

**WEMA BANK PLC**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30TH JUNE 2021**

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Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30th June, 2021

Statement of financial Position

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
<i>In thousands of Nigerian Naira</i>				
Cash and cash equivalents	89,284,809	97,524,936	89,267,730	97,527,858
Restricted Deposit with CBN	273,870,981	246,974,959	273,870,981	246,974,959
Pledged assets	58,625,860	27,454,662	58,625,860	27,454,662
Investment securities:				
Fair value through other comprehensive income	94,552,617	56,580,275	94,553,617	56,581,275
Fair Value through profit or loss	16,573,228	78,225,951	16,573,228	78,225,951
Held at amortised cost	52,347,917	48,992,774	41,407,929	38,052,786
Loans and advances to customers	373,147,327	360,076,079	373,147,327	360,076,079
Investment properties	37,922	38,388	37,922	38,388
Right of Use	771,123	621,528	771,123	621,528
Property and equipment	21,470,941	21,517,323	21,470,941	21,517,323
Intangible assets	2,044,572	1,391,549	2,044,572	1,391,549
Other assets	25,181,684	21,883,615	25,181,684	21,883,615
Deferred tax assets	18,236,111	18,236,111	18,236,111	18,236,111
	<b>1,026,145,092</b>	<b>979,518,151</b>	<b>1,015,189,025</b>	<b>968,582,084</b>
Deposits from banks	35,500,000	-	35,500,000	-
Deposits from customers	808,873,520	804,873,392	808,873,520	804,873,392
Lease Liabilities	24,797	22,875	24,797	22,875
Current tax liabilities	581,202	394,511	581,202	394,511
Other liabilities	48,176,870	41,562,147	48,111,977	41,522,098
Other borrowed funds	71,952,823	73,523,471	60,845,727	62,416,375
	<b>965,109,213</b>	<b>920,376,396</b>	<b>953,937,223</b>	<b>909,229,251</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	5,536,119	5,536,119	5,536,119	5,536,119
Retained earnings	9,046,387	7,103,647	9,262,310	7,314,727
Other reserves	18,467,910	18,516,524	18,467,910	18,516,524
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>	<b>61,035,880</b>	<b>59,141,754</b>	<b>61,251,802.18</b>	<b>59,352,833</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,026,145,092</b>	<b>979,518,150</b>	<b>1,015,189,025</b>	<b>968,582,084</b>
<b>CONTINGENTS</b>	<b>107,196,525</b>	<b>78,692,203</b>	<b>107,196,525</b>	<b>78,692,203</b>

The financial statements were authorized for issue by the directors on the .....



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



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



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

# Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30th June, 2021

## Statement of Profit or loss and other Comprehensive Income

<i>In thousands of Nigerian Naira</i>	Group				Bank			
	3 Months 30-Jun-21	6 Months 30-Jun-21	6 Months 30-Jun-20	12 Months 31-Dec-20	3 Months 30-Jun-21	6 Months 30-Jun-21	6 Months 30-Jun-20	12 Months 31-Dec-20
<b>Gross Earnings</b>	<b>22,621,568</b>	<b>41,330,747</b>	<b>38,151,058</b>	<b>81,382,795</b>	<b>21,860,142</b>	<b>39,824,947</b>	<b>37,950,742</b>	<b>79,876,995</b>
Interest income	18,032,302	33,692,101	29,855,200	64,552,522	17,270,876	32,186,301	29,654,884	63,046,722
Interest expense	(8,484,142)	(15,386,672)	(18,056,397)	(33,702,510)	(7,727,612)	(13,873,613)	(17,857,695)	(32,189,452)
<b>Net interest income</b>	<b>9,548,159</b>	<b>18,305,429</b>	<b>11,798,803</b>	<b>30,850,012</b>	<b>9,543,264</b>	<b>18,312,688</b>	<b>11,797,189</b>	<b>30,857,270</b>
Net impairment loss on financial assets	(667,445)	(861,612)	(766,336)	(5,635,165)	(667,445)	(861,612)	(766,336)	(5,635,165)
<b>Net interest income after impairment charge for credit losses</b>	<b>8,880,715</b>	<b>17,443,817</b>	<b>11,032,467</b>	<b>25,214,847</b>	<b>8,875,820</b>	<b>17,451,076</b>	<b>11,030,853</b>	<b>25,222,105</b>
Net gain on FVTPL investment securities	(9,365)	13,262	182,475	326,274	(9,365)	13,262	182,475	326,274
Net fee and commission income	2,837,149	5,393,592	3,140,488	8,422,108	2,837,149	5,393,592	3,140,488	8,422,108
Net trading income	693,443	813,466	4,665,247	3,940,031	693,443	813,466	4,665,247	3,940,031
Other income	1,068,039	1,418,326	307,648	4,141,860	1,068,039	1,418,326	307,648	4,141,860
	4,589,266	7,638,646	8,295,858	16,830,273	4,589,266	7,638,646	8,295,858	16,830,273
<b>Operating income</b>	<b>13,469,981</b>	<b>25,082,463</b>	<b>19,328,325</b>	<b>42,045,120</b>	<b>13,465,086</b>	<b>25,089,722</b>	<b>19,326,711</b>	<b>42,052,378</b>
Personnel expenses	(4,092,055)	(8,016,251)	(7,047,310)	(14,082,228)	(4,092,055)	(8,016,251)	(7,047,310)	(14,082,228)
Depreciation and amortization	(818,762)	(1,622,053)	(1,893,758)	(3,136,273)	(818,762)	(1,622,053)	(1,893,758)	(3,136,273)
Other operating expenses	(5,766,433)	(11,148,224)	(8,659,450)	(18,894,932)	(5,761,585)	(11,150,640)	(8,657,029)	(18,887,354)
Profit before tax	<b>2,792,730</b>	<b>4,295,935</b>	<b>1,727,806</b>	<b>5,931,687</b>	<b>2,792,683</b>	<b>4,300,777</b>	<b>1,728,613</b>	<b>5,946,523</b>
Income tax expense	(377,012)	(580,605)	(233,363)	(1,354,306)	(377,012)	(580,605)	(233,363)	(1,354,306)
	-	-	-	-	-	-	-	-
<b>Profit for the year</b>	<b>2,415,718</b>	<b>3,715,330</b>	<b>1,494,444</b>	<b>4,577,381</b>	<b>2,415,671</b>	<b>3,720,172</b>	<b>1,495,251</b>	<b>4,592,217</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	-	-	-	544,616	-	-	-	544,616
	-	-	-	544,616	-	-	-	544,616
<b>Items that will be subsequently reclassified to profit or loss</b>								
Net change in fair value of investments FVOCI	(278,225)	(278,225)	-	104,576	(278,225)	(278,225)	-	104,576
Income tax relating to items that may be reclassified subsequently to profit or Loss	-	-	-	-	-	-	-	-
<b>Other comprehensive income for the year</b>	<b>(278,225)</b>	<b>(278,225)</b>	<b>-</b>	<b>649,192</b>	<b>(278,225)</b>	<b>(278,225)</b>	<b>-</b>	<b>649,192</b>
Total comprehensive income for the year	<b>2,137,493</b>	<b>3,437,105</b>	<b>1,494,444</b>	<b>5,226,573</b>	<b>2,137,446</b>	<b>3,441,947</b>	<b>1,495,251</b>	<b>5,241,409</b>
<b>Profit attributable to:</b>								
Equity holders of the Bank	2,415,718	3,715,330	1,494,444	4,577,381	2,415,671	3,720,172	1,495,251	4,592,217
Total comprehensive income for the year	2,137,493	3,437,105	1,494,444	5,226,573	2,137,446	3,441,947	1,495,251	5,241,409
<b>Earnings per share-basic</b>	<b>25.1</b>	<b>19.2</b>	<b>7.8</b>	<b>11.9</b>	<b>25.1</b>	<b>19.2</b>	<b>7.8</b>	<b>11.9</b>

