

WEMA BANK PLC

**Unaudited IFRS Results
for the quarter ended 31 March 2015**

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Statement of Financial Position

As at 31 March 2015

	<i>Notes</i>	31 March	31 December
		2015	2014
<i>In thousands of Nigerian Naira</i>			
ASSETS			
Cash and cash equivalents	18	22,672,369	52,153,878
Restricted Deposit with CBN		75,605,966	70,056,472
Pledged assets	19	29,266,696	25,775,651
Investment securities:	24		
Available for sale		2,942,868	1,614,190
Held for trading		2,662,861	2,108,402
Held to maturity		31,667,592	37,489,932
Loans and advances to customers	20	135,086,544	149,293,849
Derivative financial assets		-	-
Investment property	25	400,025	402,145
Property and equipment	26	14,482,443	14,042,912
Intangible assets	27	961,822	1,001,954
Assets held for sale	22	-	2,964,626
Other assets	29	4,675,567	2,688,599
Deferred tax assets	28	22,969,702	22,969,702
TOTAL ASSETS		343,394,456	382,562,313
LIABILITIES			
Deposits from banks	30	9,134,218	3,243,218
Deposits from customers	31	217,498,647	258,956,478
Derivative financial liabilities		731,593	418,612
Current tax liabilities	32	430,830	338,537
Other liabilities	34	19,479,899	17,455,091
Other borrowed funds	34	51,825,832	58,381,728
TOTAL LIABILITIES		299,101,019	338,793,664
EQUITY			
Share capital		19,287,233	19,287,233
Share premium		48,870,107	48,870,107
Regulatory risk reserve		791,206	791,206
Treasury shares		-	-
Retained earnings		(34,427,567)	(34,793,663)
Other reserves		9,772,459	9,613,767
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		44,293,437	43,768,649
TOTAL EQUITY		44,293,437	43,768,649
TOTAL LIABILITIES AND EQUITY		343,394,456	382,562,313

The notes on pages .. to ... are an integral part of these financial statements

The financial statements were authorised for issue by the directors on

Adeyinka Asekun

FRC No: Chairman

Segun Oloketuyi

FRC No: Managing Director

For the period ended 31 March 2015

<i>In thousands of Nigerian Naira</i>	<i>Notes</i>	<u>31 March 2015</u>	<u>31 December 2014</u>
Interest income	8	8,928,339	35,453,227
Interest expense	8	(4,700,298)	(16,901,314)
Net interest income		4,228,041	18,551,913
Net impairment loss/write back on financial assets	13	(55,641)	(88,173)
Net interest income after impairment charge for credit losses		4,172,400	18,463,740
Net fee and commission income	9	1,150,328	5,218,504
Net trading income	10	321,062	850,633
Other income	11	225,148	664,503
		1,696,538	6,733,640
Operating income		5,868,938	25,197,380
Personnel expenses	14	(2,534,421)	(10,032,917)
Depreciation and amortisation		(574,210)	(2,180,693)
Other operating expenses	15	(2,145,019)	(9,889,830)
		615,288	3,093,940
Share of profit in associate	23		
Profit before tax		615,288	3,093,940
Income tax expense	16	(92,293)	(721,495)
Profit for the year		522,994	2,372,445
Other comprehensive income, net of income tax			
Share of other comprehensive income of associate	23	-	-
Fair value (loss)/ gain on available-for-sale investments	16	1,794	1,053
Other comprehensive income for the year, net of income tax		1,794	1,053
Total comprehensive income for the year		524,788	2,373,498
Profit attributable to:			
Equity holders of the Bank		522,994	2,372,445
Total comprehensive income for the year		524,788	2,373,498
Profit per share-basic	17	5	6
Profit per share-diluted	17	5	6

The notes on pages .. to are an integral part of these financial statements

Statement of Changes in Equity

For the period ended 31 March 2015

In thousands of Nigerian naira (000s)

