

WEMA BANK PLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 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 31 December, 2023

Statements of Profit or loss and other Comprehensive Income

<i>In thousands of Nigerian Naira</i>	Notes	Group		Bank	
		12 Months 31-Dec-23	12 Months 31-Dec-22	12 Months 31-Dec-23	12 Months 31-Dec-22
		214,700,289	133,053,047	213,608,137	131,083,309
Interest income	7	181,873,514	108,036,632	180,781,362	106,066,894
Interest expense		(98,760,250)	(53,806,696)	(97,690,909)	(51,991,333)
Net interest income	7	83,113,264	54,229,936	83,090,453	54,075,561
Net impairment loss on financial assets	11	(6,833,685)	(4,808,387)	(6,833,685)	(4,808,387)
Net interest income after impairment charge for credit losses		76,279,579	49,421,549	76,256,768	49,267,174
Net gain on FVTPL investment securities		229	1,531,277	229	1,531,277
Net fee and commission income	8	25,135,768	16,586,216	25,135,768	16,586,216
Net trading income	9	822,485	4,001,989	822,485	4,001,989
Other income	10	6,868,293	2,896,933	6,868,293	2,896,933
		32,826,775	25,016,415	32,826,775	25,016,415
Operating income		109,106,354	74,437,964	109,083,543	74,283,589
Personnel expenses	12	(26,719,994)	(21,332,578)	(26,719,994)	(21,332,578)
Depreciation and amortization	13b	(6,122,218)	(4,545,925)	(6,122,218)	(4,545,925)
Other operating expenses	13a	(45,799,692)	(33,675,500)	(45,826,692)	(33,659,078)
Profit before tax		30,464,450	14,883,961	30,414,639	14,746,008
Income tax expense	24	(7,103,065)	(3,531,981)	(7,103,065)	(3,531,981)
Profit for the year		23,361,385	11,351,980	23,311,574	11,214,027
<u>Other comprehensive income, net of income tax Items that will not be subsequently reclassified to profit or loss</u>					
Net change in fair value of investments FVTOCI		-	4,130,260	-	4,130,260
		-	4,130,260	-	4,130,260
Items that will be subsequently reclassified to profit or loss					
Net change in fair value of debt instruments FVOCI (net of tax)		(1,424)	-	(1,424)	-
		-	-	-	-
Other comprehensive income for the year		(1,424)	4,130,260	(1,424)	4,130,260
Total comprehensive income for the year		23,359,960	15,482,240	23,310,149	15,344,287
Profit attributable to:					
Equity holders of the Bank		23,361,385	11,351,980	23,311,574	11,214,027
Total comprehensive income for the year		23,359,960	15,482,240	23,310,149	15,344,287
Earnings per share-basic	14	218.0	88.3	181.3	87.2

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2023

Statements of financial Position

<i>In thousands of Nigerian Naira</i>	Notes	Group		Bank	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Cash and cash equivalents	15	264,812,092	96,294,862	264,805,347	96,262,918
Restricted Deposit with CBN	15b	503,320,833	353,222,008	503,320,833	353,222,008
Pledged assets	16	35,216,689	30,616,318	35,216,689	30,616,318
Investment securities:					
Fair value through other comprehensive income	17a	9,680,465	11,056,230	9,680,465	11,056,230
Fair Value through profit or loss	17b	4,669	20,933,741	4,669	20,933,741
Held at amortised cost	17c	620,784,179	320,922,935	612,634,808	312,792,563
Wema funding SPV Plc	17d	-	-	1,000	1,000
Loans and advances to customers	18	802,355,641	521,430,696	802,355,641	521,430,696
Right of Use	27	1,254,787	997,465	1,254,787	997,465
Property and equipment	19	35,762,897	25,449,667	35,762,897	25,449,667
Intangible assets	20	2,988,602	2,859,593	2,988,602	2,859,593
Other assets	22	12,437,083	11,326,857	12,437,083	11,326,855
Deferred tax assets	21	9,834,069	12,983,230	9,834,069	12,983,230
Total Assets		2,298,452,005	1,408,093,603	2,290,296,888	1,399,932,285
Deposits from banks	23	20,863,530	19,153,500	20,863,530	19,153,500
Deposits from customers	23	1,867,892,540	1,165,934,019	1,867,892,540	1,165,934,019
Lease Liabilities	27	37,104	31,583	37,104	31,583
Current tax liabilities	24	3,953,903	1,061,974	3,953,903	1,061,974
Other liabilities	25	202,168,698	103,685,466	202,139,997	103,613,727
Other borrowed funds	26	80,506,722	35,684,160	72,334,435	27,514,806
Total Liabilities		2,175,422,496	1,325,550,702	2,167,221,509	1,317,309,609
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	11,801,425
Retained earnings	28	30,376,935	11,449,605	30,422,805	11,529,379
Other reserves	28	65,723,839	44,164,563	65,723,840	44,164,564
Equity attributable to equity holders of the bank		123,029,508	82,542,901	123,075,379	82,622,676
Total liabilities and equity		2,298,452,005	1,408,093,603	2,290,296,888	1,399,932,285
CONTINGENTS		277,715,253	152,455,290	277,715,253	152,455,290

The financial statements were authorized for issue by the directors on the 29th of January 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 31 December, 2023