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30th June, 2021

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>2021</b>									
<b>Balance at 1 January 2021</b>	19,287,233	8,698,230	781,612	5,536,119	14,974,982	673,148	2,086,782	7,103,647	59,141,753
Opening Adjustment									-
Dividend Payout								(1,542,978)	(1,542,978)
SMEIS Charge						229,611		(229,611)	-
Profit or loss	-	-	-	-	-	-		3,715,330	3,715,330
<b>Other comprehensive income</b>									
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments									-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	(278,225)	-	(278,225)
	<b>19,287,233</b>	<b>8,698,230</b>	<b>781,612</b>	<b>5,536,119</b>	<b>14,974,982</b>	<b>902,759</b>	<b>1,808,557</b>	<b>9,046,387</b>	<b>61,035,880</b>
<b>Transactions with owners, recorded directly in equity</b>									
Contributions by and distributions to owners									
Regulatory risk reserve	-	-		-	-	-	-	-	-
Credit risk reserve			-					-	-
Transfer to Statutory reserve	-	-		-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-	-	-
<b>Balance as at 30th June 2021</b>	<b>19,287,233</b>	<b>8,698,230</b>	<b>781,612</b>	<b>5,536,119</b>	<b>14,974,982</b>	<b>902,759</b>	<b>1,808,557</b>	<b>9,046,387</b>	<b>61,035,880</b>
<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						146,240		151,313	297,553
Profit or loss	-	-	-	-	-	-		4,577,381	4,577,381
<b>Other comprehensive income</b>									
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments									-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	649,192	-	649,192
	<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>673,148</b>	<b>2,086,782</b>	<b>6,439,733</b>	<b>59,141,754</b>
<b>Transactions with owners, recorded directly in equity</b>									
Contributions by and distributions to owners									
Regulatory risk reserve	-	-		(2,041,579)	-	-	-	2,041,579	-
Credit risk reserve			-					-	-
Transfer to Statutory reserve	-	-		-	1,377,665	-	-	(1,377,665)	-
Total contribution and distributions to owners	-	-	-	(2,041,579)	1,377,665	-	-	663,914	-
<b>Balance at 31st December 2020</b>	<b>19,287,233</b>	<b>8,698,230</b>	<b>781,612</b>	<b>5,536,119</b>	<b>14,974,982</b>	<b>673,148</b>	<b>2,086,782</b>	<b>8,481,312</b>	<b>59,141,754</b>

**Wema Bank Plc**

**Consolidated and Separate Financial Statements  
For the period ended 30th June, 2021**

**Statements of changes in equity**

**Bank**

*In thousands of Nigerian naira (000s)*

	Share Capital	Share premium	Credit risk reserve	Regulatory risk reserve	Statutory reserve	AGSMEIS reserve	Fair value reserves	Retained earnings	Total equity
<b>2021</b>									
<b>Balance at 1 January 2021</b>	<b>19,287,233</b>	<b>8,698,230</b>	<b>781,612</b>	<b>5,536,119</b>	<b>14,974,982</b>	<b>673,148</b>	<b>2,086,782</b>	<b>7,314,727</b>	<b>59,352,833</b>
Dividend Payout								(1,542,978)	(1,542,978)
SMEIS Charge						229,611		(229,611)	-
Profit or loss	-	-	-	-	-	-		3,720,172	<b>3,720,172</b>
<b>Other comprehensive income</b>									
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments									-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	(278,225)	-	<b>(278,225)</b>
<b>Total comprehensive income for the period</b>	<b>19,287,233</b>	<b>8,698,230</b>	<b>781,612</b>	<b>5,536,119</b>	<b>14,974,982</b>	<b>902,759</b>	<b>1,808,557</b>	<b>9,262,310</b>	<b>61,251,802</b>
<b>Transactions with owners, recorded directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Regulatory risk reserve								-	-
Credit risk reserve			-					-	-
transfer to statutory reserves								-	-
<b>Total contribution and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balanc as at 30th June 2021</b>	<b>19,287,233</b>	<b>8,698,230</b>	<b>781,612</b>	<b>5,536,119</b>	<b>14,974,982</b>	<b>902,759</b>	<b>1,808,557</b>	<b>9,262,310</b>	<b>61,251,802</b>
<b>2020</b>									
<b>Balance at 1 January 2020</b>	<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>3,450,262</b>	<b>55,356,851</b>
Dividend Payout								(1,542,979)	(1,542,979)
SMEIS Charge						146,240		151,313	<b>297,553</b>
Profit or loss	-	-	-	-	-	-		4,592,217	<b>4,592,217</b>
<b>Other comprehensive income</b>									
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments									-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	649,192	-	649,192
<b>Total comprehensive income for the period</b>	<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>673,148</b>	<b>2,086,782</b>	<b>6,650,813</b>	<b>59,352,833</b>
<b>Transactions with owners, recorded directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Regulatory risk reserve				(2,041,579)				2,041,579	-
Credit risk reserve			-					-	-
transfer to statutory reserves					1,377,665			(1,377,665)	-
<b>Total contribution and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,041,579)</b>	<b>1,377,665</b>	<b>-</b>	<b>-</b>	<b>663,914</b>	<b>-</b>
<b>Balance at 31st December 2020</b>	<b>19,287,233</b>	<b>8,698,230</b>	<b>781,612</b>	<b>5,536,119</b>	<b>14,974,982</b>	<b>673,148</b>	<b>2,086,782</b>	<b>7,314,727</b>	<b>59,352,833</b>

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30th June, 2021  
Consolidated and Separate Statement of Cashflow

