

**WEMA BANK PLC**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

<b>Contents</b>	<b>Page</b>
Statements of profit or loss and other comprehensive income	3
Statements of financial position	4
Statements of changes in equity	5
Statement of Prudential Adjustments	6
Statement of cash flows	7
Notes to the financial statements	8

# Wema Bank Plc

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

## Statement of Profit or loss and other Comprehensive Income

In thousands of Nigerian Naira	Notes	Group				Bank			
		3 Months 30-Sep-19	9 Months 30-Sep-19	9 Months 30-Sep-18	12 Months 31-Dec-18	3 Months 30-Sep-19	9 Months 30-Sep-19	9 Months 30-Sep-18	12 Months 31-Dec-18
<b>Gross Earnings</b>		<b>23,991,828</b>	<b>64,827,122</b>	<b>48,986,831</b>	<b>71,529,939</b>	<b>23,970,829</b>	<b>64,152,405</b>	<b>48,986,188</b>	<b>70,907,759</b>
Interest income	7	16,145,770	49,038,405	38,888,279	57,634,999	16,124,771	48,363,688	38,887,636	57,012,819
Interest expense		(10,847,536)	(31,843,392)	(23,061,482)	(30,642,651)	(10,855,750)	(31,141,938)	(23,061,482)	(29,997,631)
<b>Net interest income</b>	7	<b>5,298,234</b>	<b>17,195,013</b>	<b>15,826,797</b>	<b>26,992,348</b>	<b>5,269,021</b>	<b>17,221,750</b>	<b>15,826,154</b>	<b>27,015,188</b>
Net impairment loss on financial assets	11	(800,751)	(1,624,325)	(477,044)	(3,510,537)	(800,751)	(1,624,325)	(477,044)	(3,510,537)
<b>Net interest income after impairment charge for credit losses</b>		<b>4,497,483</b>	<b>15,570,688</b>	<b>15,349,753</b>	<b>23,481,811</b>	<b>4,468,270</b>	<b>15,597,425</b>	<b>15,349,110</b>	<b>23,504,651</b>
Net gain on FVTPL investment securities		49,754	128,005	57,897	33,188	49,754	128,005	57,897	33,188
Net fee and commission income	8	2,398,558	6,154,186	4,803,066	6,507,409	2,398,558	6,154,186	4,803,066	6,507,409
Net trading income	9	5,286,119	8,937,320	4,894,309	5,532,402	5,286,119	8,937,320	4,894,309	5,532,402
Other income	10	111,627	569,206	343,279	1,821,941	111,627	569,206	343,279	1,821,941
		<b>7,846,058</b>	<b>15,788,717</b>	<b>10,098,552</b>	<b>13,894,940</b>	<b>7,846,058</b>	<b>15,788,717</b>	<b>10,098,552</b>	<b>13,894,940</b>
<b>Operating income</b>		<b>12,343,541</b>	<b>31,359,405</b>	<b>25,448,305</b>	<b>37,376,751</b>	<b>12,314,328</b>	<b>31,386,142</b>	<b>25,447,662</b>	<b>37,399,591</b>
Personnel expenses	12	(3,985,719)	(10,613,719)	(8,563,750)	(12,336,818)	(3,985,719)	(10,613,719)	(8,563,750)	(12,336,818)
Depreciation and amortization	13b	(796,438)	(2,200,752)	(1,950,450)	(2,622,568)	(796,438)	(2,200,752)	(1,950,450)	(2,622,568)
Other operating expenses	13a	(5,438,186)	(13,813,746)	(11,877,460)	(17,619,656)	(5,438,186)	(13,813,746)	(11,877,460)	(17,609,656)
Profit before tax		<b>2,123,198</b>	<b>4,731,188</b>	<b>3,056,645</b>	<b>4,797,710</b>	<b>2,093,985</b>	<b>4,757,925</b>	<b>3,056,002</b>	<b>4,830,549</b>
Income tax expense	26	(282,688)	(642,320)	(412,560)	(1,471,290)	(282,688)	(642,320)	(412,560)	(1,471,290)
<b>Profit for the year</b>		<b>1,840,510</b>	<b>4,088,869</b>	<b>2,644,084</b>	<b>3,326,420</b>	<b>1,811,297</b>	<b>4,115,606</b>	<b>2,643,441</b>	<b>3,359,259</b>
<b>Other comprehensive income, net of income tax items that will not be subsequently reclassified to profit or loss</b>									
Net change in fair value of investments FVTOCI		-	-	-	200	-	-	-	200
		-	-	-	200	-	-	-	200
<b>Items that will be subsequently reclassified to profit or loss</b>		-	-	-	-	-	-	-	-
Net change in fair value of investments FVOCI		(2,159)	61,201	21,129	-	(2,159)	61,201	21,129	-
Income tax relating to items that may be reclassified subsequently to profit or loss		291	(8,262)	(2,609)	-	-	(8,262)	(2,609)	-
<b>Other comprehensive income for the year</b>		<b>(1,868)</b>	<b>52,939</b>	<b>18,520</b>	<b>200</b>	<b>(2,159)</b>	<b>52,939</b>	<b>18,520</b>	<b>200</b>
Total comprehensive income for the year		<b>1,838,643</b>	<b>4,141,808</b>	<b>2,662,604</b>	<b>3,326,620</b>	<b>1,809,138</b>	<b>4,168,545</b>	<b>2,661,961</b>	<b>3,359,459</b>
<b>Profit attributable to:</b>									
Equity holders of the Bank		1,840,510	4,088,869	2,644,084	3,326,420	1,811,297	4,115,606	2,643,441	3,359,259
Total comprehensive income for the year		1,838,643	4,141,808	2,662,604	3,326,620	1,809,138	4,168,545	2,661,961	3,359,459
<b>Earnings per share-basic</b>	14	<b>18.8</b>	<b>14.1</b>	<b>9.2</b>	<b>8.6</b>	<b>18.8</b>	<b>14.3</b>	<b>9.2</b>	<b>8.6</b>


# Wema Bank Plc

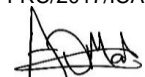
Consolidated and Separate Financial Statements  
For the period as at 30 September, 2019

## Statement of financial Position

	Notes	30-Sep-19	Group 30-Sep-18	31-Dec-18	30-Sep-19	Bank 30-Sep-18	31-Dec-18
<b><i>In thousands of Nigerian Naira</i></b>							
Cash and cash equivalents	15	62,496,041	43,498,932	42,122,799	62,496,041	43,525,101	42,122,799
Restricted Deposit with CBN	15b	95,173,048	54,650,952	58,054,204	95,173,048	54,650,952	58,054,204
Pledged assets	16	44,467,348	14,068,429	20,583,433	44,467,348	14,068,429	20,583,433
Investment securities:							
Fair value through other comprehensive income	17a	7,609,441	1,132,811	880,074	7,610,441	1,133,811	881,074
Fair Value through profit or loss	17b	24,286,948	12,206,969	11,708,530	24,286,948	12,206,969	11,708,530
Held at amortised cost	17c	39,040,759	52,845,578	59,029,181	28,151,185	50,023,925	48,139,606
Loans and advances to customers	18	286,933,171	244,790,349	252,189,613	286,933,172	244,790,349	252,189,613
Investment properties	19	39,568	41,473	40,273	39,568	41,473	40,273
Property and equipment	20	20,636,686	17,743,057	18,602,696	20,636,686	17,743,057	18,602,696
Intangible assets	21	844,906	701,445	927,391	844,906	701,445	927,391
Other assets	23	9,843,145	17,821,609	4,459,906	9,843,145	17,877,665	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
		<b>611,577,278</b>	<b>480,771,306</b>	<b>488,804,317</b>	<b>600,688,705</b>	<b>478,032,878</b>	<b>477,915,742</b>
Deposits from banks	24	21,744,600	12,500,000	-	21,744,600	12,500,000	-
Deposits from customers	25	456,764,738	362,278,044	369,199,768	456,814,820	362,304,213	369,314,164
Current tax liabilities	26	1,006,177	436,443	429,079	1,006,177	436,443	429,079
Other liabilities	27	32,743,179	19,841,930	22,837,603	32,715,748	19,832,837	22,772,597
Other borrowed funds	28	45,612,713	33,732,775	45,448,718	34,565,020	30,901,024	34,401,024
		<b>557,871,407</b>	<b>428,789,192</b>	<b>437,915,168</b>	<b>546,846,365</b>	<b>425,974,517</b>	<b>426,916,863</b>
<b>EQUITY</b>							
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		2,829,686	4,740,195	3,384,894	2,829,687	4,740,195	3,384,894
Retained earnings	30	8,076,931	7,544,661	5,992,622	8,213,400	7,620,909	6,102,353
Other reserves		14,813,791	11,711,794	13,526,170	14,813,791	11,711,794	13,526,170
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>		<b>53,705,871</b>	<b>51,982,113</b>	<b>50,889,149</b>	<b>53,842,340</b>	<b>52,058,360</b>	<b>50,998,879</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>611,577,278</b>	<b>480,771,306</b>	<b>488,804,317</b>	<b>600,688,705</b>	<b>478,032,878</b>	<b>477,915,742</b>