Statements of changes in equity

Group	Share Capital	Share reserve	Share premium	AT-1 Tier1 capital	Credit risk reserve	Regulatory risk reserve	Statutory reserve	SMEIES reserve	Fair value reserves	Retained earnings	Total equity
2023											
Balance at 1 January 2023	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								560,701		(560,701)	-
Prior year tax adjustment										(15,907)	(15,907)
Additional capital inflow				21,000,000							21,000,000
Profit or loss	-		-		-	-	-	-		23,361,385	23,361,385
Other comprehensive income											
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments											-
Fair value reserve FVTOCI financial assets	-		-		-	-	-	-	(1,424)	-	(1,424)
Transfers within equity:											
Regulatory risk reserve						-				-	
Transfer to Share reserve (see note 28)	-	-									
Credit risk reserve							-			-	
Transfer to Statutory reserve	-	-									
	6,429,078	12,858,155	8,698,230	21,000,000	781,612	11,801,426	19,337,047	1,910,120	9,836,905	34,234,382	126,886,956
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Dividend Payout										(3,857,447)	(3,857,447)
	-	-	-		-	-	-	-	-	(3,857,447)	(3,857,447)
Balance as at 31 December 2023	6,429,078	12,858,155	8,698,230	21,000,000	781,612	11,801,426	19,337,047	1,910,120	9,836,905	30,376,935	123,029,509
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
SMEIS Charge	-		-		-	-	-	-		11,351,981	11,351,981
Profit or loss											
Other comprehensive income											
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments	-		-		-	-	-	-	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											
	6,429,078	12,858,155	8,698,230	-	781,612	11,801,426	19,337,047	1,349,419	9,838,329	14,535,563	85,628,859
Contributions by and distributions to owners											
Dividend Payout										(3,085,957)	(3,085,957)
	-	-	-		-	-	-	-	-	(3,085,957)	(3,085,957)
Balance as at 31 December 2022	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

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2023

Statements of changes in equity

Bank

In thousands of Nigerian naira (000s)

2023	Share	Share reserve	Share premium	AT-1 Tier1 capital	Credit risk reserve	Regulatory risk reserve	Statutory reserve	AGSMEIS reserve	Fair value reserves	Retained earnings	Total equity
Balance at 1 January 2023	6,429,078	12,858,155	8,698,230	-	781,612	11,801,426	19,337,047	1,349,419	9,838,329	11,529,379	82,622,675
SMEIS Charge								560,701		(560,701)	-
INFLOW				21,000,000							21,000,000
Profit or loss	-	-	-		-	-	-	-		23,311,574	23,311,574
Other comprehensive income											
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments											-
Fair value reserve FVTOCI financial assets	-	-	-		-	-	-	-	(1,424)	-	(1,424)
Transfers within equity:											
Regulatory risk reserve										-	
Transfer to Share reserve (see note 28)		-									
Credit risk reserve											
Transfer to Statutory reserve										-	
	6,429,078	12,858,155	8,698,230	21,000,000.00	781,612	11,801,426	19,337,047	1,910,121	9,836,905	34,280,251	126,932,825
Transactions with owners, recorded directly in equity											-
Contributions by and distributions to owners											-
Dividend Payout										(3,857,447)	(3,857,447)
	-	-	-		-	-	-	-	-	(3,857,447)	(3,857,447)
Balance as at 31 December 2023	6,429,078	12,858,155	8,698,230	21,000,000	781,612	11,801,426	19,337,047	1,910,121	9,836,905	30,422,805	123,075,379
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
SMEIS Charge								446,660		(446,660)	-
Profit or loss	-	-	-		-	-	-	-		11,214,028	11,214,028
Other comprehensive income											
Cumulative gain/loss reclassified from reserve on disposal of FVTOCI investments											-
Fair value reserve FVTOCI financial assets	-	-	-		-	-	-	-	4,130,260	-	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)	
	6,429,078	12,858,155	8,698,230	-	781,612	11,801,426	19,337,047	1,349,419	9,838,329	14,615,336	85,708,633
Transactions with owners, recorded directly in equity											-
Contributions by and distributions to owners											-
Dividend Payout										(3,085,957)	(3,085,957)
	-	-	-		-	-	-	-	-	(3,085,957)	(3,085,957)
Balance as at 31 December 2022	6,429,078	12,858,155	8,698,230	-	781,612	11,801,426	19,337,047	1,349,419	9,838,329	11,529,379	82,622,675

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2023
Consolidated and Separate Statement of Cashflow