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	30-Jun 2021	31-Dec 2020	30-Jun 2021	31-Dec 2020
Cash flows from operating activities				
Profit for the year	3,715,330	4,577,381	3,720,172	4,592,217
Adjustments for:				
Taxation expense	580,605	1,354,306	580,605	1,354,306
Depreciation and amortization	1,622,053	3,136,273	1,622,053	3,136,273
Adjustment for transfer out of PPE now expensed	-	(33)	-	(33)
Opening balance adjusted directly in retained earnings	-	-	-	-
(Gain)/Loss on disposal of property and equipment	(791)	(1,266,904)	(791)	(1,266,904)
Net interest income	(18,305,429)	(30,850,012)	(18,312,688)	(30,857,270)
Dividend received from equity investment	(130,679)	(67,315)	(130,679)	(67,315)
Impairment loss on financial assets	861,612	5,635,165	861,612	5,635,165
Operating cashflow before movement in working capital	(11,657,300)	(17,481,139)	(11,659,716)	(17,473,561)
Change in pledged assets	(31,171,198)	(529,135)	(31,171,198)	(529,135)
Change in loans and advances to customers	(13,932,860)	(76,471,374)	(13,932,860)	(76,471,374)
Change in other assets	(3,298,069)	(17,003,826)	(3,298,069)	(17,003,826)
Change in deposits from banks	35,500,000	(3,638,400)	35,500,000	(3,638,400)
Change in finance lease obligation	-	-	-	-
Change in restricted deposit with CBN	(26,896,022)	(109,582,258)	(26,896,022)	(109,582,258)
Change in deposits from customers	4,000,128	227,589,923	4,000,128	227,589,923
Change in other liabilities	6,616,645	11,473,355	6,591,801	11,475,779
Cashflow generated by operations	(40,838,677)	14,357,146	(40,865,937)	14,367,148
Income tax paid	(393,914)	(905,364)	(393,914)	(905,364)
Interest received	33,692,101	64,552,522	32,186,301	63,046,722
Interest paid	(12,293,830)	(29,704,156)	(12,293,830)	(29,704,157)
<b>Net cash from operating activities</b>	<b>(19,834,319)</b>	<b>48,300,147</b>	<b>(21,367,380)</b>	<b>46,804,348</b>
Cash flows from investing activities				
Disposal/Acquisition of investment securities-At Amortise	(3,355,143)	(5,849,850)	(3,355,143)	(5,817,826)
Disposal/Acquisition of investment securities-FVTOCI	(38,250,567)	(54,137,540)	(38,250,567)	(54,137,540)
Change in FVTPL investments	61,652,724	26,938,332	61,652,724	26,938,332
Dividend received from equity investment	130,679	67,315	130,679	67,315
Acquisition of property and equipment	(1,388,259)	(3,707,336)	(1,388,259)	(3,707,336)
Proceeds from the sale of property and equipment	97,651	1,475,658	97,651	1,475,658
Right of Use	(272,778)	(337,292)	(272,778)	(337,292)
Acquisition of intangible assets	(813,646)	(708,158)	(813,646)	(708,158)
<b>Net cash(used in)/generated by investing activities</b>	<b>17,800,662</b>	<b>(36,258,871)</b>	<b>17,800,662</b>	<b>(36,226,847)</b>
Cash flows from financing activities				
Proceed from borrowings	1,493,676	26,765,784	1,493,676	26,726,669
Repayment of borrowings	(3,064,324)	(2,012,620)	(3,064,324)	(2,012,620)
Transfer To/From Reserves	-	297,553	-	297,553
Interest paid on borrowings	(3,092,842)	(3,998,354)	(1,579,783)	(2,485,295)
Dividend paid to shareholders	(1,542,978)	(1,542,979)	(1,542,978)	(1,542,979)
<b>Net cash from financing activities</b>	<b>(6,206,468)</b>	<b>19,509,385</b>	<b>(4,693,409)</b>	<b>20,983,328</b>
Net increase in cash and cash equivalents	(8,240,126)	31,550,662	(8,260,127)	31,560,830
Cash and cash equivalents at beginning of period	97,524,935	65,974,273	97,527,858	65,967,028
<b>Cash and cash equivalents at end of period</b>	<b>89,284,809</b>	<b>97,524,935</b>	<b>89,267,730</b>	<b>97,527,858</b>

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30th June, 2021  
Statement of Prudential Adjustments

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
<b>Prudential Provisions:</b>				
Loans and advances	22,468,425	21,345,910	22,468,425	21,921,475
Other financial assets	2,436,266	1,314,335	2,436,266	2,313,255
	<b>24,904,691</b>	<b>22,660,245</b>	<b>24,904,691</b>	<b>24,234,730</b>
<b>Impairment assessment under IFRS:</b>				
<b>Loans and advances</b>				
12-months ECL credit	9,199,861	7,104,750	9,199,861	8,768,264
Life-time ECL Not impaired	833,262	377,572	833,262	783,944
Life-time ECL credit impaired	5,584,869	4,646,110	5,584,869	5,411,370
	<b>15,617,992</b>	<b>12,128,432</b>	<b>15,617,992</b>	<b>14,963,578</b>
<b>Investment securities</b>				
12-months ECL	1,238,752	1,324,037	1,238,752	1,282,095
	<b>1,238,752</b>	<b>1,324,037</b>	<b>1,238,752</b>	<b>1,282,095</b>
<b>Off balance sheet exposures</b>				
12-months ECL	1,401,431	768,381	1,401,431	1,401,431
	<b>1,401,431</b>	<b>768,381</b>	<b>1,401,431</b>	<b>1,401,431</b>
<b>Other financial assets</b>				
specific allowance for impairment on other assets	-	-	-	-
12 months ECL Lifetime ECL	861,697	861,697	1,110,398	1,051,506
Other non-financial assets	-	-	-	-
	<b>861,697</b>	<b>861,697</b>	<b>1,110,398</b>	<b>1,051,506</b>
<b>Total IFRS Impairment</b>	<b>19,119,871</b>	<b>15,082,548</b>	<b>19,368,572</b>	<b>18,698,611</b>
<b>Excess of Prudential impairment over IFRS impairment transferred to regulatory reserve</b>	<b>5,784,820</b>	<b>7,577,698</b>	<b>5,536,119</b>	<b>5,536,119</b>



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*In thousands of Nigerian Naira*

	Group			Bank		
	3 Months 30-Jun-21	6 Months 30-Jun-21	6 Months 30-Jun-20	3 Months 30-Jun-21	6 Months 30-Jun-21	6 Months 30-Jun-20
<b>7 Interest income</b>						
Cash and cash equivalents	762,989	1,551,831	1,298,059	762,989	1,551,831	1,298,059
Loans and advances to banks and customers	15,273,839	28,333,578	25,654,658	15,273,839	28,333,578	25,654,658
Investments securities	1,234,048	3,806,692	2,902,483	1,234,048	2,300,892	2,702,167
<b>Total interest income</b>	<b>17,270,876</b>	<b>33,692,101</b>	<b>29,855,200</b>	<b>17,270,876</b>	<b>32,186,301</b>	<b>29,654,884</b>

Included in interest income on loans and advances is modification loss of N600million for group and bank. It represents the changes in gross carrying amount of the financial asset from immediately before to immediately after modification. The modifications were not as a result of credit deterioration.

<b>Interest expense</b>						
Deposits from banks	959,955	1,873,229	371,879	959,955	1,873,229	371,879
Interest expense on lease liabilities	-	-	10,810.00	-	-	10810
Deposits from customers	6,007,520	10,420,602	16576287	6,007,520	10,420,602	16,576,287
Other borrowed funds	760,138	3,092,842	1,097,422	760,138	1,579,783	898,719
<b>Total interest expense</b>	<b>7,727,612</b>	<b>15,386,672</b>	<b>18,056,397</b>	<b>7,727,612</b>	<b>13,873,613</b>	<b>17,857,694</b>

<b>8 Fees and commission income</b>	30-Jun-21	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-21	30-Jun-20
	Credit related fees	299,833	503,286	236,704	299,833	503,286
Account maintenance fees	504,904	943,302	488,164	504,904	943,302	488,164
Management fees	594,870	1,368,658	544,100	594,870	1,368,658	544,100
Fees on electronic products	541,621	1,215,260	1,135,970	541,621	1,215,260	1,135,970
Fees on financial guarantees	169,797	280,885	113,401	169,797	280,885	113,401
Other fees and charges	726,124	1,082,201	622,149	726,124	1,082,201	622,149
<b>Total fee and commission income</b>	<b>2,837,149</b>	<b>5,393,592</b>	<b>3,140,488</b>	<b>2,837,149</b>	<b>5,393,592</b>	<b>3,140,488</b>

<b>9 Net trading income</b>						
Fixed income securities	-58,506	2,571	13,775	200	2,571	13,775
Treasury bills	684,223	684,223	4,570,101	627,647	684,223	4,570,101
Foreign exchange trading (note 9.1)	126,673	126,673	81,371	65,596	126,673	81,371
	<b>752,390</b>	<b>813,466</b>	<b>4,665,247</b>	<b>693,443</b>	<b>813,466</b>	<b>4,665,247</b>

Foreign exchange trading income is principally made up of trading income on foreign currencies, as well as gains and losses from revaluation of trading position. The amount reported above are totally from financial assets carried at fair value through profit or loss