The financial statements were authorized for issue by the directors on 23 October, 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  
For the period as at 30 September, 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
<b>2019</b>								
<b>Balance at 1 January 2019</b>	19,287,233	8,698,230	3,384,894	12,034,093	526,908	965,169	5,992,622	50,889,149
Dividend Payout							(1,157,235)	(1,157,235)
SMEIS Charge							(167,850)	(167,850)
Profit or loss	-	-	-	-	-		4,088,869	4,088,869
<b>Other comprehensive income</b>								
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments								-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	52,939	-	52,939
	<b>19,287,233</b>	<b>8,698,230</b>	<b>3,384,894</b>	<b>12,034,093</b>	<b>526,908</b>	<b>1,018,108</b>	<b>8,756,406</b>	<b>53,705,872</b>
<b>Transactions with owners, recorded directly in equity</b>								
Contributions by and distributions to owners								
Regulatory risk reserve	-	-	(555,207)	-	-	-	555,207	-
Transfer to Statutory reserve	-	-	-	1,234,682	-	-	(1,234,682)	-
Total contribution and distributions to owners	-	-	(555,207)	1,234,682	-	-	(679,475)	-
<b>Balance at 30 September 2019</b>	<b>19,287,233</b>	<b>8,698,230</b>	<b>2,829,686</b>	<b>13,268,775</b>	<b>526,908</b>	<b>1,018,108</b>	<b>8,076,931</b>	<b>53,705,872</b>
<b>2018</b>								
<b>Balance at 1 January 2018</b>	19,287,233	8,698,230	5,846,943	11,026,315	526,908	140,051	4,089,570	49,615,250
Capital Reduction		-					-	-
<b>Total comprehensive income:</b>								
Profit or loss	-	-	-	-	-		2,644,084	2,644,084
<b>Other comprehensive income</b>								
Re-measurement of defined benefit obligation	-	-	-	-	-	-	-	-
Cumulative gain/loss reclassified from reserve on disposal of AFS investments								-
Fair value reserve (available-for-sale) financial assets	-	-	-	-	-	18,520	-	18,520
	<b>19,287,233</b>	<b>8,698,230</b>	<b>5,846,943</b>	<b>11,026,315</b>	<b>526,908</b>	<b>158,571</b>	<b>6,733,654</b>	<b>52,277,854</b>
<b>Transactions with owners, recorded directly in equity</b>								
Contributions by and distributions to owners								
Regulatory risk reserve	-	-	(1,106,748)	-	-	-	811,007	(295,741)
Transfer to Statutory reserve	-	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	(1,106,748)	-	-	-	811,007	(295,741)
<b>Balance at 30 September 2018</b>	<b>19,287,233</b>	<b>8,698,230</b>	<b>4,740,195</b>	<b>11,026,315</b>	<b>526,908</b>	<b>158,571</b>	<b>7,544,661</b>	<b>51,982,113</b>

## Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period as at 30 September, 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
<b>2019</b>								
<b>Balance at 1 January 2019</b>	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)
SMEIS Charge							(167,850)	(167,850)
Profit or loss	-	-	-	-	-		4,115,606	4,115,606
<b>Other comprehensive income</b>								
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments								-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	52,939	-	52,939
<b>Total comprehensive income for the period</b>	19,287,233	8,698,230	3,384,894	12,034,093	526,908	1,018,108	8,892,874	53,842,340
<b>Transactions with owners, recorded directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Regulatory risk reserve transfer to statutory reserves			(555,207)	1,234,682			555,207	(1,234,682)
<b>Total contribution and distributions to owners</b>	-	-	(555,207)	1,234,682	-	-	(679,474)	-
<b>Balance at 30 September 2019</b>	<b>19,287,233</b>	<b>8,698,230</b>	<b>2,829,687</b>	<b>13,268,775</b>	<b>526,908</b>	<b>1,018,108</b>	<b>8,213,400</b>	<b>53,842,340</b>
<b>2018</b>								
<b>Balance at 1 January 2018</b>	19,287,233	8,698,230	5,846,943	11,026,315	526,908	140,051	4,166,460	50,031,914
Capital Reduction								-
Total comprehensive income:								-
<b>Profit or loss</b>	-	-	-	-	-		2,643,441	2,643,441
<b>Other comprehensive income</b>								
Re-measurement of defined benefit obligation								-
<b>Capital Reduction</b>								-
Cumulative gain/loss reclassified from reserve on disposal of AFS investments								-
Fair value reserve (available-for-sale) financial assets	-	-	-	-	-	18,520	-	18,520
<b>Total comprehensive income for the period</b>	19,287,233	8,698,230	5,846,943	11,026,315	526,908	158,571	6,809,902	52,354,101
<b>Transactions with owners, recorded directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
<b>Regulatory risk reserve transfer to statutory reserves</b>			(1,106,748)	-			811,007	(295,741)
<b>Total contribution and distributions to owners</b>	-	-	(1,106,748)	-	-	-	811,007	-
<b>Balance at 30 September 2018</b>	<b>19,287,233</b>	<b>8,698,230</b>	<b>4,740,195</b>	<b>11,026,315</b>	<b>526,908</b>	<b>158,571</b>	<b>7,620,909</b>	<b>52,058,360</b>

## Wema Bank Plc

### Consolidated and Separate Financial Statements For the period ended 30 September, 2019 Statement of Prudential Adjustments

	30-Sep-19	Group 30-Sep-18	31-Dec-18	30-Sep-19	Bank 30-Sep-18	31-Dec-18
<b>Impairment - IFRS</b>						
Loans and Advances:						
- Collective	5,434,193	956,807	1,586,070	5,434,193	956,807	1,586,070
- Specific	4,701,698	5,544,446	7,808,039	4,701,698	5,544,446	7,808,039
	<b>10,135,891</b>	<b>6,501,252</b>	<b>9,394,109</b>	<b>10,135,891</b>	<b>6,501,252</b>	<b>9,394,109</b>
Other Financial Assets:						
- Long Term investments	200,000	-	459,583	200,000	-	459,583
- Other Assets	1,263,697	3,961,418	3,840,077	1,263,697	3,961,418	3,840,077
	<b>1,463,697</b>	<b>3,961,418</b>	<b>4,299,660</b>	<b>1,463,697</b>	<b>3,961,418</b>	<b>4,299,660</b>
<b>Total</b>	<b>11,599,588</b>	<b>10,462,670</b>	<b>13,693,769</b>	<b>11,599,588</b>	<b>10,462,670</b>	<b>13,693,769</b>
<b>Impairment - Prudential Guidelines</b>						
Loans and Advances:						
- General	7,029,179	2,698,580	6,229,179	7,029,179	2,698,580	6,229,179
- Specific	5,936,398	8,203,285	6,549,824	5,936,398	8,203,285	6,549,824
	<b>12,965,577</b>	<b>10,901,865</b>	<b>12,779,003</b>	<b>12,965,577</b>	<b>10,901,865</b>	<b>12,779,003</b>
Other Financial Assets:						
- Long Term investments	200,000	339,583	459,583	200,000	339,583	459,583
- Other assets	1,263,697	3,961,418	3,840,077	1,263,697	3,961,418	3,840,077
	<b>1,463,697</b>	<b>4,301,001</b>	<b>4,299,660</b>	<b>1,463,697</b>	<b>4,301,001</b>	<b>4,299,660</b>
<b>Total</b>	<b>14,429,274</b>	<b>15,202,866</b>	<b>17,078,663</b>	<b>14,429,274</b>	<b>15,202,866</b>	<b>17,078,663</b>
Excess of Prudential impairment over IFRS impairment transferred to regulatory reserve	<b>2,829,686</b>	<b>4,740,195</b>	<b>3,384,894</b>	<b>2,829,686</b>	<b>4,740,195</b>	<b>3,384,894</b>