<i>In thousands of Nigerian Naira</i>	Notes	Group		Bank	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Cash flows from operating activities					
Profit for the year		23,361,385	11,351,979	23,311,574	11,214,028
Adjustments for:					
Taxation expense		7,103,065	3,531,981	7,103,065	3,531,981
Depreciation and amortization	13b	6,122,218	4,545,925	6,122,218	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)	(330,906)	5,290	(330,906)	5,290
Specific provision on cash	15				
Net interest income	32(xii)	(83,113,264)	(54,226,355)	(83,090,453)	(54,075,561)
Dividend received from equity investment	10	(210,262)	(200,634)	(210,262)	(200,634)
Impairment loss on financial assets	11	6,833,685	4,808,387	6,833,685	4,808,387
Operating cashflow before movement in working capital		(40,234,079)	(30,160,888)	(40,261,079)	(30,148,045)
Change in pledged assets	32(i)	(4,600,371)	53,106,801	(4,600,371)	53,106,801
Change in loans and advances to customers	32(ii)	(287,758,630)	(107,374,780)	(287,758,630)	(107,374,780)
Change in other assets	32(iii)	(1,110,226)	22,979,138	(1,110,227)	22,979,138
Change in deposits from banks	32(iv)	1,710,030	(21,546,500)	1,710,030	(21,546,500)
Change in restricted deposit with CBN	32(v)	(150,098,825)	(73,145,960)	(150,098,826)	(73,145,960)
Change in deposits from customers	32(vi)	701,958,521	238,462,844	701,958,521	238,462,844
Change in other liabilities	32(vi)	98,488,752	39,992,499	98,531,792	39,980,654
Cashflow generated by operations		318,355,173	122,313,154	318,371,211	122,314,152
Income tax paid	24.2	(1,061,974)	(668,665)	(1,061,974)	(668,665)
Interest received	32(xii)	181,873,514	108,036,632	180,781,362	106,066,894
Interest paid	32(vii)	(88,005,739)	(48,387,612)	(88,005,739)	(48,387,612)
Net cash from operating activities		411,160,974	181,293,509	410,084,859	179,324,770
Cash flows from investing activities					
Disposal/Acquisition of investment securities-At Amor	32(viii)	(299,861,244)	(190,990,982)	(299,842,245)	(193,821,876)
Disposal/Acquisition of investment securities-FVTOCI	32(ix)	1,374,341	(1,470,097)	1,374,341	(1,470,097)
Change in FVTPL investments	32(x)	20,929,072	17,759,955	20,929,072	17,759,955
Dividend received from equity investment	10	210,262	200,634	210,262	200,634
Acquisition of property and equipment	19	(15,632,126)	(6,616,377)	(15,632,126)	(6,616,377)
Proceeds from the sale of property and equipment	32(xi)	887,127	113,554	887,127	113,554
Right of Use	27	(529,965)	(431,565)	(529,965)	(431,565)
Acquisition of intangible assets	20	(1,215,910)	(1,505,658)	(1,215,910)	(1,505,658)
Net cash(used in)/generated by investing activities		(293,838,442)	(182,940,538)	(293,819,443)	(185,771,432)
Cash flows from financing activities					
Proceed from borrowings	26b	44,923,402	14,784,139	44,923,402	14,784,139
Repayment of borrowings	26b	(5,597,467)	(18,387,137)	(5,600,403)	(15,426,398)
Effect of changes in exchange rate	26b	5,496,631	326,867	5,496,631	326,867
Reclassification to CRR	27b.	-	-	-	-
Additional T-1 Capital		21,000,000	-	21,000,000	
Interest paid on borrowings	32(vii)	(10,754,511)	(5,422,665)	(9,685,170)	(3,603,721)
Dividend paid to shareholders		(3,857,447)	(3,085,957)	(3,857,447)	(3,085,957)
Net cash from financing activities		51,210,608	(11,784,753)	52,277,013	(7,005,070)
Net increase in cash and cash equivalents		168,533,140	(13,431,781)	168,542,429	(13,451,732)
Cash and cash equivalents at beginning of period		95,036,936	109,641,357	95,004,995	109,629,366
Effect of exchange rate changes on cash balances		1,257,923	85,284	1,257,923	85,284
Cash and cash equivalents at end of year	15	264,828,000	96,294,860	264,805,348	96,262,918

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 31 December, 2023
Statement of Prudential Adjustments**

	Group		Bank	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Prudential Provisions:				
Loans and advances	32,050,309	30,463,477	32,050,309	30,463,477
Other financial assets	2,859,919	2,859,919	2,859,919	2,859,919
	34,910,228	33,323,396	34,910,228	33,323,396
Impairment assessment under IFRS:				
Loans and advances				
12-months ECL credit	8,864,847	5,224,145	8,864,847	5,224,145
Life-time ECL Not impaired	618,336	116,720	618,336	116,720
Life-time ECL credit impaired	14,134,065	12,600,451	14,134,065	12,600,451
	23,617,248	17,941,317	23,617,248	17,941,317
Investment securities				
12-months ECL	1,613,846	1,384,575	1,613,846	1,384,575
	1,613,846	1,384,575	1,613,846	1,384,575
Off balance sheet exposures				
12-months ECL	855,890	713,876	855,890	713,876
	855,890	713,876	855,890	713,876
Other financial assets				
Other assets	411,493	897,836	411,493	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
	1,009,449	1,482,203	1,009,449	1,482,203
Total IFRS Impairment	27,096,432	21,521,971	27,096,432	21,521,971
Excess of Prudential impairment over IFRS impairment transferred to regulatory reserve	7,813,796	11,801,425	7,813,796	11,801,425

