

WEMA BANK PLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2022

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Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 30 June, 2022

Statement of Profit or loss and other Comprehensive Income

| <i>In thousands of Nigerian Naira</i> | | Group | | | | Bank | | | |
|---|-------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|------------------------|
| | | 3 Months 30-Jun-22 | 6 Months 30-Jun-22 | 6 Months 30-Jun-21 | 12 Months 31-Dec-21 | 3 Months 30-Jun-22 | 6 Months 30-Jun-22 | 6 Months 30-Jun-21 | 12 Months 31-Dec-21 |
| | Notes | | | | | | | | |
| Gross Earnings | | 29,660,252 | 60,295,161 | 41,330,747 | 93,632,481 | 30,454,684 | 59,594,190 | 39,824,947 | 92,137,078 |
| Interest income | 7 | 25,420,578 | 50,450,043 | 33,692,101 | 74,798,291 | 26,215,010 | 49,749,072 | 32,186,301 | 73,302,888 |
| Interest expense | | (12,282,109) | (27,235,337) | (15,386,672) | (34,921,553) | (13,043,229) | (26,509,894) | (13,873,613) | (33,428,346) |
| Net interest income | 7 | 13,138,469 | 23,214,706 | 18,305,429 | 39,876,738 | 13,171,782 | 23,239,178 | 18,312,688 | 39,874,542 |
| Net impairment loss on financial assets | 11 | (346,714) | (625,056) | (861,612) | (2,104,393) | (346,714) | (625,056) | (861,612) | (2,104,393) |
| Net interest income after impairment charge for credit losses | | 12,791,755 | 22,589,650 | 17,443,817 | 37,772,345 | 12,825,068 | 22,614,122 | 17,451,076 | 37,770,149 |
| Net gain on FVTPL investment securities | | 905,553 | 1,462,883 | 13,262 | 557,330 | 905,553 | 1,462,883 | 13,262 | 557,330 |
| Net fee and commission income | 8 | 3,423,610 | 7,477,325 | 5,393,592 | 13,424,103 | 3,423,610 | 7,477,325 | 5,393,592 | 13,424,103 |
| Net trading income | 9 | (706,096) | (290,975) | 813,466 | 1,556,099 | (706,096) | (290,975) | 813,466 | 1,556,099 |
| Other income | 10 | 616,607 | 1,195,885 | 1,418,326 | 3,296,658 | 616,607 | 1,195,885 | 1,418,326 | 3,296,658 |
| | | 4,239,674 | 9,845,118 | 7,638,646 | 18,834,190 | 4,239,674 | 9,845,118 | 7,638,646 | 18,834,190 |
| Operating income | | 17,031,429 | 32,434,768 | 25,082,463 | 56,606,535 | 17,064,742 | 32,459,240 | 25,089,722 | 56,604,339 |
| Personnel expenses | 12 | (5,146,399) | (9,545,334) | (8,016,251) | (16,677,420) | (5,146,399) | (9,545,334) | (8,016,251) | (16,677,420) |
| Depreciation and amortization | 13b | (1,036,309) | (1,993,501) | (1,622,053) | (3,399,318) | (1,036,309) | (1,993,501) | (1,622,053) | (3,399,318) |
| Other operating expenses | 13a | (8,047,362) | (14,792,559) | (11,148,224) | (24,152,302) | (8,053,705) | (14,790,059) | (11,150,640) | (24,143,460) |
| Profit before tax | | 2,801,358 | 6,103,374 | 4,295,935 | 12,377,495 | 2,828,329 | 6,130,346 | 4,300,777 | 12,384,142 |
| Income tax expense | 26 | (381,825) | (827,597) | (580,605) | (3,450,940) | (381,825) | (827,597) | (580,605) | (3,450,940) |
| Profit for the year | | 2,419,533 | 5,275,777 | 3,715,330 | 8,926,555 | 2,446,504 | 5,302,749 | 3,720,172 | 8,933,202 |
| Other comprehensive income, net of income tax items that will not be subsequently reclassified to profit or loss | | | | | | | | | |
| Net change in fair value of investments FVTOCI | | - | - | - | 3,621,287 | - | - | - | 3,621,287 |
| | | - | - | - | 3,621,287 | - | - | - | 3,621,287 |
| Items that will be subsequently reclassified to profit or loss | | | | | | | | | |
| Net change in fair value of investments FVOCI | | - | - | (278,225) | - | - | - | (278,225) | - |
| Income tax relating to items that may be reclassified subsequently to profit or Loss | | - | - | - | - | - | - | - | - |
| Other comprehensive income for the year | | - | - | (278,225) | 3,621,287 | - | - | (278,225) | 3,621,287 |
| Total comprehensive income for the year | | 2,419,533 | 5,275,777 | 3,437,105 | 12,547,842 | 2,446,504 | 5,302,749 | 3,441,947 | 12,554,489 |
| Profit attributable to: | | | | | | | | | |
| Equity holders of the Bank | | 2,419,533 | 5,275,777 | 3,715,330 | 8,926,555 | 2,446,504 | 5,302,749 | 3,720,172 | 8,933,202 |
| Total comprehensive income for the year | | 2,419,533 | 5,275,777 | 3,437,105 | 12,547,842 | 2,446,504 | 5,302,749 | 3,441,947 | 12,554,489 |
| Earnings per share-basic | 14 | 29.6 | 82.0 | 19.2 | 11.9 | 29.6 | 82.4 | 19.2 | 11.9 |

Wema Bank Plc


Consolidated and Separate Financial Statements
For the period ended 30 June, 2022

Statement of financial Position

| | Notes | Group | | Bank | |
|--|-------|----------------------|----------------------|----------------------|----------------------|
| | | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| <i>In thousands of Nigerian Naira</i> | | | | | |
| Cash and cash equivalents | 15 | 79,487,187 | 109,726,640 | 79,400,238 | 109,714,649 |
| Restricted Deposit with CBN | 15b | 347,416,166 | 313,847,420 | 347,416,166 | 313,847,420 |
| Pledged assets | 16 | 59,090,001 | 83,723,119 | 59,090,001 | 83,723,119 |
| Investment securities: | | | | | |
| Fair value through other comprehensive income | 17a | 5,514,995 | 5,455,873 | 5,515,995 | 5,456,873 |
| Fair Value through profit or loss | 17b | 33,892,049 | 38,693,696 | 33,892,049 | 38,693,696 |
| Held at amortised cost | 17c | 259,196,767 | 129,931,955 | 251,042,215 | 118,970,687 |
| Loans and advances to customers | 18 | 447,232,699 | 418,864,303 | 447,232,699 | 418,864,303 |
| Investment properties | 19 | - | 0 | - | 0 |
| Right of Use | 29 | 942,535 | 851,249 | 942,535 | 851,249 |
| Property and equipment | 20 | 24,733,485 | 22,418,542 | 24,733,485 | 22,418,542 |
| Intangible assets | 21 | 3,181,699 | 2,170,640 | 3,181,699 | 2,170,640 |
| Other assets | 23 | 52,573,671 | 34,305,993 | 52,573,671 | 34,305,993 |
| Deferred tax assets | 22 | 15,500,694 | 15,500,694 | 15,500,694 | 15,500,694 |
| Total Assets | | 1,328,761,948 | 1,175,490,124 | 1,320,521,447 | 1,164,517,865 |
| Deposits from banks | 24 | 44,250,500 | 40,700,000 | 44,250,500 | 40,700,000 |
| Deposits from customers | 25 | 1,052,820,478 | 927,471,175 | 1,052,820,478 | 927,471,175 |
| Lease Liabilities | 29 | 29,136 | 26,879 | 29,136 | 26,879 |
| Current tax liabilities | 26 | 835,749 | 716,120 | 835,749 | 716,120 |
| Other liabilities | 27 | 89,719,337 | 63,697,672 | 89,474,637 | 63,637,779 |
| Other borrowed funds | 28 | 68,770,311 | 72,731,661 | 60,529,810 | 61,601,569 |
| Total Liabilities | | 1,256,425,511 | 1,105,343,507 | 1,247,940,311 | 1,094,153,521 |
| EQUITY | | | | | |
| Share capital | 30 | 19,287,233 | 19,287,233 | 19,287,233 | 19,287,233 |
| Share premium | 30 | 8,698,230 | 8,698,230 | 8,698,230 | 8,698,230 |
| Regulatory risk reserve | | 6,089,871 | 6,099,876 | 6,089,871 | 6,089,871 |
| Retained earnings | 30 | 13,213,720 | 11,013,895 | 13,458,419 | 11,241,627 |
| Other reserves | 30 | 25,047,383 | 25,047,383 | 25,047,383 | 25,047,383 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK | | 72,336,437 | 70,146,617 | 72,581,136 | 70,364,344 |
| TOTAL LIABILITIES AND EQUITY | | 1,328,761,948 | 1,175,490,124 | 1,320,521,447 | 1,164,517,865 |
| CONTINGENTS | | 130,704,389 | 118,568,967 | 130,704,389 | 118,568,967 |