<b>10 Other income</b>	Group			Bank		
	30-Jun-21	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-21	30-Jun-20
Dividends on available-for-sale equity securities	96,543	130,679	3,900	96,543	130,679	3,900
Gains on disposal of property and equipment	2,415	791	18,351	2,415	791	18,351
Rental income	9,695	22,163	20,790	9,695	22,163	20,790
Insurance claim received	-	-	12,235	-	-	12,235
Income on contingents	-	16,860	15,200	-	16,860	15,200
Income on deposit accounts	14,353	49,916	45,340	14,353	49,916	45,340
Fund transfer	2,477	3,801	2,100	2,477	3,801	2,100
FX Revaluation	812,618	1,012,618	-	812,618	1,012,618	-
Swift transactions	9,773	20,512	24,993	9,773	20,512	24,993
Service charge	6,369	23,570	28,009	6,369	23,570	28,009
Advisory fees	3,530	12,601	17,002	3,530	12,601	17,002
Other recoveries	-	-	-	-	-	-
Others	110,265	124,814	119,728	110,265	124,814	119,728
	<b>1,068,039</b>	<b>1,418,326</b>	<b>307,648</b>	<b>1,068,039</b>	<b>1,418,326</b>	<b>307,648</b>

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	Group			Bank		
	3 Months 30-Jun-21	6 Months 30-Jun-21	6 Months 30-Jun-20	3 Months 30-Jun-21	6 Months 30-Jun-21	6 Months 30-Jun-20
<b>11 Impairment loss on financial/non-financial instruments</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	632,845	858,624	711,342	632,845	858,624	711,342
Investment securities/Treasury bills	-	-	-	-	-	25,440
Cash and cash equivalent	-	-	-	-	-	-
Other non financial assets	13,890	13,890	-	13,890	13,890	15,227
	-	-	-	-	-	-
<b>Impairment charge on non-financial instruments</b>						
Off balance sheet	23,003	23,003	20,045	23,003	23,003	20,045
Recoveries on loans	(2,294)	(33,905)	(5,718)	(2,294)	(33,905)	(5,718)
<b>Total Impairment charge on financial instruments</b>	<b>667,445</b>	<b>861,612</b>	<b>725,669</b>	<b>667,445</b>	<b>861,612</b>	<b>766,336</b>

A total sum of N255.54m was recovered as at 31st June 2021 (31 December, 2020-N529.85m)

**12 Personnel expenses**

Wages and salaries	3,040,155	5,926,893	5,674,729	3,040,155	5,926,893	5,674,729
Pension Contribution	299,396	500,496	112,120	299,396	500,496	112,120
Contributions/Reversals to defined contribution plans	-	-	-	-	-	-
Other staff costs	752,504	1,588,861	1,260,461	752,504	1,588,861	1,260,461
	<b>4,092,055</b>	<b>8,016,251</b>	<b>7,047,310</b>	<b>4,092,055</b>	<b>8,016,251</b>	<b>7,047,310</b>

**13a Other operating expenses**

	Group			Bank		
	3 Months 30-Jun-21	6 Months 30-Jun-21	6 Months 30-Jun-20	3 Months 30-Jun-21	6 Months 30-Jun-21	6 Months 30-Jun-20
<i>In thousands of Nigerian Naira</i>						
Advertising and marketing	374,935	592,091	635,693	374,935	592,091	635,693
AMCON Levy (i)	1,321,500	2,593,000	1,705,000	1,321,500	2,593,000	1,705,000
Auditors remuneration	60,000	150,000	136,555	60,000	150,000	136,555
Business Expenses	28,690	61,580	97,129	28,690	61,580	97,129
Cash movement expenses	158,925	314,315	254,533	158,925	314,315	254,533
Diesel Expenses	160,999	288,006	225,263	160,999	288,006	225,263
Directors Expenses	5,400	11,500	12,600	5,400	11,500	12,600
Directors fees	15,630	16,297	9,178	15,630	16,297	9,178
Donations	173,048	182,348	162,886	173,048	182,348	162,886
Electricity	138,437	254,339	216,094	138,437	254,339	216,094
General administrative expenses	467,841	803,009	446,088	462,994	805,425	446,088
Legal expenses	67,687	121,307	116,570	67,687	121,307	116,570
Insurance	90,394	150,497	159,477	90,394	150,497	159,477
NDIC Premium	855,185	1,875,185	960,683	855,185	1,875,185	960,683
Other premises and equipment costs	88,584	168,987	208,450	88,584	168,987	208,450
Printing and stationery	118,300	237,915	170,654	118,300	237,915	170,654
Other Professional fees	120,462	437,170	423,257	120,462	437,170	423,257
Digital Bank Professional fees (ii)	101,296	190,856	190,856	101,296	190,856	190,856
Repairs and maintenance	529,712	1,046,629	865,586	529,712	1,046,629	865,586
Security expenses	121,452	226,074	208,426	121,452	226,074	208,426
Service charge	471,407	624,296	254,099	471,407	624,296	254,099
SMS Expenses & Others	26,443	53,729	32,926	26,443	53,729	32,926
Statutory expenses	44,418	67,066	39,822	44,418	67,066	39,822
Technology and alternative channels	132,129	378,600	780,391	132,129	378,600	780,391
Transport & Communications	164,179	303,429	237,093	164,179	303,429	237,093
	<b>5,766,433</b>	<b>11,148,224</b>	<b>8,657,029</b>	<b>5,761,585</b>	<b>11,150,640</b>	<b>8,657,029</b>

AMCON contributory cost relates to contribution towards the fund set up by the Central Bank of Nigeria for the bailout of the banking sector. The cost is charged at 0.5% of the preceding year's total assets and contingent exposures.

i This represents expenses incurred by the bank on electronic and digital platforms.

	Group			Bank		
	3 Months 30-Jun-21	6 Months 30-Jun-21	6 Months 30-Jun-20	3 Months 30-Jun-21	6 Months 30-Jun-21	6 Months 30-Jun-20
<i>In thousands of Nigerian Naira</i>						
<b>13b Depreciation and amortization</b>						
Property, plants and equipment	670,554	1,340,889	1,466,548	670,554	1,340,889	1,466,548
Right of use of assets	62,375	123,183	117,121	62,375	123,183	117,121
Investment property	235	467	468	235	467	468
Intangible assets	85,598	157,514	309,622	85,598	157,514	309,622
	<b>818,762</b>	<b>1,622,053</b>	<b>1,893,758</b>	<b>818,762</b>	<b>1,622,053</b>	<b>1,893,758</b>

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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 30th June 2021 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding :

<i>In thousands</i>	Group		Bank	
	6 Months 30-Jun-21	12 Months 31-Dec-20	6 Months 30-Jun-21	12 Months 31-Dec-20
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	3,715,330	4,577,381	3,720,172	4,592,217
Earnings per share -basic (Kobo)	19.2	11.9	19.2	11.9

## 15 Cash and cash equivalents

*In thousands of Nigerian Naira*

	Group		Bank	
	6 Months 30-Jun-21	12 Months 31-Dec-20	6 Months 30-Jun-21	12 Months 31-Dec-20
Cash and balances with banks	29,844,210	25,829,497	29,827,131	25,832,418
Unrestricted balances with central bank	18,836,124	42,842,345	18,836,124	42,842,345
Money market placements	40,635,832	28,873,996	40,635,832	28,873,996
ECL Allowance	(31,357)	(20,901)	(31,357)	(20,901)
	<b>89,284,809</b>	<b>97,524,936</b>	<b>89,267,730</b>	<b>97,527,858</b>

## 15b Restricted Deposit with CBN

Mandatory reserve deposit is reported net of N12.82 billion (December 31, 2020: N13.07 billion) which relates to Differentiated Cash Reserve Requirement (DCRR) Scheme. Under the DCRR scheme, Deposit Money Banks (DMBs) interested in providing credit financing to Greenfield (New) and Brownfield (expansion) projects in the Real Sector (Agriculture and Manufacturing) may request for the release of funds from their CRR to finance the projects.

