

**WEMA BANK PLC**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 JUNE 2020**

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# Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2020

## Statement of Profit or loss and other Comprehensive Income

<i>In thousands of Nigerian Naira</i>		Group				Bank			
		3 Months 30-Jun-20	6 Months 30-Jun-20	6 Months 30-Jun-19	12 Months 31-Dec-19	3 Months 30-Jun-20	6 Months 30-Jun-20	6 Months 30-Jun-19	12 Months 31-Dec-19
	Notes								
<b>Gross Earnings</b>		<b>17,374,857</b>	<b>38,151,058</b>	<b>40,835,294</b>	<b>94,890,127</b>	<b>17,374,857</b>	<b>37,950,742</b>	<b>40,181,576</b>	<b>93,389,811</b>
Interest income	7	12,962,634	29,855,200	32,892,635	70,682,043	12,962,634	29,654,884	32,238,917	69,181,727
Interest expense		(7,878,769)	(18,056,397)	(20,995,856)	(44,696,360)	(7,878,769)	(17,857,695)	(20,286,188)	(43,197,658)
<b>Net interest income</b>	7	<b>5,083,865</b>	<b>11,798,803</b>	<b>11,896,779</b>	<b>25,985,683</b>	<b>5,083,865</b>	<b>11,797,189</b>	<b>11,952,729</b>	<b>25,984,069</b>
Net impairment loss on financial assets	11	(199,985)	(766,336)	(823,574)	(6,130,600)	(199,985)	(766,336)	(823,574)	(6,130,600)
<b>Net interest income after impairment charge for credit losses</b>		<b>4,883,880</b>	<b>11,032,467</b>	<b>11,073,205</b>	<b>19,855,083</b>	<b>4,883,880</b>	<b>11,030,853</b>	<b>11,129,155</b>	<b>19,853,469</b>
Net gain on FVTPL investment securities		(51,648)	182,475	78,251	234,124	(51,648)	182,475	78,251	234,124
Net fee and commission income	8	1,546,068	3,140,488	3,755,628	7,998,793	1,546,068	3,140,488	3,755,628	7,998,793
Net trading income	9	2,750,055	4,665,247	3,651,201	14,789,480	2,750,055	4,665,247	3,651,201	14,789,480
Other income	10	167,748	307,648	457,579	1,185,687	167,748	307,648	457,579	1,185,687
		4,412,223	8,295,858	7,942,659	24,208,084	4,412,223	8,295,858	7,942,659	24,208,084
<b>Operating income</b>		<b>9,296,103</b>	<b>19,328,325</b>	<b>19,015,864</b>	<b>44,063,167</b>	<b>9,296,103</b>	<b>19,326,711</b>	<b>19,071,814</b>	<b>44,061,553</b>
Personnel expenses	12	(3,372,824)	(7,047,310)	(6,628,000)	(14,870,989)	(3,372,824)	(7,047,310)	(6,628,000)	(14,870,989)
Depreciation and amortization	13b	(953,007)	(1,893,758)	(1,404,314)	(3,316,846)	(953,007)	(1,893,758)	(1,404,314)	(3,316,846)
Other operating expenses	13a	(4,372,421)	(8,659,450)	(8,375,560)	(19,115,311)	(4,372,421)	(8,657,029)	(8,375,560)	(19,102,890)
Profit before tax		<b>597,852</b>	<b>1,727,806</b>	<b>2,607,990</b>	<b>6,760,021</b>	<b>597,852</b>	<b>1,728,613</b>	<b>2,663,940</b>	<b>6,770,828</b>
Income tax expense	26	(80,710)	(233,363)	(359,632)	(1,560,080)	(80,710)	(233,363)	(359,632)	(1,560,080)
<b>Profit for the year</b>		<b>517,142</b>	<b>1,494,444</b>	<b>2,248,359</b>	<b>5,199,940</b>	<b>517,142</b>	<b>1,495,251</b>	<b>2,304,309</b>	<b>5,210,748</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		5,086	-	-	404,901	5,086	-	-	404,901
<b>Items that will be subsequently reclassified to profit or loss</b>		-	-	63,360	67,520	-	-	63,360	67,520
Net change in fair value of investments FVOCI		-	-	63,360	67,520	-	-	63,360	67,520
Income tax relating to items that may be reclassified subsequently to profit or Loss		-	-	(8,554)	-	-	-	(8,554)	-
<b>Other comprehensive income for the year</b>		<b>5,086</b>	<b>-</b>	<b>54,806</b>	<b>472,421</b>	<b>5,086</b>	<b>-</b>	<b>54,806</b>	<b>472,421</b>
Total comprehensive income for the year		<b>522,228</b>	<b>1,494,444</b>	<b>2,303,165</b>	<b>5,672,361</b>	<b>522,228</b>	<b>1,495,251</b>	<b>2,359,115</b>	<b>5,683,169</b>
<b>Profit attributable to:</b>		-	-	-	-	-	-	-	-
Equity holders of the Bank		517,142	1,494,444	2,248,359	5,199,940	517,142	1,495,251	2,304,309	5,210,748
Total comprehensive income for the year		522,228	1,494,444	2,303,165	5,672,361	522,228	1,495,251	2,359,115	5,683,169
<b>Earnings per share-basic</b>	14	<b>5.2</b>	<b>7.8</b>	<b>11.6</b>	<b>13.5</b>	<b>5.2</b>	<b>7.8</b>	<b>12.0</b>	<b>13.5</b>

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2020

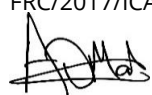
Statement of financial Position

	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
<i>In thousands of Nigerian Naira</i>				
Cash and cash equivalents	119,619,787	65,974,273	119,612,542	65,967,028
Restricted Deposit with CBN	226,529,539	137,392,701	226,529,539	137,392,701
Pledged assets	14,795,854	26,925,527	14,795,854	26,925,527
Investment securities:				
Fair value through other comprehensive income	1,299,975	1,793,543	1,300,975	1,794,543
Fair Value through profit or loss	24,671,366	105,164,284	24,671,366	105,164,284
Held at amortised cost	53,798,697	43,142,925	42,890,732	32,234,960
Loans and advances to customers	337,546,995	289,239,870	337,546,995	289,239,870
Investment properties	38,862	39,330	38,862	39,330
Right of Use	675,333	509,963	675,333	509,963
Property and equipment	21,676,873	20,637,634	21,676,873	20,637,634
Intangible assets	760,915	974,069	760,915	974,069
Other assets	4,565,561	4,879,789	4,565,561	4,879,789
Deferred tax assets	19,195,906	19,195,906	19,195,906	19,195,906
	<b>825,175,662</b>	<b>715,869,814</b>	<b>814,261,452</b>	<b>704,955,604</b>
Deposits from banks	0	3,638,400	0	3,638,400
Deposits from customers	680,320,219	577,283,469	680,320,219	577,283,469
Lease Liabilities	74,617	72,584	74,617	72,584
Current tax liabilities	589,297	905,364	589,297	905,364
Other liabilities	43,553,005	30,039,084	43,509,725	29,996,610
Other borrowed funds	45,526,452	48,770,306	34,458,472	37,702,326
	<b>770,063,590</b>	<b>660,709,207</b>	<b>758,952,329</b>	<b>649,598,753</b>
EQUITY				
Share capital	19,287,233	19,287,233	19,287,233	19,287,233
Share premium	8,698,230	8,698,230	8,698,230	8,698,230
Regulatory risk reserve	7,852,573	7,577,698	7,852,573	7,577,698
Retained earnings	2,482,033	3,254,018	2,679,084	3,450,262
Other reserves	16,792,003	16,343,427	16,792,003	16,343,427
	<b>55,112,072</b>	<b>55,160,607</b>	<b>55,309,123</b>	<b>55,356,851</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>				
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>825,175,662</b>	<b>715,869,813</b>	<b>814,261,452</b>	<b>704,955,604</b>

