

WEMA BANK PLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH 2021

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Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31st March, 2021

Statement of financial Position

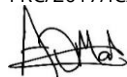
	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
<i>In thousands of Nigerian Naira</i>				
Cash and cash equivalents	82,692,689	97,524,936	82,695,610	97,527,858
Restricted Deposit with CBN	306,883,462	246,974,959	306,883,462	246,974,959
Pledged assets	73,729,147	27,454,662	73,729,147	27,454,662
Investment securities:				
Fair value through other comprehensive income	60,233,553	56,580,275	60,234,553	56,581,275
Fair Value through profit or loss	10,840,353	78,225,951	10,840,353	78,225,951
Held at amortised cost	61,990,184	48,992,774	51,050,195	38,052,786
Loans and advances to customers	367,686,996	360,076,079	367,686,996	360,076,079
Investment properties	38,156	38,388	38,156	38,388
Right of Use	777,997	621,528	777,997	621,528
Property and equipment	21,826,317	21,517,323	21,826,317	21,517,323
Intangible assets	1,397,552	1,391,549	1,397,552	1,391,549
Other assets	28,221,211	21,883,615	28,221,211	21,883,615
Deferred tax assets	18,236,111	18,236,111	18,236,111	18,236,111
	1,034,553,727	979,518,152	1,023,617,660	968,582,084
Deposits from banks	57,800,000	-	57,800,000	-
Deposits from customers	795,536,848	804,873,392	795,536,848	804,873,392
Lease Liabilities	23,817	22,875	23,817	22,875
Current tax liabilities	598,104	394,511	598,104	394,511
Other liabilities	48,250,706	41,562,149	48,210,661	41,522,098
Other borrowed funds	71,897,992	73,523,471	60,790,896	62,416,375
	974,107,466	920,376,398	962,960,325	909,229,251
EQUITY				
Share capital	19,287,233	19,287,233	19,287,233	19,287,233
Share premium	8,698,230	8,698,230	8,698,230	8,698,230
Regulatory risk reserve	5,536,119	5,536,119	5,536,119	5,536,119
Retained earnings	8,408,155	7,103,647	8,619,228	7,314,727
Other reserves	18,516,524	18,516,524	18,516,524	18,516,524
	60,446,261	59,141,754	60,657,335	59,352,833
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK				
TOTAL LIABILITIES AND EQUITY	1,034,553,727	979,518,152	1,023,617,660	968,582,084
CONTINGENTS	79,479,115	78,692,203	79,479,115	78,692,203

The financial statements were authorized for issue by the directors on the 23rd April, 2021



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 31st March, 2021

Statement of Profit or loss and other Comprehensive Income

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	3 Months 31-Mar-21	3 Months 31-Mar-20	3 Months 31-Mar-21	3 Months 31-Mar-20
Gross Earnings	19,470,605	20,776,201	17,964,805	20,575,885
Interest income	16,421,225	16,892,566	14,915,425	16,692,250
Interest expense	(7,659,059)	(10,177,628)	(6,146,001)	(9,978,926)
Net interest income	8,762,166	6,714,938	8,769,424	6,713,324
Net impairment loss on financial assets	(194,168)	(566,352)	(194,168)	(566,352)
Net interest income after impairment charge for credit losses	8,567,998	6,148,586	8,575,256	6,146,972
Net gain on FVTPL investment securities	22,627	234,124	22,627	234,124
Net fee and commission income	2,556,442	1,594,420	2,556,442	1,594,420
Net trading income	120,024	1,915,191	120,024	1,915,191
Other income	350,287	139,900	350,287	139,900
	3,049,380	3,883,635	3,049,380	3,883,635
Operating income	11,617,378	10,032,221	11,624,636	10,030,607
Personnel expenses	(3,924,196)	(3,674,486)	(3,924,196)	(3,674,486)
Depreciation and amortization	(803,291)	(940,752)	(803,291)	(940,752)
Other operating expenses	(5,381,791)	(4,287,029)	(5,389,055)	(4,284,608)
Profit before tax	1,508,100	1,129,954	1,508,094	1,130,761
Income tax expense	(203,593)	(152,653)	(203,593)	(152,653)
Profit for the year	1,304,508	977,302	1,304,501	978,109
<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	-	(5,086)	-	(5,086)
	-	(5,086)	-	(5,086)
Items that will be subsequently reclassified to profit or loss				
Net change in fair value of investments FVOCI	-	-	-	104,576
Income tax relating to items that may be reclassified subsequently to profit or Loss	-	-	-	-
Other comprehensive income for the year	-	(5,086)	-	(5,086)
Total comprehensive income for the year	1,304,508	972,216	1,304,501	973,023
Profit attributable to:				
Total comprehensive income for the year	1,304,508	977,302	1,304,501	978,109
	1,304,508	972,216	1,304,501	973,023
Earnings per share-basic	13.6	10.0	13.6	10.0

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31st March, 2021

Statements of changes in equity

Group

In thousands of Nigerian naira (000s)

	Share Capital	Share premium	Credit risk reserve	Regulatory risk reserve	Statutory reserve	SMEIES reserve	Fair value reserves	Retained earnings	Total equity
2021									
Balance as at 1st January 2021	19,287,233	8,698,230	781,612	5,536,119	14,974,982	673,148	2,086,782	7,103,647	59,141,754
Opening Adjustment									-
Dividend Payout								-	-
SMEIS Charge						-		-	-
Profit or loss	-	-	-	-	-	-		1,304,508	1,304,508
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	5,536,119	14,974,982	673,148	2,086,782	8,408,155	60,446,261
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 31st March 2021	19,287,233	8,698,230	781,612	5,536,119	14,974,982	673,148	2,086,782	8,393,313	60,431,420
2020									
Balance at 1 January 2020	19,287,233	8,698,230	781,612	7,577,698	13,597,317	526,908	1,437,590	3,254,018	55,160,607
Opening Adjustment									-
Dividend Payout								(1,542,979)	(1,542,979)
SMEIS Charge						146,240		151,313	297,553
Profit or loss	-	-	-	-	-	-		4,577,381	4,577,381
Other comprehensive income									
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments									-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	649,192	-	649,192
	19,287,233	8,698,230	781,612	7,577,698	13,597,317	673,148	2,086,782	6,439,733	59,141,754
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Regulatory risk reserve	-	-		(2,041,579)	-	-	-	2,041,579	-
Credit risk reserve	-	-	-		1,377,665	-	-	(1,377,665)	-
Total contribution and distributions to owners	-	-	-	(2,041,579)	1,377,665	-	-	663,914	-
Balance at 31st December 2020	19,287,233	8,698,230	781,612	5,536,119	14,974,982	673,148	2,086,782	7,103,647	59,141,754

