

WEMA BANK PLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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Wema Bank Plc

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

Statement of Profit or loss and other Comprehensive Income

<i>In thousands of Nigerian Naira</i>	Notes	Group			Bank		
		3 Months 30-Sep-22	9 Months 30-Sep-22	9 Months 30-Sep-21	3 Months 30-Sep-22	9 Months 30-Sep-22	9 Months 30-Sep-21
Gross Earnings		35,059,302	95,354,463	63,077,135	34,264,869	93,859,059	61,571,334
Interest income	7	29,523,843	79,973,886	51,550,286	28,729,410	78,478,482	50,044,486
Interest expense		(14,265,917)	(41,501,254)	(23,100,912)	(13,498,153)	(40,008,047)	(21,587,853)
Net interest income	7	15,257,926	38,472,632	28,449,374	15,231,257	38,470,435	28,456,633
Net impairment loss on financial assets	11	(1,501,306)	(2,126,362)	(811,162)	(1,501,306)	(2,126,362)	(811,162)
Net interest income after impairment charge for credit losses		13,756,620	36,346,270	27,638,212	13,729,951	36,344,073	27,645,470
Net gain on FVTPL investment securities		-	1,462,883	13,262	-	1,462,883	13,262
Net fee and commission income	8	4,538,103	12,015,428	8,722,511	4,538,103	12,015,428	8,722,511
Net trading income	9	178,387	(112,588)	1,163,240	178,387	(112,588)	1,163,240
Other income	10	818,970	2,014,855	1,627,836	818,970	2,014,855	1,627,836
		5,535,459	15,380,577	11,526,849	5,535,459	15,380,577	11,526,849
Operating income		19,292,079	51,726,847	39,165,060	19,265,410	51,724,650	39,172,319
Personnel expenses	12	(5,772,551)	(15,317,886)	(12,381,847)	(5,772,551)	(15,317,886)	(12,381,847)
Depreciation and amortization	13b	(1,263,027)	(3,256,528)	(2,486,100)	(1,263,027)	(3,256,528)	(2,486,100)
Other operating expenses	13a	(8,902,393)	(23,694,953)	(17,088,199)	(8,896,049)	(23,686,109)	(17,090,615)
Profit before tax		3,354,107	9,457,481	7,208,915	3,333,782	9,464,128	7,213,757
Income tax expense	26	(450,060)	(1,277,657)	(973,857)	(450,060)	(1,277,657)	(973,857)
Profit for the year		2,904,047	8,179,824	6,235,058	2,883,722	8,186,471	6,239,900
<u>Other comprehensive income, net of income tax Items that will not be subsequently reclassified to profit or loss</u>							
Net change in fair value of investments FVTOCI		-	-	-	-	-	-
Items that will be subsequently reclassified to profit or loss							
Net change in fair value of investments FVOCI		-	-	(97,163)	-	-	(97,163)
Income tax relating to items that may be reclassified subsequently to profit or Loss		-	-	-	-	-	-
Other comprehensive income for the year		-	-	(97,163)	-	-	(97,163)
Total comprehensive income for the year		2,904,047	8,179,824	6,137,894	2,883,722	8,186,471	6,142,737
Profit attributable to:							
Equity holders of the Bank		2,904,047	8,179,824	6,235,058	2,883,722	8,186,471	6,239,900
Total comprehensive income for the year		2,904,047	8,179,824	6,137,894	2,883,722	8,186,471	6,142,737
Earnings per share-basic	14	2.8	84.8	21.6	2.5	84.9	21.6

Wema Bank Plc

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

Statement of financial Position

	Notes	Group		Bank	
		30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
<i>In thousands of Nigerian Naira</i>					
Cash and cash equivalents	15	106,819,034	109,726,640	106,807,043	109,714,649
Restricted Deposit with CBN	15b	363,916,166	313,847,420	363,916,166	313,847,420
Pledged assets	16	36,426,544	83,723,119	36,426,544	83,723,119
Investment securities:					
Fair value through other comprehensive income	17a	5,513,995	5,455,873	5,514,995	5,456,873
Fair Value through profit or loss	17b	28,273,080	38,693,696	28,273,080	38,693,696
Held at amortised cost	17c	266,825,066	129,931,955	262,158,798	118,970,687
Loans and advances to customers	18	461,919,314	418,864,303	461,919,314	418,864,303
Investment properties	19	-	0	-	0
Right of Use	29	905,629	851,249	905,629	851,249
Property and equipment	20	25,336,888	22,418,542	25,336,888	22,418,542
Intangible assets	21	3,072,087	2,170,640	3,072,087	2,170,640
Other assets	23	25,524,710	34,305,993	25,524,710	34,305,993
Deferred tax assets	22	15,500,694	15,500,694	15,500,694	15,500,694
Total Assets		1,340,033,208	1,175,490,124	1,335,355,949	1,164,517,865
Deposits from banks	24	19,853,085	40,700,000	19,853,085	40,700,000
Deposits from customers	25	1,079,576,129	927,471,175	1,079,576,129	927,471,175
Lease Liabilities	29	30,335	26,879	30,335	26,879
Current tax liabilities	26	1,325,113	716,120	1,325,113	716,120
Other liabilities	27	99,105,442	63,697,672	99,038,902	63,637,779
Other borrowed funds	28	64,902,620	72,731,661	60,067,528	61,601,569
Total Liabilities		1,264,792,723	1,105,343,507	1,259,891,091	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	6,089,871	6,089,871	6,089,871
Retained earnings	30	16,117,767	11,023,900	16,342,141	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		75,240,484	70,146,617	75,464,858	70,364,344
TOTAL LIABILITIES AND EQUITY		1,340,033,207	1,175,490,124	1,335,355,949	1,164,517,865
CONTINGENTS		151,880,980	118,568,967	151,880,980	118,568,967