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2023

Notes to the Financial Statements

	Key	GROUP		BANK	
		12 Months 31-Dec-23	12 Months 31-Dec-22	12 Months 31-Dec-23	12 Months 31-Dec-22
<i>In thousands of Nigerian Naira</i>					
7 Interest income					
Cash and cash equivalents	7.1	5,960,806	1,363,120	5,960,806	1,363,120
Loans and advances to banks and customers	7.2	118,278,034	85,067,059	118,278,034	85,067,059
Investments securities	7.3	57,634,674	20,854,720	56,542,522	19,636,715
Total interest income		181,873,514	107,284,899	180,781,362	106,066,894
Interest expense					
Deposits from banks	7.4	6,846,965	2,822,605	6,846,965	2,822,605
Deposits from customers	7.5	81,158,774	45,565,007	81,158,774	45,565,007
Other borrowed funds	7.6	10,754,511	4,667,351	9,685,170	3,603,721
Total interest expense		98,760,250	53,054,963	97,690,909	51,991,333
Net interest income		83,113,264	54,229,936	83,090,453	54,075,561
8 Fees and commission income					
	Key	12 Months 31-Dec-23	12 Months 31-Dec-22	12 Months 31-Dec-23	12 Months 31-Dec-22
Credit related fees	8.2a	1,229,214	947,318	1,229,214	947,318
Account maintenance fees	8.1a	3,953,307	2,754,764	3,953,307	2,754,764
Management fees	8.2b	4,925,149	2,982,745	4,925,149	2,982,745
Fees on electronic products	8.1c	7,409,799	6,134,644	7,409,799	6,134,644
Fees on financial guarantees	8.1b	1,373,183	540,845	1,373,183	540,845
FX transactions	8.4	4,360,575	1,896,165	4,360,575	1,896,165
Other fees and charges	8.3	1,884,541	1,329,735	1,884,541	1,329,735
Total fee and commission income		25,135,768	16,586,216	25,135,768	16,586,216
9 Net trading income					
Fixed income securities	9.1	1,158,543	293,285	1,158,543	293,285
Treasury bills	9.2	-1,150,616	3,466,568	-1,150,616	3,466,568
Foreign exchange trading (note 9.1)	9.3	814,558	242,136	814,558	242,136
		822,485	4,001,989	822,485	4,001,989
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					
9.1	carried at fair value through profit or loss				
10 Other income					
	Key	12 Months 31-Dec-23	12 Months 31-Dec-22	12 Months 31-Dec-23	12 Months 31-Dec-22
Dividends on equities at FVOCI	10.1	210,262	200,634	210,262	200,634
Gains on disposal of property and equipment	10.2	330,906	(5,290)	330,906	(5,290)
Rental income	10.3	57,108	55,770	57,108	55,770
Income on contingents	10.6	14,540	38,398	14,540	38,398
Income on deposit accounts	10.7	98,668	77,561	98,668	77,561
Digital Income	10.8	745,829	702,356	745,829	702,356
FX Revaluation	10.9	4,984,780	1,591,990	4,984,780	1,591,990
Swift transactions	10a	212,435	103,914	212,435	103,914
Service charge		15,997	35,981	15,997	35,981
Advisory fees		-	27,815	-	27,815
Others	10.5	197,768	67,805	197,768	67,805
		6,868,293	2,896,933	6,868,293	2,896,933

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2023

Notes to the Financial Statements

	GROUP		BANK	
	12 Months 31-Dec-23	12 Months 31-Dec-22	12 Months 31-Dec-23	12 Months 31-Dec-22
11 Impairment loss on financial/non-financial instruments				
Impairment charge on financial instruments				
Total impairment charge on loans and advances	6,399,363	5,538,987	6,399,363	5,538,987
Investment securities/Treasury bills	229,271	380,398	229,271	380,398
Cash and cash equivalent	13,589	(30,776)	13,589	(30,776)
Other assets	145,767	173,038	145,767	173,038
Impairment charge on non-financial instruments				
Off balance sheet	142,014	(622,156)	142,014	(622,156)
Litigation	-	46,113	-	46,113
Recoveries on loans	(96,318)	(677,217)	(96,318)	(677,217)
Total impairment charge on financial/non-financial instruments	6,833,685	4,808,387	6,833,685	4,808,387

12 Personnel expenses

Wages and salaries	19,034,221	14,707,007	19,034,221	14,707,007
Pension Contribution	1,277,208	1,797,752	1,277,208	1,797,752
Outsourced staff cost	6,408,566	4,827,819	6,408,566	4,827,819
	26,719,994	21,332,578	26,719,994	21,332,578

13a Other operating expenses

<i>In thousands of Nigerian Naira</i>	12 Months	12 Months	12 Months	12 Months
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Advertising and marketing	4,313,293	3,276,807	4,313,293	3,276,807
AMCON Levy (i)	7,986,255	6,470,894	7,986,255	6,470,894
Auditors remuneration	155,000	127,000	150,000	120,000
Business Expenses	531,719	319,576	531,719	319,576
Cash movement expenses	699,198	590,390	699,198	590,390
Diesel Expenses	1,860,222	1,513,161	1,860,222	1,513,161
Directors Expenses	50,000	52,350	50,000	52,350
Directors fees	67,868	55,724	67,868	55,724
Donations	395,129	147,334	395,129	147,334
Electricity	872,441	641,978	872,441	641,978
General administrative expenses	6,082,940	3,596,385	6,114,940	3,586,963
Legal expenses	383,007	433,389	383,007	433,389
Insurance	529,059	414,218	529,059	414,218
NDIC Premium	5,145,831	4,234,637	5,145,831	4,234,637
Other premises and equipment costs	296,120	365,633	296,120	365,633
Printing and stationery	510,706	651,722	510,706	651,722
Other Professional fees	1,439,705	1,173,897	1,439,705	1,173,897
Digital Bank Professional fees (ii)	172,560	195,056	172,560	195,056
Repairs and maintenance	3,408,100	2,960,852	3,408,100	2,960,852
Security expenses	486,222	659,041	486,222	659,041
Service charge	6,608,165	3,373,775	6,608,165	3,373,775
SMS Expenses & Others	51,017	34,291	51,017	34,291
Statutory expenses	222,506	159,989	222,506	159,989
Technology and alternative channels	1,774,828	1,448,711	1,774,828	1,448,711
Transport & Communications	1,757,800	778,689	1,757,800	778,689
	45,799,692	33,675,500	45,826,692	33,659,078

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.

