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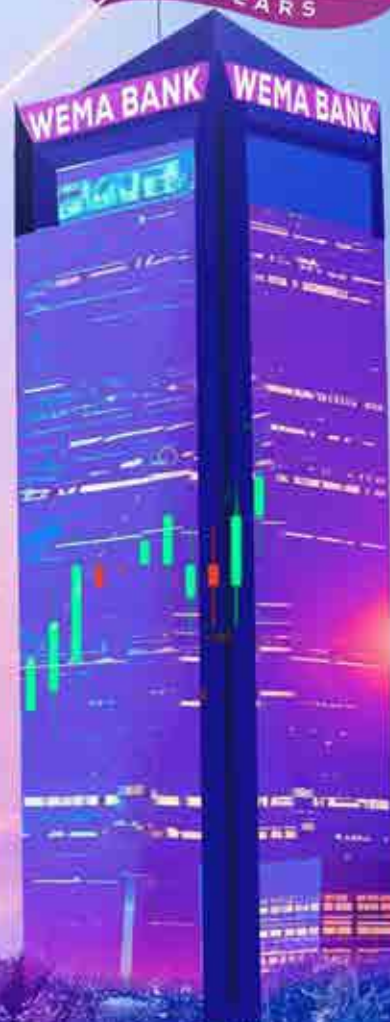
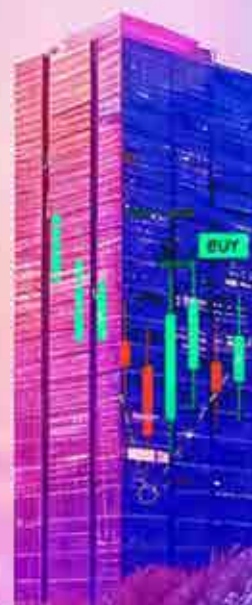
2024

ANNUAL REPORT AND STATEMENT OF ACCOUNTS

80
YEARS



Wema Bank



Corporate Information

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FOREIGN CORRESPONDENT BANKS

London, UK - Standard Chartered Bank, Union Bank Plc, Bank of Beirut, United National Bank, Access Bank Plc
New York, USA - Standard Chartered Bank, United Bank for Africa (UBA)
Frankfurt, Germany - BHF Bank, Commerzbank, Deutsche Bank AG

AUDITORS

KPMG Professional Services (Chartered Accountants)

CONTENTS

Overview

1	About the Bank
2	Our Corporate Philosophy
3	Corporate Governance
21	Sustainability Report
61	Innovation Report
85	Wema Compliance Risk Framework
87	Customer Complaint and Feedback

Reports

91	Notice of the 2024 Annual General Meeting
96	Chairman's Statement
101	Managing Director/CEO's Statement
103	Board and Management
112	Executive Management
114	Directors Report
126	Report of the Audit Committee
127	Statement of Directors' Responsibilities
128	Statement of Corporate Responsibility for the consolidated and separate Financial Statements
129	Certification of Internal Control Over Financial Reporting by the MD/CEO
130	Certification of Internal Control Over Financial Reporting by the CFO
131	Management's Report on the Effectiveness of Internal Control
132	Reports of the External Consultant on the Appraisal of the Board
133	Independent Auditor's limited assurance report on Internal Control Over Financial Reporting
136	Independent Auditor's reports

Financials

142	Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income
143	Consolidated and Separate Statements of Financial Position
144	Consolidated and Separate Statements of Changes in Equity
146	Consolidated and Separate Statements of Cash Flows
147	Notes to the Consolidated and Separate Financial Statements
148	Statement of Prudential Adjustments
196	Risk Overview
239	Other National Disclosures

Kits

241	Shareholder's Proxy Form
243	E-dividend Mandate Activation Form
244	Branch Network



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OVERVIEW 01

- 1 About the Bank
- 2 Our Corporate Philosophy
- 3 Corporate Governance
- 21 Sustainability Report
- 61 Innovation Report
- 85 Wema Compliance Risk Framework
- 87 Customer Complaint and Feedback

About the Bank

Regarded as Nigeria's most resilient bank and the longest surviving indigenous Financial Institution in Nigeria, Wema Bank Plc ("the Bank") has over the years, diligently offered a range of value-adding banking and financial advisory services to the Nigerian public for 80 years. Incorporated in 1945 as a Private Limited Liability Company under the old name of Agbonmagbe Bank Limited, it commenced banking operations in Nigeria in the same year. Wema Bank subsequently transformed into a Public Limited Liability Company (PLC) in April 1987 and was listed on the floor of the Nigerian Exchange Limited (NGX) formerly Nigerian Stock Exchange (NSE) in February 1991.

On February 5, 2001, Wema Bank Plc was granted a universal banking license by the Central Bank of Nigeria (CBN), thus allowing the Bank to provide the Nigerian public with a diverse portfolio of financial and business advisory services.

In 2009, the Bank underwent a strategic repositioning exercise which culminated in a decision to operate as a commercial bank with regional authorization. Upon a successful turnaround, the Bank applied to the Central Bank of Nigeria (CBN) for and was granted a national banking license in 2015. In 2017, the Bank launched its digital bank "ALAT" - Africa's first fully digital bank. In 2024, the Bank also launched ALAT Xplore - Nigeria's first licensed banking App for teenagers.

Wema Bank offers retail banking, SME banking, corporate banking, treasury, trade services and financial advisory to its ever-expanding clientele. Operating a network of over 150 business offices backed by a robust ICT platform across Nigeria, we are committed to long-term sustainability in our business whilst maintaining the highest standards of social responsibility, corporate governance, and diversity in our operations.

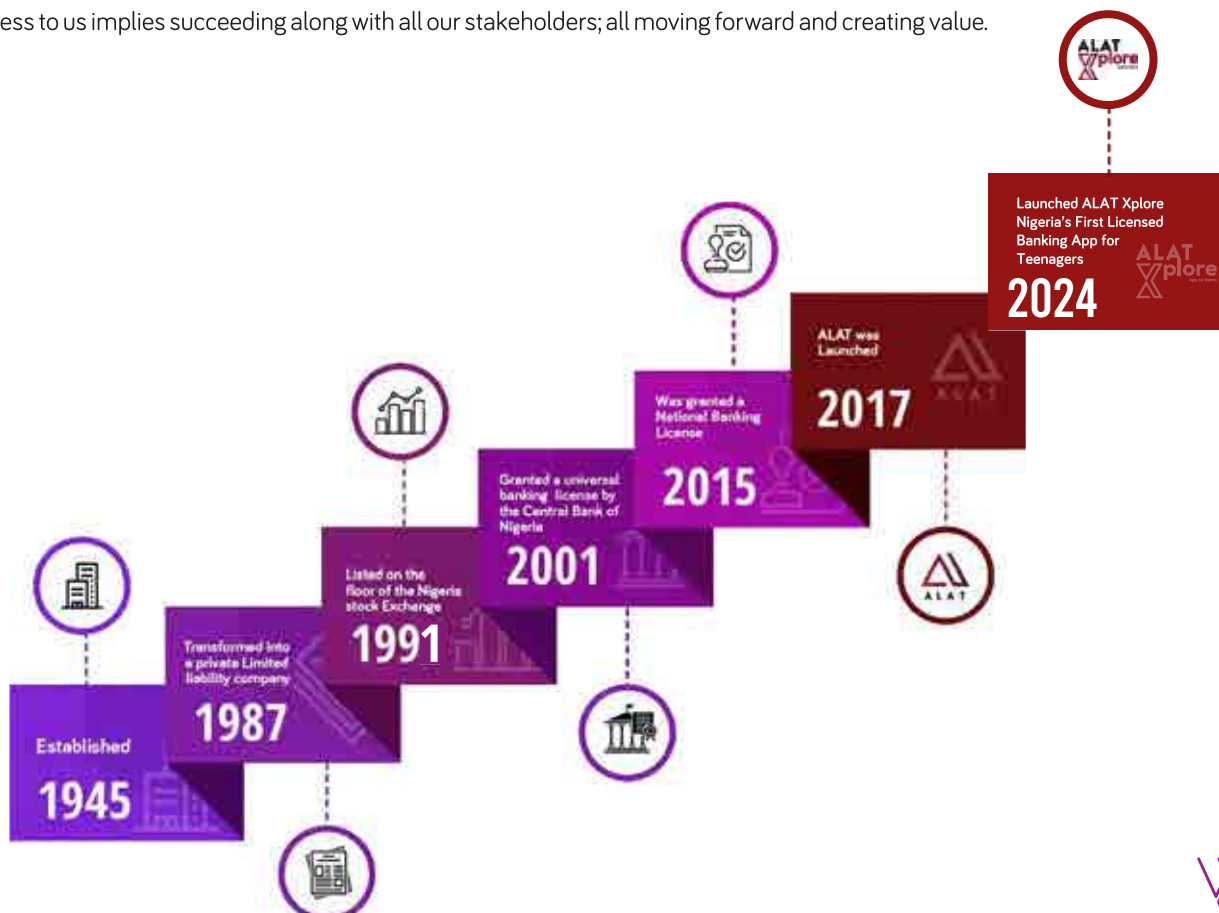
Our Brand

The Wema Bank brand reinforces our unique proposition to empower lives through innovation. This is a single concept which drives the understanding of the new direction of the Wema Bank Brand. This personifies the behavior and product we create.

To drive this proposition, we develop an intimate relationship with our customers, putting us in a position to recognize their requirements and priorities. Our approach is hinged on partnership, progress, service, innovation, and efficiency. We seek to understand our customers' businesses and objectives, such that we can anticipate and meet their needs as they fulfill their financial goals and aspirations.

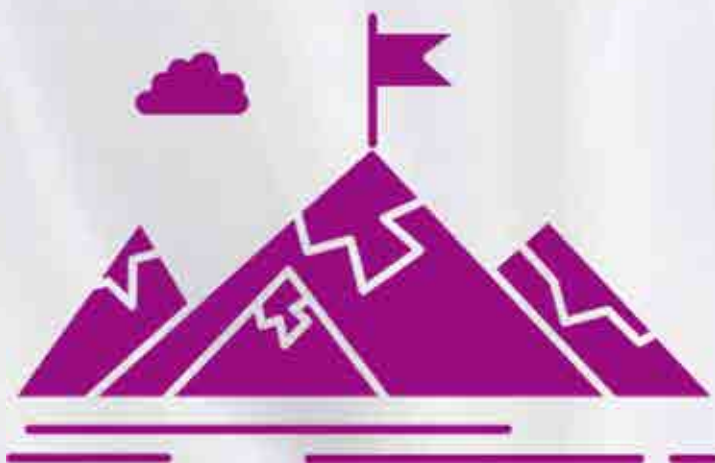
- We believe in people and societal values.
- We believe in the common good and sustainable success.
- We measure success not only by what is gained, but by the reciprocal value added to lives and businesses
- We strive to create value that endures and uplifts human dignity and collective welfare.

Success to us implies succeeding along with all our stakeholders; all moving forward and creating value.



Vision

To be the dominant digital platform in Africa delivering seamless financial services.



Mission

Empowering lives through innovation.

Values

Think Passion



Think Partnership



Think Progressive



Think Plenty



Think Play



TAX Identification Number

00797080-0001

Corporate Governance

Wema Bank Plc (“the Bank”) remains committed to institutionalizing corporate governance principles as it continues to ensure total compliance with the regulatory standards of Corporate Governance to wit: the Companies and Allied Matters Act (CAMA), 2020, Central Bank of Nigeria (CBN) Corporate Governance Guidelines for Commercial, Merchant, Non-Interest Bank and Payment Service Banks in Nigeria of 2023, Nigerian Code of Corporate Governance (NCCG) of 2018 issued by the Financial Reporting Council (FRC) of Nigeria, the listing rules of the Nigerian Exchange Group alongside the internal governance framework for the Bank which includes the Board of Directors’ Governance Charter and the various Board Committees’ Charters.

The Board of Directors of the Bank hereby presents this report as a means to update all stakeholders on the Bank’s fulfillment of its fiduciary responsibilities concerning corporate governance and regulatory compliance during the period under review. As the apex governing body of the Bank, the Board collectively considers all major decisions. These decisions include the approval of quarterly, half-year, and full-year financial statements (whether audited or unaudited), significant changes in accounting policies and practices, substantial modifications to the corporate and capital structures, and the formulation of policies across all business areas, among other critical matters. In its role of providing strategic direction, the Board held its annual retreat on December 13, 2023, where it finalized the strategy for the 2024 financial year after thorough discussions between the Board and the Bank’s Management. Furthermore, the Managing Director/CEO delivered quarterly updates to the Board on the progress of the Bank’s corporate strategy, enabling the Board to assess Management’s performance and identify key risks impacting the Bank’s operations.

The Board maintains a balanced composition of expertise, skills, and experience, which contributes to its effectiveness alongside the Executive Management team. The members of the Board of Directors are highly experienced professionals from diverse sectors, including Banking, Supply chain management, Law, Accounting/Finance, Psychology and Cybersecurity. The Board consists of five (5) Executive Directors, three (3) Independent Directors, and five (5) Non-Executive Directors, which fosters effective decision-making. Our corporate governance processes are deeply rooted in the Bank’s core values, which are designed to inspire excellence among our employees. These values are clearly outlined in the “Purple Book” and are anchored on five key pillars: Think Progressive, Think Partnership, Think Play, Think Passion, and Think Plenty. Together, these pillars define the essence of who we are as a Bank. This culture is further supported by the Bank’s Code of Conduct, as well as its policies and procedures.

At Wema Bank, we hold our shareholders in high esteem and ensure that their interests and investments are protected in alignment with processes stipulated in the CBN’s Corporate Governance Guidelines for Commercial, Merchant, Non-Interest Bank and Payment Service Banks in Nigeria of 2023. Additionally, an annual evaluation of our Board operations and effectiveness is carried out by an Independent Governance Consultant appointed by the Board to confirm the transparency, effectiveness, and competence of the Board. The report of the evaluation for the 2024 financial year is reproduced in this Annual Report. The Bank will continue to emphasize its adherence to relevant governance rules for financial institutions in Nigeria while striving to meet global best practices in delivering financial services.

Governance Structure

The Board

The Board of Directors is responsible for defining the Bank’s overall strategy and ensuring the availability of the necessary financial and human resources to achieve its objectives. Additionally, the Board oversees the performance of the executive management team and ensures the integrity of the Bank’s financial reporting and operations.

The details of the Bank’s Board of Directors are as stated below:

First Name	Last Name	Role	Date of First Appointment	Age as at 31st December, 2024
Oluwayemisi**	Olorunshola	Chairman	January 24, 2022	58 Years
Moruf*	Oseni	Managing Director /CEO	July 11, 2012	49 Years
Oluwole	Ajimisinmi	Deputy Managing Director	July 1, 2020	56 Years
Ayotunde	Mabawonku	Executive Director	April 1, 2023	47 Years
Segun	Opeke	Executive Director	February 1, 2024	57 Years
Olukayode	Bakare	Executive Director	December 1, 2024	54 Years
Abolanle	Matel-Okoh	Non- Executive Director	January 23, 2015	55 Years
Ibiye**	Ekong	Non- Executive Director	September 7, 2020	64 Years
Olusegun	Adesegun	Non- Executive Director	July 19, 2021	69 Years
Adeyemi	Adefarakan	Non- Executive Director	July 19, 2021	47 Years
Bolarin**	Okunowo	Non- Executive Director	January 24, 2022	44 Years
Yewande	Zaccheaus	Non- Executive Director	October 13, 2023	63 Years
Yusuf	Kazaure	Non- Executive Director	February 1, 2024	60 Years

*Moruf Oseni was appointed as the MD/CEO on April 1, 2023.

**Independent Non - Executive Director

Changes on the Board

During the 2024 Financial Year, the following changes were made to the Board.

Appointments

Name of Directors	Role	Effective Date
Yusuf Kazaure	Non-Executive Director	February 1, 2024
Segun Opeke	Executive Director	February 1, 2024
Olukayode Bakare	Executive Director	December 1, 2024
Oluwole Ajimisinmi	Deputy Managing Director	December 1, 2024

Retirements

Name of Directors	Role	Effective Date
Wole Akinleye	Deputy Managing Director	November 30, 2024

Size and Composition of the Board

The Board has a proper mix of executive, non-executive and independent non-executive directors who ensure that corporate governance standards are maintained in the Bank. The size of the Board of the Bank is dependent on the apex Bank regulatory directive which limits board size to a minimum of seven (7) directors and a maximum of fifteen (15). Furthermore, diversity considerations in terms of expertise, ethnicity and gender are important factors that guide the Board on its size and composition. The Board remains committed to expanding its size where business complexities and exigencies demands same.

The Board is comprised of thirteen (13) Directors as stated below:

Executive Directors	5
Non-Executive Directors	5
Independent Non-Executive Directors	3

The Bank's Board also complies with the CBN's Sustainable Banking Principles (Women's Economic Empowerment) which recommends that a minimum of 40% female representation on the Board of the Bank. Currently the Bank has five (5) female directors on its Board.

Selection of Directors and Succession Planning

It is noteworthy that the Bank has a robust succession planning procedure elucidated in the Board approved "Board Selection Criteria and Succession Policy" which details the commitment of the Bank to build a diverse and talented Board while taking immediate steps to address imminent gap(s) on the Board of the Bank. Additionally, the Policy outlines the process to be followed in selecting members to the Board and ensures that board members possess the required skills, experience and background necessary for effective board performance. The Board implements this Policy primarily through the Board Remuneration, Nomination and Governance Committee.

The Board Remuneration, Nomination and Governance Committee is charged with the responsibility of leading the process for Board selection and appointment and for identifying and nominating suitable candidates for the approval of the Board.

In selecting suitable candidates, the Committee evaluates individuals based on their qualifications, using objective criteria that align with the Board's skill requirements, while also considering the value of diversity. The Committee then recommends the nominated directors to the Board, followed by submission to the shareholders for election at the Annual General Meeting.

Role of the Board

The primary role of the Board is to provide strategic direction, oversee the Bank's financial performance to ensure that it meets established financial goals for the Bank to deliver long term value to shareholders and monitor all forms of risk accrued to the Bank's business. The Board carries out these functions through five (5) standing committees namely- the Board Credit Committee, Board Finance & General-Purpose Committee, Board Risk Management Committee, Board Audit Committee and the Board Remuneration, Nomination and Governance Committee.

Other functions of the Board include:

- To review Management's succession plan and determine their compensation.
- To ensure that the Bank's operations are ethical and comply with applicable laws and regulations.
- To approve capital projects and investments.
- To consider and approve the annual budget of the Bank, monitor its performance, and ensure that the Bank remains a going concern.
- To ensure that adequate systems of internal control, financial reporting and compliance are in place.
- To constitute Board Committees and determine their terms of reference and procedures, including reviewing and approving the reports of these Committees.
- To review and provide guidance for the Bank's corporate and business strategy.
- To ensure an effective risk management process exists and is sustained.

Access to Independent Professional Advice

The Board has the power to obtain advice and assistance from independent professional advisers or experts (at the expense of the Bank) as may be deemed necessary to aid its effectiveness. During the financial year under review, the Board relied on the expert advice of some selected consultants to design the Bank's Africa market expansion strategy, capital raise program, cybersecurity management framework and an efficient internal audit and control management framework.

The Board remains open to collaborating with consultants and professionals in its role of providing strategic leadership to the Bank.

Role of Chairman and the Managing Director/Chief Executive Officer

The roles of Chairman and Managing Director/CEO are distinctly separated and are not held by the same person, in accordance with the CBN Code of Corporate Governance. The Chairman is responsible for overseeing the operations of the Board and works closely with the Company Secretary, who also serves as the Board's Secretary. Meanwhile, the Managing Director/CEO, in collaboration with the Executive Management team, is responsible for the daily operations of the Bank and ensuring the execution of the Board's decisions. The Managing Director / CEO exercises the powers delegated to him in line with guidelines approved by the Board and the relevant policies set by the Central Bank of Nigeria (CBN).

Tenure of Directors

In line with the Bank's commitment to upholding best practices in Corporate Governance, Non-Executive Directors are appointed for a maximum of three terms, each term lasting four (4) years.

Thus, the maximum tenure for a Non-Executive Director is capped at twelve (12) years, subject to a retirement age of 70 years, in compliance with statutory provisions and the Board Charter. The maximum tenure for Independent Directors is eight (8) years, while Executive Directors can serve for up to ten (10) years, subject to a retirement age of 60 years. The Managing Director/CEO's tenure is limited to ten (10) years from the date of assumption of office.

The tenure of Directors is tracked at least every six months to support the Bank's succession planning and ensure continuous Board membership.

Board Evaluation

In compliance with the Central Bank of Nigeria (CBN) Code of Corporate Governance, an Independent Governance Consultant was engaged to conduct a Board Evaluation for the financial year ending 31st December 2024. The evaluation focused on benchmarking the Bank's governance structures and practices against the CBN Guidelines, SEC Code, Nigerian Code of Corporate Governance, and global best practices. The independent assessment of the Board was carried out across the following areas:

A. Peer Assessment: Directors assessed the performance of their colleagues, identifying strengths and areas for improvement. This was conducted through anonymous surveys, interviews, and questionnaires.

B. External Evaluation: the Independent Governance Consultant provided an objective evaluation of the Board's performance. This evaluation focused on four key pillars of Board responsibility that underpin effective corporate governance:

- Board Leadership and Strategy: Evaluates the Board's ability to manage its activities and oversee the planning and execution of the Bank's strategy.
- Accountability and Audit: Assesses the Board's role in delegating authority to Management and monitoring their activities.
- Monitoring and Evaluation: Measures the Board's ability to define and monitor performance frameworks for the Board, its committees, and individual directors against established goals.
- Stewardship - The Board's responsibility towards shareholders and other stakeholders and accountability for their interests.

C. Committee Evaluation: The performance of function-specific committees was also evaluated by Independent Governance Consultant to assess their effectiveness and provide recommendations for improvement. During the 2024 financial year, all Board Committees achieved ratings above 80%, indicating excellent performance.

The Independent Governance Consultant concluded that the Board's compliance with corporate governance practices was robust, aligning well with the standards outlined in the Nigerian Code of Corporate Governance (2018), CBN Code of Corporate Governance for Commercial, Merchant, Non-Interest Banks and Payment Service Banks (2023), SEC Code of Corporate Governance, and global best practices.

Induction and Continuous Training

Wema Bank invests heavily in the continuous development of its Board members. The Board induction program is an essential starting point for new board members to understand the Bank and its governance framework while continuous training, on the other hand, ensures that Board members remain well-informed and capable of guiding the Bank through changing environments, evolving regulations, and complex strategic decisions. Both play a key role in fostering strong, effective governance.

Board Induction / Continuous Training	Board Induction	Board Continuous Training
Purpose	Introduce new board members to the Bank and its corporate governance practices	Ensure ongoing development of the Bank's directors and to keep Board members up-to-date on governance, industry trends, and leadership.
Timing	Conducted when a new Board member joins the Board	Continuous throughout the tenure of each Board member's tenure.
Duration	Short-term (typically a few days)	Long-term and ongoing, with regular sessions
Focus	Familiarization with the Bank, governance, and legal obligations	Deepening knowledge in governance, strategic issues, and market trends.

