SIR) with the CBN. The Facility shall be administered at an all-in interest rate/charge of 9 per cent per annum payable on quarterly basis. The CBN shall release the fund to DMBs at 1% interest rate.

24 Deposits from banks

In thousands of Nigeria Naira

	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
Money market deposits (Items in course of collection)	50,500,000		-	50,500,000		-

25 Deposits from customers

25a Retail customers:

Term deposits	66,261,816	53,174,322	59,091,417	66,261,816	53,174,322	59,091,417
Current deposits	15,932,268	13,140,874	18,303,142	15,932,268	13,140,874	18,303,142
Savings	66,301,063	53,937,267	62,891,853	66,301,063	53,937,267	62,891,853

Corporate customers:

Term deposits	202,843,825	153,764,662	129,353,423	202,843,825	153,764,662	129,353,423
Current deposits	80,823,121	67,740,181	83,747,802	80,873,203	67,766,350	83,862,198
Others	13,928,435	13,098,276	15,812,131	13,928,435	13,098,276	15,812,131

446,090,528 354,855,582 369,199,768 446,140,610 354,881,751 369,314,164

25b The maturity profile of customers' deposit is as follows:

Under 3 months	286,214,226	183,837,506	254,333,031	286,328,622	183,863,675	254,359,200
3 - 6 months	74,511,417	41,623,941	50,122,360	74,511,417	41,623,941	50,122,360
6 - 12 months	14,404,722	34,283,437	11,924,196	14,404,722	34,283,437	11,924,196
Over 12 months	70,895,848	95,110,698	52,908,409	70,895,848	95,110,698	52,908,409

446,026,213 354,855,582 369,287,995 446,140,609 354,881,751 369,314,164

At 30 June 2019 N70.9billion (31 December 2018: N52.9billion) of deposits from customers are expected to be settled more than 12 months after the reporting date.

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	Group			Bank		
	30-Jun-19 2019	30-Jun-18	31-Dec-18 2018	30-Jun-19 2019	30-Jun-18	31-Dec-18 2018
In thousands of Nigerian Naira						
26 Taxation						
26.1 Income tax expense						
Company income tax	368,186	246,421	246,421	368,186	246,421	246,421
Education Tax	-	-	-	-	-	-
NITDA Levy	-	-	-	-	-	-
Capital Gains Tax	-	-	-	-	-	-
(Over) / Under provision	-	-	-	-	-	-
Current Income Tax expense	368,186	246,421	246,421	368,186	246,421	246,421
Deferred tax expenses	(0)	-	-	(0)	-	-
	368,185	246,421	246,421	368,185	246,421	246,421

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Group		Group		Bank	
	30-Jun-19 2019	30-Jun-18	30 June 2018	30-Jun-19 2019	30-Jun-18	30 June 2018
Profit before tax from continuing operations	2,607,990	1,814,269	1,814,912	2,663,940	1,814,269	1,814,269
Income tax expense calculated at 30% (2018:30%)	799,182	544,281	544,281	799,182	544,281	544,281
Effect of income that is exempt from taxation	(799,182)	(297,769)	(297,769)	(799,182)	(297,769)	(297,769)
Effect of expenses that are not deductible in determining taxable profit	-	-	-	-	-	-
Education tax at 2% of assessable profit	-	-	-	-	-	-
Effect of concessions and other allowances)	-	-	-	-	-	-
Minimum tax adjustment	368,186	-	-	368,186	-	-
Information technology tax levy adjustment	-	-	-	-	-	-
	368,186	246,512	246,512	368,186	246,512	246,512

	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
26.2 Current tax liabilities						
At 1 January	429,079	359,878	359,878	429,079	359,878	359,878
Payment during the year	(73,484)	(338,604)	(338,604)	(73,484)	(338,604)	(338,604)
Charge for the year	368,186	246,421	407,805	368,186	246,421	407,805
Closing balance	723,780	267,694	429,079	723,780	267,694	429,079

The charge for taxation is based on the provision of the Company Income Tax Act Cap C21 LFN 2004. Education Tax is based on 2% of the assessable profit for the year in accordance with the Education Tax Act CAP E4 LFN 2004. NITDA levy is based on 1% of profit before tax in accordance with NITDA levy Act 2007