The financial statements were authorized for issue by the directors on the 26th of October 2022 and signed on its behalf by:



Babatunde Kasali
Chairman
FRC/2017/ICAN/00000016973



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



Ademola Adebise
Managing Director
FRC/2013/ICAN/00000002115

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 30 September, 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
2022									
Balance at 1 January 2022	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	-	-	-	-	-	-		8,179,824	8,179,824
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	16,117,767	75,240,484
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 September 2022	19,287,233	8,698,230	781,612	6,089,871	17,654,943	902,759	5,708,069	16,117,767	75,240,484
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	-	-	-	-	-	-		8,926,555	8,926,555
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	14,257,613	70,146,617
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Regulatory risk reserve	-	-		553,752	-	-	-	(553,752)	-
Credit risk reserve			-					-	-
Transfer to Statutory reserve	-	-			2,679,961	-	-	(2,679,961)	-
Total contribution and distributions to owners	-	-	-	553,752	2,679,961	-	-	(3,233,713)	-
Balance as at 31 December 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

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 30 September, 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
2022									
Balance at 1 January 2022	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	-	-	-	-	-	-		8,186,471	8,186,471
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	16,342,141	75,464,858
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 September 2022	19,287,233	8,698,230	781,612	6,089,871	17,654,943	902,759	5,708,069	16,342,141	75,464,858
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	7,314,727	59,352,833
Dividend Payout								(1,542,978)	(1,542,978)
SMEIS Charge						229,611		(229,611)	-
Profit or loss	-	-	-	-	-	-		8,933,202	8,933,202
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	14,475,340	70,364,344
Transactions with owners, recorded directly in equity									-
Contributions by and distributions to owners									-
Regulatory risk reserve				553,752				(553,752)	-
Credit risk reserve			-					-	-
transfer to statutory reserves					2,679,961			(2,679,961)	-
Total contribution and distributions to owners	-	-	-	553,752	2,679,961	-	-	(3,233,713)	-
Balance as at 31 December 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

Wema Bank Plc

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

<i>In thousands of Nigerian Naira</i>	Notes	Group		Bank	
		30-Sep 2022	31-Dec 2021	30-Sep 2022	31-Dec 2021
Cash flows from operating activities					
Profit for the year		8,179,824	9,593,848	8,186,471	9,600,494
Adjustments for:					
Taxation expense	26	1,277,657	3,040,627	1,277,657	3,040,627
Depreciation and amortization	13b	3,256,528	3,142,338	3,256,528	3,142,338
Adjustment for transfer out of PPE now expensed		(919)	0	(919)	0
Right of Use - Payment		-	-	-	-
(Gain)/Loss on disposal of property and equipment	32(xi)	(10,175)	(167,030)	(10,175)	(167,030)
Specific provision on cash	15				
Net interest income	32(xii)	(38,472,632)	(39,876,738)	(38,470,435)	(39,874,542)
Dividend received from equity investment	10	(143,740)	(168,873)	(143,740)	(168,873)
Impairment loss on financial assets	11	2,126,362	2,104,393	2,126,362	2,104,393
Operating cashflow before movement in working capital		(23,787,095)	(22,331,436)	(23,778,252)	(22,322,593)
Change in pledged assets	32(i)	47,296,575	(56,268,457)	47,296,575	(56,268,457)
Change in loans and advances to customers	32(ii)	(45,181,373)	(60,892,616)	(45,181,373)	(60,892,616)
Change in other assets	32(iii)	8,781,283	(12,422,378)	8,781,283	(12,422,378)
Change in deposits from banks	32(iv)	(20,846,915)	40,700,000	(20,846,915)	40,700,000
Change in finance lease obligation		-	-	-	-
Change in restricted deposit with CBN	32(v)	(50,068,746)	(66,872,461)	(50,068,746)	(66,872,461)
Change in deposits from customers	32(vi)	152,104,954	122,597,783	152,104,954	122,597,783
Change in other liabilities	32(vi)	35,411,226	22,139,528	35,404,579	22,119,685
Cashflow generated by operations		103,709,908	(33,350,036)	103,712,105	(33,361,037)
Income tax paid	26.2	(668,665)	(393,914)	(668,665)	(393,914)
Interest received	32(xii)	79,973,886	74,798,291	78,478,482	73,302,888
Interest paid	32(vii)	(37,012,022)	(29,696,049)	(37,012,022)	(29,696,049)
Net cash from operating activities		146,003,108	11,358,293	144,509,901	9,851,888
Cash flows from investing activities					
Disposal/Acquisition of investment securities-At Amortis	32(viii)	(136,893,111)	(80,929,175)	(143,188,111)	(80,907,896)
Disposal/Acquisition of investment securities-FVTOCI	32(ix)	(58,122)	54,735,684	(58,122)	54,735,684
Change in FVTPL investments	32(x)	10,420,616	39,532,256	10,420,616	39,532,256
Dividend received from equity investment	10	143,740	168,873	143,740	168,873
Acquisition of property and equipment	20	(5,481,291)	(3,783,054)	(5,481,291)	(3,783,054)
Proceeds from the sale of property and equipment	32(xi)	104,622	337,983	104,622	337,983
Right of Use	29	(266,021)	(486,700)	(266,021)	(486,700)
Acquisition of intangible assets	21	(1,476,917)	(1,172,161)	(1,476,917)	(1,172,161)
Net cash(used in)/generated by investing activities		(133,506,484)	8,403,706	(139,801,484)	8,424,986
Cash flows from financing activities					
Proceed from borrowings	28b	11,543,532	3,261,495	11,543,532	3,261,495
Repayment of borrowings	28b	(19,166,441)	(4,207,506)	(12,871,441)	(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)	(4,489,232)	(5,225,504)	(2,996,025)	(3,732,297)
Dividend paid to shareholders		(3,085,957)	(1,542,978)	(3,085,957)	(1,542,978)
Net cash from financing activities		(15,404,231)	(7,560,292)	(7,616,024)	(6,090,081)
Net increase in cash and cash equivalents		(2,907,607)	12,201,707	(2,907,607)	12,186,793
Cash and cash equivalents at beginning of period		109,716,638	97,687,796	109,704,647	97,690,719
Effect of exchange rate changes on cash balances		10,003	(162,861)	10,003	(162,861)
Cash and cash equivalents at end of year	15	106,819,035	109,726,641	106,807,044	109,714,650