	Share Capital	Share premium	Treasury shares	Regulatory risk reserve	Statutory reserve	SMEIES reserve	Fair value reserves	Capital reserves	Syndicated Loan Reserves	Retained earnings	Total equity
2014											
Balance at 1 January 2014	19,287,233	48,870,107	-	(0)	8,148,511	526,908	225,561	-	-	(35,663,169)	41,395,151
Total comprehensive income:											
Profit or loss	-	-	-	-	-	-	-	-	-	2,372,445	2,372,445
Transfer	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income											
Fair value reserve (available-for-sale) financial assets	-	-	-	-	-	-	1,053	-	-	-	1,053
Share of Associate's other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	1,053	-	-	-	-
Total comprehensive income for the period	19,287,233	48,870,107	-	(0)	8,148,511	526,908	226,614	-	-	(33,290,723)	43,768,649
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Regulatory risk reserve transfer to statutory reserves	-	-	-	791,206	711,734	-	-	-	-	(791,206)	-
New shares issued	0	(0)	-	-	-	-	-	-	-	-	(0)
Total contribution and distributions to owners	0	(0)	-	791,206	711,734	-	-	-	-	(1,502,940)	(0)
Balance at 31 December 2014	19,287,233	48,870,107	-	791,206	8,860,245	526,908	226,614	-	-	(34,793,663)	43,768,649
2015											
Balance at 1 January 2015	19,287,233	48,870,107	-	791,206	8,860,245	526,908	226,614	-	-	(34,793,663)	43,768,649
Total comprehensive income:											
Profit or loss	-	-	-	-	-	-	-	-	-	522,994	522,994
Transfer	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income											
Fair value reserve (available-for-sale) financial assets	-	-	-	-	-	-	1,794	-	-	-	1,794
Share of Associate's other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	1,794	-	-	-	-
Total comprehensive income for the period	19,287,233	48,870,107	-	791,206	8,860,245	526,908	228,407	-	-	(34,270,669)	44,293,437
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Regulatory risk reserve Transfer to Statutory reserve	-	-	-	-	156,898	-	-	-	-	(156,898)	-
New shares issued	-	-	-	-	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	156,898	-	-	-	-	(156,898)	-
Balance at 31 March 2015	19,287,233	48,870,107	-	791,206	9,017,143	526,908	228,407	-	-	(34,427,567)	44,293,437

Statement of Cash Flow
For the period ended 31 March 2015

<i>In thousands of Nigerian Naira</i>	<i>Notes</i>	March 2015	December 2014
Cash flows from operating activities			
Profit/Loss for the year		522,994	2,372,445
Adjustments for:			
Taxation expense		92,293	721,495
Depreciation and amortization	27	574,210	2,180,693
Gain on disposal of property and equipment		(1,296)	(20,130)
Gain on disposal of investment properties		-	(2,252)
Depreciation adjustment		-	69,555
Gain on sale of equity investment		-	-
Specific provision on cash		-	9,321
Net interest income	8	(4,228,041)	(18,551,913)
Share of profit of associate		-	-
Dividend received from equity investment		(20,392)	(22,295)
Impairment loss on financial assets	13	55,641	88,173
		(3,004,590)	(13,154,908)
Change in trading assets			
Change in pledged assets		(3,491,045)	(3,945,472)
Change in loans and advances to customers		14,151,663	(50,750,198)
Change in other assets		(7,545,783)	(43,526,575)
Change in deposits from banks		5,891,000	43,218
Change in interest payable on bank's takings			(197,370)
Change in deposits from customers		(41,457,831)	41,221,919
Change in other liabilities		2,337,789	7,633,829
		(33,118,797)	(62,675,557)
Income tax paid		-	(365,005)
Interest received		8,928,339	35,453,227
Vat paid		-	(135,516)
Interest paid		(4,275,116)	(12,425,608)
Net cash from operating activities		(28,465,574)	(40,148,459)
Cash flows from investing activities			
Acquisition of investment securities		3,940,997	68,348,585
Dividend received from equity investment		20,392	22,295
Acquisition of property and equipment	27	(855,819)	(3,194,050)
Proceeds from the sale of property and equipment		-	46,449
Proceeds from the sale of investment properties		-	190,000
Acquisition of intangible assets		(121,128)	(734,167)
Proceeds from disposal of Investment in associate		2,964,626	-
Cash received from absorption		-	-
Net cash used in investing activities		5,949,069	64,679,112
Cash flows from financing activities			
Deposit for shares		-	-
Change in other borrowed funds		(6,549,144)	793,770
Proceeds from Issue of Shares		-	-
Share Issue Expenses		-	-
Interest paid on CBN financial accomodation loan		(425,182)	(4,475,706)
Net cash from financing activities		(6,974,326)	(3,681,936)
Net increase in cash and cash equivalents		(29,490,831)	20,848,717
Cash and cash equivalents at beginning of period		52,163,199	31,314,482
Cash and cash equivalents at end of period	18	22,672,369	52,163,199

NOTES TO THE FINANCIAL STATEMENTS

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For the period ended 31 December 2014