# Wema Bank Plc

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

<i>In thousands of Nigerian Naira</i>	Note:	30-Sep 2019	Group 30-Sep 2018	31-Dec 2018	30-Sep 2019	Bank 30-Sep 2018	31-Dec 2018
<b>Cash flows from operating activities</b>							
Profit for the year		4,088,869	2,644,084	3,326,420	4,115,606	2,643,441	3,359,259
Adjustments for:							
Taxation expense	26	650,582	415,170	1,471,290	650,582	415,170	1,471,290
Depreciation and amortization		2,200,752	1,950,450	2,622,568	2,200,752	1,950,450	2,622,568
Adjustment for transfer out of PPE now expensed		-	(23)	(1,087)	-	(23)	(1,087)
IFRS 9 impact adjusted directly in retained earnings		-	(295,741)	-	-	(295,741)	-
(Gain)/Loss on disposal of property and equipment	10	(125,724)	(2,388)	(3,766)	(125,724)	(2,388)	(3,766)
Benefit in Kind							
Specific provision on cash	15						
Net interest income		(17,195,013)	(15,826,797)	(26,992,348)	(17,221,750)	(15,826,154)	(27,015,188)
Dividend received from equity investment		(51,111)	(38,333)	(38,333)	(51,111)	(38,333)	(38,333)
Impairment loss on financial assets		1,660,598	498,148	3,489,741	1,660,598	498,148	3,489,741
<b>Operating cashflow before movement in working capital</b>		<b>(8,771,047)</b>	<b>(10,655,430)</b>	<b>(16,125,514)</b>	<b>(8,771,047)</b>	<b>(10,655,430)</b>	<b>(16,115,515)</b>
Change in pledged assets		(23,883,915)	11,351,708	4,836,704	(23,883,915)	11,351,708	4,836,704
Change in loans and advances to customers		(36,404,156)	(29,448,465)	(41,728,917)	(36,404,156)	(29,448,465)	(41,728,917)
Change in other assets		(5,383,239)	(3,471,937)	9,619,514	(5,383,239)	(3,471,937)	9,675,569
Change in deposits from banks	24	21,744,600	(14,075,260)	(26,575,260)	21,744,600	(14,075,260)	(26,575,260)
Change in finance lease obligation		-	-	-	-	-	-
Change in restricted deposit with CBN		(37,118,844)	(28,155,288)	(31,558,540)	(37,118,844)	(28,155,288)	(31,558,540)
Change in deposits from customers		87,564,969	107,817,163	114,738,887	87,500,657	107,817,163	114,827,114
Change in other liabilities		9,905,576	2,183,797	6,239,077	9,943,151	2,211,234	6,210,600
<b>Cashflow generated by operations</b>		<b>7,653,945</b>	<b>35,546,288</b>	<b>19,445,951</b>	<b>7,627,207</b>	<b>35,573,725</b>	<b>19,571,755</b>
Income tax paid	26	(73,484)	(338,604)	(338,604)	(73,484)	(338,604)	(338,604)
Interest received		49,038,405	38,888,279	57,634,999	48,363,688	38,887,636	57,012,819
Vat paid		-	(24,612)	(24,612)	-	(24,612)	(24,612)
Interest paid		(28,308,402)	(20,566,859)	(25,474,742)	(29,775,048)	(20,566,859)	(26,912,175)
<b>Net cash from operating activities</b>		<b>28,310,464</b>	<b>53,504,492</b>	<b>51,242,992</b>	<b>26,142,363</b>	<b>53,531,286</b>	<b>49,309,182</b>
<b>Cash flows from investing activities</b>							
Disposal/Acquisition of investment securities-At Amortised Cost		19,988,422	(27,947,796)	(33,767,245)	19,988,421	(27,946,725)	(25,738,457)
Disposal/Acquisition of investment securities-FVTOCI		(6,676,428)	8,451,266	7,860,365	(6,676,428)	8,451,266	7,860,365
Change in FVTPL investments		(12,578,418)	(2,203,127)	(1,704,688)	(12,578,418)	(2,203,127)	(1,704,688)
Dividend received from equity investment		51,111	38,333	38,333	51,111	38,333	38,333
Acquisition of property and equipment	20	(3,961,551)	(2,326,153)	(3,757,759)	(3,961,551)	(2,326,153)	(3,757,759)
Proceeds from the sale of property and equipment		221,901	12,532	30,769	221,901	12,532	30,769
Proceeds from the sale of investment property		-	-	-	-	-	-
Acquisition of intangible assets		(286,180)	(236,842)	(577,531)	(286,180)	(236,842)	(577,531)
<b>Net cash(used in)/generated by investing activities</b>		<b>(3,241,143)</b>	<b>(24,211,787)</b>	<b>(31,877,756)</b>	<b>(3,241,143)</b>	<b>(24,210,716)</b>	<b>(23,848,968)</b>
<b>Cash flows from financing activities</b>							
Proceed from borrowings		7,000,000	10,359,977	31,033,157	7,000,000	10,359,977	22,857,415
Repayment of borrowings		(6,836,005)	(16,086,714)	(25,535,265)	(6,836,005)	(16,086,714)	(25,535,265)
Interest paid on borrowings	7	(3,534,990)	(2,494,623)	(5,167,909)	(1,366,890)	(2,494,623)	(3,085,456)
Transfer to SMEIS		(167,850)	-	-	(167,850)	-	-
Dividend paid to shareholders		(1,157,235)	-	-	(1,157,235)	-	-
<b>Net cash from financing activities</b>		<b>(4,696,079)</b>	<b>(8,221,360)</b>	<b>329,983</b>	<b>(2,527,979)</b>	<b>(8,221,360)</b>	<b>(5,763,306)</b>
Net increase in cash and cash equivalents		20,373,241	21,071,345	19,695,213	20,373,241	21,099,209	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
<b>Cash and cash equivalents at end of period</b>	15	<b>62,496,041</b>	<b>43,498,931</b>	<b>42,122,799</b>	<b>62,496,041</b>	<b>43,525,100</b>	<b>42,122,799</b>