The financial statements were authorized for issue by the directors on the 23rd July, 2020



**Babatunde Kasali**  
*Chairman*  
FRC/2017/ICAN/00000016973




**Ademola Adebise**  
*Managing Director*  
FRC/2013/ICAN/00000002115

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

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2020

Statements of changes in equity

Group

In thousands of Nigerian naira (000s)

	Share Capital	Share premium	Credit risk reserve	Regulatory risk reserve	Statutory reserve	SMEIES reserve	Fair value reserves	Retained earnings	Total equity
<b>2020</b>									
<b>Balance at 1 January 2020</b>	19,287,233	8,698,230	781,612	7,577,698	13,597,317	526,908	1,437,590	3,254,018	55,160,607
Opening Adjustment									-
Dividend Payout								(1,542,979)	(1,542,979)
SMEIS Charge									-
Profit or loss	-	-	-	-	-	-		1,494,444	1,494,444
<b>Other comprehensive income</b>									
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments									-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	-	-	-
	<b>19,287,233</b>	<b>8,698,230</b>	<b>781,612</b>	<b>7,577,698</b>	<b>13,597,317</b>	<b>526,908</b>	<b>1,437,590</b>	<b>3,205,483</b>	<b>55,112,072</b>
<b>Transactions with owners, recorded directly in equity</b>									
Contributions by and distributions to owners									
Regulatory risk reserve	-	-		274,875	-	-	-	(274,875)	-
Credit risk reserve			-					-	
Transfer to Statutory reserve	-	-			448,575	-	-	(448,575)	-
Total contribution and distributions to owners	-	-	-	274,875	448,575	-	-	(723,450)	-
<b>Balance at 30 June 2020</b>	<b>19,287,233</b>	<b>8,698,230</b>	<b>781,612</b>	<b>7,852,573</b>	<b>14,045,892</b>	<b>526,908</b>	<b>1,437,590</b>	<b>2,482,033</b>	<b>55,112,072</b>
<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
Profit or loss	-	-						2,248,359	2,248,359
<b>Other comprehensive income</b>									
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments									-
<b>Fair value reserve FVTOCI financial assets</b>	-	-					<b>54,806</b>	-	<b>54,806</b>
	19,287,233	8,698,230	-	3,384,894	12,034,093	526,908	1,019,975	7,083,746	52,035,079
<b>Transactions with owners, recorded directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
<b>Regulatory risk reserve</b>	-	-							
Transfer to Statutory reserve	-	-			691,293	-	-	(691,293)	-
Total contribution and distributions to owners	-	-			691,293	-	-	(691,293)	-
<b>Balance at 30 June 2019</b>	<b>19,287,233</b>	<b>8,698,230</b>	<b>-</b>	<b>3,384,894</b>	<b>12,725,386</b>	<b>526,908</b>	<b>1,019,975</b>	<b>6,392,453</b>	<b>52,035,079</b>

**Wema Bank Plc**

**Consolidated and Separate Financial Statements  
For the period ended 30 June, 2020**

**Statements of changes in equity**

**Bank**

*In thousands of Nigerian naira (000s)*

	Share Capital	Share premium	Credit risk reserve	Regulatory risk reserve	Statutory reserve	SMEIES reserve	Fair value reserves	Retained earnings	Total equity
<b>2020</b>									
<b>Balance at 1 January 2020</b>	19,287,233	8,698,230	781,612	7,577,698	13,597,317	526,908	1,437,590	3,450,262	55,356,851
Dividend Payout								(1,542,979)	(1,542,979)
SMEIS Charge								-	-
Profit or loss	-	-	-	-	-	-	-	1,495,251	1,495,251
<b>Other comprehensive income</b>									
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments									-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	19,287,233	8,698,230	781,612	7,577,698	13,597,317	526,908	1,437,590	3,402,534	55,309,123
<b>Transactions with owners, recorded directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Regulatory risk reserve				274,875				(274,875)	-
Credit risk reserve			-					-	-
transfer to statutory reserves					448,575			(448,575)	-
<b>Total contribution and distributions to owners</b>	-	-	-	274,875	448,575	-	-	(723,450)	-
<b>Balance at 30 June 2020</b>	19,287,233	8,698,230	781,612	7,852,573	14,045,892	526,908	1,437,590	2,679,084	55,309,123
<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)
Profit or loss	-	-	-	-	-	-	-	2,304,309	2,304,309
<b>Other comprehensive income</b>									
<b>Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments</b>									
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	54,806	-	54,806
<b>Total comprehensive income for the period</b>	19,287,233	8,698,230	-	3,384,894	12,034,093	526,908	1,019,975	7,249,427	52,200,760
<b>Transactions with owners, recorded directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
<b>Regulatory risk reserve</b>									
transfer to statutory reserves					691,293			(691,293)	-
<b>Total contribution and distributions to owners</b>	-	-	-	-	691,293	-	-	(691,293)	-
<b>Balance at 30 June 2019</b>	19,287,233	8,698,230	-	3,384,894	12,725,386	526,908	1,019,975	6,558,134	52,200,760

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2020  
Statement of Cash Flow

