

WEMA BANK PLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2021

Contents**Page**

Statements of profit or loss and other comprehensive income	1
Statements of financial position	2
Statements of changes in equity	3
Statement of Prudential Adjustments	5
Statement of cash flows	6
Notes to the financial statements	7

Wema Bank Plc

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

Statement of Profit or loss and other Comprehensive Income

<i>In thousands of Nigerian Naira</i>	Group				Bank			
	3 Months 30-Sep-21	9 Months 30-Sep-21	9 Months 30-Sep-20	12 Months 31-Dec-20	3 Months 30-Sep-21	9 Months 30-Sep-21	9 Months 30-Sep-20	12 Months 31-Dec-20
Gross Earnings	21,746,388	63,077,135	57,825,190	81,382,795	21,746,388	61,571,334	57,624,874	79,876,995
Interest income	17,858,185	51,550,286	46,395,559	64,552,522	17,858,185	50,044,486	46,195,243	63,046,722
Interest expense	(7,714,240)	(23,100,912)	(26,296,799)	(33,702,510)	(7,714,240)	(21,587,853)	(26,098,097)	(32,189,452)
Net interest income	10,143,945	28,449,374	20,098,760	30,850,012	10,143,945	28,456,633	20,097,146	30,857,270
Net impairment loss on financial assets	50,450	(811,162)	(1,866,497)	(5,635,165)	50,450	(811,162)	(1,866,497)	(5,635,165)
Net interest income after impairment charge for credit losses	10,194,394	27,638,212	18,232,263	25,214,847	10,194,394	27,645,470	18,230,649	25,222,105
Net gain on FVTPL investment securities	-	13,262	336,920	326,274	-	13,262	336,920	326,274
Net fee and commission income	3,328,919	8,722,511	5,162,782	8,422,108	3,328,919	8,722,511	5,162,782	8,422,108
Net trading income	349,774	1,163,240	4,861,112	3,940,031	349,774	1,163,240	4,861,112	3,940,031
Other income	209,510	1,627,836	1,068,817	4,141,860	209,510	1,627,836	1,068,817	4,141,860
	3,888,203	11,526,849	11,429,631	16,830,273	3,888,203	11,526,849	11,429,631	16,830,273
Operating income	14,082,597	39,165,060	29,661,894	42,045,120	14,082,597	39,172,319	29,660,280	42,052,378
Personnel expenses	(4,365,596)	(12,381,847)	(10,572,981)	(14,082,228)	(4,365,596)	(12,381,847)	(10,572,981)	(14,082,228)
Depreciation and amortization	(864,047)	(2,486,100)	(2,348,849)	(3,136,273)	(864,047)	(2,486,100)	(2,348,849)	(3,136,273)
Other operating expenses	(5,939,974)	(17,088,199)	(13,682,636)	(18,894,932)	(5,939,974)	(17,090,615)	(13,680,215)	(18,887,354)
Profit before tax	2,912,980	7,208,915	3,057,428	5,931,687	2,912,980	7,213,757	3,058,235	5,946,523
Income tax expense	(393,252)	(973,857)	(412,862)	(1,354,306)	(393,252)	(973,857)	(412,862)	(1,354,306)
Profit for the year	2,519,728	6,235,058	2,644,567	4,577,381	2,519,728	6,239,900	2,645,374	4,592,217
Other comprehensive income, net of income tax items that will not be subsequently reclassified to profit or loss								
Net change in fair value of investments FVTOCI	-	-	-	544,616	-	-	-	544,616
	-	-	-	544,616	-	-	-	544,616
Items that will be subsequently reclassified to profit or loss								
Net change in fair value of investments FVOCI	181,062	(97,163)	-	104,576	181,062	(97,163)	-	104,576
Income tax relating to items that may be reclassified subsequently to profit or Loss	-	-	-	-	-	-	-	-
Other comprehensive income for the year	181,062	(97,163)	-	649,192	181,062	(97,163)	-	649,192
Total comprehensive income for the year	2,700,790	6,137,894	2,644,567	5,226,573	2,700,790	6,142,737	2,645,374	5,241,409
Profit attributable to:								
Equity holders of the Bank	2,519,728	6,235,058	2,644,567	4,577,381	2,519,728	6,239,900	2,645,374	4,592,217
Total comprehensive income for the year	2,700,790	6,137,894	2,644,567	5,226,573	2,700,790	6,142,737	2,645,374	5,241,409
Earnings per share-basic	26.0	21.6	9.2	11.9	26.0	21.6	9.2	11.9

Wema Bank Plc

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

Statement of financial Position

	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
<i>In thousands of Nigerian Naira</i>				
Cash and cash equivalents	99,416,230	97,524,936	99,399,151	97,527,858
Restricted Deposit with CBN	295,770,981	246,974,959	295,770,981	246,974,959
Pledged assets	47,435,420	27,454,662	47,435,420	27,454,662
Investment securities:				
Fair value through other comprehensive income	115,782,977	56,580,275	115,783,977	56,581,275
Fair Value through profit or loss	19,650,453	78,225,951	19,650,453	78,225,951
Held at amortised cost	43,523,367	48,992,773	32,583,379	38,052,786
Loans and advances to customers	397,281,289	360,076,079	397,281,289	360,076,079
Investment properties	37,684	38,388	37,684	38,388
Right of Use	788,299	621,528	788,299	621,528
Property and equipment	21,893,316	21,517,323	21,893,316	21,517,323
Intangible assets	2,033,540	1,391,549	2,033,540	1,391,549
Other assets	22,924,920	21,883,615	22,924,920	21,883,615
Deferred tax assets	18,236,111	18,236,111	18,236,111	18,236,111
	1,084,774,588	979,518,150	1,073,818,521	968,582,084
Deposits from banks	16,600,000	-	16,600,000	-
Deposits from customers	879,824,147	804,873,392	879,824,147	804,873,392
Lease Liabilities	25,817	22,875	25,817	22,875
Current tax liabilities	974,454	394,511	974,454	394,511
Other liabilities	50,996,081	41,562,147	50,931,187	41,522,098
Other borrowed funds	72,617,419	73,523,471	61,510,323	62,416,375
	1,021,037,918	920,376,396	1,009,865,929	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	11,566,115	7,103,647	11,782,038	7,314,727
Other reserves	18,648,972	18,516,524	18,648,972	18,516,524
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	63,736,669	59,141,754	63,952,592	59,352,833
TOTAL LIABILITIES AND EQUITY	1,084,774,588	979,518,150	1,073,818,521	968,582,084
CONTINGENTS	114,163,986	78,692,203	114,163,986	78,692,203