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 31st March, 2021**

Statements of changes in equity

Bank

In thousands of Nigerian naira (000s)

	Share Capital	Share premium	Credit risk reserve	Regulatory risk reserve	Statutory reserve	AGSMEIS reserve	Fair value reserves	Retained earnings	Total equity
2021									
Balance as at 1st 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									-
SMEIS Charge									-
Profit or loss	-	-	-	-	-	-		1,304,501	1,304,501
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	5,536,119	14,974,982	673,148	2,086,782	8,619,228	60,657,335
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 31st March 2021	19,287,233	8,698,230	781,612	5,536,119	14,974,982	673,148	2,086,782	8,619,228	60,657,335
2020									
Balance as at 1st January 2020	19,287,233	8,698,230	781,612	7,577,698	13,597,317	526,908	1,437,590	3,450,262	55,356,851
Dividend Payout								(1,542,979)	(1,542,979)
SMEIS Charge						146,240		151,313	297,553
Profit or loss	-	-	-	-	-	-		4,931,826	4,931,826
Other comprehensive income									
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments									-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	649,192	-	649,192
Total comprehensive income for the period	19,287,233	8,698,230	781,612	7,577,698	13,597,317	673,148	2,086,782	6,990,422	59,692,443
Transactions with owners, recorded directly in equity									-
Contributions by and distributions to owners									-
Credit risk reserves			-					-	-
transfer to statutory reserves					1,479,548			(1,479,548)	-
Total contribution and distributions to owners	-	-	-	-	1,479,548	-	-	(1,479,548)	-
Balance as at 31st December 2020	19,287,233	8,698,230	781,612	7,577,698	15,076,865	673,148	2,086,782	5,510,874	59,692,443

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31st March, 2021
Statement of Cash Flow

<i>In thousands of Nigerian Naira</i>	Notes	Group		Bank	
		31-Mar 2021	31-Mar 2020	31-Mar 2021	31-Mar 2020
Cash flows from operating activities					
Profit for the year		1,304,508	977,302	1,304,501	978,109
Adjustments for:					
Taxation expense	26	203,593	152,653	203,593	152,653
Depreciation and amortization		803,291	940,752	803,291	940,752
Adjustment for transfer out of PPE now expensed		(12)	-	(12)	-
Opening balance adjusted directly in retained earnings		-	0	-	-
(Gain)/Loss on disposal of property and equipment	10	1,624	36,733	1,624	36,733
Benefit in Kind					
Specific provision on cash	15				
Net interest income		(8,762,166)	(6,714,938)	(8,769,424)	(6,713,324)
Dividend received from equity investment		(34,136)	(3,900)	(34,136)	(3,900)
Impairment loss on financial assets		194,168	5,365,942	194,168	5,365,942
<hr/>					
Operating cashflow before movement in working capital		(6,289,131)	754,544	(6,296,395)	756,964
Change in pledged assets		(46,274,485)	(58,661,219)	(46,274,485)	(58,661,219)
Change in loans and advances to customers		(7,805,084)	(29,925,275)	(7,805,084)	(29,925,275)
Change in other assets		(6,337,596)	(2,009,456)	(6,337,596)	(2,009,456)
Change in deposits from banks	24	57,800,000	48,171,600	57,800,000	48,171,600
Change in finance lease obligation		-	-	-	-
Change in restricted deposit with CBN		(59,908,503)	(49,371,899)	(59,908,503)	(49,371,899)
Change in deposits from customers		(9,336,544)	19,157,635	(9,336,544)	19,157,635
Change in other liabilities		6,689,498	11,789,529	6,689,504	11,788,723
<hr/>					
Cashflow generated by operations		(71,461,845)	(60,094,541)	(71,469,103)	(60,092,927)
Income tax paid	26	-	-	-	-
Interest received		16,421,225	16,892,566	14,915,425	16,692,250
Interest paid		(5,326,355)	(9,485,442)	(5,326,356)	(9,485,443)
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Net cash from operating activities		(60,366,976)	(52,687,417)	(61,880,035)	(52,886,120)
Cash flows from investing activities					
Disposal/Acquisition of investment securities-At Amortised Cost		(12,997,409)	20,762,513	(12,997,409)	20,762,513
Disposal/Acquisition of investment securities-FVTOCI		(3,653,278)	493,568	(3,653,278)	493,568
Change in FVTPL investments		67,385,598	38,773,837	67,385,598	38,773,837
Dividend received from equity investment		34,136	3,900	34,136	3,900
Acquisition of property and equipment	20	(986,763)	(935,251)	(986,763)	(935,251)
Proceeds from the sale of property and equipment		8,929	36,231	8,929	36,231
Right of Use		(217,277)	(68,065)	(217,277)	(68,065)
Acquisition of intangible assets		(81,026)	(24,024)	(81,026)	(24,024)
<hr/>					
		49,492,911	59,042,708	49,492,911	59,042,708
Cash flows from financing activities					
Proceed from borrowings		1,493,676	-	1,493,676	-
Repayment of borrowings		(3,119,155)	(1,739,237)	(3,119,155)	(1,739,237)
Transfer To/From Reserves		-	-	-	-
Interest paid on borrowings	7	(2,332,704)	(692,186)	(819,645)	(493,483)
Dividend paid to shareholders		-	-	-	-
<hr/>					
Net cash from financing activities		(3,958,183)	(2,431,423)	(2,445,124)	(2,232,720)
<hr/>					
Net increase in cash and cash equivalents		(14,832,247)	3,923,868	(14,832,248)	3,923,868
Cash and cash equivalents at beginning of period		97,524,935	65,974,273	97,527,858	65,967,028
<hr/>					
Cash and cash equivalents at end of period	15	82,692,688	69,898,141	82,695,610	69,890,896