# Wema Bank Plc

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

### Notes to the Financial Statements

In thousands of Nigerian Naira

	Group				Bank			
	3 Months 30-Sep-19	9 Months 30-Sep-19	9 Months 30-Sep-18	12 Months 31-Dec-18	3 Months 30-Sep-19	9 Months 30-Sep-19	9 Months 30-Sep-18	12 Months 31-Dec-18
<b>7 Interest income</b>								
Cash and cash equivalents	413,854	1,259,026	796,638	1,305,176	413,854	1,259,026	795,995	1,305,176
Loans and advances to banks and customers	14,592,488	42,966,095	34,733,391	51,013,452	14,592,488	42,966,095	34,733,391	51,013,452
Investments securities	1,139,428	4,813,284	3,358,250	5,316,371	1,118,429	4,138,567	3,358,250	4,694,191
<b>Total interest income</b>	<b>16,145,770</b>	<b>49,038,405</b>	<b>38,888,279</b>	<b>57,634,999</b>	<b>16,124,771</b>	<b>48,363,688</b>	<b>38,887,636</b>	<b>57,012,819</b>
<b>Interest expense</b>								
Deposits from banks	839,702	4,266,727	314,813	983,288	839,702	4,266,727	314,813	983,288
Deposits from customers	9,463,019	24,041,676	20,252,046	24,491,455	9,492,232	25,508,321	20,252,046	25,928,887
Other borrowed funds	544,815	3,534,990	2,494,623	5,167,909	523,816	1,366,890	2,494,623	3,085,456
<b>Total interest expense</b>	<b>10,847,535</b>	<b>31,843,392</b>	<b>23,061,482</b>	<b>30,642,651</b>	<b>10,855,750</b>	<b>31,141,938</b>	<b>23,061,482</b>	<b>29,997,631</b>
<b>8 Fees and commission income</b>								
Credit related fees	255,267	662,583	685,685	421,057	255,267	662,583	685,685	421,057
Account maintenance fees	266,011	802,380	708,334	964,660	266,011	802,380	708,334	964,660
Management fees	386,723	769,255	594,032	1,113,996	386,723	769,255	594,032	1,113,996
Fees on electronic products	1,042,233	2,785,597	1,926,525	2,845,751	1,042,233	2,785,597	1,926,525	2,845,751
Fees on financial guarantees	143,723	337,535	205,009	415,231	143,723	337,535	205,009	415,231
Other fees and charges	304,601	796,836	683,481	746,714	304,601	796,836	683,481	746,714
<b>Total fee and commission income</b>	<b>2,398,558</b>	<b>6,154,186</b>	<b>4,803,066</b>	<b>6,507,409</b>	<b>2,398,558</b>	<b>6,154,186</b>	<b>4,803,066</b>	<b>6,507,409</b>
<b>9 Net trading income</b>								
Fixed income securities	5,277	9,700	16,946	39,551	5,277	9,700	16,946	39,551.00
Treasury bills	5,194,158	8,778,647	3,906,779	4,485,360	5,194,158	8,778,647	3,906,779	4,485,360
Foreign exchange trading (note 9.1)	86,684	148,973	970,584	1,007,491	86,684	148,973	970,584	1,007,491
Other gains	-	-	-	-	-	-	-	-
<b>Total net trading income</b>	<b>5,286,119</b>	<b>8,937,320</b>	<b>4,894,309</b>	<b>5,532,402</b>	<b>5,286,119</b>	<b>8,937,320</b>	<b>4,894,309</b>	<b>5,532,402</b>
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.								
<b>9.1</b>	The amount reported above are totally from financial assets carried at fair value through profit or loss							
<b>10 Other income</b>								
Dividends on available-for-sale equity securities	-	51,111	38,333	38,333	0	51,111	38,333	38,333
Gains on disposal of property and equipment	3,853	125,724	2,388	3,766	3,853	125,724	2,388	3,766
Rental income	9,947	32,317	32,613	29,824	9,947	32,317	32,613	29,824
Insurance claim received	-	12,509	10,505	18,940	-	12,509	10,505	18,940
Income on contingents	-	28,670	29,512	29,512	0	28,670	29,512	29,512
Income on deposit accounts	-	19,278	35,290	164,077	0	19,278	35,290	164,077
Fund transfer	-	3,262	7,564	7,564	0	3,262	7,564	7,564
FX Revaluation	-	-	-	156,563	-	-	-	156,563
Swift transactions	26,360	66,067	52,523	76,292	26,360	66,067	52,523	76,292
Service charge	-	59,084	42,009	70,405	0	59,084	42,009	70,405
Advisory fees	-	20,971	17,983	46,606	0	20,971	17,983	46,606
Gains on disposal of unquoted equities (CSCS)	-	-	-	1,047,492	-	-	-	1,047,492
Others	71,467	150,213	74,559	132,567	71,467	150,213	74,559	132,567
<b>Total other income</b>	<b>111,627</b>	<b>569,206</b>	<b>343,279</b>	<b>1,821,941</b>	<b>111,627</b>	<b>569,206</b>	<b>343,279</b>	<b>1,821,941</b>

# Wema Bank Plc

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

### Notes to the Financial Statements

	Group				Bank			
	3 Months 30-Sep-19	9 Months 30-Sep-19	9 Months 30-Sep-18	12 Months 31-Dec-18	3 Months 30-Sep-19	9 Months 30-Sep-19	9 Months 30-Sep-18	12 Months 31-Dec-18
<b>11 Impairment loss of financial assets</b>								
<i>In thousands of Nigerian Naira</i>								
Impairment losses on loans and advances								
- specific impairment	-	-	-	858,118	-	-	-	858,118
- collective impairment	811,374	1,660,598	498,148	2,585,314	811,374	1,660,598	498,148	2,585,314
- Recoveries on loans	(25,650)	(36,273)	(21,104)	(20,796)	(25,650)	(36,273)	(21,104)	(20,796)
Adjusted interest on impaired loans	-	-	-	(421,162)	-	-	-	(421,162)
Impairment loss on bonds	-	-	-	72,699	-	-	-	72,699
Impairment loss on other assets	-	-	-	338,242	-	-	-	338,242
IFRS 9 ECL adjustment	-	-	-	98,122	-	-	-	98,122
	<b>785,724</b>	<b>1,624,325</b>	<b>477,044</b>	<b>3,510,537</b>	<b>785,724</b>	<b>1,624,325</b>	<b>477,044</b>	<b>3,510,537</b>

### 12 Personnel expenses

Wages and salaries	2,463,095	7,714,504	6,257,954	9,966,645	2,858,662	7,714,504	6,257,954	9,966,645
Contributions to defined contribution plans	300,040	913,999	716,247	992,399	291,571	913,999	716,247	992,399
Gratuity Expenses	-	-	-	-	-	-	-	-
Other staff costs	597,397	1,985,216	1,589,549	1,377,774	835,486	1,985,216	1,589,549	1,377,774
	<b>3,360,532</b>	<b>10,613,719</b>	<b>8,563,750</b>	<b>12,336,818</b>	<b>3,985,719</b>	<b>10,613,719</b>	<b>8,563,750</b>	<b>12,336,818</b>

	Group				Bank			
	3 Months 30-Sep-19	6 Months 30-Sep-19	6 Months 30-Sep-18	12 Months 31-Dec-18	3 Months 30-Sep-19	6 Months 30-Sep-19	6 Months 30-Sep-18	12 Months 31-Dec-18
<b>13a Other operating expenses</b>								
<i>In thousands of Nigerian Naira</i>								
Advertising and marketing	298,750	772,526	786,627	1,290,508	298,750	772,526	786,627	1,290,508
AMCON Levy	834,866	2,324,775	1,619,011	2,452,607	834,866	2,324,775	1,619,011	2,452,607
Auditors remuneration	45,000	135,000	137,742	142,742	45,000	135,000	137,742	132,742
Business Expenses	83,003	251,479	210,599	410,365	83,003	251,479	210,599	410,365
Cash movement expenses	131,630	400,801	340,084	492,801	131,630	400,801	340,084	492,801
Diesel Expenses	133,868	437,478	402,394	757,429	133,868	437,478	402,394	757,429
Directors Expenses	8,950	28,550	23,350	106,049	8,950	28,550	23,350	106,049
Directors fees	2,881	50,919	85,161	99,657	2,881	50,919	85,161	99,657
Donations	29,250	62,574	57,373	79,307	29,250	62,574	57,373	79,307
Electricity	60,098	203,574	180,947	241,322	60,098	203,574	180,947	241,322
General administrative expenses	661,161	1,207,094	1,008,084	988,011	661,161	1,207,094	1,008,084	988,011
Legal expenses	33,381	139,158	122,981	149,907	33,381	139,158	122,981	149,907
Insurance	80,793	225,385	189,392	260,523	80,793	225,385	189,392	260,523
NDIC Premium	471,212	1,271,291	843,941	1,190,528	471,212	1,271,291	843,941	1,190,528
Other premises and equipment costs	141,991	428,984	359,104	476,706	141,991	428,984	359,104	476,706
PAYE/Withholding expenses	2,543	189,608	92,090	741,807	2,543	189,608	92,090	741,807
Printing and stationery	82,660	299,663	303,415	380,496	82,660	299,663	303,415	380,496
Other Professional fees	225,843	666,017	660,240	679,320	225,843	666,017	660,240	679,320
Digital Bank Professional fees	45,000	344,060	325,933	345,130	45,000	344,060	325,933	345,130
Repairs and maintenance	458,325	1,250,966	1,092,655	1,874,635	458,325	1,250,966	1,092,655	1,874,635
Security expenses	107,234	340,737	365,775	592,163	107,234	340,737	365,775	592,163
Service charge	615,923	809,832	832,908	988,959	615,923	809,832	832,908	988,959
SMS Expenses & Others	25,000	75,991	17,204	48,129	25,000	75,991	17,204	48,129
Statutory expenses	2,590	21,920	26,653	39,964	2,590	21,920	26,653	39,964
Technology and alternative channels	729,700	1,483,155	1,400,485	2,276,268	729,700	1,483,155	1,400,485	2,276,268
Transport & Communications	126,534	392,209	393,311	514,323	126,534	392,209	393,311	514,323
	<b>5,438,186</b>	<b>13,813,746</b>	<b>11,877,460</b>	<b>17,619,655</b>	<b>5,438,186</b>	<b>13,813,746</b>	<b>11,877,460</b>	<b>17,609,656</b>