The financial statements were authorized for issue by the directors on the 28th October 2021



Babatunde Kasali
Chairman
FRC/2017/ICAN/00000016973



Ademola Adebise
Managing Director
FRC/2013/ICAN/00000002115



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

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 30th September, 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 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
Opening Adjustment									-
Dividend Payout								(1,542,978)	(1,542,978)
SMEIS Charge						229,611		(229,611)	-
Profit or loss	-	-	-	-	-	-		6,235,058	6,235,058
Other comprehensive income									
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments									-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	(97,163)	-	(97,163)
	19,287,233	8,698,230	781,612	5,536,119	14,974,982	902,759	1,989,619	11,566,115	63,736,669
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 30th September 2021	19,287,233	8,698,230	781,612	5,536,119	14,974,982	902,759	1,989,619	11,566,115	63,736,669
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			-					-	-
Transfer to Statutory 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	8,481,312	59,141,754

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 30th September, 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 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	-	-	-	-	-	-		6,239,900	6,239,900
Other comprehensive income									
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments									-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	(97,163)	-	(97,163)
Total comprehensive income for the period	19,287,233	8,698,230	781,612	5,536,119	14,974,982	902,759	1,989,619	11,782,038	63,952,592
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 30th September 2021	19,287,233	8,698,230	781,612	5,536,119	14,974,982	902,759	1,989,619	11,782,038	63,952,592
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	3,450,262	55,356,851
Dividend Payout								(1,542,979)	(1,542,979)
SMEIS Charge						146,240		151,313	297,553
Profit or loss	-	-	-	-	-	-		4,592,217	4,592,217
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	6,650,813	59,352,833
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			-					-	-
transfer to statutory reserves					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	7,314,727	59,352,833

Wema Bank Plc

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

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	30-Sep 2021	31-Dec 2020	30-Sep 2021	31-Dec 2020
Cash flows from operating activities				
Profit for the year	6,235,058	4,577,381	6,239,900	4,592,217
Adjustments for:				
Taxation expense	973,857	1,354,306	973,857	1,354,306
Depreciation and amortization	2,486,100	3,136,273	2,486,100	3,136,273
Adjustment for transfer out of PPE now expensed	(88)	(33)	(88)	(33)
Opening balance adjusted directly in retained earnings	-	-	-	-
(Gain)/Loss on disposal of property and equipment	(2,382)	(1,266,904)	(2,382)	(1,266,904)
Net interest income	(28,449,374)	(30,850,012)	(28,456,633)	(30,857,270)
Dividend received from equity investment	(134,737)	(67,315)	(134,737)	(67,315)
Impairment loss on financial assets	811,162	5,635,165	811,162	5,635,165
Operating cashflow before movement in working capital	(18,080,403)	(17,481,139)	(18,082,820)	(17,473,561)
Change in pledged assets	(19,980,758)	(529,135)	(19,980,758)	(529,135)
Change in loans and advances to customers	(38,016,372)	(76,471,374)	(38,016,372)	(76,471,374)
Change in other assets	(1,041,305)	(17,003,826)	(1,041,305)	(17,003,826)
Change in deposits from banks	16,600,000	(3,638,400)	16,600,000	(3,638,400)
Change in finance lease obligation	-	-	-	-
Change in restricted deposit with CBN	(48,796,022)	(109,582,258)	(48,796,022)	(109,582,258)
Change in deposits from customers	74,950,755	227,589,923	74,950,755	227,589,923
Change in other liabilities	9,436,875	11,473,355	9,412,031	11,475,779
Cashflow generated by operations	(24,927,231)	14,357,146	(24,954,491)	14,367,148
Income tax paid	(393,914)	(905,364)	(393,914)	(905,364)
Interest received	51,550,286	64,552,522	50,044,486	63,046,722
Interest paid	(19,127,679)	(29,704,156)	(19,127,679)	(29,704,157)
Net cash from operating activities	7,101,461	48,300,147	5,568,401	46,804,348
Cash flows from investing activities				
Disposal/Acquisition of investment securities-At Amortis	5,469,406	(5,849,850)	5,469,407	(5,817,826)
Disposal/Acquisition of investment securities-FVTOCI	(59,299,865)	(54,137,540)	(59,299,865)	(54,137,540)
Change in FVTPL investments	58,575,498	26,938,332	58,575,498	26,938,332
Dividend received from equity investment	134,737	67,315	134,737	67,315
Acquisition of property and equipment	(2,516,251)	(3,707,336)	(2,516,251)	(3,707,336)
Proceeds from the sale of property and equipment	116,342	1,475,658	116,342	1,475,658
Right of Use	(352,264)	(337,292)	(352,264)	(337,292)
Acquisition of intangible assets	(915,509)	(708,158)	(915,509)	(708,158)
Net cash(used in)/generated by investing activities	1,212,096	(36,258,871)	1,212,097	(36,226,847)
Cash flows from financing activities				
Proceed from borrowings	3,053,174	26,765,784	3,053,174	26,726,669
Repayment of borrowings	(3,959,226)	(2,012,620)	(3,959,226)	(2,012,620)
Transfer To/From Reserves	-	297,553	-	297,553
Interest paid on borrowings	(3,973,233)	(3,998,354)	(2,460,174)	(2,485,295)
Dividend paid to shareholders	(1,542,978)	(1,542,979)	(1,542,978)	(1,542,979)
Net cash from financing activities	(6,422,263)	19,509,385	(4,909,204)	20,983,328
Net increase in cash and cash equivalents	1,891,294	31,550,662	1,871,294	31,560,830
Cash and cash equivalents at beginning of period	97,524,935	65,974,273	97,527,858	65,967,028
Cash and cash equivalents at end of period	99,416,229	97,524,935	99,399,151	97,527,858

