

**WEMA BANK PLC**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 JUNE 2023**

**Contents****Page**

Statements of profit or loss and other comprehensive income

1

Statements of financial position

2

Statements of changes in equity

3

Statements of Prudential Adjustments

4

Statements of cash flows

5

# Wema Bank Plc

## Consolidated and Separate Financial Statements For the period ended 30 June, 2023

### Statements of Profit or loss and other Comprehensive Income

<i>In thousands of Nigerian Naira</i>	Notes	Group				Bank			
		3 Months 30-Jun-23	6 Months 30-Jun-23	6 Months 30-Jun-22	12 Months 31-Dec-22	3 Months 30-Jun-23	6 Months 30-Jun-23	6 Months 30-Jun-22	12 Months 31-Dec-22
		<b>50,035,272</b>	<b>89,630,928</b>	<b>60,295,161</b>	<b>133,053,047</b>	<b>49,744,486</b>	<b>89,092,597</b>	<b>59,594,190</b>	<b>131,083,309</b>
Interest income	7	42,770,341	76,649,121	50,450,043	108,036,632	42,479,555	76,110,790	49,749,072	106,066,894
Interest expense		(24,350,256)	(43,778,566)	(27,235,337)	(53,806,696)	(24,086,584)	(43,251,227)	(26,509,894)	(51,991,333)
<b>Net interest income</b>	7	<b>18,420,085</b>	<b>32,870,556</b>	<b>23,214,706</b>	<b>54,229,936</b>	<b>18,392,971</b>	<b>32,859,563</b>	<b>23,239,178</b>	<b>54,075,561</b>
Net impairment loss on financial assets	11	(1,287,454)	(1,395,261)	(625,056)	(4,808,387)	(1,287,454)	(1,395,261)	(625,056)	(4,808,387)
<b>Net interest income after impairment charge for credit losses</b>		<b>17,132,631</b>	<b>31,475,295</b>	<b>22,589,650</b>	<b>49,421,549</b>	<b>17,105,517</b>	<b>31,464,302</b>	<b>22,614,122</b>	<b>49,267,174</b>
Net gain on FVTPL investment securities		982,126	982,126	1,462,883	1,531,277	982,126	982,126	1,462,883	1,531,277
Net fee and commission income	8	5,092,949	10,027,680	7,477,325	16,586,216	5,092,949	10,027,680	7,477,325	16,586,216
Net trading income	9	57,834	303,201	(290,975)	4,001,989	57,834	303,201	(290,975)	4,001,989
Other income	10	1,132,022	1,668,799	1,195,885	2,896,933	1,132,022	1,668,799	1,195,885	2,896,933
		<b>7,264,931</b>	<b>12,981,807</b>	<b>9,845,118</b>	<b>25,016,415</b>	<b>7,264,931</b>	<b>12,981,807</b>	<b>9,845,118</b>	<b>25,016,415</b>
<b>Operating income</b>		<b>24,397,562</b>	<b>44,457,102</b>	<b>32,434,768</b>	<b>74,437,964</b>	<b>24,370,448</b>	<b>44,446,109</b>	<b>32,459,240</b>	<b>74,283,589</b>
Personnel expenses	12	(6,337,371)	(11,870,762)	(9,545,334)	(21,332,578)	(6,337,371)	(11,870,762)	(9,545,334)	(21,332,578)
Depreciation and amortization	13b	(1,481,251)	(2,734,492)	(1,993,501)	(4,545,925)	(1,481,251)	(2,734,492)	(1,993,501)	(4,545,925)
Other operating expenses	13a	(10,708,118)	(17,793,243)	(14,792,559)	(33,675,500)	(10,707,974)	(17,790,743)	(14,790,059)	(33,659,078)
Profit before tax		<b>5,870,822</b>	<b>12,058,605</b>	<b>6,103,374</b>	<b>14,883,962</b>	<b>5,843,852</b>	<b>12,050,112</b>	<b>6,130,346</b>	<b>14,746,009</b>
Income tax expense	24	(759,701)	(1,566,515)	(827,597)	(3,531,981)	(759,701)	(1,566,515)	(827,597)	(3,531,981)
<b>Profit for the year</b>		<b>5,111,121</b>	<b>10,492,090</b>	<b>5,275,777</b>	<b>11,351,981</b>	<b>5,084,151</b>	<b>10,483,597</b>	<b>5,302,749</b>	<b>11,214,028</b>
<b><u>Other comprehensive income, net of income tax</u></b>									
<b><u>Items that will not be subsequently reclassified to profit or loss</u></b>									
Net change in fair value of investments FVTOCI		-	-	-	4,130,260	-	-	-	4,130,260
		-	-	-	4,130,260	-	-	-	4,130,260
<b><u>Items that will be subsequently reclassified to profit or loss</u></b>									
Net change in fair value of debt instruments		106,729	106,729	-	-	106,729	106,729	-	-
FVOCI (net of tax)		-	-	-	-	-	-	-	-
<b>Other comprehensive income for the year</b>		<b>106,729</b>	<b>106,729</b>	<b>-</b>	<b>4,130,260</b>	<b>106,729</b>	<b>106,729</b>	<b>-</b>	<b>4,130,260</b>
Total comprehensive income for the year		<b>5,217,849</b>	<b>10,598,819</b>	<b>5,275,777</b>	<b>15,482,241</b>	<b>5,190,880</b>	<b>10,590,326</b>	<b>5,302,749</b>	<b>15,344,288</b>
<b>Profit attributable to:</b>									
Equity holders of the Bank		5,111,121	10,492,090	5,275,777	11,351,981	5,084,151	10,483,597	5,302,749	11,214,028
Total comprehensive income for the year		5,217,849	10,598,819	5,275,777	15,482,241	5,190,880	10,590,326	5,302,749	15,344,288
<b>Earnings per share-basic</b>	14	<b>159.2</b>	<b>163.2</b>	<b>82.0</b>	<b>88.3</b>	<b>158.0</b>	<b>163.0</b>	<b>82.4</b>	<b>87.2</b>

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023

Statements of financial Position

<i>In thousands of Nigerian Naira</i>	Notes	Group		Bank	
		30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
Cash and cash equivalents	15	187,265,393	96,294,862	187,233,064	96,262,918
Restricted Deposit with CBN	15b	430,993,380	386,993,380	430,993,380	386,993,380
Pledged assets	16	147,445,809	30,616,318	147,445,809	30,616,318
Investment securities:					
Fair value through other comprehensive income	17a	21,584,996	11,056,230	21,584,996	11,056,230
Fair Value through profit or loss	17b	12,127,210	20,933,741	12,127,210	20,933,741
Held at amortised cost	17c	390,056,591	320,922,935	381,918,547	312,792,563
Wema funding SPV Plc	17d	-	-	1,000	1,000
Loans and advances to customers	18	627,005,593	521,430,696	627,005,593	521,430,696
Right of Use	27	960,904	997,465	960,904	997,465
Property and equipment	19	30,911,019	25,449,667	30,911,019	25,449,667
Intangible assets	20	3,178,803	2,859,593	3,178,803	2,859,593
Other assets	22	16,854,927	11,326,855	16,854,927	11,326,855
Deferred tax assets	21	12,983,232	12,983,232	12,983,232	12,983,232
<b>Total Assets</b>		<b>1,881,367,856</b>	<b>1,441,864,974</b>	<b>1,873,198,483</b>	<b>1,433,703,658</b>
Deposits from banks	23	109,578,378	19,153,500	109,578,378	19,153,500
Deposits from customers	23	1,392,847,276	1,165,934,019	1,392,847,276	1,165,934,019
Lease Liabilities	27	34,236	31,583	34,236	31,583
Current tax liabilities	24	1,566,515	1,061,974	1,566,515	1,061,975
Other liabilities	25	212,348,886	103,685,466	212,274,648	103,613,727
Other borrowed funds	26	75,708,293	69,455,531	67,541,875	61,286,178
<b>Total Liabilities</b>		<b>1,792,083,584</b>	<b>1,359,322,073</b>	<b>1,783,842,928</b>	<b>1,351,080,981</b>
EQUITY					
Share capital	28	6,429,078	6,429,078	6,429,078	6,429,078
Share premium	28	8,698,230	8,698,230	8,698,230	8,698,230
Regulatory risk reserve		11,801,426	11,801,425	11,801,426	11,801,426
Retained earnings	28	18,084,248	11,449,605	18,155,529	11,529,379
Other reserves	28	44,271,291	44,164,563	44,271,292	44,164,564
<b>Equity attributable to equity holders of the bank</b>		<b>89,284,273</b>	<b>82,542,901</b>	<b>89,355,555</b>	<b>82,622,677</b>
<b>Total liabilities and equity</b>		<b>1,881,367,857</b>	<b>1,441,864,974</b>	<b>1,873,198,483</b>	<b>1,433,703,658</b>
<b>CONTINGENTS</b>		<b>228,996,761</b>	<b>152,455,290</b>	<b>228,996,761</b>	<b>152,455,290</b>

