

WEMA BANK PLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

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

Wema Bank Plc

Consolidated and Separate Financial Statements For the period ended 31 December, 2022

Statement of Profit or loss and other Comprehensive Income

<i>In thousands of Nigerian Naira</i>	Group			Bank		
	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21
Gross Earnings	33,951,121	129,305,584	93,632,481	34,228,520	128,087,579	92,137,078
Interest income	24,418,859	104,392,745	74,798,291	24,696,258	103,174,740	73,302,888
Interest expense	(11,713,871)	(53,215,125)	(34,921,553)	(12,139,867)	(52,147,914)	(33,428,346)
Net interest income	12,704,988	51,177,620	39,876,738	12,556,391	51,026,826	39,874,542
Net impairment loss on financial assets	115,685	(2,010,677)	(2,104,393)	115,685	(2,010,677)	(2,104,393)
Net interest income after impairment charge for credit losses	12,820,673	49,166,943	37,772,345	12,672,076	49,016,149	37,770,149
Net gain on FVTPL investment securities	-	1,462,883	557,330	-	1,462,883	557,330
Net fee and commission income	4,570,788	16,586,216	13,424,103	4,570,788	16,586,216	13,424,103
Net trading income	4,079,395	3,966,807	1,556,099	4,079,395	3,966,807	1,556,099
Other income	882,078	2,896,933	3,296,658	882,078	2,896,933	3,296,658
	9,532,262	24,912,839	18,834,190	9,532,262	24,912,839	18,834,190
Operating income	22,352,935	74,079,782	56,606,535	22,204,338	73,928,988	56,604,339
Personnel expenses	(6,001,125)	(21,319,011)	(16,677,420)	(6,001,125)	(21,319,011)	(16,677,420)
Depreciation and amortization	(1,289,397)	(4,545,925)	(3,399,318)	(1,289,397)	(4,545,925)	(3,399,318)
Other operating expenses	(9,928,853)	(33,623,806)	(24,152,302)	(9,926,857)	(33,612,966)	(24,143,460)
Profit before tax	5,133,559	14,591,041	12,377,495	4,986,959	14,451,087	12,384,142
Income tax expense	(673,240)	(1,950,897)	(3,450,940)	(673,240)	(1,950,897)	(3,450,940)
Profit for the year	4,460,319	12,640,144	8,926,555	4,313,719	12,500,190	8,933,202
Other comprehensive income, net of income tax items that will not be subsequently reclassified to profit or loss						
Net change in fair value of investments FVTOCI	-	-	3,621,287	-	-	3,621,287
	-	-	3,621,287	-	-	3,621,287
Items that will be subsequently reclassified to profit or loss						
Net change in fair value of investments FVOCI	-	-	-	-	-	-
Income tax relating to items that may be reclassified subsequently to profit or Loss	-	-	-	-	-	-
Other comprehensive income for the year	-	-	3,621,287	-	-	3,621,287
Total comprehensive income for the year	4,460,319	12,640,144	12,547,842	4,313,719	12,500,190	12,554,489
Profit attributable to:						
Equity holders of the Bank	4,460,319	12,640,144	8,926,555	4,313,719	12,500,190	8,933,202
Total comprehensive income for the year	4,460,319	12,640,144	12,547,842	4,313,719	12,500,190	12,554,489
Earnings per share-basic	138.8	98.3	23.1	134	97.2	23.2

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022

Statement of financial Position

	Group		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
<i>In thousands of Nigerian Naira</i>				
Cash and cash equivalents	95,413,076	109,726,640	95,381,132	109,714,649
Restricted Deposit with CBN	386,993,380	313,847,420	386,993,380	313,847,420
Pledged assets	30,616,318	83,723,119	30,616,318	83,723,119
Investment securities:				
Fair value through other comprehensive income	6,915,794	5,455,873	6,916,794	5,456,873
Fair Value through profit or loss	20,830,165	38,693,696	20,830,165	38,693,696
Held at amortised cost	321,535,416	129,931,955	313,405,044	118,970,687
Loans and advances to customers	523,995,066	418,864,303	523,995,066	418,864,303
Investment properties	-	0	-	0
Right of Use	997,465	851,249	997,465	851,249
Property and equipment	25,449,667	22,418,542	25,449,667	22,418,542
Intangible assets	2,859,593	2,170,640	2,859,593	2,170,640
Other assets	5,441,400	34,305,993	5,441,400	34,305,993
Deferred tax assets	15,500,694	15,500,694	15,500,694	15,500,694
Total Assets	1,436,548,035	1,175,490,124	1,428,386,717	1,164,517,865
Deposits from banks	19,153,500	40,700,000	19,153,500	40,700,000
Deposits from customers	1,165,764,717	927,471,175	1,165,764,717	927,471,175
Lease Liabilities	31,583	26,879	31,583	26,879
Current tax liabilities	1,998,353	716,120	1,998,353	716,120
Other liabilities	100,286,966	63,697,672	100,217,226	63,637,779
Other borrowed funds	69,612,113	72,731,661	61,442,759	61,601,569
Total Liabilities	1,356,847,231	1,105,343,507	1,348,608,138	1,094,153,521
EQUITY				
Share capital	6,633,785	19,287,233	6,633,785	19,287,233
Share premium	8,698,230	8,698,230	8,698,230	8,698,230
Regulatory risk reserve	8,690,790	6,089,871	8,690,790	6,089,871
Retained earnings	13,780,451	11,023,900	13,858,224	11,241,627
Other reserves	41,897,548	25,047,383	41,897,548	25,047,383
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	79,700,804	70,146,617	79,778,578	70,364,344
TOTAL LIABILITIES AND EQUITY	1,436,548,035	1,175,490,124	1,428,386,717	1,164,517,865
CONTINGENTS	152,063,277	118,568,967	152,063,277	118,568,967

The financial statements were authorized for issue by the directors on the 27th of January 2023 and signed on its behalf by:



Babatunde Kasali
Chairman
FRC/2017/ICAN/00000016973



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



Ademola Adebise
Managing Director
FRC/2013/ICAN/00000002115

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022

Statements of changes in equity

Group

In thousands of Nigerian naira (000s)