Wema Bank Plc

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

	Group		Bank	
	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
Prudential Provisions:				
Loans and advances	23,289,277	22,398,425	23,289,277	22,398,425
Other financial assets	4,079,661	4,013,150	4,079,661	4,013,150
	27,368,939	26,411,576	27,368,939	26,411,576
Impairment assessment under IFRS:				
Loans and advances				
12-months ECL credit	7,444,954	5,366,908	7,444,954	5,366,908
Life-time ECL Not impaired	95,837	94,781	95,837	94,781
Life-time ECL credit impaired	10,464,532	11,225,979	10,464,532	11,225,979
	18,005,323	16,687,668	18,005,323	16,687,668
Investment securities				
12-months ECL	1,083,817	1,068,701	1,083,817	1,068,701
	1,083,817	1,068,701	1,083,817	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	21,377,319	20,419,956	21,377,319	20,419,956
Excess of Prudential impairment over IFRS impairment transferred to regulatory reserve	5,991,620	5,991,620	5,991,620	5,991,620

Wema Bank Plc

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

Notes to the Financial Statements

<i>In thousands of Nigerian Naira</i>	Group			Bank		
	3 Months 30-Sep-22	9 Months 30-Sep-22	9 Months 30-Sep-21	3 Months 30-Sep-22	9 Months 30-Sep-22	9 Months 30-Sep-21
7 Interest income						
Cash and cash equivalents	346,741	1,056,837	2,282,444	346,741	1,056,837	2,282,444
Loans and advances to banks and customers	22,271,021	62,245,869	44,387,540	22,271,021	62,245,869	44,387,540
Investments securities	6,906,081	16,671,180	4,880,302	6,111,648	15,175,776	3,374,502
Total interest income	29,523,843	79,973,886	51,550,286	27,536,872	78,478,482	50,044,486

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	1,406,325	2,589,560	2,058,185	1,406,325	2,589,560	2,058,185
Deposits from customers	11,061,870	34,422,462	17,069,495	11,061,870	34,422,462	17,069,495
Other borrowed funds	1,797,722	4,489,232	3,973,233	1,029,958	2,996,025	2,460,174
Total interest expense	14,265,917	41,501,254	23,100,913	13,498,153	40,008,047	21,587,854
Net interest income	15,257,926	38,472,632	28,449,373	14,038,719	38,470,435	28,456,632

8 Fees and commission income						
Credit related fees	247,708	686,246	748,236	247,708	686,246	748,236
Account maintenance fees	698,320	1,985,284	1,497,357	698,320	1,985,284	1,497,357
Management fees	773,813	2,298,092	2,325,489	773,813	2,298,092	2,325,489
Fees on electronic products	897,286	2,550,174	1,764,093	897,286	2,550,174	1,764,093
Fees on financial guarantees	144,472	403,687	460,023	144,472	403,687	460,023
Other fees and charges	1,776,504	4,091,945	1,927,312	1,776,504	4,091,945	1,927,312
Total fee and commission income	4,538,103	12,015,428	8,722,511	4,538,103	12,015,428	8,722,511

