

WEMA BANK PLC

**Unaudited IFRS Results
for the quarter ended 31 March 2014**

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Statement of Financial Position

As at 31 March 2014

	Notes	31 March 2014	31 December 2013
<i>In thousands of Nigerian Naira</i>			
ASSETS			
Cash and cash equivalents	18	18,138,509	31,314,482
Pledged assets	19	22,642,640	21,830,179
Investment securities:	24		
Available for sale		11,261,910	7,180,114
Held for trading		2,348,270	-
Held to maturity		92,844,951	102,379,943
Loans and advances to customers	20	95,295,293	98,631,825
Derivative financial assets		200,745	137,800
Investment property	25	598,716	601,822
Property and equipment	26	12,641,155	12,468,085
Intangible assets	27	800,756	913,200
Investment in associate	22	2,964,626	2,964,626
Other assets	29	39,602,233	29,080,696
Deferred tax assets	28	23,369,702	23,369,702
TOTAL ASSETS		322,709,507	330,872,475
LIABILITIES			
Deposits from banks	30	3,694,820	3,200,000
Deposits from customers	31	206,359,943	217,734,559
Derivative financial liabilities		199,281	197,370
Current tax liabilities	32	470,658	382,047
Other liabilities	34	11,699,828	10,375,390
Other borrowed funds	34	58,367,867	57,587,958
TOTAL LIABILITIES		280,792,397	289,477,324
EQUITY			
Share capital		19,287,233	19,287,233
Share premium		48,870,107	48,870,107
Regulatory risk reserve		(0)	(0)
Treasury shares		-	-
Retained earnings		(35,161,037)	(35,184,210)
Other reserves		8,920,806	8,422,021
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		41,917,109	41,395,151
TOTAL EQUITY		41,917,109	41,395,151
TOTAL LIABILITIES AND EQUITY		322,709,507	330,872,475

Statement of Comprehensive Income

For the period ended 31 March 2014

<i>In thousands of Nigerian Naira</i>	<i>Notes</i>	<u>31 March 2014</u>	<u>31 December 2012</u>
Interest income	8	8,303,885	28,542,092
Interest expense	8	(4,044,239)	(16,017,736)
Net interest income		4,259,646	12,524,356
Net impairment loss/write back on financial assets	13	(189,912)	1,329,627
Net interest income after impairment charge for credit losses		4,069,734	13,853,983
Net fee and commission income	9	1,422,023	5,133,191
Net trading income	10	229,356	349,188
Other income	11	202,546	1,621,087
		<u>1,853,925</u>	<u>7,103,466</u>
Operating income		5,923,659	20,957,449
Personnel expenses	14	(2,418,895)	(8,932,412)
Operating lease expenses	15(a)	(120,938)	(496,355)
Depreciation and amortisation		(384,215)	(1,390,814)
Other operating expenses	15	(2,408,868)	(9,120,986)
		<u>590,743</u>	<u>1,016,882</u>
Share of profit in associate	23		930,426
Profit before tax		590,743	1,947,308
Income tax expense	16	(88,611)	(350,777)
Profit for the year		502,132	1,596,531
Other comprehensive income, net of income tax			
Share of other comprehensive income of associate	23	-	(14,564)
Fair value (loss)/ gain on available-for-sale investments	16	19,826	118,521
Other comprehensive income for the year, net of income tax		19,826	103,957
Total comprehensive income for the year		521,958	1,700,488
Profit attributable to:			
Equity holders of the Bank		502,132	1,596,531
Total comprehensive income for the year		521,958	1,700,488
Profit per share-basic	17	10	8
Profit per share-diluted	17	10	8

Statement of Changes in Equity

For the period ended 31 March 2014

In thousands of Nigerian naira (000s)

