



## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2011


	GROUP		BANK	
	2010	2011	2010	2011
<b>Assets:</b>				
Cash in hand and balances with Central Bank of Nigeria	6,567,639	18,268,860	6,026,043	8,176,207
Treasury Bills	8,176,207	10,432,899	8,176,207	8,176,207
Due from financial institutions	50,239,452	16,403,382	48,544,435	48,544,435
Loans and advances to customers	42,793,251	60,143,452	38,637,809	38,637,809
On-lending Facilities	6,718,813	7,312,016	6,718,813	6,718,813
Advances under finance lease	896,608	958,312	896,608	896,608
Insurance receivables	209,872	-	-	-
Investment securities	49,763,750	61,919,987	48,644,369	48,644,369
Investment in subsidiaries	-	-	1,984,193	1,984,193
Investment in associates	1,578,744	1,353,703	1,353,703	1,353,703
Deferred tax assets	25,054,034	23,384,264	23,384,264	23,384,264
Other assets	6,767,437	7,396,922	6,163,901	6,163,901
Intangible assets	-	449,985	-	449,985
Investment property	4,296,051	730,769	-	730,769
Property and equipments	13,922,543	13,484,000	12,614,282	12,614,282
<b>Total Assets</b>	<b>216,984,401</b>	<b>222,238,551</b>	<b>203,144,627</b>	<b>203,144,627</b>
<b>Liabilities</b>				
Customer deposits	120,883,753	147,387,408	121,507,898	121,507,898
Due to other banks	2,588,220	2,658,168	2,588,220	2,588,220
On-lending liabilities	6,718,813	7,385,875	6,718,813	6,718,813
Claims payable	305,231	-	-	-
Liability on investment contracts	1,135,391	-	-	-
Liability on insurance contracts	1,328,593	-	-	-
Current income tax payable	609,954	164,978	386,453	386,453
Other liabilities	12,861,712	7,008,880	6,875,670	6,875,670
Deferred tax liabilities	279,262	33,264	-	-
Retirement benefit obligations	172,175	185,772	160,840	160,840
Borrowings	54,331,986	50,693,142	50,069,457	50,069,457
<b>Total Liabilities</b>	<b>201,215,090</b>	<b>215,517,487</b>	<b>188,307,351</b>	<b>188,307,351</b>
<b>Net Assets</b>	<b>15,769,311</b>	<b>6,721,064</b>	<b>14,837,276</b>	<b>14,837,276</b>
<b>Capital &amp; Reserves</b>				
Share Capital	6,410,624	6,410,624	6,410,624	6,410,624
Share premium	24,701,231	24,701,231	24,701,231	24,701,231
Revaluation reserve	4,249,457	2,088,605	2,088,605	2,088,605
Retained earnings	(28,646,302)	(35,475,856)	(27,359,644)	(27,359,644)
Other reserves	9,653,463	8,996,460	8,996,460	8,996,460
Equity attributable to shareholders	16,368,473	6,721,064	14,837,276	14,837,276
Non-controlling interest	(599,162)	-	-	-
<b>Total Equity</b>	<b>15,769,311</b>	<b>6,721,064</b>	<b>14,837,276</b>	<b>14,837,276</b>
Guarantees and other commitments on behalf of customers	18,598,027	9,917,919	18,598,027	18,598,027
<b>Total Assets and Contingents</b>	<b>235,582,428</b>	<b>232,156,470</b>	<b>221,742,654</b>	<b>221,742,654</b>

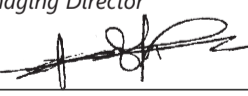
## CONSOLIDATED PROFIT & LOSS ACCOUNT


FOR THE YEAR ENDED 31 DECEMBER 2011

	GROUP		BANK	
	2011	2010	2011	2010
<b>Gross Earnings</b>	<b>28,385,325</b>	<b>21,796,628</b>	<b>25,640,625</b>	<b>19,929,693</b>
Net interest income	12,469,719	5,842,001	11,724,371	5,670,177
Other income	8,903,030	7,710,689	6,996,977	6,359,589
Operating income	21,372,749	13,552,690	18,721,348	12,029,766
Operating expenses	(21,303,605)	(20,859,032)	(17,353,936)	(18,206,006)
Loan loss (expenses)/recoveries	(3,683,316)	21,514,830	(3,512,013)	21,010,066
Diminution in other asset/investments	(5,805,411)	(1,237,997)	(5,379,219)	(1,869,718)
Group's share of associates profits	-	171,273	-	-
(Loss)/profit before taxation	(9,419,583)	13,141,764	(7,523,820)	12,964,108
Taxation	1,508,864	4,313,891	(125,657)	3,274,425
(Loss)/profit after taxation and before extra-ordinary item	(10,928,447)	17,455,655	(7,649,477)	16,238,533
Extra-ordinary item	(159,056)	-	(466,736)	-
Non-controlling interest	-	(247,480)	-	-
<b>Total Profit</b>	<b>(11,087,503)</b>	<b>17,208,175</b>	<b>(8,116,213)</b>	<b>16,238,533</b>