<i>In thousands of Nigerian Naira</i>	Notes	30-Jun 2020	Group 30-Jun 2019	31-Dec 2019	30-Jun 2020	Bank 30-Jun 2019	31-Dec 2019
Cash flows from operating activities							
Profit for the year		1,494,444	2,248,359	5,199,940	1,495,251	2,304,309	5,210,748
Adjustments for:							
Taxation expense	26	233,363	368,185	1,560,080	233,363	368,185	1,560,080
Depreciation and amortization		1,893,758	1,404,314	3,316,846	1,893,758	1,404,314	3,316,846
Adjustment for transfer out of PPE now expensed		-	-	24,413	-	-	24,413
Opening balance adjusted directly in retained earnings		-	-	(75,706)	-	-	-
(Gain)/Loss on disposal of property and equipment	10	(18,351)	(121,871)	(133,842)	(18,351)	(121,871)	(133,842)
Net interest income		(11,798,803)	(11,896,779)	(25,985,683)	(11,797,189)	(11,952,729)	(25,984,069)
Dividend received from equity investment		(3,900)	(51,111)	(85,247)	(3,900)	(51,111)	(85,247)
Impairment loss on financial assets		5,365,942	849,224	5,365,942	5,365,942	849,224	5,365,942
Operating cashflow before movement in working capital		(2,833,547)	(7,199,678)	(10,813,255)	(2,831,126)	(7,199,679)	(10,725,129)
Change in pledged assets		12,129,673	(58,075,750)	(6,342,094)	12,129,673	(58,075,750)	(6,342,094)
Change in loans and advances to customers		(53,673,067)	(29,624,402)	(42,416,199)	(53,673,067)	(29,624,402)	(42,416,199)
Change in other assets		314,228	(4,189,648)	(419,883)	314,228	(4,189,648)	(419,883)
Change in deposits from banks	24	(3,638,400)	50,500,000	3,638,400	(3,638,400)	50,500,000	3,638,400
Change in restricted deposit with CBN		(89,136,838)	(26,687,785)	(79,338,497)	(89,136,838)	(26,687,785)	(79,338,497)
Change in deposits from customers		103,036,750	76,890,759	208,083,701	103,036,750	76,826,447	207,969,305
Change in other liabilities		13,515,955	9,566,668	7,274,064	13,515,148	9,575,030	7,296,598
Cashflow generated by operations		(20,285,246)	11,180,165	79,666,237	(20,283,632)	11,124,214	79,662,502
Income tax paid	26	(549,430)	(73,484)	(73,484)	(549,430)	(73,484)	(73,484)
Interest received		29,855,200	32,892,635	70,682,043	29,654,884	32,238,917	69,181,727
Interest paid		(16,958,975)	(18,005,681)	(41,389,921)	(16,958,976)	(19,443,114)	(41,389,922)
<b>Net cash from operating activities</b>		<b>(7,938,451)</b>	<b>25,993,635</b>	<b>108,884,875</b>	<b>(8,137,154)</b>	<b>23,846,533</b>	<b>107,380,822</b>
Cash flows from investing activities							
Disposal/Acquisition of investment securities-At Amortised Cost		(10,655,772)	16,262,827	15,886,256	(10,655,772)	16,262,826	15,904,646
Disposal/Acquisition of investment securities-FVTOCI		493,568	(6,199,526)	(441,048)	493,568	(6,199,526)	(441,048)
Change in FVTPL investments		80,492,918	(18,217,075)	(93,455,754)	80,492,918	(18,217,075)	(93,455,754)
Dividend received from equity investment		3,900	51,111	85,247	3,900	51,111	85,247
Acquisition of property and equipment	20	(2,507,119)	(2,404,355)	(4,753,596)	(2,507,119)	(2,404,355)	(4,753,596)
Proceeds from the sale of property and equipment		19,684	180,753	271,854	19,684	180,753	271,854
Right of Use		(282,491)	-	(719,649)	(282,491)	-	(719,649)
Acquisition of intangible assets		(96,468)	(24,650)	(596,662)	(96,468)	(24,650)	(596,662)
<b>Net cash(used in)/generated by investing activities</b>		<b>67,468,220</b>	<b>(10,350,915)</b>	<b>(83,723,352)</b>	<b>67,468,220</b>	<b>(10,350,915)</b>	<b>(83,704,962)</b>
Cash flows from financing activities							
Proceed from borrowings		-	7,000,000	14,036,739	-	7,000,000	14,036,739
Repayment of borrowings		(3,243,854)	(1,673,710)	(10,715,151)	(3,243,854)	(1,673,710)	(10,735,437)
Transfer from Retained Earnings		-	(2,990,175)	(167,963)	-	(843,074)	(167,963)
Interest paid on borrowings	7	(1,097,422)	(1,157,235)	(3,306,439)	(898,719)	(1,157,235)	(1,807,736)
Dividend paid to shareholders		(1,542,979)	-	(1,157,235)	(1,542,979)	-	(1,157,235)
<b>Net cash from financing activities</b>		<b>(5,884,255)</b>	<b>1,178,881</b>	<b>(1,310,049)</b>	<b>(5,685,552)</b>	<b>3,325,982</b>	<b>168,368</b>
Net increase in cash and cash equivalents		53,645,514	16,821,601	23,851,474	53,645,514	16,821,600	23,844,229
Cash and cash equivalents at beginning of period		65,974,273	42,122,799	42,122,799	65,967,028	42,122,799	42,122,799
<b>Cash and cash equivalents at end of period</b>	15	<b>119,619,787</b>	<b>58,944,400</b>	<b>65,974,273</b>	<b>119,612,542</b>	<b>58,944,400</b>	<b>65,967,028</b>

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2020  
Statement of Prudential Adjustments

	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
<b>Prudential Provisions:</b>				
Loans and advances	20,988,519	21,345,910	20,988,519	20,502,558
Other financial assets	2,313,255	1,314,335	2,313,255	2,157,688
	<b>23,301,774</b>	<b>22,660,245</b>	<b>23,301,774</b>	<b>22,660,246</b>
<b>Impairment assessment under IFRS:</b>				
<b>Loans and advances</b>				
Specific allowance for impairment	-	-	-	-
Collective allowance for impairment	-	-	-	-
12-months ECL credit	4,775,706	7,104,750	4,775,706	7,104,750
Life-time ECL Not impaired	630,964	377,572	630,964	377,572
Life-time ECL credit impaired	7,027,704	4,646,110	7,027,704	4,646,110
	<b>12,434,374</b>	<b>12,128,432</b>	<b>12,434,374</b>	<b>12,128,432</b>
<b>Investment securities</b>				
12-months ECL	1,364,704	1,324,037	1,364,704	1,324,037
	<b>1,364,704</b>	<b>1,324,037</b>	<b>1,364,704</b>	<b>1,324,037</b>
<b>Off balance sheet exposures</b>				
12-months ECL	788,426	768,381	788,426	768,381
	<b>788,426</b>	<b>768,381</b>	<b>788,426</b>	<b>768,381</b>
<b>Other financial assets</b>				
specific allowance for impairment on other assets	-	-	-	-
12 months ECL Lifetime ECL	861,697	861,697	861,697	861,697
Other non-financial assets	-	-	-	-
	<b>861,697</b>	<b>861,697</b>	<b>861,697</b>	<b>861,697</b>
<b>Total IFRS Impairment</b>	<b>15,449,201</b>	<b>15,082,548</b>	<b>15,449,201</b>	<b>15,082,548</b>
<b>Excess of Prudential impairment over IFRS impairment transferred to regulatory reserve</b>	<b>7,852,573</b>	<b>7,577,698</b>	<b>7,852,573</b>	<b>7,577,698</b>



Wema Bank Plc

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Notes to the Financial Statements

In thousands of Nigerian Naira

	Group				Bank			
	3 Months	6 Months	6 Months	12 Months	3 Months	6 Months	6 Months	12 Months
	30-Jun-20	30-Jun-20	30-Jun-19	31-Dec-19	30-Jun-20	30-Jun-20	30-Jun-19	31-Dec-19
<b>7 Interest income</b>								
Cash and cash equivalents	837,622	1,298,059	845,172	1,638,912	837,622	1,298,059	845,172	1,638,912
Loans and advances to banks and customers	11,605,479	25,654,658	28,373,607	61,844,058	11,605,479	25,654,658	28,373,607	61,844,058
Investments securities	519,533	2,902,483	3,673,856	7,199,073	519,533	2,702,167	3,020,138	5,698,757
<b>Total interest income</b>	<b>12,962,634</b>	<b>29,855,200</b>	<b>32,892,635</b>	<b>70,682,043</b>	<b>12,962,634</b>	<b>29,654,884</b>	<b>32,238,917</b>	<b>69,181,727</b>
<b>Interest expense</b>								
Deposits from banks	28,360	371,879	3,427,025	5,027,316	28,360	371,879	3,427,025	5,027,316
Interest expense on lease liabilities	0	10,810	0	10,810	0	10,810	0	10,810
Deposits from customers	7,445,173	16,576,287	14,578,657	36,351,796	7,445,173	16,576,287	16,016,089	36,351,796
Other borrowed funds	405,236	1,097,422	2,990,175	3,306,439	405,236	898,719	843,074	1,807,736
<b>Total interest expense</b>	<b>7,878,769</b>	<b>18,056,397</b>	<b>20,995,856</b>	<b>44,696,360</b>	<b>7,878,769</b>	<b>17,857,695</b>	<b>20,286,188</b>	<b>43,197,658</b>
<b>8 Fees and commission income</b>								
Credit related fees	145,674	236,704	407,316	876,039	145,674	236,704	407,316	876,039
Account maintenance fees	219,620	488,164	536,369	1,078,759	219,620	488,164	536,369	1,078,759
Management fees	297,334	544,100	382,532	835,777	297,334	544,100	382,532	835,777
Fees on electronic products	427,791	1,135,970	1,743,364	3,758,718	427,791	1,135,970	1,743,364	3,758,718
Fees on financial guarantees	56,263	113,401	193,812	408,151	56,263	113,401	193,812	408,151
Other fees and charges	399,386	622,149	492,235	1,041,349	399,386	622,149	492,235	1,041,349
<b>Total fee and commission income</b>	<b>1,546,068</b>	<b>3,140,488</b>	<b>3,755,628</b>	<b>7,998,793</b>	<b>1,546,068</b>	<b>3,140,488</b>	<b>3,755,628</b>	<b>7,998,793</b>
<b>9 Net trading income</b>								
Fixed income securities	-78,500	13,775	4,423	16,241	-78,500	13,775	4,423	16,241
Treasury bills	2,833,785	4,570,101	3,584,489	14,521,181	2,833,785	4,570,101	3,584,489	14,521,181
Foreign exchange trading (note 9.1)	-5,230	81,371	62,289	252,058	-5,230	81,371	62,289	252,058
	<b>2,750,055</b>	<b>4,665,247</b>	<b>3,651,201</b>	<b>14,789,480</b>	<b>2,750,055</b>	<b>4,665,247</b>	<b>3,651,201</b>	<b>14,789,480</b>
Foreign exchange trading income is principally made up of trading income on foreign currencies, as well as gains								
<b>10 Other income</b>								
Dividends on available-for-sale equity securities	-	3,900	51,111	85,247	-	3,900	51,111	85,247
Gains on disposal of property and equipment	17,302	18,351	121,871	171,624	17,302	18,351	121,871	171,624
Rental income	9,760	20,790	22,370	42,028	9,760	20,790	22,370	42,028
Insurance claim received	9,879	12,235	12,509	6,287	9,879	12,235	12,509	6,287
Income on contingents	3,199	15,200	28,670	32,623	3,199	15,200	28,670	32,623
Income on deposit accounts	11,244	45,340	19,278	138,193	11,244	45,340	19,278	138,193
Fund transfer	1,091	2,100	3,262	3,259	1,091	2,100	3,262	3,259
FX Revaluation	-	-	-	460,312	-	-	-	460,312
Swift transactions	9,371	24,993	39,707	82,231	9,371	24,993	39,707	82,231
Service charge	5,912	28,009	59,084	15,119	5,912	28,009	59,084	15,119
Advisory fees	4,911	17,002	20,971	67,941	4,911	17,002	20,971	67,941
Others	95,079	119,728	78,746	80,824	95,079	119,728	78,746	80,824
	<b>167,748</b>	<b>307,648</b>	<b>457,579</b>	<b>1,185,687</b>	<b>167,748</b>	<b>307,648</b>	<b>457,579</b>	<b>1,185,687</b>