In 2024, all the newly appointed Directors were inducted into the Board of the Bank with specialized trainings on contemporary corporate governance practices in compliance with Sec 9.1 of the CBN Code of Corporate Governance Guidelines.

Similarly, the Bank has institutionalized regular trainings (both local and foreign) for Board members on emerging issues pertaining to their oversight functions to update their skills and knowledge on new developments in the industry in line with Section 9.2 of the Central Bank of Nigeria Code of Corporate Governance.

Continuous training was done in tandem with the 2024 Board approved Training Calendar, and we are pleased to report that the approved training plan for 2024 was implemented in its totality. Board training was calibrated into function-specific, regulatory and general training courses according to identified training needs from the Board evaluation exercise and on request from the Board members.

The details of the regulatory trainings attended by the Directors in the year are as stated below:

- New CBN Administrative Sanctions and Effective Board Supervision of AML/CFT/CPF Compliance facilitated by Pattison Consulting
- Strengthening Financial System Stability Through Banking Recapitalization: Imperatives for Regulation, Risk & Compliance and Technology facilitated by CBN through the Financial Institution Training Centre (FITC)
- Emerging Issues in Information Technology and Payment Systems, Cybersecurity and Its Impact on Banking facilitated by Augusto Consulting
- Corporate Sustainability training facilitated by H.Micheal and Co.

The Company Secretary

The Company Secretary plays a pivotal role in ensuring effective corporate governance and organizational efficiency. Functionally, the Company Secretary reports to the Chairman of the Board, while operationally he reports to the Managing Director/CEO. The Company Secretary received full support from the Board to perform his duties efficiently in the course of the 2024 financial year.

Key responsibilities of the Company Secretary include implementing the Bank's Corporate Governance Codes, ensuring adherence to the Board's Charters and the Memorandum and Articles of Association, assisting the Chairman and Managing Director/CEO in developing the annual Board Plan, organizing Board meetings, and ensuring that the minutes of Board meetings accurately reflect discussions and decisions.

The Company Secretary also facilitates the smooth flow of information between the Board, its Committees, Executive Management, and other stakeholders. In addition, the Company Secretary manages the induction of new directors, oversees their professional development, and coordinates shareholders' meetings in compliance with legal requirements.

Furthermore, the Company Secretary liaises with regulatory authorities to ensure compliance with corporate governance standards. The appointment and removal of the Company Secretary are subject to Board approval.

Board Meetings

In compliance with the CBN Code of Corporate Governance, the Board meets at least quarterly to review the performance of the Bank and Management and to perform its oversight functions. Additional meetings are convened as the need arises. The 2024 Annual Calendar of the Board and Committee meetings was approved during the last quarter of the preceding year- December 14, 2023.

In the year ended December 31, 2024, the Board held Six (6) meetings. Details of attendance are provided below:

✓ Present ○ Absent * Not Applicable ♦ Terminal Leave

Meetings Held	1	2	3	4	5	6
Names of Directors	29 Feb, 2024	7 Mar, 2024	23 Apr, 2024	14 May, 2024	19 Aug, 2024	11 Dec, 2024
Dr. (Mrs.) Oluwayemisi Olorunshola	✓	✓	✓	✓	✓	✓
Abolanle Matel-Okoh	✓	✓	✓	✓	✓	✓
Olusegun Adesegun	✓	✓	✓	✓	✓	✓
Adeyemi Adefarakan	✓	✓	✓	✓	✓	✓
Yewande Zaccheaus	✓	✓	✓	✓	✓	✓
Yusuf Kazaure	✓	✓	✓	✓	✓	✓
Bolarin Okunowo	✓	✓	✓	✓	✓	✓
Ibiye Ekong	✓	✓	✓	✓	✓	✓
Moruf Oseni	✓	✓	✓	✓	✓	✓
Wole Akinleye*	✓	✓	✓	✓	✓	*
Tunde Mabawonku	✓	✓	✓	✓	✓	✓
Oluwole Ajimisinmi	✓	✓	✓	✓	✓	✓
Segun Opeke	✓	✓	✓	✓	✓	✓
Olukayode Bakare**	*	*	*	*	*	✓

*Wole Akinleye retired from the Board effective November 30th, 2024.

** Olukayode Bakare joined the Board effective December 1st, 2024.

Board Committees

The Board carries out its oversight functions through its five (5) Committees, as well as the Statutory Audit Committee. Each of these Committees has a Charter that clearly defines its roles, responsibilities, functions, composition, structure, frequency of meetings and reporting procedures to the Board.

Through these Committees, the Board effectively deals with complex and specialized issues and fully utilizes its expertise to formulate strategies for the Bank. The Board Committees in operation during the year under review were:

- Board Risk Management Committee
- Board Credit Committee
- Board Finance and General-Purpose Committee
- Board Remuneration, Nomination & Governance Committee
- Board Audit Committee
- Statutory Audit Committee

The Committees meet at least once in each quarter. However, additional meetings may be convened as required. The roles and responsibilities of these Committees are detailed below.

Board Risk Management Committee

The Committee's major responsibilities are to:

1. Review and assess the integrity and adequacy of the overall risk management structure of the Bank.
2. Oversee the establishment of a formal Risk Management Framework for the Bank and monitor Management's implementation and integration of the framework into the day-to-day operations of the Bank.
3. Establish a robust contingency plan and continuity of business imperatives with in-built capabilities for disruption minimization if mission critical threats crystallize.
4. Ensure the Bank has a comprehensive compliance framework for regulations and guidelines on money laundering and financial crimes.
5. Ensure the establishment of an Information Technology (IT) Data Governance Framework for the Bank and monitor Management's implementation of the Framework.
6. Review significant pronouncements and changes to key regulatory requirements relating to the risk management area to the extent that they apply to the Bank.
7. Report to the Board on material matters arising at the Risk Management Committee meetings following each meeting of the Committee and notify the Audit Committee of relevant issues worth considering.
8. Monitor changes anticipated for the economic and business environment, including consideration of emerging trends and other factors considered relevant to the Bank's risk profile and risk appetite.
9. Ensure appropriate independence and authority of the risk management function.
10. Monitor the Bank's capital adequacy levels and capital management process, ensuring compliance with global best-practice standards, such as recommended by the Central Bank of Nigeria (CBN) and Basel II/III.
11. Advise the Board on risk management procedures and controls for new products, markets, and services.
12. Defines and reviews the Bank's risk appetite for sustainability related risks and opportunities, ensuring that management's approach aligns with stakeholder's expectation and supports of Bank's financial resilience

The Committee comprised the following members during the year under review:

- | | | |
|------------------------|---|----------|
| 1. Adeyemi Adefarakan | - | Chairman |
| 2. Ibiye Ekong | - | Member |
| 3. Abolanle Matel Okoh | - | Member |
| 4. Yewande Zaccheaus | - | Member |
| 5. Moruf Oseni | - | Member |
| 6. Wole Akinleye | - | Member |
| 7. Oluwole Ajimisinmi | - | Member |
| 8. Tunde Mabawonku | - | Member |
| 9. Segun Opeke | - | Member |

The Committee held four (4) meetings during the year ended 31 December 2024. The attendance details of the Committee's meetings are as follows:

✓ Present ○ Absent ✱ Not Applicable ✦ Terminal Leave

Meetings Held	1	2	3	4
	7 Feb, 2024	29 Apr, 2024	31 July, 2024	4 Nov, 2024
Names of Directors				
Adeyemi Adefarakan	✓	✓	✓	✓
Ibiye Ekong	✓	✓	✓	✓
Abolanle Matel-Okoh	✓	✓	✓	✓
Yewande Zaccheaus	✓	✓	✓	✓
Moruf Oseni ***	✓	✓	✓	✓
Wole Akinleye	✓	✓	✓	✓
Oluwole Ajimisinmi	✓	✓	✓	✓
Tunde Mabawonku	✓	✓	✓	✓
Segun Opeke***	✱	✓	✓	✓

*** Segun Opeke joined the Board effective February 2nd, 2024 and became a member of the Committee on February 29th, 2024.

Board Credit Committee

This Committee is made up of individuals who are knowledgeable in credit analysis.

The responsibilities of the Committee include:

1. Oversee the establishment of credit policies and guidelines, to be adopted by the Board, articulating the Bank's tolerances with respect to credit risk, and oversee management's administration of, and compliance with, these policies and guidelines.
2. Review and recommend for Board approval, on an annual basis, policies on credit philosophy, risk appetite, risk tolerance, credit rating methodology and other material credit risk policies for the Bank.
3. Approve credit guidelines for strategic plans and approving the Bank's credit policy, which includes defining levels and limits of lending authority.
4. Review and approve loan applications above the limits delegated to the Management Credit Committee or Managing Director as may be defined by the Board from time to time.
5. Approve write-offs in excess of Management limits and within the Committee's limits as set by the Board.
6. Receive and review reports from senior management (and appropriate management committees and credit review) regarding compliance with applicable credit risk related policies, procedures and tolerances.
7. Monitor the performance and quality of the Bank's credit portfolio through the review of selected measures of credit quality and trends.
8. Review and assess the adequacy of the allowance for credit losses.

The Committee comprised the following members during the year under review:

- | | | |
|------------------------|---|----------|
| 1. Ibiye Ekong | - | Chairman |
| 2. Abolanle Matel-Okoh | - | Member |
| 3. Adeyemi Adefarakan | - | Member |
| 4. Olusegun Adesegun | - | Member |
| 5. Bolarin Okunowo | - | Member |
| 6. Yewande Zaccheaus | - | Member |
| 7. Moruf Oseni | - | Member |
| 8. Wole Akinleye | - | Member |
| 9. Oluwole Ajimisinmi | - | Member |
| 10. Segun Opeke | - | Member |
| 11. Tunde Mabawonku | - | Member |
| 12. Olukayode Bakare | - | Member |

The Committee held Seven (7) meetings during the year ended 31st December 2024. The attendance details of the Committee meetings are as follows:

✓ Present ○ Absent * Not Applicable ✦ Terminal Leave

Meetings Held	1	2	3	4	5	6	7
Names of Directors	1 Feb, 2024	13 Feb, 2024	16 Apr, 2024	15 Jul, 2024	24 Sep 2024	28 Oct, 2024	6 Dec., 2024
Ibiye Ekong	✓	✓	✓	✓	✓	✓	✓
Yewande Zaccheus	✓	✓	✓	✓	✓	✓	✓
Olusegun Adesegun	✓	✓	✓	✓	✓	✓	✓
Abolanle Matel-Okoh	○	✓	✓	✓	✓	○	✓
Adeyemi Adefarakan	✓	✓	✓	✓	○	✓	✓
Bolarin Okunowo	○	✓	✓	○	✓	✓	✓
Moruf Oseni	✓	✓	✓	✓	✓	✓	✓
Wole Akinleye*	✓	✓	✓	✓	✓	○	*
Oluwole Ajimisinmi	✓	✓	✓	✓	✓	✓	✓
Tunde Mabawonku	✓	✓	✓	✓	✓	✓	✓
Segun Opeke***	*	*	✓	✓	✓	✓	✓
Olukayode Bakare**	*	*	*	*	*	*	✓

*Wole Akinleye retired from the Board effective November 30th, 2024.

*** Segun Opeke joined the Committee on February 29th, 2024.

** Olukayode Bakare joined the Committee in December upon his appointment to the Board of the Bank

Board Remuneration, Nomination and Governance Committee

The Committee's major task is to ensure that the Bank complies with best practice and regulatory codes of Corporate Governance. The main responsibilities of the Committee include:

1. Overseeing the nomination, remuneration, performance management and succession planning processes of the Board.
2. Overseeing the induction of new Directors and continuous training programme for Directors.
3. Overseeing the annual performance appraisal of the Board, its Committees, the Chairman and individual directors by an independent professional.
4. The Committee shall periodically review the Charter, composition and performance of each Committee of the Board and make recommendations to the Board for the creation of additional committees or the elimination of a committee of the Board.
5. Developing and adopting a Code of Business Conduct and Ethics for employees, directors and officers of the Bank.
6. Monitoring compliance with and periodically reviewing corporate governance guidelines.
7. Defines and oversee the effectiveness of the Bank's sustainable strategy, policies and practices, ensuring alignment with the Bank's overall sustainability agenda and broader business strategy

The Committee was comprised of the following members during the year under review:

- | | | |
|------------------------|---|----------|
| 1. Bolarin Okunowo | - | Chairman |
| 2. Abolanle Matel-Okoh | - | Member |
| 3. Ibiye Ekong | - | Member |
| 4. Olusegun Adesegun | - | Member |
| 5. Adeyemi Adefarakan | - | Member |
| 6. Yusuf Kazaure | - | Member |

The Committee held four (4) meetings during the year ended 31st December 2024. The attendance details of the Committee's meetings are as follows:

✓ Present ○ Absent * Not Applicable

Meetings Held	1	2	3	4
Names of Directors	30 Jan, 2024	18 Apr, 2024	19 Jul, 2024	16 Oct, 2024
Bolarin Okunowo	✓	✓	✓	✓
Abolanle Matel-Okoh	✓	✓	✓	✓
Ibiye Ekong	✓	✓	✓	✓
Adeyemi Adefarakan	✓	✓	✓	✓
Olusegun Adesegun	✓	✓	✓	✓
Yusuf Kazaure****	*	✓	✓	✓

**** Yusuf Kazaure joined the Committee in February upon his appointment to the Board of the Bank

Board Finance and General-Purpose Committee

This Committee is responsible for defining the strategic business focus and plans of the Bank. It also ensures effective implementation of Board approved strategy and budget.

Other functions of this Committee include:

1. Monitor the performance of the bank against budget.
2. Defining capital and operating expenditure limits and approve all capital expenditure on behalf of the Board.
3. Review the Bank's investment portfolio and investment strategy annually.
4. Oversee Supporting Management business development efforts.

The Committee was comprised of the following members during the period under review:

- | | | |
|-------------------------|---|----------|
| 1. Abolanle Matel-Okoh | - | Chairman |
| 2. Adeyemi Adefarakan | - | Member |
| 3. Olusegun Adesegun | - | Member |
| 4. Yusuf Kazaure* | - | Member |
| 5. Moruf Oseni | - | Member |
| 6. Oluwawole Ajimisinmi | - | Member |
| 7. Tunde Mabawonku | - | Member |

The Committee held four (4) meetings during the year ended 31st December 2024. The attendance details of the Committee meetings are as follows:

✓ Present ○ Absent * Not Applicable ♦ Terminal Leave

Meetings Held	1	2	3	4
Names of Directors	9 Feb, 2024	24 Apr, 2024	23 Jul, 2024	6 Nov, 2024
Abolanle Matel-Okoh	✓	✓	✓	✓
Olusegun Adesegun	✓	✓	✓	✓
Adeyemi Adefarakan	✓	✓	✓	✓
Moruf Oseni	✓	✓	✓	✓
Oluwale Ajimisinmi	✓	✓	✓	✓
Tunde Mabawonku	✓	✓	✓	✓
Yusuf Kazaure****	*	✓	✓	✓

**** Yusuf Kazaure joined the Committee in February upon his appointment to the Board of the Bank

Board Audit Committee

This Committee was established to protect the interests of the Bank's shareholders and other stakeholders and to act on behalf of the Board by:

1. Overseeing the integrity of financial reporting.
2. Overseeing the adequacy of the control environment.
3. Overseeing the internal and external audit function.
4. Ascertaining the independence of external auditors.
5. Ensuring compliance with established policy through periodic review of reports provided by Management, internal and external auditors and the supervisory authorities.
6. Overseeing the identification and monitoring of significant fraud risks across the Bank and ensuring that adequate prevention, detection and reporting mechanisms are in place.

The Committee comprised the following members during the period under review:

- | | | |
|----------------------|---|----------|
| 1. Bolarin Okunowo | - | Chairman |
| 2. Ibiye Ekong | - | Member |
| 3. Yewande Zaccheaus | - | Member |
| 4. Olusegun Adesegun | - | Member |
| 5. Yusuf Kazaure | - | Member |

The Board Audit Committee held Seven (7) meetings during the 2024 financial year. Details of the members' attendance are as follows

✓ Present ○ Absent * Not Applicable

Meetings Held	1	2	3	4	5	6	7
Names of Directors	5 Feb, 2024	5 Mar, 2024	2 May, 2024	24 May, 2024	1 Aug, 2024	18 Oct, 2024	12 No, 2024
Bolarin Okunowo	✓	✓	✓	✓	✓	✓	✓
Ibiye Ekong	✓	✓	✓	✓	✓	✓	✓
Olusegun Adesegun	✓	✓	✓	○	✓	✓	✓
Yewande Zaccheaus	✓	✓	✓	✓	✓	✓	✓
Yusuf Kazaure	*	✓	✓	✓	✓	✓	✓

****Yusuf Kazaure joined the Board effective February 2nd, 2024 and became a member of the Committee on February 29th, 2024.

Statutory Audit Committee

This Committee was established in compliance with Section 404(3) of the Companies and Allied Matters Act, CAP C20 LFN 2020 (CAMA). The Committee is made up of two (2) Non-Executive Director and three (3) Shareholders of the Bank appointed at Bank's Annual General Meeting. The Bank's Company Secretary/General Counsel serves as the secretary to the Committee, while one of the Shareholders serves as the Chairman of the Committee.

The Committee is responsible for:

- Ascertaining whether the accounting and reporting policies of the Bank are in accordance with the legal requirements and agreed ethical practices.
- Reviewing the scope and planning of audit requirements.
- Reviewing the findings on management matters as reported by the external auditors and departmental responses thereon.
- Reviewing the effectiveness of the Bank's system of accounting and internal control.
- Making recommendations to the Board about the appointment, removal and remuneration of the external auditor of the Bank.

- Authorizing the internal auditor to carry out investigations into any activities of the Bank which may be of interest or concern to the Committee.
- Reviewing the Bank's annual and interim financial statements, including reviewing the effectiveness of the Bank's disclosure, controls and systems of internal control, the integrity of the Bank's financial reporting and the independence and objectivity of the external auditors.

The Committee comprised the following financially literate members who are knowledgeable in internal control processes during the period under review:

Names	Role	Status
Joe Ogbonna Anosikeh	Chairman	Shareholders' Representative
Esther Osijo	Member	Shareholders' Representative
Prof Samuel Awobode	Member	Shareholders' Representative
Bolarin Okunowo	Member	Independent Non-Executive Directors
Olusegun Adesegun****	Member	Non-Executive Directors
Yewande Zaccheaus*****	Member	Non-Executive Directors

The Statutory Audit Committee held five (5) meetings during the 2024 financial year. Details of members' attendance are as follows:

✓ Present ○ Absent * Not Applicable

Meetings Held	1	2	3	4	5
Names of Members	14 Feb, 2024	5 March, 2024	26 April, 2024	29 July, 2024	22 Oct, 2024
Joe Ogbonna Anosikeh	✓	✓	✓	✓	✓
Esther Osijo	✓	✓	✓	✓	✓
Prof Samuel Awobode	✓	✓	✓	✓	✓
Bolarin Okunowo	✓	✓	○	✓	✓
Olusegun Adesegun****	✓	✓	✓	*	*
Yewande Zaccheaus*****	*	*	*	✓	✓

**** Olusegun Adesegun ceased to be a member of the Committee from May, 2024.

***** Yewande Zaccheaus joined the Committee in May, 2024.

Regulatory Meetings

The Regulatory meetings are mandatory according to the Nigerian Code of Corporate Governance (NCCG), 2018 which is monitored by the Financial Reporting Council of Nigeria and the CBN Code of Corporate Governance for Commercial, Merchant and Non-Interest Banks which was released in July 2023.

The regulatory meetings serve as additional mediums for the promotion of effective corporate governance practices, enhancing the Board's efficiency and effectiveness in carrying out its oversight responsibilities.

In compliance with the regulatory directives, the Bank held the following regulatory meetings during the financial year ended December 31, 2024. The details of the meetings are below.

Meeting of All Independent Non-Executive Directors

Independent Non-Executive Directors are key players towards entrenching the good governance and transparency of Banks, hence, the regulatory recommendation that all Board of Commercial Banks in Nigeria must have at least three (3) Independent Non-executive Directors (INEDs) on their respective boards. The role of INEDs is to provide an objective and impartial perspective, particularly on issues relating to risk management, corporate strategy, executive compensation, and other decisions that may have a substantial impact on the Bank's stakeholders. Their contribution helps balance the interests of shareholders, management, customers, and other stakeholders.

This meeting of the Independent Non-Executive Directors (INEDs) is a regulatory meeting as directed by our apex regulator, CBN through Sec. 3.5.7 of the CBN Code of Corporate Governance issued in July 2023. The purport of this meeting is to create a platform for all Independent Non-Executive Directors to discuss their observations, learning points and concerns on matters relating to the Board and Management of the Bank as an additional layer of ensuring that the corporate governance structure of the Bank is strengthened.

The Bank held this meeting on December 6, 2023, with the following INEDs in attendance.

Names	6 Dec, 2024
Dr. (Mrs) Oluwayemisi Olorunshola	✓
Ibiye Ekong	✓
Bolarin Okunowo	✓

Meeting Between the Chairman and Non-Executives of the Bank

The Non-Executive Directors' (NEDs) meeting with the Chairman of the Board provides NEDs the platform to bring their independent observations and concerns to the Board's decision-making without any form of interference from the Executive Directors.

This meeting also enhances the Board's ability to hold the Executive Management to account and provides a forum for the Chairman of the Board to receive feedback from Non-Executive Directors as well as encouraging open dialogue and collaboration between the Chairman and NEDs, on the performance of each NED on the Board alongside the overall effectiveness of the Board in its strategic oversight functions and operations.

✓ Present ○ Absent ✱ Not Applicable

Names	6 Dec, 2024
Dr. (Mrs) Oluwayemisi Olorunshola	✓
Abolanle Matel-Okoh	✓
Ibiye Ekong	✓
Olusegun Adesegun	✓
Adeyemi Adefarakan	✓
Bolarin Okunowo	✓
Yewande Zaccheus	✓
Yusuf Kazaure	✓

Board Audit Committee Meeting with External Auditors and the Chief Audit Executive (CAE)

The Board Audit Committee meeting with external auditors is a critical component of corporate governance, playing an essential role in ensuring the transparency, accuracy, and integrity of financial reporting. It assists the Audit Committee members to balance the findings of the external auditors with management's perspectives by facilitating open dialogue between the auditors and the Committee.

The said meeting was held pursuant to Principle 11.4.8 of the Nigerian Code of Corporate Governance (NCCG), 2018 without the presence of the Bank's senior management team, thus providing the external auditors with an opportunity to speak freely and openly about their findings and to provide an independent assessment without external pressures.

The meeting provides a platform for an independent interaction between the Bank's external auditors-KPMG Professional Services, the Bank's Chief Audit Executive and the members of the Board Audit Committee. The meeting was held on November 12, 2024.

✓ Present ○ Absent ✱ Not Applicable

Names	12 Nov, 2024
Bolarin Okunowo	✓
Ibiye Ekong	✓
Olusegun Adesegun	✓
Yewande Zacccheaus	✓
Yusuf Kazaure	✓

Management Committees

The Committees are comprised of Senior Management Officers of the Bank. These Committees are risk driven as they are set up to identify, analyse, synthesize and make recommendations on risks arising from the day-to-day activities of the Bank.