	Share Capital	Share premium	Treasury shares	Regulatory risk reserve	Statutory reserve	SMEIES reserve	Fair value reserves	Capital reserves	Syndicated Loan Reserves	Retained earnings	Total equity
2013											
Balance at 1 January 2013	6,410,624	24,701,231	(4,571,482)	816,364	7,669,552	526,908	107,040	300,000	500,000	(35,181,920)	1,278,316
Total comprehensive income:											
Profit or loss										1,596,531	1,596,531
Transfer								(300,000)	(500,000)	800,000	
Other comprehensive income											
Fair value reserve (available-for-sale) financial assets	-	-	-	-	-	-	118,521	-	-	(14,564)	118,521
Share of Associate's other comprehensive income	-	-	-	-	-	-	118,521	-	-	(14,564)	103,957
Total other comprehensive income	-	-	-	-	-	-	118,521	-	-	(14,564)	103,957
Total comprehensive income for the period	6,410,624	24,701,231	(4,571,482)	816,364	7,669,552	526,908	225,561	-	-	(32,799,953)	2,978,804
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Regulatory risk reserve				(816,364)						816,364	-
transfer to statutory reserves					478,959					(478,959)	
New shares issued	12,876,609	24,168,876	4,571,482							(3,200,620)	38,416,347
Total contribution and distributions to owners	12,876,609	24,168,876	4,571,482	(816,364)	478,959					(2,863,215)	38,416,347
Balance at 31 December 2013	19,287,233	48,870,107	-	(0)	8,148,511	526,908	225,561	-	-	(35,663,169)	41,395,151
2014											
Balance at 1 January 2014	19,287,233	48,870,107	-	(0)	8,148,511	526,908	225,561	-	-	(35,663,169)	41,395,151
Total comprehensive income:											
Profit or loss	-	-	-	-	-	-	-	-	-	502,132	502,132
Transfer											-
Other comprehensive income											
Fair value reserve (available-for-sale) financial assets	-	-	-	-	-	-	19,826	-	-	-	19,826
Share of Associate's other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	19,826	-	-	-	-
Total comprehensive income for the period	19,287,233	48,870,107	-	(0)	8,148,511	526,908	245,387	-	-	(35,161,037)	41,917,109
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Regulatory risk reserve				-							-
New shares issued	0	(0)	-								(0)
Total contribution and distributions to owners	0	(0)	-								(0)
Balance at 31 March 2014	19,287,233	48,870,107	-	(0)	8,148,511	526,908	245,387	-	-	(35,161,037)	41,917,109

Statement of Cash Flow

For the period ended 31 March 2014

<i>In thousands of Nigerian Naira</i>	<i>Notes</i>	March 2014	December 2013
Cash flows from operating activities			
Profit/Loss for the year		502,132	1,596,531
Adjustments for:			
Taxation expense		88,611	350,777
Depreciation and amortization	27	384,215	1,390,814
Gain on disposal of property and equipment		(4,055)	(784,396)
Property & Equipment written off		-	12,241
Fair value loss on available for sale investments		-	-
Gain on sale of equity investment		-	-
Loss on disposal of subsidiaries		-	-
Net interest income	8	(4,259,646)	(12,524,356)
Share of profit of associate		-	(930,426)
Dividend received from equity investment		-	(87,459)
Impairment loss on financial assets	13	189,912	(1,329,627)
		(3,098,831)	(12,305,901)
Change in trading assets			-
Change in pledged assets		(812,461)	(10,345,019)
Change in loans and advances to customers		3,146,620	(23,333,080)
Change in other assets		(10,584,177)	(5,893,166)
Change in deposits from banks		494,820	2,666,514
Change in deposits from customers		(11,374,616)	43,432,135
Change in other liabilities		1,361,326	2,954,616
		(20,867,319)	(2,823,902)
Income tax paid		-	(97,695)
Interest received		8,303,885	28,542,092
Vat paid		(34,977)	(96,190)
Interest paid		(2,933,280)	(11,511,801)
Net cash from operating activities		(15,531,692)	14,012,505
Cash flows from investing activities			
Acquisition of investment securities		3,124,752	(31,501,857)
Dividend received from equity investment		-	87,459
Acquisition of property and equipment	27	(440,798)	(1,536,537)
Proceeds from the sale of property and equipment		6,879	1,089,380
Proceeds from the sale of investment properties		-	50,280
Acquisition of intangible assets		(4,065)	(265,549)
Proceeds from disposal of subsidiaries		-	-
Cash received from absorption		-	-
Net cash used in investing activities		2,686,767	(32,076,824)
Cash flows from financing activities			
Deposit for shares		-	(4,740,454)
Change in other borrowed funds		779,909	581,339
Proceeds from Issue of Shares		-	40,000,689
Share Issue Expenses		-	(1,584,342)
Interest paid on CBN financial accomodation loan		(1,110,959)	(4,505,935)
Net cash from financing activities		(331,050)	29,751,297
Net increase in cash and cash equivalents		(13,175,974)	11,686,978
Cash and cash equivalents at beginning of period		31,314,482	19,627,505
Cash and cash equivalents at end of period	18	18,138,508	31,314,483