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31st March, 2021
Statement of Prudential Adjustments

	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
Prudential Provisions:				
Loans and advances	21,921,475	21,921,475	21,921,475	21,921,475
Other financial assets	2,313,255	2,313,255	2,313,255	2,313,255
	24,234,730	24,234,730	24,234,730	24,234,730
Impairment assessment under IFRS:				
Loans and advances				
12-months ECL credit	8,836,974	8,768,264	8,836,974	8,768,264
Life-time ECL Not impaired	801,249	783,944	801,249	783,944
Life-time ECL credit impaired	5,472,231	5,411,370	5,472,231	5,411,370
	15,110,454	14,963,578	15,110,454	14,963,578
Investment securities				
12-months ECL	1,284,250	1,282,095	1,284,250	1,282,095
	1,284,250	1,282,095	1,284,250	1,282,095
Off balance sheet exposures				
12-months ECL	1,401,431	1,401,431	1,401,431	1,401,431
	1,401,431	1,401,431	1,401,431	1,401,431
Other financial assets				
specific allowance for impairment on other assets	-	-	-	-
12 months ECL Lifetime ECL	861,697	861,697	1,051,506	1,051,506
Other non-financial assets	-	-	-	-
	861,697	861,697	1,051,506	1,051,506
Total IFRS Impairment	18,657,831	18,508,801	18,847,641	18,698,611
Excess of Prudential impairment over IFRS impairment transferred to regulatory reserve	5,576,899	5,725,929	5,387,089	5,536,119

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31st March, 2021

Notes to the Financial Statements

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
7 Interest income				
Cash and cash equivalents	788,842	460,437	788,842	460,437
Loans and advances to banks and customers	13,059,739	14,049,179	13,059,739	14,049,179
Investments securities	2,572,644	2,382,950	1,066,844	2,182,634
Total interest income	16,421,225	16,892,566	14,915,425	16,692,250
Interest expense				
Deposits from banks	913,274	343,519	913,274	343,519
Interest expense on lease liabilities	0	10810	0	10810
Deposits from customers	4,413,082	9131114	4,413,082	9,131,114
Other borrowed funds	2,332,704	692,186	819,645	493,483
Total interest expense	7,659,059	10,177,628	6,146,001	9,978,926
8 Fees and commission income				
Credit related fees	203,453	91030	203,453	91,030
Account maintenance fees	438,398	268544	438,398	268,544
Management fees	773,787	246,766	773,787	246,766
Fees on electronic products	673,639	708,179	673,639	708,179
Fees on financial guarantees	111,088	57,138	111,088	57,138
Other fees and charges	356,078	222,763	356,078	222,763
Total fee and commission income	2,556,442	1,594,420	2,556,442	1,594,420
9 Net trading income				
Fixed income securities	2,371	92,275	2,371	92,275
Treasury bills	56,576	1,736,315	56,576	1,736,315
Foreign exchange trading (note 9.1)	61,077	86,601	61,077	86,601
	120,024	1,915,191	120,024	1,915,191

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.

9.1 The amount reported above are totallv from financial assets carried at fair value

	Group		Bank	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
10 Other income				
Dividends on available-for-sale equity securities	34,136	3,900	34,136	3,900
Gains on disposal of property and equipment	(1,624)	1,049	(1,624)	1,049
Rental income	12,468	11,030	12,468	11,030
Insurance claim received	-	2,356	-	2,356
Income on contingents	16,860	12,001	16,860	12,001
Income on deposit accounts	35,563	34,096	35,563	34,096
Fund transfer	1,324	1,009	1,324	1,009
FX Revaluation	200,000	-	200,000	-
Swift transactions	10,739	15,622	10,739	15,622
Service charge	17,201	22,097	17,201	22,097
Advisory fees	9,071	12,091	9,071	12,091
Others	14,549	24,649	14,549	24,649
	350,287	139,900	350,287	139,900

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31st March, 2021

Notes to the Financial Statements

	Group		Bank	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
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	225,779	508,095	225,779	508,095
Investment securities/Treasury bills	-	25,440	-	25,440
Cash and cash equivalent	-	-	-	-
Other non financial assets	-	15,227	-	15,227
Impairment charge on non-financial instruments				
Off balance sheet	-	20,045	-	20,045
Recoveries on loans	(31,612)	(2,455)	(31,612)	(2,455)
Total impairment charge on financial instruments	194,168	566,352	194,168	566,352

	Group		Bank	
	3 Months 31-Mar-21	3 Months 31-Mar-20	3 Months 31-Mar-21	3 Months 31-Mar-20
12 Personnel expenses				
Wages and salaries	2,886,739	2,820,675	2,886,739	2,820,675
Pension Contribution	201,100	204,554	201,100	204,554
Contributions/Reversals to defined contribution plans	-	-	-	-
Other staff costs	836,357	649,257	836,357	649,257
	3,924,196	3,674,486	3,924,196	3,674,486