These Committees also ensure that risk limits as contained in the Board and Regulatory Policies are always complied with. In addition, they provide inputs for the respective Board Committees of the Bank and ensure that recommendations of the Board Committees are effectively and efficiently implemented. They frequently meet to take actions and decisions within the confines of their limits.

The following are the standing Management Committees in the Bank:

- Executive Committee
- Management Credit Committee
- Watchlist Committee
- Assets and Liability Committee
- Management Risk Committee
- IT Steering Committee
- Service Excellence Committee
- Sustainability Committee
- Data Governance Committee
- Innovation Governance Committee
- Information Security Steering Committee
- Tenders Committee
- Disciplinary Committee

Executive Committee

The purpose of the Committee is to deliberate and take policy decisions on the effective and efficient management of the Bank. The responsibilities of the Committee include:

1. Review the strategic operations of the Bank:
 - Review audit and inspection reports
 - Review adequacy and sufficiency of branch tools
 - Review manning level in branches and head office departments.
2. Consideration and approval of proposed new branches.
3. Review the asset and liability profile of the Bank.
4. Consider and approve capital and recurrent expenses.
5. Review the activities of subsidiaries and associated companies.
6. Monitor and give strategic direction on regulatory issues.

The Committee comprises of the Managing Director/Chief Executive Officer, all other Executive Directors, the Company Secretary/General Counsel and any other member as may be appointed from time to time by the Managing Director/CEO. The Committee meets monthly. However, additional meetings are convened as required. The Company Secretary serves as the Secretary to the Committee.

Management Credit Committee

This Committee is tasked with ensuring the Bank's full compliance with the Credit Policy Manual approved by the Board of Directors. Other functions include:

- Provide inputs for the Board Credit Committee.
- Review and approve credit facilities to individual obligors not exceeding an aggregate sum as determined by the Board

- from time to time.
- Review and approve all credits that are above the approval limit of the Managing Director/CEO, as determined by the Board of Directors.
- Review the entire credit portfolio of the Bank and conduct periodic checks of the quality of risk assets in the Bank.
- Ensure adequate monitoring of credits granted by the Bank.

The Committee meets monthly depending on the number of credit applications to be appraised and considered. The Committee comprises of the Managing Director/Chief Executive Officer, all other Executive Directors, the Company Secretary/General Counsel, the Chief Risk Officer and any other member as may be appointed from time to time. The Secretary to the Committee is the Head of Credit Risk Department of the Bank.

Watchlist Committee

The purpose of this Committee is to assess the risk asset portfolio of the Bank. Other functions include:

- Highlighting the status of the Bank's assets in line with internal and external regulatory frameworks.
- Determines and approves actions to take in respect of delinquent assets.
- Ensures that adequate provisions are made in line with the regulatory guidelines.

Membership of the Committee includes, the Managing Director/CEO, all other Executive Directors, Head of Enterprise Risk Management, Head of Remedial Assets Management and other relevant Senior Management Staff of the Bank. The Secretary to the Committee is the Head of Credit Monitoring Unit.

Assets and Liabilities Committee

This is the Committee that is responsible for the management of a variety of risks arising from the Bank's business which include:

- Market and liquidity risk management
- Loan to deposit ratio analysis
- Cost of funds analysis
- Establishing guidelines for pricing on deposit and credit facilities
- Exchange rate risks analysis
- Balance sheet structuring
- Regulatory considerations and monitoring of the status of implemented assets and liability strategies

Membership of the Committee includes the Managing Director/CEO, all other Executive Directors, the Treasurer, the Chief Finance Officer, the Chief Risk Officer and other relevant Senior Management Staff.

Management Risk Committee

In alignment with international standards and the Code of Corporate Governance, the Committee was formed amongst other things to:

- Review the effectiveness of the Bank's overall risk management strategy at the enterprise level.
- Identify and evaluate new strategic risks and agree on suitable mitigating factors.
- Review the enterprise risk scorecard and determine the risk to be reported to the Board on a quarterly basis.

Membership of the Committee includes the Managing Director/Chief Executive Officer, all other Executive Directors, the Chief Risk Officer, the Chief Audit Executive, Head of Internal Control, representatives of Operations, Information Technology and Legal departments.

IT Steering Committee

The significance of Information Technology (IT) has grown exponentially in supporting, sustaining, and fostering the business growth of the Bank. Consequently, it is imperative for Management to place heightened focus on IT investments, IT risk management, and data governance. This Committee's responsibilities are as follows:

- Oversees the development and maintenance of the IT strategic plan.
- Approves vendors used by the Bank and monitor their financial condition.
- Approves and monitors major projects, IT budgets, priorities, standards, procedures, and overall IT performance.
- Coordinates priorities between the IT department and users' departments.
- Reviews the adequacy and allocation of IT resources in terms of funding, personnel, equipment, and service levels.
- Provides use and business perspective on IT investments, priorities and utilization.
- Monitors the implementation of the various initiatives and ensures that deliverables and expected outcomes/business

value are realized.

- Ensures increased utilization of technology and adequate returns on all IT investments.
- Makes recommendations and/or decisions in the best interests of the Bank, following review by IT department on such items as procurement of desktops and equipment, service standards, and networking requirements, including benchmarks.
- Evaluates progress toward the established goals and present a report to the Executive Committee as and when necessary.
- Acts in a supervisory capacity, in implementing the Bank's IT strategy.

The Committee comprises of Managing Director/CEO, the Executive Director in charge of Retail & Digital Business, the Chief Information Officer, the Chief Compliance Officer, the Chief Digital Officer and some other senior management staff. The Committee meets quarterly and at any other time as may be required.

Service Excellence Committee

The Committee was established to manage and enforce service excellence within the Bank. Other functions include:

- Creating and instilling a service excellence vision and an organizational climate conducive for promoting a culture of excellent service delivery.
- Reviewing of customer service failures and proffering remediation
- Facilitating and celebrating progress in service excellence goals.
- Ensuring employees are trained and imbibe the principles of excellent / exceptional service.

The Committee is chaired by the Deputy Managing Director and other members include the Chief Compliance Officer, the Chief Human Resource Officer, the Company Secretary/General Counsel and the Chief Experience Officer. The secretary of the Committee is the Head, Customer Experience Management. The Committee meets on a monthly basis and at any other time as may be required.

Sustainability Committee

This Committee oversees and guides the adoption and implementation of the Corporate Sustainability strategy of the Bank in alignment with the Nigerian Sustainability Banking Principles (NSBP), UNEP-FI Principles for Responsible Banking and Sustainable Development Goals.

The Committee's responsibilities include:

- Development and review of the corporate sustainability strategy of the Bank
- Reviewing and making recommendations to Management on reporting to shareholders and other communities regarding corporate responsibility activities
- Reviewing and making recommendations to the Board with respect to any shareholder proposal that relates to the matters overseen by the Committee.

The Committee meets on a quarterly basis and at such times as the chairperson of the Committee shall decide in order to fulfil its duties. The Committee is chaired by the Deputy Managing Director and other members include an Executive Director, the Chief Compliance Officer, the Chief Risk Officer, the Chief Human Resource Officer and other senior management staff as may be appointed from time to time.

Data Governance Committee

The Committee was established to develop comprehensive policies, oversee documentation by which internal business units collect, steward, disseminate, and integrate data on behalf of the Bank. The Committee also performs the following functions:

- Develop, implement, maintain and assist in enforcing bank-wide data management policies, standards, guidelines, and operating procedures related to enterprise data.
- Advise on bank-wide data management practices for decision making including data warehousing, business intelligence and master data management.
- Assist in enhancing enterprise data with consistent definitions and classifications according to data management standards and guidelines.
- Minimize data redundancy or errors by ensuring improved data quality and adherence to standards.
- Ensure data is scalable, reportable, and secure.
- Coordinate compliance requirements related to laws and regulations that have information management implications and impart a duty upon the institution.

Membership of this Committee includes two Executive Directors, the Chief Compliance Officer, the Chief Human Resource Officer, the Chief Digital Officer, Chief Information Officer and some other senior management staff. The Committee meets quarterly and at any

other time as may be required.

Innovation Governance Committee

The Committee is setup to steer, advise and govern all innovation activities within the Bank in line with the bank's corporate strategy and intent, and most importantly help achieve sustainable innovation.

The Committee's responsibilities include:

- Driving the change process that will move the bank towards a culture that represents, supports and sustains innovation; constantly monitoring it to make sure that it stays on track.
- Overseeing, reviewing and approving policies, budgets, projects, strategies, divestment, acquisition, mergers and required investments for the innovation team.
- Overseeing development and implementation of the Innovation team's strategy and its alignment with the bank's overall strategy and objectives.
- Providing guidance on technology and innovation related issues of importance to the bank as the Board may from time-to-time request.

Membership of the Committee includes two Executive Directors, Heads of various departments and other senior management staff as may be appointed from time to time. The Committee meets quarterly and at any other time as may be required.

Information Security Steering Committee

The Committee assists the Board in fulfilling part of its corporate governance obligations to the shareholders and the investment community. The Committee's responsibilities include:

- Ensuring that the requisite information security management standard (ISO 27001) and IT service Management Standard (ISO 20000) internal audits are conducted in accordance with the audit plan and ensure that the issues raised during the audit are all closed promptly.
- Ensuring that the Bank's security policies and processes align with the business objectives.
- Evaluating, approving and sponsoring institution-wide security investment

The Committee comprises of an Executive Director, Company Secretary/General Counsel and some senior management staff as may be appointed from time to time. The Committee meets quarterly and at any other time as may be required.

Tenders Committee

The purpose of the Committee is to ensure that the most favorable terms for acquisition of goods, work, services required are obtained for the Bank's main activities ("purchases") on the principles of competitiveness, transparency and team decision making and in line with "Best practices".

The functions of the Committee include but not limited to:

- Call for tenders
- Receive and open tenders
- Overseeing of the evaluation of all tenders
- Approval of all tender recommendations and awards
- Approval of requests for pre-qualification or other methods of procurement
- Provision of guidelines for procurement on behalf of the bank's EXCO

Membership of the Committee includes the Treasurer, the Company Secretary/General Counsel, the Chief Compliance Officer, the Chief Information Officer and other senior management staff as may be appointed from time to time. The secretary of the Committee is the Head, Property Management Department. The Committee meets quarterly and at any other time as may be required.

Disciplinary Committee

The Committee was established to examine alleged breaches of rules and regulations within the Bank, adjudicate over such breaches and recommend appropriate sanctions to the Executive Committee. Other functions of the Committee include:

- Ensuring compliance with the code of conduct and other policies of the Bank
- Direct investigation into allegations of misconduct by employees.
- Recommendation of appropriate sanctions on erring staff to the Executive Committee

The Committee comprises of an Executive Director, the Chief Human Resource Officer, the Chief Audit Executive, the Company Secretary/General Counsel and other senior management staff as may be appointed from time to time. The Committee meets monthly and at any other time as may be required.

Monitoring Compliance with Corporate Governance

The Chief Compliance Officer of the Bank monitors compliance with money laundering requirements and the implementation of the CBN Code of Corporate Governance in conjunction with the Company Secretary/General Counsel.

The Bank transmits returns on all whistle-blowing reports and corporate governance breaches to the Central Bank of Nigeria monthly.

Whistleblowing Procedures

In compliance with the CBN mandate on whistleblowing and in line with the Bank's commitment to instill the best corporate governance practices, the Bank formulated a Whistleblowing Policy, which guarantees anonymity. The Policy covers both the external and internal whistle blowers and extends to conducts of stakeholders including employees, customers and vendors.

The Bank has a dedicated e-mail address for whistle blowing and the whistle blowing Policy is permanently available on the Bank's website and intranet. There is a direct link on the Bank's intranet for dissemination of information, to enable members of staff report all identified breaches of the Bank's Code of Corporate Governance.

The Bank's Chief Audit Executive is responsible for monitoring and reporting on Whistleblowing. The Chief Audit Executive also presents a report on Whistleblowing to the Board Audit Committee on a regular basis.

Code of Professional Conduct for Employees and Directors

The Bank has an internal code of professional conduct for staff and Directors which is strictly adhered to and executed upon assumption of duties.

Shareholders

The Annual General Meeting of the Bank is the highest decision-making body. General Meetings are duly convened and held in line with existing statutory provisions in a transparent and fair manner.

Shareholders are opportuned to express their opinions on the Bank's financials and other business-related issues. Other attendees of the meeting are Regulators such as Central Bank of Nigeria, Securities and Exchange Commission, The Nigerian Exchange Limited, Corporate Affairs Commission, professional consultants, and representatives of Shareholders' Associations.

The Board places considerable importance on effective communication with shareholders on developments in the Bank. Accordingly, the Bank has an Investors Relations Unit which deals directly with enquiries from shareholders and investors to promote and improve shareholders' access to information and enhance effective communication with shareholders.

Protection of Shareholders' Rights

The Board ensures the protection of the statutory and general rights of shareholders, particularly their voting right at general meetings of the Bank. All shareholders are treated equally, regardless of the volume of shareholding or social status.

Shareholder's Complaint Management Policy

The Bank has developed a Complaint Management Policy for shareholders to foster an efficient and timely resolution of Shareholders' complaints. The Policy can be accessed through the Bank's website. In addition, there is shareholder complaints' register which is usually filed with the Nigerian Exchange quarterly.

Insider Trading Policy

The Bank has a Securities Trading Policy which prohibits Directors, insiders and their related persons in possession of confidential price sensitive information from dealing with the securities of the Bank during the closed period.

Note: In the year under review, there was no record of infraction of this Policy.

Remuneration and Clawback Policy

The Board has a well-defined Policy for determining the remuneration of Directors in line with regulatory standards. Furthermore, the Board has an approved Clawback Policy to recover excess or undeserved award from Executive Management, in compliance with Principle 16.9 of the NCCG.

During the financial year under review, no clawback incident was reported



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Sustainability Report

Inspiring a Legacy of Impact

Overview

As Wema Bank proudly celebrates its 80th anniversary, we are reminded of the profound legacy we have built over the decades. From our humble beginnings to becoming a cornerstone of the Nigerian banking industry, our journey has been marked by a steadfast commitment to sustainability, innovation, and community empowerment. This year's theme, "Inspiring a Legacy of Impact," reflects our dedication to creating lasting positive change for our stakeholders and the environment.

Throughout our history, Wema Bank has consistently prioritized sustainable practices, recognizing that our success is intertwined with the well-being of the communities we serve. Our initiatives have ranged from supporting small and medium-sized enterprises (SMEs) to championing financial inclusion and environmental preservation. As we look back on our achievements, we are inspired by the countless lives we have touched and the enduring impact of our efforts.

As the Decade of Action rapidly progresses, initiatives targeted towards the achievement of the Sustainable Development Goals have taken on a renewed sense of urgency for organizations and businesses to effectively drive climate adaptation and mitigation strategies whilst promoting social equity and accountability in governance structures.

The prevalent socio-economic landscape has accelerated the demand for Environmental, Social and Governance (ESG) integration and climate action across sectors and industries. In 2024, businesses faced increased pressure from regulatory compliance to evolving stakeholder and investor demands. These factors amongst others have led to the need for organizations to go beyond mere adoption to actively demonstrate effective sustainable business practices and operations. This necessitates innovative solutions and a proactive approach to addressing the evolving sustainability challenges of the 21st century.

In 2024, Wema Bank focused on enhancing its resilience and contributing to global decarbonization efforts with enhanced focus on deepening socio-economic inclusion and impact. In this report, we highlight the strides we have made in our sustainability journey, showcasing the innovative programs and partnerships that have driven our progress. We also outline our future aspirations, reaffirming our commitment to fostering a sustainable and inclusive economy.

Key initiatives included strategic partnerships and innovative solutions across our operations, with a particular focus on environmental sustainability and gender-lens impact investing. These efforts align with our commitment to addressing socio-economic disparities and supporting the global agenda in ensuring no one is left behind.

This milestone year is a testament to our unwavering focus on creating value for our stakeholders while championing environmental stewardship, social responsibility, and governance excellence. As we look to the future, we are inspired by the progress we have made and the potential to further our impact, ensuring that Wema Bank continues to be a force for good for generations to come.

Our Alignment with Global Sustainability Standards

In further recognition of our responsibility as a key player in achieving the Sustainable Development Goals (SDGs), Wema Bank actively aligns with international standards and best practices for impact. We prioritize forging strong partnerships and driving impactful initiatives that contribute to a more sustainable and equitable future. Our commitment to leading the change is continually reflected in our alignment to the United Nations Sustainable Development Goals (SDGs), Nigerian Sustainable Banking Principles (NSBP), United Nations Environment Programme-Finance Initiative Principles for Responsible Banking (UNEP-FI PRB), and the United Nations Women Empowerment Principles (UN-WEP). This integrated approach ensures that our operations and initiatives effectively contribute to environmental sustainability, social equity, and promote effective governance for positive societal impact.

Sustainable Development Goals (SDGs) Advocacy

Wema Bank is committed to contributing to a world envisioned by the Sustainable Development Goals (SDGs) – a world free from multi-dimensional poverty, environmental degradation and socio-economic inequality. To this end, we have identified 11 key Goals to drive measurable impact and advocacy for sustainable development. We actively engage with stakeholders, recognizing that collaboration and advocacy are crucial for driving progress and ensuring a more sustainable and equitable future where no one is left behind.



Sustainable Development Goals



Our Priority SDGs

United Nations Environment Programme – Finance Initiative Principles for Responsible Banking (UNEP-FI PRB) – Our Commitment and Achievements

As a founding signatory to the Principles for Responsible Banking (PRBs), we have consistently demonstrated our strong commitment by exceeding targets across our distinct areas of materiality - Financial Inclusion and Women's Economic Empowerment. This commitment is further evidenced in our accompanying PRB report.



UNEP-FI Principles for Responsible Banking

United Nations Women Empowerment Principles (UN-WEP)

Wema Bank prioritizes diversity, equity, and inclusion across our workplace, marketplace, and the broader community segments. Our alignment with the United Nations Women Empowerment Principles (UN-WEP) demonstrates our unwavering commitment to gender equality and women economic empowerment. This year, our activities and initiatives encompassed all seven Principles, with a particular emphasis on leveraging gender-responsive procurement to drive impactful outcomes.



United Nations Women Empowerment Principles

Nigerian Sustainable Banking Principles (NSBPs)

The Nigerian Sustainable Banking Principles (NSBP) have provided a framework for Nigerian banks to enhance their environmental and social impact, with a particular focus on women economic empowerment and environmental action for over one decade. At Wema Bank, we remain committed to the implementation of all our sustainability initiatives, business operations, and activities towards the central objective. This commitment has not only driven positive social impact but also fostered collaboration within the Nigerian banking community towards a shared goal of sustainable development.



Nigerian Sustainable Banking Principles

Our 2024 Impact Areas



Environmental Impact

Sustainability is a core value that guides our business decisions. We are dedicated to reducing our environmental footprint by implementing innovative solutions and initiatives. Our ongoing efforts focus on mitigating climate change, conserving resources, and promoting sustainable practices throughout our operations.

Energy Efficiency

Our commitment to promoting cleaner energy solutions and reducing our carbon footprint remains central to achieving the Nigerian Energy Transition Plan and the global Net-Zero emissions target. This commitment continues to shape our energy efficiency initiatives.

Our energy needs are primarily met through the national electricity grid, complemented by diesel-powered generators and solar panels, which serve as alternative energy sources to sustain our business operation. In 2024, the Bank consumed 6,273,413.17 kWh in 2024, which represents a 7.3% increase from 5,845,109.51 kWh in 2023. To complement this, diesel-powered generators provided 2,353,719.46 liters of energy in 2024, reflecting a 10% increase from the previous year due to the expansion of our branch network from 156 to 160.

The Head Office, being the largest resource consumer, saw a decline of 22% due to the comprehensive energy shutdown at 6pm and weekly elevator shutdown at lunchtime. The number of solar-powered branches however remained at 36 in 2024, with solar energy contributing an average of 48% of the energy consumed by these branches.

The solar energy-powered branches have further enabled us to displace our greenhouse gas emissions by 1022 (tCO₂e). Furthermore, all ATMs nationwide operate on a hybrid power model, integrating solar, grid, and inverter systems to meet customer needs across all locations.

Water Management

At Wema Bank, we prioritize access to clean water and water conservation as key components of our sustainability commitment. The installation of dual-flush toilet systems significantly lowered water usage, while our effluent water management system enabled the recycling of wastewater for secondary purposes. Additionally, we actively promoted water conservation awareness among our employees and customers, fostering a culture of responsible water use that supports long-term resource sustainability.

Waste Management

We sustained our partnership with waste recycling companies and non-governmental organizations to minimize landfill contributions and promote sustainable waste management practices. While maintaining the same number of recycling branches as in previous year, we strengthened our environmental sustainability advocacy by increasing awareness among employees about the importance of adopting the 3Rs of recycling—reduce, reuse, and recycle. In total, we have evacuated 33,447.75 kg of recyclables across our branches as of 2024, up from 26,928.95 kg in 2023.

Some of the proceeds from processed recyclables were directed toward social causes, such as covering school fees for children in disadvantaged communities through RecyclesPay, purchasing healthcare premiums from SosoCare and empowering women and youth through the R.E.S.W.A.Y.E. scheme. These initiatives not only contribute to the economic growth of the recycling industry but also encourage responsible waste disposal practices.

Environmental Cleanup & Advocacy

Environmental sustainability focuses on the responsible use of natural resources to meet current needs without compromising the ability of future generations to meet their own. It emphasizes the careful stewardship of our limited resources to ensure long-term benefits for both people and the planet.

In 2024, the Bank actively promoted environmental sustainability through community and coastal cleanup initiatives aimed at mitigating the impact of environmental and marine pollution across the country. These efforts were further strengthened by advocacy and awareness campaigns, including the Ondo Cleanup Drive, the commemoration of World Environment Day at Lekki Urban Forest and Animal Sanctuary Initiative (LUFASI) Park, and the observance of World Cleanup Day with impactful activities across Lagos, Ogun, and Port Harcourt. These initiatives were instrumental in fostering environmentally conscious practices and building a culture of sustainability within the communities we serve.

Socio-Economic Impact

Community Support

Wema Bank is deeply committed to providing solutions for positive societal impact. We have continued the drive to bridge socio-economic inequality gaps through impactful initiatives aligned with our Corporate Social Investment (CSI) pillars namely – Economic Empowerment, Education, Environment, Finance and Health. In 2024, our community-targeted initiatives positively impacted over 112,000 beneficiaries through the following:

Volunteering

iVolunteer @Wema is our employee volunteering initiative that provides employees with opportunities to be active contributors to the Bank's Corporate Social Investment agenda. Since inception, over 101,066 volunteering hours have been logged by about 5000 employees with more than 350,000 beneficiaries impacted across Nigeria. In 2024, the iVolunteer momentum continued with employees logging 4,566 volunteering hours in community impact initiatives ranging from financial literacy programs, mentorship sessions to environmental cleanup programmes and donations for low-income communities. This further demonstrates our unwavering commitment to sustainable development and empowering our employees to be change makers across the diverse communities where we run our business operations. The following initiatives were successfully executed through iVolunteer in 2024:

Valentine @Wema

Wema Bank annually celebrates Valentine's Day with community-focused impact projects and initiatives in further contribution to socio-economic development for all stakeholders. The 2024 edition of the Valentine @Wema initiative recorded about 500 beneficiaries at Kollington Fisheries Market and Epetedo Senior High School through financial literacy and mentorship sessions respectively.