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

	Group		Bank	
	6 Months 30-Jun-21	12 Months 31-Dec-20	6 Months 30-Jun-21	12 Months 31-Dec-20
<b>16 Pledged assets - Held at amortised cost</b>				
<i>In thousands of Nigerian Naira</i>				
Treasury bills (note 16.1)	43,182,732	4,473,801	43,182,732	4,473,801
Bonds (16.2)	15,443,128	22,980,861	15,443,128	22,980,861
	<b>58,625,860</b>	<b>27,454,662</b>	<b>58,625,860</b>	<b>27,454,662</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.

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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 N4.06 billion (2020: N3.52 billion) as disclosed in note 28.

In thousands of Nigerian Naira	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
<b>17 Investment securities</b>	<b>163,473,762</b>	<b>183,799,001</b>	<b>152,534,774</b>	<b>172,860,013</b>
Current	134,267,485	161,572,989	134,267,485	161,572,989
Non-current	29,206,277	22,226,012	18,267,289	11,287,024
<b>17a Investment securities measured at FVTOCI</b>				
Treasury bills	92,708,026	54,735,684	92,708,026	54,735,684
Equity (see note (i) below)	1,844,591	1,844,591	1,845,591	1,845,591
	<b>94,552,617</b>	<b>56,580,275</b>	<b>94,553,617</b>	<b>56,581,275</b>
<b>17b Investment securities measured at FVTPL</b>				
Treasury Bills	16,573,228	78,225,951	16,573,228	78,225,951
<b>17c Investment securities measured at amortised cost</b>				
Treasury Bills	24,986,232	28,611,354	24,986,232	28,611,354
FGN Bonds	22,797,473	15,377,283	11,857,485	4,437,295
Other Bonds (see (ii) below)	5,757,717	6,265,331	5,757,717	6,265,331
ECL Allowance on bond	(1,135,162)	(1,214,751)	(1,135,162)	(1,214,751)
ECL Allowance on Treasury Bills	(58,342)	(46,442)	(58,342)	(46,442)
	<b>52,347,917</b>	<b>48,992,774</b>	<b>41,407,929</b>	<b>38,052,786</b>
<b>(i) Equity</b>				
Quoted Investments:	-	-	-	-
Unquoted Investments:				
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)	1,774,635	1,774,635	1,774,635	1,774,635
	1,844,591	1,844,591	1,845,591	1,845,591
	<b>1,844,591</b>	<b>1,844,591</b>	<b>1,845,591</b>	<b>1,845,591</b>

(a) Wema Funding SPV PLC was incorporated on 30 June 2016 and commenced operations on 12 October 2016. The principal activity of the company is to raise or borrow money by the issue of bond or debt instruments and invest the money raised or borrowed in securities or any other investments as the company may deem fit.

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(ii) **ther bonds** - these are held to maturity securities for state and corporate entities, stated at amortised cost as shown below

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
<b>CORPORATE</b>				
I. 7YR: DANA Group Bond Series 1				
Opening balance	1,155,737	1,271,400	1,155,737	1,271,400
Movement in the year	(151,685)	(115,663)	(151,685)	(115,663)
Closing balance	1,004,051	1,155,737	1,004,051	1,155,737
<b>STATE BONDS</b>				
I. EKITI State Govt Bond Tranche 11				
Opening balance	1,005,360	198,649	1,005,360	198,649
Movement in the year	(72,177)	806,711	(72,177)	806,711
Closing balance	933,183	1,005,360	933,183	1,005,360
III. ONDO State Govt Bond				
Opening balance	4,104,234	232,641	4,104,234	232,641
Movement in the year	(283,751)	3,871,593	(283,751)	3,871,593
Closing balance	3,820,482	4,104,234	3,820,482	4,104,234
Total Other Bonds	<b>5,757,717</b>	<b>6,265,331</b>	<b>5,757,717</b>	<b>6,265,331</b>
ECL	(1,026,147)	(1,177,833)	(1,026,147)	(1,177,833)
	<b>4,731,570</b>	<b>5,087,498</b>	<b>4,731,570</b>	<b>5,087,498</b>

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

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
<i>In thousands of Nigeria Naira</i>				
Overdrafts	29,703,919	33,802,861	29,703,919	33,802,861
Term Loans	353,574,864	335,699,322	353,574,864	335,699,322
Advances under finance lease	5,486,536	5,537,475	5,486,536	5,537,475
Gross loans and receivables	<b>388,765,319</b>	<b>375,039,658</b>	<b>388,765,319</b>	<b>375,039,658</b>
Less ECL allowances				
12-months ECL credit	(9,199,861)	(8,768,264)	(9,199,861)	(8,768,264)
Life-time ECL Not impaired	(833,262)	(783,944)	(833,262)	(783,944)
Life-time ECL credit impaired	(5,584,869)	(5,411,370)	(5,584,869)	(5,411,370)
	<b>(15,617,992)</b>	<b>(14,963,578)</b>	<b>(15,617,992)</b>	<b>(14,963,578)</b>
Net loans and advances to customers	<b>373,147,327</b>	<b>360,076,079</b>	<b>373,147,327</b>	<b>360,076,079</b>

	30th June 2021			
	Term loan	Overdrafts	Finance lease	Total
Gross loans	353,574,864	29,703,919	5,486,536	388,765,319
12 months ECL loans and advances	(7,766,604)	(1,233,351)	(199,905)	(9,199,861)
Lifetime ECL not credit-impaired loans and advances	(829,881)	(3,381)	-	(833,262)
Lifetime ECL credit-impaired loans and advances	(4,454,121)	(972,776)	(157,973)	(5,584,869)
	<b>340,524,257</b>	<b>27,494,411</b>	<b>5,128,659</b>	<b>373,147,327</b>

	31st December 2020			
	Term loan	Overdrafts	Finance lease	Total
Gross loans	335,699,322	33,802,861	5,537,475	375,039,658
12 months ECL loans and advances	(7,594,678)	(979,427)	(194,160)	(8,768,264)
Lifetime ECL not credit-impaired loans and advances	(737,487)	(45,308)	(1,150)	(783,944)
Lifetime ECL credit-impaired loans and advances	(4,252,713)	(1,010,770)	(147,887)	(5,411,370)
	<b>323,114,444</b>	<b>31,767,357</b>	<b>5,194,278</b>	<b>360,076,079</b>

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In thousands of Nigerian Naira	Overdraft	Term Loan	Advances under finance lease	Totals
<b>Balance as at 1 January 2020</b>	<b>2,035,504</b>	<b>12,584,878</b>	<b>343,196</b>	<b>14,963,578</b>
12-months ECL credit	979,427	7,594,678	194,160	8,768,264
Life-time ECL Not impaired	45,308	737,487	1,150	783,944
Life-time ECL credit impaired	1,010,770	4,252,713	147,887	5,411,370
Reclass from Regulatory Risk Reserve ECL allowance during the year	-	-	-	-
	297,278	546,665	14,681	858,624
Written off in the year as uncollectible	(123,274)	(47,031)	-	(170,305)
Amounts recovered during the year	-	(33,905)	-	(33,905)
<b>Balance as at 30th June 2021</b>	<b>2,209,508</b>	<b>13,050,606</b>	<b>357,877</b>	<b>15,617,992</b>
12-months ECL credit	1,233,351	7,766,604	199,905	9,199,861
Life-time ECL Not impaired	3,381	829,881	-	833,262
Life-time ECL credit impaired	972,776	4,454,121	157,973	5,584,869

Contingent Liabilities & Commitments:

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Guarantees and Indemnities	68,332,149	63,007,244	68,332,149	63,007,244
Bonds	7,879,663	3,146,415	7,879,663	3,146,415
Clean-Line Facilities & Irrevocable LCs	32,386,144	13,939,976	32,386,144	13,939,976
ECL	(1,401,431)	(1,401,431)	(1,401,431)	(1,401,431)
	<b>107,196,525</b>	<b>78,692,203</b>	<b>107,196,525</b>	<b>78,692,203</b>

Wema Bank Plc

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For the period ended 30th June, 2021

Notes to the Financial Statements

19 Investment properties

*In thousands of Nigeria Naira*

**Cost**

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Balance at 1 January 2020	47,079	47,079	47,079	47,079
Additions	-	-	-	-
Write -off	-	-	-	-
Disposals	-	-	-	-
<b>As at 30th June, 2021</b>	<b>47,079</b>	<b>47,079</b>	<b>47,079</b>	<b>47,079</b>

***Accumulated depreciation and impairment***

Balance at 1 January 2020	8,691	7,749	8,691	7,749
Charge for the year	467	942	467	942
Write -off	-	-	-	-
Disposals	-	-	-	-
<b>As at 30th June, 2021</b>	<b>9,158</b>	<b>8,691</b>	<b>9,158</b>	<b>8,691</b>

Cost	47,079	47,079	47,079	47,079
Accumulated depreciation	9,158	8,691	9,158	8,691
<b>Net Book Value</b>	<b>37,922</b>	<b>38,388</b>	<b>37,922</b>	<b>38,388</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 30th June 2021 would have been N144,900,000.00 (31 December 2020: N145,500,000.00). The valuations was provided by Messrs Diya Fatimilehin & Co. (FRC/2013/NIESV/00000000754) surveyor and valuer.
- (ii) On 19 December, 2013 the Central Bank of Nigeria issued a circular that all deposit money banks should dispose off all the investment properties in their books on or before 30 June, 2014. The directors are aware of this directive and all necessary efforts is being made to ensure compliance. Although the directors are committed to a plan to sell the asset as directed by the Central bank of Nigeria; however, the asset requires some process to be in place before disposal and this we have initiated. Hence, the sale is not expected to qualify for recognition as a completed sale within one year from the date of classification.

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

Wema Bank Plc

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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	1,590,773	16,758,481	9,142,777	3,422,270	11,369,720	190,660	42,474,680
Additions		15,434	330,054	247,513	273,553	521,705	1,388,259
Adjustments	-	-		10,049	-	-	10,049
Disposals			(19,828)	(273,515)	(1,386)		(294,729)
<b>As at 30th June, 2021</b>	<b>1,590,773</b>	<b>16,773,915</b>	<b>9,453,003</b>	<b>3,406,316</b>	<b>11,641,887</b>	<b>712,323</b>	<b>43,578,217</b>
Accumulated depreciation and impairment							
Balance at 1 January 2020	-	5,179,558	6,417,656	1,892,322	7,467,821	-	20,957,358
Charge for the year	-	163,337	470,843	233,460	473,249	-	1,340,889
Disposals	-	-	(17,579)	(179,622)	(698)	-	(197,899)
Adjustments		(0.16)	(12.50)	10,049.97	(3,108.17)	-	6,929
<b>As at 30th June, 2021</b>	<b>-</b>	<b>5,342,895</b>	<b>6,870,908</b>	<b>1,956,209</b>	<b>7,937,263</b>	<b>-</b>	<b>22,107,276</b>
Carrying amounts							
Balance at 1 January 2020	1,590,773	1,158,923	2,725,120	1,529,948	3,901,898	190,660	21,517,323
<b>As at 30th June, 2021</b>	<b>1,590,773</b>	<b>11,431,020</b>	<b>2,582,095</b>	<b>1,450,106</b>	<b>3,704,624</b>	<b>712,323</b>	<b>21,470,941</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 2020	1,304,111	16,703,050	7,912,588	3,094,358	9,613,583	645,026	39,272,716
Additions	287,051	5,475	1,214,180	307,816	1,706,512	186,303	3,707,336
Reclassification from WIP	-	366,157	44,497	168,900	61,114	(640,668)	-
Disposals	(389)	(316,201)	(28,487)	(148,804)	(11,490)		(505,372)
<b>Balance as at 31st December 2020</b>	<b>1,590,773</b>	<b>16,758,481</b>	<b>9,142,777</b>	<b>3,422,270</b>	<b>11,369,720</b>	<b>190,660</b>	<b>42,474,680</b>
Accumulated depreciation and impairment							
Balance at 1 January 2019	-	4,970,345	5,520,259	1,579,984	6,564,492	-	18,635,081
Charge for the year	-	329,385	924,807	453,091	911,644	-	2,618,927
Disposals	-	(120,171)	(27,410)	(140,753)	(8,315)	-	(296,650)
<b>Balance as at 31st December 2020</b>	<b>-</b>	<b>5,179,558</b>	<b>6,417,656</b>	<b>1,892,322</b>	<b>7,467,821</b>	<b>-</b>	<b>20,957,358</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 as at 31st December 2020</b>	<b>1,590,773</b>	<b>11,578,923</b>	<b>2,725,120</b>	<b>1,529,948</b>	<b>3,901,898</b>	<b>190,660</b>	<b>21,517,323</b>

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*In thousands of Nigerian Naira*

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
<b>21 Intangible assets</b>				
<b>Cost</b>				
Cost 1 January, 2020	5,502,221	4,794,063	5,502,221	4,794,063
Additions	813,646	708,158	813,646	708,158
Transfer from property and equipment (note 20)	-	-	-	-
Transfer to computer equipment	-	-	-	-
<b>As at 30th June, 2021</b>	<b>6,315,867</b>	<b>5,502,221</b>	<b>6,315,867</b>	<b>5,502,221</b>
<b>Amortization and impairment losses</b>				
Cost 1 January, 2020	4,110,672	3,819,994	4,110,672	3,819,994
Amortization for the year	157,514	290,678	157,514	290,678
Adjustment	3,108	-	3,108	-
<b>As at 30th June, 2021</b>	<b>4,271,295</b>	<b>4,110,672</b>	<b>4,271,295</b>	<b>4,110,672</b>
<b>Carrying amounts</b>	<b>2,044,572</b>	<b>1,391,549</b>	<b>2,044,572</b>	<b>1,391,549</b>

- The intangible assets have got finite lives and are amortised over the higher of 5 years or the contractual licensing period. No impairment losses were recognised against intangible assets.
- The authorised and contracted capital commitments as at the balance sheet date was nil (31 December 2020 nil)
- There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (31 December 2020: nil)

**22 Deferred tax assets and liabilities**

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

*In thousands of Nigerian Naira*

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
At 1 January 2020	18,236,111	19,195,906	18,236,111	19,195,906
Write down	-	(959,795)	-	(959,795)
<b>Closing balance</b>	<b>18,236,111</b>	<b>18,236,111</b>	<b>18,236,111</b>	<b>18,236,111</b>

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*In thousands of Nigerian Naira*

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
<b>23 Other assets</b>				
Accounts receivables	8,637,870	7,487,207	8,637,870	7,487,207
Prepayments	3,482,179	837,197	3,482,179	837,197
Stock	802,796	352,347	802,796	352,347
Collateralised Placement	53,664	52,917	53,664	52,917
Clearing Balance	226,450	332,239	226,450	332,239
Fraud & Burglary	729,324	643,277	729,324	643,277
CBN Special Reserve (see 23.1 below)	10,677,214	10,677,214	10,677,214	10,677,214
AGSMEIS Investment with CBN	902,759	673,148	902,759	673,148
Receivable on E-business Channels	309,517	1,446,033	309,517	1,446,033
FBN Settlement	-	-	-	-
Others	70,174	47,298	70,174	47,298
	<u>25,891,947</u>	<u>22,548,877</u>	<u>25,891,947</u>	<u>22,548,877</u>
Specific impairment on other assets	(710,263)	(665,262)	(710,263)	(665,262)
	<b><u>25,181,684</u></b>	<b><u>21,883,615</u></b>	<b><u>25,181,684</u></b>	<b><u>21,883,615</u></b>
At 1 January 2020	665,262	1,433,642	665,262	1,433,642
Allowance/write off made during the year	45,001	(768,380)	45,001	(768,380)
Transfer from investment	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Closing balance</b>	<b><u>710,263</u></b>	<b><u>665,262</u></b>	<b><u>710,263</u></b>	<b><u>665,262</u></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.