9 Net trading income						
Fixed income securities	136,346	266,928	5,980	136,346	266,928	5,980
Treasury bills	27,230	-503,300	950,128	27,230	-503,300	950,128
Foreign exchange trading (note 9.1)	14,811	123,785	207,132	14,811	123,785	207,132
	178,387	-112,588	1,163,240	178,387	-112,588	1,163,240

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

9.1						
10 Other income						
Dividends on available-for-sale equity securities	58	143,740	134,737	58	143,740	134,737
Gains on disposal of property and equipment	11,878	10,175	2,382	11,878	10,175	2,382
Rental income	13,106	43,326	31,040	13,106	43,326	31,040
Income on contingents	25,712	38,398	30,686	25,712	38,398	30,686
Income on deposit accounts	43,650	77,561	77,255	43,650	77,561	77,255
Digital Income	187,272	529,619	6,656	187,272	529,619	6,656
FX Revaluation	495,972	987,103	1,012,618	495,972	987,103	1,012,618
Swift transactions	23,161	77,742	56,890	23,161	77,742	56,890
Service charge	22,383	35,981	59,893	22,383	35,981	59,893
Advisory fees	12,537	27,815	27,527	12,537	27,815	27,527
Others	(16,758)	43,396	188,152	(16,758)	43,396	188,152
	818,970	2,014,855	1,627,836	818,970	2,014,855	1,627,836

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	Group			Bank		
	3 Months 30-Sep-22	9 Months 30-Sep-22	9 Months 30-Sep-21	3 Months 30-Sep-22	9 Months 30-Sep-22	9 Months 30-Sep-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	1,528,406	2,154,836	811,187	1,528,406	2,154,836	811,187
Investment securities/Treasury bills	-	-	-	-	-	-
Cash and cash equivalent	-	-	-	-	-	0
Other non financial assets	-	-	13,890	-	-	13,890
	-	-	-	-	-	-
Impairment charge on non-financial instruments						
Off balance sheet	-	-	23,003	-	-	23,003
Recoveries on loans	(27,100)	(28,474)	(36,918)	(27,100)	(28,474)	(36,918)
Total impairment charge on financial instruments	1,501,306	2,126,362	811,162	1,501,306	2,126,362	811,162

12 Personnel expenses

Wages and salaries	3,977,336	10,850,750	9,014,688	3,977,336	10,850,750	9,014,688
Pension Contribution	306,414	1,148,451	853,009	306,414	1,148,451	853,009
Other staff costs	1,488,801	3,318,685	2,514,150	1,488,801	3,318,685	2,514,150
	5,772,551	15,317,886	12,381,847	5,772,551	15,317,886	12,381,847

13a Other operating expenses

<i>In thousands of Nigerian Naira</i>	Group			Bank		
	3 Months 30-Sep-22	9 Months 30-Sep-22	9 Months 30-Sep-21	3 Months 30-Sep-22	9 Months 30-Sep-22	9 Months 30-Sep-21
Advertising and marketing	871,370	1,734,763	744,007	871,370	1,734,763	744,007
AMCON Levy (i)	1,640,631	4,830,264	3,914,500	1,640,631	4,830,264	3,914,500
Auditors remuneration	102,500	185,000	140,000	100,000	180,000	140,000
Business Expenses	86,834	221,825	92,601	86,834	221,825	92,601
Cash movement expenses	175,116	448,478	317,872	175,116	448,478	317,872
Diesel Expenses	381,678	1,066,583	452,840	381,678	1,066,583	452,840
Directors Expenses	10,150	37,050	20,700	10,150	37,050	20,700
Directors fees	24,648	41,496	47,108	24,648	41,496	47,108
Donations	38,968	86,704	475,460	38,968	86,704	475,460
Electricity	175,263	453,162	359,994	175,263	453,162	359,994
General administrative expenses	999,888	2,553,742	900,579	996,044	2,549,898	902,995
Legal expenses	94,525	240,740	93,299	94,525	240,740	93,299
Insurance	123,006	292,048	241,277	123,006	292,048	241,277
NDIC Premium	986,581	3,041,448	2,771,350	986,581	3,041,448	2,771,350
Other premises and equipment costs	88,515	302,493	265,606	88,515	302,493	265,606
Printing and stationery	173,965	506,141	245,946	173,965	506,141	245,946
Other Professional fees	312,257	862,227	924,339	312,257	862,227	924,339
Digital Bank Professional fees (ii)	81,961	195,056	142,085	81,961	195,056	142,085
Repairs and maintenance	771,796	2,127,654	1,765,365	771,796	2,127,654	1,765,365
Security expenses	204,667	474,316	360,496	204,667	474,316	360,496
Service charge	724,733	1,913,255	1,171,973	724,733	1,913,255	1,171,973
SMS Expenses & Others	5,207	34,291	30,372	5,207	34,291	30,372
Statutory expenses	90,406	110,331	116,718	90,406	110,331	116,718
Technology and alternative channels	531,264	1,420,609	996,756	531,264	1,420,609	996,756
Transport & Communications	206,466	515,277	496,955	206,466	515,277	496,955
	8,902,393	23,694,953	17,088,199	8,896,049	23,686,109	17,090,615

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.