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

Dr. (Mrs) Oluwayemisi Olorunshola  
*Chairman*  
FRC/2023/PRO/DIR/003/492710

Moruf Oseni  
*Managing Director*  
FRC/2013/NIM/00000002114

Tunde Mabawonku  
*Executive Director*  
FRC/2013/ICAN/00000002097

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023

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
<b>2023</b>										
<b>Balance at 1 January 2023</b>	6,429,078	12,858,155	8,698,230	781,612	11,801,426	19,337,047	1,349,419	9,838,329	11,449,605	82,542,902
SMEIS Charge							-		-	-
Profit or loss	-		-	-	-	-	-		10,492,090	10,492,090
<b>Other comprehensive income</b>										
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments										-
Fair value reserve FVTOCI financial assets	-		-	-	-	-	-	106,729	-	106,729
Transfers within equity:										
Regulatory risk reserve					-				-	
Transfer to Share reserve (see note 28)	-	-								
Credit risk reserve										
Transfer to Statutory reserve	-	-				-			-	
	<b>6,429,078</b>	<b>12,858,155</b>	<b>8,698,230</b>	<b>781,612</b>	<b>11,801,426</b>	<b>19,337,047</b>	<b>1,349,419</b>	<b>9,945,058</b>	<b>21,941,695</b>	<b>93,141,721</b>
<b>Transactions with owners, recorded directly in equity</b>										
Contributions by and distributions to owners										
Dividend Payout									(3,857,447)	(3,857,447)
	-	-	-	-	-	-	-	-	(3,857,447)	(3,857,447)
<b>Balance as at 30 June 2023</b>	<b>6,429,078</b>	<b>12,858,155</b>	<b>8,698,230</b>	<b>781,612</b>	<b>11,801,426</b>	<b>19,337,047</b>	<b>1,349,419</b>	<b>9,945,058</b>	<b>18,084,248</b>	<b>89,284,274</b>
<b>2022</b>										
<b>Balance at 1 January 2022</b>	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
SMEIS Charge	-		-	-	-	-	-		11,351,981	11,351,981
Profit or loss										
<b>Other comprehensive income</b>										
Cumulative gain/loss reclassified from reserve	-		-	-	-	-	-	4,130,260	-	4,130,260
Fair value reserve FVTOCI financial assets										
Transfers within equity:										
Regulatory risk reserve	(12,858,155)	12,858,155			5,711,555				(5,711,555)	
Transfer to Share reserve (see note 28)										
Credit risk reserve						1,682,104			(1,682,104)	
Transfer to Statutory reserve										
	<b>6,429,078</b>	<b>12,858,155</b>	<b>8,698,230</b>	<b>781,612</b>	<b>11,801,426</b>	<b>19,337,047</b>	<b>1,349,419</b>	<b>9,838,329</b>	<b>14,535,563</b>	<b>85,628,859</b>
Contributions by and distributions to owners									(3,085,957)	(3,085,957)
Dividend Payout									(3,085,957)	(3,085,957)
	-	-	-	-	-	-	-	-	(3,085,957)	(3,085,957)
<b>Balance as at 31 December 2022</b>	<b>6,429,078</b>	<b>12,858,155</b>	<b>8,698,230</b>	<b>781,612</b>	<b>11,801,426</b>	<b>19,337,047</b>	<b>1,349,419</b>	<b>9,838,329</b>	<b>11,449,605</b>	<b>82,542,902</b>

**Wema Bank Plc**

**Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023**

**Statements of changes in equity**

**Bank**

*In thousands of Nigerian naira (000s)*

2023	Share	Share reserve	Share premium	Credit risk reserve	Regulatory risk reserve	Statutory reserve	AGSMEIS reserve	Fair value reserves	Retained earnings	Total equity
<b>Balance at 1 January 2023</b>	<b>6,429,078</b>	<b>12,858,155</b>	<b>8,698,230</b>	<b>781,612</b>	<b>11,801,426</b>	<b>19,337,047</b>	<b>1,349,419</b>	<b>9,838,329</b>	<b>11,529,379</b>	<b>82,622,675</b>
SMEIS Charge	-	-	-	-	-	-	-	-	-	-
Profit or loss	-	-	-	-	-	-	-	-	10,483,597	10,483,597
<b>Other comprehensive income</b>										
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments	-	-	-	-	-	-	-	106,729	-	-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	-	-	-	106,729
Transfers within equity:										
Regulatory risk reserve	-	-	-	-	-	-	-	-	-	-
Transfer to Share reserve (see note 28)	-	-	-	-	-	-	-	-	-	-
Credit risk reserve	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory reserve	-	-	-	-	-	-	-	-	-	-
	<b>6,429,078</b>	<b>12,858,155</b>	<b>8,698,230</b>	<b>781,612</b>	<b>11,801,426</b>	<b>19,337,047</b>	<b>1,349,419</b>	<b>9,945,058</b>	<b>22,012,976</b>	<b>93,213,001</b>
<b>Transactions with owners, recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	-	-
Dividend Payout	-	-	-	-	-	-	-	-	(3,857,447)	(3,857,447)
	-	-	-	-	-	-	-	-	(3,857,447)	(3,857,447)
<b>Balance as at 30 June 2023</b>	<b>6,429,078</b>	<b>12,858,155</b>	<b>8,698,230</b>	<b>781,612</b>	<b>11,801,426</b>	<b>19,337,047</b>	<b>1,349,419</b>	<b>9,945,058</b>	<b>18,155,529</b>	<b>89,355,554</b>
<b>2022</b>										
<b>Balance at 1 January 2022</b>	<b>19,287,233</b>	<b>-</b>	<b>8,698,230</b>	<b>781,612</b>	<b>6,089,871</b>	<b>17,654,943</b>	<b>902,759</b>	<b>5,708,069</b>	<b>11,241,627</b>	<b>70,364,344</b>
SMEIS Charge	-	-	-	-	-	-	446,660	-	(446,660)	-
Profit or loss	-	-	-	-	-	-	-	-	11,214,028	11,214,028
<b>Other comprehensive income</b>										
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments	-	-	-	-	-	-	-	4,130,260	-	-
Fair value reserve FVTOCI financial assets	-	-	-	-	-	-	-	-	-	4,130,260
Transfers within equity:										
Regulatory risk reserve	-	-	-	-	5,711,555	-	-	-	(5,711,555)	-
Transfer to Share reserve (see note 28)	(12,858,155)	12,858,155	-	-	-	-	-	-	-	-
Credit risk reserve	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory reserve	-	-	-	-	-	1,682,104	-	-	(1,682,104)	-
	<b>6,429,078</b>	<b>12,858,155</b>	<b>8,698,230</b>	<b>781,612</b>	<b>11,801,426</b>	<b>19,337,047</b>	<b>1,349,419</b>	<b>9,838,329</b>	<b>14,615,336</b>	<b>85,708,633</b>
<b>Transactions with owners, recorded directly in equity</b>										
<b>Contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	-	-
Dividend Payout	-	-	-	-	-	-	-	-	(3,085,957)	(3,085,957)
	-	-	-	-	-	-	-	-	(3,085,957)	(3,085,957)
<b>Balance as at 31 December 2022</b>	<b>6,429,078</b>	<b>12,858,155</b>	<b>8,698,230</b>	<b>781,612</b>	<b>11,801,426</b>	<b>19,337,047</b>	<b>1,349,419</b>	<b>9,838,329</b>	<b>11,529,379</b>	<b>82,622,675</b>

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023  
Consolidated and Separate Statement of Cashflow