**24 Deposits from banks**

*In thousands of Nigeria Naira*

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Money market deposits	<b><u>35,500,000</u></b>	-	<b><u>35,500,000</u></b>	-
<b>Deposits from customers</b>				
<b>Retail customers:</b>				
Term deposits	108,701,792	89,281,376	108,701,792	89,281,376
Current deposits	27,499,862	29,286,032	27,499,862	29,286,032
Savings	127,661,733	120,103,127	127,661,733	120,103,127
<b>Corporate customers:</b>				
Term deposits	287,594,172	340,530,243	287,594,172	340,530,243
Current deposits	198,164,693	183,028,084	198,164,693	183,028,084
Others	59,251,268	42,644,530	59,251,268	42,644,530
	<b><u>808,873,520</u></b>	<b><u>804,873,392</u></b>	<b><u>808,873,520</u></b>	<b><u>804,873,392</u></b>

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

Under 3 months	560,983,243	558,209,008	560,983,243	558,209,008
3 - 6months	162,770,845	161,965,894	162,770,845	161,965,894
6 - 12months	56,295,658	56,017,258	56,295,658	56,017,258
Over 12months	28,823,774	28,681,232	28,823,774	28,681,232
	<b><u>808,873,520</u></b>	<b><u>804,873,392</u></b>	<b><u>808,873,520</u></b>	<b><u>804,873,392</u></b>

At 30th June 2021 N28.82billion (31 December 2020: N28.68billion) of deposits from customers are expected to be settled more than 12 months after the reporting date.

## Consolidated and Separate Financial Statements

For the period ended 30th June, 2021

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
In thousands of Nigerian Naira				
<b>26 Taxation</b>				
<b>26.1 Income tax expense</b>				
Company income tax	580,605	199,524	580,605	199,524
Education Tax	-	22,086	-	22,086
NITDA Levy	-	59,465	-	59,465
Nigerian Police Trust Fund	-	297	-	297
Capital Gains Tax	-	113,139	-	113,139
Current Income Tax expense	580,605	394,511	580,605	394,511
Deferred tax expenses	-	911,806	-	911,806
	580,605	1,306,317	580,605	1,306,317

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

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Profit before tax from continuing operations	4,295,935	6,223,306	4,300,777	6,238,142
Income tax expense calculated at 30% (2019:30%)	1,290,233	1,761,303	1,290,233	1,761,303
Effect of income that is exempt from taxation	(663,721)	(801,211)	(663,721)	(801,211)
Effect of expenses that are not deductible in dete	-	-	-	-
Capital gain tax	113,139	113,139	-	113,139
Education tax at 2% of assessable profit	-	22,086	-	22,086
Effect of concessions and other allowances)	-	-	-	-
Minimum tax adjustment	-	199,524	-	199,524
Information technology tax levy adjustment	-	59,465	-	59,465
	<b>739,651</b>	<b>1,354,306</b>	<b>626,512</b>	<b>1,354,306</b>

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
<b>26.2 Current tax liabilities</b>				
At 1 January	394,511	905,364	394,511	905,364
Payment during the year	(393,914)	(905,364)	(393,914)	(905,364)
Charge for the year	580,605	394,511	580,605	394,511
<b>Closing balance</b>	<b>581,202</b>	<b>394,511</b>	<b>581,202</b>	<b>394,511</b>

The charge for taxation is based on the provision of the Company Income Tax Act Cap C21 LFN 2004, as amended under the Finance Act 2020. Education Tax is based on 2% of the assessable profit for the year in accordance with the Education Tax Act CAP E4 LFN 2004. NITDA levy is based on 1% of profit before tax in accordance with NITDA levy Act 2007

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30th June, 2021

27 Other liabilities

*In thousands of Nigerian Naira*

**Financial Liabilities**

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Creditors and accruals	2,287,390	1,401,437	2,287,390	1,401,437
Staff Deductions	142,695	58,202	142,695	58,202
Provision for Others	182,657	62,657	182,657	62,657
Other current liabilities	145,424	130,293	80,529	90,243
Insurance Claim	104,669	71,890	104,669	71,890
Swift Payables	139,926	79,046	139,926	79,046
Western Union	3,519	3,430	3,519	3,430
Salary Suspense	21,929	26,931	21,929	26,931
Accounts payable	700,555	442,950	700,555	442,950
Electronic products payable	524,185	287,192	524,185	287,192
Certified cheques	1,659,345	2,195,972	1,659,345	2,195,972
Customer deposits for letters of credit	14,814,265	13,167,868	14,814,265	13,167,868
Discounting Line	18,141,154	18,831,877	18,141,154	18,831,877
Other Settlements	3,513,700	1,872,742	3,513,700	1,872,742
Remittances	3,538,320	2,160,396	3,538,320	2,160,396
	<b>45,919,733</b>	<b>40,792,883</b>	<b>45,854,839</b>	<b>40,752,833</b>

**Non-Financial Liabilities**

Litigation claims provision (i)	400,134	386,244	400,134	386,244
Other payables	1,857,004	383,021	1,857,004	383,021
	<b>48,176,871</b>	<b>41,562,148</b>	<b>48,111,977</b>	<b>41,522,098</b>

(i) Movement in litigation claims provision

Opening balance	386,244	328,571	386,244	328,571
Additions	13,890	189,809	13,890	189,809
Payment	-	(132,135)	-	(132,135)
	<b>400,134</b>	<b>386,244</b>	<b>400,134</b>	<b>386,244</b>

**Wema Bank Plc**

**Consolidated and Separate Financial Statements  
For the period ended 30th June, 2021**

*In thousands of Nigerian Naira*

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
<b>28 Other borrowed funds</b>				
Due to BOI (see (i) below)	4,055,844	3,521,955	4,055,844	3,521,955
Osun Bailout Fund (see vi below)	9,003,590	9,003,590	9,003,590	9,003,590
CBN Agric. loan (see iii below)	979,780	1,517,075	979,780	1,517,075
CBN MSMEDF (see iv below)	512,029	526,381	512,029	526,381
Wema SPV (see v below)	24,749,414	24,749,414	13,642,318	13,642,318
Anchor Borrowers fund (see vi below)	3,137,555	3,137,555	3,137,555	3,137,555
National Housing Fund	66,219	73,137	66,219	73,137
Shelter Afrique (see vii below)	914,444	1,403,485	914,444	1,403,485
AFDB (see viii below)	3,703,501	4,404,490	3,703,501	4,404,490
DBN	12,005,303	12,115,397	12,005,303	12,115,397
AGSMEIS/RSSF	12,825,143	13,070,992	12,825,143	13,070,992
	<b>71,952,823</b>	<b>73,523,471</b>	<b>60,845,727</b>	<b>62,416,375</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 N8.285.910.675.95 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%.