Wema Bank Plc

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

	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
Prudential Provisions:				
Loans and advances	22,468,425	21,345,910	22,468,425	21,921,475
Other financial assets	2,900,420	1,314,335	2,900,420	2,313,255
	25,368,845	22,660,245	25,368,845	24,234,730
Impairment assessment under IFRS:				
Loans and advances				
12-months ECL credit	9,498,496	7,104,750	9,498,496	8,768,264
Life-time ECL Not impaired	278,096	377,572	278,096	783,944
Life-time ECL credit impaired	6,402,273	4,646,110	6,402,273	5,411,370
	16,178,865	12,128,432	16,178,865	14,963,578
Investment securities				
12-months ECL	1,177,736	1,324,037	1,177,736	1,282,095
	1,177,736	1,324,037	1,177,736	1,282,095
Off balance sheet exposures				
12-months ECL	1,401,431	768,381	1,401,431	1,401,431
	1,401,431	768,381	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	1,074,694	1,051,506
Other non-financial assets	-	-	-	-
	861,697	861,697	1,074,694	1,051,506
Total IFRS Impairment	19,619,728	15,082,548	19,832,726	18,698,611
Excess of Prudential impairment over IFRS impairment transferred to regulatory reserve	5,749,117	7,577,698	5,536,119	5,536,119

Wema Bank Plc

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

Notes to the Financial Statements

<i>In thousands of Nigerian Naira</i>	Group				Bank			
	3 Months 30-Sep-21	9 Months 30-Sep-21	9 Months 30-Sep-20	12 Months 31-Dec-20	3 Months 30-Sep-21	9 Months 30-Sep-21	9 Months 30-Sep-20	12 Months 31-Dec-20
7 Interest income								
Cash and cash equivalents	762,989	2,282,444	2,542,414	3,405,659	730,613	2,282,444	2,542,414	3,405,659
Loans and advances to banks and customers	15,273,839	44,387,540	39,215,647	53,695,287	16,053,962	44,387,540	39,215,647	53,695,287
Investments securities	1,234,048	4,880,302	4,637,498	7,451,576	1,073,610	3,374,502	4,437,182	5,945,776
Total interest income	17,270,876	51,550,286	46,395,559	64,552,522	17,858,185	50,044,486	46,195,243	63,046,722

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	959,955	2,058,185	371,879	430,498	959,955	2,058,185	380,312	430,498
Interest expense on lease liabilities	-	-	10,810.00	-	-	-	10810	0
Deposits from customers	6,007,520	17,069,495	16576287	29,273,659	6,007,520	17,069,495	24,137,300	29,273,659
Other borrowed funds	760,138	3,973,233	1,097,422	3,998,354	760,138	2,460,174	1,569,675	2,485,295
Total interest expense	7,727,612	23,100,912	18,056,397	33,702,510	7,727,612	21,587,853	26,098,097	32,189,451

8 Fees and commission income

	30-Sep-21	30-Sep-21	30-Jun-20	31-Dec-20	30-Sep-21	30-Sep-21	30-Sep-20	31-Dec-20
Credit related fees	244,950	748,236	466,948	652,371	244,950	748,236	466,948	652,371
Account maintenance fees	554,055	1,497,357	840,393	1,246,621	554,055	1,497,357	840,393	1,246,621
Management fees	956,831	2,325,489	821,148	1,534,077	956,831	2,325,489	821,148	1,534,077
Fees on electronic products	548,833	1,764,093	2,020,022	2,606,787	548,833	1,764,093	2,020,022	2,606,787
Fees on financial guarantees	179,138	460,023	226,229	856,272	179,138	460,023	226,229	856,272
Other fees and charges	845,112	1,927,312	788,042	1,525,980	845,112	1,927,312	788,042	1,525,980
Total fee and commission income	3,328,919	8,722,511	5,162,782	8,422,108	3,328,919	8,722,511	5,162,782	8,422,108

9 Net trading income

Fixed income securities	3,409	5,980	21,977	25,879	3,409	5,980	21,977	25,879
Treasury bills	265,905	950,128	4,697,241	3,601,634	265,905	950,128	4,697,241	3,601,634
Foreign exchange trading (note 9.1)	80,460	207,132	141,894	312,518	80,460	207,132	141,894	312,518
	349,774	1,163,240	4,861,112	3,940,031	349,774	1,163,240	4,861,112	3,940,031

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

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

10 Other income	Group				Bank			
	30-Sep-21	30-Sep-21	30-Sep-20	31-Dec-20	30-Sep-21	30-Sep-21	30-Sep-20	31-Dec-20
Dividends on available-for-sale equity securities	4,058	134,737	67,315	67,315	4,058	134,737	67,315	67,315
Gains on disposal of property and equipment	1,590	2,382	127,596	1,266,904	1,590	2,382	127,596	1,266,904
Rental income	8,877	31,040	40,938	48,643	8,877	31,040	40,938	48,643
Insurance claim received	-	-	16,985	63,262	-	-	16,985	63,262
Income on contingents	13,826	30,686	18,600	68,600	13,826	30,686	18,600	68,600
Income on deposit accounts	27,339	77,255	56,383	156,383	27,339	77,255	56,383	156,383
Fund transfer	2,855	6,656	4,320	14,320	2,855	6,656	4,320	14,320
FX Revaluation	-	1,012,618	479,509	1,772,202	-	1,012,618	479,509	1,772,202
Swift transactions	36,378	56,890	39,437	157,913	36,378	56,890	39,437	157,913
Service charge	36,323	59,893	37,209	37,209	36,323	59,893	37,209	37,209
Advisory fees	14,926	27,527	32,071	82,071	14,926	27,527	32,071	82,071
Other recoveries	-	-	-	130,000	-	-	-	130,000
Others	63,338	188,152	148,454	277,038	63,338	188,152	148,454	277,038
	209,510	1,627,836	1,068,817	4,141,860	209,510	1,627,836	1,068,817	4,141,860