	Group			Bank		
	3 Months 30-Sep-22	9 Months 30-Sep-22	9 Months 30-Sep-21	3 Months 30-Sep-22	9 Months 30-Sep-22	9 Months 30-Sep-21
<i>In thousands of Nigerian Naira</i>						
13b Depreciation and amortization						
Property, plants and equipment	956,356	2,469,436	2,029,493	956,356	2,469,436	2,029,493
Right of use of assets	69,624	211,640	185,493	69,624	211,640	185,493
Investment property	-	-	704	-	-	704
Intangible assets	237,047	575,452	270,410	237,047	575,452	270,410
	1,263,027	3,256,528	2,486,100	1,263,027	3,256,528	2,486,100

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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 August 2022 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding :

	Group		Bank	
	12 Months	12 Months	12 Months	12 Months
	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
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

	8,179,824	9,593,848	8,186,471	9,600,494
Earnings per share -basic (Kobo)	84.8	24.9	84.9	24.9

15	Cash and cash equivalents <i>In thousands of Nigerian Naira</i>	Group		Bank	
		12 Months	12 Months	12 Months	12 Months
		30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
	Cash and balances with banks	55,701,146	58,699,020	55,689,155	58,687,029
	Unrestricted balances with central bank	32,567,369	16,246,827	32,567,369	16,246,827
	Money market placements	18,602,908	34,855,322	18,602,908	34,855,322
	ECL Allowance	(52,389)	(74,529)	(52,389)	(74,529)
		106,819,034	109,726,640	106,807,043	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

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

16	Pledged assets - Held at amortised cost <i>In thousands of Nigerian Naira</i>	Group		Bank	
		12 Months	12 Months	12 Months	12 Months
		30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
	Treasury bills (note 16.1)	15,127,313	57,476,435	15,127,313	57,476,435
	Bonds (16.2)	21,299,231	26,246,684	21,299,231	26,246,684
		36,426,544	83,723,119	36,426,544	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 N7.44 billion (2021: N13.05 billion) as disclosed in note 28.

In thousands of Nigerian Naira	Group		Bank	
	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
17 Investment securities	300,612,141	174,081,524	295,946,873	163,121,256
Current	169,862,211	152,326,804	169,862,211	152,326,804
Non-current	130,749,930	21,754,721	126,084,662	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	(10,176)	(10,005)	(10,176)	(10,005)
	5,513,995	5,455,873	5,514,995	5,456,873
17b Investment securities measured at FVTPL				
Treasury Bills	28,273,080	38,693,696	28,273,080	38,693,696
17c Investment securities measured at amortised cost				
Treasury Bills	141,589,131	113,633,108	141,589,131	113,633,108
FGN Bonds	121,126,248	11,892,584	116,459,979	931,316
Other Bonds (see (ii) below)	5,141,115	5,400,435	5,141,115	5,400,435
ECL Allowance - Investments at Amortised Cost	(1,031,428)	(994,172)	(1,031,428)	(994,172)
	266,825,066	129,931,955	262,158,798	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:

CORPORATE	Group		Bank	
	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
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	(52,461)	(143,620)	(52,461)	(143,620)
Closing balance	809,279	861,740	809,279	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	(206,859)	(494,684)	(206,859)	(494,684)
Closing balance	3,402,691	3,609,550	3,402,691	3,609,550
Total Other Bonds	5,141,115	5,400,435	5,141,115	5,400,435
ECL	(961,309)	(951,241)	(961,309)	(951,241)
	4,179,806	4,449,194	4,179,806	4,449,194