	31 March 2015	31 December 2014
Interest income		
Cash and cash equivalents	269,242	1,462,352
Loans and advances to banks and customers	7,001,166	21,639,264
Investments securities	1,657,931	12,351,611
Total interest income	<u>8,928,339</u>	<u>35,453,227</u>

	31 March 2015	31 December 2014
Interest expense		
Deposits from banks	335,034	624,570
Deposits from customers	3,940,083	11,801,039
Other borrowed funds	425,182	4,475,706
Total interest expense	<u>4,700,298</u>	<u>16,901,314</u>

9 Fees and commission income

	31 March 2015	31 December 2014
<i>In thousands of Nigerian Naira</i>		
Retail banking customer fees & commissions	445,160	2,100,957
Corporate banking customer fees & commissions	465,171	2,506,158
Other fees and charges	239,997	611,389
Total fee and commission income	<u>1,150,328</u>	<u>5,218,504</u>

10 Net trading income

	31 March 2015	31 December 2014
<i>In thousands of Nigerian Naira</i>		
Fixed income securities	6,121	0
Treasury bills	287,536	0
Equities (see note (i) below)	-	-
Foreign exchange trading	27,406	850,633
	<u>321,062</u>	<u>850,633</u>

11 Other income

	31 March 2015	31 December 2014
<i>In thousands of Nigerian Naira</i>		
Dividends on available-for-sale equity securities	20,392	22,295
Gains on disposal of property and equipment	1,296	22,382
Rental income (i)	9,865	51,175
Trading income on derivative	55,605	55,605
Others	137,990	513,046
	<u>225,148</u>	<u>664,503</u>

NOTES TO THE FINANCIAL STATEMENTS

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For the period ended 31 December 2014	31 March	31 December
<i>In thousands of Nigerian Naira</i>	2015	2014
Impairment losses on loans and advances		
-specific impairment	-	472,200
-collective impairment	90,636	269,249
- Recoveries on loans	(34,994)	(1,400,363)
-Write offs		
Impairment loss on available for sale financial assets		
- Allowance for the year	-	-
Impairment loss on other assets (Note 30)		747,087
	<u>55,641</u>	<u>88,173</u>

14 Personnel expenses

	31 March	31 December
<i>In thousands of Nigerian Naira</i>	2015	2014
Wages and salaries	1,841,162	7,393,840
Contributions to defined contribution plans	258,437	865,070
Other staff costs	434,822	1,774,007
	<u>2,534,421</u>	<u>10,032,917</u>

15 Other operating expenses

	31 March	31 December
<i>In thousands of Nigerian Naira</i>	2015	2014
Other premises and equipment costs	454,807	1,344,264
Auditors remuneration	-	55,000
Professional fees	63,822	242,972
AMCON Levy	80,209	1,827,323
Security expenses	126,595	529,964
Cash movement expenses	50,139	348,640
NDIC Premium	179,787	1,053,506
Printing and stationery	85,247	302,373
Advertising and marketing	381,366	1,374,246
Transport & Communications	66,388	356,039
Service charge	91,627	369,824
Insurance	62,708	278,187
Business Expenses	40,226	179,280
General administrative expenses	462,098	1,628,211
	<u>2,145,019</u>	<u>9,889,830</u>

NOTES TO THE FINANCIAL STATEMENTS

17 Earnings per share

Basic and diluted earnings per share

Basic earnings or loss per share is calculated by dividing the profit or loss 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 31 March 2015 was based on the profit attributable to ordinary shareholders of N522,994,000 (2014: (N2,372,445,000)) and weighted average number of ordinary shares outstanding of 38,574,466,000 (2014: 38,574,466,000).

	31 March 2015	31 December 2014
<i>In thousands</i>		
Weighted average number of ordinary shares - basic		
Weighted average number of shares at beginning	38,574,466	11,892,046
Weighted average number of ordinary shares - diluted		
Weighted average number of shares	38,574,466	11,892,046
Weighted average number of treasury shares	-	15,297
Weighted effect of new shares issued	-	26,667,123
	<u>38,574,466</u>	<u>38,574,466</u>

Profit attributable to ordinary shareholders -basic & diluted

	31 March 2015	31 December 2014
<i>In thousands of Nigerian Naira</i>		
Profit for the year attributable to equity holders of the Bank	522,994	2,372,445
Loss per share -basic	<u>0.05</u>	<u>0.06</u>
Loss per share - diluted	<u>0.05</u>	<u>0.06</u>