The financial statements were authorized for issue by the directors on the 25th of July 2022 and signed on its behalf by:


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, 2022**

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 |
|--|-------------------|------------------|------------------------|----------------------------|----------------------|-------------------|------------------------|----------------------|-------------------|
| 2021 | | | | | | | | | |
| Balance at 1 January 2021 | 19,287,233 | 8,698,230 | 781,612 | 6,089,871 | 17,654,943 | 902,759 | 5,708,069 | 11,023,900 | 70,146,617 |
| Dividend Payout | | | | | | | | (3,085,957) | (3,085,957) |
| SMEIS Charge | | | | | | - | | - | - |
| Profit or loss | - | - | - | - | - | - | | 5,275,777 | 5,275,777 |
| Other comprehensive income | | | | | | | | | |
| Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments | | | | | | | | | - |
| Fair value reserve FVTOCI financial assets | - | - | - | - | - | - | - | - | - |
| | 19,287,233 | 8,698,230 | 781,612 | 6,089,871 | 17,654,943 | 902,759 | 5,708,069 | 13,213,720 | 72,336,437 |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | |
| Regulatory risk reserve | - | - | | - | - | - | - | - | - |
| Credit risk reserve | | | - | | | | | - | - |
| Transfer to Statutory reserve | - | - | | - | - | - | - | - | - |
| Total contribution and distributions to owners | - | - | - | - | - | - | - | - | - |
| Balance as at 30 June 2022 | 19,287,233 | 8,698,230 | 781,612 | 6,089,871 | 17,654,943 | 902,759 | 5,708,069 | 13,213,720 | 72,336,437 |
| 2021 | | | | | | | | | |
| Balance at 1 January 2021 | 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 |
| Dividend Payout | | | | | | | | (1,542,978) | (1,542,978) |
| SMEIS Charge | | | | | | 229,611 | | (229,611) | 0 |
| Profit or loss | - | - | - | - | - | - | | 9,593,848 | 9,593,848 |
| Other comprehensive income | | | | | | | | | |
| Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments | | | | | | | | | - |
| Fair value reserve FVTOCI financial assets | - | - | - | - | - | - | 3,621,287 | - | 3,621,287 |
| | 19,287,233 | 8,698,230 | 781,612 | 5,536,119 | 14,974,982 | 902,759 | 5,708,069 | 14,924,906 | 70,813,910 |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | |
| Regulatory risk reserve | - | - | | 455,501 | - | - | - | (455,501) | - |
| Credit risk reserve | | | - | | | | | - | - |
| Transfer to Statutory reserve | - | - | | - | 2,880,148 | - | - | (2,880,148) | - |
| Total contribution and distributions to owners | - | - | - | 455,501 | 2,880,148 | - | - | (3,335,649) | - |
| Balance as at 31 December 2021 | 19,287,233 | 8,698,230 | 781,612 | 5,991,620 | 17,855,130 | 902,759 | 5,708,069 | 11,589,257 | 70,813,910 |

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 30 June, 2022**

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 |
|--|-------------------|------------------|------------------------|----------------------------|----------------------|--------------------|------------------------|----------------------|-------------------|
| 2021 | | | | | | | | | |
| Balance at 1 January 2021 | 19,287,233 | 8,698,230 | 781,612 | 6,089,871 | 17,654,943 | 902,759 | 5,708,069 | 11,241,627 | 70,364,344 |
| Dividend Payout | | | | | | | | (3,085,957) | (3,085,957) |
| SMEIS Charge | | | | | | | | | - |
| Profit or loss | - | - | - | - | - | - | | 5,302,749 | 5,302,749 |
| Other comprehensive income | | | | | | | | | |
| Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments | | | | | | | | | - |
| Fair value reserve FVTOCI financial assets | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | 19,287,233 | 8,698,230 | 781,612 | 6,089,871 | 17,654,943 | 902,759 | 5,708,069 | 13,458,419 | 72,581,136 |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | |
| Regulatory risk reserve | | | | | | | | | - |
| Credit risk reserve | | | - | | | | | - | - |
| transfer to statutory reserves | | | | | | | | - | - |
| Total contribution and distributions to owners | - | - | - | - | - | - | - | - | - |
| Balance as at 30 June 2022 | 19,287,233 | 8,698,230 | 781,612 | 6,089,871 | 17,654,943 | 902,759 | 5,708,069 | 13,458,419 | 72,581,136 |
| 2020 | | | | | | | | | |
| Balance at 1 January 2021 | 19,287,233 | 8,698,230 | 781,612 | 5,536,119 | 14,974,982 | 673,148 | 2,086,782 | 7,314,727 | 59,352,833 |
| Dividend Payout | | | | | | | | (1,542,978) | (1,542,978) |
| SMEIS Charge | | | | | | 229,611 | | (229,611) | - |
| Profit or loss | - | - | - | - | - | - | | 9,600,494 | 9,600,494 |
| Other comprehensive income | | | | | | | | | |
| Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments | | | | | | | | | - |
| Fair value reserve FVTOCI financial assets | - | - | - | - | - | - | 3,621,287 | - | 3,621,287 |
| Total comprehensive income for the period | 19,287,233 | 8,698,230 | 781,612 | 5,536,119 | 14,974,982 | 902,759 | 5,708,069 | 15,142,632 | 71,031,636 |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | |
| Regulatory risk reserve | | | | 455,501 | | | | (455,501) | - |
| Credit risk reserve | | | - | | | | | - | - |
| transfer to statutory reserves | | | | | 2,880,148 | | | (2,880,148) | - |
| Total contribution and distributions to owners | - | - | - | 455,501 | 2,880,148 | - | - | (3,335,649) | - |
| Balance as at 31 December 2021 | 19,287,233 | 8,698,230 | 781,612 | 5,991,620 | 17,855,130 | 902,759 | 5,708,069 | 11,806,983 | 71,031,636 |

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 30 June, 2022
Consolidated and Separate Statement of Cashflow