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27 Other liabilities

<i>In thousands of Nigerian Naira</i>	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
Financial Liabilities						
Creditors and accruals	2,339,485	144,038	647,648	2,339,485	144,038	647,648
Staff Deductions	413,902	283,402	118,892	413,902	283,402	118,892
Provision for Others	536,388	111,591	236,388	536,388	111,591	236,388
Amcon Levy	-	-	277,300	-	-	277,300
Other current liabilities	241,159	108,228	157,693	184,515	99,135	92,686
Insurance Claim	79,952	64,868	70,635	79,952	64,868	70,635
Swift Payables	78,887	60,255	75,997	78,887	60,255	75,997
Western Union	31,242	52,946	45,860	31,242	52,946	45,860
Salary Suspense	199,857	101,583	155,041	199,857	101,583	155,041
Accounts payable	548,735	666,214	595,884	548,735	666,214	595,884
Electronic products payable	257,302	313,245	425,679	257,302	313,245	425,679
Certified cheques	1,777,567	1,908,961	1,196,631	1,777,567	1,908,961	1,196,631
Customer deposits for letters of credit	6,565,000	4,474,538	4,585,784	6,565,000	4,474,538	4,585,784
Discounting Line	12,533,107	9,603,785	12,841,871	12,533,107	9,603,785	12,841,871
FBN Settlement	-	17,316	-	-	17,316	-
Other Settlements	933,829	694,460	-	933,829	694,460	-
Remittances	849,786	437,394	540,155	849,786	437,394	540,155
	27,386,198	19,042,823	21,971,458	27,329,554	19,033,730	21,906,452
Non-Financial Liabilities						
Litigation claims provision (i)	196,435	76,435	196,435	196,435	76,435	196,435
Other payables	4,821,638	448,892	669,710	4,821,638	448,892	669,710
	32,404,271	19,568,150	22,837,603	32,347,627	19,559,057	22,772,597

(i) Movement in litigation claims provision

Opening balance	196,435	76,435	76,435	196,435	76,435	76,435
Additions	-	-	120,000	-	-	120,000
Payment	-	-	-	-	-	-
Provision no longer required	-	-	-	-	-	-
	196,435	76,435	196,435	196,435	76,435	196,435

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In thousands of Nigerian Naira

	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
28 Other borrowed funds						
Due to BOI (see (i) below)	2,337,758	3,220,504	2,776,464	2,337,758	3,220,504	2,776,464
CBN Agric. loan (see iii below)	825,234	933,516	825,234	825,234	933,516	825,234
CBN MSMEDF (see iv below)	5,917,421	113,562	1,000,112	5,917,421	113,562	1,000,112
Wema SPV (see v below)	24,096,462	6,159,270	24,676,317	13,048,769	3,327,519	13,628,623
National Housing Fund	86,720	97,128	93,638	86,720	97,128	93,638
Shelter Afrique (see vii below)	2,404,933	2,717,028	2,938,327	2,404,933	2,717,028	2,938,327
AFDB	5,411,100	4,587,000	5,639,386	5,411,100	4,587,000	5,639,386
ICD	7,688,985	-	7,493,845	7,688,985	-	7,493,845
AGSMEIS/RSSF	2,006,395	-	5,395	2,006,395	-	5,395
	50,775,008	27,265,607	45,448,718	39,727,315	24,433,856	34,401,024

(i) The amount represents an intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facilities are secured by Nigerian Government Securities worth N8,934,491,000 and have a maximum tenor of 15 years.

A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers.

(iii) This represents CBN intervention funds to some of the Bank's customers in the agricultural sector. The fund is administered at a maximum interest rate of 9% per annum. The maximum tenor of the facility is 7 years.

(iv) This represents CBN intervention funds to some bank's customers in Small & Medium Scale sector. The fund is administered at a maximum interest rate of 9% per annum and maximum tenor of 5 years.

(v) The Wema SPV of 2019: N24,636,113,000 (2018: N24,636,113,000) represents amortized cost of the fixed rate unsecured bond issued by Wema Funding SPV Plc. The outstanding bond of N6,295,000,000 and N17,675,000,000 (principal) were issued on 12 October 2016 and 2018 respectively for a period of 7 years at 18.5% and 16.5% per annum with interest payable semi-annually and principal payable at maturity in October 2023 and 2025 respectively.

(vii) This amount represents the bank's foreign facility from Shelter Afrique, this was granted to the Bank for a period of 7 years. It is repayable bi-annually with interest rate of L+6.5% (Libor plus 6.5%)

(viii) This amount represents the bank's foreign facility from AFDB, this was granted to the Bank for a period of 7 years. It is repayable bi-annually with interest rate of L+5.2% (Libor plus 5.2%)

(ix) This amount represents the bank's foreign facility from ICD, this was granted to the Bank for a period of 5 years, with 1 year moratorium. It is repayable at maturity with interest rate of 6.91% (mid swap 2.96% plus 395 bps per annum)

	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
At 1 January	45,448,718	39,459,511	39,459,511	34,401,024	36,627,760	36,627,761
Additions	7,000,000	4,163,270	31,033,157	7,000,000	4,163,270	22,857,417
Changes in accrued interest	-	-	-	-	-	-
Effect of exchange rate changes [loss/(profit)]	-	-	451,111	-	-	451,111
Payments made	(1,673,710)	(16,357,174)	(25,495,061)	(1,673,710)	(16,357,174)	(25,535,265)
Closing balance	50,775,008	27,265,607	45,448,718	39,727,315	24,433,856	34,401,024