Valentine @Wema 2024

Salary for Love

Since 2018, February has been tagged the 'Month of Love' at Wema Bank with employees encouraged to donate their 1-day basic salary to provide effective solutions to pressing societal challenges and needs across the communities where we operate. In 2024, the Salary for Love impact projects were selected and executed in alignment with the theme – Financial Inclusion, Education & Economic Empowerment (F.E.E) across 7 states namely – Lagos, Oyo, Rivers, Delta, Akwa Ibom, Kogi and the Federal Capital Territory.

Over 7000 beneficiaries were impacted through the regional Salary for Love project execution drive for enhanced impact. These initiatives include provision of grants to MSMEs, donation of books, stationery items, computer facilities and classroom furniture to secondary schools as well as National Examination Council (NECO) examinations sponsorship and financial literacy sessions for beneficiaries in low-income communities.



Head Office & ALAT



Lagos Directorate



South West Directorate



Northern Region

Financial Literacy Outreach

The drive for financial inclusion is incomplete without adequate financial literacy and awareness. The financial inclusion drive was enhanced in 2024 with intensive financial literacy sessions and clinics for students and businesses for optimal impact. Employees across the Bank volunteered for financial literacy sessions in communities across Lagos, Ogun, Abuja, Ibadan and Port Harcourt with over 13,500 beneficiaries. Participants and beneficiaries were equipped with essential knowledge and skills for effective money management, savings, and investing, empowering them towards financial independence.





Financial Literacy Outreaches

Mentorship Sessions

Wema Bank is committed to empowering and contributing to the development of the younger generation into responsible citizens and impact leaders across all spheres. We promote youth education and empowerment through mentorship sessions for students in different states across the country. The mentorship sessions include training on leadership, responsible citizenship, hygiene, financial literacy, cybersecurity, vision board creation amongst others.

The mentorship sessions drive continued in 2024 with over 11,500 students across Nigeria impacted with valuable knowledge and skills. Through strengthened volunteer participation in mentorship and development sessions, Wema Bank is making a positive impact on the lives of young people, fostering their growth, and empowering them to become responsible and successful individuals.



Mentorship Sessions

Pad-A-Girl Initiative

Period poverty is a global issue affecting millions of women and girls impacting their health, education, and overall well-being. As reported by the United Nations Population Fund (UNFPA), period poverty negatively affects girl-child education as over 2 million girls miss school annual due to lack of access to menstrual hygiene products. Period poverty also disproportionately affects women in low-income communities, exacerbating existing inequalities. This further leads to health problems, reduced educational opportunities, and social stigma.

As our contribution to global efforts geared at curbing period poverty for women and girls, we continued the Pad-A-Girl initiative to provide free sanitary products for secondary school girls. In 2024, free sanitary pads were provided to 350 young girls at Wesley Girls Senior School, Lagos promoting menstrual hygiene and improving their overall health and well-being.



Pad-A-Girl Initiative

Declutter & Donate 7.0

The seventh edition of the annual Declutter and Donate initiative brought hope to flood-affected residents of Shehuri and Gwange communities in Maiduguri, Borno State. By collecting and donating new and gently used clothing, household items, toys, groceries, and other essential goods, from staff of Wema Bank, we aimed to alleviate the suffering caused by the unprecedented flooding incidents in 2024.

Beyond material aid, the initiative provided food items to families and individuals across both communities, ensuring they had access to nutritious meals. In total, over 200 households were impacted through this initiative.



Declutter & Donate 7.0

Women Empowerment

We are intentional about our commitment to women empowerment and gender equity in the organisation and business world. We continued our drive for women empowerment in 2024 through diverse initiatives across workplace engagement, community impact and marketplace empowerment for overall success of women in society. These initiatives have had far reaching impact and provided growth opportunities for women through SARA by Wema – our female proposition and Wema Women Network – our internal structure for female employees.

SARA by Wema

Through SARA by Wema our female proposition, the Bank has empowered women to thrive in all endeavour through access to finance, financial coaching and mentorship sessions, trainings, skill acquisition and networking opportunities.

- **Access to Finance:** Wema Bank has provided over N60 billion uncollateralized loans to women MSMEs across the nation through the SARA proposition. This is a direct solution provided by the Bank to the access to finance problem and lack of collateral for accessing loans highlighted as some of the major obstacles encountered by women businesses. In addition to providing finance facilities for women-led businesses, Wema Bank also created the SARA Health Plan to help women withstand the financial drain associated with health challenges and rising cost of healthcare facilities.
- **Access to Market:** Beyond providing access to finance, Wema Bank also provides female business owners with access to an expansive market base. Women entrepreneurs through the SARA proposition have benefitted from the diverse access to market programmes such as online and physical trade fairs in partnership with key industry stakeholders. Over 75,000 women-MSMEs have been exposed to an expanded customer base spanning across Lagos, Ibadan, Abuja, Port Harcourt, Benin amongst others. We also took it a step further by expanding the frontiers of women-MSMEs to promote intercontinental trade and bridge the gap between Nigerian women-led businesses and the global market. This was implemented in August 2024 through the SARA London Trade Fair to facilitate foreign exchange inflows and drive socio-economic transformation for Nigerian WMSMEs. Over 118 women-MSMEs benefitted from this initiative.
- **Capacity Development:** SARA by Wema also champions training programs and seminars as well as skill acquisition workshops to promote business growth and entrepreneurial success for women businesses. This is further bolstered by the provision of training facilities, business startup kits and grants for over 300,000 women-led businesses in the Nigerian SME sector. In partnership with the Federal Government of Nigeria, Wema Bank launched the Digital Skillnovation Program for MSMEs through which digital hubs will be established in 15 states across the country as innovation centers equipped with advanced technology for optimal impact. Sessions at these digital hubs have recorded over 30,000 young people with 40% female representation in Borno state so far.
- **SARA Health Plan:** Health issues form a major challenge to business growth and development with most women-MSMEs negatively affected. The incapacitation of female business proprietors due to health challenges often leads to a lull in business activity, subsequently affecting cash flow and revenue. To address this challenge, we continued our partnership with AllCO Multishield for the SARA Health Plan open to women for as low as N1600 monthly. Subscribers have access to healthcare services including antenatal, pediatrics, obstetrics and gynecology, amongst others. In addition, female business owners who have been hospitalized for a minimum of 3 days are provided with cash relief for business support up to 5 times yearly.

Wema Women Network

The Wema Women Network was established in 2013 as our internal female network made up of all female staff across all cadres and locations. The network offers an opportunity for women to be nurtured and inspired to be the best in their career and personal lives. The network also supports female staff to realize their full potential and ultimately drive full representation across different levels in the Bank.

- **Regional Connect Sessions:** To further drive and deepen women participation and growth, Regional connect sessions were held for female employees across the Abuja & North, Lagos, South-West & South-South/East regions for optimal impact. The sessions featured high-level plenary discussions on salient issues such as total health and well-being for women, financial independence, career and professional growth and deepening work-life integration across all spheres.
- **Big Sister Initiative:** Female employees of the Bank were afforded mentorship opportunities through the internal Big Sister Program. The structure of the mentorship programme featured senior female officers who had been trained and certified being assigned younger female employees in a 3-month mentorship programme. Graduating mentees from the second cohort of the Big Sister project held a vision board creation session for female students as their impact project as part of the 2024 International Women's Day commemoration.
- **Health & Fitness Challenge:** The annual summer fitness challenge drive of the Wema Women Network held across Lagos and Port Harcourt in 2024. Female employees across the Bank were encouraged to participate in physical fitness sessions, adoption of healthy eating habits for a healthier lifestyle and improved outcomes.

SARA

by WEMA

For Women

Who Want Better

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- Capacity Development:** Monthly newsletters and period magazines were circulated to all staff to create awareness on issues relating to capacity development and paying attention to vital themes such as productivity, health, personal effectiveness amongst others. Members of the Wema Women Network also participated in conferences, seminars and other women-focused events for continued development and capacity building purposes. These include WIMBIZ Annual Conference, The International Women in Leadership Conference (TIWLC) amongst others.



WWN Regional Connect Sessions



Big Sister Mentorship Initiative



Wema Women Network Health & Fitness Challenge

International Commemorations

Wema Bank is aligned to the United Nations Sustainable Development Goals (SDGs), focused on ensuring no one is left behind. In 2024, we celebrated selected United Nations commemorative days to amplify common global agenda on specific SDGs, educate our workforce and the public on issues of concern and to celebrate achievements where necessary. These commemorations were celebrated in alignment with the Bank's sustainability focus through impact initiatives.

International Women's Day

The 2024 Wema Bank International Women's Day commemoration drive featured a week-long impact drive across segments. Initiatives included Financial Literacy Sessions for women MSMEs in collaboration with seasoned financial experts such as Arese Ugwu. 5 female thought and industry leaders across Nigeria were recognized with the #SheEmpowersHer award for their contribution to women development and growth in alignment with the Bank's commitment to promoting gender equality under the Sustainable Development Goals. The Big Sister mentees trained over 225 female students in Vision Board Creation as part of the commemorative activities at Lagos Anglican Girls Grammar School.

The commemorative activities culminated in what has been described as Nigeria's largest International Women's Day Conference with over 5000 participants. The high-profile event featured a keynote address by Ngozi Okonjo-Iweala, Director-General, World Trade Organization and plenary discussions with high-profile female leaders across Nigerian industries and sectors on the theme – **Inspire Inclusion**. Over 6000 participants were impacted in the week-long commemorative events.



World Malaria Day

The World Health Organization reports that the highest incidents of malaria outbreaks and deaths are recorded in Africa with over 234 million cases and more than 593,000 deaths in 2021 alone. The report further states that nearly 80% of malaria deaths in the African Region in 2021 were among children under the age of 5. This has led to a heightened awareness and advocacy for malaria prevention, treatment, and care across the continent.

Volunteers from the Bank in partnership with Karis and Eleos Foundation visited Alafia Community, Mushin, Lagos to commemorate the World Malaria Day. The Bank provided insecticides and treated mosquito nets for the 500 community residents. The residents were also enlightened on the importance of good personal and environmental hygiene for malaria prevention and appropriate treatment measures. We also held a financial literacy session for the women in the community. They were engaged on the importance of adopting personal and business finance skills and the opportunities provided by Wema Bank for their economic empowerment, development, and growth.



World Malaria Day

International Day of Education

The International Day of Education is a United Nations commemorative event in celebration of the role of education for peace and development. The sixth edition of International Day of Education was commemorated under the theme **Learning for Lasting Peace**. In alignment with the Bank's commitment to the Sustainable Development Goals and one of our core corporate social investment pillars – Education, the event was commemorated with a mentorship session for students at St. Paul's Catholic Primary School, Lagos and Peace Foundation High School, Abeokuta respectively. The students were trained on constructive thinking and effective goal setting mechanisms. About 350 pupils from both schools were impacted.



International Day of Education 2024 Commemoration

World Environment Day

In commemorating the 2024 World Environment Day, community cleanup exercises were conducted across Lagos and Ondo States. Over 572kg waste was evacuated across LUFASI Park in Lagos, Okelisa, Surulere and Iya Alaje communities in Ondo State. The beneficiaries were trained on the importance of proper waste management and promoting clean environments for healthier communities and growth.



World Environment Day 2024 Commemoration

International Literacy Day

Wema Bank commemorated International Literacy Day by hosting a special mentorship session at LUWASA Senior High School, Ijede. Volunteers from the Bank trained over 540 students on the theme "**Multilingualism for Unity & Peace**," to foster collaboration and further emphasize the importance of literacy and the power of language to bridge cultural divides. Students were encouraged to embrace their linguistic diversity and use it as a tool for understanding and cooperation. By promoting multilingualism, we hope to foster a more inclusive and harmonious society where individuals from different backgrounds can connect and thrive.



International Literacy Day 2024 Commemoration

World Clean-Up Day

World Cleanup Day is an annual global event aimed at combating the waste management crisis affecting communities and coastlines across the world. In commemoration of World Cleanup Day 2024, volunteers engaged in environmental cleanup and advocacy across Lagos, Aba and Port Harcourt over 4,407.3 kg of waste and recyclables. This significant achievement directly impacted approximately 60,000 individuals in the communities.

By aligning Sustainable Development Goals 6, 13, 14, and 15, Wema Bank contributed to the preservation of our planet and the well-being of its inhabitants. These cleanup drives not only cleaned up our environment but also raised awareness about the importance of sustainable waste management and environmental conservation.





World Clean Up Day

World Teachers Day

Education is pivotal to the achievement of the global agenda as entrenched in the Sustainable Development Goal 4 – Quality Education. Teachers and educators are the primary drivers tasked with the responsibility of ensuring inclusive and equitable access to quality education as well as promoting lifelong learning for all. In light of this, Wema Bank launched the Teacher of the Year in 2023 to celebrate teachers and put the spotlight on their immense contributions to the development and training of the next generation.

The 2024 World Teachers Day commemoration featured a month-long digital campaign tagged **My Teacher My Hero** with students across Nigeria encouraged to nominate their inspiring teachers through video submissions. Over 120 entries were received with the Top 10 Teachers undergoing strict interview and verification processes by an independent panel of judges. The Top 3 winners received cash prizes of N2m, N1.5m and N1m respectively with prizes such as electronic tablets given to the 4th & 5th place winners in recognition of their efforts in making positive impact on the lives of their students.



World Teachers Day

International Day of the Girl Child

The 12th anniversary of the annual International Day of the Girl Child was commemorated across the world with the theme **Girls Vision for the Future**. Wema Bank joined the global community in the 2024 commemoration with the core objective of equipping girls around the world with the requisite skills and opportunities for leadership, societal advancement, and growth. Volunteers from the Bank, led by Mrs. Bolanle Matel-Okoh, Non-Executive Director, trained the students of Wesley Girls Senior Secondary School on goal setting, leadership and responsible citizenship.



International Day of the Girl Child 2024 Commemoration

Breast Cancer Awareness Month

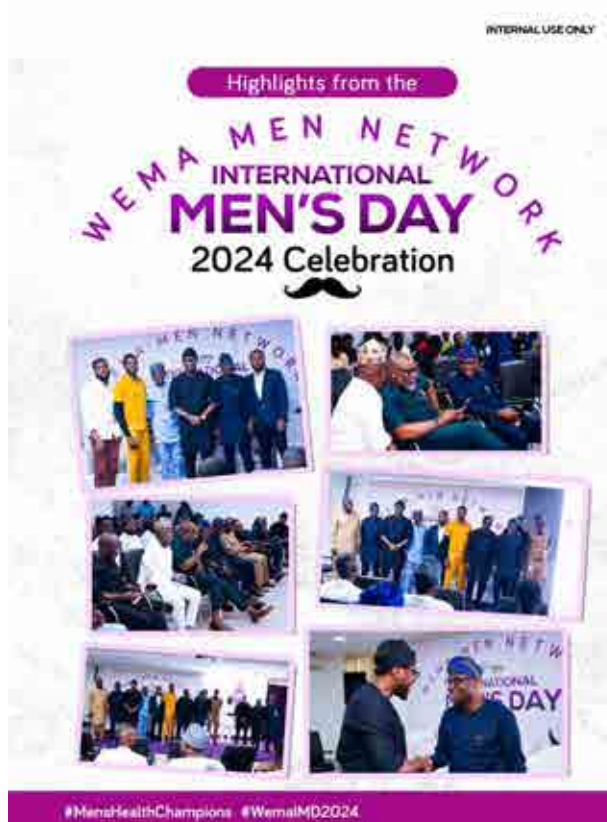
In Nigeria, breast cancer is the leading cause of cancer-related deaths according to the Global Cancer Observatory. This is evident in the rising number of breast cancer-related deaths in Nigeria with an estimated 25,450 recorded deaths in 2023. October was designated as Breast Cancer Awareness Month to spread awareness and demystify the phenomenon of breast cancer for early detection and treatment. Women are encouraged to undergo annual checks and embrace life-prolonging habits. In commemoration of Breast Cancer Awareness Month 2024, the Bank hosted a webinar with expert oncologists providing insights into the menace of breast cancer and how it can be managed. Free breast screening services were provided for female customers and staff within Lagos for optimal impact in ensuring the theme – early detection saves lives – is accomplished.



Breast Cancer Awareness Month 2024

International Men's Day

We commemorated the 2024 International Men's Day with an impactful event consisting of plenary discussions for men on themes such as Investing for the Future and Ensuring Total Wellbeing for Men. The commemorative event also featured the launch of the Wema Men Network – a platform for all male employees across ages, grades and locations within the Bank to connect and access opportunities for mentorship and development as well as help men thrive and overcome age-long stereotypes and misconceptions. This is further in line with the Bank's commitment to promoting inclusion and driving towards the achievement of our Diversity, Equity & Inclusion targets in ensuring no one is left behind.



International Men's Day 2024

Partnerships

The Wema Bank impact strategy strongly incorporates the values of leveraging partnerships to propel impactful planning, implementation, and execution of our empowerment initiatives, driving progress on global goals and corporate objectives. In the reporting period, we achieved a lot more through forging new alliances and maintaining existing collaborations with different partners across the Nigerian and international spheres. Some of them are highlighted below:

Leave No One Behind

In line with our drive to promote positive societal impact with specific initiatives targeted at the girl child, the Bank partnered with the Office of the Special Adviser to the Lagos State Governor on Climate Change and Circular Economy (OCCE) to implement the **Leave No One Behind** initiative aimed at rehabilitating and integrating young girls at the Idi-Araba Special Correctional Center for Girls, Lagos back into the community has been completed with specific training sessions on skill acquisition for economic empowerment.

Through this partnership, over 75 girls between the ages of 12-18 years at the facility have been equipped with vocational skills such as recycling and upcycling waste materials to make household items for positive environmental and economic purposes. Periodic mentorship, vision board creation and financial literacy sessions were conducted for the beneficiaries with provision of grants for the girls as they run micro-businesses for their societal re-integration and rehabilitation.



Leave No One Behind – Idi Araba Correctional Center for Girls

Focus Teens Foundation

Our impact-oriented Corporate Social Investment approach also focuses on the prioritization of youth education and empowerment for their enhanced development. We believe empowered young minds are the cornerstone of a thriving community and economy. To this end, we continued our partnership with Focus Teens Foundation in 2024, for the 7th edition of the Career Summer Camp for Teenagers in Lagos. About 3262 participants were trained on career opportunities, financial literacy and leadership skills through this partnership.



Focus Teens Foundation – Career Summer Camp

SheCan Nigeria

We partnered with SheCan Nigeria to host their 5th annual conference as well as empower women with various vocational skills. The Chief Digital Officer of the Bank facilitated a session at the conference in furtherance of our vision of driving digital solutions for societal impact. Financial literacy, capacity building and skill acquisition sessions were organized to empower women and youths in Lagos State. Over 5,000 women benefited from this partnership..



Supporting Economic Prosperity

Financial Inclusion

At Wema Bank, we believe that financial inclusion is fundamental to poverty eradication and overall economic prosperity. Financial inclusion is one of the key socio-economic strategies that will drive development and growth in Nigeria.

The Bank has continued to drive ALAT, our flagship digital platform for seamless account opening and usage for the diverse population. We improved the functionality of our electronic channels and ensured that we met and exceeded our customer's banking expectations. Other channels such as the USSD platform (*945#) were used to reach the unbanked and underbanked segments. The number of unbanked individuals who received financial services through Wema Bank for the first time in 2024 was 1,076,957. In addition, we increased the number of branches that can be easily accessed by physically challenged persons from 50 in 2023 to 55 in 2024.

To further deepen financial inclusion, we organized Financial Literacy sessions across the country, especially among the youth population, over 13,000 people benefited from these sessions. We collaborated with our agents to reach out to customers in remote parts of the country through BankPass, a platform for opening Tier 1&2 accounts for the unbanked and underbanked and BVN enrolment. Our agency banking network increased to 75,251 agents as of December 2024, compared to 48,873 agents from 2023. In addition, we supported various Central Bank of Nigeria (CBN)-led initiatives towards achieving the national financial inclusion target of 95% by 2024. 1,889 students participated across 23 states during the Financial Literacy Week Initiative in collaboration with Central bank of Nigeria while 1,566 students participated during the World Savings Day programme.

Governance

At Wema Bank, we recognize that sound corporate governance is the cornerstone of a sustainable organization. Our governance framework is intricately woven into the fabric of our culture, values, and operational processes. It is built on the core principles of fairness, transparency, responsibility, and accountability, which guide our corporate conduct and decision-making.

In 2024, Wema Bank remains committed to reinforcing its governance system. We continue to invest in our people, enhance our processes, drive superior performance, and align the organization around a unified purpose. This commitment ensures that we not only adhere to the highest standards of governance but also contribute meaningfully to the long-term sustainability of our operations, stakeholders, and the broader society.

Sustainability Governance at Wema Bank

Our commitment to fostering economic growth in an environmentally and socially responsible manner is driven at the Board level. The Board of Directors, as the highest level of governance at the Bank, holds overall responsibility for managing sustainability-related risks and opportunities, corporate social investment, sustainability strategies, and stakeholder communication. The Board's Remuneration, Nomination, and Governance Committee is responsible for defining the Bank's overall sustainability agenda and strategy and ensuring its alignment with the Bank's broader business strategy.

At the management level, the Bank has a Sustainability Committee that oversees and guides the adoption and implementation of the Corporate Sustainability Strategy in alignment with the Nigerian Sustainable Banking Principles (NSBPs), the UNEP-FI Principles for Responsible Banking (UNEP-FI-PRB), and the Sustainable Development Goals (SDGs). The committee meets quarterly to review, improve, develop, execute, monitor, and oversee the Bank's sustainability goals, policies, practices, working principles, and ESG performance.

Additionally, to ensure effective management of the environmental, social, and governance risks to which the Bank is exposed, the Board Risk Management Committee provides strategic direction for managing sustainability-related risks and opportunities, including climate-related risks, ensuring that the Bank's strategy is robust enough to address these risks. Similarly, the Management Risk Committee coordinates the comprehensive management of these risks using frameworks and processes for identification, assessment, and management.

The Corporate Sustainability and Responsibility Department drives the integration of sustainable practices into the Bank's operations and long-term planning. This includes minimizing resource consumption and waste generation, establishing innovative procurement practices, utilizing sustainability indicators to assess performance, and recognizing, supporting, and rewarding initiatives that promote sustainability.

In collaboration with strategic partners, including Branch Service Coordination, Human Capital Management, Enterprise Risk Management, General Administrative Services, and the Retail Banking Division, the Bank continues to advance its sustainability agenda and make a positive societal impact during the reporting period.

Transparency and Accountability

At the highest governance level, the Board has ultimate responsibility for ensuring the Bank operates as a responsible organization. Our accountability extends beyond our shareholders to the wider stakeholders, including the communities in which we operate. The Board and management ensure the Bank maintains transparency in communicating both financial and non-financial performance to

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stakeholders through the publication of annual reports. These reports undergo various levels of review and assurance to ensure they convey clear and material information to stakeholders.

At the organizational level, business integrity is the foundational component of our corporate governance. At Wema Bank, this means fostering trust and credibility through ethical practices at all levels of the organization, which influence day-to-day operations and culture. As stakeholders' expectations continue to evolve, we remain committed to our clearly defined purpose of empowering lives through innovation, while also meeting the need for transparent reporting on non-financial performance using global reporting standards.