| <i>In thousands of Nigerian Naira</i> | Notes | Group | | Bank | |
|--|----------|----------------------|--------------------|----------------------|--------------------|
| | | 30-Jun 2021 | 31-Dec 2021 | 30-Jun 2021 | 31-Dec 2021 |
| Cash flows from operating activities | | | | | |
| Profit for the year | | 5,275,777 | 9,593,848 | 5,302,749 | 9,600,494 |
| Adjustments for: | | | | | |
| Taxation expense | 26 | 827,597 | 3,040,627 | 827,597 | 3,040,627 |
| Depreciation and amortization | 13b | 1,993,501 | 3,142,338 | 1,993,501 | 3,142,338 |
| Adjustment for transfer out of PPE now expensed | | (1,088) | 0 | (1,088) | 0 |
| Right of Use - Payment | | - | - | - | - |
| (Gain)/Loss on disposal of property and equipment | 32(xi) | 1,703 | (167,030) | 1,703 | (167,030) |
| Specific provision on cash | 15 | | | | |
| Net interest income | 32(xii) | (23,214,706) | (39,876,738) | (23,239,178) | (39,874,542) |
| Dividend received from equity investment | 10 | (143,682) | (168,873) | (143,682) | (168,873) |
| Impairment loss on financial assets | 11 | 625,056 | 2,104,393 | 625,056 | 2,104,393 |
| Operating cashflow before movement in working capital | | (14,635,844) | (22,331,436) | (14,633,343) | (22,322,593) |
| Change in pledged assets | 32(i) | 24,633,118 | (56,268,457) | 24,633,118 | (56,268,457) |
| Change in loans and advances to customers | 32(ii) | (28,993,451) | (60,892,616) | (28,993,451) | (60,892,616) |
| Change in other assets | 32(iii) | (18,267,678) | (12,422,378) | (18,267,678) | (12,422,378) |
| Change in deposits from banks | 32(iv) | 3,550,500 | 40,700,000 | 3,550,500 | 40,700,000 |
| Change in finance lease obligation | | - | - | - | - |
| Change in restricted deposit with CBN | 32(v) | (33,568,746) | (66,872,461) | (33,568,746) | (66,872,461) |
| Change in deposits from customers | 32(vi) | 125,349,303 | 122,597,783 | 125,349,303 | 122,597,783 |
| Change in other liabilities | 32(vi) | 26,023,922 | 22,139,528 | 25,839,116 | 22,119,685 |
| Cashflow generated by operations | | 84,091,124 | (33,350,036) | 83,908,819 | (33,361,037) |
| Income tax paid | 26.2 | (707,968) | (393,914) | (707,968) | (393,914) |
| Interest received | 32(xii) | 50,450,043 | 74,798,291 | 49,749,072 | 73,302,888 |
| Interest paid | 32(vii) | (24,543,827) | (29,696,049) | (24,543,827) | (29,696,049) |
| Net cash from operating activities | | 109,289,372 | 11,358,293 | 108,406,095 | 9,851,888 |
| Cash flows from investing activities | | | | | |
| Disposal/Acquisition of investment securities-At Amortis | 32(viii) | (129,264,812) | (80,929,175) | (132,071,528) | (80,907,896) |
| Disposal/Acquisition of investment securities-FVTOCI | 32(ix) | (59,122) | 54,735,684 | (59,122) | 54,735,684 |
| Change in FVTPL investments | 32(x) | 4,801,647 | 39,532,256 | 4,801,647 | 39,532,256 |
| Dividend received from equity investment | 10 | 143,682 | 168,873 | 143,682 | 168,873 |
| Acquisition of property and equipment | 20 | (3,895,509) | (3,783,054) | (3,895,509) | (3,783,054) |
| Proceeds from the sale of property and equipment | 32(xi) | 66,889 | 337,983 | 66,889 | 337,983 |
| Right of Use | 29 | (233,302) | (486,700) | (233,302) | (486,700) |
| Acquisition of intangible assets | 21 | (1,349,482) | (1,172,161) | (1,349,482) | (1,172,161) |
| Net cash(used in)/generated by investing activities | | (129,790,009) | 8,403,706 | (132,596,725) | 8,424,986 |
| Cash flows from financing activities | | | | | |
| Proceed from borrowings | 28b | 9,147,665 | 3,261,495 | 9,147,665 | 3,261,495 |
| Repayment of borrowings | 28b | (10,013,292) | (4,207,506) | (10,013,292) | (4,230,502) |
| Effect of changes in exchange rate | 28b | (206,132) | 154,201 | (206,132) | 154,201 |
| Right of Use - Payment during the year | 29b. | - | - | - | - |
| Transfer To/From Reserves | | - | - | - | - |
| Interest paid on borrowings | 32(vii) | (2,691,510) | (5,225,504) | (1,966,067) | (3,732,297) |
| Dividend paid to shareholders | | (3,085,957) | (1,542,978) | (3,085,957) | (1,542,978) |
| Net cash from financing activities | | (6,849,226) | (7,560,292) | (6,123,783) | (6,090,081) |
| Net increase in cash and cash equivalents | | (27,349,862) | 12,201,707 | (30,314,413) | 12,186,793 |
| Cash and cash equivalents at beginning of period | | 109,726,641 | 97,687,796 | 109,714,650 | 97,690,719 |
| Effect of exchange rate changes on cash balances | | - | (162,861) | - | (162,861) |
| Cash and cash equivalents at end of year | 15 | 82,376,779 | 109,726,641 | 79,400,237 | 109,714,650 |

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 30 June, 2022
Statement of Prudential Adjustments**

| | Group | | Bank | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| Prudential Provisions: | | | | |
| Loans and advances | 22,398,425 | 22,398,425 | 22,398,425 | 22,398,425 |
| Other financial assets | 4,013,150 | 4,013,150 | 4,013,150 | 4,013,150 |
| | 26,411,576 | 26,411,576 | 26,411,576 | 26,411,576 |
| Impairment assessment under IFRS: | | | | |
| Loans and advances | | | | |
| 12-months ECL credit | 7,078,093 | 5,366,908 | 7,078,093 | 5,366,908 |
| Life-time ECL Not impaired | 16,106 | 94,781 | 16,106 | 94,781 |
| Life-time ECL credit impaired | 10,825,014 | 11,225,979 | 10,825,014 | 11,225,979 |
| | 17,919,213 | 16,687,668 | 17,919,213 | 16,687,668 |
| Investment securities | | | | |
| 12-months ECL | 1,056,680 | 1,068,701 | 1,056,680 | 1,068,701 |
| | 1,056,680 | 1,068,701 | 1,056,680 | 1,068,701 |
| Off balance sheet exposures | | | | |
| 12-months ECL | 1,105,890 | 1,336,032 | 1,105,890 | 1,336,032 |
| | 1,105,890 | 1,336,032 | 1,105,890 | 1,336,032 |
| Other financial assets | | | | |
| specific allowance for impairment on other assets | - | - | - | - |
| 12 months ECL Lifetime ECL | 1,182,289 | 1,327,555 | 1,182,289 | 1,327,555 |
| Other non-financial assets | - | - | - | - |
| | 1,182,289 | 1,327,555 | 1,182,289 | 1,327,555 |
| Total IFRS Impairment | 21,264,072 | 20,419,956 | 21,264,072 | 20,419,956 |
| Excess of Prudential impairment over IFRS impairment transferred to regulatory reserve | 5,147,504 | 5,991,620 | 5,147,504 | 5,991,620 |

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 30 June, 2022

Notes to the Financial Statements

| <i>In thousands of Nigerian Naira</i> | Group | | | | Bank | | | |
|---|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|------------------------|
| | 3 Months 30-Jun-22 | 6 Months 30-Jun-22 | 6 Months 30-Jun-21 | 12 Months 31-Dec-21 | 3 Months 30-Jun-22 | 6 Months 30-Jun-22 | 6 Months 30-Jun-21 | 12 Months 31-Dec-21 |
| 7 Interest income | | | | | | | | |
| Cash and cash equivalents | 480,627 | 710,096 | 1,551,831 | 2,870,287 | 480,627 | 710,096 | 1,551,831 | 2,870,287 |
| Loans and advances to banks and customers | 21,757,755 | 39,974,848 | 28,333,578 | 63,825,273 | 21,757,755 | 39,974,848 | 28,333,578 | 63,825,273 |
| Investments securities | 3,182,196 | 9,765,099 | 3,806,692 | 8,102,731 | 3,976,628 | 9,064,128 | 2,300,892 | 6,607,328 |
| Total interest income | 25,420,578 | 50,450,043 | 33,692,101 | 74,798,291 | 26,215,010 | 49,749,072 | 32,186,301 | 73,302,888 |

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.

| Interest expense | | | | | | | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Deposits from banks | 662,036 | 1,183,235 | 1,873,229 | 2,728,905 | 662,036 | 1,183,235 | 1,873,229 | 2,728,905 |
| Interest expense on lease liabilities | - | - | - | - | - | - | 0 | - |
| Deposits from customers | 11,390,628 | 23,360,592 | 10,420,602 | 26,967,144 | 11,390,628 | 23,360,592 | 10,420,602 | 26,967,144 |
| Other borrowed funds | 229,445 | 2,691,510 | 3,092,842 | 5,225,504 | 990,565 | 1,966,067 | 1,579,783 | 3,732,297 |
| Total interest expense | 12,282,110 | 27,235,337 | 15,386,672 | 34,921,553 | 13,043,230 | 26,509,894 | 13,873,613 | 33,428,346 |
| Net interest income | 13,138,468 | 23,214,706 | 18,305,429 | 39,876,738 | 13,171,780 | 23,239,178 | 18,312,688 | 39,874,542 |

| 8 Fees and commission income | Group | | | | Bank | | | |
|--|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|-------------------|
| | 30-Jun-22 | 30-Jun-22 | 30-Jun-21 | 31-Dec-21 | 30-Jun-22 | 30-Jun-22 | 30-Jun-21 | 31-Dec-21 |
| Credit related fees | 227,283 | 438,538 | 503,286 | 1,000,152 | 227,283 | 438,538 | 503,286 | 1,000,152 |
| Account maintenance fees | 652,374 | 1,286,964 | 943,302 | 2,101,761 | 652,374 | 1,286,964 | 943,302 | 2,101,761 |
| Management fees | 534,158 | 1,524,279 | 1,368,658 | 4,240,802 | 534,158 | 1,524,279 | 1,368,658 | 4,240,802 |
| Fees on electronic products | 864,979 | 1,652,888 | 1,215,260 | 2,635,079 | 864,979 | 1,652,888 | 1,215,260 | 2,635,079 |
| Fees on financial guarantees | 125,620 | 259,215 | 280,885 | 567,040 | 125,620 | 259,215 | 280,885 | 567,040 |
| Other fees and charges | 1,019,196 | 2,315,441 | 1,082,201 | 2,879,269 | 1,019,196 | 2,315,441 | 1,082,201 | 2,879,269 |
| Total fee and commission income | 3,423,610 | 7,477,325 | 5,393,592 | 13,424,103 | 3,423,610 | 7,477,325 | 5,393,592 | 13,424,103 |

| 9 Net trading income | | | | | | | | |
|-------------------------------------|-----------------|-----------------|----------------|------------------|-----------------|-----------------|----------------|------------------|
| Fixed income securities | 121,071 | 130,582 | 2,571 | 9,461 | 121,071 | 130,582 | 2,571 | 9,461 |
| Treasury bills | -881,461 | -530,530 | 684,223 | 1,269,433 | (881,461) | -530,530 | 684,223 | 1,269,433 |
| Foreign exchange trading (note 9.1) | 54,294 | 108,974 | 126,673 | 277,205 | 54,294 | 108,974 | 126,673 | 277,205 |
| | -706,096 | -290,975 | 813,466 | 1,556,099 | -706,096 | -290,975 | 813,466 | 1,556,099 |