	Share Capital	Share reserve	Share premium	Credit risk reserve	Regulatory risk reserve	Statutory reserve	SMEIES reserve	Fair value reserves	Retained earnings	Total equity
2022										
Balance at 1 January 2022	19,287,233	-	8,698,230	781,612	6,089,871	17,654,943	902,759	5,708,069	11,023,900	70,146,617
Dividend Payout									(3,085,957)	(3,085,957)
SMEIS Charge							446,660		(446,660)	-
Profit or loss	-	-	-	-	-	-	-	-	12,640,144	12,640,144
Other comprehensive income										
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments										-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	-	-	-	-
	19,287,233		8,698,230	781,612	6,089,871	17,654,943	1,349,419	5,708,069	20,131,427	79,700,804
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Regulatory risk reserve	-		-		2,600,919	-	-	-	(2,600,919)	-
Transfer to Share reserve	(12,653,448)	12,653,448								
Credit risk reserve				-					-	
Transfer to Statutory reserve	-		-		-	3,750,057	-	-	(3,750,057)	-
Total contribution and distributions to owners	(12,653,448)	12,653,448	-	-	2,600,919	3,750,057	-	-	(6,350,976)	-
Balance as at 31 December 2022	6,633,785	12,653,448	8,698,230	781,612	8,690,790	21,405,000	1,349,419	5,708,069	13,780,451	79,700,804
2021										
Balance at 1 January 2021	19,287,233		8,698,230	781,612	5,536,119	14,974,982	673,148	2,086,782	7,103,647	59,141,753
Dividend Payout									(1,542,978)	(1,542,978)
SMEIS Charge							229,611		(229,611)	0
Profit or loss	-	-	-	-	-	-	-	-	8,926,555	8,926,555
Other comprehensive income										
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments										-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	-	3,621,287	-	3,621,287
	19,287,233		8,698,230	781,612	5,536,119	14,974,982	902,759	5,708,069	14,257,613	70,146,617
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Regulatory risk reserve	-		-		553,752	-	-	-	(553,752)	-
Credit risk reserve				-					-	
Transfer to Statutory reserve	-		-		-	2,679,961	-	-	(2,679,961)	-
Total contribution and distributions to owners	-	-	-	-	553,752	2,679,961	-	-	(3,233,713)	-
Balance as at 31 December 2021	19,287,233		8,698,230	781,612	6,089,871	17,654,943	902,759	5,708,069	11,023,900	70,146,617

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 31 December, 2022**

Statements of changes in equity

Bank

In thousands of Nigerian naira (000s)

	Share Capital	Share reserve	Share premium	Credit risk reserve	Regulatory risk reserve	Statutory reserve	AGSMEIS reserve	Fair value reserves	Retained earnings	Total equity
2022										
Balance at 1 January 2022	19,287,233	-	8,698,230	781,612	6,089,871	17,654,943	902,759	5,708,069	11,241,627	70,364,344
Dividend Payout									(3,085,957)	(3,085,957)
SMEIS Charge							446,660		(446,660)	-
Profit or loss	-	-	-	-	-	-	-		12,500,190	12,500,190
Other comprehensive income										
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments										-
Fair value reserve FVTOCI financial assets										-
Total comprehensive income for the period	19,287,233		8,698,230	781,612	6,089,871	17,654,943	1,349,419	5,708,069	20,209,200	79,778,577
Transactions with owners, recorded directly in equity										-
Contributions by and distributions to owners										-
Regulatory risk reserve					2,600,919				(2,600,919)	-
Transfer to Share reserve	(12,653,448)	12,653,448								-
Credit risk reserve				-					-	-
transfer to statutory reserves						3,750,057			(3,750,057)	-
Total contribution and distributions to owners	(12,653,448)	12,653,448	-	-	2,600,919	3,750,057	-	-	(6,350,976)	-
Balance as at 31 December 2022	6,633,785	12,653,448	8,698,230	781,612	8,690,790	21,405,000	1,349,419	5,708,069	13,858,224	79,778,577
2021										
Balance at 1 January 2021	19,287,233		8,698,230	781,612	5,536,119	14,974,982	673,148	2,086,782	7,314,727	59,352,833
Dividend Payout									(1,542,978)	(1,542,978)
SMEIS Charge							229,611		(229,611)	-
Profit or loss	-	-	-	-	-	-	-		8,933,202	8,933,202
Other comprehensive income										
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments										-
Fair value reserve FVTOCI financial assets								3,621,287		3,621,287
Total comprehensive income for the period	19,287,233		8,698,230	781,612	5,536,119	14,974,982	902,759	5,708,069	14,475,340	70,364,344
Transactions with owners, recorded directly in equity										-
Contributions by and distributions to owners										-
Regulatory risk reserve					553,752				(553,752)	-
Credit risk reserve				-					-	-
transfer to statutory reserves						2,679,961			(2,679,961)	-
Total contribution and distributions to owners	-	-	-	-	553,752	2,679,961	-	-	(3,233,713)	-
Balance as at 31 December 2021	19,287,233		8,698,230	781,612	6,089,871	17,654,943	902,759	5,708,069	11,241,627	70,364,344

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022
Consolidated and Separate Statement of Cashflow

