



## **WEMA Bank Plc Unaudited Financial Results for the 6 months ended June 30<sup>th</sup>, 2016.**

**LAGOS, NIGERIA – 22<sup>nd</sup> July 2016 – Wema Bank PLC (Bloomberg: Wema NL) (“Wema’ or “the Bank”), announces its Unaudited 1H2016 financial results. Reports 10% improvement in profitability on the back of 42% growth in fee income.**

### **Managing Director/Chief Executive Officer’s review**

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“The 2016 financial year has been a rather eventful one for the Nigerian economy. The year has been characterized by deceleration on a number of economic indicators coupled with increasing energy costs, intensified by rising inflation, all within a tough operating environment. The banking industry has also not been exempted from these challenges.

In spite of these challenges, Wema Bank has been able to deliver a modest improvement in the first half of the year. Interest income grew by 15.2% from ₦17.5 billion in H1 2015 to ₦20.2 billion in the current period, while fee and commission income improved significantly by 42.3% from ₦2.2 billion in H1 2015 to ₦3.1 billion in H1 2016. This growth in non-interest revenues was driven by our ongoing initiative to enlarge our footprint in the retail space while keeping customers at the heart of our operations. We believe that this is where we will continue to win in the marketplace.

We continued to closely monitor our costs as we optimize our operations. Operating expenses grew from ₦11.1 billion in H1 2015 to ₦11.4 billion at a rate of 2.7%, lower than Year-To-Date inflation rate of 13.26%. We achieved this through the continued migration of customers to alternative channels and deliberate efforts at reducing our cost to serve. These efforts are reflected in our Profit before Tax growing by 11% to ₦1.3 billion from ₦1.2 billion in H1 2015.

While we have increased our loan to deposit ratio from 65.1% in December 2015 to 67.5% as at June 2016, our emphasis on selective risk creation ensured we kept our Non-Performing Loans (NPL) ratio below 3%, which is significantly lower than the industry average. We expect that this risk underwriting discipline should continue to serve as a foundation for us to deliver consistent satisfactory results to our stakeholders in the second half of the year.”

We are also delighted by the affirmation of our current investment grade rating by Fitch rating agency; a ratification of the sustained performance over the last few years.

We commence the second half of the year with a sense of cautious optimism; well aware that the economic fundamentals point to an economy heading for further slowdown, yet hopeful that additional fiscal initiatives will be implemented to stimulate growth. We are awaiting final regulatory approvals for our debt capital raise and we expect to conclude the process this quarter.

The Bank is continuously being transformed and while we are pleased with the current results, we are aware of the tough task ahead. We remain committed to all our stakeholders in delivering value across board. The focus on growing our retail base and engaging our customers through mobile and alternative platforms should yield benefits to the bottom-line as we also continue to monitor and manage our risk portfolio and asset quality.

— **Segun Oloketuyi (MD/CEO)**

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**Financial Performance Review**

<b>Income statement (₦'bn)</b>	<b>1H2016</b>	<b>1H2015</b>	<b>(Δ)</b>
Gross Earnings	24.3	20.9	16.3%
Interest Income	20.2	17.5	15.4%
Non-interest income	4.1	3.4	20.6%
Operating expense	11.4	11.1	27.0%
Profit before Tax	1.3	1.2	8.33%
Profit after Tax	1.1	0.99	11.11%
Earnings Per Share	6 kobo	5 kobo	20%

<b>Balance Sheet (₦'bn)</b>	<b>1H2016</b>	<b>2015FY</b>	<b>(Δ)</b>
Total Assets	391.8	396.7	(1.2%)
Loans and Advances	172.0	185.6	(7.3%)
Customers Deposits	277.9	285.0	(2.5%)
Shareholders' Funds	47.2	46.1	2.4%

**Highlights**

- Gross earnings increased by 16.4% (Y-o-Y) to ₦24.3 billion (H1 2016) from ₦20.9 billion (H2 2015).
- Profit before Tax (PBT) rose to ₦1.29 billion (H1 2016) from ₦1.17 billion, a 10.62% increase.
- Total Deposit improved 11% (Y-o-Y) from ₦237.43 billion in the previous period to ₦277.87 billion in H1 2016; however, there was a decline of 2.49% in comparison to ₦284.98 billion in Dec. 2015.

**Ratios**

- Loan to Deposit Ratio: 67.5% (65.1% as at December 2015)
- Non-Performing Loans Ratio: 2.83% (2.67% as at December 2015)
- Liquidity Ratio: 31.37% (33.57% in December 2015)
- NPL Coverage Ratio: 100% (109% in December 2015)

**Operational Achievements**

- Maintained its (BBB-) national scale credit rating from Fitch Rating Agency.
- Launched its USSD digital banking platform which enables customers to perform their banking transactions with the \*945# code.
- Strategic branch expansion continues; opened Lokoja, Aba Road (Port Harcourt) and 3 more branches within Lagos.

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**FOR FURTHER INFORMATION:**

**WEMA Bank Plc**

Tunde Mabawonku (CFO)

+234 1 4622632

[tunde.mabawonku@wemabank.com](mailto:tunde.mabawonku@wemabank.com)

Ladipo Ogunlesi (Investor Relations)

+234 08023224418

[ladipo.ogunlesi@wemabank.com](mailto:ladipo.ogunlesi@wemabank.com)

***Notes to editors:***

**About WEMA Bank Plc**

Established in 1945, Wema Bank is Nigeria's longest surviving indigenous bank. Wema Bank offers a range of retail and SME banking, corporate banking, treasury, trade services and financial advisory to its numerous customers. In 2009, the Bank initiated a strategic repositioning exercise which culminated in a decision to operate as a commercial Bank with regional authorisation in South-South Nigeria, South-West Nigeria, Lagos and Abuja in 2011. Pursuant to meeting the Central Bank of Nigeria requirements, the Bank was granted a banking licence with National authorization in 2015. Wema Bank operates a network of over 140 branches and service stations backed by a robust ICT platform across Nigeria.

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

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