NOTES TO THE FINANCIAL STATEMENTS

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For the period ended 31 December 2014 <i>In thousands of Nigerian Naira</i>	31 March 2015	31 December 2014
Cash and balances with banks	17,998,489	12,577,024
Unrestricted balances with central bank	1,886,481	4,350,431
Deposits with the Central Bank of Nigeria	-	-
Money market placements	2,787,400	35,235,744
	22,672,369	52,163,199
Specific provision	-	(9,321)
	<u>22,672,369</u>	<u>52,153,878</u>

19 Pledged assets - Held to maturity

<i>In thousands of Nigerian Naira</i>	31 March 2015	31 December 2014
Treasury bills	13,506,434	10,291,064
Bonds	15,760,262	15,484,587
	<u>29,266,696</u>	<u>25,775,651</u>

The treasury bills are pledged for clearing activities and as collection bank for government taxes and for electronic card transactions.

The Bonds are pledged as collateral for the intervention credit granted to the Bank by the Bank of Industry for the purpose of refinancing existing loans to SMEs

20 Loans and advances to customers at amortised cost

<i>In thousands of Nigerian Naira</i>	31 March 2015	31 December 2014
Overdrafts	14,324,801	14,061,617
Term Loans	121,383,749	136,269,499
Advances under finance lease	1,983,916	1,960,899
Gross loans and receivables	<u>137,692,466</u>	<u>152,292,015</u>
<i>Less Allowances for Impairment</i>		
Specific Allowances for impairment	(395,613)	(913,326)
Collective allowances for impairment	(2,210,308)	(2,084,840)
	<u>(2,605,921)</u>	<u>(2,998,166)</u>
Net loans and advances to customers	<u>135,086,544</u>	<u>149,293,849</u>

For the period ended 31 March 2015		31 March	31 December
Investment securities		2015	2014
<i>In thousands of Nigerian Naira</i>			
	Investment securities	37,273,321	41,212,524
	Current	15,744,927	19,173,497
	Non-current	21,528,394	22,039,027
		<u>37,273,321</u>	<u>41,212,524</u>
(a)	Available-for-sale investment securities comprise:		
	Bonds (see (ii) below)	-	513,465
	Treasury bills	2,782,619	940,477
	Equity (see note (v) below)	160,248	160,248
	Less: specific allowance for impairment (see (i) below)	-	-
		<u>2,942,868</u>	<u>1,614,190</u>
(b)	Held for trading investment securities comprise:		
	Treasury bills	2,662,861	2,108,402
	FGN Bonds (see (iii) below)	-	-
	Other bonds (see (iv) below)	-	-
		<u>2,662,861</u>	<u>2,108,402</u>
(c)	Held to maturity investment securities comprise:		
	Treasury bills	10,299,447	16,124,618
	FGN Bonds	13,979,993	13,765,747
	Other bonds	7,388,153	7,599,567
		<u>31,667,592</u>	<u>37,489,932</u>
(i)	Specific allowance for impairment	31 March	31 December
		2015	2014
<i>In thousands of Nigerian Naira</i>			
	Balance, beginning of year	-	70,821
	Charge for the year	-	-
	Acquired from merger of business	-	-
	Write-offs	-	(70,821)
	Allowance no longer required	-	-
	Balance, end of year	<u>-</u>	<u>-</u>
25 (i)	Investment property	31 March	31 December
		2015	2014
<i>In thousands of Nigerian Naira</i>			
	Carrying amount at the beginning of year	402,145	601,822
	Cost	442,165	629,913
	Accumulated Depreciation	(40,020)	(28,090)
	Additions	-	-
	Disposals	-	(187,748)
	Depreciation charge for the year	(2,120)	(11,929)
	Carrying amount at the end of the year	400,025	402,145
	Cost	442,165	442,165
	Accumulated depreciation	(42,140)	(40,020)
(ii)	Investment property represents land and buildings that are not substantially occupied by the bank held for investment purposes. Investment property is carried at cost less accumulated depreciation and impairment losses in accordance with the cost model. Investment property is 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 31 December 2013 would have been N1,692,550,000 (2012:N1,541,516,000).		