Wema Bank Plc

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

Notes to the Financial Statements

	Group				Bank			
	3 Months 30-Sep-21	9 Months 30-Sep-21	9 Months 30-Sep-20	12 Months 31-Dec-20	3 Months 30-Sep-21	9 Months 30-Sep-21	9 Months 30-Sep-20	12 Months 31-Dec-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	(47,437)	811,187	1,922,245	4,711,535	(47,437)	811,187	1,922,245	4,711,535
Investment securities/Treasury bills	-	-	25,728	213,799	-	-	25,728	213,799
Cash and cash equivalent	-	-	-	20,901	-	-	-	20,901
Other non financial assets	-	13,890	14,939	189,809	-	13,890	14,939	189,809
	-	-	-	-	-	-	-	-
Impairment charge on non-financial instruments								
Off balance sheet	-	23,003	20,045	633,050	-	23,003	20,045	633,050
Recoveries on loans	(3,012)	(36,918)	(116,460)	(133,929)	(3,012)	(36,918)	(116,460)	(133,929)
Total impairment charge on financial instruments	-50,450	811,162	1,866,497	5,635,165	-50,450	811,162	1,866,497	5,635,165

12 Personnel expenses

Wages and salaries	3,087,794	9,014,688	8,570,508	11,629,614	3,087,794	9,014,688	8,570,508	11,629,614
Pension Contribution	352,513	853,009	219,980	588,349	352,513	853,009	219,980	588,349
Contributions/Reversals to defined contribution plans	-	-	-	(360,000)	-	-	-	(360,000)
Other staff costs	925,289	2,514,150	1,782,493	2,224,265	925,289	2,514,150	1,782,493	2,224,265
	4,365,596	12,381,847	10,572,981	14,082,228	4,365,596	12,381,847	10,572,981	14,082,228

13a Other operating expenses

	Group				Bank			
	3 Months 30-Sep-21	9 Months 30-Sep-21	9 Months 30-Sep-20	12 Months 31-Dec-20	3 Months 30-Sep-21	9 Months 30-Sep-21	9 Months 30-Sep-20	12 Months 31-Dec-20
<i>In thousands of Nigerian Naira</i>								
Advertising and marketing	151,916	744,007	1,177,976	1,652,720	151,916	744,007	1,177,976	1,652,720
AMCON Levy (i)	1,321,500	3,914,500	2,852,345	3,999,690	1,321,500	3,914,500	2,852,345	3,999,690
Auditors remuneration	(10,000)	140,000	196,555	150,000	(10,000)	140,000	196,555	140,000
Business Expenses	31,021	92,601	122,160	163,141	31,021	92,601	122,160	163,141
Cash movement expenses	3,558	317,872	380,920	515,382	3,558	317,872	380,920	515,382
Diesel Expenses	164,834	452,840	325,204	430,057	164,834	452,840	325,204	430,057
Directors Expenses	9,200	20,700	19,000	27,300	9,200	20,700	19,000	27,300
Directors fees	30,811	47,108	23,819	37,162	30,811	47,108	23,819	37,162
Donations	293,113	475,460	195,218	228,977	293,113	475,460	195,218	228,977
Electricity	105,656	359,994	328,714	465,484	105,656	359,994	328,714	465,484
General administrative expenses	97,571	900,579	468,826	893,645	97,571	902,995	468,826	896,067
Legal expenses	(28,008)	93,299	214,967	313,939	(28,008)	93,299	214,967	313,939
Insurance	90,780	241,277	253,724	316,431	90,780	241,277	253,724	316,431
NDIC Premium	896,165	2,771,350	1,652,997	2,400,075	896,165	2,771,350	1,652,997	2,400,075
Other premises and equipment costs	96,618	265,606	339,624	474,856	96,618	265,606	339,624	474,856
Printing and stationery	8,031	245,946	281,585	414,028	8,031	245,946	281,585	414,028
Other Professional fees	487,169	924,339	434,940	841,005	487,169	924,339	434,940	841,005
Digital Bank Professional fees (ii)	(48,771)	142,085	190,856	190,856	(48,771)	142,085	190,856	190,856
Repairs and maintenance	718,736	1,765,365	1,404,195	1,933,390	718,736	1,765,365	1,404,195	1,933,390
Security expenses	134,421	360,496	319,236	437,702	134,421	360,496	319,236	437,702
Service charge	547,677	1,171,973	549,332	933,525	547,677	1,171,973	549,332	933,525
SMS Expenses & Others	(23,357)	30,372	32,926	53,729	(23,357)	30,372	32,926	53,729
Statutory expenses	49,652	116,718	39,822	77,872	49,652	116,718	39,822	77,872
Technology and alternative channels	618,156	996,756	1,400,405	1,468,995	618,156	996,756	1,400,405	1,468,995
Transport & Communications	193,527	496,955	367,149	474,971	193,527	496,955	367,149	474,971
	5,939,974	17,088,199	13,680,215	18,894,932	5,939,974	17,090,615	13,680,215	18,887,354

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-21	9 Months 30-Sep-21	9 Months 30-Sep-20	12 Months 31-Dec-20	3 Months 30-Sep-21	9 Months 30-Sep-21	9 Months 30-Sep-20	12 Months 31-Dec-20
<i>In thousands of Nigerian Naira</i>								
13b Depreciation and amortization								
Property, plants and equipment	688,605	2,029,493	1,939,531	2,618,927	688,605	2,029,493	1,939,531	2,618,927
Right of use of assets	62,310	185,493	173,592	225,727	62,310	185,493	173,592	225,727
Investment property	237	704	705	942	237	704	705	942
Intangible assets	112,895	270,410	235,021	290,678	112,895	270,410	235,021	290,678
	864,047	2,486,100	2,348,849	3,136,273	864,047	2,486,100	2,348,849	3,136,273

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

Notes to the Financial Statements

14 Earnings per share

Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

The calculation of basic earnings per share as at 31st July 2021 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding :

<i>In thousands</i>	Group		Bank	
	9 Months 30-Sep-21	12 Months 31-Dec-20	9 Months 30-Sep-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	6,235,058	4,577,381	6,239,900	4,592,217
Earnings per share -basic (Kobo)	21.6	11.9	21.6	11.9