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	12 Months 31-Dec-23	12 Months 31-Dec-22	12 Months 31-Dec-23	12 Months 31-Dec-22
13b Depreciation and amortization				
Property, plants and equipment	4,762,674	3,443,900	4,762,674	3,443,900
Right of use of assets	272,643	285,349	272,643	285,349
Intangible assets	1,086,901	816,676	1,086,901	816,676
	6,122,218	4,545,925	6,122,218	4,545,925

Consolidated and Separate Financial Statements
For the period ended 31 December, 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 31st December 2023 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding:

	Key	Group		Bank	
		12 Months 31-Dec-23	12 Months 31-Dec-22	12 Months 31-Dec-23	12 Months 31-Dec-22
Pre-share reconstruction					
Weighted average number of ordinary shares - of 50k each (2022 - 50k)		12,858,155	12,858,155	12,858,155	12,858,155
Comparative figure post share reconstruction		12,858,155	12,858,155	12,858,155	12,858,155
Profit attributable to ordinary shareholders -basic					
Profit for the year attributable to equity holders of the Bank '000		23,361,385	11,351,980	23,311,574	11,214,027
Earnings per share -basic (Kobo)		218.0	88.3	181.3	87.2
		Group		Bank	
	Key	12 Months 31-Dec-23	12 Months 31-Dec-22	12 Months 31-Dec-23	12 Months 31-Dec-22
15 Cash and cash equivalents					
<i>In thousands of Nigerian Naira</i>					
Cash and balances with banks	15.1	147,161,503	70,558,692	147,154,758	70,526,748
Unrestricted balances with central bank	15.2	1,771,573	16,353,402	1,771,573	16,353,402
Money market placements	15.3	115,936,358	9,426,521	115,936,358	9,426,521
ECL Allowance		(57,343)	(43,754)	(57,343)	(43,754)
		264,812,092	96,294,862	264,805,347	96,262,918
Classified as:					
Current		263,040,519	79,941,459	263,033,774	79,909,515
Non-current		1,771,573	16,353,402	1,771,573	16,353,402
		264,812,092	96,294,862	264,805,347	96,262,918
Movement in ECL allowance					
Opening balance		43,754	74,529	43,754	74,529
Charge/Write back for the year		13,589	(30,776)	13,589	(30,776)
Closing balance		57,343	43,753	57,343	43,753

15b Restricted Deposit with CBN

Mandatory reserve deposit is reported net of N34.87 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 from their CRR to finance the projects.

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

		Group		Bank	
		12 Months 31-Dec-23	12 Months 31-Dec-22	12 Months 31-Dec-23	12 Months 31-Dec-22
16 Pledged assets - Held at amortised cost					
<i>In thousands of Nigerian Naira</i>					
Treasury bills (note 16.1)	16.1	1,387,006	-	1,387,006	-
Bonds (16.2)	16.2	33,829,683	30,616,318	33,829,683	30,616,318
		35,216,689	30,616,318	35,216,689	30,616,318

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, 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 N9.08 billion (2022: N6.11 billion) as disclosed in note 28.

	Group		Bank	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
In thousands of Nigerian Naira				
17 Investment securities	630,469,313	352,912,906	622,319,942	344,782,534
Current	107,468,384	161,429,844	107,468,384	161,429,844
Non-current	523,000,929	191,483,062	514,851,558	183,352,690
17a Investment securities measured at FVTOCI				
Treasury bills	-	-	-	-
FGN Bonds	76,541	1,452,306	76,541	1,452,306
Equity (see note (i) below)	9,603,924	9,603,924	9,603,924	9,603,924
	9,680,465	11,056,230	9,680,465	11,056,230
17b Investment securities measured at FVTPL				
FGN Bonds	-	-	-	-
Treasury Bills	4,669	20,933,741	4,669	20,933,741
	4,669	20,933,741	4,669.00	20,933,741
17c Investment securities measured at amortised cost				
Treasury Bills	107,463,715	140,496,103	107,463,715	140,496,103
FGN Bonds	505,935,021	172,133,164	497,785,650	164,002,792
Other Bonds (see (ii) below)	8,999,289	9,678,243	8,999,289	9,678,243
ECL Allowance - Investments at Amortised Cost	(1,613,846)	(1,384,575)	(1,613,846)	(1,384,575)
	620,784,179	320,922,935	612,634,808	312,792,563
Movement in ECL allowance				
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	1,613,846	1,384,575	1,613,846	1,384,575
(i) Equity				
Quoted Investments:	-	-	-	-
Unquoted Investments:				
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
	9,603,924	9,603,924	9,603,924	9,603,924
(a) The breakdown of fair value on FVTOCI financial assets is as follows:				
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	9,603,924	9,603,924	9,603,924	9,603,924
Movement in fair value gain				
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	9,475,675	9,475,675	9,475,675	9,475,675

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 31 December, 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	
	31-Dec-23	31-Dec-22	31-Dec-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
STATE BONDS				
I. EKITI State Govt Bond Tranche 11				
Opening balance	718,120	861,740	718,120	861,740
Movement in the year	(143,618)	(143,620)	(143,618)	(143,620)
Closing balance	574,502	718,120	574,502	718,120
II. OGUN State Govt Bond				
Opening balance	5,000,000	-	5,000,000	-
Movement in the year	16,339	5,000,000	16,339	5,000,000
Closing balance	5,016,339	5,000,000	5,016,339	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	(551,675)	(541,119)	(551,675)	(541,119)
Closing balance	2,516,756	3,068,431	2,516,756	3,068,431
Total Other Bonds	8,999,289	9,678,243	8,999,289	9,678,243
ECL	(891,692)	(891,692)	(891,692)	(891,692)
	8,107,597	8,786,551	8,107,597	8,786,551