The financial statements were approved by the Board of Directors on 10 September 2012 and signed on its behalf by:

  
**Segun Oloketuyi**  
 Managing Director

  
**Olajide Omole**  
 Chief Finance Officer

  
**Chief Samuel Bolarinde**  
 Chairman

## KEY FINANCIAL INFORMATION

	GROUP		BANK	
	2010	2011	2010	2011
Non-performing loans and advances (N'000)	37,166,845	9,693,393	37,427,005	37,427,005
Non-performing loans to total loans and advances	50%	14%	53%	53%
(Loss)/earnings per share (basic)	163k	(63k)	154k	154k

## INDEPENDENT AUDITORS' REPORT

### To the members of WEMA BANK PLC

The accompanying summary financial statements which comprise the summary consolidated balance sheet as at 31 December 2011, the summary consolidated income statement for the year then ended are derived from the audited consolidated financial statements of **Wema Bank PLC** for the year ended 31 December 2011. We expressed an unmodified audit opinion on those financial statements in our report dated 10 September 2012. Those financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary consolidated financial statements do not contain all disclosures required by the Companies and Allied Matters Act CAP C20 LFN 2004 and Banks and others Financial Institution Act CAP B3 LFN 2004, applied in the preparation of the audited consolidated financial statements of **Wema Bank PLC**. Reading the summary consolidated financial statements therefore is not a substitute for reading the audited financial statements of **Wema Bank PLC**.

### Directors' Responsibility for the summarised Audited Consolidated Financial Statements

The Directors are responsible for preparing and presenting an appropriate summary of the consolidated financial statements in accordance with Section 355 of the Companies and Allied Matters Act, Cap C20, LFN 2004, and the Banks and Other Financial Institutions Act CAP B3 LFN 2004.

### Auditor's Responsibility

Our responsibility is to express an opinion on the summarised consolidated financial statements based on our procedures which were conducted in accordance with International Standards on Auditing (ISA 810), "Engagement to report on Summary Financial Statements".

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group and the Bank as at 31 December, 2011, and of their financial performance and cash flows for the year then ended. The Group and the Bank have kept proper books of account, which are in agreement with the balance sheet and income statement, in the manner required by the Companies and Allied Matters Act, Cap C20, LFN 2004, and the Banks and Other Financial Institutions Act CAP B3 LFN 2004, and in accordance with the Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria.

### Emphasis of Matter

We draw attention to Note 2 in the consolidated financial statements which indicates that **Wema Bank Plc** has incurred a loss for the year ended 31 December 2011 of N8.12 billion, and had a net cash outflows of N27.39 billion and as of that date, the Bank's shareholders' funds of N6.72 billion are below the regulatory capital of N10 billion for a regional bank, for which it has obtained an Approval-In-Principle (AIP) from the Central Bank of Nigeria. These conditions, along with other matters set forth in Note 2 indicate the existence of uncertainty that may cast doubt about the Bank's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

### Other Matter

The consolidated financial statements of **Wema Bank PLC** for the year ended December 31, 2010, were audited by another auditor who expressed a modified opinion on those financial statements on 15 April 2011. The basis of qualification was the Bank's treatment of a N36 billion forbearance granted by the CBN on its overdrawn position in the retained earnings of that year rather than its inclusion as an extra-ordinary income in the profit and loss account as recommended by the auditor. This would lead to an understatement of tax liabilities by about N10.8 billion. As also noted in Note 41 (d), the Bank is pursuing tax exemption notice on the potential tax liability relating to the forbearance to fully resolve the issue. Therefore no provision is made in these financial statements.

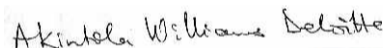
### Report on Other Legal and Regulatory Requirements

Our examination of loans and advances was carried out in accordance with the Prudential Guidelines for Licensed Banks issued by the Central Bank of Nigeria;

In accordance with Circular BSD/1/2004 issued by the Central Bank of Nigeria, details of insider related credits are disclosed in Note 42 to the financial statements.

### Contraventions

The Bank contravened certain sections of the Banks and Other Financial Institutions Act, CAP B3 LFN 2004 during the year as explained in Note 46 to the financial statements.

  
 Akinola Williams

**Chartered Accountants**  
 Lagos Nigeria  
 10 September 2012