Incorporation of Environmental, Social and Governance Factors in Credit Analysis

As a commercial bank, we play a catalytic role in economic development. Our lending practices impact not only businesses but also human lives and the environment. We are conscious of both the negative and positive externalities associated with our lending decisions, and as a responsible organization, we are committed to promoting sustainable development and minimizing the negative externalities of our lending practices.

In line with the requirements of the Nigerian Sustainable Banking Principles, we have established a robust credit policy and an environmental and social risk management framework. This framework guides our environmental and social risk assessment processes and informs our financing conditions.

We have implemented sector exclusions for industries that do not comply with international and national regulations, and for which we cannot provide financing. For eligible sectors, we conduct environmental and social screenings to identify the inherent environmental and social risks associated with each transaction. Based on these assessments, we categorize the risks as low, medium, or high impact. By leveraging this categorization, we can propose mitigation measures to reduce the likelihood of potential impacts manifesting.

Fully understanding that the organizations we support are at different stages in their sustainability journey, we provide on-the-ground support through environmental and social site visits. These visits are designed to identify inherent risks within each company's operations, evaluate their management approaches, and assist them in aligning with industry standards and the Bank's environmental and social expectations.

In 2024, we screened 2245 transactions totaling N708 billion. for environmental, social, and governance issues. Additionally, we increased the share of our impact portfolio to 13%.

To strengthen our environmental and social risk management system, we conducted trainings for relationship managers on E&S requirements for lending during the reporting period. Our environmental and social risk analysis is fully integrated into the credit assessment processes conducted by the credit risk manager.

We are committed to continuously strengthening our environmental and social risk management system to align our lending practices with global best practices and the requirements of development finance institutions. As an organization dedicated to sustainable finance, we are focused on promoting strong, sustainable, balanced, and inclusive economic growth.

Vendors' Environmental and Social Responsibility Forum

At Wema Bank, we are committed to environmental and social sustainability. Fully understanding that our organization's purchasing decisions impact not only the organization itself but also the economy, environment, and society, our sustainable procurement policy reflects our dedication to conducting business with environmentally and socially responsible partners.

The third edition of the Annual Vendor Forum, held during the reporting year, provided an opportunity to strengthen relationships with vendors, promote collaborative solutions, educate vendors on environmental and social requirements and evolving expectations, and encourage the adoption of sustainable practices. The session was attended by 53 vendors, who were guided through various environmental and social issues, and how their operational activities could contribute to or be impacted by these issues.

In line with our commitment to stakeholder capitalism, the session also provided valuable feedback from our vendors to the Bank.



Managing Climate-Related Risks and Opportunities

Global climate-related events in Dubai, Spain, and the increasingly severe impacts of flooding in Nigeria have highlighted the growing threats of climate change. According to the National Emergency Management Agency, 29 states were affected in 2024, with 201 lives lost, 611,201 people affected, 225,169 displaced, and 115,265 hectares of farmland impacted.

The IPCC states that physical risks due to climate change can be either event-driven (acute) or the result of long-term shifts (chronic) in climate patterns. These risks may emerge in the short, medium, or long term. Acute physical climate-related risks include events such as extreme storms, heavy precipitation, or intense temperatures. Transition risks, arising from the global shift to a low-carbon economy, can affect businesses through market, credit, or legal challenges.

As a commercial bank, we continue to adopt innovative approaches to implement our climate risk policy and reduce our exposure to these risks. During the reporting year, we implemented initiatives that led to a reduction in our carbon footprint by 1022 (tCo2e) and achieved (13%) growth in our impact portfolio. We also leveraged climate-related opportunities to enhance our offerings in renewable energy adoption while engaging with various stakeholders on collaborative efforts to drive emissions reductions.

Climate change has become a critical and increasingly material issue. In 2024, the Bank assessed its portfolio to understand customer distribution and their exposure to climate-related risks and opportunities. Furthermore, we continue to closely monitor regulatory frameworks on climate change and Nigeria's plan for the operationalization of the carbon market.

Looking ahead, we aim to embed climate risk assessment into our credit processes and conduct scenario analysis to improve the resilience of our portfolio to climate shocks and stresses.

COP29 Representation

Climate conversations remain a global concern. In 2024, the 29th Conference of the Parties (COP29), held in Baku, Azerbaijan from November 11-22, focused on key climate issues. The Bank's delegation was led by the Treasurer-Adeola Ajai.

COP29, with the theme "In Solidarity for a Green World," primarily focused on establishing the New Collective Quantified Goal (NCQG) for climate finance, finalizing rules for international carbon trading, and addressing the Loss and Damage Fund.

To further the Bank's aspiration to be a leader in sustainable financing, strengthen climate resilience, and improve access to sustainable funding, the Bank's delegation engaged with various development finance institutions and multilateral organizations to form strategic partnerships that can enhance our value proposition for customers.

Additionally, it is our practice to share the learnings from the COP sessions across the Bank to embed best practices that can help reduce our carbon emissions.



Whistleblowing

At Wema Bank, our corporate philosophy is rooted in sound ethics and corporate governance. We foster an environment where employees and other stakeholders can report breaches of our corporate policies, fraud, malpractice, unethical behavior, or any activity that undermines the public trust in our institution. The Whistleblowing Policy, which is publicly available on our website, outlines the

procedure for reporting misconduct and affirms our commitment to protecting whistleblowers from adverse employment actions (such as disengagement, demotion, suspension, harassment, or other forms of discrimination) for raising allegations of business misconduct. This protection extends to customers and other stakeholders as well. The Chief Audit Executive ensures that all reports are thoroughly investigated, and appropriate disciplinary action is taken against the responsible individual(s), up to and including dismissal and prosecution where necessary.

Furthermore, during the reporting period, employees were sensitized to the whistleblowing policy through knowledge-sharing sessions and email communications, fostering a culture of transparency and accountability.

Reporting

Communicating sustainability performance is a key concern for various stakeholders. Organizations are now evaluated not only on their financial performance but also on their non-financial performance.

As a responsible organization, we continue to meet our mandatory requirements under the Nigerian Sustainable Banking Principles and report promptly to the Central Bank of Nigeria. As a member of the UNEP-FI Principles for Responsible Banking (PRB) and UNWEPs, we also report on our progress in adhering to the principles of these voluntary coalitions, aligning with best practices in the industry. Over the past three years, we have consistently published an annual standalone sustainability report for our stakeholders, following the Global Reporting Initiative (GRI) Standards. These reports are assured by KPMG to meet stakeholders' need for transparent and accurate information.

In response to the adoption of the International Sustainability Standards Board (ISSB) sustainability reporting standards, Wema Bank has communicated its intent to adopt these standards and will publish a standalone sustainability report aligned with IFRS S1 & S2.

Sustaining Impact

As we reflect on the significant strides we have made in fostering sustainable development and positive impact, we forge ahead in dogged commitment to setting ambitious goals and collaborating with key stakeholders to drive meaningful change and positive impact. We will continue to innovate and lead by example, ensuring that our actions align with global sustainability aspirations.

We aim to reach an additional 5 million unbanked individuals over the next five years, providing them with accessible and affordable financial services. We will continue to promote financial literacy and inclusion, ensuring that more people can participate in and benefit from the formal financial system. This commitment aligns with our goal of fostering economic growth and reducing inequality.

Furthermore, we plan to launch new initiatives focused on youth empowerment and education, providing resources and opportunities for the next generation of leaders.

Environmental sustainability remains a key focus for Wema Bank. We plan to increase our investment in renewable energy projects and other impact sectors over the next five years, supporting Nigeria's transition to a low-carbon economy.

In our pursuit of empowering women, we will enhance our partnerships with relevant stakeholders to drive gender equality and women economic empowerment. These collaborations will enable us to support more women entrepreneurs and leaders, providing them with the resources, training, and opportunities needed to thrive.

As we embark on the next chapter of our journey, we are confident that Wema Bank will continue to be a force for good, inspiring positive change and creating a sustainable future for generations to come. Thank you for being a part of our journey and for supporting our mission to inspire a legacy of impact.

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Appendix

Reporting the UNEP-FI Principle for Responsible Banking

The following is the abridged version of the reporting requirements for Signatories of the Principles for Responsible Banking. Within this report, there are six areas to show that Wema Bank is fulfilling its commitments as a signatory of the Principles for Responsible Banking. We have highlighted them below.

1. Impact Analysis
2. Target Setting
3. Plans for Target Implementation and Monitoring
4. Progress on Implementing Targets
5. Governance Structure for Implementation of the Principles
6. Progress on Implementing the Principles for Responsible Banking



Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services

Wema Bank is Nigeria's oldest indigenous bank, with 80 years of delivering seamless and innovative financial services to customers. The Bank operates a comprehensive retail banking model, offering services in retail, SME banking, corporate banking, treasury, trade services and financial advisory to our diverse clientele.

In line with our aspiration to become Nigeria's leading digital banking platform and our mission to empower lives through innovation. We have developed a range of innovative solutions, including Coophub, ALATPay, Alat Xplore, and others, to drive financial inclusion and empower individuals and businesses. These solutions have improved access for the banked, underbanked, and unbanked individuals.

Our customer segments include high-net-worth individuals, middle-income professionals, low-income earners, NMSMEs, MSMEs, and SMEs. The Bank also provides credit facilities to various sectors, including Manufacturing, Construction, Agribusiness, and others. With about 155 branches in 24 states across Nigeria, we are dedicated to aligning our business strategy with the broader societal goals of financial inclusion and sustainable development.

Leveraging our strength in technology and diverse array of skills and expertise within the business and operating environment, we have consistently met the needs of customers within the geographical and demographic distribution in the country.

1.2 Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

At Wema Bank Plc, we are dedicated to aligning our business strategy with the needs of individuals and the broader goals of society. This commitment is reflected in our adherence to the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Sustainable Development Goals (SDGs), Nigerian Sustainable Banking Principles (NSBPs) & United Nations Women's Empowerment Principles (UN-

WEPS)

We recognize the importance of the 17 SDGs, which address global challenges such as poverty, inequality, climate change, environmental degradation, peace, and justice. To further align our strategy with the Sustainable Development Goals (SDGs), we have identified SDGs 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, and 17 as areas where we are well-positioned to make a positive impact through our financing activities. (A detailed report on impact can be found in the 2024 sustainability report) Our strategy focuses on:

- **Deepening Financial Inclusion:** We have improved access to financial services through the ALAT platform while alleviating poverty and meeting the financial inclusion target as stated in the Nigerian Sustainable Banking Principles 5 (NSBP 5). In 2024, the bank launched ALAT Xplore for the teen population in Nigeria to deepen financial inclusion and engender financial literacy among young people.

The Bank also created the microloan scheme to provide access to funds for people at the bottom of the pyramid. We believe that financial inclusion remains one of the key socio-economic strategies that will alleviate poverty and drive development and growth in Nigeria. We have agents across the country providing financial services to the unbanked and underbanked people in remote areas of the country. This is also in alignment with SDGs 1, 2, 8 & 10 and NSBP 5.

- **Advancing Women Empowerment:** Advancing gender equality and improving access to the necessities of life for women is critical for economic growth. Our female proposition, Sara by Wema, continues to bridge the gender financing gap in the business world and gives women access to mentorship, funding, capacity building and advisory services to start or scale their businesses. Our internal network, called "Wema Women Network", continues to nurture and inspire women to achieve success and fulfilment in their career and personal lives. This is also one of the key principles under the Nigerian Sustainable Banking Principles 5 and SDG 5 & 10.

Our commitment to the United Nations Women Empowerment Principles (UN-WEP) has also enabled us to continue to drive women empowerment at the highest levels.

- **Promoting Sustainable Economic Growth:** We aim to support economic activities that generate employment, foster innovation, and ensure inclusive growth. This includes financing small and medium-sized enterprises (SMEs), supporting entrepreneurship, and investing in sectors that drive sustainable development.

Paris Climate Agreement

In line with the Paris Agreement, we are committed to mitigating climate change by:

- **Reducing Our Carbon Footprint:** We have implemented measures to reduce greenhouse gas emissions from our operations. This includes adopting energy-efficient practices, reducing waste, and promoting sustainable resource use.
- **Supporting Climate Resilience Projects:** We are committed to financing projects that enhance the resilience of communities to climate impacts. This includes investments in climate-smart agriculture, sustainable water management, and disaster risk reduction initiatives.
- **Climate Risk Integration:** We have incorporated climate risk assessments into our business activities and decision-making processes. By understanding and managing our climate-related risks, we aim to ensure the long-term sustainability of our business and the communities we serve.

National Frameworks

We align our business operations and activities with Nigeria's national development plans and regional sustainability strategies, including:

- Nigeria's Economic Recovery and Growth Plan (ERGP): We support initiatives that drive economic diversification, improve infrastructure, and enhance human capital development. Our goal is to contribute to Nigeria's sustainable economic growth and development.
- Nigeria Energy Transition Plan (ETP): Wema Bank is significantly contributing to the advancement of the Nigeria's Energy Transition Plan, a strategic blueprint aimed at achieving net-zero emissions by 2060 while fostering economic growth and reducing poverty. This includes providing essential financial support and innovative solutions, financing renewable energy projects and sourcing investments specifically for sustainable initiatives.

We also support small and medium enterprises (SMEs) in the renewable energy sector with tailored financial products and services. An example is the green energy facility for households and SMEs to reduce reliance on fossil fuels to power their businesses. We are also promoting energy efficiency by funding projects that reduce energy consumption and emissions across various industries.

The Bank has also established robust labour management policies that align with the International Labour Organization (ILO) requirements, best practices from the United Nations Global Compact, and national labour laws. These policies demonstrate our commitment to upholding sound labour practices and promoting human rights.

By embedding these principles into our business strategy, Wema Bank Plc aims to contribute meaningfully to a sustainable future, ensuring that our growth benefits both our stakeholders and the environment. We are committed to continuous improvement and transparency in our sustainability efforts, regularly reporting on our progress and engaging with our community to drive positive change.



2.1. Impact Analysis

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfils the following elements:

- a) **Scope:** What is the scope of your bank's impact analysis?

Please describe which parts of the bank's

Principle 2: Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts by managing the risks to people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

- a) We utilized the UNEP-FI Portfolio Impact Analysis tool to assess the impact of our loan portfolio. The scope of the Bank's impact analysis covers the sectoral segments of our loan portfolio in relation to the Nigerian context where we operate. Our analysis focused on the retail, corporate, and commercial segments. The public sector segment was not included in this assessment.
- b) Yes, we consider the composition of our portfolio as a crucial element of our financial analysis and risk management processes.

core business areas products/services across the main geographies that the bank operates in (as described under have been considered in the impact analysis.

Please also describe which areas have not yet been included, and why.

b) Portfolio Composition: Has your bank considered the composition of its portfolio (in %) in the analysis?

Please provide proportional composition of your portfolio globally and per geographical scope i) by sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or ii) by products & services and by types of customers for consumer and retail banking portfolios.

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

d) Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts.

Industry Classification	% of loan portfolio
Primary Industry (E.g., Agriculture, Forestry, Mining, etc.)	24.46%
Secondary Industry (E.g., Manufacturing, Construction, Food Processing, transportation, etc.)	25.51%
Tertiary Industry (E.g., Finance & Insurance, Human Health & Social Activities, etc.)	53.64%

Corporate Banking	Commercial Banking	Retail Loans	Public Sector
25.72%	67.16%	5.99%	1.13%

Sector	Percentage of Loan Portfolio
OIL AND GAS	19.61%
GENERAL COMMERCE	19.00%
MANUFACTURING	17.04%
GENERAL	12.57%
TRANSPORTATION AND STORAGE	10.15%
AGRICULTURE, FORESTRY AND FISHING	4.58%
CONSTRUCTION	4.48%
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	3.36%
FINANCE AND INSURANCE	2.90%
REAL ESTATE ACTIVITIES	2.44%
GOVERNMENT	1.13%
EDUCATION	0.51%
INFORMATION AND COMMUNICATION	0.50%
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	0.49%
POWER AND ENERGY	0.39%
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	0.33%
WATER SUPPLY; SEWAGE, WASTE MGT AND REMEDIAL	0.28%
ARTS, ENTERTAINMENT AND RECREATION	0.23%
CAPITAL MARKET	0.01%
Grand Total	100%

c) Nigeria faces numerous challenges, including poverty, income inequality, climate change, environmental degradation, infrastructure deficits, gender inequality, and limited access to financial services. In response, we have conducted an evaluation of Environmental, Social, and Governance (ESG) factors through materiality assessment with various stakeholders including employees, investors, regulators, local communities and customer segments. Our lending activities are therefore targeted towards the critical sectors of the economy with a view to alleviating poverty, increasing job creation and engendering inclusive growth to mitigate the negative impact of inaccessibility of the right financial products or offerings, increased poverty and inequality.

d) Wema Bank has conducted a thorough impact analysis to identify which sectors, industries, and types of customers financed or invested in are causing the strongest actual positive or negative impacts. This analysis includes:

Sectors and Industries

We analyzed our portfolio concentration in critical sectors such as Oil and Gas, Manufacturing, and Retail, as well as their contributions to Gross Domestic Product (GDP). Additionally, we evaluated the potential negative impacts of our financing activities within these sectors. This assessment helped identify our key materiality focus areas, as outlined below

	<ul style="list-style-type: none"> Financial Inclusion: Evaluating the impacts of initiatives aimed at increasing access to financial services for underserved populations, including the positive effects on economic empowerment and potential challenges in implementation. Women Empowerment: Assessing the impacts of financing programs that support women entrepreneurs and promote gender equality, focusing on contributions to social equity and economic growth. Climate Action: Analyzing the environmental impacts of investments in projects aimed at mitigating climate change, such as renewable energy and sustainable agriculture, as well as the potential negative effects of carbon-intensive industries. <p>Types of Customers</p> <ul style="list-style-type: none"> Small and Medium Enterprises (SMEs): Understanding the role of SMEs in economic development and job creation, particularly those led by women or focused on sustainable practices. Corporate Clients: Evaluating the sustainability practices of large corporate clients, especially those involved in climate action initiatives. Retail Customers: Assessing the social impacts of retail banking services, such as financial inclusion and access to credit, with a focus on supporting women and vulnerable communities. <p>By identifying these key areas, Wema Bank aims to enhance its positive impacts while mitigating negative ones, in line with the UNEP-FI's holistic approach to sustainable finance. This process involves setting specific impact targets and action plans to manage and improve the bank's overall sustainability performance.</p>
<p>2.2. Target Setting Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:</p> <p>(a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.</p> <p>(b) Have you determined a baseline</p>	<p>In line with the 3 areas identified in 2.1 above, we set targets in 3 key areas; Women Empowerment, Financial Inclusion & Health and Climate Action.</p> <p>Women Empowerment</p> <p>According to research by AFAWA (Affirmative Finance Action for Women in Africa), the funding gap for female entrepreneurs in sub-Saharan Africa is \$42Billion.. This gap hinders women's ability to take a greater lead in growing the economy and improving their roles as agents of social change. Women empowerment is therefore one of the strategic focus of the Bank targeted at promoting inclusion, diversity, equity and growth. Women empowerment to us means that the inclusion of women in decision making process, creation of platforms for them to succeed and thrive as well improving their knowledge and access to health, education, skill acquisition and finance. In 2019, Wema Bank launched a female proposition known as "Sara by Wema" aimed at improving women's access to both financial and non-financial resources, that will help them succeed regardless of their age, tribe, profession, or location.</p> <p>In addition, the government and the financial regulators have prioritized women's economic empowerment as a catalyst for socio- economic growth and development. Principle 4 of the Nigerian Sustainable Banking Principles (NSBP) is focused on women economic empowerment and a number of initiatives have been launched by the government and private sector to accelerate economic prosperity for the female gender. Some of the initiatives include, advocacy, discounted lending rate, skill acquisition, mentorship, networking etc. All financial institutions in Nigeria are signatories to the Nigerian Sustainable Banking Principles with reporting done bi-annually. As a responsible organization, we are also in alignment with the United Nation's Women Empowerment Principles (UN-WEP).</p>

for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

(c) SMART targets (incl. key performance indicators (KPIs)[1]):

Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

(d) Action plan: Which actions including milestones have you defined to meet the set targets? Please

Since the launch of Sara by Wema, we have onboarded over 1,000,000 women on the platform, starting from a base of about 300,000 in 2019 and recorded an accelerated growth during the COVID years in 2020 and 2021. Having surpassed the initial 4-year target set on including more women on our platform, the next step is to improve the financial health of these women by ensuring that they are actively transacting, with add-on services such as; Access to relevant products (insurance, micro loans), Access to sound financial advice (advisory services, financial coaching and portfolio/investment management.) and Access to skills & capacity building and entrepreneurial training. These will help unlock new business opportunities that will increase job creation, life expectancy and economic prosperity. In addition, improved financial health will reduce business vulnerabilities and increase resilience during economic downturn.

KPIs to monitor progress on the targets set include;

- Number of female customers onboarded
- Number of transactions performed in a quarter
- Number of women onboarded on the health insurance scheme.
- Number of women able to access microloans.
- Number of women on investment schemes
- Number of women with access to skills & capacity building and entrepreneurial training.
- Number of female customers transacting at least 3 times in a month.

Financial Inclusion and Health

Nigeria remains one of the emerging economies with huge growth potentials in global demand for resources and young vibrant population. The Federal Government of Nigeria has been making concerted efforts to actualize this growth potentials in various ways through investments, policy reforms and economic diversification. One of the investments is the implementation of the national financial inclusion strategy that is targeted at lifting poverty and to drive inclusive growth. No doubt, the country has been rife with widespread poverty and hunger, with over half of the 200 million population living below the United Nations poverty line.

Our goal is to continuously develop accessible and affordable financial products and services to individuals, communities and businesses, that traditionally have had limited or no access to the formal financial sector. Although, we have created the ALAT banking platform to make account opening and usage easy for everyone, we will continue to segment the addressable market due to the large size of the unbanked and underbanked population. The various segments will include;

- Youth & Young Adults,
- Middle- & Low-Income Earners,
- MSMEs (Micro, Small and Medium Enterprises) and
- Farmers.

We will make banking accessible using mobile technology to reach everyone in the urban and rural areas of the country. There will be frequent financial literacy programmes across our business locations and on online media. The successful implementation of our financial inclusion programme would enable consumers to take advantage of global financial dynamics, enhance efficiency in managing personal finances, promote entrepreneurship, banking culture and ultimately ensure financial stability. Progress will be measured by the number of active users performing at least 3 transactions in a month and using one of other service beyond payments. For instance, savings, loans, health insurance, investments, advisory services etc. In addition, we expect to witness positive future economic and social well-being of Nigerians by reducing poverty, improving income and facilitating development.

KPIs to monitor progress made on targets set include;

- Number of new-to-bank customers onboarded every quarter.
- Number of new-to-bank customers with access to various insurance schemes.
- Number of new-to-bank customers able to access microloans.
- Number of new-to-bank customers on investment schemes
- Number of new-to-bank customers with access to skills & capacity building and entrepreneurial training.
- Number of new-to-bank customers transacting at least 3 times in a month.