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Dec 2022	31-Dec 2021	31-Dec 2022	31-Dec 2021
Cash flows from operating activities				
Profit for the year	12,640,144	9,593,848	12,500,190	9,600,494
Adjustments for:				
Taxation expense	1,950,897	3,040,627	1,950,897	3,040,627
Depreciation and amortization	4,545,925	3,142,338	4,545,925	3,142,338
Adjustment for transfer out of PPE now expensed	22,539	0	22,539	0
Right of Use - Payment	-	-	-	-
(Gain)/Loss on disposal of property and equipment	5,290	(167,030)	5,290	(167,030)
Specific provision on cash				
Net interest income	(51,177,620)	(39,876,738)	(51,026,826)	(39,874,542)
Dividend received from equity investment	(200,634)	(168,873)	(200,634)	(168,873)
Impairment loss on financial assets	2,010,677	2,104,393	2,010,677	2,104,393
Operating cashflow before movement in working capital	(30,202,783)	(22,331,436)	(30,191,942)	(22,322,593)
Change in pledged assets	53,106,801	(56,268,457)	53,106,801	(56,268,457)
Change in loans and advances to customers	(107,141,440)	(60,892,616)	(107,141,440)	(60,892,616)
Change in other assets	28,864,593	(12,422,378)	28,864,593	(12,422,378)
Change in deposits from banks	(21,546,500)	40,700,000	(21,546,500)	40,700,000
Change in finance lease obligation	-	-	-	-
Change in restricted deposit with CBN	(73,145,960)	(66,872,461)	(73,145,960)	(66,872,461)
Change in deposits from customers	238,293,542	122,597,783	238,293,542	122,597,783
Change in other liabilities	36,593,998	22,139,528	36,584,151	22,119,685
Cashflow generated by operations	124,822,252	(33,350,036)	124,823,246	(33,361,037)
Income tax paid	(668,665)	(393,914)	(668,665)	(393,914)
Interest received	104,392,745	74,798,291	103,174,740	73,302,888
Interest paid	(48,517,989)	(29,696,049)	(48,517,989)	(29,696,049)
Net cash from operating activities	180,028,343	11,358,293	178,811,332	9,851,888
Cash flows from investing activities				
Disposal/Acquisition of investment securities-At Amortised	(191,603,461)	(80,929,175)	(194,434,357)	(80,907,896)
Disposal/Acquisition of investment securities-FVTOCI	(1,459,921)	54,735,684	(1,459,921)	54,735,684
Change in FVTPL investments	17,863,531	39,532,256	17,863,531	39,532,256
Dividend received from equity investment	200,634	168,873	200,634	168,873
Acquisition of property and equipment	(6,616,377)	(3,783,054)	(6,616,377)	(3,783,054)
Proceeds from the sale of property and equipment	113,554	337,983	113,554	337,983
Right of Use	(431,565)	(486,700)	(431,565)	(486,700)
Acquisition of intangible assets	(1,505,658)	(1,172,161)	(1,505,658)	(1,172,161)
Net cash(used in)/generated by investing activities	(183,439,265)	8,403,706	(186,270,160)	8,424,986
Cash flows from financing activities				
Proceed from borrowings	14,810,344	3,261,495	14,810,344	3,261,495
Repayment of borrowings	(18,256,760)	(4,207,506)	(15,296,021)	(4,230,502)
Effect of changes in exchange rate	326,868	154,201	326,868	154,201
Right of Use - Payment during the year	-	-	-	-
Transfer To/From Reserves	-	-	-	-
Interest paid on borrowings	(4,697,136)	(5,225,504)	(3,629,925)	(3,732,297)
Dividend paid to shareholders	(3,085,957)	(1,542,978)	(3,085,957)	(1,542,978)
Net cash from financing activities	(10,902,641)	(7,560,292)	(6,874,692)	(6,090,081)
Net increase in cash and cash equivalents	(14,313,563)	12,201,707	(14,333,520)	12,186,793
Cash and cash equivalents at beginning of period	103,043,127	97,687,796	103,031,136	97,690,719
Effect of exchange rate changes on cash balances	6,683,514	(162,861)	6,683,514	(162,861)
Cash and cash equivalents at end of year	95,413,078	109,726,641	95,381,130	109,714,650

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 31 December, 2022
Statement of Prudential Adjustments**

	Group		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Prudential Provisions:				
Loans and advances	23,289,277	22,398,425	23,289,277	22,398,425
Other financial assets	4,079,661	4,013,150	4,079,661	4,013,150
	27,368,939	26,411,576	27,368,939	26,411,576
Impairment assessment under IFRS:				
Loans and advances				
12-months ECL credit	7,256,849	5,366,908	7,256,849	5,366,908
Life-time ECL Not impaired	79,422	94,781	79,422	94,781
Life-time ECL credit impaired	7,807,336	11,225,979	7,807,336	11,225,979
	15,143,607	16,687,668	15,143,607	16,687,668
Investment securities				
12-months ECL	1,046,363	1,078,707	1,046,363	1,078,707
	1,046,363	1,078,707	1,046,363	1,078,707
Off balance sheet exposures				
12-months ECL	1,105,890	1,336,032	1,105,890	1,336,032
	1,105,890	1,336,032	1,105,890	1,336,032
Other financial assets				
specific allowance for impairment on other assets	-	-	-	-
12 months ECL Lifetime ECL	1,382,289	1,219,298	1,382,289	1,219,298
Other non-financial assets	-	-	-	-
	1,382,289	1,219,298	1,382,289	1,219,298
Total IFRS Impairment	18,678,149	20,321,705	18,678,149	20,321,705
Excess of Prudential impairment over IFRS impairment transferred to regulatory reserve	8,690,789	6,089,871	8,690,789	6,089,871

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022

Notes to the Financial Statements

	Group			Bank		
	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21
<i>In thousands of Nigerian Naira</i>						
7 Interest income						
Cash and cash equivalents	306,283	1,363,120	2,870,287	306,283	1,363,120	2,870,287
Loans and advances to banks and custo	19,929,036	82,174,905	63,825,273	19,929,036	82,174,905	63,825,273
Investments securities	4,183,540	20,854,720	8,102,731	4,460,939	19,636,715	6,607,328
Total interest income	24,418,859	104,392,745	74,798,291	24,696,258	103,174,740	73,302,888

Included in interest income on loans and advances is modification loss of N600million for group and bank. It represents the changes in gross carrying amount of the financial asset from immediately before to immediately after modification. The modifications were not as a result of credit deterioration.

Interest expense						
Deposits from banks	233,045	2,822,605	2,728,905	233,045	2,822,605	2,728,905
Deposits from customers	11,272,922	45,695,384	26,967,144	11,272,922	45,695,384	26,967,144
Other borrowed funds	207,904	4,697,136	5,225,504	633,900	3,629,925	3,732,297
Total interest expense	11,713,871	53,215,125	34,921,553	12,139,867	52,147,914	33,428,346
Net interest income	12,704,988	51,177,620	39,876,738	12,556,391	51,026,826	39,874,542

8 Fees and commission income						
	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21
Credit related fees	261,072	947,318	1,000,152	261,072	947,318	1,000,152
Account maintenance fees	769,480	2,754,764	2,101,761	769,480	2,754,764	2,101,761
Management fees	684,653	2,982,745	4,240,802	684,653	2,982,745	4,240,802
Fees on electronic products	975,285	3,525,459	2,635,079	975,285	3,525,459	2,635,079
Fees on financial guarantees	137,158	540,845	567,040	137,158	540,845	567,040
Other fees and charges	1,743,140	5,835,085	2,879,269	1,743,140	5,835,085	2,879,269
Total fee and commission income	4,570,788	16,586,216	13,424,103	4,570,788	16,586,216	13,424,103

9 Net trading income						
Fixed income securities	26,357	293,285	9,461	26,357	293,285	9,461
Treasury bills	3,934,686	3,431,385	1,269,433	3,934,686	3,431,385	1,269,433
Foreign exchange trading (note 9.1)	118,352	242,136	277,205	118,352	242,136	277,205
	4,079,395	3,966,807	1,556,099	4,079,395	3,966,807	1,556,099