13a Other operating expenses

In thousands of Nigerian Naira

	Group		Bank	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Advertising and marketing	217,156	329,430	217,156	329,430
AMCON Levy	1,271,500	670,000	1,271,500	670,000
Auditors remuneration	90,000	60,000	90,000	60,000
Business Expenses	32,891	73,342	32,891	73,342
Cash movement expenses	155,389	137,611	155,389	137,611
Diesel Expenses	127,007	128,541	127,007	128,541
Directors Expenses	6,100	5,600	6,100	5,600
Directors fees	667	928	667	928
Donations	9,300	27,465	9,300	27,465
Electricity	115,902	109,319	115,902	109,319
General administrative expenses	335,167	303,010	342,431	303,010
Legal expenses	53,620	82,678	53,620	82,678
Insurance	60,103	63,576	60,103	63,576
NDIC Premium	1,020,000	250,000	1,020,000	250,000
Other premises and equipment costs	80,404	101,137	80,404	101,137
PAYE/Withholding expenses	70,620	77,223	70,620	77,223
Printing and stationery	119,615	92,411	119,615	92,411
Other Professional fees	316,708	245,861	316,708	245,861
Digital Bank Professional fees	89,560	108,560	89,560	108,560
Repairs and maintenance	516,917	481,680	516,917	481,680
Security expenses	104,622	105,927	104,622	105,927
Service charge	152,889	81,719	152,889	81,719
SMS Expenses & Others	27,286	20,920	27,286	20,920
Statutory expenses	22,649	28,220	22,649	28,220
Technology and alternative channels	246,471	554,020	246,471	554,020
Transport & Communications	139,249	145,430	139,249	145,430
	5,381,791	4,284,608	5,389,055	4,284,608

In thousands of Nigerian Naira

13b Depreciation and amortization

	Group		Bank	
	3 Months 31-Mar-21	3 Months 31-Mar-20	3 Months 31-Mar-21	3 Months 31-Mar-20
Property, plants and equipment	670,335	727,713	670,335	727,713
Right of use of assets	60,808	57,332.98	60,808	57,332.98
Investment property	232	234.11	232	234.11
Intangible assets	71,916	155,472	71,916	155,472
	803,291	940,752	803,291	940,752

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

<i>In thousands</i>	Group		Bank	
	3 Months 31-Mar-21	12 Months 31-Dec-20	3 Months 31-Mar-21	12 Months 31-Dec-20
Weighted average number of ordinary shares - basic;'000	38,574,466	38,574,466	38,574,466	38,574,466
Profit attributable to ordinary shareholders -basic				
Profit for the year attributable to equity holders of the Bank '000	1,304,508	4,577,381	1,304,501	4,592,217
Earnings per share -basic (Kobo)	13.6	11.9	13.6	11.9

15 Cash and cash equivalents

In thousands of Nigerian Naira

	Group		Bank	
	3 Months 31-Mar-21	12 Months 31-Dec-20	3 Months 31-Mar-21	12 Months 31-Dec-20
Cash and balances with banks	32,940,347	25,829,497	32,943,268	25,832,418
Unrestricted balances with central bank	14,098,743	42,842,345	14,098,743	42,842,345
Money market placements	35,676,655	28,873,996	35,676,655	28,873,996
ECL Allowance	(23,057)	(20,901)	(23,057)	(20,901)
	82,692,689	97,524,936	82,695,610	97,527,858

15b Restricted Deposit with CBN

Mandatory reserve deposit is reported net of Nil billion (December 31, 2019: N4.014 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	
	3 Months 31-Mar-21	12 Months 31-Dec-20	3 Months 31-Mar-21	12 Months 31-Dec-20
Pledged assets - Held at amortised cost				
<i>In thousands of Nigerian Naira</i>				
Treasury bills (note 16.1)	67,072,686	4,473,801	67,072,686	4,473,801
Bonds (16.2)	6,656,461	22,980,861	6,656,461	22,980,861
	73,729,147	27,454,662	73,729,147	27,454,662

- 16.1 The treasury bills are pledged for clearing activities with the clearing bank and as collection bank for government taxes and electronic card transactions with Federal Inland Revenue Service (FIRS), Nigerian Interbank Settlement System (NIBSS) and Interswitch Nigeria Limited. The bank cannot trade on these pledged assets during the period that such assets are committed as pledged.

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16.2 The Bonds are pledged as collateral for interbank takings and intervention credit granted to the Bank by the Bank of Industry for the purpose of refinancing existing loans to Small and Medium Scale Enterprises Scheme under secured borrowing with related liability of N3.44 billion (2020: N3.52 billion) as disclosed in note 28.

In thousands of Nigerian Naira	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
17 Investment securities	133,064,090	183,799,001	122,125,102	172,860,013
Current	94,206,201	161,572,989	94,206,201	161,572,989
Non-current	38,857,889	22,226,012	27,918,901	11,287,024
17a Investment securities measured at FVTOCI				
Treasury bills	58,388,962	54,735,684	58,388,962	54,735,684
Equity (see note (i) below)	1,844,591	1,844,591	1,845,591	1,845,591
	60,233,553	56,580,275	60,234,553	56,581,275
17b Investment securities measured at FVTPL				
Treasury Bills	10,840,353	78,225,951	10,840,353	78,225,951
17c Investment securities measured at amortised cost				
Treasury Bills	24,976,886	28,611,354	24,976,886	28,611,354
FGN Bonds	32,172,979	15,377,283	21,232,991	4,437,295
Other Bonds (see (ii) below)	6,101,512	6,265,331	6,101,512	6,265,331
ECL Allowance on bond	(1,227,741)	(1,214,751)	(1,227,741)	(1,214,751)
ECL Allowance on Treasury Bills	(33,452)	(46,442)	(33,452)	(46,442)
	61,990,184	48,992,774	51,050,195	38,052,786
(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)	1,774,635	1,774,635	1,774,635	1,774,635
	1,844,591	1,844,591	1,845,591	1,845,591
	1,844,591	1,844,591	1,845,591	1,845,591