<i>In thousands of Nigerian Naira</i>	Notes	Group		Bank	
		30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
Cash flows from operating activities					
Profit for the year		10,492,090	11,351,979	10,483,597	11,214,028
Adjustments for:					
Taxation expense		1,566,515	3,531,981	1,566,515	3,531,981
Depreciation and amortization	13b	2,734,492	4,545,925	2,734,492	4,545,925
Adjustment for transfer out of PPE now expensed		(0)	22,539	(0)	22,539
Right of Use - Payment		-	-	-	-
(Gain)/Loss on disposal of property and equipment	32(xi)	(320,950)	5,290	(320,950)	5,290
Specific provision on cash	15				
Net interest income	32(xii)	(32,870,556)	(54,226,355)	(32,859,563)	(54,075,561)
Dividend received from equity investment	10	(109,650)	(200,634)	(109,650)	(200,634)
Impairment loss on financial assets	11	1,395,261	4,808,387	1,395,261	4,808,387
Operating cashflow before movement in working capital		(17,112,797)	(30,160,888)	(17,110,298)	(30,148,045)
Change in pledged assets	32(i)	(116,829,491)	53,106,801	(116,829,491)	53,106,801
Change in loans and advances to customers	32(ii)	(106,970,158)	(107,374,780)	(106,970,158)	(107,374,780)
Change in other assets	32(iii)	(5,528,072)	22,979,138	(5,528,072)	22,979,138
Change in deposits from banks	32(iv)	90,424,878	(21,546,500)	90,424,878	(21,546,500)
Change in restricted deposit with CBN	32(v)	(44,000,000)	(73,145,960)	(44,000,000)	(73,145,960)
Change in deposits from customers	32(vi)	226,913,258	238,462,844	226,913,258	238,462,844
Change in other liabilities	32(vi)	108,666,072	39,992,499	108,663,574	39,980,654
Cashflow generated by operations		135,563,689	122,313,154	135,563,690	122,314,152
Income tax paid	24.2	(1,061,974)	(668,665)	(1,061,974)	(668,665)
Interest received	32(xii)	76,649,121	108,036,632	76,110,790	106,066,894
Interest paid	32(vii)	(40,574,689)	(48,387,612)	(40,574,689)	(48,387,612)
<b>Net cash from operating activities</b>		<b>170,576,147</b>	<b>181,293,509</b>	<b>170,037,817</b>	<b>179,324,770</b>
Cash flows from investing activities					
Disposal/Acquisition of investment securities-At Amor	32(viii)	(69,133,656)	(190,990,982)	(69,125,984)	(193,821,876)
Disposal/Acquisition of investment securities-FVTOCI	32(ix)	(10,422,037)	(1,470,097)	(10,422,037)	(1,470,097)
Change in FVTPL investments	32(x)	8,806,531	17,759,955	8,806,531	17,759,955
Dividend received from equity investment	10	109,650	200,634	109,650	200,634
Acquisition of property and equipment	19	(7,716,548)	(6,616,377)	(7,716,548)	(6,616,377)
Proceeds from the sale of property and equipment	32(xi)	621,193	113,554	621,193	113,554
Right of Use	27	(94,210)	(431,565)	(94,210)	(431,565)
Acquisition of intangible assets	20	(967,976)	(1,505,658)	(967,976)	(1,505,658)
<b>Net cash(used in)/generated by investing activities</b>		<b>(78,797,054)</b>	<b>(182,940,538)</b>	<b>(78,789,382)</b>	<b>(185,771,432)</b>
Cash flows from financing activities					
Proceed from borrowings	26b	5,408,126	14,784,139	5,408,126	14,784,139
Repayment of borrowings	26b	(432,788)	(18,387,137)	(429,853)	(15,426,398)
Effect of changes in exchange rate	26b	1,277,424	326,867	1,277,424	326,867
Interest paid on borrowings	32(vii)	(3,203,877)	(5,422,665)	(2,676,538)	(3,603,721)
Dividend paid to shareholders		(3,857,447)	(3,085,957)	(3,857,447)	(3,085,957)
<b>Net cash from financing activities</b>		<b>(808,562)</b>	<b>(11,784,753)</b>	<b>(278,287)</b>	<b>(7,005,070)</b>
Net increase in cash and cash equivalents		90,970,532	(13,431,781)	90,970,148	(13,451,732)
Cash and cash equivalents at beginning of period		94,976,221	109,641,357	94,944,279	109,629,366
Effect of exchange rate changes on cash balances		1,318,639	85,284	1,318,639	85,284
<b>Cash and cash equivalents at end of year</b>	15	<b>187,265,392</b>	<b>96,294,860</b>	<b>187,233,066</b>	<b>96,262,918</b>

**Wema Bank Plc**

**Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023  
Statement of Prudential Adjustments**

	Group		Bank	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
<b>Prudential Provisions:</b>				
Loans and advances	31,572,157	30,463,477	31,572,157	30,463,477
Other financial assets	2,859,919	2,859,919	2,859,919	2,859,919
	<b>34,432,076</b>	<b>33,323,396</b>	<b>34,432,076</b>	<b>33,323,396</b>
<b>Impairment assessment under IFRS:</b>				
<b>Loans and advances</b>				
12-months ECL credit	5,511,162	5,224,145	5,511,162	5,224,145
Life-time ECL Not impaired	126,920	116,720	126,920	116,720
Life-time ECL credit impaired	12,862,854	12,600,451	12,862,854	12,600,451
	<b>18,500,936</b>	<b>17,941,317</b>	<b>18,500,936</b>	<b>17,941,317</b>
<b>Investment securities</b>				
12-months ECL	1,613,846	1,384,575	1,613,846	1,384,575
	<b>1,613,846</b>	<b>1,384,575</b>	<b>1,613,846</b>	<b>1,384,575</b>
<b>Off balance sheet exposures</b>				
12-months ECL	855,890	713,876	855,890	713,876
	<b>855,890</b>	<b>713,876</b>	<b>855,890</b>	<b>713,876</b>
<b>Other financial assets</b>				
Other assets	1,062,023	897,836	1,062,023	897,836
Cash and cash equivalent	57,343	43,754	57,343	43,754
Other non-financial assets	540,613	540,613	540,613	540,613
	<b>1,659,979</b>	<b>1,482,203</b>	<b>1,659,979</b>	<b>1,482,203</b>
<b>Total IFRS Impairment</b>	<b>22,630,651</b>	<b>21,521,971</b>	<b>22,630,651</b>	<b>21,521,971</b>
<b>Excess of Prudential impairment over IFRS impairment transferred to regulatory reserve</b>	<b>11,801,425</b>	<b>11,801,425</b>	<b>11,801,425</b>	<b>11,801,425</b>



Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023

Notes to the Financial Statements

<i>In thousands of Nigerian Naira</i>	GROUP				BANK			
	3 Months 30-Jun-23	6 Months 30-Jun-23	6 Months 30-Jun-22	12 Months 31-Dec-22	3 Months 30-Jun-23	6 Months 30-Jun-23	6 Months 30-Jun-22	12 Months 31-Dec-22
<b>7 Interest income</b>								
Cash and cash equivalents	1,628,369	1,925,167	710,096	1,363,120	1,628,369	1,925,167	710,096	1,363,120
Loans and advances to banks and customers	29,801,966	53,522,376	39,974,848	85,067,059	29,801,966	53,522,376	39,974,848	85,067,059
Investments securities	11,340,006	21,201,578	9,765,099	20,854,720	11,049,220	20,663,247	9,064,128	19,636,715
<b>Total interest income</b>	<b>42,770,341</b>	<b>76,649,121</b>	<b>50,450,043</b>	<b>107,284,899</b>	<b>42,479,555</b>	<b>76,110,790</b>	<b>49,749,072</b>	<b>106,066,894</b>
<b>Interest expense</b>								
Deposits from banks	2,030,359	3,462,763	1,183,235	2,822,605	2,030,359	3,462,763	1,183,235	2,822,605
Deposits from customers	20,155,579	37,111,926	23,360,592	45,565,007	20,155,579	37,111,926	23,360,592	45,565,007
Other borrowed funds	2,164,318	3,203,877	2,691,510	4,667,351	1,900,646	2,676,538	1,966,067	3,603,721
<b>Total interest expense</b>	<b>24,350,256</b>	<b>43,778,566</b>	<b>27,235,337</b>	<b>53,054,963</b>	<b>24,086,584</b>	<b>43,251,227</b>	<b>26,509,894</b>	<b>51,991,333</b>
<b>Net interest income</b>	<b>18,420,085</b>	<b>32,870,556</b>	<b>23,214,706</b>	<b>54,229,936</b>	<b>18,392,971</b>	<b>32,859,563</b>	<b>23,239,178</b>	<b>54,075,561</b>
<b>8 Fees and commission income</b>								
Credit related fees	271,962	469,761	438,538	947,318	271,962	469,761	438,538	947,318
Account maintenance fees	901,928	1,636,024	1,286,964	2,754,764	901,928	1,636,024	1,286,964	2,754,764
Management fees	785,978	2,054,944	1,524,279	2,982,745	785,978	2,054,944	1,524,279	2,982,745
Fees on electronic products	1,612,537	3,135,831	1,652,888	6,134,644	1,612,537	3,135,831	1,652,888	6,134,644
Fees on financial guarantees	277,414	657,653	259,215	540,845	277,414	657,653	259,215	540,845
FX transactions	289,795	571,933		1,896,165	289,795	571,933		1,896,165
Other fees and charges	953,335	1,501,534	2,315,441	1,329,735	953,335	1,501,534	2,315,441	1,329,735
<b>Total fee and commission income</b>	<b>5,092,949</b>	<b>10,027,680</b>	<b>7,477,325</b>	<b>16,586,216</b>	<b>5,092,949</b>	<b>10,027,680</b>	<b>7,477,325</b>	<b>16,586,216</b>
<b>9 Net trading income</b>								
Fixed income securities	253,082	435,864	130,582	293,285	253,082	435,864	130,582	293,285
Treasury bills	-175,496	-161,390	(530,530)	3,466,568	(175,496)	-161,390	-530,530	3,466,568
Foreign exchange trading (note 9.1)	-19,752	28,727	108,974	242,136	(19,752)	28,727	108,974	242,136
	<b>57,834</b>	<b>303,201</b>	<b>-290,975</b>	<b>4,001,989</b>	<b>57,834</b>	<b>303,201</b>	<b>-290,975</b>	<b>4,001,989</b>
9.1 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								
<b>10 Other income</b>								
Dividends on equities at FVOCI	94,650	109,650	143,682	200,634	94,650	109,650	143,682	200,634
Gains on disposal of property and equipment	319,978	320,950	(1,703)	(5,290)	319,978	320,950	(1,703)	(5,290)
Rental income	15,316	26,353	30,220	55,770	15,316	26,353	30,220	55,770
Income on contingents	15,505	23,894	12,686	38,398	15,505	23,894	12,686	38,398
Income on deposit accounts	14,998	42,154	33,911	77,561	14,998	42,154	33,911	77,561
Digital Income	184,589	377,254	342,347	702,356	184,589	377,254	342,347	702,356
FX Revaluation	392,807	623,021	491,130	1,591,990	392,807	623,021	491,130	1,591,990
Swift transactions	63,290	84,246	54,581	103,914	63,290	84,246	54,581	103,914
Service charge	12,244	21,976	13,598	35,981	12,244	21,976	13,598	35,981
Advisory fees	9,988	16,246	15,278	27,815	9,988	16,246	15,278	27,815
Others	8,657	23,055	60,154	67,805	8,657	23,055	60,154	67,805
	<b>1,132,022</b>	<b>1,668,799</b>	<b>1,195,885</b>	<b>2,896,933</b>	<b>1,132,022</b>	<b>1,668,799</b>	<b>1,195,885</b>	<b>2,896,933</b>

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023

Notes to the Financial Statements

	GROUP				BANK			
	3 Months 30-Jun-23	6 Months 30-Jun-23	6 Months 30-Jun-22	12 Months 31-Dec-22	3 Months 30-Jun-23	6 Months 30-Jun-23	6 Months 30-Jun-22	12 Months 31-Dec-22
<b>11 Impairment loss on financial/non-financial instruments</b>								
<b>Impairment charge on financial instruments</b>								
Total impairment charge on loans and advances	616,174	903,790	626,430	5,538,987	616,174	903,790	626,430	5,538,987
Investment securities/treasury bills	475,388	229,271	-	380,398	475,388	229,271	-	380,398
Cash and cash equivalent	19,808	13,589	-	(30,776)	19,808	13,589	-	(30,776)
Other assets	174,234	164,187	-	173,038	174,234	164,187	-	173,038
<b>Impairment charge on non-financial instruments</b>								
Off balance sheet	55,350	142,014	-	(622,156)	55,350	142,014	-	(622,156)
Litigation	-	-	-	46,113	-	-	-	46,113
Recoveries on loans	(53,500)	(57,589)	(1,374)	(677,217)	(53,500)	(57,589)	(1,374)	(677,217)
<b>Total Impairment charge on financial/non-financial instruments</b>	<b>1,287,454</b>	<b>1,395,261</b>	<b>625,056</b>	<b>4,808,387</b>	<b>1,287,454</b>	<b>1,395,261</b>	<b>625,056</b>	<b>4,808,387</b>

**12 Personnel expenses**

Wages and salaries	4,760,043	8,807,485	6,873,413	14,707,007	2,825,972	8,807,485	6,873,413	14,707,007
Pension Contribution	201,462	681,809	842,037	1,797,752	361,690	681,809	842,037	1,797,752
Outsourced staff cost	1,375,865	2,381,468	1,829,884	4,827,819	824,281	2,381,468	1,829,884	4,827,819
	<b>6,337,371</b>	<b>11,870,762</b>	<b>9,545,334</b>	<b>21,332,578</b>	<b>4,011,943</b>	<b>11,870,762</b>	<b>9,545,334</b>	<b>21,332,578</b>

**13a Other operating expenses**

*In thousands of Nigerian Naira*

	6 Months 30-Jun-22	6 Months 30-Jun-23	6 Months 30-Jun-22	12 Months 31-Dec-22	3 Months 30-Jun-23	6 Months 30-Jun-23	6 Months 30-Jun-22	12 Months 31-Dec-22
Advertising and marketing	535,933	967,163	863,393	3,276,807	535,933	967,163	863,393	3,276,807
AMCON Levy (i)	1,775,604	3,168,792	3,189,633	6,470,894	1,775,604	3,168,792	3,189,633	6,470,894
Auditors remuneration	30,145	62,500	82,500	127,000	30,000	60,000	80,000	120,000
Business Expenses	122,301	230,223	134,990	319,576	122,301	230,223	134,990	319,576
Cash movement expenses	106,988	332,253	273,363	590,390	106,988	332,253	273,363	590,390
Diesel Expenses	402,281	829,163	684,905	1,513,161	402,281	829,163	684,905	1,513,161
Directors Expenses	13,450	24,900	26,900	52,350	13,450	24,900	26,900	52,350
Directors fees	1,573	8,347	16,849	55,724	1,573	8,347	16,849	55,724
Donations	37,000	44,550	47,736	147,334	37,000	44,550	47,736	147,334
Electricity	198,804	381,587	277,899	641,978	198,804	381,587	277,899	641,978
General administrative expenses	1,611,672	2,376,580	1,553,854	3,596,385	1,611,672	2,376,580	1,553,854	3,586,963
Legal expenses	77,185	144,702	146,215	433,389	77,185	144,702	146,215	433,389
Insurance	132,731	226,863	169,042	414,218	132,731	226,863	169,042	414,218
NDIC Premium	1,024,102	2,033,036	2,054,867	4,234,637	1,024,102	2,033,036	2,054,867	4,234,637
Other premises and equipment costs	111,075	185,334	213,978	365,633	111,075	185,334	213,978	365,633
Printing and stationery	139,104	254,387	332,175	651,722	139,104	254,387	332,175	651,722
Other Professional fees	231,230	494,546	549,970	1,173,897	231,230	494,546	549,970	1,173,897
Digital Bank Professional fees (ii)	64,361	120,556	113,095	195,056	64,361	120,556	113,095	195,056
Repairs and maintenance	626,234	1,224,818	1,355,858	2,960,852	626,234	1,224,818	1,355,858	2,960,852
Security expenses	115,369	233,754	269,649	659,041	115,369	233,754	269,649	659,041
Service charge	2,493,406	2,944,759	1,188,523	3,373,775	2,493,406	2,944,759	1,188,523	3,373,775
SMS Expenses & Others	19,910	41,201	29,084	34,291	19,910	41,201	29,084	34,291
Statutory expenses	44,578	58,043	19,925	159,989	44,578	58,043	19,925	159,989
Technology and alternative channels	316,369	707,972	889,345	1,448,711	316,369	707,972	889,345	1,448,711
Transport & Communications	476,715	697,215	308,812	778,689	476,715	697,215	308,812	778,689
	<b>10,708,118</b>	<b>17,793,243</b>	<b>14,792,559</b>	<b>33,675,500</b>	<b>10,707,974</b>	<b>17,790,743</b>	<b>14,790,059</b>	<b>33,659,078</b>