Foreign exchange trading income is principally made up of trading income on foreign currencies, as well as gains and losses from revaluation of

9.1 trading position. The amount reported above are totally from financial assets carried at fair value through profit or loss

| 10 Other income | Group | | | | Bank | | | |
|---|----------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|
| | 30-Jun-22 | 30-Jun-22 | 30-Jun-21 | 31-Dec-21 | 30-Jun-22 | 30-Jun-22 | 30-Jun-21 | 31-Dec-21 |
| Dividends on available-for-sale equity securities | 140,082 | 143,682 | 130,679 | 168,873 | 140,082 | 143,682 | 130,679 | 168,873 |
| Gains on disposal of property and equipment | 295 | (1,703) | 791 | 167,030 | 295 | (1,703) | 791 | 167,030 |
| Rental income | 16,541 | 30,220 | 22,163 | 40,019 | 16,541 | 30,220 | 22,163 | 40,019 |
| Insurance claim received | - | - | - | 50,000 | - | - | - | 50,000 |
| Income on contingents | (176) | 12,686 | 16,860 | 30,686 | (176) | 12,686 | 16,860 | 30,686 |
| Income on deposit accounts | 12,520 | 33,911 | 49,916 | 83,911 | 12,520 | 33,911 | 49,916 | 83,911 |
| Digital Income | 169,929 | 342,347 | 3,801 | 332,764 | 169,929 | 342,347 | 3,801 | 332,764 |
| FX Revaluation | 182,017 | 491,130 | 1,012,618 | 2,022,150 | 182,017 | 491,130 | 1,012,618 | 2,022,150 |
| Swift transactions | 27,302 | 54,581 | 20,512 | 93,101 | 27,302 | 54,581 | 20,512 | 93,101 |
| Service charge | 4,105 | 13,598 | 23,570 | 59,893 | 4,105 | 13,598 | 23,570 | 59,893 |
| Advisory fees | 7,756 | 15,278 | 12,601 | 27,527 | 7,756 | 15,278 | 12,601 | 27,527 |
| Others | 56,235 | 60,154 | 124,814 | 220,704 | 56,235 | 60,154 | 124,814 | 220,704 |
| | 616,607 | 1,195,885 | 1,418,326 | 3,296,658 | 616,607 | 1,195,885 | 1,418,326 | 3,296,658 |

Wema Bank Plc

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For the period ended 30 June, 2022

Notes to the Financial Statements

| | Group | | | | Bank | | | |
|---|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|------------------------|
| | 3 Months 30-Jun-22 | 6 Months 30-Jun-22 | 6 Months 30-Jun-21 | 12 Months 31-Dec-21 | 3 Months 30-Jun-22 | 6 Months 30-Jun-22 | 6 Months 30-Jun-21 | 12 Months 31-Dec-21 |
| 11 Impairment loss on financial/non-financial instruments | | | | | | | | |
| Impairment loss/(write back) on financial and non-financial instruments | | | | | | | | |
| Impairment charge on financial instruments | | | | | | | | |
| Total impairment charge on loans and advances | 368,250 | 626,430 | 858,624 | 2,241,746 | 368,250 | 626,430 | 858,624 | 2,241,746 |
| Investment securities/Treasury bills | (16,839) | - | - | (86,988) | (16,839) | - | - | (86,988) |
| Cash and cash equivalent | 35,654 | - | - | 47,764 | 35,654 | - | 0 | 47,764 |
| Other non financial assets | (20,143) | - | 13,890 | 8,152 | (20,143) | - | 13,890 | 8,152 |
| | - | - | - | - | - | - | - | - |
| Impairment charge on non-financial instruments | | | | | | | | |
| Off balance sheet | (20,121) | - | 23,003 | (65,399) | (20,121) | - | 23,003 | (65,399) |
| Recoveries on loans | (87) | (1,374) | (33,905) | (40,882) | (87) | (1,374) | (33,905) | (40,882) |
| Total impairment charge on financial instruments | 346,714 | 625,056 | 861,612 | 2,104,393 | 346,714 | 625,056 | 861,612 | 2,104,393 |

12 Personnel expenses

| | | | | | | | | |
|---|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|-------------------|
| Wages and salaries | 3,630,576 | 6,873,413 | 5,926,893 | 12,267,392 | 3,630,576 | 6,873,413 | 5,926,893 | 12,267,392 |
| Pension Contribution | 465,687 | 842,037 | 500,496 | 1,022,584 | 465,687 | 842,037 | 500,496 | 1,022,584 |
| Contributions/Reversals to defined contribution plans | - | - | - | - | - | - | - | - |
| Other staff costs | 1,050,136 | 1,829,884 | 1,588,861 | 3,387,444 | 1,050,136 | 1,829,884 | 1,588,861 | 3,387,444 |
| | 5,146,399 | 9,545,334 | 8,016,251 | 16,677,420 | 5,146,399 | 9,545,334 | 8,016,251 | 16,677,420 |

13a Other operating expenses

| <i>In thousands of Nigerian Naira</i> | Group | | | | Bank | | | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|------------------------|
| | 3 Months 30-Jun-22 | 6 Months 30-Jun-22 | 6 Months 30-Jun-21 | 12 Months 31-Dec-21 | 3 Months 30-Jun-22 | 6 Months 30-Jun-22 | 6 Months 30-Jun-21 | 12 Months 31-Dec-21 |
| Advertising and marketing | 498,716 | 863,393 | 592,091 | 1,258,042 | 498,716 | 863,393 | 592,091 | 1,258,042 |
| AMCON Levy (i) | 1,603,979 | 3,189,633 | 2,593,000 | 5,291,832 | 1,603,979 | 3,189,633 | 2,593,000 | 5,291,832 |
| Auditors remuneration | 17,500 | 82,500 | 150,000 | 103,000 | 20,000 | 80,000 | 150,000 | 98,000 |
| Business Expenses | 79,640 | 134,990 | 61,580 | 161,855 | 79,640 | 134,990 | 61,580 | 161,855 |
| Cash movement expenses | 138,687 | 273,363 | 314,315 | 435,891 | 138,687 | 273,363 | 314,315 | 435,891 |
| Diesel Expenses | 425,175 | 684,905 | 288,006 | 649,722 | 425,175 | 684,905 | 288,006 | 649,722 |
| Directors Expenses | 14,450 | 26,900 | 11,500 | 32,200 | 14,450 | 26,900 | 11,500 | 32,200 |
| Directors fees | 8,829 | 16,849 | 16,297 | 76,946 | 8,829 | 16,849 | 16,297 | 76,946 |
| Donations | 26,132 | 47,736 | 182,348 | 723,782 | 26,132 | 47,736 | 182,348 | 723,782 |
| Electricity | 141,722 | 277,899 | 254,339 | 496,462 | 141,722 | 277,899 | 254,339 | 496,462 |
| General administrative expenses | 962,385 | 1,553,854 | 803,009 | 1,192,958 | 966,229 | 1,553,854 | 805,425 | 1,189,114 |
| Legal expenses | 85,082 | 146,215 | 121,307 | 318,663 | 85,082 | 146,215 | 121,307 | 318,663 |
| Insurance | 104,675 | 169,042 | 150,497 | 328,767 | 104,675 | 169,042 | 150,497 | 328,767 |
| NDIC Premium | 986,581 | 2,054,867 | 1,875,185 | 3,749,476 | 986,581 | 2,054,867 | 1,875,185 | 3,749,476 |
| Other premises and equipment costs | 118,926 | 213,978 | 168,987 | 366,141 | 118,926 | 213,978 | 168,987 | 366,141 |
| Printing and stationery | 174,512 | 332,175 | 237,915 | 349,316 | 174,512 | 332,175 | 237,915 | 349,316 |
| Other Professional fees | 317,528 | 549,970 | 437,170 | 1,376,028 | 317,528 | 549,970 | 437,170 | 1,376,028 |
| Digital Bank Professional fees (ii) | 29,015 | 113,095 | 190,856 | 162,640 | 29,015 | 113,095 | 190,856 | 162,640 |
| Repairs and maintenance | 699,168 | 1,355,858 | 1,046,629 | 2,481,811 | 699,168 | 1,355,858 | 1,046,629 | 2,481,811 |
| Security expenses | 150,325 | 269,649 | 226,074 | 483,396 | 150,325 | 269,649 | 226,074 | 483,396 |
| Service charge | 792,137 | 1,188,523 | 624,296 | 1,930,543 | 792,137 | 1,188,523 | 624,296 | 1,930,543 |
| SMS Expenses & Others | 15,957 | 29,084 | 53,729 | 34,047 | 15,956 | 29,084 | 53,729 | 34,049 |
| Statutory expenses | 19,925 | 19,925 | 67,066 | 155,551 | 19,925 | 19,925 | 67,066 | 155,551 |
| Technology and alternative channels | 485,311 | 889,345 | 378,600 | 1,430,459 | 485,311 | 889,345 | 378,600 | 1,430,459 |
| Transport & Communications | 151,005 | 308,812 | 303,429 | 562,773 | 151,005 | 308,812 | 303,429 | 562,773 |
| | 8,047,362 | 14,792,559 | 11,148,224 | 24,152,302 | 8,053,705 | 14,790,059 | 11,150,640 | 24,143,460 |

i 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.