18 Loans and advances to customers at amortised cost

	Key	Group		Bank	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
<i>In thousands of Nigeria Naira</i>					
Overdrafts	18.1	40,690,935	64,166,319	40,690,935	64,166,319
Term Loans	18.2	776,265,637	466,942,230	776,265,637	466,942,230
Advances under finance lease	18.3	9,016,316	8,263,463	9,016,316	8,263,463
Gross loans and receivables		825,972,889	539,372,013	825,972,889	539,372,013
Less ECL allowances					
Stage 1		(8,864,847)	(5,224,145)	(8,864,847)	(5,224,145)
Stage 2		(618,336)	(116,720)	(618,336)	(116,720)
Stage 3		(14,134,065)	(12,600,451)	(14,134,065)	(12,600,451)
		(23,617,248)	(17,941,317)	(23,617,248)	(17,941,317)
Net loans and advances to customers		802,355,641	521,430,696	802,355,641	521,430,696
31-Dec-23					
		Term loan	Overdrafts	Finance lease	Total
Gross loans		776,265,637	40,690,935	9,016,316	825,972,889
Stage 1		(7,533,031)	(1,129,899)	(201,917)	(8,864,847)
Stage 2		(607,063)	(9,198)	(2,075)	(618,336)
Stage 3		(12,397,782)	(1,690,257)	(46,026)	(14,134,065)
		755,727,760	37,861,581	8,766,300	802,355,641
31-Dec-22					
		Term loan	Overdrafts	Finance lease	Total
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)	-	(116,720)
Stage 3		(10,479,653)	(2,086,633)	(34,165)	(12,600,451)
		452,280,957	61,055,425	8,094,313	521,430,696

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2023

Notes to the Financial Statements

	Overdraft	Term Loan	Advances under finance lease	Totals
In thousands of Nigerian Naira				
Balance as at 31 December 2022	3,110,893	14,661,273	169,150	17,941,317
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	207,025	215,989	6,977	414,002
ECL allowance during the year	136,211	6,128,902	134,250	6,399,363
Written off in the year as uncollectible	(624,774)	(371,969)	(60,361)	(1,057,104)
Amounts recovered during the year	-	(96,318)	-	(96,318)
Balance as at 31 December 2023	2,829,355	20,537,877	250,016	23,601,259
Stage 1	1,129,899	7,533,031	201,917	8,864,847
Stage 2	9,198	607,063	2,075	618,336
Stage 3	1,690,257	12,397,782	46,026	14,134,065
Contingent Liabilities & Commitments:				
	Group		Bank	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Guarantees and Indemnities	195,893,115	101,334,445	195,893,115	101,334,445
Bonds	35,765,028	12,298,209	35,765,028	12,298,209
Clean-Line Facilities& Irrevocable LCs	46,913,000	39,536,512	46,913,000	39,536,512
ECL	(855,890)	(713,876)	(855,890)	(713,876)
	277,715,253	152,455,290	277,715,253	152,455,290
Movement in ECL allowance				
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 31 December, 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
Cost	1,590,773	18,579,635	11,509,776	3,905,355	13,693,613	2,157,864	51,437,015
Additions	194,750	1,098,845	2,033,133	4,662,757	6,424,964	1,217,677	15,632,126
Adjustments	-	-	-	-	0	-	0
Disposals	(5,506.20)	(247,122.50)	(16,632.94)	(958,278.32)	(12,938.72)	-	(1,240,478.68)
Balance as at 31 December 2023	1,780,017	19,431,357.28	13,526,275.40	7,609,833.38	20,105,638.31	3,375,541.29	65,828,662.42
Accumulated depreciation and impairment							
Balance at 1 January 2023	-	5,818,791.52	7,959,301.53	2,516,226.28	9,693,028.47	-	25,987,347.79
Charge for the year	-	376,393.79	1,308,517.45	892,596.40	2,185,166.83	-	4,762,674.47
Adjustments	-	-	-	-	-	-	-
Disposals	(949.88)	(50,060.88)	(7,427.30)	(617,785.37)	(8,033.79)	-	(684,257.23)
Balance as at 31 December 2023	(949.88)	6,145,124.43	9,260,391.68	2,791,037.31	11,870,161.50	-	30,065,765.03
Carrying amounts							
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
Balance as at 31 December 2023	1,780,967	13,286,233	4,265,884	4,818,796	8,235,477	3,375,541	35,762,897

- The authorised and contracted capital commitments as at the balance sheet date was nil (31 December 2023 nil)
- There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (31 December 2023: 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)
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
Disposals	-		(511,742)	(187,079)	(127,518)	-	(826,340)
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

- 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 assets are non-current

Wema Bank Plc

**Consolidated and Separate Financial Statements
For the period ended 31 December, 2023**

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
20 Intangible assets				
Cost				
Cost 1 January	8,174,107	6,674,382	8,174,107	6,674,382
Additions	1,215,910	1,505,658	1,215,910	1,505,658
Disposal	-	(5,933)	-	(5,933)
Closing Balance	9,390,017	8,174,107	9,390,017	8,174,107
Amortization and impairment losses				
Cost 1 January	5,314,514	4,503,741	5,314,514	4,503,741
Amortization for the year	1,086,901	816,676	1,086,901	816,676
Disposal	-	(5,903)	-	(5,903)
Closing Balance	6,401,415	5,314,514	6,401,415	5,314,514
Carrying amounts	2,988,602	2,859,593	2,988,602	2,859,593

- 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 2023 nil)
- There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (31 December 2023: 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	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
At 1 January	12,983,230	15,500,694	12,983,230	15,500,694
Write down	(3,149,162)	(2,517,464)	(3,149,162)	(2,517,464)
Closing balance	9,834,069	12,983,230	9,834,069	12,983,230