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-Jun-23	6 Months 30-Jun-23	6 Months 30-Jun-22	12 Months 31-Dec-22	3 Months 30-Jun-23	6 Months 30-Jun-23	6 Months 30-Jun-22	12 Months 31-Dec-22
<b>13b Depreciation and amortization</b>								
Property, plants and equipment	1,014,662	1,954,955	1,513,080	3,443,900	1,014,662	1,954,955	1,513,080	3,443,900
Right of use of assets	64,406	130,771	142,015	285,349	64,406	130,771	142,015	285,349
Intangible assets	402,183	648,766	338,405	816,676	402,183	648,766	338,405	816,676
	<b>1,481,251</b>	<b>2,734,492</b>	<b>1,993,501</b>	<b>4,545,925</b>	<b>1,481,251</b>	<b>2,734,492</b>	<b>1,993,501</b>	<b>4,545,925</b>

**Consolidated and Separate Financial Statements**  
**For the period ended 30 June, 2023**

**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 30th June 2023 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding:

	Group		Bank	
	6 Months 30-Jun-23	12 Months 31-Dec-22	6 Months 30-Jun-23	12 Months 31-Dec-22
<b>Pre-share reconstruction</b>				
Weighted average number of ordinary shares - of 50k each (2022 - 50k)	12,858,155	12,858,155	12,858,155	12,858,155
<b>Comparative figure post share reconstruction</b>	12,858,155	12,858,155	12,858,155	12,858,155
<b>Profit attributable to ordinary shareholders -basic</b>				
Profit for the year attributable to equity holders of the Bank '000	10,492,090	11,351,981	10,483,597	11,214,028
Earnings per share -basic (Kobo)	163.2	88.3	163.0	87.2
<b>15 Cash and cash equivalents</b>				
<i>In thousands of Nigerian Naira</i>				
Cash and balances with banks	118,899,866	70,558,692	118,867,536	70,526,748
Unrestricted balances with central bank	10,677,577	16,353,402	10,677,577	16,353,402
Money market placements	57,745,293	9,426,521	57,745,293	9,426,521
ECL Allowance	(57,343)	(43,754)	(57,343)	(43,754)
	<b>187,265,393</b>	<b>96,294,862</b>	<b>187,233,064</b>	<b>96,262,918</b>
<b>Classified as:</b>				
Current	176,587,816	79,941,459	176,555,487	79,909,515
Non-current	10,677,577	16,353,402	10,677,577	16,353,402
	<b>187,265,393</b>	<b>96,294,862</b>	<b>187,233,064</b>	<b>96,262,918</b>
<b>Movement in ECL allowance</b>				
Opening balance	43,754	43,754	43,754	43,754
Charge/Write back for the year	13,589	0	13,589	-
Closing balance	57,343	43,754	57,343	43,754
<b>15b Restricted Deposit with CBN</b>				
Mandatory reserve deposit is reported net of N30.79 billion (December 31, 2022: N19.76 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				
Restricted deposits with Central Bank are not available for use in day to day operations.				
<b>16 Pledged assets - Held at amortised cost</b>				
<i>In thousands of Nigerian Naira</i>				
Treasury bills (note 16.1)	108,195,645	-	108,195,645	-
Bonds (16.2)	39,250,164	30,616,318	39,250,164	30,616,318
	<b>147,445,809</b>	<b>30,616,318</b>	<b>147,445,809</b>	<b>30,616,318</b>

- 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.

**Consolidated and Separate Financial Statements**  
**For the period ended 30 June, 2023**

**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 N7.04 billion (2022: N6.11 billion) as disclosed in note 28.

In thousands of Nigerian Naira	Group		Bank	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
<b>17 Investment securities</b>	<b>423,768,797</b>	<b>352,912,906</b>	<b>415,630,753</b>	<b>344,782,534</b>
Current	22,745,914	161,429,844	22,745,914	161,429,844
Non-current	401,022,883	191,483,062	392,884,840	183,352,690
<b>17a Investment securities measured at FVTOCI</b>				
Treasury bills	-	-	-	-
FGN Bonds	11,981,071	1,452,306	11,981,071	1,452,306
Equity (see note (i) below)	9,603,924	9,603,924	9,603,924	9,603,924
	<b>21,584,996</b>	<b>11,056,230</b>	<b>21,584,996</b>	<b>11,056,230</b>
<b>17b Investment securities measured at FVTPL</b>				
Treasury Bills	<b>12,127,210</b>	<b>20,933,741</b>	<b>12,127,210</b>	<b>20,933,741</b>
<b>17c Investment securities measured at amortised cost</b>				
Treasury Bills	10,618,703	140,496,103	10,618,703	140,496,103
FGN Bonds	371,634,036	172,133,164	363,495,992	164,002,792
Other Bonds (see (ii) below)	9,417,698	9,678,243	9,417,698	9,678,243
ECL Allowance - Investments at Amortised Cost	(1,613,846)	(1,384,575)	(1,613,846)	(1,384,575)
	<b>390,056,591</b>	<b>320,922,935</b>	<b>381,918,547</b>	<b>312,792,563</b>
<b>Movement in ECL allowance</b>				
Opening balance	1,384,575	1,004,177	1,384,575	1,004,177
Charge/write back for the year	229,271	380,398	229,271	380,398
Closing balance	<b>1,613,846</b>	<b>1,384,575</b>	<b>1,613,846</b>	<b>1,384,575</b>
<b>(i) Equity</b>				
<b>Quoted Investments:</b>	-	-	-	-
<b>Unquoted Investments:</b>				
Unified Payment Services Limited	65,767	65,767	65,767	65,767
FMDQ	15,000	15,000	15,000	15,000
Nigeria Inter-Bank Settlement System	47,482	47,482	47,482	47,482
Fair value gain on (FVTOCI) financial assets (b)	9,475,675	9,475,675	9,475,675	9,475,675
	<b>9,603,924</b>	<b>9,603,924</b>	<b>9,603,924</b>	<b>9,603,924</b>
<b>(a) The breakdown of fair value on FVTOCI financial assets is as follows:</b>				
Unified Payment Services Limited	1,475,738	1,475,738	1,475,738	1,475,738
FMDQ	1,599,982	1,599,982	1,599,982	1,599,982
Nigeria Inter-Bank Settlement System	6,528,204	6,528,204	6,528,204	6,528,204
Closing balance	<b>9,603,924</b>	<b>9,603,924</b>	<b>9,603,924</b>	<b>9,603,924</b>
<b>Movement in fair value gain</b>				
Opening balance	9,475,675	5,395,922	9,475,675	5,395,922
Fair value gain for the year	-	4,079,753	-	4,079,753
Closing balance	<b>9,475,675</b>	<b>9,475,675</b>	<b>9,475,675</b>	<b>9,475,675</b>

**Wema Bank Plc**

**Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023**

**Notes to the Financial Statements**

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

	Group		Bank	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
I. 7YR: DANA Group Bond Series 1				
Opening balance	929,145	929,145	929,145	929,145
Movement in the year	(37,453)	(37,453)	(37,453)	(37,453)
Closing balance	891,692	891,692	891,692	891,692
<b>STATE BONDS</b>				
I. EKITI State Govt Bond Tranche 11				
Opening balance	718,120	861,740	718,120	861,740
Movement in the year	(72,061)	(143,620)	(72,061)	(143,620)
Closing balance	646,059	718,120	646,059	718,120
II. OGUN State Govt Bond				
Opening balance	5,000,000	-	5,000,000	-
Movement in the year	309,497	5,000,000	309,497	5,000,000
Closing balance	5,309,497	5,000,000	5,309,497	5,000,000
III. ONDO State Govt Bond				
Opening balance	3,068,431	3,609,550	3,068,431	3,609,550
Movement in the year	(497,981)	(541,119)	(497,981)	(541,119)
Closing balance	2,570,450	3,068,431	2,570,450	3,068,431
Total Other Bonds	<b>9,417,698</b>	<b>14,678,243</b>	<b>9,417,698</b>	<b>14,678,243</b>
ECL	(891,692)	(891,692)	(891,692)	(891,692)
	<b>8,526,006</b>	<b>13,786,551</b>	<b>8,526,006</b>	<b>13,786,551</b>