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<i>In thousands of Nigerian Naira</i>	30-Jun-19	Group 30-Jun-18	31-Dec-18	30-Jun-19	Bank 30-Jun-18	31-Dec-18
30 Share capital and Reserves						
(a) The share capital comprises:						
(i) Authorised - 40,000,000 Ordinary shares (2018 - 40,000,000,000) Ordinary shares of 50k each (2018 - 50k)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
(ii) Issued and fully paid - 38,574,466,000 Ordinary shares (2018-38,574,466,000) shares of 50k each (2018 - 50k)	19,287,233	19,287,233	19,287,233	19,287,233	19,287,233	19,287,233
b Share Premium						
At 1 January	8,698,230	8,698,230	8,698,230	8,698,230	8,698,230	8,698,230
Capital Reduction (Note 30i)	-	-	-	-	-	-
Closing balance	8,698,230	8,698,230	8,698,230	8,698,230	8,698,230	8,698,230

Share premium is the excess paid by shareholders over the nominal value for their shares

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(c) Statutory reserves

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

(d) Fair value reserve

The fair value reserve includes the net cumulative change in the fair value of available-for-sale investments until the investment is derecognised or impaired.

(e) SMEIES Reserve

The SMEIES reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this is no longer mandatory.

The Bank has suspended further appropriation to SMEIES (now known as Microcredit Fund) reserve account in line with the decision reached at the Banker's Committee meeting and approved by CBN. In prior year, 10% of profit after taxation was transferred to SMEIES reserves in accordance with Small and Medium Enterprise Equity Investment Scheme as revised in April 2005."

(f) Retained earnings

Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

<i>In thousands of Nigeria Naira</i>	Group			Bank		
	30-Jun-19	30-Jun-18	31-Dec-18	30-Jun-19	30-Jun-18	31-Dec-18
At 1 January	5,992,622	4,089,570	4,089,570	6,102,353	4,166,460	4,166,460
Profit or loss	2,248,359	1,569,986	3,326,420	2,304,309	1,569,343	3,359,259
Transfer from Regulatory risk reserve	-	-	(415,589)	-	-	(415,589)
Transfer to Statutory Reserve	(691,293)	-	(1,007,778)	(691,293)	-	(1,007,778)
Dividend Paid to Shareholders	(1,157,235)	-	-	(1,157,235)	-	-
					-	
Closing balance	6,392,453	5,659,555	5,992,622	6,558,134	5,735,803	6,102,353

(g) Regulatory risk reserve

The regulatory risk reserve warehouses the excess of the impairment on loans and advances computed under the Nigerian GAAP based on the Central Bank of Nigeria prudential guidelines compared with the incurred loss model used in calculating the impairment under IFRSs.

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31 Contingencies

(i) Litigation and claims

There are litigation claims against the Bank as at 30 June 2019 amounting to N10,670,204,446.32 (31 December 2018: N11,058,581,506.36). These litigations arose in the normal course of business and are being contested by the Bank. The Directors, having sought advice of professional counsel, are of the opinion that no significant additional liability will crystallise from these claims; other than as recognised in these financial statements.

(ii) Contingent liabilities and commitments

In common with other banks, the Bank conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, endorsements, guarantees and letters of credit.

Nature of instruments

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Bank expects most acceptances to be presented, but reimbursement by the customer is normally immediate. Endorsements are residual liabilities of the Bank in respect of bills of exchange, which have been paid and subsequently rediscounted.

Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include performance bonds and are, generally, short-term commitments to third parties which are not directly dependent on the customers' credit worthiness.

Commitments to lend are agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed period, or have no specific maturity but are cancellable by the lender subject to notice requirements.

Documentary credits commit the Bank to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

The following tables summarise the nominal principal amount of contingent liabilities and commitments with off-balance sheet risk

	Group			Bank		
In thousands of Nigerian naira	Group 30-Jun-19	Group 30-Jun-18	Group 31-Dec-18	Bank 30-Jun-19	Bank 30-Jun-18	Bank 31-Dec-18
Contingent liabilities:						
Guarantees and indemnities	54,442,867	40,697,699	44,413,119	54,442,867	40,697,699	44,413,119
Bonds	9,351,319	1,564,006	4,995,812	9,351,319	1,564,006	4,995,812
Clean-line facilities & irrevocable letters of credit	11,379,110	13,498,253	13,511,351	11,379,110	13,498,253	13,511,351
Closing balance	75,173,296	55,759,958	62,920,283	75,173,296	55,759,958	62,920,283