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

10 Other income						
	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21
Dividends on available-for-sale equity se	56,894	200,634	168,873	56,894	200,634	168,873
Gains on disposal of property and equip	(15,464)	(5,290)	167,030	(15,464)	(5,290)	167,030
Rental income	12,443	55,770	40,019	12,443	55,770	40,019
Income on contingents	-	38,398	30,686	-	38,398	30,686
Income on deposit accounts	-	77,561	83,911	-	77,561	83,911
Digital Income	172,737	702,356	332,764	172,737	702,356	332,764
FX Revaluation	604,887	1,591,990	2,022,150	604,887	1,591,990	2,022,150
Swift transactions	26,172	103,914	93,101	26,172	103,914	93,101
Service charge	-	35,981	59,893	-	35,981	59,893
Advisory fees	-	27,815	27,527	-	27,815	27,527
Others	24,409	67,805	220,704	24,409	67,805	220,704
	882,078	2,896,933	3,296,658	882,078	2,896,933	3,296,658

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022

Notes to the Financial Statements

	Group			Bank		
	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21
11 Impairment loss on financial/non-financial instruments						
Impairment loss/(write back) on financial and non-financial instruments						
Impairment charge on financial instruments						
Total impairment charge on loans and advances	533,058	2,687,894	2,241,746	533,058	2,687,894	2,241,746
Investment securities/Treasury bills	-	-	(86,988)	-	-	(86,988)
Cash and cash equivalent	-	-	47,764	-	-	47,764
Other non financial assets	-	-	8,152	-	-	8,152
	-	-	-	-	-	-
Impairment charge on non-financial instruments						
Off balance sheet	-	-	(65,399)	-	-	(65,399)
Recoveries on loans	(648,743)	(677,217)	(40,882)	(648,743)	(677,217)	(40,882)
	-	-	-	-	-	-
Total impairment charge on financial instruments	(115,685)	2,010,677	2,104,393	(115,685)	2,010,677	2,104,393

12 Personnel expenses

Wages and salaries	3,811,132	14,661,881	12,267,392	3,811,132	14,661,881	12,267,392
Pension Contribution	649,301	1,797,752	1,022,584	649,301	1,797,752	1,022,584
Other staff costs	1,540,693	4,859,378	3,387,444	1,540,693	4,859,378	3,387,444
	6,001,125	21,319,011	16,677,420	6,001,125	21,319,011	16,677,420

13a Other operating expenses

	Group			Bank		
	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21
<i>In thousands of Nigerian Naira</i>						
Advertising and marketing	1,542,044	3,276,807	1,258,042	1,542,044	3,276,807	1,258,042
AMCON Levy (i)	1,640,630	6,470,894	5,291,832	1,640,630	6,470,894	5,291,832
Auditors remuneration	(60,000)	125,000	103,000	(60,000)	120,000	98,000
Business Expenses	97,751	319,576	161,855	97,751	319,576	161,855
Cash movement expenses	141,911	590,390	435,891	141,911	590,390	435,891
Diesel Expenses	446,578	1,513,161	649,722	446,578	1,513,161	649,722
Directors Expenses	15,300	52,350	32,200	15,300	52,350	32,200
Directors fees	14,228	55,724	76,946	14,228	55,724	76,946
Donations	60,630	147,334	723,782	60,630	147,334	723,782
Electricity	188,815	641,978	496,462	188,815	641,978	496,462
General administrative expenses	1,039,062	3,592,804	1,192,958	1,037,065	3,586,963	1,189,114
Legal expenses	146,537	387,277	318,663	146,537	387,277	318,663
Insurance	122,170	414,218	328,767	122,170	414,218	328,767
NDIC Premium	1,193,189	4,234,637	3,749,476	1,193,189	4,234,637	3,749,476
Other premises and equipment costs	63,141	365,633	366,141	63,141	365,633	366,141
Printing and stationery	145,582	651,722	349,316	145,582	651,722	349,316
Other Professional fees	311,670	1,173,897	1,376,028	311,670	1,173,897	1,376,028
Digital Bank Professional fees (ii)	-	195,056	162,640	-	195,056	162,640
Repairs and maintenance	833,199	2,960,852	2,481,811	833,199	2,960,852	2,481,811
Security expenses	184,725	659,041	483,396	184,725	659,041	483,396
Service charge	1,460,519	3,373,775	1,930,543	1,460,519	3,373,775	1,930,543
SMS Expenses & Others	-	34,291	34,047	-	34,291	34,049
Statutory expenses	49,658	159,989	155,551	49,658	159,989	155,551
Technology and alternative channels	28,102	1,448,711	1,430,459	28,102	1,448,711	1,430,459
Transport & Communications	263,411	778,689	562,773	263,411	778,689	562,773
	9,928,853	33,623,806	24,152,302	9,926,857	33,612,966	24,143,460

i AMCON contributory cost relates to contribution towards the fund set up by the Central Bank of Nigeria for the bailout of the banking sector. The cost is charged at 0.5% of the preceding year's total assets and contingent exposures.

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

13b Depreciation and amortization

	Group			Bank		
	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21	3 Months 31-Dec-22	12 Months 31-Dec-22	12 Months 31-Dec-21
<i>In thousands of Nigerian Naira</i>						
Property, plants and equipment	974,464	3,443,900	2,748,330	974,464	3,443,900	2,748,330
Right of use of assets	73,709	285,349	256,980	73,709	285,349	256,980
Investment property	-	-	939	-	-	939
Intangible assets	241,224	816,676	393,069	241,224	816,676	393,069
	1,289,397	4,545,925	3,399,318	1,289,397	4,545,925	3,399,318

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022

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

	Group		Bank	
	12 Months	12 Months	12 Months	12 Months
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Weighted average number of ordinary shares - of 50k each (2022 - 50k)	12,858,155	38,574,466	12,858,155	38,574,466

Profit attributable to ordinary shareholders -basic

Profit for the year attributable to equity holders
of the Bank '000

	12,640,144	8,926,555	12,500,190	8,933,202
Earnings per share -basic (Kobo)	98.3	23.1	97.2	23.2

15	Cash and cash equivalents <i>In thousands of Nigerian Naira</i>	Group		Bank	
		12 Months	12 Months	12 Months	12 Months
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Cash and balances with banks	70,167,509	58,699,020	70,135,565	58,687,029
	Unrestricted balances with central bank	15,871,435	16,246,827	15,871,435	16,246,827
	Money market placements	9,426,521	34,855,322	9,426,521	34,855,322
	ECL Allowance	(52,389)	(74,529)	(52,389)	(74,529)
		95,413,076	109,726,640	95,381,132	109,714,649

15b Restricted Deposit with CBN

Mandatory reserve deposit is reported net of N19.76 billion (December 31, 2021: N12.82 billion) which relates to Differentiated Cash Reserve Requirement (DCRR) Scheme. Under the DCRR scheme, Deposit Money Banks (DMBs) interested in providing credit financing to Greenfield (New) and Brownfield (expansion) projects in the Real Sector (Agriculture and Manufacturing) may request for the release of

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

16	Pledged assets - Held at amortised cost <i>In thousands of Nigerian Naira</i>	Group		Bank	
		12 Months	12 Months	12 Months	12 Months
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Treasury bills (note 16.1)	0	57,476,435	0	57,476,435
	Bonds (16.2)	30,616,318	26,246,684	30,616,318	26,246,684
		30,616,318	83,723,119	30,616,318	83,723,119

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

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022

Notes to the Financial Statements

16.2 The Bonds are pledged as collateral for intervention credit granted to the Bank by the Bank of Industry and Development Bank of Nigeria for the purpose of refinancing existing loans to Small and Medium Scale Enterprises Scheme under secured borrowing with related liability of N7.44 billion (2021: N13.05 billion) as disclosed in note 28.