15 Cash and cash equivalents

In thousands of Nigerian Naira

	Group		Bank	
	9 Months 30-Sep-21	12 Months 31-Dec-20	9 Months 30-Sep-21	12 Months 31-Dec-20
Cash and balances with banks	44,302,380	25,829,497	44,285,301	25,832,418
Unrestricted balances with central bank	19,020,788	42,842,345	19,020,788	42,842,345
Money market placements	36,142,117	28,873,996	36,142,117	28,873,996
ECL Allowance	(49,055)	(20,901)	(49,055)	(20,901)
	99,416,230	97,524,936	99,399,151	97,527,858

15b Restricted Deposit with CBN

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

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

	Group		Bank	
	9 Months 30-Sep-21	12 Months 31-Dec-20	9 Months 30-Sep-21	12 Months 31-Dec-20
16 Pledged assets - Held at amortised cost				
<i>In thousands of Nigerian Naira</i>				
Treasury bills (note 16.1)	22,766,371	4,473,801	22,766,371	4,473,801
Bonds (16.2)	24,669,049	22,980,861	24,669,049	22,980,861
	47,435,420	27,454,662	47,435,420	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.

Wema Bank Plc

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

Notes to the Financial Statements

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 N3.82 billion (2020: N3.52 billion) as disclosed in note 28.

In thousands of Nigerian Naira	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
17 Investment securities	178,956,798	183,799,001	168,017,810	172,860,013
Current	158,584,421	161,572,989	158,584,421	161,572,989
Non-current	20,372,378	22,226,012	9,433,390	11,287,024
17a Investment securities measured at FVTOCI				
Treasury bills	113,938,387	54,735,684	113,938,387	54,735,684
Equity (see note (i) below)	1,844,591	1,844,591	1,845,591	1,845,591
	115,782,978	56,580,275	115,783,978	56,581,275
17b Investment securities measured at FVTPL				
Treasury Bills	19,650,453	78,225,951	19,650,453	78,225,951
17c Investment securities measured at amortised cost				
Treasury Bills	24,995,581	28,611,354	24,995,581	28,611,354
FGN Bonds	14,046,774	15,377,283	3,106,785	4,437,295
Other Bonds (see (ii) below)	5,595,804	6,265,331	5,595,804	6,265,331
ECL Allowance on bond	(1,060,256)	(1,214,751)	(1,060,256)	(1,214,751)
ECL Allowance on Treasury Bills	(54,535)	(46,442)	(54,535)	(46,442)
	43,523,367	48,992,774	32,583,379	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.

Wema Bank Plc

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

Notes to the Financial Statements

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

	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
CORPORATE				
I. 7YR: DANA Group Bond Series 1				
Opening balance	1,155,737	1,271,400	1,155,737	1,271,400
Movement in the year	-226,592	-115,663	-226,592	-115,663
Closing balance	929,145	1,155,737	929,145	1,155,737
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	-48,944	806,711	-48,944	806,711
Closing balance	956,417	1,005,360	956,417	1,005,360
III. ONDO State Govt Bond				
Opening balance	4,104,234	232,641	4,104,234	232,641
Movement in the year	-393,992	3,871,593	-393,992	3,871,593
Closing balance	3,710,242	4,104,234	3,710,242	4,104,234
Total Other Bonds	5,595,804	6,265,331	5,595,804	6,265,331
ECL	-951,241	-1,177,833	-951,241	-1,177,833
	4,644,563	5,087,498	4,644,563	5,087,498

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

	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
<i>In thousands of Nigeria Naira</i>				
Overdrafts	31,428,541	33,802,861	31,428,541	33,802,861
Term Loans	376,356,256	335,699,322	376,356,256	335,699,322
Advances under finance lease	5,675,357	5,537,475	5,675,357	5,537,475
Gross loans and receivables	413,460,154	375,039,658	413,460,154	375,039,658
Less ECL allowances				
12-months ECL credit	(9,498,496)	(8,768,264)	(9,498,496)	(8,768,264)
Life-time ECL Not impaired	(278,096)	(783,944)	(278,096)	(783,944)
Life-time ECL credit impaired	(6,402,273)	(5,411,370)	(6,402,273)	(5,411,370)
	(16,178,865)	(14,963,578)	(16,178,865)	(14,963,578)
Net loans and advances to customers	397,281,289	360,076,079	397,281,289	360,076,079

30th Sept 2021

	Term loan	Overdrafts	Finance lease	Total
Gross loans	376,356,256	31,428,541	5,675,357	413,460,154
12 months ECL loans and advances	(8,372,023)	(909,769)	(216,704)	(9,498,496)
Lifetime ECL not credit-impaired loans and advances	(273,194)	(4,901)	-	(278,096)
Lifetime ECL credit-impaired loans and advances	(3,698,054)	(2,645,718)	(58,501)	(6,402,273)
	364,012,985	27,868,152	5,400,152	397,281,289

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)
	323,114,444	31,767,357	5,194,278	360,076,079

Wema Bank Plc

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

Notes to the Financial Statements

In thousands of Nigerian Naira	Overdraft	Term Loan	Advances under finance lease	Totals
Balance as at 1 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	1,150	783,944
Life-time ECL credit impaired	1,010,770	4,252,713	147,887	5,411,370
Reclass from Regulatory Risk Reserve	-	-	-	-
ECL allowance during the year	297,278	546,665	14,681	811,187
Written off in the year as uncollectible	(123,274)	(47,031)	-	(170,305)
Amounts recovered during the year	-	(36,918)	-	(36,918)
Balance as at 30th Sept 2021	2,209,508	13,047,594	357,877	15,567,542
12-months ECL credit	909,769	8,372,023	216,704	9,498,496
Life-time ECL Not impaired	4,901	273,194	-	278,096
Life-time ECL credit impaired	2,645,718	3,698,054	58,501	6,402,273
	3,560,389	12,343,271	275,205	
	1,350,881	(704,323)	(82,672)	
Contingent Liabilities & Commitments:				
	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
Guarantees and Indemnities	76,910,274	63,007,244	76,910,274	63,007,244
Bonds	8,873,846	3,146,415	8,873,846	3,146,415
Clean-Line Facilities & Irrevocable LCs	29,781,297	13,939,976	29,781,297	13,939,976
ECL	(1,401,431)	(1,401,431)	(1,401,431)	(1,401,431)
	114,163,986	78,692,203	114,163,986	78,692,203