### 13b Depreciation and amortization

Property, plants and equipment	668,787	1,831,384	1,651,741	2,207,915	668,787	1,831,384	1,651,741	2,207,915
Investment property	237	704	4,198	5,399	237	704	4,198	5,399
Intangible assets	127,414	368,664	294,511	409,254	127,414	368,664	294,511	409,254
	<b>796,438</b>	<b>2,200,752</b>	<b>1,950,450</b>	<b>2,622,568</b>	<b>796,438</b>	<b>2,200,752</b>	<b>1,950,450</b>	<b>2,622,568</b>

# Wema Bank Plc

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

### Notes to the Financial Statements

#### 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 September 2019 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding :

<i>In thousands</i>	<b>Group</b>				<b>Bank</b>	
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
<b>Profit attributable to ordinary shareholders -basic</b>						
Profit for the year attributable to equity holders of the Bank '000	4,088,869	2,644,084	3,326,420	4,115,606	2,643,441	3,359,259
Earnings per share -basic (Kobo)	14.1	9.2	8.6	14.3	9.2	8.6

#### 15 Cash and cash equivalents

*In thousands of Nigerian Naira*

	<b>Group</b>			<b>Bank</b>		
	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>31-Dec-18</b>	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>31-Dec-18</b>
Cash and balances with banks	18,030,946	15,414,527	17,114,625	18,030,946	15,440,696	17,114,625
Unrestricted balances with central bank	8,097,601	5,266,905	6,863,422	8,097,601	5,266,905	6,863,422
Money market placements	36,411,850	22,817,500	18,180,366	36,411,850	22,817,500	18,180,366
IFRS 9 ECL Adjustment	(44,356)	-	(35,614)	(44,356)	-	(35,614)
	<b>62,496,041</b>	<b>43,498,932</b>	<b>42,122,799</b>	<b>62,496,041</b>	<b>43,525,101</b>	<b>42,122,799</b>

#### 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 September 2019 was N95,173,048,000 (N2018 - N58,054,204,000).

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

#### 16 Pledged assets - Held at amortised cost

*In thousands of Nigerian Naira*

	<b>Group</b>			<b>Bank</b>		
	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>31-Dec-18</b>	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>31-Dec-18</b>
Treasury bills (note 16.1)	25,723,584	4,328,730	6,793,338	25,723,584	4,328,730	6,793,338
Bonds (16.2)	18,743,764	9,739,699	13,790,095	18,743,764	9,739,699	13,790,095
	<b>44,467,348</b>	<b>14,068,429</b>	<b>20,583,433</b>	<b>44,467,348</b>	<b>14,068,429</b>	<b>20,583,433</b>

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), Interswitch Nigeria Limited and other Interbank transactions. The bank cannot trade on these pledged assets during the period that such assets are committed as pledged.

# Wema Bank Plc

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

### Notes to the Financial Statements

- 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 N2.098billion (2018: N2.998billion) as disclosed in note 30.

In thousands of Nigerian Naira	Group			Bank		
	30-Sep-19	30-Sep-18	31-Dec-18	30-Sep-19	30-Sep-18	31-Dec-18
<b>17 Investment securities</b>	<b>70,937,148</b>	<b>66,185,358</b>	<b>71,617,784</b>	<b>60,048,573</b>	<b>63,364,705</b>	<b>60,729,209</b>
Current	47,781,308	41,606,230	43,755,275	47,781,308	41,606,230	43,755,275
Non-current	23,155,840	21,758,475	27,862,510	12,267,265	21,758,475	16,973,934
<b>17a Investment securities measured at FVTOCI</b>						
Treasury bills	6,729,367	989,927	-	6,729,367	989,927	-
Equity (see note (i) below)	880,074	142,884	880,074	881,074	143,884	881,074
	<b>7,609,441</b>	<b>1,132,811</b>	<b>880,074</b>	<b>7,610,441</b>	<b>1,133,811</b>	<b>881,074</b>
<b>17b Investment securities measured at FVTPL</b>						
Treasury Bills (see (ii) below)	<b>24,286,948</b>	<b>12,206,969</b>	<b>11,708,530</b>	<b>24,286,948</b>	<b>12,206,969</b>	<b>11,708,530</b>
<b>17c Investment securities measured at amortised cost</b>						
Treasury Bills	16,764,993	<b>28,409,334</b>	32,046,745	16,764,993	28,409,334	32,046,745
FGN Bonds	20,691,951	<b>21,820,966</b>	25,253,421	9,802,376	18,999,313	14,363,846
Other Bonds (see (iii) below)	1,590,097	2,615,278	2,044,825	1,590,097	2,615,278	2,044,825
Impairment on bond	-	-	(72,699)	-	-	(72,699)
Opening IFRS 9 Adjustment	-	-	(241,936)	-	-	(241,936)
IFRS 9 ECL Adjustment	(6,282)	-	(1,175)	(6,282)	-	(1,175)
	<b>39,040,759</b>	<b>52,845,578</b>	<b>59,029,181</b>	<b>28,151,185</b>	<b>50,023,925</b>	<b>48,139,606</b>
<b>(i) Equity</b>						
<b>Quoted Investments:</b>	-	-	-	-	-	-
<b>Unquoted Investments:</b>						
Unified Payment Services Limited	7,474	7,474	7,474	7,474	7,474	7,474
Central Securities System Nigeria Limited	-	87,928	-	-	87,928	-
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
	<b>880,074</b>	<b>142,884</b>	<b>880,074</b>	<b>881,074</b>	<b>143,884</b>	<b>881,074</b>
	<b>880,074</b>	<b>142,884</b>	<b>880,074</b>	<b>881,074</b>	<b>143,884</b>	<b>881,074</b>

- (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:

# Wema Bank Plc

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

### Notes to the Financial Statements

		2019	2018
		N	N
<b>CORPORATE</b>			
1	7YR: DANA Group Bond Series 1	1,071,399	1,344,098
<b>STATE BONDS</b>			
2	EKITI State Govt Bond Tranche 11	298,200	371,423
3	ONDO State Govt Bond	220,498	329,305
		<u>518,699</u>	<u>700,728</u>
		<u><b>1,590,098</b></u>	<u><b>2,044,826</b></u>

### 18 Loans and advances to customers at amortised cost

	Group			Bank		
	30-Sep-19	30-Sep-18	31-Dec-18	30-Sep-19	30-Sep-18	31-Dec-18
<i>In thousands of Nigeria Naira</i>						
Overdrafts	30,600,817	28,952,665	28,517,756	30,600,817	28,952,665	28,517,756
Term Loans	262,461,757	220,904,312	231,163,886	262,461,757	220,904,312	231,163,886
Advances under finance lease	4,006,488	1,434,624	1,902,080	4,006,488	1,434,624	1,902,080
	<u><b>297,069,062</b></u>	<u><b>251,291,601</b></u>	<u><b>261,583,722</b></u>	<u><b>297,069,062</b></u>	<u><b>251,291,601</b></u>	<u><b>261,583,722</b></u>
Gross loans and receivables						
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	(4,701,698)	(5,544,446)	(5,532,165)	(4,701,698)	(5,544,446)	(5,532,165)
Collective allowances for impairment	(5,434,193)	(956,807)	(1,586,070)	(5,434,193)	(956,807)	(1,586,070)
	<u>(10,135,891)</u>	<u>(6,501,252)</u>	<u>(9,394,109)</u>	<u>(10,135,891)</u>	<u>(6,501,252)</u>	<u>(9,394,109)</u>
Net loans and advances to customers	<u><b>286,933,171</b></u>	<u><b>244,790,349</b></u>	<u><b>252,189,613</b></u>	<u><b>286,933,171</b></u>	<u><b>244,790,349</b></u>	<u><b>252,189,613</b></u>
<b>Overdrafts</b>						
Gross Overdrafts	30,600,817	28,952,665	28,517,756	30,600,817	28,952,665	28,517,756
Less Allowances for Impairment						
Specific Allowances for impairment	(1,416,451)	(1,516,451)	(2,716,451)	(1,416,451)	(1,516,451)	(1,516,451)
Collective allowances for impairment	(1,694,847)	(219,454)	(469,454)	(1,694,847)	(219,454)	(219,454)
	<u>(3,111,298)</u>	<u>(1,735,904)</u>	<u>(3,185,905)</u>	<u>(3,111,298)</u>	<u>(1,735,904)</u>	<u>(1,735,905)</u>
Net Overdrafts	<u><b>27,489,519</b></u>	<u><b>27,216,761</b></u>	<u><b>25,331,851</b></u>	<u><b>27,489,519</b></u>	<u><b>27,216,761</b></u>	<u><b>26,781,851</b></u>
<b>Term Loans</b>						
Gross Term Loans	262,461,757	220,904,312	231,163,886	262,461,757	220,904,312	231,163,886
Less Allowances for Impairment						
Specific Allowances for impairment	(3,080,470)	(3,909,210)	(4,888,048)	(3,080,470)	(3,909,210)	(6,172,803)
Collective allowances for impairment	(3,616,567)	(715,205)	(1,094,467)	(3,616,567)	(715,205)	(1,344,467)
	<u>(6,697,037)</u>	<u>(4,624,415)</u>	<u>(5,982,515)</u>	<u>(6,697,037)</u>	<u>(4,624,415)</u>	<u>(7,517,270)</u>
Net Term Loans	<u><b>255,764,720</b></u>	<u><b>216,279,897</b></u>	<u><b>225,181,371</b></u>	<u><b>255,764,720</b></u>	<u><b>216,279,897</b></u>	<u><b>223,646,616</b></u>