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

	Group		Bank	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
<i>In thousands of Nigeria Naira</i>				
Overdrafts	51,882,467	64,166,319	51,882,467	64,166,319
Term Loans	585,085,362	466,942,230	585,085,362	466,942,230
Advances under finance lease	8,538,700	8,263,463	8,538,700	8,263,463
Gross loans and receivables	<b>645,506,529</b>	<b>539,372,013</b>	<b>645,506,529</b>	<b>539,372,013</b>
Less ECL allowances				
Stage 1	(5,511,162)	(5,224,145)	(5,511,162)	(5,224,145)
Stage 2	(126,920)	(116,720)	(126,920)	(116,720)
Stage 3	(12,862,854)	(12,600,451)	(12,862,854)	(12,600,451)
	<b>(18,500,936)</b>	<b>(17,941,317)</b>	<b>(18,500,936)</b>	<b>(17,941,317)</b>
Net loans and advances to customers	<b>627,005,593</b>	<b>521,430,696</b>	<b>627,005,593</b>	<b>521,430,696</b>
<b>30-Jun-23</b>				
	<b>Term loan</b>	<b>Overdrafts</b>	<b>Finance lease</b>	<b>Total</b>
Gross loans	585,085,362	51,882,467	8,538,700	645,506,529
Stage 1	(4,228,626)	(1,142,577)	(139,959)	(5,511,162)
Stage 2	(120,086)	(5,612)	(1,222)	(126,920)
Stage 3	(10,546,083)	(2,273,315)	(43,457)	(12,862,855)
	<b>570,190,567</b>	<b>48,460,963</b>	<b>8,354,063</b>	<b>627,005,593</b>
<b>31-Dec-22</b>				
	<b>Term loan</b>	<b>Overdrafts</b>	<b>Finance lease</b>	<b>Total</b>
Gross loans	466,942,230	64,166,319	8,263,463	539,372,013
Stage 1	(4,070,492)	(1,018,668)	(134,985)	(5,224,145)
Stage 2	(111,128)	(5,593)	-	(116,721)
Stage 3	(10,479,653)	(2,086,633)	(34,165)	(12,600,451)
	<b>452,280,957</b>	<b>61,055,425</b>	<b>8,094,313</b>	<b>521,430,695</b>

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023

Notes to the Financial Statements

In thousands of Nigerian Naira	Overdraft	Term Loan	Advances under finance lease	Totals
<b>Balance as at 31 December 2022</b>	<b>3,110,893</b>	<b>14,661,273</b>	<b>169,150</b>	<b>17,941,317</b>
Stage 1	1,018,668	4,070,492	134,985	5,224,145
Stage 2	5,593	111,128	-	116,721
Stage 3	2,086,633	10,479,653	34,165	12,600,451
Interest on impaired facilities	551,611	126,858	-	678,469
ECL allowance during the year	663,689	164,253	75,848	903,790
Written off in the year as uncollectible	(904,689)		(60,361)	(965,050)
Amounts recovered during the year	-	(57,589)	-	(57,589)
<b>Balance as at 30 June 2023</b>	<b>3,421,504</b>	<b>14,894,795</b>	<b>184,637</b>	<b>18,500,937</b>
Stage 1	1,142,577	4,228,626	139,959	5,511,162
Stage 2	5,612	120,086	1,222	126,920
Stage 3	2,273,315	10,546,083	43,457	12,862,855
<b>Contingent Liabilities &amp; Commitments:</b>				
	<b>Group</b>		<b>Bank</b>	
	<b>30-Jun-23</b>	<b>31-Dec-22</b>	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Guarantees and Indemnities	141,153,797	101,334,445	141,153,797	101,334,445
Bonds	39,571,211	12,298,209	39,571,211	12,298,209
Clean-Line Facilities & Irrevocable LCs	49,127,643	39,536,512	49,127,643	39,536,512
ECL	(855,890)	(713,876)	(855,890)	(713,876)
	<b>228,996,761</b>	<b>152,455,290</b>	<b>228,996,761</b>	<b>152,455,290</b>
<b>Movement in ECL allowance</b>				
Opening balance	713,876	1,401,431	713,876	1,401,431
Charge/write back for the year	142,014	(65,399)	142,014	(65,399)
Closing balance	855,890	1,336,032	855,890	1,336,032

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023

19 Property and equipment

Group / Bank

*In thousands of Nigerian Naira (000s)*

	Land	Buildings	Furniture & Office Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
<b>Cost</b>							
Balance at 1 January 2023	1,590,773	18,579,635	11,509,776	3,905,355	13,693,613	2,157,864	51,437,015
Additions	-	923,612	493,042	809,569	4,046,792	1,443,534	7,716,548
Disposals	(5,506)	(247,123)	(9,957)	(307,875)	(3,485)		(573,946)
<b>Balance as at 30 June 2023</b>	<b>1,585,267</b>	<b>19,256,124</b>	<b>11,992,860</b>	<b>4,407,048</b>	<b>17,736,920</b>	<b>3,601,399</b>	<b>58,579,618</b>
<b>Accumulated depreciation and impairment</b>							
Balance at 1 January 2023	-	5,818,792	7,959,302	2,516,226	9,693,028	-	25,987,348
Charge for the year	-	184,221	623,483	289,495	857,756	-	1,954,955
Disposals	(949.88)	(50,061)	(3,985)	(216,124)	(2,583)	-	(273,703)
<b>Balance as at 30 June 2023</b>	<b>-</b>	<b>5,952,952</b>	<b>8,578,799</b>	<b>2,589,597</b>	<b>10,548,201</b>	<b>-</b>	<b>27,668,599</b>
<b>Carrying amounts</b>							
Balance at 1 January 2022	1,590,773	12,760,844	3,550,474	1,389,128	4,000,584	2,157,864	25,449,667
<b>Balance as at 30 June 2023</b>	<b>1,585,267</b>	<b>13,303,173</b>	<b>3,414,061</b>	<b>1,817,451</b>	<b>7,188,718</b>	<b>3,601,399</b>	<b>30,911,019</b>

- The authorised and contracted capital commitments as at the balance sheet date was nil (31 December 2022 nil)
- There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (31 December 2022: nil)
- All intangible assetes are non-current

## 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
Disposals			(555,850)	(280,342)	(132,325)		(968,518)
<b>Balance as at 31 December 2022</b>	<b>1,590,773</b>	<b>18,579,635</b>	<b>11,509,776</b>	<b>3,905,355</b>	<b>13,693,612</b>	<b>2,157,864</b>	<b>51,437,015</b>
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
Disposals	-		(511,742)	(187,079)	(127,518)	-	(826,340)
<b>Balance as at 31 December 2022</b>	<b>-</b>	<b>5,818,791</b>	<b>7,959,302</b>	<b>2,516,226</b>	<b>9,693,028</b>	<b>-</b>	<b>25,987,348</b>
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
<b>Balance as at 31 December 2022</b>	<b>1,590,773</b>	<b>12,760,844</b>	<b>3,550,474</b>	<b>1,389,128</b>	<b>4,000,584</b>	<b>2,157,864</b>	<b>25,449,667</b>

- 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)
- All intangible assets are non-current



Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
<b>20 Intangible assets</b>				
<b>Cost</b>				
Cost 1 January	8,174,107	6,674,382	8,174,107	6,674,382
Additions	967,976	1,505,658	967,976	1,505,658
Disposal	-	(5,933)	-	(5,933)
<b>Closing Balance</b>	<b>9,142,083</b>	<b>8,174,107</b>	<b>9,142,083</b>	<b>8,174,107</b>
<b>Amortization and impairment losses</b>				
Cost 1 January	5,314,514	4,503,741	5,314,514	4,503,741
Amortization for the year	648,766	816,676	648,766	816,676
Disposal	-	(5,903)	-	(5,903)
<b>Closing Balance</b>	<b>5,963,280</b>	<b>5,314,514</b>	<b>5,963,280</b>	<b>5,314,514</b>
<b>Carrying amounts</b>	<b>3,178,803</b>	<b>2,048,820</b>	<b>3,178,803</b>	<b>2,048,820</b>