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2023

	Group		Bank	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
<i>In thousands of Nigerian Naira</i>				
22 Other assets				
Financial Assets				
Accounts receivables	5,351,545	658,000	5,351,545	658,000
Other Settlements	-	6,047,964	-	6,047,964
Collateralised Placement	53,213	52,917	53,213	52,917
Clearing Balance	368,234	245,690	368,234	245,690
Fraud & Burglary	256,387	880,154	256,387	880,154
AGSMEIS Investment with CBN	1,910,121	1,349,419	1,910,121	1,349,419
Receivable on E-business Channels	712,357	758,449	712,357	758,449
FBN Settlement	-	-	-	-
Non-Financial Assets				
Prepayments	473,597	864,907	473,597	864,907
Stock	3,252,127	1,350,116	3,252,127	1,350,116
Others	470,995	17,074	470,995	17,074
	12,848,575	12,224,691	12,848,575	12,224,691
Specific impairment on other assets	(411,493)	(897,836)	(411,493)	(897,836)
	12,437,083	11,326,855	12,437,083	11,326,855
At 1 January	897,836	724,798	897,836	724,798
Allowance made during the year	145,767	173,038	145,767	173,038
Write off made during the year	(750,530)	-	(750,530)	-
Closing balance	293,073	897,836	293,073	897,836
Classified as:				
Current	12,538,976	11,291,619	9,286,849	9,941,503
Non-current	309,599	933,071	3,561,726	2,283,188
	12,848,575	12,224,691	12,848,575	12,224,691

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.

23 Deposits from banks

	Group		Bank	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
<i>In thousands of Nigeria Naira</i>				
Money market deposits	20,863,530	19,153,500	20,863,530	19,153,500
Deposits from customers				
Retail customers:				
Term deposits	198,354,517	131,427,858	198,354,517	131,427,858
Current deposits	39,517,572	28,217,726	39,517,572	28,217,726
Savings	269,175,157	188,368,590	269,175,157	188,368,590
Corporate customers:				
Term deposits	228,984,032	407,977,519	228,984,032	407,977,519
Current deposits	867,565,417	313,636,405	867,565,417	313,636,405
Others	264,295,845	96,305,921	264,295,845	96,305,921
	1,867,892,540	1,165,934,019	1,867,892,540	1,165,934,019

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

Under 3 months	1,294,949,601	808,304,418	1,294,949,601	808,304,418
3 - 6months	375,733,223	234,531,772	375,733,223	234,531,772
6 - 12months	132,283,233	81,566,492	132,283,233	81,566,492
Over 12months	64,926,483	41,531,337	64,926,483	41,531,337
	1,867,892,540	1,165,934,019	1,867,892,540	1,165,934,019

As at 31 Dec 2023 N64.92billion (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 31 December, 2023

In thousands of Nigerian Naira		Group		Bank	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
24	Taxation				
24.1	Income tax expense				
	Minimum Tax	3,953,903	633,493	3,953,903	633,493
	Company income tax:				
	Education Tax	-	201,095	-	201,095
	NITDA Levy	-	143,080	-	143,080
	Nigerian Police Trust Fund	-	722	-	722
	NASENI	-	36,128	-	36,128
	Current Income Tax expense	3,953,903	1,014,519	3,953,903	1,014,519
	Deferred tax expenses	3,149,162	2,517,462	3,149,162	2,517,462
		<u>7,103,065</u>	<u>3,531,980</u>	<u>7,103,065</u>	<u>3,531,980</u>

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

		Group		Bank	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
24.2	Current tax liabilities				
	At 1 January	1,061,974	716,120	1,061,974	716,120
	Payment during the year	(1,061,974)	(668,665)	(1,061,974)	(668,665)
	Charge for the year	3,953,903	1,014,519	3,953,903	1,014,519
	Closing balance	<u>3,953,903</u>	<u>1,061,974</u>	<u>3,953,903</u>	<u>1,061,974</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 31 December, 2023

25 Other liabilities

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
<i>Financial Liabilities</i>				
Account Payables	4,494,624.38	552,346.24	4,494,624.38	552,346
Provision for Litigation claims (i)	540,613.42	540,613.42	540,613.42	540,613
Impairment on contingents (30c)	855,889.50	713,875.88	855,889.50	713,876
Other current liabilities	5,148,480.18	2,397,953.54	5,119,779.92	2,326,214
Insurance Claim	246,222.00	230,796.00	246,222.00	230,796
Swift Payables	27,794.23	407,300.97	27,794.23	407,301
Western Union	3,199.75	2,695.96	3,199.75	2,696
Salary Suspense	25,874.00	3,753.00	25,874.00	3,753
Other payable	1,614,848.98	1,062,660.28	1,614,848.98	1,062,660
Electronic products payable	941,117.07	639,666.03	941,117.07	639,666
Certified cheques	2,049,956.11	1,994,983.26	2,049,956.11	1,994,983
Customer deposits for letters of cred	92,128,847.20	47,255,453.53	92,128,847.20	47,255,454
Discounting Line	48,549,270.32	23,778,761.68	48,549,270.32	23,778,762
AT-1 capital proceed	-	-	-	-
Other Settlements	26,333,146.71	1,370,790.03	26,333,146.71	1,370,790
Remittances	19,208,813.85	22,733,816.39	19,208,813.85	22,733,816
	202,168,697.70	103,685,466.21	202,139,997.44	103,613,727

(i) Movement in litigation claims provision

Opening balance	540,613.42	494,500.44	540,613.42	494,500
Additions	-	46,112.98	-	46,113
Closing balance	540,613.42	540,613.42	540,613.42	540,613