18 Loans and advances to customers at amortised cost

<i>In thousands of Nigeria Naira</i>	Group		Bank	
	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
Overdrafts	48,228,943	37,665,992	48,228,943	37,665,992
Term Loans	425,359,348	391,517,198	425,359,348	391,517,198
Advances under finance lease	6,336,347	6,368,781	6,336,347	6,368,781
Gross loans and receivables	479,924,638	435,551,971	479,924,638	435,551,971
Less ECL allowances				
12-months ECL credit	(7,444,954)	(5,366,908)	(7,444,954)	(5,366,908)
Life-time ECL Not impaired	(95,837)	(94,781)	(95,837)	(94,781)
Life-time ECL credit impaired	(10,464,532)	(11,225,979)	(10,464,532)	(11,225,979)
	(18,005,323)	(16,687,668)	(18,005,323)	(16,687,668)
Net loans and advances to customers	461,919,314	418,864,303	461,919,314	418,864,303
30-Sep-22	Term loan	Overdrafts	Finance lease	Total
Gross loans	425,359,348	48,228,943	6,336,347	479,924,638
12 months ECL loans and advances	(6,692,039)	(557,636)	(195,280)	(7,444,954)
Lifetime ECL not credit-impaired loans and advances	(95,837)	-	-	(95,837)
Lifetime ECL credit-impaired loans and advances	(5,336,033)	(5,094,562)	(33,937)	(10,464,531)
	413,235,440	42,576,745	6,107,130	461,919,315
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	-	438,578	(74,766)	363,812
ECL allowance during the year	1,133,229	1,016,283	5,324	2,154,836
Written off in the year as uncollectible	(298,165)	(871,651)	(2,702)	(1,172,519)
Amounts recovered during the year	-	(28,474)	-	(28,474)
Balance as at 30 September 2022	5,652,197	12,123,909	229,217	18,005,323
12-months ECL credit	557,636	6,692,039	195,280	7,444,954
Life-time ECL Not impaired	-	95,837	-	95,837
Life-time ECL credit impaired	5,094,562	5,336,033	33,937	10,464,531
Contingent Liabilities & Commitments:				
	Group		Bank	
	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
Guarantees and Indemnities	101,816,599	79,270,996	101,816,599	79,270,996
Bonds	11,185,086	8,846,615	11,185,086	8,846,615
Clean-Line Facilities & Irrevocable LCs	39,985,185	31,787,388	39,985,185	31,787,388
ECL	(1,105,890)	(1,336,032)	(1,105,890)	(1,336,032)
	151,880,980	118,568,967	151,880,980	118,568,967

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20 Property and equipment

Group / Bank

In thousands of Nigerian Naira (000s)

	Land	Buildings	Furniture & Office Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
Cost							
Balance at 1 January 2022	1,590,773	16,995,356	10,443,090	3,516,783	12,031,649	1,211,505	45,789,155
Additions	-	1,390,083	1,285,511	509,301	1,674,794	621,602	5,481,291
Adjustments	-	-	396	966	352	-	1,714
Disposals			(281,545)	(246,232)	(124,529)		(652,306)
Balance as at 30 September 2022	1,590,773	18,385,439	11,447,452	3,780,817	13,582,267	1,833,107	50,619,855
Accumulated depreciation and impairment							
Balance at 1 January 2022	-	5,469,592	7,307,005	2,161,991	8,432,025	-	23,370,613
Charge for the year	-	257,102	847,404	401,151	963,779	-	2,469,436
Adjustments		-	(1)	795	-		794
Disposals	-		(276,211)	(160,372)	(121,294)	-	(557,876)
Balance as at 30 September 2022	-	5,726,694	7,878,197	2,403,566	9,274,510	-	25,282,967
Carrying amounts							
Balance at 1 January 2022	1,590,773	11,525,764	3,136,085	1,354,791	3,599,624	1,211,505	22,418,542
Balance as at 30 September 2022	1,590,773	12,658,745	3,569,255	1,377,252	4,307,757	1,833,107	25,336,888

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

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<i>In thousands of Nigerian Naira</i>	Group		Bank	
	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
21 Intangible assets				
Cost				
Cost 1 January, 2022	6,674,382	5,502,221	6,674,382	5,502,221
Additions	1,476,917	1,172,161	1,476,917	1,172,161
Disposal	(3,679)	-	(3,679)	-
Transfer to computer equipment	-	-	-	-
Balance as at 30 September 2022	8,147,620	6,674,382	8,147,620	6,674,382
Amortization and impairment losses				
Cost 1 January, 2022	4,503,741	4,110,672	4,503,741	4,110,672
Amortization for the year	575,452	393,069	575,452	393,069
Disposal	(3,661)	-	(3,661)	-
Balance as at 30 September 2022	5,075,532	4,503,741	5,075,532	4,503,741
Carrying amounts	3,072,087	2,170,640	3,072,087	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 2021 nil)
- There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (31 December 2021: nil)

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-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
At 1 January	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-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
23 Other assets				
Accounts receivables	4,974,459	13,367,358	4,974,459	13,367,358
Prepayments	6,131,439	927,929	6,131,439	927,929
Stock	1,028,844	478,767	1,028,844	478,767
Collateralised Placement	52,917	52,917	52,917	52,917
Clearing Balance	257,186	195,335	257,186	195,335
Fraud & Burglary	881,111	670,731	881,111	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	1,349,419	902,759	1,349,419	902,759
Receivable on E-business Channels	815,672	691,482	815,672	691,482
Other Settlements	-	7,050,536	-	7,050,536
Others	44,238	15,763	44,238	15,763
	<u>26,212,499</u>	<u>35,030,791</u>	<u>26,212,499</u>	<u>35,030,791</u>
Specific impairment on other assets	<u>(687,789)</u>	<u>(724,798)</u>	<u>(687,789)</u>	<u>(724,798)</u>
	25,524,710	34,305,993	25,524,710	34,305,993
At 1 January	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	-	-	-	-
	<u>687,789</u>	<u>724,798</u>	<u>687,789</u>	<u>724,798</u>
Closing balance	687,789	724,798	687,789	724,798
Classified as:				
Current	13,572,413	23,151,162	13,572,413	23,151,162
Non-current	12,640,086	11,879,629	12,640,086	11,879,629
	<u>26,212,499</u>	<u>35,030,791</u>	<u>26,212,499</u>	<u>35,030,791</u>