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

| <i>In thousands of Nigerian Naira</i> | Group | | | | Bank | | | |
|--|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|------------------------|
| | 3 Months 30-Jun-22 | 6 Months 30-Jun-22 | 6 Months 30-Jun-21 | 12 Months 31-Dec-21 | 3 Months 30-Jun-22 | 6 Months 30-Jun-22 | 6 Months 30-Jun-21 | 12 Months 31-Dec-21 |
| 13b Depreciation and amortization | | | | | | | | |
| Property, plants and equipment | 773,149 | 1,513,080 | 1,340,889 | 2,748,330 | 773,149 | 1,513,080 | 1,340,889 | 2,748,330 |
| Right of use of assets | 70,780 | 142,015 | 123,183 | 256,980 | 70,780 | 142,015 | 123,183 | 256,980 |
| Investment property | - | - | 467 | 939 | - | - | 467 | 939 |
| Intangible assets | 192,380 | 338,405 | 157,514 | 393,069 | 192,380 | 338,405 | 157,514 | 393,069 |
| | 1,036,309 | 1,993,501 | 1,622,053 | 3,399,318 | 1,036,309 | 1,993,501 | 1,622,053 | 3,399,318 |

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

| | Group | | Bank | |
|---|-----------------------|------------------------|-----------------------|------------------------|
| | 6 Months 30-Jun-22 | 12 Months 31-Dec-21 | 6 Months 30-Jun-22 | 12 Months 31-Dec-21 |
| <i>In thousands</i> | | | | |
| Weighted average number of ordinary shares - basic;'000 | 12,858,155 | 38,574,466 | 12,858,155 | 38,574,466 |
| Profit attributable to ordinary shareholders -basic | | | | |
| Profit for the year attributable to equity holders of the Bank '000 | 5,275,777 | 9,593,848 | 5,302,749 | 9,600,494 |
| Earnings per share -basic (Kobo) | 82.0 | 24.9 | 82.4 | 24.9 |

15 Cash and cash equivalents

In thousands of Nigerian Naira

| | Group | | Bank | |
|---|-----------------------|------------------------|-----------------------|------------------------|
| | 6 Months 30-Jun-22 | 12 Months 31-Dec-21 | 6 Months 30-Jun-22 | 12 Months 31-Dec-21 |
| Cash and balances with banks | 50,486,032 | 58,699,020 | 50,399,083 | 58,687,029 |
| Unrestricted balances with central bank | 9,957,077 | 16,246,827 | 9,957,077 | 16,246,827 |
| Money market placements | 19,096,467 | 34,855,322 | 19,096,467 | 34,855,322 |
| ECL Allowance | (52,389) | (74,529) | (52,389) | (74,529) |
| | 79,487,187 | 109,726,640 | 79,400,238 | 109,714,649 |

15b Restricted Deposit with CBN

Mandatory reserve deposit is reported net of N19.76 billion (December 31, 2021: N12.82 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-22 | 12 Months 31-Dec-21 | 6 Months 30-Jun-22 | 12 Months 31-Dec-21 |
| 16 Pledged assets - Held at amortised cost | | | | |
| <i>In thousands of Nigerian Naira</i> | | | | |
| Treasury bills (note 16.1) | 37,177,287 | 57,476,435 | 37,177,287 | 57,476,435 |
| Bonds (16.2) | 21,912,714 | 26,246,684 | 21,912,714 | 26,246,684 |
| | 59,090,001 | 83,723,119 | 59,090,001 | 83,723,119 |

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 intervention credit granted to the Bank by the Bank of Industry and Development Bank of Nigeria for the purpose of refinancing existing loans to Small and Medium Scale Enterprises Scheme under secured borrowing with related liability of N14.10 billion (2021: N13.05 billion) as disclosed in note 28.

| In thousands of Nigerian Naira | Group | | Bank | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| 17 Investment securities | 298,603,811 | 174,081,524 | 290,450,259 | 163,121,256 |
| Current | 166,196,252 | 152,326,804 | 166,196,252 | 152,326,804 |
| Non-current | 132,407,559 | 21,754,721 | 124,254,007 | 10,794,452 |
| 17a Investment securities measured at FVTOCI | | | | |
| Treasury bills | 0 | 0 | 0 | 0 |
| Equity (see note (i) below) | 5,524,171 | 5,465,878 | 5,525,171 | 5,466,878 |
| ECL Allowance on FVTOCI Investments | (9,176) | (10,005) | (9,176) | (10,005) |
| | 5,514,995 | 5,455,873 | 5,515,995 | 5,456,873 |
| 17b Investment securities measured at FVTPL | | | | |
| Treasury Bills | 33,892,049 | 38,693,696 | 33,892,049 | 38,693,696 |
| 17c Investment securities measured at amortised cost | | | | |
| Treasury Bills | 132,304,203 | 113,633,108 | 132,304,203 | 113,633,108 |
| FGN Bonds | 122,881,630 | 11,892,584 | 114,727,079 | 931,316 |
| Other Bonds (see (ii) below) | 5,015,224 | 5,400,435 | 5,015,224 | 5,400,435 |
| ECL Allowance - Investments at Amortised Cost | (1,004,291) | (994,172) | (1,004,291) | (994,172) |
| | 259,196,767 | 129,931,955 | 251,042,215 | 118,970,687 |
| (i) Equity | | | | |
| 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) | 5,454,215 | 5,395,922 | 5,454,215 | 5,395,922 |
| | 5,524,171 | 5,465,878 | 5,525,171 | 5,466,878 |
| | 5,524,171 | 5,465,878 | 5,525,171 | 5,466,878 |

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

| | Group | | Bank | |
|-------------------------------------|------------------|------------------|------------------|------------------|
| | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| CORPORATE | | | | |
| I. 7YR: DANA Group Bond Series 1 | | | | |
| Opening balance | 929,145 | 1,155,737 | 929,145 | 1,155,737 |
| Movement in the year | - | (226,592) | - | (226,592) |
| Closing balance | 929,145 | 929,145 | 929,145 | 929,145 |
| STATE BONDS | | | | |
| I. EKITI State Govt Bond Tranche 11 | | | | |
| Opening balance | 861,740 | 1,005,360 | 861,740 | 1,005,360 |
| Movement in the year | (72,120) | (143,620) | (72,120) | (143,620) |
| Closing balance | 789,620 | 861,740 | 789,620 | 861,740 |
| III. ONDO State Govt Bond | | | | |
| Opening balance | 3,609,550 | 4,104,234 | 3,609,550 | 4,104,234 |
| Movement in the year | (313,091) | (494,684) | (313,091) | (494,684) |
| Closing balance | 3,296,459 | 3,609,550 | 3,296,459 | 3,609,550 |
| Total Other Bonds | 5,015,224 | 5,400,435 | 5,015,224 | 5,400,435 |
| ECL | (949,265) | (951,241) | (949,265) | (951,241) |
| | 4,065,959 | 4,449,194 | 4,065,959 | 4,449,194 |