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	Group				Bank			
	3 Months 30-Jun-20	6 Months 30-Jun-20	6 Months 30-Jun-19	12 Months 31-Dec-19	3 Months 30-Jun-20	6 Months 30-Jun-20	6 Months 30-Jun-19	12 Months 31-Dec-19
<b>11 Impairment loss of financial assets</b>								
Impairment loss/(write back) on financial and non-financial instruments								
<b>Impairment charge on financial instruments</b>								
Total impairment charge on loans and advances	203,248	711,342	849,224	4,087,113	203,248	711,342	849,224	4,087,113
Investment securities/Treasury bills	-	25,440	-	1,278,829	-	25,440	-	1,278,829
Other financial assets	-	15,227	-	45,208	-	15,227	-	45,208
<b>Impairment charge on non-financial instruments</b>								
Off balance sheet	-	20,045	-	768,381	-	20,045	-	768,381
Recoveries on loans	(3,263)	(5,718)	(25,650)	-48,931	(3,263)	(5,718)	(25,650)	-48,931
<b>Total impairment charge on financial instruments</b>	<b>199,985</b>	<b>766,336</b>	<b>823,574</b>	<b>6,130,600</b>	<b>199,985</b>	<b>766,336</b>	<b>823,574</b>	<b>6,130,600</b>

**12 Personnel expenses**

Wages and salaries	2,854,054	5,674,729	4,855,842	10,812,839	2,854,054	5,674,729	4,855,842	10,812,839
Gratuity Expenses	(92,434)	112,120	622,428	600,000	(92,434)	112,120	622,428	600,000
Other staff costs	611,204	1,260,461	1,149,730	2,853,100	611,204	1,260,461	1,149,730	2,853,100
	<b>3,372,824</b>	<b>7,047,310</b>	<b>6,628,000</b>	<b>14,870,989</b>	<b>3,372,824</b>	<b>7,047,310</b>	<b>6,628,000</b>	<b>14,870,989</b>

	Group				Bank			
	30-Jun-20	6 Months 30-Jun-20	3 Months 30-Jun-19	12 Months 31-Dec-19	3 Months 30-Jun-20	6 Months 30-Jun-20	3 Months 30-Jun-19	12 Months 31-Dec-19
<i>In thousands of Nigerian Naira</i>								

**13a Other operating expenses**

Advertising and marketing	306,263	635,693	473,776	1,266,180	306,263	635,693	473,776	1,266,180
AMCON Levy	1,035,000	1,705,000	1,489,909	2,759,640	1,035,000	1,705,000	1,489,909	2,759,640
Auditors remuneration	76,555	136,555	90,000	150,000	76,555	136,555	90,000	140,000
Business Expenses	23,787	97,129	168,476	360,060	23,787	97,129	168,476	360,060
Cash movement expenses	116,922	254,533	269,171	530,796	116,922	254,533	269,171	530,796
Diesel Expenses	96,722	225,263	303,610	568,355	96,722	225,263	303,610	568,355
Directors Expenses	7,000	12,600	19,600	34,950	7,000	12,600	19,600	34,950
Directors fees	8,250	9,178	48,038	56,919	8,250	9,178	48,038	56,919
Donations	135,421	162,886	33,324	110,806	135,421	162,886	33,324	110,806
Electricity	106,775	216,094	143,476	264,045	106,775	216,094	143,476	264,045
General administrative expenses	143,078	448,509	545,933	1,078,029	143,078	446,088	545,933	1,075,608
Legal expenses	33,892	116,570	105,777	198,968	33,892	116,570	105,777	198,968
Insurance	95,901	159,477	144,592	301,603	95,901	159,477	144,592	301,603
NDIC Premium	710,683	960,683	800,079	1,742,504	710,683	960,683	800,079	1,742,504
Other premises and equipment costs	107,313	208,450	286,993	370,206	107,313	208,450	286,993	370,206
PAYE/Withholding expenses	30,497	107,720	187,065	599,990	30,497	107,720	187,065	599,990
Printing and stationery	78,243	170,654	217,003	438,277	78,243	170,654	217,003	438,277
Other Professional fees	177,396	423,257	440,174	1,024,931	177,396	423,257	440,174	1,024,931
Digital Bank Professional fees	82,296	190,856	299,060	344,060	82,296	190,856	299,060	344,060
Repairs and maintenance	383,906	865,586	792,641	1,903,682	383,906	865,586	792,641	1,903,682
Security expenses	102,499	208,426	233,503	601,834	102,499	208,426	233,503	601,834
Service charge	172,380	254,099	193,909	1,143,074	172,380	254,099	193,909	1,143,074
SMS Expenses & Others	12,006	32,926	50,991	67,306	12,006	32,926	50,991	67,306
Statutory expenses	11,602	39,822	19,330	110,281	11,602	39,822	19,330	110,281
Technology and alternative channels	226,371	780,391	753,455	2,548,421	226,371	780,391	753,455	2,548,421
Transport & Communications	91,663	237,093	265,675	540,394	91,663	237,093	265,675	540,394
	<b>4,372,421</b>	<b>8,659,450</b>	<b>8,375,560</b>	<b>19,115,311</b>	<b>4,372,421</b>	<b>8,657,029</b>	<b>8,375,560</b>	<b>19,102,890</b>

**13b Depreciation and amortization**

Property, plants and equipment	738,835	1,466,548	1,162,597	2,580,647	738,835	1,466,548	1,162,597	2,580,647
Right of use of assets	59,788	117,121	-	209,686	59,788	117,121	-	209,686
Investment property	234	468	467	942	234	468	467	942
Intangible assets	154,150	309,622	241,250	525,571	154,150	309,622	241,250	525,571
	<b>953,007</b>	<b>1,893,758</b>	<b>1,404,314</b>	<b>3,316,846</b>	<b>953,007</b>	<b>1,893,758</b>	<b>1,404,314</b>	<b>3,316,846</b>