NOTES TO THE FINANCIAL STATEMENTS

8 Net interest income

For the period ended 31 March 2014

	31 March 2014	31 December 2013
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Interest income

Cash and cash equivalents	304,769	1,829,035
Loans and advances to banks and customers	4,573,915	16,525,490
Investments securities	3,425,201	10,187,567
Total interest income	<u>8,303,885</u>	<u>28,542,092</u>

Interest expense

	31 December 2013	31 December 2013
Deposits from banks	133,045	829,552
Deposits from customers	2,800,235	10,682,249
Other borrowed funds	1,110,959	4,505,935
Total interest expense	<u>4,044,239</u>	<u>16,017,736</u>

9 Fees and commission income

In thousands of Nigerian Naira

	31 March 2014	31 December 2013
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Retail banking customer fees & commissions	479,555	2,168,232
Corporate banking customer fees & commissions	476,516	2,048,318
Other fees and charges	465,952	916,641
Total fee and commission income	<u>1,422,023</u>	<u>5,133,191</u>

10 Net trading income

In thousands of Nigerian Naira

	31 March 2014	31 December 2013
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Fixed income securities	-	-
Treasury bills	-	-
Equities (see note (i) below)	-	-
Foreign exchange trading	229,356	349,188
	<u>229,356</u>	<u>349,188</u>

11 Other income

In thousands of Nigerian Naira

	31 March 2014	31 December 2013
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Dividends on available-for-sale equity securities	-	87,459
Gains on disposal of property and equipment	4,055	784,396
Rental income (i)	6,902	47,315
Trading income on derivative	55,605	137,490
Others	135,983	564,426
	<u>202,546</u>	<u>1,621,087</u>

NOTES TO THE FINANCIAL STATEMENTS

13 Impairment loss on financial assets

For the period ended 31 March 2014 <i>In thousands of Nigerian Naira</i>	31 March 2014	31 December 2013
Impairment losses on loans and advances		
-specific impairment	25,900	204,628
-collective impairment		1,172,561
- Recoveries on loans	(102,130)	(2,930,204)
-Allowance no longer required	266,143	
Impairment loss on available for sale financial assets		
- Allowance for the year	-	-
Impairment loss on other assets (Note 30)	-	223,388
	<u>189,912</u>	<u>(1,329,627)</u>

14 Personnel expenses

<i>In thousands of Nigerian Naira</i>	31 March 2014	31 December 2013
Wages and salaries	1,740,224	6,084,548
Contributions to defined contribution plans	282,414	1,087,809
Other staff costs	396,257	1,760,055
	<u>2,418,895</u>	<u>8,932,412</u>

15 Other operating expenses

<i>In thousands of Nigerian Naira</i>	31 March 2014	31 December 2013
Other premises and equipment costs	448,348	1,588,244
Auditors remuneration	10,000	90,000
Professional fees	143,929	215,687
AMCON Levy	429,250	1,221,684
Security expenses	128,908	525,594
Cash movement expenses	96,545	389,540
NDIC Premium	269,058	1,061,873
Printing and stationery	59,217	303,993
Advertising and marketing	196,919	785,294
Transport & Communications	80,926	298,997
Service charge	18,256	301,751
Insurance	62,129	507,741
Business Expenses	34,940	135,525
General administrative expenses	430,442	1,695,063
	<u>2,408,868</u>	<u>9,120,986</u>