NOTES TO THE FINANCIAL STATEMENTS

26 Property and equipment

	Land	Buildings	Furniture & Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
<i>In thousands of Nigerian Naira (000s)</i>							
Cost							
Balance at 1 January 2015	1,040,939	13,086,131	3,709,992	1,747,587	2,531,353	925,686	23,041,687
Additions	100	225,100	122,775	134,465	62,409	310,979	855,829
Disposals			(19,492)	(10,406)	(58,053)		(87,950)
Reclassifications							0
Reclassifications from WIP							0
Balance at 31 March 2015	1,041,039	13,311,231	3,813,275	1,871,646	2,535,708	1,236,665	23,809,565
Accumulated depreciation and impairment							
Balance at 1 January 2015	-	3,625,108	2,728,091	966,066	1,679,509	0	8,998,775
Charge for the year	-	71,033	110,641	115,036	118,617	0	415,328
Disposals	-		(19,403)	(10,404)	(57,174)	0	(86,981)
Adjustment	-					0	0
Removal of Obsolete Items	-					0	0
Balance at 31 March 2015	-	3,696,141	2,819,329	1,070,698	1,740,953	-	9,327,122
Carrying amounts							
Balance at 1 January 2015	1,040,939	9,461,022	981,901	781,520	851,843	925,686	14,042,912
Balance at 31 March 2015	1,041,039	9,615,090	993,946	800,948	794,755	1,236,665	14,482,443

27 Intangible assets

In thousands of Nigerian Naira

	31 March 2015	31 December 2014
Cost		
Balance beginning of the year	3,256,010	2,521,843
Additions	121,128	734,167
Reclassifications		
Balance end of the year	3,377,138	3,256,010
Amortization and impairment losses		
Balance beginning of the year	2,254,056	1,608,644
Amortisation for the period	161,260	645,412
Acquired from business merger		
Reclassifications		
Balance end of the year	2,415,316	2,254,056
Carrying amounts		
	961,822	1,001,954

- (a) The intangible assets have got finite lives and are amortised over the shorter of 4 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 2013: nil). There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (31 December 2014: nil).
- (c) December 2014: nil

28 Deferred tax assets and liabilities**(a) Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	31 March 2015	31 December 2014
<i>In thousands of Nigerian Naira</i>		
Tax Losses c/f	22,969,702	23,369,702
Available-for-sale securities	-	-
Allowances for loan losses	-	(400,000)
Others	-	-
	<u>22,969,702</u>	<u>22,969,702</u>

29 Other assets

	31 March 2015	31 December 2014
<i>In thousands of Nigerian Naira</i>		
Accounts receivable and prepayments	6,233,181	4,194,260
Restricted deposits with central bank	-	-
Divestment proceeds receivable	-	-
Others	2,866,632	2,889,264
Specific impairment on other assets	(4,424,246)	(4,394,925)
	<u>4,675,566.85</u>	<u>2,688,599</u>

30 Deposits from banks

	31 March 2015	31 December 2014
<i>In thousands of Nigerian Naira</i>		
Money market deposits	9,134,218	3,243,218
Other deposits from banks	-	-
Items in the course of collection	-	-
	<u>9,134,218</u>	<u>3,243,218</u>

31 Deposits from customers

	31 March 2015	31 December 2014
<i>In thousands of Nigerian Naira</i>		
Retail customers:		
Term deposits	25,848,416	25,844,281
Current deposits	19,006,040	22,972,506
Savings	30,320,228	32,088,833
Corporate customers:		
Term deposits	83,323,661	88,112,949
Current deposits	57,315,588	88,274,099
Others	1,684,714	1,663,810
	<u>217,498,647</u>	<u>258,956,478</u>

32 Taxation payable

	31 March 2015	31 December 2014
<i>In thousands of Nigerian Naira</i>		
Balance, beginning of the year	338,537	382,046.85
Charge for the year	92,293	321,495.00
Payment during the year	-	(365,005.23)
	<u>430,830</u>	<u>338,537</u>

33 Other liabilities

	31 March 2015	31 December 2014
<i>In thousands of Nigerian Naira</i>		
Contributions to defined contribution plans	-	-
Creditors and accruals	5,340,599	1,531,057
Other current liabilities	5,043,031	9,926,540
Accounts payable	3,458,848	1,903,384
Amcon Levy	-	-
Certified cheques	2,327,366	1,275,683
Foreign currency transfers payable	2,351,621	2,470,553
Finance lease liability	731,593	265,124
Interest bearing liability	226,840	82,750
	<u>19,479,899</u>	<u>17,455,091</u>

34 Other borrowed funds

	31 March 2015	31 December 2014
<i>In thousands of Nigerian Naira</i>		
Due to CBN (see (i) below)	43,750,000	50,061,711
National Housing Fund	129,415	131,721
Due to BOI (see (ii) below)	7,008,509	7,238,679
CBN Agric loan (see iii below)	937,909	949,618
	<u>51,825,832</u>	<u>58,381,728</u>