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-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
<i>In thousands of Nigeria Naira</i>				
Money market deposits	<u>19,853,085</u>	<u>40,700,000</u>	<u>19,853,085</u>	<u>40,700,000</u>
Deposits from customers				
Retail customers:				
Term deposits	130,014,119	112,531,039	130,014,119	112,531,039
Current deposits	26,571,070	27,929,504	26,571,070	27,929,504
Savings	161,222,492	152,328,228	161,222,492	152,328,228
Corporate customers:				
Term deposits	435,519,567	343,571,256	435,519,567	343,571,256
Current deposits	247,539,510	214,609,899	247,539,510	214,609,899
Others	78,709,371	76,501,249	78,709,371	76,501,249
	<u>1,079,576,129</u>	<u>927,471,175</u>	<u>1,079,576,129</u>	<u>927,471,175</u>

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

Under 3 months	748,435,281	642,985,826	748,435,281	642,985,826
3 - 6months	217,160,575	186,564,123	217,160,575	186,564,123
6 - 12months	75,525,061	64,884,092	75,525,061	64,884,092
Over 12months	38,455,212	33,037,134	38,455,212	33,037,134
	<u>1,079,576,129</u>	<u>927,471,175</u>	<u>1,079,576,129</u>	<u>927,471,175</u>

As at 30 September 2022 N38.46billion (31 December 2021: N33.04billion) of deposits from customers are expected to be settled more than 12 months after the reporting date.

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In thousands of Nigerian Naira		Group		Bank	
		30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
26	Taxation				
26.1	Income tax expense				
	Company income tax	1,277,657	405,135	1,277,657	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	1,277,657	715,523	1,277,657	715,523
	Deferred tax expenses	-	2,735,417	-	2,735,417
		1,277,657	3,450,940	1,277,657	3,450,940
26.2	Current tax liabilities				
	At 1 January	716,120	394,511	716,120	394,511
	Payment during the year	(668,665)	(393,914)	(668,665)	(393,914)
	Charge for the year	1,277,657	715,523	1,277,657	715,523
	Closing balance	1,325,113	716,120	1,325,113	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-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
<i>Financial Liabilities</i>				
Creditors and accruals	3,589,561	1,364,105	3,589,564	1,364,105
Staff Deductions	775,549	36,142	775,549	36,142
Provision for Others	582,657	2,657	582,657	2,657
Other current liabilities	207,360	91,541	140,817	31,647
Insurance Claim	211,284	99,399	211,284	99,399
Swift Payables	343,381	218,537	343,381	218,537
Western Union	2,748	2,997	2,748	2,997
Salary Suspense	20,587	17,369	20,587	17,369
Accounts payable	1,090,451	1,088,125	1,090,451	1,088,125
Electronic products payable	1,014,001	655,457	1,014,001	655,457
Certified cheques	1,341,525	1,214,283	1,341,525	1,214,283
Customer deposits for letters of credit	34,393,914	20,241,971	34,393,914	20,241,971
Discounting Line	24,920,783	25,837,365	24,920,783	25,837,365
Other Settlements	6,498,904	1,936,151	6,498,904	1,936,151
Remittances	19,609,343	10,129,871	19,609,343	10,129,871
	94,602,048	62,935,970	94,535,508	62,876,076
<i>Non-Financial Liabilities</i>				
Litigation claims provision (i)	494,500	494,500	494,500	494,500
Other payables	4,008,893	267,202	4,008,893	267,202
	99,105,442	63,697,672	99,038,902	63,637,779
Classified as:				
Current	90,174,561	59,459,113	90,108,021	59,399,219
Non-current	8,930,881	4,238,559	8,930,881	4,238,559
	99,105,442	63,697,672	99,038,902	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