NOTES TO THE FINANCIAL STATEMENTS

18 Cash and cash equivalents

For the period ended 31 March 2014 <i>In thousands of Nigerian Naira</i>	31 March 2014	31 December 2013
Cash and balances with banks	12,093,734	11,863,083
Unrestricted balances with central bank	1,350,375	3,447,015
Deposits with the Central Bank of Nigeria	-	-
Money market placements	4,694,400	16,004,384
	<u>18,138,509</u>	<u>31,314,482</u>

19 Pledged assets - Held to maturity

<i>In thousands of Nigerian Naira</i>	31 March 2014	31 December 2013
Treasury bills	7,294,477	6,767,724
Bonds	15,348,163	15,062,455
	<u>22,642,640</u>	<u>21,830,179</u>

20 Loans and advances to customers at amortised cost

<i>In thousands of Nigerian Naira</i>	31 March 2014	31 December 2013
Overdrafts	15,544,799	17,005,245
Term Loans	82,634,816	84,695,691
Advances under finance lease	1,116,389	1,007,830
Gross loans and receivables	<u>99,296,004</u>	<u>102,708,767</u>
<i>Less Allowances for Impairment</i>		
Specific Allowances for impairment	(3,603,558)	(3,393,665)
Collective allowances for impairment	(397,153)	(683,277)
	<u>(4,000,711)</u>	<u>(4,076,942)</u>
Net loans and advances to customers	<u>95,295,293</u>	<u>98,631,825</u>

For the period ended 31 March 2014			
24	Investment securities	31 March 2014	31 December 2013
	<i>In thousands of Nigerian Naira</i>		
	Investment securities	106,455,132	109,560,057
	Current	71,407,550	78,075,761
	Non-current	32,699,311	31,484,297
		<u>104,106,861</u>	<u>109,560,057</u>
(a)	Available-for-sale investment securities comprise:		
	Bonds (see (ii) below)	6,942,411	6,819,826
	Treasury bills	3,959,211	-
	Equity (see note (v) below)	431,109	431,109
	Less: specific allowance for impairment (see (i) below)	(70,820)	(70,821)
		<u>11,261,910</u>	<u>7,180,114</u>
(b)	Held for trading investment securities comprise:		
	Treasury bills	2,348,270	-
	FGN Bonds (see (iii) below)	-	-
	Other bonds (see (iv) below)	-	-
		<u>2,348,270</u>	<u>-</u>
(c)	Held to maturity investment securities comprise:		
	Treasury bills	67,448,339	78,075,761
	FGN Bonds	14,679,673	14,734,065
	Other bonds	10,716,939	9,570,117
		<u>92,844,951</u>	<u>102,379,943</u>
(i)	Specific allowance for impairment	31 March 2014	31 December 2013
	<i>In thousands of Nigerian Naira</i>		
	Balance, beginning of year	70,821	1,891,540
	Charge for the year	-	-
	Acquired from merger of business	-	-
	Write-offs		(1,658,698)
	Allowance no longer required		(162,021)
	Balance, end of year	<u>70,821</u>	<u>70,821</u>

25 (i) Investment property

In thousands of Nigerian Naira	31 March 2014	31 December 2013
Carrying amount at the beginning of year	601,822	664,907
Cost	629,913	680,193
Accumulated Depreciation	(28,090)	(15,285)
Additions	-	-
Disposals	-	(50,280)
Depreciation charge for the year	(3,106)	(12,805)
Carrying amount at the end of the year	598,716	601,822
Cost	629,913	629,913
Accumulated depreciation	(31,197)	(28,090)