# Wema Bank Plc

## Consolidated and Separate Financial Statements For the period ended 30 June, 2020

### Notes to the Financial Statements

	Group		Bank	
	6 Months 30-Jun-20	12 Months 31-Dec-19	6 Months 30-Jun-20	12 Months 31-Dec-19
<i>In thousands of Nigerian Naira</i>				
<b>13a Other operating expenses</b>				
Advertising and marketing	635,693	556,448	635,693	556,448
AMCON Levy	1,705,000	587,716	1,705,000	887,716
Auditors remuneration	136,555	92,742	136,555	92,742
Business Expenses	97,129	130,966	97,129	130,966
Cash movement expenses	254,533	213,850	254,533	213,850
Diesel Expenses	225,263	271,256	225,263	271,256
Directors Expenses	12,600	15,650	12,600	15,650
Directors fees	9,178	23,875	9,178	23,875
Donations	162,886	43,420	162,886	43,420
Electricity	216,094	124,301	216,094	124,301
General administrative expenses	448,509	463,086	446,088	463,086
Legal expenses	116,570	100,732	116,570	100,732
Insurance	159,477	119,960	159,477	119,960
NDIC Premium	960,683	506,505	960,683	506,505
Other premises and equipment costs	208,450	228,470	208,450	228,470
PAYE/Withholding expenses	107,720	228,901	107,720	228,901
Printing and stationery	170,654	229,317	170,654	229,317
Other Professional fees	423,257	444,810	423,257	444,810
Digital Bank Professional fees	190,856	282,422	190,856	282,422
Repairs and maintenance	865,586	764,692	865,586	764,692
Security expenses	208,426	246,289	208,426	246,289
Service charge	254,099	408,587	254,099	108,587
SMS Expenses & Others	32,926	39,122	32,926	39,122
Statutory expenses	39,822	28,143	39,822	28,143
Technology and alternative channels	780,391	841,590	780,391	841,590
Transport & Communications	237,093	277,757	237,093	277,757
	<b>8,659,450</b>	<b>7,270,607</b>	<b>8,657,029</b>	<b>7,270,607</b>
<b>13b Depreciation and amortization</b>				
Property, plants and equipment	1,466,548	1,099,052	1,466,548	1,099,052
Right of use assets	117,121		117,121	
Investment property	468	2,783	468	2,783
Intangible assets	309,622	192,365	309,622	192,365
	<b>1,893,759</b>	<b>1,294,200</b>	<b>1,893,759</b>	<b>1,294,200</b>

Wema Bank Plc

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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 31st May 2020 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding :

<i>In thousands</i>	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
Weighted average number of ordinary shares - basic;'000	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	1,494,444	5,199,940	1,495,251	5,210,748
Earnings per share -basic (Kobo)	7.8	13.5	7.8	13.5

15 Cash and cash equivalents

*In thousands of Nigerian Naira*

	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
Cash and balances with banks	24,429,910	20,634,380	24,422,665	20,627,135
Unrestricted balances with central bank	12,874,626	14,703,557	12,874,626	14,703,557
Money market placements	82,315,251	30,681,544	82,315,251	30,681,544
ECL Allowance	(15,227)	(45,208)	(15,227)	(45,208)
	<b>119,619,787</b>	<b>65,974,273</b>	<b>119,612,542</b>	<b>65,967,028</b>

16 Pledged assets - Held at amortised cost

*In thousands of Nigerian Naira*

	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
Treasury bills (note 16.1)	9,637,262	7,818,251	9,637,262	7,818,251
Bonds (16.2)	5,158,592	19,107,276	5,158,592	19,107,276
	<b>14,795,854</b>	<b>26,925,527</b>	<b>14,795,854</b>	<b>26,925,527</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) and Interswitch Nigeria Limited. The bank cannot trade on these pledged assets during the period that such assets are committed as pledged.

**Wema Bank Plc**

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**16.2** The Bonds are pledged as collateral for interbank takings and intervention credit granted to the Bank by the Bank of Industry for the purpose of refinancing existing loans to Small and Medium Scale Enterprises Scheme under secured borrowing with related liability of N1.83 billion (2019: N2 billion) as disclosed in note 30.

In thousands of Nigerian Naira	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
<b>17 Investment securities</b>	<b>79,770,038</b>	<b>150,100,752</b>	<b>68,863,073</b>	<b>139,193,787</b>
Current	41,096,323	128,934,300	41,096,323	128,934,300
Non-current	38,673,715	21,166,452	27,766,750	10,259,487
<b>17a Investment securities measured at FVTOCI</b>				
Treasury bills	-	493,568	-	493,568
Equity (see note (i) below)	1,299,975	1,299,975	1,300,975	1,300,975
	<b>1,299,975</b>	<b>1,793,543</b>	<b>1,300,975</b>	<b>1,794,543</b>
<b>17b Investment securities measured at FVTPL</b>				
Treasury Bills (see (ii) below)	<b>24,671,366</b>	<b>105,164,284</b>	<b>24,671,366</b>	<b>105,164,284</b>
<b>17c Investment securities measured at amortised cost</b>				
Treasury Bills	16,424,957	23,276,448	16,424,957	23,276,448
FGN Bonds	33,281,488	19,442,617	22,373,523	8,534,652
Other Bonds (see (iii) below)	5,389,092	1,702,690	5,389,092	1,702,690
Impairment on bond	(1,273,609)	(1,271,400)	(1,273,609)	(1,271,400)
ECL Allowance	(23,231)	(7,430)	(23,231)	(7,430)
	<b>53,798,697</b>	<b>43,142,925</b>	<b>42,890,732</b>	<b>32,234,960</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
FMDQ	15,000	15,000	15,000	15,000
Nigeria Inter-Bank Settlement System	47,482	47,482	47,482	47,482
WEMA Funding SPV Plc (a)	-	-	1,000	1,000
Fair value gain on (FVTOCI) financial assets (b)	1,230,019	1,230,019	1,230,019	1,230,019
	<b>1,299,975</b>	<b>1,299,975</b>	<b>1,300,975</b>	<b>1,300,975</b>
	<b>1,299,975</b>	<b>1,299,975</b>	<b>1,300,975</b>	<b>1,300,975</b>

(ii) This represents Nigerian Treasury Bills with maturity of less than 360 days; a face value of N25,448,878,000 stated at Fair value through profit or loss.

Other bonds - these are held to maturity securities for state and corporate entities, stated at amortised cost as

(iii) shown below:

(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.

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		2020	2019
		N	N
<b>CORPORATE</b>			
1	7YR: DANA Group Bond Series 1	1,271,400	1,271,400
<b>STATE BONDS</b>			
2	EKITI State Govt Bond Tranche 11	104,958	198,649
3	ONDO State Govt Bond	4,012,734	232,641
		<u>4,117,692</u>	<u>431,290</u>
		5,389,092	1,702,690
	ECL	-1,273,609	-1,271,400
		<u>4,115,483</u>	<u>431,290</u>