(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	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
CORPORATE				
I. 7YR: DANA Group Bond Series 1				
Opening balance	1,271,400	1,271,400	1,271,400	1,271,400
Movement in the year	(115,663)	(115,663)	(115,663)	(115,663)
Closing balance	<u>1,155,737</u>	<u>1,155,737</u>	<u>1,155,737</u>	<u>1,155,737</u>
STATE BONDS				
I. EKITI State Govt Bond Tranche 11				
Opening balance	1,005,360	198,649	1,005,360	198,649
Movement in the year	24,480	806,711	24,480	806,711
Closing balance	<u>1,029,840</u>	<u>1,005,360</u>	<u>1,029,840</u>	<u>1,005,360</u>
III. ONDO State Govt Bond				
Opening balance	4,104,234	232,641	4,104,234	232,641
Movement in the year	(188,299)	3,871,593	(188,299)	3,871,593
Closing balance	<u>3,915,935</u>	<u>4,104,234</u>	<u>3,915,935</u>	<u>4,104,234</u>
Total Other Bonds	6,101,512	6,265,331	6,101,512	6,265,331
ECL	(1,175,678)	(1,177,833)	(1,175,678)	(1,177,833)
	<u>4,925,834</u>	<u>5,087,498</u>	<u>4,925,834</u>	<u>5,087,498</u>

18 Loans and advances to customers at amortised cost

	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
<i>In thousands of Nigeria Naira</i>				
Overdrafts	34,765,505	33,802,861	34,765,505	33,802,861
Term Loans	342,240,578	335,699,322	342,240,578	335,699,322
Advances under finance lease	5,791,366	5,537,475	5,791,366	5,537,475
Gross loans and receivables	<u>382,797,449</u>	<u>375,039,658</u>	<u>382,797,449</u>	<u>375,039,658</u>
Less ECL allowances				
12-months ECL credit	(8,836,974)	(8,768,264)	(8,836,974)	(8,768,264)
Life-time ECL Not impaired	(801,249)	(783,944)	(801,249)	(783,944)
Life-time ECL credit impaired	(5,472,231)	(5,411,370)	(5,472,231)	(5,411,370)
	<u>(15,110,454)</u>	<u>(14,963,578)</u>	<u>(15,110,454)</u>	<u>(14,963,578)</u>
Net loans and advances to customers	<u>367,686,996</u>	<u>360,076,079</u>	<u>367,686,996</u>	<u>360,076,079</u>

31st March 2021

	Term loan	Overdrafts	Finance lease	Total
Gross loans	342,240,578	34,765,505	5,791,366	382,797,449
12 months ECL loans and advances	(7,818,141)	(795,709)	(223,123)	(8,836,974)
Lifetime ECL not credit-impaired loans and advances	(794,746)	(4,970)	(1,533)	(801,249)
Lifetime ECL credit-impaired loans and advances	(4,118,865)	(1,234,825)	(118,541)	(5,472,231)
	<u>329,508,826</u>	<u>32,730,000</u>	<u>5,448,170</u>	<u>367,686,996</u>

31st December, 2020

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

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In thousands of Nigerian Naira	Overdraft	Term Loan	Advances under finance lease	Totals
Balance as at 1st January 2021	2,035,504	12,584,878	343,196	14,963,578
12-months ECL credit	979,427	7,594,678	194,160	8,768,264
Life-time ECL Not impaired	45,308	737,487	1,149	783,944
Life-time ECL credit impaired	1,010,770	4,252,713	147,887	5,411,370
Reclass from Regulatory Risk Reserve ECL allowance during the year	- 41,097	- 175,918	- 8,764	- 225,779
Written off in the year as uncollectible	(18,248)	(29,044)		(47,292)
Amounts recovered during the year	(22,849)	-	(8,764)	(31,612)
Balance as at 31st March 2021	2,035,504	12,731,752	343,197	15,110,454
12-months ECL credit	795,709	7,818,141	223,123	8,836,974
Life-time ECL Not impaired	4,970	794,746	1,533	801,249
Life-time ECL credit impaired	1,234,825	4,118,865	118,541	5,472,231

Contingent Liabilities & Commitments:

	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
Guarantees and Indemnities	60,415,896	63,007,244	60,415,896	63,007,244
Bonds	5,695,105	3,146,415	5,695,105	3,146,415
Clean-Line Facilities& Irrevocable LCs	14,769,545	13,939,976	14,769,545	13,939,976
ECL	(1,401,431)	(1,401,431)	(1,401,431)	(1,401,431)
	79,479,115	78,692,203	79,479,115	78,692,203

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19 Investment properties

	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
<i>In thousands of Nigeria Naira</i>				
Cost				
Balance as at 1st January	47,079	47,079	47,079	47,079
Additions	-	-	-	-
Write -off	-	-	-	-
Disposals	-	-	-	-
Closing Balance	47,079	47,079	47,079	47,079
Accumulated depreciation and impairment				
Balance as at 1st January	8,691	7,749	8,691	7,749
Charge for the year	232	942	232	942
Write -off	-	-	-	-
Disposals	-	-	-	-
Closing Balance	8,923	8,691	8,923	8,691
Cost	47,079	47,079	47,079	47,079
Accumulated depreciation	8,923	8,691	8,923	8,691
Net Book Value	38,156	38,388	38,156	38,388

- (i) Investment properties represent land and buildings that are not substantially occupied by the bank but held for investment purposes. Investment properties are carried at cost less accumulated depreciation and impairment losses in accordance with the cost model. Investment properties are depreciated over a useful life of 50 years with a nil residual value. Had investment property been carried at fair value, the fair value as at 31st March 2021 would have been N145,500,000.00 (31 December 2020: N115,563,000.00). The valuations was provided by Messrs Diya Fatimilehin & Co. (FRC/2013/NIESV/00000000754) and Jide taiwo & co. (FRC/2012/000000000254) surveyors and valuers.
- (ii) On 19 December, 2013 the Central Bank of Nigeria issued a circular that all deposit money banks should dispose off all the investment properties in their books on or before 30 June, 2014. The directors are aware of this directive and all necessary efforts is being made to ensure compliance. Although the directors are committed to a plan to sell the asset as directed by the Central bank of Nigeria; however, the asset requires some process to be in place before disposal and this we have initiated. Hence, the sale is not expected to qualify for recognition as a completed sale within one year from the date of classification.