	Group		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
In thousands of Nigerian Naira				
17 Investment securities	349,281,375	174,081,524	341,152,003	163,121,256
Current	161,326,268	152,326,804	161,326,268	152,326,804
Non-current	187,955,107	21,754,721	179,825,735	10,794,452
17a Investment securities measured at FVTOCI				
Treasury bills	0	0	0	0
FGN Bonds	1,401,799	0	1,401,799	0
Equity (see note (i) below)	5,524,171	5,465,878	5,525,171	5,466,878
ECL Allowance on FVTOCI Investments	(10,176)	(10,005)	(10,176)	(10,005)
	6,915,794	5,455,873	6,916,794	5,456,873
17b Investment securities measured at FVTPL				
Treasury Bills	20,830,165	38,693,696	20,830,165	38,693,696
17c Investment securities measured at amortised cost				
Treasury Bills	140,496,103	113,633,108	140,496,103	113,633,108
FGN Bonds	172,133,164	11,892,584	164,002,792	931,316
Other Bonds (see (ii) below)	9,900,124	5,400,435	9,900,124	5,400,435
ECL Allowance - Investments at Amortised Cost	(993,975)	(994,172)	(993,975)	(994,172)
	321,535,416	129,931,955	313,405,044	118,970,687
(i) Equity				
Quoted Investments:	-	-	-	-
Unquoted Investments:				
Unified Payment Services Limited	7,474	7,474	7,474	7,474
FMDQ	15,000	15,000	15,000	15,000
Nigeria Inter-Bank Settlement System	47,482	47,482	47,482	47,482
WEMA Funding SPV Plc (a)	-	-	1,000	1,000
Fair value gain on (FVTOCI) financial assets (b)	5,454,215	5,395,922	5,454,215	5,395,922
	5,524,171	5,465,878	5,525,171	5,466,878
	5,524,171	5,465,878	5,525,171	5,466,878

(a) Wema Funding SPV PLC was incorporated on 30 June 2016 and commenced operations on 12 October 2016. The principal activity of the company is to raise or borrow money by the issue of bond or debt instruments and invest the money raised or borrowed in securities or any other investments as the company may deem fit.

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022

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	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
CORPORATE				
I. 7YR: DANA Group Bond Series 1				
Opening balance	929,145	1,155,737	929,145	1,155,737
Movement in the year	(37,453)	(226,592)	(37,453)	(226,592)
Closing balance	891,692	929,145	891,692	929,145
STATE BONDS				
I. EKITI State Govt Bond Tranche 11				
Opening balance	861,740	1,005,360	861,740	1,005,360
Movement in the year	(143,620)	(143,620)	(143,620)	(143,620)
Closing balance	718,120	861,740	718,120	861,740
II. OGUN State Govt Bond				
Opening balance	0	0	0	0
Movement in the year	5,000,000	0	5,000,000	0
Closing balance	5,000,000	0	5,000,000	0
III. ONDO State Govt Bond				
Opening balance	3,609,550	4,104,234	3,609,550	4,104,234
Movement in the year	(319,238)	(494,684)	(319,238)	(494,684)
Closing balance	3,290,312	3,609,550	3,290,312	3,609,550
Total Other Bonds	9,900,124	5,400,435	9,900,124	5,400,435
ECL	(891,692)	(951,241)	(891,692)	(951,241)
	9,008,432	4,449,194	9,008,432	4,449,194

18 Loans and advances to customers at amortised cost

	Group		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
<i>In thousands of Nigeria Naira</i>				
Overdrafts	64,173,121	37,665,992	64,173,121	37,665,992
Term Loans	466,702,034	391,517,198	466,702,034	391,517,198
Advances under finance lease	8,263,518	6,368,781	8,263,518	6,368,781
Gross loans and receivables	539,138,673	435,551,971	539,138,673	435,551,971
Less ECL allowances				
12-months ECL credit	(7,256,849)	(5,366,908)	(7,256,849)	(5,366,908)
Life-time ECL Not impaired	(79,422)	(94,781)	(79,422)	(94,781)
Life-time ECL credit impaired	(7,807,336)	(11,225,979)	(7,807,336)	(11,225,979)
	(15,143,607)	(16,687,668)	(15,143,607)	(16,687,668)
Net loans and advances to customers	523,995,066	418,864,303	523,995,066	418,864,303
31-Dec-22				
	Term loan	Overdrafts	Finance lease	Total
Gross loans	466,702,034	64,173,121	8,263,518	539,138,673
12 months ECL loans and advances	(6,578,800)	(433,084)	(244,964)	(7,256,849)
Lifetime ECL not credit-impaired loans and advances	(79,422)	-	-	(79,422)
Lifetime ECL credit-impaired loans and advances	(4,933,980)	(2,840,630)	(32,727)	(7,807,336)
	455,109,832	60,899,407	7,985,826	523,995,065
31-Dec-21				
	Term loan	Overdrafts	Finance lease	Total
Gross loans	391,517,198	37,665,992	6,368,781	435,551,971
12 months ECL loans and advances	(3,569,740)	(1,550,904)	(246,264)	(5,366,908)
Lifetime ECL not credit-impaired loans and advances	(61,825)	(32,956)	-	(94,781)
Lifetime ECL credit-impaired loans and advances	(7,937,608)	(3,233,274)	(55,097)	(11,225,979)
	379,948,025	32,848,859	6,067,420	418,864,303