18 Loans and advances to customers at amortised cost

	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
<i>In thousands of Nigeria Naira</i>				
Overdrafts	46,652,691	27,436,741	46,652,691	27,436,741
Term Loans	298,387,173	269,662,529	298,387,173	269,662,529
Advances under finance lease	4,941,504	4,269,031	4,941,504	4,269,031
	<u>349,981,369</u>	<u>301,368,302</u>	<u>349,981,369</u>	<u>301,368,302</u>
Gross loans and receivables				
Less ECL allowances				
12-months ECL credit	(4,775,706)	(7,104,750)	(4,775,706)	(7,104,750)
Life-time ECL Not impaired	(630,964)	(377,572)	(630,964)	(377,572)
Life-time ECL credit impaired	(7,027,704)	(4,646,109)	(7,027,704)	(4,646,109)
	<u>(12,434,374)</u>	<u>(12,128,432)</u>	<u>(12,434,374)</u>	<u>(12,128,432)</u>
Net loans and advances to customers	<u>337,546,995</u>	<u>289,239,870</u>	<u>337,546,995</u>	<u>289,239,870</u>
<b>30 June, 2020</b>	<b>Term loan</b>	<b>Overdrafts</b>	<b>Finance lease</b>	<b>Total</b>
Gross loans	293,879,358	51,184,717	4,917,294	349,981,369
12 months ECL loans and advances	(2,374,956)	(378,318)	(49,932)	(2,803,205)
Lifetime ECL not credit-impaired loans and advances	(55,309)	(7,392)	-	(62,701)
Lifetime ECL credit-impaired loans and advances	(6,059,041)	(3,441,153)	(68,274)	(9,568,467)
	<u>285,390,053</u>	<u>47,357,854</u>	<u>4,799,088</u>	<u>337,546,995</u>
<b>31 December, 2019</b>	<b>Term loan</b>	<b>Overdrafts</b>	<b>Finance lease</b>	<b>Total</b>
Gross loans	269,662,529	27,436,741	4,269,031	301,368,302
12 months ECL loans and advances	(6,216,053)	(786,322)	(102,375)	(7,104,750)
Lifetime ECL not credit-impaired loans and advances	(355,760)	(21,812)	-	(377,572)
Lifetime ECL credit-impaired loans and advances	(4,005,203)	(596,778)	(44,129)	(4,646,110)
	<u>259,085,512</u>	<u>26,031,829</u>	<u>4,122,527</u>	<u>289,239,870</u>

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In thousands of Nigerian Naira	Overdraft	Term Loan	Advances under finance lease	Totals
<b>Balance as at 1 January 2019</b>	<b>1,404,912</b>	<b>10,577,016</b>	<b>146,504</b>	<b>12,128,432</b>
12-months ECL credit	786,322	6,216,053	102,375	7,104,750
Life-time ECL Not impaired	21,812	355,760	-	377,572
Life-time ECL credit impaired	596,778	4,005,203	44,129	4,646,110
Reclass from Regulatory Risk Reserve	-	-	-	-
ECL allowance during the year	198,478	483,061	29,803	711,342
Written off in the year as uncollectible	(46,049)	(335,410)	(18,223)	(399,682)
Amounts recovered during the year	-	(5,718)	-	(5,718)
<b>Balance as at 30th June 2020</b>	<b>1,557,341</b>	<b>10,718,949</b>	<b>158,084</b>	<b>12,434,374</b>
12-months ECL credit	1,066,585	1,693,327	43,293	2,803,205
Life-time ECL Not impaired	39,415	8,987	14,299	62,701
Life-time ECL credit impaired	451,341	9,016,635	100,492	9,568,468

Contingent Liabilities & Commitments:

	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
Guarantees and Indemnities	77,918,740	67,644,200	77,918,740	67,644,200
Bonds	4,337,292	3,937,590	4,337,292	3,937,590
Clean-Line Facilities& Irrevocable LCs	27,202,083	13,076,960	27,202,083	13,076,960
ECL during the year	(788,426)	(768,381)	(788,426)	(768,381)
	<b>108,669,689</b>	<b>83,890,369</b>	<b>108,669,689</b>	<b>83,890,369</b>

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19 Investment properties

	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
<i>In thousands of Nigeria Naira</i>				
<b>Cost</b>				
Balance at 1 January 2019	47,079	47,079	47,079	47,079
Additions	-	-	-	-
Write -off	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 31st May 2020</b>	<b>47,079</b>	<b>47,079</b>	<b>47,079</b>	<b>47,079</b>
<b><i>Accumulated depreciation and impairment</i></b>				
Balance at 1 January 2019	7,749	6,807	7,749	6,807
<i>Charge for the year</i>	468	942	468	942
Write -off	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 31st May 2020</b>	<b>8,218</b>	<b>7,749</b>	<b>8,218</b>	<b>7,749</b>
Cost	47,079	47,079	47,079	47,079
Accumulated depreciation	8,218	7,749	8,218	7,749
	<b>38,862</b>	<b>39,330</b>	<b>38,862</b>	<b>39,330</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 June 2020 would have been N115,563,000.00 (31 December 2019: N115,563,000.00). The valuations was provided by Messrs Diya Fatimilehin & Co. (FRC/2013/NIESV/00000000754) and Jide taiwo & co. (FRC/2012/000000000254) *surveyors and valuers*
- (ii) On 19 December, 2013 the Central Bank of Nigeria issued a circular that all deposit money banks should dispose off all the investment properties in their books on or before 30 June, 2014. The directors are aware of this directive and all necessary efforts is being made to ensure compliance. Although the directors are committed to a plan to sell the asset as directed by the Central bank of Nigeria; however, the asset requires some process to be in place before disposal and this we have initiated. Hence, the sale is not expected to qualify for recognition as a completed sale within one year from the date of classification.

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



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20 Property and equipment

Group / Bank

*In thousands of Nigerian Naira (000s)*

	Land	Buildings	Furniture & Office Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
Cost							
Balance at 1 January 2020	1,304,111	16,703,050	7,912,588	3,094,358	9,613,583	645,026	39,272,715
Additions	122,000	105,101	406,712	312,900	1,382,690	177,716	2,507,119
Reclassification from WIP	-	-	-	-	-	-	-
Disposals	-	-	(15,329)	(42,794)	(261)	-	(58,384)
<b>Balance at 30 June 2020</b>	<b>1,426,111</b>	<b>16,808,151</b>	<b>8,303,971</b>	<b>3,364,464</b>	<b>10,996,011</b>	<b>735,612</b>	<b>41,721,450</b>
Accumulated depreciation and impairment							
Balance at 1 January 2020	-	4,970,345	5,520,259	1,579,984	6,564,492	-	18,635,081
Charge for the year	-	163,463	457,422	221,373	624,289.50	-	1,466,548
Disposals	-	(1)	(14,457)	(42,305)	(289)	-	(57,051)
Adjustments	-	-	-	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>-</b>	<b>5,133,808</b>	<b>5,963,225</b>	<b>1,759,052</b>	<b>7,188,492</b>	<b>-</b>	<b>20,044,577</b>
Carrying amounts							
Balance at 1 January 2020	1,304,111	11,732,705	2,392,329	1,514,374	3,049,090	645,026	20,637,634
<b>Balance at 30 June 2020</b>	<b>1,426,111</b>	<b>11,674,343</b>	<b>2,340,747</b>	<b>1,605,411</b>	<b>3,807,519</b>	<b>735,612</b>	<b>21,676,873</b>

## Property and equipment

### Group / Bank

*In thousands of Nigerian Naira (000s)*

	Land	Buildings	Furniture & Office Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
Cost							
Balance at 1 January 2019	1,295,911	15,822,468	6,779,414	2,314,087	7,042,609	1,811,324	35,065,813
Additions	80,750	906,697	1,162,382	1,171,364	2,598,701	(1,166,298)	4,753,596
Adjustments	-	-	-	-	-	-	-
Transfer to software (note 21)	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Disposals	(72,550)	(26,115)	(29,209)	(391,093)	(27,727)	-	(546,694)
<b>Balance at 31 Dec 2019</b>	<b>1,304,111</b>	<b>16,703,050</b>	<b>7,912,588</b>	<b>3,094,358</b>	<b>9,613,583</b>	<b>645,026</b>	<b>39,272,715</b>
Accumulated depreciation and impairment							
Balance at 1 January 2019	-	4,662,373	4,733,308	1,600,677	5,466,760	-	16,463,117
Charge for the year	-	320,447	814,972	320,616	1,124,612	-	2,580,647
Adjustments	-	-	-	-	-	-	-
Disposals	-	(12,475)	(28,020)	(341,308)	(26,880)	-	(408,684)
Adjustments	-	-	-	-	-	-	-
<b>Balance at 31 Dec 2019</b>	<b>-</b>	<b>4,970,345</b>	<b>5,520,259</b>	<b>1,579,984</b>	<b>6,564,492</b>	<b>-</b>	<b>18,635,081</b>
Carrying amounts							
Balance at 1 January 2019	1,295,911	11,160,095	2,046,107	713,410	1,575,850	1,811,324	18,602,696
<b>Balance at 31 Dec 2019</b>	<b>1,304,111</b>	<b>11,732,705</b>	<b>2,392,329</b>	<b>1,514,374</b>	<b>3,049,090</b>	<b>645,026</b>	<b>20,637,634</b>