Wema Bank Plc

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

Notes to the Financial Statements

19 Investment properties

	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
<i>In thousands of Nigeria Naira</i>				
Cost				
Balance at 1 January 2021	47,079	47,079	47,079	47,079
Additions	-	-	-	-
Write -off	-	-	-	-
Disposals	-	-	-	-
As at 30th Sept, 2021	47,079	47,079	47,079	47,079
<i>Accumulated depreciation and impairment</i>				
Balance at 1 January 2021	8,691	7,749	8,691	7,749
<i>Charge for the year</i>	704	942	704	942
Write -off	-	-	-	-
Disposals	-	-	-	-
As at 30th Sept, 2021	9,395	8,691	9,395	8,691
Cost	47,079	47,079	47,079	47,079
Accumulated depreciation	9,395	8,691	9,395	8,691
Net Book Value	37,684	38,388	37,684	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 30th September 2021 would have been N144,900,000.00 (31 December 2020: N145,500,000.00). The valuations was provided by Messrs Diya Fatimilehin & Co. (FRC/2013/NIFSV/00000000754) surveyor and valuer.
- (ii) On 19 December, 2013 the Central Bank of Nigeria issued a circular that all deposit money banks should dispose off all the investment properties in their books on or before 30 June, 2014. The directors are aware of this directive and all necessary efforts is being made to ensure compliance. Although the directors are committed to a plan to sell the asset as directed by the Central bank of Nigeria; however, the asset requires some process to be in place before disposal and this we have initiated. Hence, the sale is not expected to qualify for recognition as a completed sale within one
- Consequently, the assets were not classified as Held for sale as the stipulated criteria in IFRS 5 regarding this has not been met.

Wema Bank Plc

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

20 Property and equipment

Group / Bank

In thousands of Nigerian Naira (000s)

	Land	Buildings	Furniture & Office Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
Cost							
Balance at 1 January 2021	1,590,773	16,758,481	9,142,777	3,422,270	11,369,720	190,660	42,474,680
Additions		15,434	751,269	372,512	414,116	962,919	2,516,251
Adjustments	-	0	76	10,049	-	-	10,125
Disposals			(22,457)	(316,464)	(2,456)		(341,377)
As at 30th September, 2021	1,590,773	16,773,915	9,871,665	3,488,367	11,781,380	1,153,579	44,659,679
Accumulated depreciation and impairment							
Balance at 1 January 2021	-	5,179,558	6,417,656	1,892,322	7,467,821	-	20,957,358
Charge for the year	-	246,340	709,571	354,506	719,077	-	2,029,493
Disposals	-	-	(20,181)	(205,736)	(1,500)	-	(227,417)
Adjustments		(0.16)	(12.50)	10,049.97	(3,108.17)	-	6,929
As at 30th September, 2021	-	5,425,898	7,107,034	2,051,141	8,182,290	-	22,766,364
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
As at 30th September, 2021	1,590,773	11,348,018	2,764,631	1,437,225	3,599,090	1,153,579	21,893,316

Property and equipment

Group / Bank

In thousands of Nigerian Naira (000s)

	Land	Buildings	Furniture & Office Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
Cost							
Balance at 1 January 2020	1,304,111	16,703,050	7,912,588	3,094,358	9,613,583	645,026	39,272,716
Additions	287,051	5,475	1,214,180	307,816	1,706,512	186,303	3,707,336
Reclassification from WIP	-	366,157	44,497	168,900	61,114	(640,668)	-
Disposals	(389)	(316,201)	(28,487)	(148,804)	(11,490)		(505,372)
Balance as at 31st December 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 at 1 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)
Balance as at 31st December 2020	-	5,179,558	6,417,656	1,892,322	7,467,821	-	20,957,358
Carrying amounts							
Balance at 1 January 2020	1,304,111	11,732,705	2,392,329	1,514,374	3,049,090	645,026	20,637,634
Balance as at 31st December 2020	1,590,773	11,578,923	2,725,120	1,529,948	3,901,898	190,660	21,517,323

Wema Bank Plc

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

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
21 Intangible assets				
Cost				
Cost 1 January, 2021	5,502,221	4,794,063	5,502,221	4,794,063
Additions	915,509	708,158	915,509	708,158
Transfer from property and equipment (note 20)	-	-	-	-
Transfer to computer equipment	-	-	-	-
As at 30th September, 2021	6,417,730	5,502,221	6,417,730	5,502,221
Amortization and impairment losses				
Cost 1 January, 2021	4,110,672	3,819,994	4,110,672	3,819,994
Amortization for the year	270,410	290,678	270,410	290,678
Adjustment	3,108	-	3,108	-
As at 30th September, 2021	4,384,190	4,110,672	4,384,190	4,110,672
Carrying amounts	2,033,540	1,391,549	2,033,540	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

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-21	31-Dec-20	30-Sep-21	31-Dec-20
At 1 January 2021	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

Wema Bank Plc

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

In thousands of Nigerian Naira

	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
23 Other assets				
Accounts receivables	9,447,524	7,487,207	9,447,524	7,487,207
Prepayments	845,199	837,197	845,199	837,197
Stock	1,017,727	352,347	1,017,727	352,347
Collateralised Placement	52,917	52,917	52,917	52,917
Clearing Balance	430,336	332,239	430,336	332,239
Fraud & Burglary	753,473	643,277	753,473	643,277
CBN Special Reserve (see 23.1 below)	10,677,214	10,677,214	10,677,214	10,677,214
AGSMEIS Investment with CBN	902,759	673,148	902,759	673,148
Receivable on E-business Channels	(584,171)	1,446,033	(584,171)	1,446,033
FBN Settlement	5,375	-	5,375	-
Other Settlements	-	-	0	-
Others	51,127	47,298	51,127	47,298
	<u>23,599,480</u>	<u>22,548,877</u>	<u>23,599,480</u>	<u>22,548,877</u>
Specific impairment on other assets	(674,560)	(665,262)	(674,560)	(665,262)
	<u>22,924,920</u>	<u>21,883,615</u>	<u>22,924,920</u>	<u>21,883,615</u>
At 1 January 2021	665,262	1,433,642	665,262	1,433,642
Allowance/write off made during the year	9,298	(768,380)	9,298	(768,380)
Transfer from investment	-	-	-	-
	<u>674,560</u>	<u>665,262</u>	<u>674,560</u>	<u>665,262</u>
Closing balance	<u>674,560</u>	<u>665,262</u>	<u>674,560</u>	<u>665,262</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-21	31-Dec-20	30-Sep-21	31-Dec-20
<i>In thousands of Nigeria Naira</i>				
Money market deposits	<u>16,600,000</u>	-	<u>16,600,000</u>	-
Deposits from customers				
Retail customers:				
Term deposits	107,414,128	89,281,376	107,414,128	89,281,376
Current deposits	48,538,641	29,286,032	48,538,641	29,286,032
Savings	133,598,123	120,103,127	133,598,123	120,103,127
Corporate customers:				
Term deposits	328,713,956	340,530,243	328,713,956	340,530,243
Current deposits	202,281,721	183,028,084	202,281,721	183,028,084
Others	59,277,579	42,644,530	59,277,579	42,644,530
	<u>879,824,147</u>	<u>804,873,392</u>	<u>879,824,147</u>	<u>804,873,392</u>