- 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 2022 nil)
- There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (31 December 2022: nil)
- All intangible assetes are non-current

**21 Deferred tax assets and liabilities**

- Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
At 1 January	12,983,232	15,500,694	12,983,232	15,500,694
Write down	-	(2,517,462)	-	(2,517,462)
<b>Closing balance</b>	<b>12,983,232</b>	<b>12,983,232</b>	<b>12,983,232</b>	<b>12,983,232</b>

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023

	Group		Bank	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
<i>In thousands of Nigerian Naira</i>				
<b>22 Other assets</b>				
<b>Financial Assets</b>				
Accounts receivables	5,869,384	658,000	5,869,384	658,000
Other Settlements	-	6,047,964	-	6,047,964
Collateralised Placement	53,107	52,917	53,107	52,917
Clearing Balance	-	245,690	-	245,690
Fraud & Burglary	923,231	880,154	923,231	880,154
AGSMEIS Investment with CBN	1,349,419	1,349,419	1,349,419	1,349,419
Receivable on E-business Channels	643,897	758,449	643,897	758,449
<b>Non-Financial Assets</b>				
Prepayments	7,287,548	864,907	7,287,548	864,907
Stock	1,776,636	1,350,116	1,776,636	1,350,116
Others	13,727	17,074	13,727	17,074
	<u>17,916,950</u>	<u>12,224,691</u>	<u>17,916,950</u>	<u>12,224,691</u>
Specific impairment on other assets	(1,062,023)	(897,836)	(1,062,023)	(897,836)
	<u><b>16,854,927</b></u>	<u><b>11,326,855</b></u>	<u><b>16,854,927</b></u>	<u><b>11,326,855</b></u>
At 1 January	897,836	724,798	897,836	724,798
Allowance/write off made during the yea	164,187	173,038	164,187	173,038
Transfer from investment	-	-	-	-
	<u><b>1,062,023</b></u>	<u><b>897,836</b></u>	<u><b>1,062,023</b></u>	<u><b>897,836</b></u>
<b>Closing balance</b>	<u><b>1,062,023</b></u>	<u><b>897,836</b></u>	<u><b>1,062,023</b></u>	<u><b>897,836</b></u>
<b>Classified as:</b>				
Current	16,940,612	11,291,619	15,163,976	9,941,503
Non-current	976,338	933,071	2,752,973	2,283,188
	<u><b>17,916,950</b></u>	<u><b>12,224,691</b></u>	<u><b>17,916,950</b></u>	<u><b>12,224,691</b></u>

**22.1 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.

	Group		Bank	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
<i>In thousands of Nigeria Naira</i>				
Money market deposits	<u><b>109,578,378</b></u>	<u><b>19,153,500</b></u>	<u><b>109,578,378</b></u>	<u><b>19,153,500</b></u>
<b>Deposits from customers</b>				
<b>Retail customers:</b>				
Term deposits	169,568,744	131,427,858	169,568,744	131,427,858
Current deposits	37,764,298	28,217,726	37,764,298	28,217,726
Savings	224,398,640	188,368,590	224,398,640	188,368,590
<b>Corporate customers:</b>				
Term deposits	412,811,352	407,977,519	412,811,352	407,977,519
Current deposits	309,841,172	313,636,405	309,841,172	313,636,405
Others	238,463,071	96,305,921	238,463,071	96,305,921
	<u><b>1,392,847,276</b></u>	<u><b>1,165,934,019</b></u>	<u><b>1,392,847,276</b></u>	<u><b>1,165,934,019</b></u>

**23b** The maturity profile of customers' deposit is as follows:

Under 3 months	804,777,156	808,304,418	804,777,156	808,304,418
3 - 6months	233,508,327	234,531,772	233,508,327	234,531,772
6 - 12months	82,210,554	81,566,492	82,210,554	81,566,492
Over 12months	40,350,103	41,531,337	40,350,103	41,531,337
	<u><b>1,160,846,139</b></u>	<u><b>1,165,934,019</b></u>	<u><b>1,160,846,139</b></u>	<u><b>1,165,934,019</b></u>

As at 30 June 2023 N40.35billion (31 December 2022: N41.53billion) 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 30 June, 2023**

	In thousands of Nigerian Naira	Group		Bank	
		30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
<b>24</b>	<b>Taxation</b>				
<b>24.1</b>	<b>Income tax expense</b>				
	Minimum Tax	1,566,515	633,493	1,566,515	633,493
	Company income tax:				
	Education Tax	-	201,095	-	201,095
	NITDA Levy	-	143,080	-	143,080
	Nigerian Police Trust Fund	-	723	-	723
	NASENI	-	36,128	-	36,128
	Current Income Tax expense	1,566,515	1,014,519	1,566,515	1,014,519
	Deferred tax expenses	-	2,517,462	-	2,517,462
		<u>1,566,515</u>	<u>3,531,981</u>	<u>1,566,515</u>	<u>3,531,981</u>

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

	Group		Bank		
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22	
<b>24.2</b>	<b>Current tax liabilities</b>				
	At 1 January	1,061,975	716,120	1,061,975	716,120
	Payment during the year	(1,061,974)	(668,665)	(1,061,974)	(668,665)
	Charge for the year	1,566,515	1,014,519	1,566,515	1,014,519
	<b>Closing balance</b>	<u><b>1,566,515</b></u>	<u><b>1,061,975</b></u>	<u><b>1,566,515</b></u>	<u><b>1,061,975</b></u>

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 30 June, 2023

25 Other liabilities

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
<b><i>Financial Liabilities</i></b>				
Account Payables	3,965,978	552,346	3,965,978	552,346
Provision for Litigation claims (i)	540,613	540,613	540,613	540,613
Impairment on contingents (30c)	855,890	713,876	855,890	713,876
Other current liabilities	3,241,296	2,397,954	3,167,059	2,326,214
Insurance Claim	260,580	230,796	260,580	230,796
Swift Payables	691,297	407,301	691,297	407,301
Western Union	2,742	2,696	2,742	2,696
Salary Suspense	31,665	3,753	31,665	3,753
Other payable	1,813,345	1,062,660	1,813,345	1,062,660
Electronic products payable	709,631	639,666	709,631	639,666
Certified cheques	1,513,043	1,994,983	1,513,043	1,994,983
Customer deposits for letters of cred	91,261,497	47,255,454	91,261,497	47,255,454
Discounting Line	51,193,729	23,778,762	51,193,729	23,778,762
AT-1 capital proceed	20,935,898	-	20,935,898	-
Other Settlements	17,624,810	1,370,790	17,624,810	1,370,790
Remittances	17,706,873	22,733,816	17,706,873	22,733,816
	<b>212,348,886</b>	<b>103,685,466</b>	<b>212,274,648</b>	<b>103,613,727</b>

(i) Movement in litigation claims provision

Opening balance	540,613	494,500	540,613	494,500
Additions	-	46,113	-	46,113
Closing balance	<b>540,613</b>	<b>540,613</b>	<b>540,613</b>	<b>540,613</b>

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023

	Group		Bank	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
<i>In thousands of Nigerian Naira</i>				
<b>26 Other borrowed funds</b>				
Due to BOI (see (i) below)	2,010,322	2,409,029	2,010,322	2,409,029
Osun Bailout Fund (see v below)	8,124,381	8,294,136	8,124,381	8,294,136
CBN Agric. loan (see ii below)	1,402,572	1,681,165	1,402,572	1,681,165
CBN MSMEDF (see iv below)	444,997	462,855	444,997	462,855
Wema SPV (see iv below)	18,303,811	18,262,737	10,137,393	10,093,383
Anchor Borrowers fund (see iii below)	848,230	1,968,061	848,230	1,968,061
Other Borrowings (see xi below)	1,503,119	1,508,524	1,503,119	1,508,524
Shelter Afrique (see vi below)	2,307,750	3,825,450	2,307,750	3,825,450
AFDB (see vii below)	4,945,179	1,867,185	4,945,179	1,867,185
DBN (see x below)	5,032,898	3,699,155	5,032,898	3,699,155
RSSF (see ix below)	30,785,033	25,477,236	30,785,033	25,477,236
	<b>75,708,293</b>	<b>69,455,532</b>	<b>67,541,875</b>	<b>61,286,178</b>

- (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 N1,634,491,422.13 and have a maximum tenor of 15 years.