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<i>In thousands of Nigerian Naira</i>	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
<b>21 Intangible assets</b>				
<b>Cost</b>				
Cost 1 January, 2020	4,794,063	4,197,401	4,794,063	4,197,401
Additions	96,468	596,662	96,468	596,662
Transfer to computer equipment	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>4,890,531</b>	<b>4,794,063</b>	<b>4,890,531</b>	<b>4,794,063</b>
<b>Amortization and impairment losses</b>				
Cost 1 January, 2020	3,819,994	3,270,010	3,819,994	3,270,010
Amortization for the year	309,622	525,571	309,622	525,571
Adjustment	-	24,413	-	24,413
<b>Balance at 30 June 2020</b>	<b>4,129,616</b>	<b>3,819,994</b>	<b>4,129,616</b>	<b>3,819,994</b>
<b>Carrying amounts</b>	<b>760,915</b>	<b>974,069</b>	<b>760,915</b>	<b>974,069</b>

- (a) The intangible assets have got finite lives and are amortised over the higher of 3 years or the contractual licensing period. No impairment losses were recognised against intangible assets.
- (b) The authorised and contracted capital commitments as at the balance sheet date was nil (31 December 2019 nil)
- (c) There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (31 December 2019: nil)

**22 Deferred tax assets and liabilities**

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

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
At 1 January 2020	19,195,906	20,206,217	19,195,906	20,206,217
Write down	-	(1,010,311)	-	(1,010,311)
<b>Closing balance</b>	<b>19,195,906</b>	<b>19,195,906</b>	<b>19,195,906</b>	<b>19,195,906</b>

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*In thousands of Nigerian Naira*

	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
<b>23 Other assets</b>				
Accounts receivables	397,005	488,523	397,005	488,523
Prepayments	2,416,103	885,274	2,416,103	885,274
Stock	493,631	715,567	493,631	715,567
Collateralised Placement	52,917	52,917	52,917	52,917
Clearing Balance	299,938	261,567	299,938	261,567
Fraud & Burglary	594,126	593,987	594,126	593,987
CBN Special Reserve (see 23.1 below)	677,214	677,214	677,214	677,214
AGSMEIS Investment with CBN	115,058	115,058	115,058	115,058
Receivable on E-business Channels	360,708	2,141,123	360,708	2,141,123
FBN Settlement	-	371,065	-	371,065
Others	20,558	11,136	20,558	11,136
	<u>5,427,258</u>	<u>6,313,431</u>	<u>5,427,258</u>	<u>6,313,431</u>
Specific impairment on other assets	(861,697)	(1,433,642)	(861,697)	(1,433,642)
	<u><b>4,565,561</b></u>	<u><b>4,879,789</b></u>	<u><b>4,565,561</b></u>	<u><b>4,879,789</b></u>
At 1 January 2020	1,433,642	3,840,077	1,433,642	3,840,077
Allowance made during the year	(571,945)	(2,406,435)	(571,945)	(2,406,435)
Transfer from investment	-	-	-	-
	<u><b>861,697</b></u>	<u><b>1,433,642</b></u>	<u><b>861,697</b></u>	<u><b>1,433,642</b></u>
<b>Closing balance</b>	<b>861,697</b>	<b>1,433,642</b>	<b>861,697</b>	<b>1,433,642</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 2% interest

**24 Deposits from banks**

	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
<i>In thousands of Nigeria Naira</i>				
Money market deposits (Items in course)	-	<b>3,638,400</b>	-	<b>3,638,400</b>

**25 Deposits from customers**

**25a Retail customers:**

Term deposits	102,931,411	70,805,999	102,931,411	70,805,999
Current deposits	28,381,032	19,443,240	28,381,032	19,443,240
Savings	93,763,263	75,740,488	93,763,263	75,740,488

**Corporate customers:**

Term deposits	297,660,930	281,349,601	297,660,930	281,349,601
Current deposits	139,488,934	112,148,279	139,488,934	112,148,279
Others	18,094,649	17,795,862	18,094,649	17,795,862

**680,320,219**    **577,283,469**    **680,320,219**    **577,283,469**

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

Under 3 months	473,184,873	339,734,521	473,184,873	339,734,521
3 - 6months	136,180,894	125,234,648	136,180,894	125,234,648
6 - 12months	46,927,328	34,980,628	46,927,328	34,980,628
Over 12months	24,027,123	77,333,672	24,027,123	77,333,672

**680,320,219**    **577,283,469**    **680,320,219**    **577,283,469**

At 30 June 2020 N24.03billion (31 December 2019: N77.33billion) of deposits from customers are expected to be settled more than 12 months after the reporting date.

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		Group		Bank	
		30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
In thousands of Nigerian Naira					
<b>26</b>	<b>Taxation</b>				
<b>26.1</b>	<b>Income tax expense</b>				
	Company income tax	233,363	466,523	233,363	466,523
	NITDA Levy	-	67,708	-	67,708
	Nigerian Police Trust Fund	-	339	-	339
	Capital Gains Tax	-	15,200	-	15,200
		-	-	-	-
	Current Income Tax expense	233,363	549,770	233,363	549,770
	Deferred tax expenses	-	1,010,311	-	1,010,311
		233,363	1,560,080	233,363	1,560,080
<b>26.2</b>	<b>Current tax liabilities</b>				
	At 1 January	905,364	429,079	905,364	429,079
	Payment during the year	(549,430)	(73,484)	(549,430)	(73,484)
	Charge for the year	233,363	549,770	233,363	549,770
	<b>Closing balance</b>	<b>589,297</b>	<b>905,364</b>	<b>589,297</b>	<b>905,364</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

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27 Other liabilities

*In thousands of Nigerian Naira*

**Financial Liabilities**

	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
Creditors and accruals	876,972	171,852	876,972	171,852
Staff Deductions	560,604	546,027	560,604	546,027
Provision for Others	186,949	436,388	186,949	436,388
Other current liabilities	323,185	213,669	279,905	171,196
Insurance Claim	100,949	89,668	100,949	89,668
Swift Payables	101,162	96,547	101,162	96,547
Western Union	71,632	16,154	71,632	16,154
Salary Suspense	43,832	197,123	43,832	197,123
Accounts payable	719,060	640,355	719,060	640,355
Electronic products payable	793,626	407,972	793,626	407,972
Certified cheques	1,492,980	1,302,551	1,492,980	1,302,551
Customer deposits for letters of credit	12,681,488	9,084,928	12,681,488	9,084,928
Discounting Line	16,142,694	13,087,390	16,142,694	13,087,390
FBN Settlement	6,035	-	6,035	-
			-	-
			-	-
Other Settlements	3,699,850	241,855	3,699,850	241,855
Remittances	2,219,112	845,001	2,219,112	845,001
	40,020,130	27,377,480	39,976,850	27,335,007

**Non-Financial Liabilities**

Litigation claims provision (i)	328,571	328,571	328,571	328,571
Other payables	3,204,304	2,333,033	3,204,304	2,333,033
	<b>43,553,005</b>	<b>30,039,084</b>	<b>43,509,725</b>	<b>29,996,611</b>

(i) Movement in litigation claims provision

Opening balance	328,571	196,435	328,571	196,435
Additions	-	132,135	-	132,135
Payment	-	-	-	-
	<b>328,571</b>	<b>328,571</b>	<b>328,571</b>	<b>328,571</b>

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*In thousands of Nigerian Naira*

	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
<b>28 Other borrowed funds</b>				
Due to BOI (see (i) below)	1,833,079	2,001,782	1,833,079	2,001,782
CBN Agric. loan (see iii below)	1,535,529	1,945,234	1,535,529	1,945,234
CBN MSMEDF (see iv below)	547,896	572,189	547,896	572,189
Wema SPV (see v below)	24,116,749	24,705,937	13,048,769	13,637,957
National Housing Fund	77,786	83,551	77,786	83,551
Shelter Afrique (see vii below)	1,729,178	2,025,056	1,729,178	2,025,056
AFDB	4,626,600	4,920,885	4,626,600	4,920,885
AGSMEIS/RSSF/DBN	11,059,635	12,515,672	11,059,635	12,515,672
	<b>45,526,452</b>	<b>48,770,306</b>	<b>34,458,472</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. In response to COVID-19, CBN has moderated the rate to 5%.