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

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20 Property and equipment

Group / Bank

In thousands of Nigerian Naira (000s)

	Land	Buildings	Furniture & Office Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
Cost							
Balance as at 1st January 2021	1,590,773	16,758,481	9,142,777	3,422,270	11,369,720	190,660	42,474,680
Additions	-	1,600	168,916	95,000	68,922	652,325	986,763
Adjustments						-	-
Disposals	-	-	(19,274)	(114,816)	-	-	(134,090)
Balance as at 31st March 2021	1,590,773	16,760,081	9,292,419	3,402,453	11,438,641	842,985	43,327,353
Accumulated depreciation and impairment							
Balance as at 1st January 2021	-	5,179,558	6,417,656	1,892,322	7,467,821	-	20,957,358
Charge for the year	-	81,181	235,797	115,880	237,477	-	670,335
Disposals	-	-	(17,027)	(106,508)	-	-	(123,536)
Adjustments					(3,121)	-	(3,121)
Balance as at 31st March 2021	-	5,260,739	6,636,426	1,901,693	7,702,178	-	21,501,036
Carrying amounts							
Balance as at 1st January 2021	1,304,111	11,732,705	2,392,329	1,514,374	3,049,090	645,026	20,637,634
Balance as at 31st March 2021	1,590,773	11,499,342	2,655,993	1,500,760	3,736,464	842,985	21,826,317

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 as at 1st January 2020	1,304,111	16,703,050	7,912,588	3,094,358	9,613,583	645,026	39,272,716
Additions	287,051	5,475	1,214,180	307,816	1,706,512	186,303	3,707,336
Reclassification from WIP	-	366,157	44,497	168,900	61,114	(640,668)	-
Disposals	(389)	(316,201)	(28,487)	(148,804)	(11,490)		(505,372)
Balance as at 31 Dec 2020	1,590,773	16,758,481	9,142,777	3,422,270	11,369,720	190,660	42,474,680
Accumulated depreciation and impairment							
Balance as at 1st January 2020	-	4,970,345	5,520,259	1,579,984	6,564,492	-	18,635,081
Charge for the year	-	329,385	924,807	453,091	911,644	-	2,618,927
Disposals		(120,171)	(27,410)	(140,753)	(8,315)		(296,650)
Adjustments						-	-
Balance as at 31 Dec 2020	-	5,179,558	6,417,656	1,892,322	7,467,821	-	20,957,358
Carrying amounts							
Balance as at 1st January 2020	1,304,111	11,732,705	2,392,329	1,514,374	3,049,090	645,026	20,637,634
Balance as at 31 Dec 2020	1,590,773	11,578,923	2,725,120	1,529,948	3,901,898	190,660	21,517,323

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<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
21 Intangible assets				
Cost				
Cost 1 January	5,502,221	4,794,063	5,502,221	4,794,063
Additions	81,026	708,158	81,026	708,158
Transfer to computer equipment	-	-	-	-
Closing Balance	5,583,247	5,502,221	5,583,247	5,502,221
Amortization and impairment losses				
Cost 1 January	4,110,672	3,819,994	4,110,672	3,819,994
Amortization for the year	71,916	290,678	71,916	290,678
Adjustment	3,108	-	3,108	-
Closing Balance	4,185,696	4,110,672	4,185,696	4,110,672
Carrying amounts	1,397,552	1,391,549	1,397,552	1,391,549

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

22 Deferred tax assets and liabilities

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

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
At 1 January	18,236,111	19,195,906	18,236,111	19,195,906
Write down	-	(959,795)	-	(959,795)
Closing balance	18,236,111	18,236,111	18,236,111	18,236,111

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In thousands of Nigerian Naira

	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
23 Other assets				
Accounts receivables	6,857,659	7,487,207	6,857,659	7,487,207
Prepayments	7,324,229	837,197	7,324,229	837,197
Stock	556,137	352,347	556,137	352,347
Collateralised Placement	52,917	52,917	52,917	52,917
Clearing Balance	342,149	332,239	342,149	332,239
Fraud & Burglary	636,615	643,277	636,615	643,277
CBN Special Reserve (see 23.1 below)	10,677,214	10,677,214	10,677,214	10,677,214
AGSMEIS Investment with CBN	673,148	673,148	673,148	673,148
Receivable on E-business Channels	1,659,039	1,446,033	1,659,039	1,446,033
FBN Settlement	-	-	-	-
Others	107,365	47,298	107,365	47,298
	<u>28,886,473</u>	<u>22,548,877</u>	<u>28,886,473</u>	<u>22,548,877</u>
Specific impairment on other assets	(665,262)	(665,262)	(665,262)	(665,262)
	28,221,211	21,883,615	28,221,211	21,883,615
At 1 January	665,262	1,433,642	665,262	1,433,642
Allowance/write off made during the year	-	(768,380)	-	(768,380)
Transfer from investment	-	-	-	-
	<u>665,262</u>	<u>665,262</u>	<u>665,262</u>	<u>665,262</u>
Closing balance	665,262	665,262	665,262	665,262

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	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
<i>In thousands of Nigeria Naira</i>				
Money market deposits	57,800,000	-	57,800,000	-
Deposits from customers				
Retail customers:				
Term deposits	92,650,353	89,281,376	92,650,353	89,281,376
Current deposits	29,962,786	29,286,032	29,962,786	29,286,032
Savings	125,601,289	120,103,127	125,601,289	120,103,127
Corporate customers:				
Term deposits	309,895,153	340,530,243	309,895,153	340,530,243
Current deposits	187,611,471	183,028,084	187,611,471	183,028,084
Others	49,815,795	42,644,530	49,815,795	42,644,530
	795,536,848	804,873,392	795,536,848	804,873,392

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

Under 3 months	551,733,775	558,209,008	551,733,775	558,209,008
3 - 6months	160,087,087	161,965,894	160,087,087	161,965,894
6 - 12months	55,367,457	56,017,258	55,367,457	56,017,258
Over 12months	28,348,529	28,681,232	28,348,529	28,681,232
	795,536,848	804,873,392	795,536,848	804,873,392

At 31st March 2021 N28.35billion (31 December 2020: N28.68billion) of deposits from customers are expected to be settled more than 12 months after the reporting date.