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

| | Group | | Bank | |
|---|---------------------|---------------------|----------------------|---------------------|
| | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| <i>In thousands of Nigeria Naira</i> | | | | |
| Overdrafts | 41,420,838 | 37,665,992 | 41,420,838 | 37,665,992 |
| Term Loans | 417,152,207 | 391,517,198 | 417,152,207 | 391,517,198 |
| Advances under finance lease | 6,578,867 | 6,368,781 | 6,578,867 | 6,368,781 |
| Gross loans and receivables | 465,151,912 | 435,551,971 | 465,151,912 | 435,551,971 |
| Less ECL allowances | | | | |
| 12-months ECL credit | (7,078,093) | (5,366,908) | (7,078,093) | (5,366,908) |
| Life-time ECL Not impaired | (16,106) | (94,781) | (16,106) | (94,781) |
| Life-time ECL credit impaired | (10,825,014) | (11,225,979) | (10,825,014) | (11,225,979) |
| | (17,919,213) | (16,687,668) | (17,919,213) | (16,687,668) |
| Net loans and advances to customers | 447,232,699 | 418,864,303 | 447,232,699 | 418,864,303 |
| 30-Jun-22 | | | | |
| | Term loan | Overdrafts | Finance lease | Total |
| Gross loans | 417,152,207 | 41,420,838 | 6,578,867 | 465,151,912 |
| 12 months ECL loans and advances | 6,552,252 | 374,459 | 151,382 | 7,078,093 |
| Lifetime ECL not credit-impaired loans and advances | 11,448 | 4,658 | - | 16,106 |
| Lifetime ECL credit-impaired loans and advances | 6,350,039 | 4,444,637 | 30,339 | 10,825,014 |
| | 430,065,945 | 46,244,592 | 6,760,588 | 483,071,125 |
| 31-Dec-21 | | | | |
| | Term loan | Overdrafts | Finance lease | Total |
| Gross loans | 391,517,198 | 37,665,992 | 6,368,781 | 435,551,971 |
| 12 months ECL loans and advances | (3,569,740) | (1,550,904) | (246,264) | (5,366,908) |
| Lifetime ECL not credit-impaired loans and advances | (61,825) | (32,956) | - | (94,781) |
| Lifetime ECL credit-impaired loans and advances | (7,937,608) | (3,233,274) | (55,097) | (11,225,979) |
| | 379,948,025 | 32,848,859 | 6,067,420 | 418,864,303 |

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| In thousands of Nigerian Naira | Overdraft | Term Loan | Advances under finance lease | Totals |
|--|--------------------|--------------------|---------------------------------------|--------------------|
| Balance as at 31 December 2021 | 4,817,134 | 11,569,173 | 301,361 | 16,687,668 |
| 12-months ECL credit | 1,550,904 | 3,569,740 | 246,264 | 5,366,908 |
| Life-time ECL Not impaired | 32,956 | 61,825 | - | 94,781 |
| Life-time ECL credit impaired | 3,233,274 | 7,937,608 | 55,097 | 11,225,979 |
| Amortised Cost Interest | 13,336 | 1,016,283 | (122,262) | 907,357 |
| ECL allowance during the year | 197,886 | 423,220 | 5,324 | 626,430 |
| Written off in the year as uncollectible | (204,601) | (93,564) | (2,702) | (300,868) |
| Amounts recovered during the year | - | (1,374) | - | (1,374) |
| Balance as at 30 June 2022 | 4,823,754 | 12,913,738 | 181,721 | 17,919,213 |
| 12-months ECL credit | (374,459) | (6,552,252) | (151,382) | (7,078,093) |
| Life-time ECL Not impaired | (4,658) | (11,448) | - | (16,106) |
| Life-time ECL credit impaired | (4,444,637) | (6,350,039) | (30,339) | (10,825,014) |
| Contingent Liabilities & Commitments: | | | | |
| | Group | | Bank | |
| | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| Guarantees and Indemnities | 94,048,310 | 79,270,996 | 94,048,310 | 79,270,996 |
| Bonds | 7,468,115 | 8,846,615 | 7,468,115 | 8,846,615 |
| Clean-Line Facilities& Irrevocable LCs | 30,293,853 | 31,787,388 | 30,293,853 | 31,787,388 |
| ECL | (1,105,890) | (1,336,032) | (1,105,890) | (1,336,032) |
| | 130,704,389 | 118,568,967 | 130,704,389 | 118,568,967 |

Wema Bank Plc

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For the period ended 30 June, 2022**

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 2021 | 1,590,773 | 16,995,356 | 10,443,090 | 3,516,783 | 12,031,649 | 1,211,505 | 45,789,155 |
| Additions | - | 755,429 | 615,839 | 418,594 | 556,074 | 1,549,573 | 3,895,509 |
| Adjustments | - | - | 298 | 966 | 7 | - | 1,270 |
| Disposals | | | (276,391) | (169,211) | (123,594) | | (569,197) |
| Balance as at 30 June 2022 | 1,590,773 | 17,750,785 | 10,782,835 | 3,767,131 | 12,464,136 | 2,761,078 | 49,116,738 |
| Accumulated depreciation and impairment | | | | | | | |
| Balance at 1 January 2021 | - | 5,469,592 | 7,307,005 | 2,161,991 | 8,432,025 | - | 23,370,613 |
| Charge for the year | - | 167,128 | 544,743 | 266,013 | 535,196 | - | 1,513,080 |
| Adjustments | | (28) | (592) | 795 | 6 | | 182 |
| Disposals | - | | (271,368) | (108,439) | (120,815) | - | (500,623) |
| Balance as at 30 June 2022 | - | 5,636,692 | 7,579,788 | 2,320,361 | 8,846,411 | - | 24,383,252 |
| Carrying amounts | | | | | | | |
| Balance at 1 January 2021 | 1,590,773 | 11,578,923 | 2,725,120 | 1,529,948 | 3,901,898 | 190,660 | 21,517,323 |
| Balance as at 30 June 2022 | 1,590,773 | 12,114,093 | 3,203,047 | 1,446,770 | 3,617,725 | 2,761,078 | 24,733,485 |

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 2021 | 1,590,773 | 16,758,481 | 9,142,777 | 3,422,270 | 11,369,720 | 190,660 | 42,474,680 |
| Additions | | 287,300 | 1,379,163 | 422,512 | 673,234 | 1,020,845 | 3,783,054 |
| Disposals | | (50,425) | (78,850) | (327,999) | (11,305) | | (468,580) |
| Balance as at 31 December 2021 | 1,590,773 | 16,995,356 | 10,443,090 | 3,516,783 | 12,031,649 | 1,211,505 | 45,789,155 |
| Accumulated depreciation and impairment | | | | | | | |
| Balance at 1 January 2021 | - | 5,179,558 | 6,417,656 | 1,892,322 | 7,467,821 | - | 20,957,357 |
| Charge for the year | - | 329,837 | 965,695 | 478,470 | 974,327 | - | 2,748,330 |
| Disposals | - | (39,803) | (76,346) | (208,801) | (10,124) | - | (335,074) |
| Balance as at 31 December 2021 | - | 5,469,592 | 7,307,005 | 2,161,991 | 8,432,024 | - | 23,370,613 |
| Carrying amounts | | | | | | | |
| Balance at 1 January 2021 | 1,590,773 | 11,578,923 | 2,725,120 | 1,529,948 | 3,901,898 | 190,660 | 21,517,323 |
| Balance as at 31 December 2021 | 1,590,773 | 11,525,764 | 3,136,085 | 1,354,791 | 3,599,624 | 1,211,505 | 22,418,542 |

Wema Bank Plc

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For the period ended 30 June, 2022

| <i>In thousands of Nigerian Naira</i> | Group | | Bank | |
|---|------------------|------------------|------------------|------------------|
| | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| 21 Intangible assets | | | | |
| Cost | | | | |
| Cost 1 January, 2021 | 6,674,382 | 5,502,221 | 6,674,382 | 5,502,221 |
| Additions | 1,349,482 | 1,172,161 | 1,349,482 | 1,172,161 |
| Disposal | (3,679) | - | (3,679) | - |
| Transfer to computer equipment | - | - | - | - |
| Balance as at 30 June 2022 | 8,020,185 | 6,674,382 | 8,020,185 | 6,674,382 |
| Amortization and impairment losses | | | | |
| Cost 1 January, 2021 | 4,503,741 | 4,110,672 | 4,503,741 | 4,110,672 |
| Amortization for the year | 338,405 | 393,069 | 338,405 | 393,069 |
| Disposal | (3,660) | - | (3,660) | - |
| Balance as at 30 June 2022 | 4,838,486 | 4,503,741 | 4,838,486 | 4,503,741 |
| Carrying amounts | 3,181,699 | 2,170,640 | 3,181,699 | 2,170,640 |

- 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

22 Deferred tax assets and liabilities

- 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-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| At 1 January 2021 | 15,500,694 | 18,236,111 | 15,500,694 | 18,236,111 |
| Write down | - | (2,735,417) | - | (2,735,417) |
| Closing balance | 15,500,694 | 15,500,694 | 15,500,694 | 15,500,694 |