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022

Notes to the Financial Statements

In thousands of Nigerian Naira	Overdraft	Term Loan	Advances under finance lease	Totals
Balance as at 31 December 2021	4,817,134	11,569,173	301,361	16,687,668
12-months ECL credit	1,550,904	3,569,740	246,264	5,366,908
Life-time ECL Not impaired	32,956	61,825	-	94,781
Life-time ECL credit impaired	3,233,274	7,937,608	55,097	11,225,979
Amortised Cost Interest	405,485	66,884	-	472,369
ECL allowance during the year	1,177,557	1,505,013	5,324	2,687,894
Written off in the year as uncollectible	(3,126,461)	(871,651)	(28,993)	(4,027,106)
Amounts recovered during the year	-	(677,217)	-	(677,217)
Balance as at 31 December 2022	3,273,714	11,592,202	277,692	15,143,608
12-months ECL credit	433,084	6,578,800	244,964	7,256,849
Life-time ECL Not impaired	-	79,422	-	79,422
Life-time ECL credit impaired	2,840,630	4,933,980	32,727	7,807,336
Contingent Liabilities & Commitments:				
	Group	Group	Bank	Bank
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Guarantees and Indemnities	101,334,445	79,270,996	101,334,445	79,270,996
Bonds	12,298,209	8,846,615	12,298,209	8,846,615
Clean-Line Facilities& Irrevocable LCs	39,536,512	31,787,388	39,536,512	31,787,388
ECL	(1,105,890)	(1,336,032)	(1,105,890)	(1,336,032)
	152,063,277	118,568,967	152,063,277	118,568,967

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 31 December, 2022**

20 Property and equipment

Group / Bank

In thousands of Nigerian Naira (000s)

	Land	Buildings	Furniture & Office Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
Cost							
Balance at 1 January 2022	1,590,773	16,995,356	10,443,090	3,516,783	12,031,649	1,211,505	45,789,155
Additions	-	1,584,279	1,622,536	668,914	1,794,289	946,360	6,616,377
Adjustments	-	-	(0)	-	(0)	-	(0)
Disposals			(555,850)	(280,342)	(132,325)		(968,518)
Balance as at 31 December 2022	1,590,773	18,579,635	11,509,776	3,905,355	13,693,612	2,157,864	51,437,015
Accumulated depreciation and impairment							
Balance at 1 January 2022	-	5,469,592	7,307,005	2,161,991	8,432,025	-	23,370,613
Charge for the year	-	349,235	1,164,425	541,315	1,388,925	-	3,443,900
Adjustments		(36)	(386)	-	(403)		(826)
Disposals	-		(511,742)	(187,079)	(127,518)	-	(826,340)
Adjustments							
Balance as at 31 December 2022	-	5,818,791	7,959,302	2,516,226	9,693,028	-	25,987,348
Carrying amounts							
Balance at 1 January 2022	1,590,773	11,525,764	3,136,085	1,354,791	3,599,624	1,211,505	22,418,542
Balance as at 31 December 2022	1,590,773	12,760,844	3,550,474	1,389,128	4,000,584	2,157,864	25,449,667

Property and equipment

Group / Bank

In thousands of Nigerian Naira (000s)

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

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 31 December, 2022**

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
21 Intangible assets				
Cost				
Cost 1 January, 2022	6,674,382	5,502,221	6,674,382	5,502,221
Additions	1,505,658	1,172,161	1,505,658	1,172,161
Disposal	(5,933)	-	(5,933)	-
Transfer to computer equipment	-	-	-	-
Balance as at 31 December 2022	8,174,107	6,674,382	8,174,107	6,674,382
Amortization and impairment losses				
Cost 1 January, 2022	4,503,741	4,110,672	4,503,741	4,110,672
Amortization for the year	816,676	393,069	816,676	393,069
Disposal	(5,903)	-	(5,903)	-
Balance as at 31 December 2022	5,314,514	4,503,741	5,314,514	4,503,741
Carrying amounts	2,859,593	2,170,640	2,859,593	2,170,640

- The intangible assets have got finite lives and are amortised over the higher of 5 years or the contractual licensing period. No impairment losses were recognised against intangible assets.
- The authorised and contracted capital commitments as at the balance sheet date was nil (31 December 2021 nil)
- There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (31 December 2021: nil)

22 Deferred tax assets and liabilities

- Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
At 1 January	15,500,694	18,236,111	15,500,694	18,236,111
Write down	-	(2,735,417)	-	(2,735,417)
Closing balance	15,500,694	15,500,694	15,500,694	15,500,694

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022

In thousands of Nigerian Naira

	Group		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
23 Other assets				
Accounts receivables	658,000	13,367,358	658,000	13,367,358
Prepayments	1,017,369	927,929	1,017,369	927,929
Stock	1,350,116	478,767	1,350,116	478,767
Collateralised Placement	52,917	52,917	52,917	52,917
Clearing Balance	245,690	195,335	245,690	195,335
Fraud & Burglary	880,154	670,731	880,154	670,731
CBN Special Reserve (see 23.1 below)	-	10,677,214	-	10,677,214
AGSMEIS Investment with CBN	1,349,419	902,759	1,349,419	902,759
Receivable on E-business Channels	758,449	691,482	758,449	691,482
Other Settlements	-	7,050,536	-	7,050,536
Others	17,074	15,763	17,074	15,763
	6,329,189	35,030,791	6,329,189	35,030,791
Specific impairment on other assets	(887,789)	(724,798)	(887,789)	(724,798)
	5,441,400	34,305,993	5,441,400	34,305,993
At 1 January	724,798	665,262	724,798	665,262
Allowance/write off made during the year	162,991	59,536	162,991	59,536
Transfer from investment	-	-	-	-
Closing balance	887,789	724,798	887,789	724,798
Classified as:				
Current	4,046,001	23,151,162	4,046,001	23,151,162
Non-current	2,283,188	11,879,629	2,283,188	11,879,629
	6,329,189	35,030,791	6,329,189	35,030,791

23.1 CBN Special Reserve

The balance represents amount debited to the bank's current account with CBN as eligibility contribution to the Special Intervention Reserve for the Real Sector Support Facility (RSSF). The RSSF will be used to support start-ups and expansion financing needs of priority sectors of the economy to expand the industrial base and consequently diversify the economy. Draw down will be subject to banks contribution to the Special Intervention Reserve (SIR) with the CBN.