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	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
In thousands of Nigerian Naira				
26 Taxation				
26.1 Income tax expense				
Company income tax	203,593	199,524	203,593	199,524
Education Tax	-	22,086	-	22,086
NITDA Levy	-	59,465	-	59,465
Nigerian Police Trust Fund	-	297	-	297
Capital Gains Tax	-	113,139	-	113,139
Current Income Tax expense	203,593	394,511	203,593	394,511
Deferred tax expenses	-	959,795	-	959,795
	203,593	1,354,306	203,593	1,354,306

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

	Group 31-Mar-21	Group 31-Dec-20	Bank 31-Mar-21	Bank 31-Dec-20
Profit before tax from continuing operations	1,508,100	5,931,687	1,508,094	5,946,523
Income tax expense calculated at 30% (2019:30%)	1,761,303	1,761,303	1,761,303	1,761,303
Effect of income that is exempt from taxation	(1,761,303)	(801,211)	(1,761,303)	(801,211)
Capital gain tax	-	113,139	-	113,139
Education tax at 2% of assessable profit	-	22,086	-	22,086
Effect of concessions and other allowances)	-	-	-	-
Minimum tax adjustment	203,593	199,524	203,593	199,524
Information technology tax levy adjustment	-	59,465	-	59,465
	203,593	1,354,306	203,593	1,354,306

	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
26.2 Current tax liabilities				
At 1 January	394,511	905,364	394,511	905,364
Payment during the year	-	(905,364)	-	(905,364)
Charge for the year	203,593	394,511	203,593	394,511
Closing balance	598,104	394,511	598,104	394,511

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

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27 Other liabilities

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
Financial Liabilities				
Creditors and accruals	2,178,565	1,401,437	2,178,565	1,401,437
Staff Deductions	361,130	58,202	361,130	58,202
Provision for Others	122,657	62,657	122,657	62,657
Other current liabilities	211,396	130,294	171,351	90,243
Insurance Claim	86,656	71,890	86,656	71,890
Swift Payables	94,652	79,046	94,652	79,046
Western Union	175,380	3,430	175,380	3,430
Salary Suspense	66,008	26,931	66,008	26,931
Accounts payable	578,302	442,950	578,302	442,950
Electronic products payable	393,627	287,192	393,627	287,192
Certified cheques	1,647,996	2,195,972	1,647,996	2,195,972
Customer deposits for letters of credit	17,015,407	13,167,868	17,015,407	13,167,868
Discounting Line	19,535,804	18,831,877	19,535,804	18,831,877
Other Settlements	1,833,341	1,872,742	1,833,341	1,872,742
Remittances	2,166,452	2,160,396	2,166,452	2,160,396
	46,467,374	40,792,884	46,427,329	40,752,833
Non-Financial Liabilities				
Litigation claims provision (i)	386,244	386,244	386,244	386,244
Other payables	1,397,087	383,021	1,397,087	383,021
	48,250,706	41,562,149	48,210,661	41,522,098

(i) Movement in litigation claims provision

Opening balance	386,244	328,571	386,244	328,571
Additions	-	189,809	-	189,809
Payment	-	(132,135)	-	(132,135)
	386,244	386,244	386,244	386,244

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	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
<i>In thousands of Nigerian Naira</i>				
28 Other borrowed funds				
Due to BOI (see (i) below)	3,440,602	3,521,955	3,440,602	3,521,955
Osun Bailout Fund (see vi below)	9,003,590	9,003,590	9,003,590	9,003,590
CBN Agric. loan (see iii below)	1,149,759	1,517,075	1,149,759	1,517,075
CBN MSMEDF (see iv below)	517,688	526,381	517,688	526,381
Wema SPV (see v below)	24,749,414	24,749,414	13,642,318	13,642,318
Anchor Borrowers fund (see ii below)	3,137,555	3,137,555	3,137,555	3,137,555
National Housing Fund	69,714	73,137	69,714	73,137
Shelter Afrique (see vii below)	911,667	1,403,485	911,667	1,403,485
AFDB (see viii below)	3,674,482	4,404,490	3,674,482	4,404,490
DBN	12,283,878	12,115,397	12,283,878	12,115,397
AGSMEIS/RSSF	12,959,643	13,070,992	12,959,643	13,070,992
	71,897,992	73,523,471	60,790,896	62,416,375

- (i) The amount represents an intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facilities are secured by Nigerian Government Securities worth N8,285,910,675.95 and have a maximum tenor of 15 years

A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. In response to COVID-19, CBN has moderated the rate to 5%

- (ii) Amount represents intervention funds for the production of agro-commodities for offtake market from Central Bank of Nigeria. The fund is at the rate of 9% and for a maximum of 18 months. There is a moratorium of 12 months and 6 months for cassava and cocoa respectively.
- (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 2021: N24,749,414,000 (2020: N24,749,414,000) represents amortized cost of the fixed rate unsecured bond issued by Wema Funding SPV Plc. The outstanding bond of N6,295,000,000 and N17,675,000,000 (principal) were issued on 12 October 2016 and 2018 respectively for a period of 7 years at 18.5% and 16.5% per annum with interest payable semi-annually and principal payable at maturity in October 2023 and 2025 respectively.
- (vi) Amount represents salary credit bail out facility from Central Bank of Nigeria. It has a moratorium of twenty years at bank's interest rate of 9%. The corresponding entry is in loans and advances and the bank is expected to provide Central Bank of Nigeria with periodic progress on the facility. The principal repayment is by bullet payment at the expiration of the moratorium granted.
- (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
- (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	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
At 1 January	73,523,471	48,770,306	62,416,375	37,702,326
Additions	1,493,676	26,765,784	1,493,676	26,726,669
Effect of exchange rate changes [loss/(-	740,601	-	740,601
Payments made	(3,119,155)	(2,753,220)	(3,119,155)	(2,753,220)
Closing balance	71,897,992	73,523,471	60,790,896	62,416,375

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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.