- (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. In response to COVID-19, CBN has moderated the rate to 5%.
- (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. In response to COVID-19, CBN has moderated the rate to 5%.
- (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). This has been repaid accordingly.

	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
At 1 January	48,770,306	45,448,718	37,702,326	34,401,024
Additions	-	14,036,739	-	14,036,739
Effect of exchange rate changes [loss/(profit)]	181,542	902,168	181,542	902,168
Payments made	(3,425,396)	(11,617,320)	(3,425,396)	(11,637,605)
<b>Closing balance</b>	<b>45,526,452</b>	<b>48,770,306</b>	<b>34,458,472</b>	<b>37,702,326</b>

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**29 Right of use**

The Bank leases several assets which includes buildings for commercial and residential purposes. The average lease term is 5years.

	<b>As at 30 June, 2020</b>
<b>COST</b>	<b>N</b>
a. At 1 January 2020	719,649
Additions	282,491
Terminated contracts	
As at 30 June, 2020	<u>1,002,140</u>
<b>DEPRECIATION CHARGE</b>	
At 1 January 2020	209,686
Charge for the period	117,121
As at 30 June, 2020	<u>326,807</u>
<b>CARRYING AMOUNT</b>	
As at 31 December, 2019	<u>509,963</u>
As at 30 June, 2020	<u>675,333</u>

Approximately one fifth of the leases for property, plant and equipment expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets. This resulted in additions to right-of-use assets of N58.21million in 2020.

<b>b. LEASE LIABILITY</b>	<b>As at 30 June, 2020</b>
	<b>N</b>
At 1 January 2020	72,584
Addition during the year	12,003
Interest expense for the period	1,023
Payment during the year	(10,993)
As at 30 June, 2020	<u>74,617</u>



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<i>In thousands of Nigerian Naira</i>	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
<b>30 Share capital and Reserves</b>				
(a) <b>The share capital comprises:</b>				
(i) Authorised - 40,000,000 Ordinary shares (2019 - 40,000,000,000) Ordinary shares of 50k each (2019- 50k)	20,000,000	20,000,000	20,000,000	20,000,000
(ii) Issued and fully paid - 38,574,466,000 Ordinary shares (2019-38,574,466,000) shares of 50k each (2019 - 50k)	<b>19,287,233</b>	<b>19,287,233</b>	<b>19,287,233</b>	<b>19,287,233</b>
(iii) <b>Shareholding Structure / Free float Status</b>				
<b>Shareholders</b>	<b>No of Ordinary Shares</b>	<b>% Holdings</b>		
Strategic Shareholding	19,741,870,535	51.18		
Directors Direct Shareholding	2,423,196,411	6.28		
Government Shareholding	3,191,190,608	8.27		
Staff Schemes	-	0.00		
Free Float	13,218,208,527	34.17		
<b>Total</b>	<b>38,574,466,081</b>	<b>100</b>		
<b>Strategic Shareholding</b>				
<b>Name</b>	<b>Holding</b>			
SW8 Invest Coy	5,745,816,867	14.89		
Petrotrab Limited	3,295,880,000	8.45		
Neemtree Limited	10,738,608,412	27.84		
	<b>19,780,305,279</b>	<b>51.18</b>		
<b>Directors Shareholding</b>				
Mr. Babatunde Kasali	-	0.00		
Mr. Ademola Adebise	2,253,473	0.01		
Mr. Adebode Adefioye	6,988	0.00		
Mr. Samuel Durojaiye	-	0.00		
Mrs. Tina Vukor Quarshire	-	0.00		
Mrs. Omobosola Ojo	-	0.00		
Mr. Moruf Oseni	-	0.00		
Mr. Abubakar Lawal	669,266,036	1.73		
Mrs. Abolanle Matel-Okoh	1,750,000,000	4.54		
Mr. Akinleye Oluwole Stephen	1,641,800	0.00		
Mrs. Folake Sanu	12,677	0.00		
	<b>2,423,180,974</b>	<b>6.28</b>		
<b>Government Shareholding</b>				
Oyo State	414,000	0.00		
Ogun State	666,670,000	1.73		
Osun State	666,670,000	1.73		
Ekiti State	666,670,000	1.73		
Odua Invest Coy	1,190,766,608	3.09		
	<b>3,191,190,608</b>	<b>8.27</b>		
<b>Declaration:</b>				
Wema Bank Plc with a free float of 34.17% as at 30 June 2020, is compliant with The Nigerian Stock Exchange's free float requirements for companies listed on the Main Board.				
b) <b>Share Premium</b>				
At 1 January	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>

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

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**(c) Statutory reserves**

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

**(d) Fair value reserve**

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

**(e) SMEIES Reserve**

The 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.

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

**(f) Retained earnings**

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

<i>In thousands of Nigeria Naira</i>	Group		Bank	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
At 1 January	3,254,018	5,992,622	3,450,263	6,102,353
Profit or loss	1,494,444	5,199,940	1,495,251	5,210,748
Opening balance adjustment	-	(75,706)	-	-
Transfer from Regulatory risk reserve	(274,875)	(4,192,804)	(274,875)	(4,192,804)
Transfer to Statutory Reserve	(448,575)	(1,563,224)	(448,575)	(1,563,224)
Dividend Paid to Shareholders	(1,542,979)	(1,157,235)	(1,542,979)	(1,157,235)
Transfer to Credit Risk Reserve	-	(781,612)	-	(781,612)
Regulatory charge to SMEIS	-	(167,963)	-	(167,963)
<b>Closing balance</b>	<b>2,482,033</b>	<b>3,254,018</b>	<b>2,679,085</b>	<b>3,450,263</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.

**(h) Credit Risk Reserve**

The credit risk reserve warehouses the 15% of PAT in respect of Pan Ocean credit in line with Central Bank of Nigeria requirement on the facility in addition to the prudential provisions.

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31 Contingencies

(i) Litigation and claims

There are litigation claims against the Bank as at 30 June 2020 amounting to N10,030,129,001.02 (31 December 2019: N10,670,204,446.32). 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

(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

**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

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

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	
	Group 30-Jun-20	Group 31-Dec-19	Bank 30-Jun-20	Bank 31-Dec-19
In thousands of Nigerian naira				
Contingent liabilities:				
Guarantees and indemnities	77,918,740	67,644,200	77,918,740	67,644,200
Bonds	4,337,292	3,963,090	4,337,292	3,963,090
Clean-line facilities & irrevocable letters of credit	27,202,083	13,076,960	27,202,083	13,076,960
ECL during the year	-768,381	-768,381	-788,426	-768,381
<b>Closing balance</b>	<b>108,689,734</b>	<b>83,915,869</b>	<b>108,669,689</b>	<b>83,915,869</b>

**Disclosure**

We confirm that in line with Rule 17.15 of the NSE Rulebook, 2015, Wema Bank Plc. has a Securities Trading Policy which guides its directors, employees and all individuals categorized as insiders in their dealings in the companies' shares. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement of the policy.