24 Deposits from banks

	Group		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
<i>In thousands of Nigeria Naira</i>				
Money market deposits	19,153,500	40,700,000	19,153,500	40,700,000

Deposits from customers

Retail customers:

Term deposits	131,427,858	112,531,039	131,427,858	112,531,039
Current deposits	28,217,726	27,929,504	28,217,726	27,929,504
Savings	188,368,590	152,328,228	188,368,590	152,328,228

Corporate customers:

Term deposits	407,977,519	343,571,256	407,977,519	343,571,256
Current deposits	313,858,286	214,609,899	313,858,286	214,609,899
Others	95,914,738	76,501,249	95,914,738	76,501,249

1,165,764,717 927,471,175 1,165,764,717 927,471,175

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

Under 3 months	808,187,046	642,985,826	808,187,046	642,985,826
3 - 6months	234,497,716	186,564,123	234,497,716	186,564,123
6 - 12months	81,554,648	64,884,092	81,554,648	64,884,092
Over 12months	41,525,306	33,037,134	41,525,306	33,037,134

1,165,764,717 927,471,175 1,165,764,717 927,471,175

As at 31 December 2022 N41.53billion (31 December 2021: N33.04billion) of deposits from customers are expected to be settled more than 12 months after the reporting date.

Wema Bank Plc

Consolidated and Separate Financial Statements

For the period ended 31 December, 2022

In thousands of Nigerian Naira		Group		Bank	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
26	Taxation				
26.1	Income tax expense				
	Company income tax	1,950,897	405,135	1,950,897	405,135
	Education Tax	-	140,378	-	140,378
	NITDA Levy	-	122,237	-	122,237
	Nigerian Police Trust Fund	-	586	-	586
	Capital Gains Tax	-	16,227	-	16,227
	NASENI	-	30,960	-	30,960
	Current Income Tax expense	1,950,897	715,523	1,950,897	715,523
	Deferred tax expenses	-	2,735,417	-	2,735,417
		1,950,897	3,450,940	1,950,897	3,450,940
26.2	Current tax liabilities				
	At 1 January	716,120	394,511	716,120	394,511
	Payment during the year	(668,665)	(393,914)	(668,665)	(393,914)
	Charge for the year	1,950,897	715,523	1,950,897	715,523
	Closing balance	1,998,353	716,120	1,998,353	716,120

The charge for taxation is based on the provision of the Company Income Tax Act Cap C21 LFN 2020, as amended under the Finance Act 2020. Education Tax is based on 2.5% of the assessable profit for the year in accordance with the Education Tax Act CAP E4 LFN 2004. NITDA levy is based on 1% of profit before tax in accordance with NITDA levy Act 2007

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022

27 Other liabilities

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
<i>Financial Liabilities</i>				
Creditors and accruals	3,917,819	1,364,105	3,917,819	1,364,105
Staff Deductions	1,096,842	36,142	1,096,842	36,142
Provision for Others	502,657	2,657	502,657	2,657
Other current liabilities	171,483	91,541	101,744	31,647
Insurance Claim	230,796	99,399	230,796	99,399
Swift Payables	407,301	218,537	407,301	218,537
Western Union	2,696	2,997	2,696	2,997
Salary Suspense	3,753	17,369	3,753	17,369
Accounts payable	1,062,660	1,088,125	1,062,660	1,088,125
Electronic products payable	639,666	655,457	639,666	655,457
Certified cheques	1,994,983	1,214,283	1,994,983	1,214,283
Customer deposits for letters of credit	47,255,454	20,241,971	47,255,454	20,241,971
Discounting Line	23,778,762	25,837,365	23,778,762	25,837,365
Other Settlements	(4,935,383)	1,936,151	(4,935,383)	1,936,151
Remittances	23,110,630	10,129,871	23,110,630	10,129,871
	99,240,119	62,935,970	99,170,379	62,876,076
<i>Non-Financial Liabilities</i>				
Litigation claims provision (i)	494,500	494,500	494,500	494,500
Other payables	552,347	267,202	552,347	267,202
	100,286,966	63,697,672	100,217,226	63,637,779
Classified as:				
Current	102,164,705	59,459,113	102,094,966	59,399,219
Non-current	(1,877,740)	4,238,559	(1,877,740)	4,238,559
	100,286,966	63,697,672	100,217,226	63,637,779

(i) Movement in litigation claims provision

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

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 31 December, 2022**

	Group		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
<i>In thousands of Nigerian Naira</i>				
28 Other borrowed funds				
Due to BOI (see (i) below)	2,409,029	3,626,451	2,409,029	3,626,451
Osun Bailout Fund (see v below)	8,294,136	8,756,239	8,294,136	8,756,239
CBN Agric. loan (see ii below)	1,681,165	2,609,968	1,681,165	2,609,968
CBN MSMEDF (see iv below)	462,855	506,525	462,855	506,525
Wema SPV (see iv below)	18,393,114	24,758,018	10,223,760	13,627,926
Anchor Borrowers fund	1,968,061	3,137,555	1,968,061	3,137,555
Other Borrowings	1,534,729	59,301	1,534,729	59,301
Shelter Afrique (see vi below)	3,825,450	4,560,483	3,825,450	4,560,483
AFDB (see vii below)	1,867,185	3,156,092	1,867,185	3,156,092
DBN	3,699,155	9,418,708	3,699,155	9,418,708
AGSMEIS/RSSF	25,477,236	12,142,321	25,477,236	12,142,321
	69,612,113	72,731,661	61,442,759	61,601,569

- (i) The amount represents an intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facilities are secured by Nigerian Government Securities worth N3.938.416.000.00 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.

- (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. In response to COVID-19, CBN moderated the rate to 5%, however, the rate has been restored to 9% effective September 2022.
- (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 moderated the rate to 5%, however, the rate has been restored to 9% effective
- (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 moderated the rate to 5%, however, the rate has been restored to 9% effective September
- (v) The Wema SPV of 2022: N18,313,074,000 (2021: N24,759,018,000) represents amortized cost of the fixed rate unsecured bond issued by Wema Funding SPV Plc. The outstanding bond of N17,675,000,000 (principal) was issued on 12 October 2018 for a period of 7 years at 16.5% per annum with interest payable semi-annually and principal payable at maturity in October 2025 respectively.
- (vi) Amount represents salary credit bail out facility from Central Bank of Nigeria. It has a moratorium of twenty years at bank's interest rate of 9%. The corresponding entry is in loans and advances and the bank is expected to provide Central Bank of Nigeria with periodic progress on the facility. The principal repayment is by bullet payment at the expiration of the moratorium granted. In response to COVID-19, CBN moderated the rate to 5%. however, the rate has been restored to 9% effective September 2022.
- (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	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
28b				
At 1 January	72,731,661	73,523,471	61,601,569	62,416,375
Additions	14,810,344	3,261,495	14,810,344	3,261,495
Effect of exchange rate changes [loss/(profit)]	326,868	154,201	326,868	154,201
Payments made	(18,256,760)	(4,207,506)	(15,296,021)	(4,230,502)
Closing balance	69,612,113	72,731,661	61,442,759	61,601,569