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

Under 3 months	610,190,087	558,209,008	610,190,087	558,209,008
3 - 6months	177,048,348	161,965,894	177,048,348	161,965,894
6 - 12months	61,233,651	56,017,258	61,233,651	56,017,258
Over 12months	31,352,062	28,681,232	31,352,062	28,681,232
	<u>879,824,147</u>	<u>804,873,392</u>	<u>879,824,147</u>	<u>804,873,392</u>

At 30th Sept 2021 N31.35billion (31 December 2020: N28.68billion) of deposits from customers are expected more than 12 months after the reporting date.

Wema Bank Plc

Consolidated and Separate Financial Statements

For the period ended 30th September, 2021

	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
In thousands of Nigerian Naira				
26 Taxation				
26.1 Income tax expense				
Company income tax	973,857	199,524	973,857	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	973,857	394,511	973,857	394,511
Deferred tax expenses	-	911,806	-	911,806
	973,857	1,306,317	973,857	1,306,317

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

	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
Profit before tax from continuing operations	7,208,915	6,223,306	7,213,757	6,238,142
Income tax expense calculated at 30% (2019:30%)	2,164,127	1,761,303	2,164,127	1,761,303
Effect of income that is exempt from taxation	(1,174,164)	(801,211)	(1,174,164)	(801,211)
Effect of expenses that are not deductible in dete	-	-	-	-
Capital gain tax	113,139	113,139	-	113,139
Education tax at 2% of assessable profit	-	22,086	-	22,086
Effect of concessions and other allowances)	-	-	-	-
Minimum tax adjustment	-	199,524	-	199,524
Information technology tax levy adjustment	-	59,465	-	59,465
	1,103,102	1,354,306	989,963	1,354,306

	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
26.2 Current tax liabilities				
At 1 January	394,511	905,364	394,511	905,364
Payment during the year	(393,914)	(905,364)	(393,914)	(905,364)
Charge for the year	973,857	394,511	973,857	394,511
Closing balance	974,454	394,511	974,454	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

Wema Bank Plc

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

27 Other liabilities

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
<i>Financial Liabilities</i>				
Creditors and accruals	1,751,789	1,401,437	1,751,789	1,401,437
Staff Deductions	236,114	58,202	236,114	58,202
Provision for Others	142,657	62,657	142,657	62,657
Other current liabilities	308,826	130,293	243,931	90,243
Insurance Claim	134,020	71,890	134,020	71,890
Swift Payables	169,897	79,046	169,897	79,046
Western Union	3,071	3,430	3,071	3,430
Salary Suspense	36,993	26,931	36,993	26,931
Accounts payable	904,378	442,950	904,378	442,950
Electronic products payable	568,292	287,192	568,292	287,192
Certified cheques	1,307,574	2,195,972	1,307,575	2,195,972
Customer deposits for letters of credit	17,836,446	13,167,868	17,836,446	13,167,868
Discounting Line	23,054,326	18,831,877	23,054,326	18,831,877
Other Settlements	(1,016,982)	1,872,742	(1,016,982)	1,872,742
Remittances	2,460,796	2,160,396	2,460,796	2,160,396
	47,898,196	40,792,883	47,833,302	40,752,833
<i>Non-Financial Liabilities</i>				
Litigation claims provision (i)	400,134	386,244	400,134	386,244
Other payables	2,697,751	383,021	2,697,751	383,021
	50,996,082	41,562,148	50,931,187	41,522,098

(i) Movement in litigation claims provision

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

Wema Bank Plc

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

	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
28 Other borrowed funds				
Due to BOI (see (i) below)	3,822,105	3,521,955	3,822,105	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)	870,024	1,517,075	870,024	1,517,075
CBN MSMEDF (see iv below)	508,616	526,381	508,616	526,381
Wema SPV (see v below)	24,749,414	24,749,414	13,642,318	13,642,318
Anchor Borrowers fund (see vi below)	3,137,555	3,137,555	3,137,555	3,137,555
National Housing Fund	62,760	73,137	62,760	73,137
Shelter Afrique (see vii below)	4,156,509	1,403,485	4,156,509	1,403,485
AFDB (see viii below)	3,123,572	4,404,490	3,123,572	4,404,490
DBN	10,887,778	12,115,397	10,887,778	12,115,397
AGSMEIS/RSSF	12,295,496	13,070,992	12,295,496	13,070,992
	72,617,419	73,523,471	61,510,323	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
- (iii) This represents CBN intervention funds to some of the Bank's customers in the agricultural sector. The fund is administered at a maximum interest rate of 9% per annum. The maximum tenor of the facility is 7 years. In response to COVID-19, CBN has moderated the rate to 5%.
- (iv) This represents CBN intervention funds to some bank's customers in Small & Medium Scale sector. The fund is administered at a maximum interest rate of 9% per annum and maximum tenor of 5 years. In response to COVID-19, CBN has moderated the rate to 5%.
- (v) The Wema SPV of 2020: N24,749,414,000 (2019: N24,705,937,000) represents amortized cost of the fixed rate unsecured bond issued by Wema Funding SPV Plc. The outstanding bond of N6,295,000,000 and N17,675,000,000 (principal) were issued on 12 October 2016 and 2018 respectively for a period of 7 years at 18.5% and 16.5% per annum with interest payable semi-annually and principal payable at maturity in October 2023 and 2025 respectively.
- (vi) Amount represents salary credit bail out facility from Central Bank of Nigeria. It has a moratorium of twenty years at bank's interest rate of 9%. The corresponding entry is in loans and advances and the bank is expected to provide Central Bank of Nigeria with periodic progress on the facility. The principal repayment is by bullet payment at the expiration of the moratorium granted. In response to COVID-19, CBN has moderated the rate to 5%.
- (vii) This amount represents the bank's foreign facility from Shelter Afrique, this was granted to the Bank for a period of 7 years. It is repayable bi-annually with interest rate of L+6.5% (Libor plus 6.5%)
- (viii) This amount represents the bank's foreign facility from AFDB, this was granted to the Bank for a period of 7 years. It is repayable bi-annually with interest rate of L+5.2% (Libor plus 5.2%)