# Wema Bank Plc

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

### Notes to the Financial Statements

Advance Under Finance Lease <i>In thousands of Nigerian Naira</i>	Group			Bank		
	30-Sep-19	30-Sep-18	31-Dec-18	30-Sep-19	30-Sep-18	31-Dec-18
Gross Advance	4,006,488	1,434,624	1,902,080	4,006,488	1,434,624	1,902,080
Less Allowances for Impairment						
Specific Allowances for impairment	(204,777)	(118,785)	(203,540)	(204,777)	(118,785)	(118,785)
Collective Allowances for impairment	(122,779)	(22,149)	(22,149)	(122,779)	(22,149)	(22,149)
	(327,556)	(140,934)	(225,689)	(327,556)	(140,934)	(140,934)
<b>Net advances</b>	<b>3,678,932</b>	<b>1,293,690</b>	<b>1,676,391</b>	<b>3,678,932</b>	<b>1,293,690</b>	<b>1,761,146</b>
<b>Total Loans and Advances</b>						
Current	174,412,334	128,634,873	138,926,994	174,412,334	128,634,873	138,926,994
Non-current	122,656,728	122,656,728	122,656,728	122,656,728	122,656,728	122,656,728
	<b>297,069,062</b>	<b>251,291,601</b>	<b>261,583,722</b>	<b>297,069,062</b>	<b>251,291,601</b>	<b>261,583,722</b>

ECL staging	Credit portfolio					
	2019				2018	
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total	Total
N'million	N'million	N'million	N'million	N'million	N'million	
Credit grade						
Investment grade	286,575	2,743	2,048	0	291,366	169,715
Speculative grade	941	2	4,760	0	5,703	91,869
<b>Gross carrying amount</b>	<b>287,516</b>	<b>2,745</b>	<b>6,808</b>	<b>0</b>	<b>297,069</b>	<b>261,584</b>
Loss allowance	5,391	43	4,702	0	10,136	9,394
<b>Carrying amount</b>	<b>282,125</b>	<b>2,702</b>	<b>2,106</b>	<b>0</b>	<b>286,933</b>	<b>252,190</b>

In thousands of Nigerian Naira	Overdraft	Term Loan	Advances under finance lease	Totals
<b>Balance as at 1 January 2019</b>	<b>2,685,904</b>	<b>6,482,515</b>	<b>225,689</b>	<b>9,394,109</b>
Specific impairment	2,216,450	3,027,725	203,540	5,447,716
Collective impairment	469,454	3,454,790	22,149	3,946,393
Reclass from Regulatory Risk Reserve	555,207	-	-	-
<b>Additional impairment for the year</b>	<b>50,926</b>	<b>464,584</b>	<b>4,704</b>	<b>520,214</b>
Specific impairment	(363,727)	453,746	4,092	-
Collective impairment	706,459	161,777	100,630	520,214
Written off in the year as uncollectible	(399,999)	(401,001)	(2,855)	(803,855)
Amounts recovered during the year	(36,273)	-	-	(36,273)
<b>Balance as at 30 September 2019</b>	<b>3,111,298</b>	<b>6,697,037</b>	<b>327,557</b>	<b>10,135,892</b>
Specific impairment	1,416,451	3,080,470	204,777	4,701,699
Collective impairment	1,694,847	3,616,567	122,779	5,434,193

### Contingent Liabilities & Commitments:

	Group			Bank		
	30-Sep-19	30-Sep-18	31-Dec-18	30-Sep-19	30-Sep-18	31-Dec-18
Financial guarantee	69,565,295	54,427,127	49,408,931	69,565,295	54,427,127	49,408,931
Other contingent	14,138,027	15,209,191	13,511,352	14,138,027	15,209,191	13,511,352
	<b>83,703,321</b>	<b>69,636,318</b>	<b>62,920,283</b>	<b>83,703,321</b>	<b>69,636,318</b>	<b>62,920,283</b>

# Wema Bank Plc

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

### Notes to the Financial Statements

#### 19 Investment properties

*In thousands of Nigeria Naira*

	30-Sep-19	Group 30-Sep-18	31-Dec-18	30-Sep-19	Bank 30-Sep-18	31-Dec-18
<b>Cost</b>						
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	-		-	-		-
<b>Balance at 30 Sep 2019</b>	<b>47,079</b>	<b>280,633</b>	<b>47,079</b>	<b>47,079</b>	<b>280,633</b>	<b>47,079</b>
<b>Accumulated depreciation and impairment</b>						
Balance at 1 January 2019	6,807	234,962	234,962	6,807	234,962	234,962
Charge for the year	704	4,198	5,399	704	4,198	5,399
Write -off	-		(233,554)	-		(233,554)
Disposals	-		-	-		-
<b>Balance at 30 Sep 2019</b>	<b>7,512</b>	<b>239,160</b>	<b>6,807</b>	<b>7,512</b>	<b>239,160</b>	<b>6,807</b>
Cost	47,079	280,633	47,079	47,079	280,633	47,079
Accumulated depreciation	7,512	239,160	6,807	7,512	239,160	6,807
	<b>39,568</b>	<b>41,473</b>	<b>40,273</b>	<b>39,568</b>	<b>41,473</b>	<b>40,273</b>

- (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 September 2019 would have been N72,033,200.00 (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.

## Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 September, 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
<b>Cost</b>							
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	683,400	771,016	981,215	2,332,645	(887,475)	3,961,551
Reclassification from WIP	-	-	-	-	-	-	-
Transfer to software (note 21)	-	-	-	-	-	-	-
Transfer to prepaid expenses	-	-	-	-	-	-	-
Disposals	-	(57,915)	(16,990)	(24,142)	(373,733)	-	(472,780)
<b>Balance at 30 Sep 2019</b>	<b>1,376,661</b>	<b>16,447,953</b>	<b>7,533,440</b>	<b>3,271,159</b>	<b>9,001,521</b>	<b>923,850</b>	<b>38,554,584</b>
<b>Accumulated depreciation and impairment</b>							
Balance at 1 January 2019	-	4,662,373	4,733,308	1,600,677	5,466,760	-	16,463,117
Charge for the year	-	238,259	593,083	219,637	780,405	-	1,831,383
Disposals	-	(6,985)	(22,804)	(330,233)	(16,581)	-	(376,603)
Transfer to Capital Reduction (note 30.1)	-	-	-	-	-	-	-
<b>Balance at 30 Sep 2019</b>	<b>-</b>	<b>4,893,647</b>	<b>5,303,587</b>	<b>1,490,080</b>	<b>6,230,584</b>	<b>-</b>	<b>17,917,897</b>
<b>Carrying amounts</b>							
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
<b>Balance at 30 Sep 2019</b>	<b>1,376,661</b>	<b>11,554,306</b>	<b>2,229,854</b>	<b>1,781,079</b>	<b>2,770,937</b>	<b>923,850</b>	<b>20,636,686</b>