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022

29 Right of use

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

	31-Dec-22	31-Dec-21
COST	N	N
29a. Balance at 1 January	1,543,641	1,056,941
Additions	431,565	486,700
Terminated contracts		
Balance as at 31 December 2022	<u>1,975,207</u>	<u>1,543,641</u>
DEPRECIATION CHARGE		
Balance at 1 January	692,393	435,413
Charge for the period	285,349	256,980
Balance as at 31 December 2022	<u>977,741</u>	<u>692,393</u>
CARRYING AMOUNT		
As at 31 December, 2021	<u>851,249</u>	<u>621,528</u>
Balance as at 31 December 2022	<u>997,465</u>	<u>851,249</u>

	31-Dec-22	31-Dec-21
29b. LEASE LIABILITY	N	N
Balance at 1 January	26,879	22,875
Addition during the year	-	-
Finance charge for the year	4,704	4,004
Payment during the year		
Balance as at 31 December 2022	<u>31,583</u>	<u>26,879</u>

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022

	Group		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
<i>In thousands of Nigerian Naira</i>				
30 Share capital and Reserves				
(a) The share capital comprises:				
(i) Authorised - 40,000,000 Ordinary shares (2021 - 40,000,000,000) Ordinary shares of 50k each (2022- 50k)	20,000,000	20,000,000	20,000,000	20,000,000
(ii) Issued and fully paid - 12,858,155,360 Ordinary shares (2021- 12,858,155,360) shares of 50k each (2022 - 50k)	6,429,077	6,429,077	6,429,077	6,429,077
(iii) Shareholding Structure / Free float Status				
Shareholders	No of Ordinary Shares	% Holdings		
Strategic Shareholding	6,633,784,944	51.59		
Directors Direct Shareholding	729,482,995	5.67		
Government Shareholding	1,032,502,060	8.03		
Staff Schemes	-	-		
Free Float	4,462,385,361	34.70		
Total	12,858,155,360	100.00		
Strategic Shareholding				
Name	Holding			
SW8 Invest Coy	1,915,272,289	14.90		
Petrotrab Limited	1,098,626,666	8.54		
Neemtree Limited	3,619,885,989	28.15		
	6,633,784,944	51.59		
	19,491,940,304			
Directors Shareholding	38,983,880,608.00			
Babatunde Oladele kasali	-	-		
Ademola Abimbola Adebise	705,168	0.01%		
Chukwuemeka Obioha Obiagwu	77,083	0.00%		
Oluwole Albert Ajimisinmi	2,056,998	0.02%		
Morufu Abiola Oseni	-	0.00%		
Lawal Abubakar	142,972,380	1.11%		
Abolanle Matel-Okoh	583,333,333	4.54%		
Akinleye Oluwole Stephen	336,283	0.00%		
Ibiye Asime Ekong	-	0.00%		
Adesegun Olusegun Oluremi	-	0.00%		
Adefarakan Adeyemi Obalolu	-	0.00%		
Olorunshola Oluwayemisi Christianah	1,750	0.00%		
Okunowo Zubiedat Bolarin Folashade.	-	0.00%		
	729,482,995	5.68%		
Government Shareholding				
Oyo State	138,000	0.00		
Ogun State	222,223,333	1.73		
Osun State	222,223,333	1.73		
Ekiti State	-	0.00		
FOUNTAIN	190,995,192	1.49		
Odua Invest Coy	396,922,202	3.09		
	1,032,502,060	8.03		
b) Declaration:				
Wema Bank Plc with a free float of 34.70% as at 31 December 2022, is compliant with The Nigerian Stock Exchange's free float requirements for companies listed on the Main Board.				
Share Premium				
At 1 January	8,698,230	8,698,230	8,698,230	8,698,230
Capital Reduction (Note 30i)	-	-	-	-
Closing balance	8,698,230	8,698,230	8,698,230	8,698,230

Share premium is the excess paid by shareholders over the nominal value for their shares

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2022

(c) Statutory reserves

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

(d) Fair value reserve

The fair value reserve includes the net cumulative change in the fair value of fair value through other comprehensive income investments until the investment is derecognised or impaired.

(e) SMEIES Reserve

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

(f) Retained earnings

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

<i>In thousands of Nigeria Naira</i>	Group		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
At 1 January	11,023,901	7,103,647	11,241,628	7,314,728
Profit or loss	12,640,144	8,926,555	12,500,190	8,933,202
Transfer from Regulatory risk reserve	(2,600,919)	(553,752)	(2,600,919)	(553,752)
Transfer to Statutory Reserve	(3,750,057)	(2,679,960)	(3,750,057)	(2,679,961)
Dividend Paid to Shareholders	(3,085,957)	(1,542,978)	(3,085,957)	(1,542,978)
Transfer to Credit Risk Reserve	-	-	-	-
Regulatory charge to SMEIS	(446,660)	(229,611)	(446,660)	(229,611)
Closing balance	13,780,451	11,023,901	13,858,225	11,241,628

(g) Regulatory risk reserve

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

(h) Credit Risk Reserve

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

(i) Other Reserves

<i>In thousands of Nigeria Naira</i>	Group		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Credit Risk reserve	781,612	781,612	781,612	781,612
Statutory Reserve	21,405,000	17,654,943	21,405,000	17,654,943
AGSMEIS Reserve	1,349,419	902,759	1,349,419	902,759
Fair Value Reserves	5,708,069	5,708,069	5,708,069	5,708,069
	29,244,100	25,047,383	29,244,100	25,047,383

Wema Bank Plc

Consolidated and Separate Financial Statements For the period ended 31 December, 2022

31 Contingencies

(i) Litigation and claims

There are litigation claims against the Bank as at 31 December 2022 amounting to N7,778,330,741.00 (31 December 2021: N8,001,705,835.00). These litigations arose in the normal course of business and are being contested by the Bank. The Directors, having sought advice of professional counsel, are of the opinion that no significant additional liability will crystallise from these claims; other than as recognised in these financial statements.

(ii) Contingent liabilities and commitments

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

(iii) Nature of instruments

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

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

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

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

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

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

In thousands of Nigerian naira	Group		Bank	
	Group 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-22	Bank 31-Dec-21
Contingent liabilities:				
Guarantees and indemnities	101,334,445	79,270,996	101,334,445	79,270,996
Bonds	12,298,209	8,846,615	12,298,209	8,846,615
Clean-line facilities & irrevocable letters of credit	39,536,512	31,787,388	39,536,512	31,787,388
ECL	(1,105,890)	(1,336,032)	(1,105,890)	(1,336,032)
Closing balance	152,063,277	118,568,967	152,063,277	118,568,967