	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
At 1 January	73,523,471	48,770,306	62,416,375	37,702,326
Additions	3,053,174	26,765,784	3,053,174	26,726,669
Effect of exchange rate changes [loss/(profit)]	154,201	740,601	154,201	740,601
Payments made	(4,113,427)	(2,753,220)	(4,113,427)	(2,753,220)
Closing balance	72,617,419	73,523,471	61,510,323	62,416,375

Wema Bank Plc

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

29 Right of use

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

As at 30th September, 2021

COST	N
a. At 1 January 2021	1,056,941
Additions	352,264
Terminated contracts	
As at 30th September, 2021	1,409,205
DEPRECIATION CHARGE	
At 1 January 2021	435,413
Charge for the period	185,493
As at 30th September, 2021	620,906
CARRYING AMOUNT	
As at 31st December, 2020	621,528
As at 30th September, 2021	788,299

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

b. LEASE LIABILITY	As at 30th September, 2021
	N
At 1 January 2021	22,875
Addition during the year	-
Finance charge for the year	2,942
Payment during the year	
As at 30th September, 2021	25,817

Wema Bank Plc

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

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
30 Share capital and Reserves				
(a) The share capital comprises:				
(i) Authorised - 40,000,000 Ordinary shares (2020 - 40,000,000,000) Ordinary shares of 50k each (2020- 50k)	20,000,000	20,000,000	20,000,000	20,000,000
(ii) Issued and fully paid - 38,574,466,000 Ordinary shares (2020-38,574,466,000) shares of 50k each (2020 - 50k)	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	19,877,206,310	51.53		
Directors Direct Shareholding	2,189,214,662	5.68		
Government Shareholding	3,134,169,028	8.12		
Staff Schemes	-	-		
Free Float	13,373,876,081	34.67		
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	10,835,509,443	28.09		
	19,877,203,810	51.53		
	15,563,093,243	40.35		
Directors Shareholding				
Mr. Babatunde Kasali	-	0.00		
Mr. Ademola Adebise	2,253,473	0.01		
Mr. Chukwuemeka Obioha Obiagwu	231,250	0.00		
Mrs. Ekong Ibiye Asime	-	0.00		
Mrs. Omobosola Dideolu Ojo	-	0.00		
Mr. Morufu Abiola Oseni	-	0.00		
Mr. Oluwole Albert Ajimisinmi	6,170,996	0.02		
Mr. Abubakar Lawal	428,917,143	1.11		
Mrs. Abolanle Matel-Okoh	1,750,000,000	4.54		
Mr. Akinleye Oluwole Stephen	1,641,800	0.00		
	2,189,214,662	5.68		
Government Shareholding				
Oyo State	414,000	0.00		
Ogun State	666,670,000	1.73		
Osun State	666,670,000	1.73		
Ekiti State	-	0.00		
FOUNTAIN	609,648,420	1.58		
Odua Invest Coy	1,190,766,608	3.09		
	3,134,169,028	8.12		
Declaration:				
Wema Bank Plc with a free float of 34.67% as at 30th Sept 2021, 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

Wema Bank Plc

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

(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

(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-21	31-Dec-20	30-Sep-21	31-Dec-20
At 1 January	7,103,647	3,254,018	7,314,728	3,450,263
Profit or loss	6,235,058	4,577,381	6,239,900	4,592,217
Transfer from Regulatory risk reserve	-	2,041,579	-	2,041,579
Transfer to Statutory Reserve	1	(1,377,665)	-	(1,377,665)
Dividend Paid to Shareholders	(1,542,978)	(1,542,979)	(1,542,978)	(1,542,979)
Transfer to Credit Risk Reserve	-	-	-	-
Regulatory charge to SMEIS	(229,611)	151,313	(229,611)	151,313
Closing balance	11,566,115	7,103,647	11,782,038	7,314,728

(g) Regulatory risk reserve

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

(h) Credit Risk Reserve

The credit risk reserve warehouses 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.

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

31 Contingencies

(i) Litigation and claims

There are litigation claims against the Bank as at 30th Sept 2021 amounting to N6,842,1019,600.00 (31 December 2020: N6,966,079,919.00) These litigations arose in the normal course of business and are being contested by the Bank. The Directors, having sought advice of professional counsel, are of the opinion that no significant additional liability will crystallise from these claims; other than as recognised in these financial statements

(ii) Contingent liabilities and commitments

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

Nature of instruments

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

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

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

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

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

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

	Group		Bank	
	Group 30-Sep-21	Group 31-Dec-20	Bank 30-Sep-21	Bank 31-Dec-20
In thousands of Nigerian naira				
Contingent liabilities:				
Guarantees and indemnities	76,910,274	63,007,244	76,910,274	63,007,244
Bonds	8,873,846	3,146,415	8,873,846	3,146,415
Clean-line facilities & irrevocable letters of credit	29,781,297	13,939,976	29,781,297	13,939,976
ECL	(768,381)	(768,381)	(1,401,431)	(1,401,431)
Closing balance	114,797,036	79,325,253	114,163,986	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.