Climate Action

In line with our commitment to reduce our emissions and negative environmental impact, we have developed the Climate Risk Policy to guide our business decisions which have the potential to influence the communities and environment we operate. We believe that while lending to and investing in specific sectors and activities, the Bank needs to consider not only the conventional financial risk but also the environmental and social impact.

We are aligned with the Paris Climate Agreement, Nigerian Climate Change Act 2021 and the the Nigeria Energy Transition Plan (2022). We acknowledge that climate change poses a significant danger to the environment, the economy, society, our clients, and their communities most especially, sectors such as agriculture and food security, water resources, energy, health, human settlement, transportation and communication (radio masts and towers).

We are dedicated to supporting this transformation and will work to include climate mitigation and adaptation into our operations and collaborate with our clients' communities to develop climate resilience strategies. We will continue to provide the right support to our customers to support the move from high- to low-carbon assets in line with our commitments, while intentionally reducing negative footprint by ensuring the efficiency of our internal resources. We plan to reduce our oil & gas portfolio size of N10bn by 15% over a period of 5 years while we continue to invest in the renewable segments by building the portfolio from N43bn to N100bn over the

Financed Emissions	Internal Emissions
<ul style="list-style-type: none"> • Number of impact sector transactions booked quarterly. • Percentage of impact transactions on the loan portfolio recorded monthly. 	<ul style="list-style-type: none"> • Measurement of energy usage reduction recorded monthly • Carbon emissions from internal activities measured monthly.

2.3. Plans for Target Implementation and Monitoring

Show that your bank has implemented the actions it had previously defined to meet the set target.

To meet the targets and desired milestones we implemented the following;

Financial Inclusion

- We have improved access to financial services through the ALAT platform while alleviating poverty and meeting the financial inclusion target as stated in the Nigerian Sustainable Banking Principles 5 (NSBP 5).
- Through the enhancement of our Agency banking structure and financial inclusion platforms, we onboarded 1,076,957 new-to-bank customers. Most banking requests can be completed online, including debit card request,

which has also reduced carbon footprint significantly.

- The Bank also created the microloan scheme to provide access to funds for people at the bottom of the pyramid. These microloans are also accessible without the use of smartphones. In 2024, the Bank disbursed N4.5 Billion to 150,001 individuals. We believe that financial inclusion remains one of the key socio-economic strategies that will alleviate poverty and drive inclusive development and growth in Nigeria.
- As of December 2024, we had over 75,251 agents providing financial services to the unbanked and underbanked people in remote areas of the country. This is also in alignment with SDGs 1, 2, 8 & 10 and NSBP 5.
- Organised capacity building programmes and vocational skill acquisition sessions for youth and women.
- Minimum regulatory documentation requirement from customers, especially those in the disadvantaged areas.
- Solutions designed in local languages for ease of understanding and multi-lingual contact centre to address various customer needs.

Women Empowerment

- Our female proposition, Sara by Wema, continues to bridge the gender financing gap in the business world and gives women access to mentorship, funding, capacity building and advisory services to start or scale their businesses.
- We continuously created awareness on financial literacy and the opportunities available to our SARA by Wema customers.
- Wema Bank disbursed N44 Billion to 141,358 women and women-owned/women-led businesses in 2024, most of which were uncollateralized loans. This is a direct solution provided by the Bank to the access to finance challenge. Lack of collateral for accessing loans has been identified as one of the major obstacles encountered by women owned businesses.
- Our internal network, called “Wema Women Network”, continues to nurture and inspire women to achieve success and fulfilment in their career and personal lives. This is also one of the key principles under the Nigerian Sustainable Banking Principles 5 and SDG 5 & 10.
- Our commitment to the United Nations Women Empowerment Principles (UN-WEP) has also enabled us to continue to drive women empowerment at the highest levels.
- Organised capacity building programmes and vocational skill acquisition sessions for youth and women.
- Minimum regulatory documentation requirement from customers, especially those in the disadvantaged areas.

Climate Action

Internal Emissions

- In 2024, we conducted an energy audit to identify opportunities for conserving and optimizing energy use to reduce our operational footprint. Based on the results, we implemented two key initiatives at the head office and branches.
- We introduced an elevator shutdown policy every Thursday for one hour, from 12:00 pm to 1:00 pm, to reduce energy consumption and emissions. Beyond energy savings, this initiative also encourages employees to use the staircase, promoting physical activity and improving fitness levels, especially given their predominantly sedentary work routines. However, recognizing that some employees have special needs, we ensured that one remain operational for those who require them. This thoughtful approach helped ensure the initiative was well-received by all employees.
- Additionally, we implemented an energy shutdown policy across business locations. At 6:00pm, all power is turned off, and employees are expected to leave the office. This simple yet effective initiative prevents generators

from running unnecessarily for a small number of employees while also promoting work-life balance. These initiatives have significantly contributed to reducing our operational emissions, resulting in a savings of 1,022 metric tonnes of CO₂ equivalent.

Financed Emissions

- We commenced bankwide campaign on sustainable finance and harnessing opportunities in the space.
- Creation of sector-specific Environmental and Social Due Diligence (ESDD) platform sector-specific to addresses key climate risk across five high-impact sectors: Manufacturing, Oil and Gas (downstream, midstream, and upstream), Power, Construction, and Agriculture. This has provided insight into how our customers manage climate risks and their associated impacts, enabling the Bank to assess its exposure to climate risk and implement appropriate mitigation measures.
- Creation of new impact sector products to increase the impact sectors in the loan portfolio such as the Green Energy Facility, Sustainable Agriculture and Clean Energy Distribution.

Monitoring and Reporting

- Regular reporting to the Sustainability Advisory Committee, Management Risk Committee and the Board Remuneration, Nominations and Governance Committee on progress made in respect of the set targets.
- Transparent reporting to stakeholders on progress and milestones achieved in target areas. The progress made is actively measured monthly through the growth or decline in established KPIs across the various segments and demography.

2.4. Progress on Implementing Targets:

For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.

As a responsible business, we are committed to achieving our targets and setting new ones. In line with the aforementioned targets, we have achieved the following: We have continued to record year-on-year progress on implementation of the initiatives listed above through collaborative efforts, evidenced by surpassing targets set in the period under review. The actions defined to set the set targets are outlined in 2.3 above. Below are the achievements of the targets set.

Target & Achievement

Women Empowerment				
	Total Number of Female Customers in Bank		Number of Women whose Financial Health Improved	
	Target	Achieved	Target (25%)	Achieved
Year 1 (2024)	1,170,000	2,046,484	292,500	744,515
Financial Inclusion & Health				
	Total Number of New-to-Bank Customers Onboarded		Number of Women whose Financial Health Improved	
	Target	Achieved	Target (25%)	Achieved
Year 1 (2024)	550,000	1,076,957	137,500	256,029
Climate Action (target amended from increase in volume to increase in % of the loan portfolio)				
	Internal Emissions		Financed Emissions (Increase in impact sector of the loan portfolio)	
	Target (tCO ₂ e)	Achieved	Target (% of Total Loan Portfolio)	Achieved
Year 1 (2024)	= 8,567.5	7,582.2	=7%	13%



Principle 3: Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Provide an overview of the policies and practices your bank has in place or is planning to put in place to promote responsibly its relationships with its customers. This should include high-level information on any programmes and actions implemented (or planned), their scale and, where possible, the results thereof.

We recognize that customers are integral to our business success. To strengthen our relationships with them, we have implemented several initiatives guided by our Corporate Sustainability & Responsibility (CSR) and Environmental and Social Risk Management (ESRM) policies. These initiatives include the following:

1. Customer-Centric Digital Solutions to Deepen Financial Inclusion:

Financial inclusion is at the heart of our sustainability agenda. We hold regular campaigns to encourage our customers to own a bank account and transact with the account. This includes programmes such as the 5-for-5 Promo, market and account activation storms. These initiatives have improved inclusion and access to finance and markets. Our flagship digital banking platform, ALAT, is designed to enhance customer experience by providing seamless, accessible, and inclusive financial services. ALAT has reached over 2.54 million users, significantly enhancing financial inclusion and accessibility. Our microloans products for people at the last mile has significantly expanded financial inclusion and access to finance, particularly among underserved populations.

Another examples is the launch of the Wema-SCIDaR Health Financing Facility for Community Pharmacists and Patent and Proprietary Medicine Vendors (PPMVs). Solina Centre for International Development and Research (SCIDaR) is management and healthcare consulting non-profit that works with businesses, governments, researchers and development organisations to develop innovative solutions that address pressing healthcare challenges. The Wema-SCIDaR partnership is aimed towards advancing primary healthcare in Nigeria.

2. Financial Literacy Programmes:

We conduct regular financial literacy workshops and seminars to educate our customers on responsible financial management. These programs aim to empower customers with the knowledge to make informed financial decisions, thereby promoting financial well-being, vocational skill acquisition sessions, mentorship programmes for young people, and financial literacy sessions for individuals and business owners. These programmes have improved equality and enhanced decent work and economic growth - SDG 5, 8 & 10 and NSBP 4.

3. Sustainable Product Offerings:

With growing awareness around catalytic financing and financed emissions, we have intensified efforts to promote the adoption of more sustainable business models among our customers. This includes conducting site visits to assess their environmental and social risks. In 2024, we enhanced our engagement with Development Financial Institutions to secure ESG-targeted lending. This initiative aims to improve on-lending to our customers in sustainable and impact sectors at concessionary interest rates.

We also offer a range of impact financing products that support environmentally sustainable and socially equitable projects. This includes loans for renewable energy projects, clean energy distribution, gender finance and sustainable agriculture. Our impact financing portfolio has grown steadily, supporting numerous sustainable projects that contribute to environmental conservation and economic development.

	<p>4. Customer Feedback Mechanisms: We have established robust feedback mechanisms to ensure that we obtain feedback from customers and their needs are addressed promptly. This includes customer satisfaction surveys and dedicated customer service channels. We also engage regularly with stakeholders to determine what is important to them and this in turn informs creation of products and services to suit their needs. Our customer feedback mechanisms have led to continuous improvements in service delivery, resulting in high customer satisfaction rates.</p> <p>5. Environmental and Social Site Visit: As part of our Environmental and Social Risk Management (ESRM) policy, we evaluate our borrowers' environmental and social performance to assess how they manage inherent risks and impacts. During site visits, we review the on-the-ground implementation of their Environmental and Social Management System (ESMS), provide feedback on their practices, and encourage the adoption of sustainable and responsible business practices.</p>
3.2 Business opportunities: Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period.	<p>1. Microlending: Through our microloans accessible via USSD, we have expanded access to financial services and loans for underserved populations. This initiative not only promotes financial inclusion but also supports economic growth and reduces inequality.</p> <p>2. Impact Financing: We have increased our focus on green financing by offering loans and financial products that support environmentally sustainable projects. This includes funding for renewable energy projects, energy-efficient infrastructure, and sustainable agriculture.</p> <p>3. Sustainable Development Goals (SDGs) Alignment: Our business strategy is closely aligned with the SDGs, ensuring that our lending and investment decisions contribute to sustainable development. We prioritize projects that have a positive social and environmental impact.</p> <p>4. Environmental and Social Risk Management: We have implemented robust and comprehensive environmental and social risk management frameworks to assess and mitigate the potential negative impacts of our lending and investment activities. This ensures that our business practices contribute positively to society and the environment. This includes conducting environmental impact assessments for high-risk projects and promoting sustainable practices among our clients</p> <p>5. Stakeholder Engagement: We actively engage with stakeholders, including customers, employees, and community members, to understand their needs and expectations. This collaborative approach helps us identify new opportunities for positive impact and ensures that our initiatives are aligned with societal goals. Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>
	<p>Principle 4: Stakeholders</p> <p>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>
Does your bank have a process to identify and regularly consult, engage, collaborate, and partner with stakeholders?	Stakeholders are a crucial part of our sustainability agenda at Wema Bank. We have identified our stakeholder groups as investors/shareholders, employees, customers, suppliers/vendors, local communities, partners (such as NGOs and

	<p>social enterprises), government/regulators, and the media. Regular engagement with these stakeholders allow us to pinpoint key areas of importance to them and gather valuable input to address their concerns effectively. Collaborating with them also supports the achievement of our goals.</p> <p>Our stakeholder engagement sessions are tailored to be both formal and informal, depending on the stakeholder group. Through these sessions and our commitment to enriching lives and creating value for our stakeholders, we prioritize and implement systems to improve the identified key areas.</p> <p>Our stakeholder engagement and materiality matrix are clearly articulated in the standalone sustainability IFRS S1 report.</p>
	<p>Principle 5: Governance & Culture</p> <p>We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>
<p>5.1 Governance structure for implementation of the Principles Does your bank have a governance system in place that incorporates the PRBs? Does your bank have a process to identify and regularly consult, engage, collaborate, and partner with stakeholders?</p>	<p>Wema Bank has a sustainability governance structure in place that oversees incorporation of the Principles for Responsible Banking.</p> <p>The Board of Directors is the highest decision-making body in the Bank, driving equity and fairness in remuneration with clear communication of our corporate objectives and focus. The Board Remuneration, Nomination and Governance Committee drives the Bank's sustainability agenda.</p> <p>The Sustainability Advisory Committee reviews and approves decisions that govern the environmental, socio-economic and governance (ESG) policies within the organisation. The Committee also ensures that the Bank upholds its commitment to responsible and sustainable practices in line with global goals, regulatory requirements and organisations such as the UNEP-FI PRBs.</p> <p>The Corporate Sustainability and Responsibility Department executes the Bank's sustainability agenda advising the Board and Executive management on best sustainability practices and relevant regulatory expectations.</p> <p>Sustainability has been embedded in the culture and strategy of the Bank. Every employee is aware of the Bank's commitment to sustainability and are periodically trained in global sustainability trends while the champions drive sustainability implementation at the operational and business level.</p> <p>Milestones achieved are reported monthly to the Executive Director who plays dual role of Directorate Head of the Sustainability Department and Sustainability Advisory Committee Chairperson. The Sustainability Advisory Committee meets on a quarterly basis to review progress and align focus with the strategic business units. The Corporate Sustainability team also reports progress on sustainability related matters to the Board Nomination & Governance Committee quarterly.</p>
<p>5.2 Promoting a culture of responsible banking:</p> <p>Describe the initiatives and measures by your Bank for fostering a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability training for client-facing roles, inclusion in</p>	<p>At Wema Bank, fostering a culture of responsible banking among our employees is a key priority. Annually, we conduct surveys for a gap assessment and identification of the training needs of our employees. The insights gathered from this assessment have informed various initiatives across the Bank, helping to foster a culture of responsible banking. We have implemented several initiatives and measures to ensure that our workforce is well-equipped to uphold the principles of responsible banking. These include:</p>

remuneration structures and performance management and leadership communication, amongst others).

1. Capacity Building: We provide continuous professional development opportunities for our employees through workshops, seminars, and training programs. These initiatives are designed to enhance their skills and knowledge in sustainable and responsible banking practices. New hires are trained during induction on global sustainability trends and Wema Bank's sustainable banking initiatives.

In addition, we circulate weekly sustainability nuggets styled "Tuesday Fact" to keep employees abreast of local and global sustainability trends whilst also bridging sustainability knowledge gaps.

2. E-Learning Platforms: Our e-learning platform, called WINGS offer a range of courses on sustainability, ethical banking, and environmental and social risk management. These courses are accessible to all employees, ensuring that they can learn at their own pace and convenience.

3. Specialized Sustainability Training: We conduct specialized training sessions for employees in client-facing and support roles to ensure they understand the importance of sustainability in banking. This training equips them with the knowledge to advise clients on sustainable financial products and practices and enable support staff to apply sustainability in their roles. Examples are trainings for Relationship and Business Managers on identifying green transactions, managing environmental and social risks in transactions lifecycle, etc.

4. Recognition of Contribution to Sustainability Goals: Periodically, we recognise and reward employees who have contributed significantly to the sustainability agenda of the Bank. This is an incentive to encourage more adoption of sustainability practices in our business operations and activities in their performance reviews and incentives.

5. Leadership Communication: Our leadership team actively communicates the importance of responsible banking through regular town hall meetings, newsletters, and internal communications. This ensures that the message of sustainability is consistently reinforced across all levels of the Bank.

6. Employee Engagement Initiatives: We organize various employee engagement activities, such as sustainability games styled as "fastest fingers" and volunteer programs through the Bank's iVolunteer platform. These foster a sense of responsibility and commitment to sustainable practices among our staff.

Through these initiatives, Wema Bank is committed to promoting a culture of responsible banking, ensuring that our employees are well-prepared to contribute to a sustainable future.

5.3 Policies and due diligence processes: Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe:

Wema Bank has robust comprehensive policies and due diligence processes in place that address and manage environmental and social risks within its portfolio effectively. These include;

Environmental and Social Risk Policies

Wema Bank has developed specific policies that focus on identifying, assessing, and mitigating environmental and social risks. These policies are integrated into the bank's overall risk management framework and are aligned with international standards and best practices.

Due Diligence Processes

The bank employs robust due diligence processes to ensure that environmental

	<p>and social risks are thoroughly evaluated throughout the transaction lifecycle. This includes:</p> <ul style="list-style-type: none"> • Risk Assessment: Conducting detailed assessments of potential environmental and social impacts for all new projects and investments. • Screening and Monitoring: Implementing screening procedures to identify high-risk activities and continuous monitoring to ensure compliance with environmental and social standards. • Stakeholder Engagement: Engaging with stakeholders, including clients and local communities, to understand and address their concerns related to environmental and social issues. • Providing training for staff to enhance their understanding and management of environmental and social risks. <p>The Bank continuously reviews and updates its policies and processes to ensure they remain effective in addressing emerging environmental and social challenges.</p> <p>By integrating these policies and due diligence processes, we aim to minimize environmental footprint and contribute positively to the communities it serves. Principle</p>
	<p>Principle 6: Transparency & Accountability</p> <p>We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>
<p>6.1. What are the next steps your bank will undertake in the next 12-month reporting period (particularly on impact analysis, target setting, and governance structure for implementing the PRB)?</p> <p>Please describe briefly.</p>	<p>We have made significant impact in the implementation of the PRBs in our business operations and activities. We have also witnessed consistent growth while making meaningful impact across the environmental, socioeconomic and governance pillars especially in our areas of materiality.</p> <p>Since 2019, we have annually reported our progress in implementing the Principles in addition to a standalone Sustainability report with GRI reporting alignment and sustainability assurance by KPMG since 2022 to reiterate our commitment to transparency and accountability to our stakeholders and the society at large.</p> <p>For 2024 reporting, we voluntarily adopted the IFRS S1 ISSB Reporting Standards. This has enhanced transparency and accountability to our various stakeholder groups.</p> <p>We collaborate with the sustainability champions periodically to review progress made in alignment with our sustainability agenda and to identify other opportunities that can advance our sustainability journey and enable us to make meaningful impact.</p> <p>In 2023, our sustainability report was prepared in accordance with Global Reporting Initiative (GRI) Standards. We also had our second sustainability assurance by KPMG to reiterate our commitment to transparency and accountability to our stakeholders and the society at large.</p> <p>Over the next 12 months, Wema Bank has outlined several strategic initiatives to reinforce our commitment to the Principles for Responsible Banking (PRBs). These initiatives include the following:</p>

1. Impact Analysis:

- **Comprehensive Assessment:** We will conduct a thorough analysis of the bank's environmental, social, and economic impacts. This will involve evaluating the bank's operations, products, and services to identify areas where the bank can continue to make the most significant positive contributions and mitigate negative impacts.
- **Stakeholder Engagement:** We will continue our engagement with key stakeholders, including customers, employees, and community representatives, to gather insights and feedback on the bank's impact and areas for improvement.

2. Target Setting:

- **Define Clear Targets:** Based on the impact analysis, we will set specific, measurable, achievable, relevant, and time-bound (SMART) sustainability targets that align with the Principles for Responsible Banking while continuously reviewing and refining our existing targets to ensure alignment with global sustainability objectives.
- **Public Disclosure:** We will publish these targets to ensure transparency and accountability. This will include setting targets for reducing carbon emissions, promoting financial inclusion, women empowerment and supporting sustainable economic development initiatives.

3. Governance Structure:

- **Strengthen Governance Framework:** We will continue to strengthen the Bank's governance structure to ensure effective implementation of the Principles for Responsible Banking. This will involve the Board Committee and Sustainability Committee, which includes members from key departments, overseeing the integration of sustainability into every aspect of the bank's operations and activities.
- **Regular Monitoring and Reporting:** With our robust monitoring and reporting system, we will continue to track progress against the set targets. The Bank will report quarterly on its progress to the Board and Sustainability Committee, semi-annually to the Central Bank of Nigeria and annually to UNEP-FI.
- **Capacity Building:** We will continue to train and empower employees across various units to understand and drive the sustainability agenda. This will ensure that sustainability principles are embedded in all aspects of the bank's culture, operations and activities.



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Innovation Report

Executive Summary

Innovation lies at the heart of who we are at Wema Bank. As a department within Corporate Transformation, Innovation and Analytics (CTI), the Innovation team has solidified its role as a key driver in empowering lives through transformative solutions. Since its inception, the team has been rooted in the belief that innovation is not just a process but an identity, a commitment to fostering creativity and delivering impactful outcomes.

2024 has been a landmark year for the Innovation team, marked by many milestones underscoring our dedication to shaping the future of work and banking. Internally, we launched IDEAX Labs, an innovation hub designed to ignite groundbreaking ideas within the Bank. We also introduced Streak, a performance-enhancing tool for internal teams, and extended the reach of our Rumble Workshop, an immersive design-thinking sprint that aims to deepen the culture of innovation bank-wide.

Beyond internal impact, our efforts extended into creating bank-agnostic solutions that address broader societal challenges. One of the highlights of the year was the launch of the bespoke digital cooperative solution in May, a first-of-its-kind platform that leverages innovation to enhance financial inclusion and streamline cooperative management. This solution exemplifies our ability to innovate beyond banking, creating products with far-reaching value for diverse communities.

Externally, we've continued our tradition of fostering innovation across the ecosystem. Hackaholics 5.0, the latest edition of our flagship hackathon, achieved unprecedented success, with record-breaking participation, expanded pitch locations, and increased prize funds. This milestone reaffirms our commitment to not just leading innovation but also creating opportunities for others to innovate and thrive.

Through a seamless blend of internal initiatives and external impact, the Innovation team remains committed to driving transformative change at Wema Bank and positioning the institution as a catalyst for progress across the fintech and innovation ecosystem.

Innovation Lab Management

The IDEAX Labs, launched on May 10, 2024, was envisioned as the embodiment of our innovation philosophy. More than just an aesthetically pleasing co-working space designed to inspire productivity, it was created to serve as the headquarters for shaping culture, reengineering mindsets, and fostering groundbreaking solutions.

An acronym for Innovation, Digital Enablement, Analytics, and Xperience, the IDEAX Labs is where we aim to architect the future of innovation. It is home to a growing community of “magic makers” deeply committed to developing cutting-edge products—both solutions for the Bank and bank-agnostic innovations that cater to a broader audience.

Since its launch, the lab has become a vibrant hub of ideas and collaboration. It hosted a variety of dynamic events, from thought-provoking discussions on AI and the art of self-disruption to fireside chats with senior leaders on career growth. The lab has also curated exclusive events, such as sessions tailored for founders within the ALAT Founders Startup Community. Beyond this, it has facilitated cross-departmental fireside chats and ideation sessions, serving not just the Innovation team but also other divisions like CTI and ALAT.