**Property and equipment**

**Group / Bank**

*In thousands of Nigerian Naira (000s)*

	<b>Land</b>	<b>Buildings</b>	<b>Furniture &amp; Office Equipment</b>	<b>Motor vehicles</b>	<b>Computer Equipment</b>	<b>Work in Progress</b>	<b>Total</b>
<b>Cost</b>							
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)
<b>Balance at 31 December 2018</b>	<b>1,295,911</b>	<b>15,822,468</b>	<b>6,779,414</b>	<b>2,314,087</b>	<b>7,042,609</b>	<b>1,811,324</b>	<b>35,065,813</b>
<b>Accumulated depreciation and impairment</b>							
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)	-	-	-	-	-	-	-
<b>Balance at 31 December 2018</b>	<b>-</b>	<b>4,662,373</b>	<b>4,733,308</b>	<b>1,600,677</b>	<b>5,466,760</b>	<b>-</b>	<b>16,463,117</b>
<b>Carrying amounts</b>							
Balance at 1 January 2018	<b>1,225,581</b>	<b>10,334,651</b>	<b>1,791,279</b>	<b>466,744</b>	<b>1,888,286</b>	<b>1,372,248</b>	<b>17,078,789</b>
<b>Balance at 31 December 2018</b>	<b>1,295,911</b>	<b>11,160,095</b>	<b>2,046,107</b>	<b>713,410</b>	<b>1,575,850</b>	<b>1,811,324</b>	<b>18,602,696</b>

# Wema Bank Plc

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

<i>In thousands of Nigerian Naira</i>	<b>Group</b>			<b>Bank</b>		
	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>31-Dec-18</b>	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>31-Dec-18</b>
<b>21 Intangible assets</b>						
<b>Cost</b>						
Cost 1 January, 2019	4,197,401	3,619,870	3,619,870	4,197,401	3,619,870	3,619,870
Additions	286,180	236,842	577,531	286,180	236,842	577,531
Transfer from property and equipment (note 20)	-	-	-	-	-	-
Transfer to computer equipment	-	-	-	-	-	-
<b>Balance at 30 Sep 2019</b>	<b>4,483,581</b>	<b>3,856,712</b>	<b>4,197,401</b>	<b>4,483,581</b>	<b>3,856,712</b>	<b>4,197,401</b>
<b>Amortization and impairment losses</b>						
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	368,664	294,489	409,232	368,664	294,489	409,232
Transfer to Capital Reduction (note 30i)	-	-	-	-	-	-
<b>Balance at 30 Sep 2019</b>	<b>3,638,675</b>	<b>3,155,267</b>	<b>3,270,010</b>	<b>3,638,675</b>	<b>3,155,267</b>	<b>3,270,010</b>
<b>Carrying amounts</b>	<b>844,906</b>	<b>797,890</b>	<b>927,391</b>	<b>844,906</b>	<b>797,890</b>	<b>927,391</b>

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. The authorised and contracted capital commitments as at the balance sheet date was nil (31 December 2018 nil) 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>	<b>Group</b>			<b>Bank</b>		
	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>31-Dec-18</b>	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>31-Dec-18</b>
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)	-	-	-	-	-	-
<b>Closing balance</b>	<b>20,206,217</b>	<b>21,269,702</b>	<b>20,206,217</b>	<b>20,206,217</b>	<b>21,269,702</b>	<b>20,206,217</b>

# Wema Bank Plc

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

*In thousands of Nigerian Naira*

	Group			Bank		
	30-Sep-19	30-Sep-18	31-Dec-18	30-Sep-19	30-Sep-18	31-Dec-18
<b>23 Other assets</b>						
Accounts receivables	29,085	3,191,908	3,269,568	29,085	3,247,964	3,269,568
Prepayments	5,424,686	3,717,438	1,311,633	5,424,686	3,717,438	1,311,633
Stock	826,345	486,297	558,870	826,345	486,297	558,870
Collateralised Placement	52,917	52,917	52,917	52,917	52,917	52,917
Clearing Balance	465,915	185,667	405,250	465,915	185,667	405,250
Fraud & Burglary	554,733	528,547	545,918	554,733	528,547	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	2,841,374	2,681,560	833,931	2,841,374	2,681,560	833,931
FBN Settlement	-	0	42,838	0	0	42,838
Other Settlements	-	0	395,707	0	0	395,707
Others	119,515	146,421	91,079	119,515	146,421	91,079
	<u>11,106,842</u>	<u>21,783,027</u>	<u>8,299,983</u>	<u>11,106,842</u>	<u>21,839,083</u>	<u>8,299,983</u>
Specific impairment on other assets	(1,263,697)	(3,961,418)	(3,840,077)	(1,263,697)	(3,961,418)	(3,840,077)
	<b>9,843,145</b>	<b>17,821,609</b>	<b>4,459,906</b>	<b>9,843,145</b>	<b>17,877,665</b>	<b>4,459,906</b>
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	(2,576,380)	339,584	218,243	(2,576,380)	339,584	218,243
Transfer from investment	-	-	-	-	-	-
	<b>1,263,697</b>	<b>3,961,418</b>	<b>3,840,077</b>	<b>1,263,697</b>	<b>3,961,418</b>	<b>3,840,077</b>

### 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

	Group			Bank		
	30-Sep-19	30-Sep-18	31-Dec-18	30-Sep-19	30-Sep-18	31-Dec-18
<i>In thousands of Nigeria Naira</i>						
Money market deposits (Items in course of collection)	<b>21,744,600</b>	<b>12,500,000</b>	-	<b>21,744,600</b>	<b>12,500,000</b>	-

### 25 Deposits from customers

#### 25a Retail customers:

Term deposits	66,761,874	59,619,386	59,091,417	66,761,874	59,619,386	59,091,417
Current deposits	32,608,537	14,755,555	18,303,142	32,608,537	14,755,555	18,303,142
Savings	70,094,962	55,884,856	62,891,853	70,094,962	55,884,856	62,891,853

#### Corporate customers:

Term deposits	181,203,834	145,265,247	129,353,423	181,203,834	145,265,247	129,353,423
Current deposits	87,286,790	73,780,490	83,747,802	87,336,872	73,806,659	83,862,198
Others	18,808,741	12,972,510	15,812,131	18,808,741	12,972,510	15,812,131

**456,764,738 362,278,044 369,199,768 456,814,820 362,304,213 369,314,164**

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

Under 3 months	288,129,143	187,683,072	254,333,031	288,179,225	187,709,241	254,359,200
3 - 6months	76,294,152	42,494,518	50,122,360	76,294,152	42,494,518	50,122,360
6 - 12months	14,749,365	35,000,486	11,924,196	14,749,365	35,000,486	11,924,196
Over 12months	77,592,078	97,099,968	52,908,409	77,592,078	97,099,968	52,908,409

**456,764,738 362,278,044 369,287,995 456,814,820 362,304,213 369,314,164**

At 30 September 2019 N77.5billion (31 December 2018: N52.9billion) of deposits from customers are expected to be settled more than 12 months after the reporting date.

# Wema Bank Plc

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

In thousands of Nigerian Naira		Group			Bank		
		30-Sep-19 2019	30-Sep-18	31-Dec-18 2018	30-Sep-19 2019	30-Sep-18	31-Dec-18 2018
<b>26</b>	<b>Taxation</b>						
<b>26.1</b>	<b>Income tax expense</b>						
	Company income tax	600,550	415,170	351,751	600,550	415,170	351,751
	Education Tax	-	-	-	-	-	-
	NITDA Levy	50,032	-	56,054	50,032	-	56,054
	Capital Gains Tax	-	-	-	-	-	-
	(Over) / Under provision	-	-	-	-	-	-
	Current Income Tax expense	650,582	415,170	407,805	650,582	415,170	407,805
	Deferred tax expenses	(0)	-	1,063,485	(0)	-	1,063,485
		<b>650,582</b>	<b>415,170</b>	<b>1,471,290</b>	<b>650,582</b>	<b>415,170</b>	<b>1,471,290</b>

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

	Group		Group		Bank	
	30-Sep-19 2019	30-Sep-18	31-Dec-18 2018	30-Sep-19 2019	30-Sep-18	31-Dec-18 2018
Profit before tax from continuing operations	4,731,188	3,056,645	4,797,710	4,757,925	3,056,002	4,830,543
Income tax expense calculated at 30% (2018:30%)	1,427,378	916,801	1,449,165	1,427,378	916,801	1,449,165
Effect of income that is exempt from taxation	(776,148)	(501,631)	(385,680)	(776,148)	(501,631)	(385,680)
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	-	-	351,751	-	-	351,751
Information technology tax levy adjustment	-	-	56,054	-	-	56,054
	<b>651,230</b>	<b>415,169</b>	<b>1,471,290</b>	<b>651,230</b>	<b>415,169</b>	<b>1,471,290</b>