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

- (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) Anchor Borrowers' fund is an initiative of the Central Bank of Nigeria broadly aimed to create economic linkages between small holder farmers and reputable anchor companies involved in the production and processing of key agricultural commodities with a view to increase agricultural output, reduce food import bills and create jobs. The tenor of the facility depends on the gestation period of the targeted commodity but not exceeding 2 years. The facility is disbursed at an all-inclusive interest rate of 9%.
- (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 2022.

- (v) The Wema SPV of 2023: N18,303,810,872,000 (2022: N18,262,737,000) 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 4 years. It is repayable bi-annually with interest rate of L+6.5% (Libor plus 5.03%)
- (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%)
- (ix) The amount of N30,785,033,000 (December 2022: N25,477,234,000) represents the outstanding balance on the Real Sector Support Facility (RSSF). The Facility is given by the Central Bank of Nigeria to support large enterprises for startups and expansion financing needs. The real sector activities targeted by the facility are manufacturing, agricultural value chain and selected service sub-sectors. The Facility is administered at an all-in Interest rate/charge of 9% per annum payable on quarterly basis.
- (x) Due to DBN intervention fund is a scheme in which the Development Bank of Nigeria (DBN) availed the Company a facility to meet the financing need of entrepreneurs in the Micro, Small and Medium Enterprises sector. The facility attracts an interest rate of 9.75 per annum for 1 year tenor.
- (xi) Other borrowings include National housing fund and Nigerian Mortgage refinance company

26b	Group		Bank	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
At 1 January	69,455,532	72,731,661	61,286,178	61,601,569
Additions	5,408,126	14,784,139	5,408,126	14,784,139
Effect of exchange rate changes [loss/(profit)]	1,277,424	326,868	1,277,424	326,868
Payments made	(432,788)	(18,387,137)	(429,853)	(15,426,398)
<b>Closing balance</b>	<b>75,708,293</b>	<b>69,455,532</b>	<b>67,541,875</b>	<b>61,286,178</b>

## Wema Bank Plc

### Consolidated and Separate Financial Statements For the period ended 30 June, 2023

#### 27 Right of use

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

	30-Jun-23	31-Dec-22
<b>COST</b>	<b>N</b>	<b>N</b>
27a. Balance at 1 January	1,975,207	1,543,641
Additions	94,210	431,565
Terminated contracts		
<b>Closing Balance</b>	<b>2,069,417</b>	<b>1,975,207</b>
<b>DEPRECIATION CHARGE</b>		
Balance at 1 January	977,741	692,393
Charge for the period	130,771	285,349
<b>Closing Balance</b>	<b>1,108,512</b>	<b>977,741</b>
<b>CARRYING AMOUNT</b>		
As at 31 December, 2022	997,465	997,465
<b>Closing Balance</b>	<b>960,904</b>	<b>997,465</b>
<b>27b. LEASE LIABILITY</b>	<b>30-Jun-23</b>	<b>31-Dec-22</b>
	<b>N</b>	<b>N</b>
Balance at 1 January	31,583	26,879
Addition during the year	-	-
Finance charge for the year	2,652	4,704
<b>Closing Balance</b>	<b>34,236</b>	<b>31,583</b>

Wema Bank Plc

Consolidated and Separate Financial Statements  
For the period ended 30 June, 2023

	Group		Bank	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
<i>In thousands of Nigerian Naira</i>				
<b>28 Share capital and Reserves</b>				
(a) <b>The share capital comprises:</b>				
(i) Authorised - 40,000,000 Ordinary shares (2022 - 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 (2022- 12,858,155,360) shares of 50k each (2022 - 50k)	6,429,077	6,429,077	6,429,077	6,429,077
(iii) <b>Shareholding Structure / Free float Status</b>				
<b>Shareholders</b>	<b>No of Ordinary Shares</b>	<b>% Holdings</b>		
Strategic Shareholding	6,646,581,723	51.69		
Directors Direct Shareholding	729,482,995	5.67		
Government Shareholding	1,035,953,710	8.06		
Staff Schemes	-	-		
Free Float	4,446,136,932	34.58		
<b>Total</b>	<b>12,858,155,360</b>	<b>100.00</b>		
<b>Strategic Shareholding</b>				
<b>Name</b>	<b>Holding</b>			
SW8 Invest Coy	1,915,272,289	14.90		
Petrotrab Limited	1,098,626,666	8.54		
Neemtree Limited	3,632,682,768	28.25		
	<b>6,646,581,723</b>	<b>51.69</b>		
<b>Directors Shareholding</b>				
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%		
	<b>729,482,995</b>	<b>5.67%</b>		
<b>Government Shareholding</b>				
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	194,446,842	1.51		
Odua Invest Coy	396,922,202	3.09		
	<b>1,035,953,710</b>	<b>8.06</b>		
b) <b>Declaration:</b>				
Wema Bank Plc with a free float of 34.58% as at 30 June 2023, is compliant with The Nigerian Stock Exchange's free float requirements for companies listed on the Main Board.				
<b>Share Premium</b>				
At 1 January	8,698,230	8,698,230	8,698,230	8,698,230
<b>Closing balance</b>	<b>8,698,230</b>	<b>8,698,230</b>	<b>8,698,230</b>	<b>8,698,230</b>

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



**Consolidated and Separate Financial Statements**  
**For the period ended 30 June, 2023**

**(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

**(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

**(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>	<b>Group</b>		<b>Bank</b>	
	<b>30-Jun-23</b>	<b>31-Dec-22</b>	<b>30-Jun-23</b>	<b>31-Dec-22</b>
At 1 January	12,360,403	11,023,901	11,771,926	11,241,628
Profit or loss	10,492,090	11,637,330	10,483,597	11,499,377
Transfer to Regulatory risk reserve	-	(5,711,555)	-	(5,711,555)
Transfer to Statutory Reserve	-	(1,724,907)	-	(1,724,907)
Dividend Paid to Shareholders	(3,857,447)	(3,085,957)	(3,857,447)	(3,085,957)
Transfer to Credit Risk Reserve	-	-	-	-
Regulatory charge to SMEIS	-	(446,660)	-	(446,660)
<b>Closing balance</b>	<b>18,995,046</b>	<b>12,360,403</b>	<b>18,398,076</b>	<b>11,771,926</b>

**(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>	<b>Group</b>		<b>Bank</b>	
	<b>30-Jun-23</b>	<b>31-Dec-22</b>	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Credit Risk reserve	781,612	781,612	781,612	781,612
Share Reserve	12,858,155	12,858,155	12,858,155	12,858,155
Statutory Reserve	19,337,047	19,379,849	19,337,047	19,379,849
AGSMEIS Reserve	1,349,419	1,349,419	1,349,419	1,349,419
Fair Value Reserves	9,945,058	9,838,329	9,945,058	9,838,329
	<b>44,271,291</b>	<b>44,207,365</b>	<b>44,271,292</b>	<b>44,207,365</b>

## Wema Bank Plc

### Consolidated and Separate Financial Statements For the period ended 30 June, 2023

#### 29 Contingencies

##### (i) Litigation and claims

There are litigation claims against the Bank as at 30 June 2023 amounting to N8,201,330,756.00 (31 December 2022: N8,331,169,415.00). These litigations arose in the normal course of business and are being contested by the Bank. The Directors, having sought advice of professional counsel, are of the opinion that no significant additional liability will crystallise from these claims; other than as recognised in these financial

##### (ii) Contingent liabilities and commitments

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

##### (iii) Nature of instruments

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

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

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

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

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

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

In thousands of Nigerian naira	Group		Bank	
	Group 30-Jun-23	Group 31-Dec-22	Bank 30-Jun-23	Bank 31-Dec-22
Contingent liabilities:				
Guarantees and indemnities	141,153,797	101,334,445	141,153,797	101,334,445
Bonds	39,571,211	12,298,209	39,571,211	12,298,209
Clean-line facilities & irrevocable letters of credit	49,127,643	39,536,512	49,127,643	39,536,512
ECL	(855,890)	(713,876)	(855,890)	(713,876)
<b>Closing balance</b>	<b>228,996,761</b>	<b>152,455,290</b>	<b>228,996,761</b>	<b>152,455,290</b>