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In thousands of Nigerian Naira

| | Group | | Bank | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| 23 Other assets | | | | |
| Accounts receivables | 23,206,740 | 13,367,358 | 23,206,740 | 13,367,358 |
| Prepayments | 10,869,171 | 927,929 | 10,869,171 | 927,929 |
| Stock | 1,000,479 | 478,767 | 1,000,479 | 478,767 |
| Collateralised Placement | 52,917 | 52,917 | 52,917 | 52,917 |
| Clearing Balance | 133,038 | 195,335 | 133,038 | 195,335 |
| Fraud & Burglary | 838,743 | 670,731 | 838,743 | 670,731 |
| 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 | 902,759 | 902,759 | 902,759 |
| Receivable on E-business Channels | 839,284 | 691,482 | 839,284 | 691,482 |
| Other Settlements | 4,707,819 | 7,050,536 | 4,707,819 | 7,050,536 |
| Others | 33,296 | 15,763 | 33,296 | 15,763 |
| | 53,261,460 | 35,030,791 | 53,261,460 | 35,030,791 |
| Specific impairment on other assets | (687,789) | (724,798) | (687,789) | (724,798) |
| | 52,573,671 | 34,305,993 | 52,573,671 | 34,305,993 |
| At 1 January 2021 | 724,798 | 665,262 | 724,798 | 665,262 |
| Allowance/write off made during the year | (37,009) | 59,536 | (37,009) | 59,536 |
| Transfer from investment | - | - | - | - |
| Closing balance | 687,789 | 724,798 | 687,789 | 724,798 |
| Classified as: | | | | |
| Current | 40,692,108 | 23,151,162 | 40,692,108 | 23,151,162 |
| Non-current | 12,569,352 | 11,879,629 | 12,569,352 | 11,879,629 |
| | 53,261,460 | 35,030,791 | 53,261,460 | 35,030,791 |

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

| | Group | | Bank | |
|--------------------------------------|----------------------|--------------------|----------------------|--------------------|
| | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| <i>In thousands of Nigeria Naira</i> | | | | |
| Money market deposits | 44,250,500 | 40,700,000 | 44,250,500 | 40,700,000 |
| Deposits from customers | | | | |
| Retail customers: | | | | |
| Term deposits | 124,161,019 | 112,531,039 | 124,161,019 | 112,531,039 |
| Current deposits | 44,888,321 | 27,929,504 | 44,888,321 | 27,929,504 |
| Savings | 160,936,225 | 152,328,228 | 160,936,225 | 152,328,228 |
| Corporate customers: | | | | |
| Term deposits | 420,251,646 | 343,571,256 | 420,251,646 | 343,571,256 |
| Current deposits | 230,217,971 | 214,609,899 | 230,217,971 | 214,609,899 |
| Others | 72,365,296 | 76,501,249 | 72,365,296 | 76,501,249 |
| | 1,052,820,478 | 927,471,175 | 1,052,820,478 | 927,471,175 |

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

| | | | | |
|----------------|----------------------|--------------------|----------------------|--------------------|
| Under 3 months | 729,886,452 | 642,985,826 | 729,886,452 | 642,985,826 |
| 3 - 6months | 211,778,581 | 186,564,123 | 211,778,581 | 186,564,123 |
| 6 - 12months | 73,653,287 | 64,884,092 | 73,653,287 | 64,884,092 |
| Over 12months | 37,502,158 | 33,037,134 | 37,502,158 | 33,037,134 |
| | 1,052,820,478 | 927,471,175 | 1,052,820,478 | 927,471,175 |

At 30 June 2022 N37.50billion (31 December 2021: N33.04billion) of deposits from customers are expected to be more than 12 months after the reporting date.

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For the period ended 30 June, 2022

| In thousands of Nigerian Naira | | Group | | Bank | |
|--------------------------------|--------------------------------|----------------|------------------|----------------|------------------|
| | | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| 26 | Taxation | | | | |
| 26.1 | Income tax expense | | | | |
| | Company income tax | 827,597 | 405,135 | 827,597 | 405,135 |
| | Education Tax | - | 140,378 | | 140,378 |
| | NITDA Levy | - | 122,237 | | 122,237 |
| | Nigerian Police Trust Fund | - | 586 | | 586 |
| | Capital Gains Tax | - | 16,227 | | 16,227 |
| | NASENI | - | 30,960 | | 30,960 |
| | Current Income Tax expense | 827,597 | 715,523 | 827,597 | 715,523 |
| | Deferred tax expenses | - | 2,735,417 | - | 2,735,417 |
| | | 827,597 | 3,450,940 | 827,597 | 3,450,940 |
| 26.2 | Current tax liabilities | | | | |
| | At 1 January | 716,120 | 394,511 | 716,120 | 394,511 |
| | Payment during the year | (707,968) | (393,914) | (707,968) | (393,914) |
| | Charge for the year | 827,597 | 715,523 | 827,597 | 715,523 |
| | Closing balance | 835,749 | 716,120 | 835,749 | 716,120 |

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 2.5% 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

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27 Other liabilities

| <i>In thousands of Nigerian Naira</i> | Group | | Bank | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| <i>Financial Liabilities</i> | | | | |
| Creditors and accruals | 2,224,114 | 1,364,105 | 2,224,114 | 1,364,105 |
| Staff Deductions | 605,581 | 36,142 | 605,581 | 36,142 |
| Provision for Others | 462,657 | 2,657 | 462,657 | 2,657 |
| Other current liabilities | 425,106 | 91,541 | 180,406 | 31,647 |
| Insurance Claim | 185,748 | 99,399 | 185,748 | 99,399 |
| Swift Payables | 269,837 | 218,537 | 269,837 | 218,537 |
| Western Union | 3,052 | 2,997 | 3,052 | 2,997 |
| Salary Suspense | 17,976 | 17,369 | 17,976 | 17,369 |
| Accounts payable | 1,350,276 | 1,088,125 | 1,350,276 | 1,088,125 |
| Electronic products payable | 566,387 | 655,457 | 566,387 | 655,457 |
| Certified cheques | 1,375,851 | 1,214,283 | 1,375,851 | 1,214,283 |
| Customer deposits for letters of credit | 25,637,658 | 20,241,971 | 25,637,658 | 20,241,971 |
| Discounting Line | 35,560,267 | 25,837,365 | 35,560,267 | 25,837,365 |
| Other Settlements | 601,450 | 1,936,151 | 601,450 | 1,936,151 |
| Remittances | 15,812,058 | 10,129,871 | 15,812,058 | 10,129,871 |
| | 85,098,018 | 62,935,970 | 84,853,319 | 62,876,076 |
| <i>Non-Financial Liabilities</i> | | | | |
| Litigation claims provision (i) | 494,500 | 494,500 | 494,500 | 494,500 |
| Other payables | 4,126,818 | 267,202 | 4,126,818 | 267,202 |
| | 89,719,337 | 63,697,672 | 89,474,637 | 63,637,779 |
| Classified as: | | | | |
| Current | 86,391,760 | 59,459,113 | 86,147,061 | 59,399,219 |
| Non-current | 3,327,577 | 4,238,559 | 3,327,577 | 4,238,559 |
| | 89,719,337 | 63,697,672 | 89,474,637 | 63,637,779 |

(i) Movement in litigation claims provision

| | | | | |
|-----------------|----------------|----------------|----------------|----------------|
| Opening balance | 494,500 | 386,244 | 494,500 | 386,244 |
| Additions | - | 108,256 | - | 108,256 |
| Payment | - | - | - | - |
| | 494,500 | 494,500 | 494,500 | 494,500 |

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 30 June, 2022**

| | <i>In thousands of Nigerian Naira</i> | | | |
|---------------------------------|---------------------------------------|-------------------|-------------------|-------------------|
| | : | | | |
| | Group | | Bank | |
| | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| 28 Other borrowed funds | | | | |
| Due to BOI (see (i) below) | 2,825,649 | 3,626,451 | 2,825,649 | 3,626,451 |
| Osun Bailout Fund (see v below) | 8,459,417 | 8,756,239 | 8,459,417 | 8,756,239 |
| CBN Agric. loan (see ii below) | 2,328,754 | 2,609,968 | 2,328,754 | 2,609,968 |
| CBN MSMEDF (see iv below) | 492,663 | 506,525 | 492,663 | 506,525 |
| Wema SPV (see iv below) | 18,464,261 | 24,758,018 | 10,223,760 | 13,627,926 |
| Anchor Borrowers fund | 2,478,805 | 3,137,555 | 2,478,805 | 3,137,555 |
| Other Borrowings | 1,585,498 | 59,301 | 1,585,498 | 59,301 |
| Shelter Afrique (see vi below) | 3,825,450 | 4,560,483 | 3,825,450 | 4,560,483 |
| AFDB (see vii below) | 2,606,042 | 3,156,092 | 2,606,042 | 3,156,092 |
| DBN | 5,939,983 | 9,418,708 | 5,939,983 | 9,418,708 |
| AGSMEIS/RSSF | 19,763,789 | 12,142,321 | 19,763,789 | 12,142,321 |
| | 68,770,311 | 72,731,661 | 60,529,810 | 61,601,569 |

- (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.