		Group			Bank		
		30-Sep-19	30-Sep-18	31-Dec-18	30-Sep-19	30-Sep-18	31-Dec-18
<b>26.2</b>	<b>Current tax liabilities</b>						
	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	650,582	415,169	407,805	650,582	415,169	407,805
	<b>Closing balance</b>	<b>1,006,177</b>	<b>436,443</b>	<b>429,079</b>	<b>1,006,177</b>	<b>436,443</b>	<b>429,079</b>

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

# Wema Bank Plc

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

## 27 Other liabilities

<i>In thousands of Nigerian Naira</i>	<b>Group</b>			<b>Bank</b>		
	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>31-Dec-18</b>	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>31-Dec-18</b>
<b>Financial Liabilities</b>						
Creditors and accruals	2,307,147	1,052,305	647,648	2,307,147	1,052,305	647,648
Staff Deductions	406,670	130,228	118,892	406,670	130,228	118,892
Provision for Others	686,388	300,920	236,388	686,388	300,920	236,388
Amcon Levy	-	-	277,300	-	-	277,300
Other current liabilities	207,699	193,732	157,693	180,268	184,639	92,686
Insurance Claim	79,464	22,982	70,635	79,464	22,982	70,635
Swift Payables	81,891	29,001	75,997	81,891	29,001	75,997
Western Union	32,293	19,308	45,860	32,293	19,308	45,860
Salary Suspense	183,624	109,220	155,041	183,624	109,220	155,041
Accounts payable	637,228	540,400	595,884	637,228	540,400	595,884
Electronic products payable	673,092	309,987	425,679	673,092	309,987	425,679
Certified cheques	1,519,191	1,179,562	1,196,631	1,519,191	1,179,562	1,196,631
Customer deposits for letters of credit	8,833,222	3,445,093	4,585,784	8,833,222	3,445,093	4,585,784
Discounting Line	13,208,759	11,129,665	12,841,871	13,208,759	11,129,665	12,841,871
FBN Settlement	3,433	-	-	3,433	-	-
Other Settlements	1,528,791	515,058	-	1,528,791	515,058	-
Remittances	956,530	452,134	540,155	956,530	452,134	540,155
	<b>31,345,422</b>	<b>19,429,595</b>	<b>21,971,458</b>	<b>31,317,991</b>	<b>19,420,502</b>	<b>21,906,452</b>
<b>Non-Financial Liabilities</b>						
Litigation claims provision (i)	270,575	76,435	196,435	270,575	76,435	196,435
Other payables	1,127,182	335,900	669,710	1,127,182	335,900	669,710
	<b>32,743,179</b>	<b>19,841,930</b>	<b>22,837,603</b>	<b>32,715,748</b>	<b>19,832,837</b>	<b>22,772,597</b>

### (i) Movement in litigation claims provision

Opening balance	196,435	76,435	76,435	196,435	76,435	76,435
Additions	74,140	-	120,000	74,140	-	120,000
Payment	-	-	-	-	-	-
Provision no longer required	-	-	-	-	-	-
	<b>270,575</b>	<b>76,435</b>	<b>196,435</b>	<b>270,575</b>	<b>76,435</b>	<b>196,435</b>

# Wema Bank Plc

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

*In thousands of Nigerian Naira*

	Group			Bank		
	30-Sep-19	30-Sep-18	31-Dec-18	30-Sep-19	30-Sep-18	31-Dec-18
<b>28 Other borrowed funds</b>						
Due to BOI (see (i) below)	2,098,269	2,998,490	2,776,464	2,098,269	2,998,490	2,776,464
CBN Agric. loan (see iii below)	825,234	894,967	825,234	825,234	894,967	825,234
CBN MSMEDF (see iv below)	572,189	656,118	1,000,112	572,189	656,118	1,000,112
Wema SPV (see v below)	24,096,462	6,515,861	24,676,317	13,048,769	3,684,110	13,628,623
National Housing Fund	83,261	93,669	93,638	83,261	93,669	93,638
Shelter Afrique (see vii below)	2,012,389	2,382,722	2,938,327	2,012,389	2,382,722	2,938,327
AFDB	4,890,105	4,595,250	5,639,386	4,890,105	4,595,250	5,639,386
ICD	-	6,196,707	7,493,845	0	6,196,707	7,493,845
AGSMEIS/RSSF/DBN	11,034,804	-	5,395	11,034,804	-	5,395
	<b>45,612,713</b>	<b>33,732,775</b>	<b>45,448,718</b>	<b>34,565,020</b>	<b>30,901,024</b>	<b>34,401,024</b>

- (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-Sep-19	30-Sep-18	31-Dec-18	30-Sep-19	30-Sep-18	31-Dec-18
At 1 January	45,448,718	39,459,511	39,459,511	34,401,024	36,627,761	36,627,761
Additions	7,000,000	10,359,977	31,033,157	7,000,000	10,359,977	22,857,417
Changes in accrued interest	-	-	-	-	-	-
Effect of exchange rate changes [loss/(profit)]	-	-	451,111	-	-	451,111
Payments made	(6,836,005)	(16,086,714)	(25,495,061)	(6,836,005)	(16,086,714)	(25,535,265)
<b>Closing balance</b>	<b>45,612,713</b>	<b>33,732,775</b>	<b>45,448,718</b>	<b>34,565,020</b>	<b>30,901,024</b>	<b>34,401,024</b>

# Wema Bank Plc

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

<i>In thousands of Nigerian Naira</i>	<b>30-Sep-19</b>	<b>Group 30-Sep-18</b>	<b>31-Dec-18</b>	<b>30-Sep-19</b>	<b>Bank 30-Sep-18</b>	<b>31-Dec-18</b>
<b>30 Share capital and Reserves</b>						
(a) <b>The share capital comprises:</b>						
(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)	<b>19,287,233</b>	<b>19,287,233</b>	<b>19,287,233</b>	<b>19,287,233</b>	<b>19,287,233</b>	<b>19,287,233</b>
b <b>Share Premium</b>						
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)	-	-	-	-	-	-
<b>Closing balance</b>	<b>8,698,230</b>	<b>8,698,230</b>	<b>8,698,230</b>	<b>8,698,230</b>	<b>8,698,230</b>	<b>8,698,230</b>

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

# Wema Bank Plc

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

**(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 SMEEIS 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 SMEEIS (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 SMEEIS 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>	<b>Group</b>			<b>Bank</b>		
	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>31-Dec-18</b>	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>31-Dec-18</b>
At 1 January	5,992,622	4,089,570	4,089,570	6,102,353	4,166,460	4,166,460
Profit or loss	4,088,869	2,644,084	3,326,420	4,115,606	2,643,441	3,359,259
Transfer from Regulatory risk reserve	555,207	811,007	(415,589)	555,207	811,007	(415,589)
Transfer to Statutory Reserve	(1,234,682)	-	(1,007,778)	(1,234,682)	-	(1,007,778)
Dividend Paid to Shareholders	(1,157,235)	-	-	(1,157,235)	-	-
Regulatory charge to SMEIS	(167,850)	-	-	(167,850)	-	-
<b>Closing balance</b>	<b>8,076,932</b>	<b>7,544,661</b>	<b>5,992,622</b>	<b>8,213,400</b>	<b>7,620,909</b>	<b>6,102,353</b>

**(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.



# Wema Bank Plc

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

### 31 Contingencies

#### (i) Litigation and claims

There are litigation claims against the Bank as at 30 September 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-Sep-19	Group 30-Sep-18	Group 31-Dec-18	Bank 30-Sep-19	Bank 30-Sep-18	Bank 31-Dec-18
Contingent liabilities:						
Guarantees and indemnities	65,508,784	50,968,839	44,413,119	65,508,784	50,968,839	44,413,119
Bonds	4,056,510	3,458,288	4,995,812	4,056,510	3,458,288	4,995,812
Clean-line facilities & irrevocable letters of credit	14,138,027	15,209,191	13,511,351	14,138,027	15,209,191	13,511,351
<b>Closing balance</b>	<b>83,703,321</b>	<b>69,636,318</b>	<b>62,920,283</b>	<b>83,703,321</b>	<b>69,636,318</b>	<b>62,920,283</b>