The IDEAX Labs is more than just a physical space; it is a symbol of our commitment to fostering innovation that transcends boundaries, delivering impact both within and beyond the Bank.

IDEAX Labs Open House

In keeping with the vision of fostering culture-shaping conversations within and beyond the bank, the IDEAX Labs Open House has become a platform for impactful dialogue on diverse and pertinent subjects. Since its launch, six Open House sessions have been held, drawing an impressive average of 500 applications per session. However, participation is intentionally capped at 40 attendees to ensure richer, more meaningful discussions and to accommodate the lab's seating capacity.

The Open House debuted with the theme “From Idea to Implementation: The Product Developer's Journey”, featuring Stephen Abolarin, CEO of Ecosia, and Evi Jessie Emeurude, Head of ALAT Engineering. The discussion explored the art of building groundbreaking products, tailored specifically for software engineers, product designers, and product owners. The conversation for product owners centered on balancing behind-the-scenes administrative tasks with managing user expectations and adapting to their evolving needs.

In a subsequent session, “Beyond AI: The Driving Force of Data,” Head of Data Olamide Jolaoso led a lively discussion with members of the Innovation team on the critical role of data in powering AI systems. The conversation explored whether AI threatens job security or has the potential to become sentient, ultimately emphasizing the importance of embracing AI's opportunities while exercising caution around the data driving these systems.

In August, the Open House pivoted from product engineering to personal growth with the theme “The Art of Self-Disruption,” featuring Rosemond Phil-Otthiwa and Dr. Emmanuel Osoteku. Drawing inspiration from disruptors like Uber, Airbnb, and Netflix, the session highlighted how these companies reinvented entire industries by challenging the status quo. Attendees were encouraged to see themselves as products, constantly evolving to avoid stagnation—a lesson underscored by comparing successful disruptors to companies that failed to adapt and faded into obscurity.

A panel-like session followed, featuring senior bank executives, including Chief Information Officer Adeoluwa Akomolafe, Chief Financial Officer Bunmi Oladosu, Group Head of Operations Tajudeen Bakare, and Head of Sustainability Abimbola Agbejule. This session delved into starting and navigating a career, making strategic decisions, and balancing personal growth with organizational value. Participants were encouraged to focus on creating value as a way of demonstrating loyalty, maintaining relationships even when making tough career moves, and staying adaptable in the face of challenges.

The final session, curated for the ALAT Startup Community, was themed “Startup or Stand Down: Strategies for Sustainable Growth” and featured insights from Solomon O. Ayodele (Head, Innovation), Hakeem Onsaya (Head, Startup Lagos Innovate) and Ajibade 'Laolu Adewale (Group Head, Partnerships and Chairman, Committee of E-Business Heads). The discussion emphasized the importance of structuring startups to deliver tangible value to users, preparing for transitions—whether in product, structure, or through an exit strategy—and embracing failure as a step toward success. Founders were encouraged to bootstrap their startups to a point of desirability before seeking external funding.

Beyond the curated Open House events, the IDEAX Labs has fostered cross-departmental engagement through specialized fireside chats, including sessions on customer experience with Victor Fatanmi, conversations with innovation champions, and focused discussions with the Operations and Branch teams. Other initiatives include data training workshops, ideation sessions with the ALAT Tech and CTI teams, and high-level external engagements such as meetings with McKinsey and the Central Bank of Nigeria (CBN). The IDEAX Labs continues to drive innovation, foster collaboration, and create a space for meaningful dialogue that empowers individuals and teams across the bank and beyond.

Rumble workshop

Beyond hosting Open Houses at Wema Bank's headquarters, we are equally committed to extending the innovation philosophy across the organization. Through the Rumble Workshop—a design thinking program—we empower staff members to replicate this innovative approach within their teams and locations. This year, we engaged over 300 employees across three states, including middle-level managers, BITs, and branch operations staff. The workshops were tailored to equip participants with the skills to creatively solve problems and design effective solutions using the design thinking toolkit.

One of the standout workshops focused on middle managers, where the design challenge centered on identifying untapped niches. During this session, participants highlighted the creative sector as a promising opportunity. Insights from the workshop informed the development of Treva, an all-in-one solution tailored for creatives, underscoring the tangible outcomes of these sessions.

This year was truly remarkable for the Rumble Workshop—not just in equipping staff with the design thinking toolkit but also in the exceptional quality of ideas generated. Many of these ideas have progressed into actionable solutions, reaffirming the innovative spirit of the bank and the incredible potential of its people. As we celebrate these achievements, we remain mindful of the work ahead, driven by





Innovation Products

Beyond the programs—both internal and external—designed to shape culture and foster innovation at scale, the Innovation team is committed to launching groundbreaking products that address key challenges within and beyond the bank. This year, we ideated, built, and launched 11 products: six designed for internal use and five bank-agnostic solutions.

Swift Answers on ALAT for Business

The idea for Swift Answers came from a Rumble workshop. This solution presents users with a quicker and faster way of getting answers to their questions, through an AI-based solution. This idea was approved by the Innovation Lab Review Board, and it's being integrated into the ALAT for business solutions.

Instant Beneficiary on ALAT

The idea behind this functionality is that it allows the user to seamlessly send funds to saved beneficiaries in a few taps, eliminating the need to input a PIN (Personal Identification Number) when creating a new beneficiary on ALAT. This improves efficiency and reduces the number of steps required to credit existing beneficiaries, encouraging users to save beneficiaries, and even set up recurring payments.

Spend and Invest in ALAT

The Idea of the product 'Save & Invest' is to provide our customers with financial freedom and wellness by providing them with untethered access to diversified investment opportunities. This was done by opening options that extend through mutual bonds, stocks, and ETF products to our customers.

Innovation Product Proposition



The SARA Platform

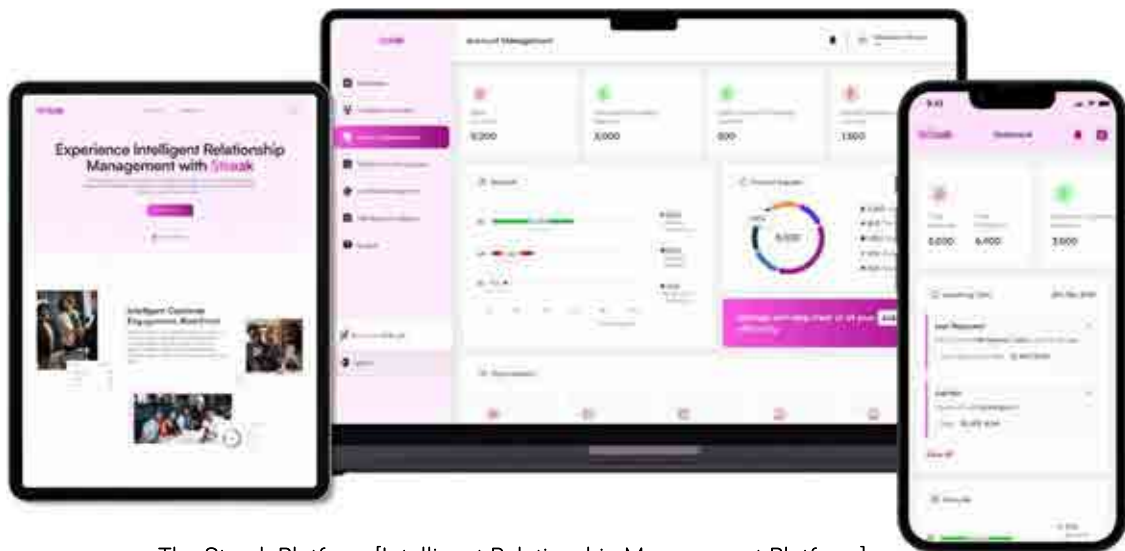
This is an industry-first community engagement platform that empowers women to engage and explore. We developed not just a landing page, but a comprehensive Web App designed to empower women with a suite of financial and social tools. The app offers seamless user experience, allowing users to interact with the community, access financial resources, and benefit from tailored services.

Value Offering:

- **Community Engagement:** Users can connect with like-minded individuals, join forums, and participate in discussions that matter to them.
- **Financial Tools:** The app includes features like a loan calculator, access to SARA loans, and a range of financial products tailored to women's needs.
- **Lifestyle and Health:** Users can explore lifestyle content, health plans, and testimonials, ensuring a holistic approach to their well-being.
- **Rewards and Incentives:** Engage with the platform to earn rewards and access exclusive deals and discounts.

Benefits to the Bank and Customers:

- **For the Bank:** The SARA Web App enhances customer loyalty, drives engagement, and showcases the bank's commitment to supporting women's financial independence.
- **For Customers:** Women gain access to crucial financial tools, a supportive community, and personalized services, all aimed at enhancing their economic and social wellbeing.



The Streak Platform [Intelligent Relationship Management Platform]

The Streak Solution is an Intelligent Relationship Management Portal that has been designed to help the Business Development Team manage and optimize relationships with customers. The platform will centralize data from multiple sources, provide personalized customer insights, and performance management, automate call memos/plans and make data-driven decision-making.

Value Offering:

- Improved customer insight
- Enhanced customer engagement
- Improved operational efficiency
- Sales and marketing optimization.

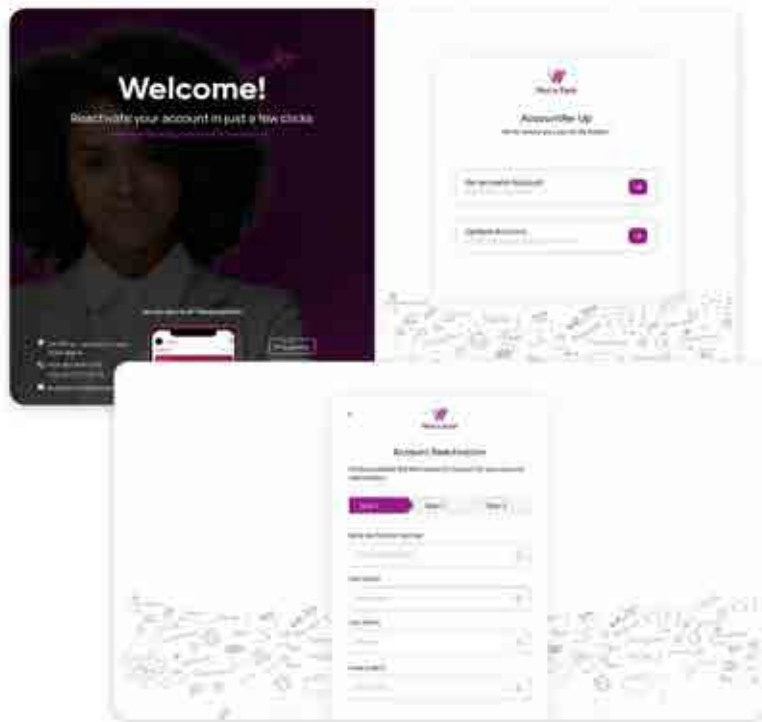
Benefits to the Bank:

- Increased Customer Satisfaction
- Greater Efficiency and Productivity:
- Better Risk Management
- Competitive Advantage

Solution Live on Play-store and AppStore

lwema, the Bank's intranet, was refreshed to meet the needs of several departments, particularly the Brands, Marketing, and Communication teams. This platform now provides a robust tool for internal communication and serves as a centralized repository of information for staff to easily access, ensuring better coordination and collaboration.

The New Hire Onboarding Platform was developed to address inefficiencies and inconsistencies in onboarding new employees, such as delays in delivering onboarding kits and ID cards. This centralized portal streamlines processes, ensuring a more organized and efficient onboarding experience for new hires. About 251 new hire documentation have been processed through the portal to date.



To combat the high account dormancy rates and cumbersome branch-dependent reactivation processes, the Account Re-Up portal was created. This secure, digital solution simplifies account reactivation, making the process more convenient and engaging for customers while boosting loyalty.

Innovation Product Proposition – Bank Agnostic Products

Our external products highlight the team's dedication to driving innovation across diverse sectors, addressing challenges in cooperatives, NGOs, women's empowerment, and the creative economy.

The launch of CoopHub was a major highlight for the team this year. In a country like Nigeria, where cooperative societies play a significant role but are hindered by manual processes, CoopHub digitizes operations. With a web app for administrators and a mobile app for members, it enhances scalability, improves record-keeping, and boosts member engagement.

CoopHub



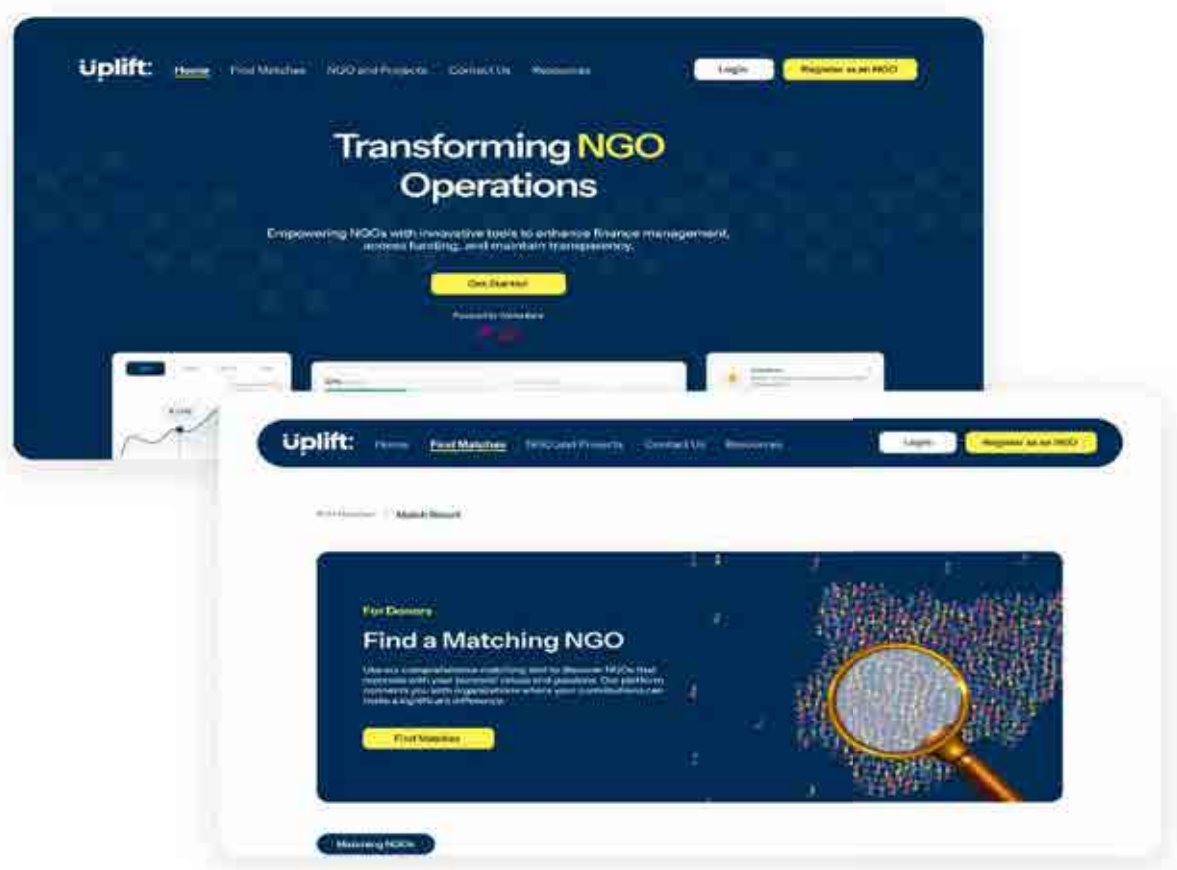
On May 10th, CoopHub was launched, attracting over 1,000 signups within its first week. Feedback was gathered and implemented quickly, leading to pilot testing and additions to the platform. Following the completion, on November 15th 25 cooperatives were successfully set up, enrolling over 7,000 members. As of December 20th, the total deposits across these cooperatives amounted to ₦1,761,354. Additionally, 4,285 membership invitations were sent out, resulting in 2,382 app downloads. Between November and December, 235 partnership accounts were also created.

To help cooperative administrators and members navigate the new platform, the bank's business team held hand-holding sessions. These sessions provided more than just technical tutorials, they created opportunities to understand challenges, address concerns, and provide immediate, personalized solutions. This human-centered approach helped foster trust and improve adoption among users.

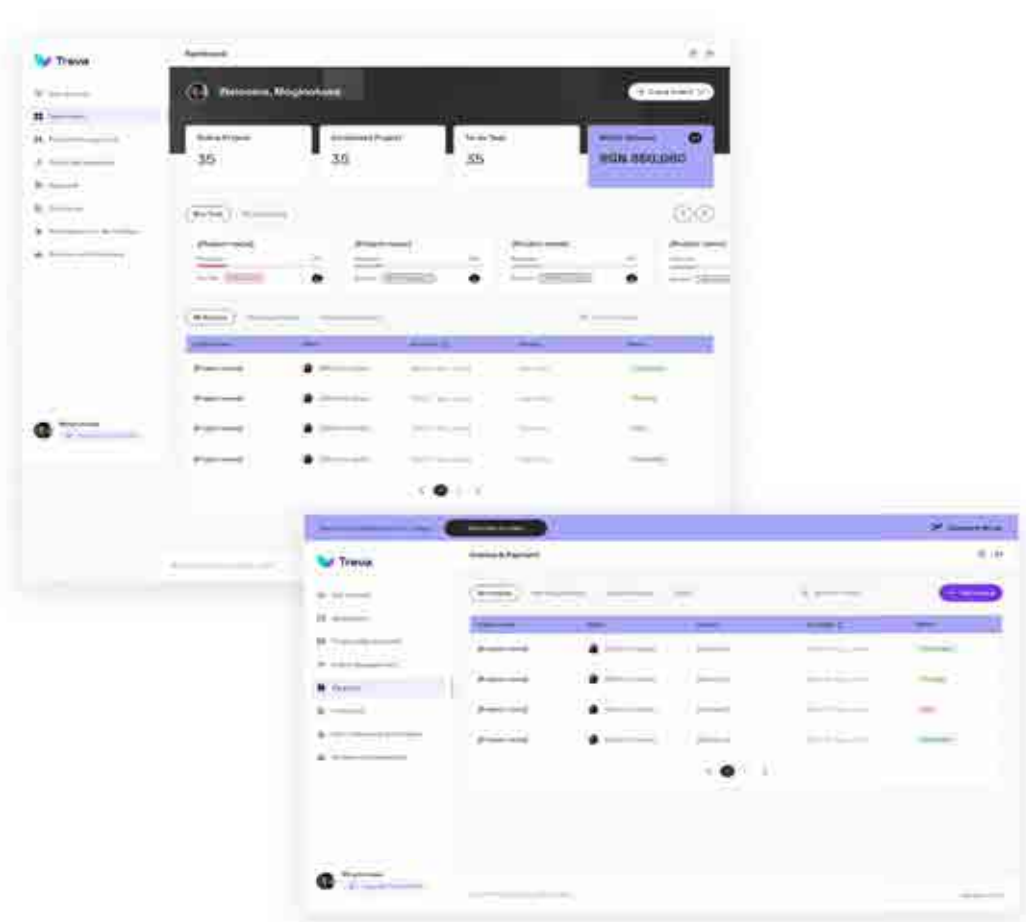
CoopHub also attracted prominent organizations such as the Nigeria Civil Defence Cooperative, Africa Prudential Coop, and the Nigeria Association of POS Agents. These organizations saw the value in CoopHub's ability to streamline operations, demonstrating its scalability and appeal to larger cooperatives.

The platform's success was further recognized when Wema Bank was honored with the "Most Outstanding Bank of the Year" award at the National Cooperative Awards. This award reflected CoopHub's role in transforming cooperative operations and empowering societies to thrive in the digital age.

What began as a modest initiative has grown into a nationwide movement. CoopHub's journey is a testament to innovation, collaboration, and the dedication to helping cooperative societies succeed. With industry recognition and a growing user base, CoopHub is well-positioned to scale its impact, empowering even more cooperatives across Nigeria to realize their full potential.



Uplift was created to solve operational challenges faced by NGOs, including securing funding, managing projects, and reporting impact effectively. This centralized platform simplifies NGO operations, automates reporting processes, and fosters collaboration with donors, volunteers, and partners, enabling NGOs to maximize their impact.



Treva, inspired by the Latin word meaning "to thrive," is designed for the burgeoning creative industry, often hailed as the new oil. Creatives frequently struggle with fragmented tools for managing projects, tracking payments, and collaborating with clients. Treva offers an all-in-one platform that simplifies project management, automates tasks, and enhances client collaboration, enabling creatives to focus on their craft and seize new opportunities.

Innovation Program

Hackaholics 5.0 – “META IDEA (DIGITECH SOLUTIONS FOR AFRICA'S PROSPERITY)”

Our unwavering commitment to driving innovation across the ecosystem burned even brighter in the fifth edition of Hackaholics, the largest ideathon in Sub-Saharan Africa. This year's theme, Meta Idea: Solutions for Africa's Prosperity, reflected a vision of transforming challenges into groundbreaking solutions for the continent's advancement. It was our biggest edition yet, with 4,311 applications from all six geopolitical zones, featuring 3,529 unique startup ideas. The event spanned eight physical locations and one virtual session, culminating in 35 regional winners being narrowed down to 10 finalists and 7 eventual winners, including two women-led startups receiving special recognition.

Through this year's Hackaholics, we acquired over 50,000 new to-bank customers, 70% of these accounts to be carded, 5,000 Tech Talent, projected N500 Million Naira in deposits and 30,000 followers across our social media platforms.

Team Name	Vertical
Feegor	Financial
Empayment	Financial
AlBloomBeauty	BeautyTech
UniversityX	Education
Northino	Education
MyTherapist	Mental Health
Mytura	Health

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SME REPORT

Executive Summary

The year 2024 marked an unprecedented milestone for Wema Bank, as we garnered global recognition for our relentless efforts in empowering SMEs and fostering digital innovation. These achievements have solidified our position as a leader in SME financing and innovation across Africa and beyond. Our accolades include:

1. **Platinum Award - Best SME Financier for Women Entrepreneurs (Africa)**
Recognized by the Global SME Finance Forum for our outstanding contributions to promoting financial inclusivity for women entrepreneurs through tailored financing solutions and capacity-building programs.
2. **Gold Award - SME Financier of the Year (Africa)**
A testament to our comprehensive and innovative approach to SME financing, leveraging technology and strategic partnerships to drive growth and sustainability in the sector.
3. **Best SME Bank in Nigeria**
Presented by The Digital Banker, this award celebrates our unparalleled commitment to empowering SMEs with state-of-the-art digital solutions and transformative initiatives like the ALAT for Business platform.
4. **Excellence in Digital Innovation**
Also awarded by The Digital Banker, this honor underscores our pioneering role in harnessing technology to revolutionize SME banking and financial services in Nigeria and Africa.
The Bank, leveraging its position as Nigeria's pioneer digital bank, has collaborated with the government at various levels to drive financing readiness. Some of these partnerships include:

1. Federal Government Partnership

FGN-ALAT SkillInnovation:

A partnership between the Federal Government of Nigeria and Wema Bank, aims to equip 2 million youths and 1 million MSMEs with essential digital, employability, and business management skills. This initiative is open to business owners, aspiring entrepreneurs, working professionals, and job seekers, and has a curriculum that includes courses in soft skills development, business skills, and digital competencies. Each course is tailored to meet the specific needs of its audience, ensuring maximum impact.