- (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
- (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
- (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%)

| 28b | Group | | Bank | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| At 1 January | 72,731,661 | 73,523,471 | 61,601,569 | 62,416,375 |
| Additions | 9,147,665 | 3,261,495 | 9,147,665 | 3,261,495 |
| Effect of exchange rate changes [loss/(profit)] | (206,132) | 154,201 | (206,132) | 154,201 |
| Payments made | (10,013,292) | (4,207,506) | (10,013,292) | (4,230,502) |
| Closing balance | 71,659,902 | 72,731,661 | 60,529,810 | 61,601,569 |

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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.

| | 30-Jun-22 | 31-Dec-21 |
|-----------------------------------|------------------|------------------|
| COST | N | N |
| 29a. At 1 January 2021 | 1,543,641 | 1,056,941 |
| Additions | 233,302 | 486,700 |
| Terminated contracts | | |
| Balance as at 30 June 2022 | 1,776,943 | 1,543,641 |
| DEPRECIATION CHARGE | | |
| At 1 January 2021 | 692,393 | 435,413 |
| Charge for the period | 142,015 | 256,980 |
| Balance as at 30 June 2022 | 834,408 | 692,393 |
| CARRYING AMOUNT | | |
| As at 31 December, 2020 | 851,249 | 621,528 |
| Balance as at 30 June 2022 | 942,535 | 851,249 |

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

| | 30-Jun-22 | 31-Dec-21 |
|-----------------------------------|---------------|---------------|
| 29b. LEASE LIABILITY | N | N |
| At 1 January 2021 | 26,879 | 22,875 |
| Addition during the year | - | - |
| Finance charge for the year | 2,257 | 4,004 |
| Payment during the year | | |
| Balance as at 30 June 2022 | 29,136 | 26,879 |

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In thousands of Nigerian Naira

| | Group | | Bank | |
|---|------------------------------|-------------------|------------------|------------------|
| | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| 30 Share capital and Reserves | | | | |
| (a) The share capital comprises: | | | | |
| (i) Authorised - | | | | |
| 40,000,000 Ordinary shares (2021 - 40,000,000,000) Ordinary shares of 50k each (2021 - 50k) | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 |
| (ii) Issued and fully paid - | | | | |
| 12,858,155,360 Ordinary shares (2021 - 12,858,155,360) shares of 50k each (2021 - 50k) | 6,429,077 | 6,429,077 | 6,429,077 | 6,429,077 |
| (iii) Shareholding Structure / Free float Status | | | | |
| Shareholders | No of Ordinary Shares | % Holdings | | |
| Strategic Shareholding | 6,625,734,602 | 51.53 | | |
| Directors Direct Shareholding | 729,482,995 | 5.67 | | |
| Government Shareholding | 1,027,152,774 | 7.99 | | |
| Staff Schemes | - | - | | |
| Free Float | 4,475,784,989 | 34.81 | | |
| Total | 12,858,155,360 | 100.00 | | |
| Strategic Shareholding | | | | |
| Name | Holding | | | |
| SW8 Invest Coy | 1,915,272,289 | 14.90 | | |
| Petrotrab Limited | 1,098,626,666 | 8.54 | | |
| Neemtree Limited | 3,611,835,647 | 28.09 | | |
| | 6,625,734,602 | 51.53 | | |
| Directors Shareholding | | | | |
| Mr. Babatunde Kasali | - | 0.00 | | |
| Mr. Ademola Adebise | 705,168 | 0.01 | | |
| Mr. Chukwuemeka Obioha Obiagwu | 77,083 | 0.00 | | |
| Mrs. Ekong Ibiye Asime | - | 0.00 | | |
| Adesegun Olusegun Oluremi | - | 0.00 | | |
| Mr. Morufu Abiola Oseni | - | 0.00 | | |
| Mr. Oluwole Albert Ajimisinmi | 2,056,998 | 0.02 | | |
| Mr. Abubakar Lawal | 142,972,380 | 1.11 | | |
| Mrs. Abolanle Matel-Okoh | 583,333,333 | 4.54 | | |
| Mr. Akinleye Oluwole Stephen | 336,283 | 0.00 | | |
| Adefarakan Adeyemi Obalolu | - | 0.00 | | |
| Olorunshola Oluwayemisi Christianah | 1,750 | 0.00 | | |
| Okunowo Zubiedat Bolarin Folashade | - | 0.00 | | |
| | 729,482,995 | 5.67 | | |
| Government Shareholding | | | | |
| Oyo State | 138,000 | 0.00 | | |
| Ogun State | 222,223,333 | 1.73 | | |
| Osun State | 222,223,333 | 1.73 | | |
| Ekiti State | - | 0.00 | | |
| FOUNTAIN | 185,645,906 | 1.44 | | |
| Odua Invest Coy | 396,922,202 | 3.09 | | |
| | 1,027,152,774 | 7.99 | | |
| b) Declaration: | | | | |
| Wema Bank Plc with a free float of 34.81% as at 30 June 2022, is compliant with The Nigerian Stock Exchange's free float requirements for companies listed on the Main Board. | | | | |
| Share Premium | | | | |
| At 1 January | 8,698,230 | 8,698,230 | 8,698,230 | 8,698,230 |
| Capital Reduction (Note 30i) | - | - | - | - |
| Closing balance | 8,698,230 | 8,698,230 | 8,698,230 | 8,698,230 |

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) SMEIES 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 SMEIES 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 investment scheme reserves are non-distributable.

(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-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| At 1 January | 7,103,647 | 3,254,018 | 7,314,728 | 3,450,263 |
| Profit or loss | 5,275,777 | 4,577,381 | 5,302,749 | 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 | (3,085,957) | (1,542,979) | (3,085,957) | (1,542,979) |
| Transfer to Credit Risk Reserve | - | - | - | - |
| Regulatory charge to SMEIS | - | 151,313 | - | 151,313 |
| Closing balance | 9,293,467 | 7,103,647 | 9,531,519 | 7,314,728 |

(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 a special reserve in respect of Pan Ocean credit in line with Central Bank of Nigeria requirement on the facility in addition to the prudential provisions.

(i) Other Reserves

| <i>In thousands of Nigeria Naira</i> | Group | | Bank | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 30-Jun-22 | 31-Dec-21 | 30-Jun-22 | 31-Dec-21 |
| Credit Risk reserve | 781,612 | 781,612 | 781,612 | 781,612 |
| Statutory Reserve | 17,654,943 | 14,974,982 | 17,654,943 | 14,974,982 |
| AGSMEIS Reserve | 902,759 | 673,148 | 902,759 | 673,148 |
| Fair Value Reserves | 5,708,069 | 2,086,782 | 5,708,069 | 2,086,781.97 |
| | 25,047,383 | 18,516,524 | 25,047,383 | 18,516,524 |

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31 Contingencies

(i) Litigation and claims

There are litigation claims against the Bank as at 31 Dec 2022 amounting to N7,192,315,919.00 (31 December 2021: N7,192,315,919.00). 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.

(iii) 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.

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

| | Group | | Bank | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Group 30-Jun-22 | Group 31-Dec-21 | Bank 30-Jun-22 | Bank 31-Dec-21 |
| In thousands of Nigerian naira | | | | |
| Contingent liabilities: | | | | |
| Guarantees and indemnities | 94,048,310 | 79,270,996 | 94,048,310 | 79,270,996 |
| Bonds | 7,468,115 | 8,846,615 | 7,468,115 | 8,846,615 |
| Clean-line facilities & irrevocable letters of credit | 30,293,853 | 31,787,388 | 30,293,853 | 31,787,388 |
| ECL | (1,105,890) | (1,336,032) | (1,105,890) | (1,336,032) |
| Closing balance | 130,704,389 | 118,568,967 | 130,704,389 | 118,568,967 |

The following tables show reconciliations from the opening to the closing balance of the loss allowance on off balance sheet exposures.

| | GROUP AND BANK - March 2021 | | | |
|---|-----------------------------|-------------------------------------|---------------------------------|--------------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| In thousands of Nigerian naira | | | | |
| Off Balance sheet exposures | | | | |
| Balance at 1 January 2021 | 1,336,032 | - | - | 1,336,032 |
| Net re-measurement of loan loss allowance (see note 11) | (65,399) | - | - | (65,399) |
| Closing Balance | 1,105,890 | - | - | 1,105,890 |
| Gross Amount | 131,810,278 | - | - | 131,810,278 |

| | GROUP AND BANK - December 2020 | | | |
|---|--------------------------------|-------------------------------------|---------------------------------|--------------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| In thousands of Nigerian naira | | | | |
| Off Balance sheet exposures | | | | |
| Balance at 1 January 2021 | 1,336,032 | - | - | 1,336,032 |
| Net re-measurement of loan loss allowance (see note 11) | (230,142) | - | - | (230,142) |
| Closing Balance | 1,105,890 | - | - | 1,105,890 |
| Gross Amount | 118,568,967 | - | - | 118,568,967 |

(v) 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.