- (ii) Amount represents intervention funds for the production of agro-commodities for offtake market from Central Bank of Nigeria. The fund is at the rate of 9% and for a maximum of 18 months. There is a
- (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 2020: N24,749,414,000 (2019: N24,705,937,000) 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
- (vi) Amount represents salary credit bail out facility from Central Bank of Nigeria. It has a moratorium of twenty years at bank's interest rate of 9%. The corresponding entry is in loans and advances and the bank is expected to provide Central Bank of Nigeria with periodic progress on the facility. The principal repayment is by bullet payment at the expiration of the moratorium granted. In response to COVID-19, CBN has moderated the rate to 5%.
- (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%)

	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
At 1 January	73,523,471	48,770,306	62,416,375	37,702,326
Additions	1,493,676	26,765,784	1,493,676	26,726,669
Effect of exchange rate changes [loss/(profit)]	(189,320)	740,601	(189,320)	740,601
Payments made	(2,875,004)	(2,753,220)	(2,875,004)	(2,753,220)
<b>Closing balance</b>	<b>71,952,822</b>	<b>73,523,471</b>	<b>60,845,727</b>	<b>62,416,375</b>

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### Consolidated and Separate Financial Statements For the period ended 30th June, 2021

#### 29 Right of use

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

	As at 30th June, 2021
<b>COST</b>	<b>N</b>
a. At 1 January 2021	1,056,941
Additions	272,778
Terminated contracts	
As at 30th June, 2021	<u>1,329,719</u>
<b>DEPRECIATION CHARGE</b>	
At 1 January 2021	435,413
Charge for the period	123,183
As at 30th June, 2021	<u>558,596</u>
<b>CARRYING AMOUNT</b>	
As at 31st December, 2020	<u>621,528</u>
As at 30th June, 2021	<u><u>771,123</u></u>

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

b. <b>LEASE LIABILITY</b>	<b>As at 30th June, 2021</b>
	<b>N</b>
At 1 January 2021	22,875
Addition during the year	-
Finance charge for the year	1,921
Payment during the year	
As at 30th June, 2021	<u>24,797</u>

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	Group		Bank	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
<i>In thousands of Nigerian Naira</i>				
<b>30 Share capital and Reserves</b>				
(a) <b>The share capital comprises:</b>				
(i) Authorised - 40,000,000 Ordinary shares (2020 - 40,000,000,000) Ordinary shares of 50k each (2020- 50k)	20,000,000	20,000,000	20,000,000	20,000,000
(ii) Issued and fully paid - 38,574,466,000 Ordinary shares (2020-38,574,466,000) shares of 50k each (2020 - 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	19,877,203,810	51.53		
Directors Direct Shareholding	2,189,214,662	5.68		
Government Shareholding	3,201,511,954	8.30		
Staff Schemes	-	-		
Free Float	13,306,535,655	34.50		
<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	14.90		
Petrotrab Limited	3,295,880,000	8.54		
Neemtree Limited	10,835,506,943	28.09		
	<b>19,877,203,810</b>	<b>51.53</b>		
	<b>15,495,750,317</b>	<b>40.17</b>		
<b>Directors Shareholding</b>				
Mr. Babatunde Kasali	-	0.00		
Mr. Ademola Adebise	2,253,473	0.01		
Mr. Chukwuemeka Obioha Obiagwu	231,250	0.00		
Mrs. Ekong Ibiye Asime	-	0.00		
Mrs. Omobosola Dideolu Ojo	-	0.00		
Mr. Morufu Abiola Oseni	-	0.00		
Mr. Oluwole Albert Ajimisinmi	6,170,996	0.02		
Mr. Abubakar Lawal	428,917,143	1.11		
Mrs. Abolanle Matel-Okoh	1,750,000,000	4.54		
Mr. Akinleye Oluwole Stephen	1,641,800	0.00		
	<b>2,189,214,662</b>	<b>5.68</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	-	0.00		
FOUNTAIN	676,991,346	1.76		
Odua Invest Coy	1,190,766,608	3.09		
	<b>3,201,511,954</b>	<b>8.30</b>		
<b>Declaration:</b>				
Wema Bank Plc with a free float of 34.50% as at 30th June 2021, 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 fair value through other comprehensive income investments until the investment is derecognised or impaired.

**(e) SMEIS Reserve**

This reserve represents the aggregate amount of appropriations from profit after tax to finance equity investments in compliance with the directives issued by the Central Bank of Nigeria (CBN) through its circulars dated July 11, 2006 (amended) and April 7, 2017 respectively. The SMEIS reserve was maintained in compliance with the Central Bank of Nigeria's requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investments in qualifying small and medium scale enterprises. Under the terms of the guideline issued in July 2006, the contributions were 10% of profit after tax and were expected to continue after the first 5 years after which banks' contributions were to reduce to 5% of profit after tax. In April 2017, the Central Bank of Nigeria issued guidelines to govern the operations of the Agriculture/Small and Medium Enterprises Scheme (AGSMIES), which was established to support the Federal Government's efforts at promoting agricultural businesses and Small and Medium Enterprises (SMEs) as vehicles for achieving sustainable economic development and employment generation. The small and medium scale industries equity

**(f) Retained earnings**

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

<i>In thousands of Nigeria Naira</i>	<b>Group</b>		<b>Bank</b>	
	<b>30-Jun-21</b>	<b>31-Dec-20</b>	<b>30-Jun-21</b>	<b>31-Dec-20</b>
At 1 January	7,103,647	3,254,018	7,314,728	3,450,263
Profit or loss	3,715,330	4,577,381	3,720,172	4,592,217
Transfer from Regulatory risk reserve	-	2,041,579	-	2,041,579
Transfer to Statutory Reserve	1	(1,377,665)	-	(1,377,665)
Dividend Paid to Shareholders	(1,542,978)	(1,542,979)	(1,542,978)	(1,542,979)
Transfer to Credit Risk Reserve	-	-	-	-
Regulatory charge to SMEIS	(229,611)	151,313	(229,611)	151,313
<b>Closing balance</b>	<b>9,046,387</b>	<b>7,103,647</b>	<b>9,262,310</b>	<b>7,314,728</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 30th June 2021 amounting to N6,842,1019,600.00 (31 December 2020: N6,966,079,919.00). These litigations arose in the normal course of business and are being contested by the Bank. The Directors, having sought advice of professional counsel, are of the opinion that no significant additional liability will crystallise from these claims; other than as recognised in these financial statements.

**(ii) Contingent liabilities and commitments**

In common with other banks, the Bank conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, endorsements, guarantees and letters of credit.

**Nature of instruments**

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Bank expects most acceptances to be presented, but reimbursement by the customer is normally immediate. Endorsements are residual liabilities of the Bank in respect of bills of exchange, which have been paid and subsequently rediscounted.

Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include performance bonds and are, generally, short-term commitments to third parties which are not directly dependent on the customers' credit worthiness.

Commitments to lend are agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed period, or have no specific maturity but are cancellable by the lender subject to notice requirements.

Documentary credits commit the Bank to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

The following tables summarise the nominal principal amount of contingent liabilities and commitments with off-balance sheet risk

	Group		Bank	
	Group 30-Jun-21	Group 31-Dec-20	Bank 30-Jun-21	Bank 31-Dec-20
In thousands of Nigerian naira				
Contingent liabilities:				
Guarantees and indemnities	68,332,149	63,007,244	68,332,149	63,007,244
Bonds	7,879,663	3,146,415	7,879,663	3,146,415
Clean-line facilities & irrevocable letters of credit	32,386,144	13,939,976	32,386,144	13,939,976
ECL	(768,381)	(768,381)	(1,401,431)	(1,401,431)
<b>Closing balance</b>	<b>107,829,574</b>	<b>79,325,253</b>	<b>107,196,525</b>	<b>78,692,203</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.