26 Property and equipment

<i>In thousands of Nigerian Naira (000s)</i>	Land	Buildings	Furniture & Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
Cost							
Balance at 1 January 2014	698,852	12,770,729	3,394,016	1,144,726	1,612,844	797,005	20,418,172
Additions	0	40,313	46,675	74,866	28,452	250,493	440,798
Disposals	0	0	0	(100,513)	(1,188)	0	(101,701)
Balance at 31 March 2014	<u>698,852</u>	<u>12,811,042</u>	<u>3,440,691</u>	<u>1,119,080</u>	<u>1,640,107</u>	<u>1,047,498</u>	<u>20,757,269</u>
Accumulated depreciation and impairment							
Balance at 1 January 2014	-	3,526,611	2,360,355	878,167	1,184,954	0	7,950,087
Charge for the year	-	70,166	108,063	39,108	47,263	0	264,600
Disposals	-	0	0	(97,768)	(1,109)	0	(98,876)
Balance at 31 March 2014	<u>-</u>	<u>3,596,777</u>	<u>2,468,418</u>	<u>819,507</u>	<u>1,231,109</u>	<u>-</u>	<u>8,115,811</u>
Carrying amounts							
Balance at 1 January 2014	698,852	9,244,118	1,033,661	266,560	427,890	797,005	12,468,085
Balance at 31 March 2014	<u>698,852</u>	<u>9,214,264</u>	<u>972,273</u>	<u>299,573</u>	<u>408,998</u>	<u>1,047,498</u>	<u>12,641,458</u>

27 Intangible assets		
<i>In thousands of Nigerian Naira</i>		
	31 March	31 December
	2014	2013
Cost		
Balance beginning of the year	2,521,843	2,245,227
Additions	4,065	265,549
Reclassifications	-	11,068
Balance end of the year	<u>2,525,908</u>	<u>2,521,843</u>
Amortization and impairment losses		
Balance beginning of the year	1,608,644	1,319,798
Amortisation for the period	116,508	193,454
Acquired from business merger	-	-
Reclassifications	-	95,391
Balance end of the year	<u>1,725,152</u>	<u>1,608,644</u>
Carrying amounts	<u>800,756</u>	<u>913,200</u>
29 Other assets		
	31 March	31 December
	2014	2013
<i>In thousands of Nigerian Naira</i>		
Accounts receivable and prepayments	7,009,245	4,089,134
Restricted deposits with central bank (see (i) below)	32,686,603	25,672,861
Divestment proceeds receivable	-	-
Others	3,264,261	3,104,338
Specific impairment on other assets	(3,357,877)	(3,647,837)
	<u>39,602,233</u>	<u>29,218,496</u>
30 Deposits from banks		
	31 March	31 December
	2014	2013
<i>In thousands of Nigerian Naira</i>		
Money market deposits	3,694,820	3,397,370
Other deposits from banks	-	-
Items in the course of collection	-	-
	<u>3,694,820</u>	<u>3,397,370</u>
31 Deposits from customers		
	31 March	31 December
	2014	2013
<i>In thousands of Nigerian Naira</i>		
Retail customers:		
Term deposits	18,865,198	29,340,259
Current deposits	19,967,400	39,047,967
Savings	32,313,707	33,428,276
Corporate customers:		
Term deposits	55,992,115	57,522,322
Current deposits	78,009,958	58,139,681
Others	1,211,566	256,053
	<u>206,359,943</u>	<u>217,734,559</u>
32 Taxation payable		
	31 March	31 December
	2014	2013
<i>In thousands of Nigerian Naira</i>		
Balance, beginning of the year	382,047	128,965.00
Charge for the year	88,611	350,777.00
Payment during the year	-	(97,695.15)
	<u>470,658</u>	<u>382,047</u>
33 Other liabilities		
	31 March	31 December
	2014	2013
<i>In thousands of Nigerian Naira</i>		
Contributions to defined contribution plans	-	-
Creditors and accruals	3,815,715	2,558,482
Other current liabilities	1,820,625	4,166,087
Accounts payable	1,961,888	1,459,915
Amcon Levy	-	-
Certified cheques	1,389,805	1,223,628
Foreign currency transfers payable	2,504,960	719,281
Finance lease liability (see note (i) below)	-	-
Interest bearing liability (see note (ii) below)	206,834	247,996
	<u>11,699,828</u>	<u>10,375,390</u>
34 Other borrowed funds		
	31 March	31 December
	2014	2013
<i>In thousands of Nigerian Naira</i>		
Due to CBN (see (i) below)	50,061,711	50,061,711
National Housing Fund	137,483	141,329
Due to BOI (see (ii) below)	7,383,673	6,599,918
CBN Agric loan (see iii below)	785,000	785,000
	<u>57,445,384</u>	<u>57,587,958</u>