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2023

<i>In thousands of Nigerian Naira</i>		Group		Bank	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
26	Other borrowed funds				
	Due to BOI (see (i) below)	1,592,459	2,409,029	1,592,459	2,409,029
	CBN Agric. loan (see ii below)	1,068,305	1,681,165	1,068,305	1,681,165
	CBN MSMEDF (see iv below)	343,849	462,855	343,849	462,855
	Wema SPV (see v below)	18,318,382	18,262,737	10,146,095	10,093,383
	Anchor Borrowers fund (see iii below)	416,667	1,968,061	416,667	1,968,061
	Other Borrowings (see ix below)	1,472,735	1,508,524	1,472,735	1,508,524
	Shelter Afrique (see vi below)	4,665,137	3,825,450	4,665,137	3,825,450
	AFDB (see vii below)	1,360,665	1,867,185	1,360,665	1,867,185
	EBID	45,355,500	-	45,355,500	-
	DBN (see x below)	5,913,023	3,699,155	5,913,023	3,699,155
		80,506,722	35,684,160	72,334,435	27,514,806

- (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: N18,318,381,672.78 (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) 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%)
- (vii) 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%)
- (viii) 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.
- (ix) Other borrowings include National housing fund and Nigerian Mortgage refinance company

26b	Group		Bank	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
At 1 January	35,684,160	72,731,661	27,514,806	61,601,569
Additions	44,923,402	14,784,139	44,923,402	14,784,139
Reclassification	-	(33,771,372)	-	(33,771,372)
Effect of exchange rate changes [loss/(profit)]	5,496,631	326,868	5,496,631	326,868
Payments made	(5,597,470)	(18,387,137)	(5,600,403)	(15,426,398)
Closing balance	80,506,722	35,684,160	72,334,435	27,514,806

Wema Bank Plc

Consolidated and Separate Financial Statements For the period ended 31 December, 2023

27 Right of use

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

	31-Dec-23	31-Dec-22
COST	N	N
27a. Balance at 1 January	1,975,207	1,543,641
Additions	529,965	431,565
Terminated contracts		
Closing Balance	2,505,171	1,975,207
DEPRECIATION CHARGE		
Balance at 1 January	977,741	692,393
Charge for the period	272,643	285,349
Closing Balance	1,250,384	977,741
CARRYING AMOUNT		
As at 31 December, 2022	997,465	997,465
Closing Balance	1,254,787	997,465
27b. LEASE LIABILITY	31-Dec-23	31-Dec-22
	N	N
Balance at 1 January	31,583	26,879
Addition during the year	-	-
Finance charge for the year	5,521	4,704
Closing Balance	37,104	31,583

Wema Bank Plc

Consolidated and Separate Financial Statements
For the period ended 31 December, 2023

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
28 Share capital and Reserves				
(a) The share capital comprises:				
(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)	<u>6,429,077</u>	<u>6,429,077</u>	<u>6,429,077</u>	<u>6,429,077</u>
(iii) Shareholding Structure / Free float Status				
Shareholders	No of Ordinary Shares		% Holdings	
Strategic Shareholding	6,646,581,723		51.69	
Directors Direct Shareholding	586,596,697		4.56	
Government Shareholding	1,035,953,710		8.06	
Staff Schemes	-		-	
Free Float	4,589,023,230		35.69	
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	3,632,682,768		28.25	
	6,646,581,723		51.69	
Directors Shareholding				
Mabawonku Tunde	868,333		0.01%	
Oluwole Albert Ajimisinmi	2,056,998		0.02%	
Morufu Abiola Oseni			0.00%	
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%	
Yewande Zaccheaus	-		0.00%	
Okunowo Zubiedat Bolarin Folashade.	-		0.00%	
	586,596,697		4.56%	
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	194,446,842		1.51	
Odua Invest Coy	396,922,202		3.09	
	1,035,953,710		8.06	
b Declaration:				
Wema Bank Plc with a free float of 35.69% as at 31st December 2023, is complaint 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
Closing balance	<u>8,698,230</u>	<u>8,698,230</u>	<u>8,698,230</u>	<u>8,698,230</u>

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

Consolidated and Separate Financial Statements
For the period ended 31 December, 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>	Group		Bank	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
At 1 January	11,449,605	11,023,901	11,529,379	11,241,627
Profit or loss	23,361,385	11,351,980	23,311,574	11,214,027
Transfer to Regulatory risk reserve	-	(5,711,555)	-	(5,711,555)
Transfer to Statutory Reserve	-	(1,682,104)	-	(1,682,104)
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	(560,701)	(446,660)	(560,701)	(446,660)
Closing balance	30,392,841	11,449,605	30,422,805	11,529,379

(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-23	31-Dec-22	31-Dec-23	31-Dec-22
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	19,337,047	19,337,047	19,337,047
AGSMEIS Reserve	1,910,120	1,349,419	1,910,121	1,349,419
Fair Value Reserves	9,836,905	9,838,329	9,836,905	9,838,329
	44,723,840	44,164,563	44,723,840	44,164,563

Wema Bank Plc

Consolidated and Separate Financial Statements For the period ended 31 December, 2023

29 Contingencies

(i) Litigation and claims

There are litigation claims against the Bank as at 31 Dec 2023 amounting to N8,144,932,596.68 (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 31-Dec-23	Group 31-Dec-22	Bank 31-Dec-23	Bank 31-Dec-22
Contingent liabilities:				
Guarantees and indemnities	195,893,115	101,334,445	195,893,115	101,334,445
Bonds	35,765,028	12,298,209	35,765,028	12,298,209
Clean-line facilities & irrevocable letters of credit	46,913,000	39,536,512	46,913,000	39,536,512
ECL	(855,890)	(713,876)	(855,890)	(713,876)
Closing balance	277,715,253	152,455,290	277,715,253	152,455,290