As at 31st March, 2021

COST	N
a. As at 1st January 2021	1,056,941
Additions	217,277
Terminated contracts	
As at 31st March, 2021	<u>1,274,218</u>
 DEPRECIATION CHARGE	
As at 1st January 2021	435,413
Charge for the period	60,808
As at 31st March, 2021	<u>496,221</u>
 CARRYING AMOUNT	
As at 31st December, 2020	<u>621,528</u>
As at 31st March, 2021	<u><u>777,997</u></u>

Approximately one fifth of the leases for property, plant and equipment expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets.

b. LEASE LIABILITY	As at 31st March, 2021
	N
As at 1st January 2021	22,875
Addition during the year	941
Interest expense for the period	-
Payment during the year	
As at 31st March, 2021	<u>23,817</u>

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<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
30 Share capital and Reserves				
(a) The share capital comprises:				
(i) Authorised - 40,000,000 Ordinary shares (2019 - 40,000,000,000) Ordinary shares of 50k each (2019- 50k)	20,000,000	20,000,000	20,000,000	20,000,000
(ii) Issued and fully paid - 38,574,466,000 Ordinary shares (2019-38,574,466,000) shares of 50k each (2019 - 50k)	19,287,233	19,287,233	19,287,233	19,287,233
(iii) Shareholding Structure / Free float Status				
Shareholders	No of Ordinary Shares	% Holdings		
Strategic Shareholding	19,877,203,810	51.53		
Directors Direct Shareholding	2,329,221,650	6.04		
Government Shareholding	2,524,520,608	6.54		
Staff Schemes	-	0.00		
Free Float	13,843,520,013	35.89		
Total	38,574,466,081	100		
Strategic Shareholding				
Name	Holding			
SW8 Invest Coy	5,745,816,867	14.90		
Petrotrab Limited	3,295,880,000	8.54		
Neemtree Limited	10,835,506,943	28.09		
	19,877,203,810	51.53		
Directors Shareholding	Direct	Indirect	Total	
Mr. Babatunde Kasali	-	-	-	
Mr. Ademola Adebise	10,265	2,243,208	2,253,473	
Mr. Adebode Adefioye	6,988	-	6,988	
Mr. Samuel Durojaiye	-	-	-	
Mrs. Ekong Ibiye Asime	-	-	-	
Mrs. Omobosola Ojo	-	-	-	
Mr. Moruf Oseni	-	-	-	
Mr Ajimisinmi Oluwole Albert	6,170,996	-	6,170,996	
Mr. Abubakar Lawal	1,000,000	567,917,143	568,917,143	
Mrs. Abolanle Matel-Okoh	1,750,000,000	-	1,750,000,000	
Mr. Akinleye Oluwole Stephen	1,641,800	-	1,641,800	
Mr. Emeka Obiagwu	231,250	-	231,250	
			2,329,221,650	
Government Shareholding				
Oyo State	414,000	0.00		
Ogun State	666,670,000	1.73		
Osun State	666,670,000	1.73		
Odua Invest Coy	1,190,766,608	3.09		
	2,524,520,608	6.54		
Declaration:				
Wema Bank Plc with a free float of 35.89% as at 31st December 2020, is compliant with The Nigerian Stock Exchange's free float requirements for companies listed on the Main Board.				
b) 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 available-for-sale investments until the investment is derecognised or impaired.

(e) SMEIS Reserve

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

(f) Retained earnings

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

<i>In thousands of Nigeria Naira</i>	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
At 1 January	7,103,647	3,254,018	7,314,727	3,450,263
Profit or loss	1,304,508	4,577,381	1,304,501	4,592,217
Opening balance adjustment	-	-	-	-
Transfer from Regulatory risk reserve	-	2,041,579	-	2,041,579
Transfer to Statutory Reserve	-	(1,377,664)	-	(1,377,665)
Dividend Paid to Shareholders	-	(1,542,979)	-	(1,542,979)
Transfer to Credit Risk Reserve	-	-	-	-
Regulatory charge to SMEIS	-	151,313	-	151,313
Closing balance	8,408,154	7,103,647	8,619,229	7,314,727

(g) Regulatory risk reserve

The regulatory risk reserve warehouses the excess of the impairment on loans and advances computed under the Nigerian GAAP based on the Central Bank of Nigeria prudential guidelines compared with the incurred loss model used in calculating the impairment under IFRSs.

(h) Credit Risk Reserve

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

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31 Contingencies

(i) Litigation and claims

There are litigation claims against the Bank as at 31st March 2021 amounting to N6,966,079,919.00 (31 December 2020: N6,966,079,919.00) These litigations arose in the normal course of business and are being contested by the Bank. The Directors, having sought advice of professional counsel, are of the opinion that no significant additional liability will crystallise from these claims: other than as recognised in these financial

(ii) Contingent liabilities and commitments

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

Nature of instruments

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

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

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

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

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

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

	Group		Bank	
	Group 31-Mar-21	Bank 31-Dec-20	Bank 31-Mar-21	Bank 31-Dec-20
In thousands of Nigerian naira				
Contingent liabilities:				
Guarantees and indemnities	60,415,896	63,007,244	60,415,896	63,007,244
Bonds	5,695,105	3,146,415	5,695,105	3,146,415
Clean-line facilities & irrevocable letters of credit	14,769,545	13,939,976	14,769,545	13,939,976
ECL	(768,381)	(768,381)	(1,401,431)	(1,401,431)
Closing balance	80,112,165	79,325,253	79,479,115	78,692,203

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.