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	<i>In thousands of Nigerian Naira</i>			
	Group		Bank	
	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
28 Other borrowed funds				
Due to BOI (see (i) below)	2,616,718	3,626,451	2,616,718	3,626,451
Osun Bailout Fund (see v below)	8,284,936	8,756,239	8,284,936	8,756,239
CBN Agric. loan (see ii below)	2,036,105	2,609,968	2,036,105	2,609,968
CBN MSMEDF (see iv below)	462,855	506,525	462,855	506,525
Wema SPV (see iv below)	15,058,852	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	1,554,778	59,301	1,554,778	59,301
Shelter Afrique (see vi below)	3,825,450	4,560,483	3,825,450	4,560,483
AFDB (see vii below)	1,568,301	3,156,092	1,568,301	3,156,092
DBN	4,825,445	9,418,708	4,825,445	9,418,708
AGSMEIS/RSSF	22,190,375	12,142,321	22,190,375	12,142,321
	64,902,620	72,731,661	60,067,528	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 N2.634.491.422.13 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 2022: N18,464,018,000 (2021: N24,758,018,000) represents amortized cost of the fixed rate unsecured bond issued by Wema Funding SPV Plc. The outstanding bond of N17,675,000,000 (principal) was issued on 12 October 2018 for a period of 7 years at 16.5% per annum with interest payable semi-annually and principal payable at maturity in October 2025 respectively.
- (vi) Amount represents salary credit bail out facility from Central Bank of Nigeria. It has a moratorium of twenty years at bank's interest rate of 9%. The corresponding entry is in loans and advances and the bank is expected to provide Central Bank of Nigeria with periodic progress on the facility. The principal repayment is by bullet payment at the expiration of the moratorium granted. In response to COVID-19, CBN has moderated the rate
- (vii) This amount represents the bank's foreign facility from Shelter Afrique, this was granted to the Bank for a period of 7 years. It is repayable bi-annually with interest rate of L+6.5% (Libor plus 6.5%)
- (viii) This amount represents the bank's foreign facility from AFDB, this was granted to the Bank for a period of 7 years. It is repayable bi-annually with interest rate of L+5.2% (Libor plus 5.2%)

	Group		Bank	
	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
28b				
At 1 January	72,731,661	73,523,471	61,601,569	62,416,375
Additions	11,543,532	3,261,495	11,543,532	3,261,495
Effect of exchange rate changes [loss/(profit)]	(206,132)	154,201	(206,132)	154,201
Payments made	(19,166,441)	(4,207,506)	(12,871,441)	(4,230,502)
Closing balance	64,902,620	72,731,661	60,067,528	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-Sep-22	31-Dec-21
COST	N	N
29a. At 1 January	1,543,641	1,056,941
Additions	266,021	486,700
Terminated contracts		
Balance as at 30 September 2022	<u><u>1,809,662</u></u>	<u><u>1,543,641</u></u>
DEPRECIATION CHARGE		
At 1 January	692,393	435,413
Charge for the period	211,640	256,980
Balance as at 30 September 2022	<u><u>904,033</u></u>	<u><u>692,393</u></u>
CARRYING AMOUNT		
As at 31 December, 2021	<u><u>851,249</u></u>	<u><u>621,528</u></u>
Balance as at 30 September 2022	<u><u><u>905,629</u></u></u>	<u><u><u>851,249</u></u></u>
29b. LEASE LIABILITY	30-Sep-22	31-Dec-21
	N	N
At 1 January	26,879	22,875
Addition during the year	-	-
Finance charge for the year	3,456	4,004
Payment during the year		
Balance as at 30 September 2022	<u><u>30,335</u></u>	<u><u>26,879</u></u>

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	Group		Bank	
	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
<i>In thousands of Nigerian Naira</i>				
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	No of Ordinary Shares	% Holdings
Shareholders		
Strategic Shareholding	6,625,734,602	51.53
Directors Direct Shareholding	729,482,995	5.67
Government Shareholding	1,032,502,060	8.03
Staff Schemes	-	-
Free Float	4,470,435,703	34.77
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	190,995,192	1.49
Odua Invest Coy	396,922,202	3.09
	1,032,502,060	8.03

b **Declaration:**

Wema Bank Plc with a free float of 34.77% as at 30 september 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
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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-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
At 1 January	11,023,901	7,103,647	11,241,628	7,314,728
Profit or loss	8,179,824	8,926,555	8,186,471	8,933,202
Transfer from Regulatory risk reserve	-	(553,752)	-	(553,752)
Transfer to Statutory Reserve	-	(2,679,960)	-	(2,679,961)
Dividend Paid to Shareholders	(3,085,957)	(1,542,978)	(3,085,957)	(1,542,978)
Transfer to Credit Risk Reserve	-	-	-	-
Regulatory charge to SMEIS	-	(229,611)	-	(229,611)
Closing balance	16,117,768	11,023,901	16,342,142	11,241,628

(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-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
Credit Risk reserve	781,612	781,612	781,612	781,612
Statutory Reserve	17,654,943	17,654,943	17,654,943	17,654,943
AGSMEIS Reserve	902,759	902,759	902,759	902,759
Fair Value Reserves	5,708,069	5,708,069	5,708,069	5,708,069
	25,047,383	25,047,383	25,047,383	25,047,383

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31 Contingencies

(i) Litigation and claims

There are litigation claims against the Bank as at 30 September 2022 amounting to N7,034,305,000.00 (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

In thousands of Nigerian naira	Group		Bank	
	Group 30-Sep-22	Group 31-Dec-21	Bank 30-Sep-22	Bank 31-Dec-21
Contingent liabilities:				
Guarantees and indemnities	101,816,599	79,270,996	101,816,599	79,270,996
Bonds	11,185,086	8,846,615	11,185,086	8,846,615
Clean-line facilities & irrevocable letters of credit	39,985,185	31,787,388	39,985,185	31,787,388
ECL	(1,105,890)	(1,336,032)	(1,105,890)	(1,336,032)
Closing balance	151,880,980	118,568,967	151,880,980	118,568,967