A key component of the program is the establishment of 15 digital innovation hubs across the country, with the first launched at Kashim Ibrahim College of Education in Maiduguri, Borno State. The Innovation Hub features cutting-edge technology, high-speed internet, a modern training room, and a collaborative area to foster networking and collaboration.

A 10-week in-person training program began on July 15, facilitated by experienced, hands-on instructors and support staff. The curriculum included courses in Cybersecurity, Digital Marketing, Data Analysis, Software Engineering, SME development, soft skills, and a specialized program for women.

The program is divided into ten cohorts. The first cohort, representing 10% of the program's 3 million participants target over the next 24 months, has already achieved remarkable success:

- Registration of over 400,000 participants in the first cohort.
- 30% of the participants are female.
- A remarkable 78% learning rate due to innovative teaching methods.
- Financial Literacy Sessions were carried out in 5 Locations: Abuja, Kaduna, Ebonyi, Ogun, Calabar with about 5,000 participants
- 15,000 participants were trained on website creation and given free website access
- Attracting interest from Ivy League institutions for further study.
- The Bank won the Best SME Bank in Nigeria based on this initiative.
- Significant contributions to Nigeria's job creation objectives.

Our Digital Skills Programs



Borno State training impact snapshot

FGN-ALAT SKILLNOVATION



Gender distribution



Success Stories



Before joining the FGN WEMA ALAT Digital Skillnovation program, Participants had **no prior knowledge of coding**. Remarkably, they learned all these skills in **just 8 weeks**.



Mustapha Abba Gana a skilled tailor who also offers fashion design services created his own webpage using HTML and CSS.



Meet **Aminu Abubakar** who designed a website for his fish farming business.



Meet **Ahmed Usman**, who developed a webpage dedicated to property sales and leasing.



Meet **Umar Mohammed Abubakar**. Using Javascript, HTML and CSS, he successfully created a webpage for his secondary school alumni.





NYSC-ALAT Accelerator Program:

The collaboration between the National Youth Service Corps (NYSC) and Wema Bank, facilitated by Microsoft, is driving impactful change by equipping Nigerian youths with critical digital ICT skills. Known as the NYSC-ALAT Accelerator Program, this initiative spans across all 37 states of the federation, offering a diverse range of courses such as Digital Marketing, Sales & Marketing, Web Development, and Web Design. Participants are gaining the tools needed to thrive in today's fast-evolving world, positioning them to excel and contribute meaningfully to Nigeria's growing economy.

A key highlight of the program is its focus on career development, practical knowledge, and entrepreneurship. To this end, a Business Plan Competition is conducted during every NYSC stream within three designated camps in Osun, Ogun, and Kano for Batch B Stream II participants. This competition not only trains participants, in partnership with the Enterprise Development Center (EDC), on how to craft effective business plans but also provides winners with grants ranging from N200,000 to N800,000 to pursue their entrepreneurial dreams.

Since the inception of the partnership in November 2023, over 37,000 Corps members have been empowered through comprehensive training, mentorship, and access to valuable resources. Out of these, 240 Corps members have applied for the Business Plan Competition, with 84 participants emerging as winners.

A total of Forty-Eight Million, Three Hundred Thousand Naira (N48,300,000) has been disbursed to winners to date. The competition's grand finale is held towards the end of the orientation camp, where winners are celebrated with cash prizes and refreshments for all Corps members.



The SARA-MOWA Accelerator Program, a collaboration between the Bank and Ministry of Women Affairs to train 500,000 Women on various vocational skills, entrepreneurship skills and soft skills to enhance their value and economic potential. We also offer comprehensive support for market access, and export promotion which is targeted at women entrepreneurs.

The Program which will span for 24months will be carried out across the 36 states and FCT. There will be eight cohort, and each cohort will undergo a five-day physical training program under: Food processing, Wig making, and Garment making. Pilot would be done in three States- Kano, Ekiti, Anambra, starting with Kano State. The facilities will be equipped and will eventually serve as a shared workspace for women in the respective communities.



The State-Based Program is an extension of the FGN ALAT initiative, aimed at upskilling an additional one million youth and MSMEs nationwide. As part of this initiative, the Ekiti State MSME Program was launched through a partnership with the Ekiti State government. Other states such as Kaduna, Ebonyi, Lagos, and Ogun have also been onboarded. The program aims to train and equip 100,000 MSMEs across the state with digital skills.



50,000
Learners
Onboarded



45,000
Financially
included

3. Accelerator Programs

The Creative Class underscores the breadth of Wema Bank's commitment to empowering entrepreneurs. This accelerator program, conducted in collaboration with SARA and The Assembly Hub, focused on entrepreneurs in the fashion and creative sectors. It trained 57 participants and awarded significant grants to winners to support their business ventures:

- **Winner (N1.5M):** Joseph Precious - IVORY AFRIKAANA
- **1st Runner-Up (N1M):** Oyinda Ahmed - NYA CLOTHING
- **2nd Runner-Up (N500,000):** Agosu Moses - CLOTHING (MAK) LTD

Transforming Nigerian Youth, The SARA-SME Program, a collaboration between our bank, the Entrepreneurship Development Center (EDC), and the MasterCard Foundation, aims to provide comprehensive training and support to young Nigerian entrepreneurs, especially women, equipping them with essential business skills for success. The Transforming Nigerian Youths Program targets women aged 18 to 35 within the Micro, Small, and Medium Enterprises sector, aiming to create a network of entrepreneurial and managerial change-makers. A total of 26,750 applicants registered for the program and winners of the pitch competition were awarded 500,000 in grants to support their vision. The last edition impact is recorded below.

Transitioning to Tech: Transitioning to Tech for Women was a 12 weeks training program for youths from aged 18 to 35 designed to provide women with the skills, tools and necessary support needed to succeed in the tech industry. By helping women learn different tech skills as well as exposing them to the business of tech, we aim to fortify the workforce, propel technological advancements, and establish a foundation for a more inclusive and equitable future. About 3,700 participants benefitted from the program.

SARA Community Engagement and Advocacy, Owned or supported businesses such as SheCan, Soso care and Karis & Elios. Together, we tackle environmental and social issues like waste management, health, and digital skills empowerment. Through these initiatives, we are not just supporting individual entrepreneurs but also fostering national progress. By promoting job creation, innovation, and economic development, we are paving the way for a more prosperous future for Nigeria. Each participant we train, mentor, or support represents an investment in our nation's future, ensuring that Nigeria remains a leader in the global digital economy.

Business Community Forum 2024

In 2024, SARA hosted the Business Community Forum across various branches in Nigeria, creating a platform for customers to gain valuable insights and enhance their expertise as business professionals.

The forum was conducted over three quarters of the year, simultaneously at more than 60 branches, with each location accommodating approximately 20 participants. Altogether, the event attracted over 1,900 participants across all editions.

Each edition of the forum focused on key topics critical to business success, including:

- Choosing the Right Financing Program and Applying for a Loan
- Payment Collection Tools
- Financial Planning and Strategies

This initiative reflects SARA's commitment to empowering the business community with the knowledge and tools needed to thrive in a competitive marketplace.

Webinars, In 2024, we hosted three impactful webinars to commemorate notable days and facilitate knowledge-sharing programs. These sessions focused on topics such as generating income online, strategies for MSMEs to identify international buyers, and building beauty brands on a global scale.

Invited guest for the Webinars:

- Gospel Obele & Chioma Ifeanyi Eze (Wifi Money 101: A beginner's Guide to Online Income)
- Nduka Udeh (Wifi Money 102: Practical Strategies for SMEs to identify International Buyers)
- CEO Arami Beauty & CEO Haggai and Esther (Beyond Barriers: Take your Beauty Brand Global Confirmation)

International Women's Day, Wema Bank marked International Women's Day in grand style under the theme "Inspiring Inclusion," celebrating empowerment, resilience, and inspiration through an incredible lineup of speakers. The event emphasized the importance of fostering inclusion and equity for women in both the workplace and society.

The conference centered around the theme of "Inclusive Innovation and Entrepreneurship" and "The Power of Inclusive Leadership".

Notable keynote speakers were:

- | | |
|--------------------|---------------------|
| • Adenike Macaulay | • Tinuade Sanda |
| • Odunayo Sanda | • Titi Ogufero |
| • Morayo Brown | • Folashade Ambrose |

SheCan Conference 5.0, designed to strategically address the evolving needs of modern women, was made possible through our impactful partnership with SheCan. Our mission is to provide valuable insights and inspiration, empowering women to thrive in all aspects of their lives.

This special edition was thoughtfully curated to tackle relatable challenges women face, including mid-life crises, home life, finances, health, and more. At SARA, we strongly uphold the belief that "empowered women empower others." With over 4,000 attendees, the conference brought this philosophy to life.

To drive this message home, we invited seasoned professionals to share their inspiring success stories and personal journeys. Esteemed speakers included:

- Fela Durotoye (Founder, GEMSTONE)
- Audrey Joe-Ezigbo (Deputy Managing Director, Falcon Corporation LTD)
- Tara Fela-Durotoye (Founder, House of Tara)
- Ololade Ogungbenro (Division Head, Brand, People & Culture, WEMA Bank)
- Shaffy Bello (Actress)





Nubi Pelumi
Solo Drive From London To Lagos



Toke Alarinka
Solo drive from Naigeria to Nairobi



Joy Ebiade
Biker from Kenya to Nigeria



Creative Class 4.0 Winners of
SARA Grant Award



Lagos Leather Fair

4. SME Financing:

Our Lending Programs, In 2024, Wema Bank has significantly expanded its SME financing portfolio, providing accessible funding options tailored to the needs of small and medium enterprises. In line with our commitment to promoting financial inclusion, with a special focus on female customers, we have digitized the entire lending process, making funding available to customers in a minute without paperwork and collateral. This has minimized algorithm bias towards women, leading to a 40% increase in lending to female entrepreneurs. The MSME Instant Loan relies on a prequalification process integrating proxies which enables a comprehensive assessment of customers' character and capacity to repay. The product is the first of its kind in the banking industry in Nigeria and was widely accepted by customers within the first week of launch. This facility is discounted for female customers and bundled with free healthcare service.

Additionally, we established a dedicated Value Chain Desk to cater to the financing needs of key distributors within large corporations, FMCGs, and other critical sectors. This initiative supports seamless access to working capital and expansion funding, enabling distributors to strengthen their operations and meet demand effectively.

We have a robust Loan Management framework in place enabling proper monitoring to ensure quality assets portfolio.

Our Cluster Lending Program, our digital financial services is anchored on innovative financing strategy leveraging technology to bring in huge opportunity that exist in the informal sector. At Wema Bank, our DFS serve businesses with or without financial track record. Our inclusive strategy extends to businesses at the grassroots level through our Cluster Lending Program which is facilitated by agent banking network. This innovation resulted from extensive research, market analysis, and active engagement with women entrepreneurs, in collaboration with the Bill and Melinda Gates Foundation.

We are offering Banking as a Service to thrift collectors, POS agents, market leaders, and aggregators, enabling a digital transition and taking banking to them leveraging the existing dynamics of community ecosystem. This program promotes grassroots savings and provides microloans to nano businesses, particularly female entrepreneurs, after consistent savings. While Wema Bank has made progress in process design, the program's success depends on managing market volatility and effectively marketing the products.

Furthermore, the Bank is collaborating with various organizations to provide affordable finance to Nano, female and young entrepreneurs. The Bank on its own have devised a means to support these businesses by providing Matching funds which enables lending at discounted rate. The goal is to continue to seek support from Donors and Investors to enable the Bank give grants and soft loans to these segments of SME.

The Bank is also partnering with SMEDAN to provide affordable finance about 1,500 SMEs in Nigeria through a Matching funds initiative of N1 billion. The facility will be availed at 9% p.a over a period of 24 months. We are also partnering with Ekiti State of matching funds initiatives to extend loan to Ekiti State businesses at 12.5%.

5. ALAT SMEFairs

Facilitating market access, both locally and globally, for female entrepreneurs is a core focus of the Bank's strategic initiatives. The goal is to eliminate barriers that hinder access to funding while fostering long-term sustainability for female entrepreneurs, a challenge often seen in emerging markets. Our approach is holistic, we are addressing trade facilitation, business networking, investment opportunities, digitalization by providing best-in-class tools for payment and collection such as ALATPay, POS terminals, Decals and our 360-degree banking platform for SMEs – ALAT4Business

Through this initiative, we have been able to provide early-stage financing for women, as they now have established trade lines.

Over the past 12 months, we have collaborated with some private organizations, Naija Brand Chick, Fashion Souk and Femi Handbag, to organize 11 fairs, facilitating market access for 2,000 women-led MSMEs in major cities across Nigeria and the United Kingdom, generating over \$4m in sales.

Naija Brand Chick Fair, WEMA Bank has had the privilege of serving as the headline sponsor for the Naija Brand Chick (NBC) Trade fair across 7 cities in Nigeria, celebrating our nation's ingenuity and entrepreneurial spirit. Expanding on this success, and with a focus on export of indigenous goods, we embarked on NBC fair London. This year's program holds particular significance as it marks Wema Bank's first venture into the international trade fair arena encouraging entrepreneurs across various sectors to showcase their products and services on a global scale. This fair recorded a total of

- 2,012 business accounts opened
- 3,802 cards issued instantly
- N1.48bn in deposit balance as at 10th December 2024
- 18,038 individual accounts opened
- N4.9bn in collection on the fair days

Naija Brand Chick Fair London, In a strategic move to bolster support for WMSMEs by providing greater market access, the Bank partnered with Naija Brand Chick for its inaugural international fair in London. The choice of London for this first edition was deliberate,

given the city's significant African diaspora community—a crucial market for Nigeria's value-added exports—and its strategic location near the broader European market.

This groundbreaking event aimed to provide Nigerian entrepreneurs, particularly women-led businesses, with direct access to the global market, highlighting the strength and potential of Nigerian brands on an international stage.

The London fair, held at Peninsula BALLROOM, brought together over 100 exhibitors from Nigeria and diaspora, showcasing a diverse range of products, from fashion and beauty to food and artisanal crafts. The event was attended by a vibrant mix of the African diaspora, local business leaders, and international buyers, all eager to explore the richness of Nigerian entrepreneurship.

The London fair not only provided a platform for growth but also allowed the Bank to challenge itself and strengthen its standing in the international financial sector. This fair recorded a total of

- 118 business accounts opened (82 Nigerians and 36 Diaspora account)
- 9,000 attendees
- N883,383 in deposit balance
- 647 individual accounts opened
- N200,761 pounds in collection on the 2 fair days



The Fashion Souk, our aim is to create an environment where women in the fashion industry can thrive, ultimately contributing to the broader goal of empowering women across various sectors. The Fashion Souk fair offers market access to businesses in Fashion, Food, and Beauty solely made in Nigeria. It also provides vendors with a chance to network not only with potential customers but also with other vendors.

Through this partnership, we have created a market access platform for over 200 WSME businesses in Nigeria. Impact on acquisition of

SME leads was over 80% of registered vendors through our microsite platform. A total of

- 156 exhibitors
- 290 accounts opened
- 256 registrations on microsite
- N292m in collection for the 2 fair days



Lagos Leather Fair, partnership with The Lagos Leather Fair (LLF) has helped the bank to focus on fostering innovation and providing market access for businesses within the leather manufacturing sector. Products exhibited at these fairs are positioned to export African made merchandizes. This initiative has impacted about 50 SME businesses with 64.7% acquisition of NTB customers and leads. A total of

- 49 exhibitors
- 302 accounts opened
- N64.6m in collection for the 2 fair days





Conclusion

Wema Bank's 2024 initiatives reflect its commitment to empowering SMEs and fostering a more inclusive economy. By leveraging technology, partnerships, and innovative solutions, the bank is driving economic progress, supporting job creation, and enabling SMEs to thrive in Nigeria and beyond.

With You, All The Way.



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AN ACCOUNT TODAY.



With You, All The Way.



Are you an ALAT user? Download the app to join the ALAT Trybe



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Compliance Risk Framework

Compliance is “adhering to the requirements of law, industry and organizational codes, principles of good governance and ethical standards.”

The Compliance and Conduct Department is at the forefront of supporting the compliance goals of the bank by implementing programs that identify potential risks, deter misconduct, and potentially reduce penalties.

The continued changes in legislation aimed at combating Money Laundering, Terrorist Financing, and proliferations of equipment for mass destruction has placed great emphasis on the formal and structured monitoring of compliance with legal, regulatory, and supervisory requirements.

Our Compliance Risk Framework reflects the following core principles and practices:

1. Our responsibilities as employees, our culture, systems, and processes.
2. Compliance with the letter and spirit of regulatory standards and ensuring that the standards are embedded in our processes.
3. Visibility and accountability of senior management in ensuring a strong compliance culture.
4. Engagement with regulatory bodies and industry fora to ensure the maintenance of high standards across the Bank.

The Compliance function reports to the Board Risk & Management Committee and Board Audit Committee through the Executive Compliance Officer (ECO) and the Chief Compliance Officer (CCO) respectively.

The Compliance Risk Framework utilizes a range of methods, including compliance audit, file reviews, customer surveys and operational risk assessments to measure the effectiveness of our compliance program. The Compliance and Conduct Department is supervised by the Chief Compliance Officer (CCO), who ensures the implementation of the Compliance Risk Management Framework. The team facilitates compliance planning and reporting, specialist advice to business and operational units of the bank as trusted Compliance Advisors. The Department operates a Cluster Compliance structure. Each Cluster/ Compliance Officer implements regulatory initiatives and ensures internal policies are adhered to at the Cluster level.

Key components of the Compliance framework:

Board and Management Responsibilities

The overall responsibility of establishing broad business strategy, significant policies and understanding significant risks of the bank rests with the Board of Directors. In Wema Bank, through the establishment of Board Risk & Management Committee (BRMC), the Board of Directors oversees the effectiveness and sets the risk acceptance criteria of the AML/CFT programme and compliance to internal policies.

The Bank's Management sets a strong compliance culture within the bank, with governance & guidance from the Board of Directors. The Executive Committee (EXCO) puts in place approved policies and procedures to identify, measure, monitor and control risks. The Bank has a Compliance structure, which assigns clear responsibility, authority, and reporting relationships among members of staff. The Management, through its monthly Management Risk Committee (MRC) monitors the adequacy and effectiveness of the Compliance function based on the bank's established policies & procedures.

The Chief Compliance Officer and Chief Financial Officer regularly attests to returns to the Security and Exchange Commission (SEC), Central Bank of Nigeria (CBN), other regulatory bodies and the public.

Reports to Senior Management and the Board of Directors

Compliance issues and risks identified in the financial environment are discussed at the Board and

• Management Risk Committee meetings as detailed below:

- Management Risk Committee – Monthly
- Board Risk & Management Committee – Quarterly
- Statutory Audit Committee – Quarterly
- Board Audit Committee – Quarterly

Critical emerging issues requiring immediate attention are promptly reported to Management and Board.

Cooperation with Regulators and Law Enforcement Agencies

Wema Bank will continually cooperate with the law enforcement agencies within the limits of the rule governing confidentiality. The Bank shall comply promptly with all requests made pursuant to the provisions of relevant AML/CFT laws and regulations.

Compliance and Conduct Department serves as a liaison office between the bank and regulators and a point of contact for all employees on issues relating to money laundering, terrorist financing and proliferation of weapons for mass destruction.

Customer Due Diligence (CDD)

Wema Bank ensures that due diligence and proper KYC practices are carried out on prospective and existing customers. All parties to a business are properly identified before relationships are established. At Wema Bank PLC, the level of KYC carried out is determined by the level of risk associated with the customer. High risk customers are subjected to Enhanced Due Diligence (EDD).

Risk Recognition and Assessment

Wema Bank recognizes and assesses all risks (internal and external factors) that can adversely affect the achievement of the bank's goals and business objectives. The risk assessment by the bank focuses on the review of business strategies to maximize risk/reward trade-off within the different areas of the bank. This is based on compliance with regulatory requirements, social, ethical, and environmental risks that affect the banking industry.

Customer Identification Program (CIP)

A business relationship with Wema Bank will NOT be established until the identity of the potential customer is satisfactorily established. Where a customer declines to provide any account initiation information, the relationship will NOT be established.

Politically Exposed Persons (PEPs)

In line with regulatory requirements, Wema Bank classifies Politically Exposed Persons (PEPs) as high-risk customers. Senior Management approval is required before such accounts are opened and for a continuous relationship where an existing customer becomes a PEP. Due to the peculiarity of transactions of PEPs, such customers and their transactions are subjected to a continuous monitoring. This is to mitigate money laundering and terrorist financing risks as well as strict adherence to regulatory policies and FATF recommendations.

Preservation of Customers' Records

In line with applicable laws and regulations, Wema Bank keeps all documents and transaction records of customers during business relationship for a minimum period of five (5) years after the severance of business relationship with the Bank.

Compliance Training (AML/CFT & Compliance to Internal Policies)

Considering the role of Employees, Management and Board of Directors in the fight against money laundering, terrorist financing and proliferation of weapons for mass destruction, formal AML/CFT/CPF and other Compliance related trainings are conducted for all members of staff, Senior Management and Board of Directors at least once a year. Additional trainings and sensitizations are conducted through the bank's intranet, nuggets and knowledge sharing sessions (KSS). The knowledge base of all employees is periodically assessed and forms part of the employees' appraisal.

Whistle Blowing/Employees' Responsibilities

All employees are responsible for complying with the Bank's policy on whistle blowing. Employees having information on any prohibited, unlawful act or unethical activity affecting the Bank must promptly report via our robust whistle blowing system. This also enables our external stakeholders to report unethical activities. The whistle blowing reports are received by the Head, Investigation Team, Chief Audit Executive, Chief Human Resource Officer, and Chief Compliance Officer of the Bank. This enables the Bank to take measures to address such reports before they escalate into future liabilities, business threats and losses. The whistle blowing policy protects the whistleblower from any reprisal for reporting unlawful or unethical act. Employees have been trained via various platforms (such as e-learning, face-to-face etc.) on how to report contraventions without their identity being revealed. Details of the whistle-blowing channels are provided below:

Details of the whistle-blowing channels are provided below:

Phone Numbers: +2348022245818; +2348022230169; +2348025015605 & +2348033448971

Email: whistle-blowing@wemabank.com

Anti-Bribery and Corruption

Wema Bank Plc is strongly committed to high ethical standards and integrity. We continue to create awareness amongst our staff on the importance of ethical conduct. The Bank maintains a corporate culture that rewards honest practices and discourages unethical activities.

The Bank has an approved Anti-Bribery and Corruption policy, indicating rules that must be adhered to by employees and stakeholders.

Role of Internal Auditors in Evaluating AML/CFT & Compliance to Internal Policies.

The Internal Auditors provide unbiased recommendations on the strength and weakness of the AML/CFT and Internal Compliance programme of the bank. They examine the records and transactions of the bank and evaluate its accounting and disclosure policies as well as methods of financial estimation made by the Bank. The Internal Audit function reviews the effectiveness of the AML/CFT/CPF programme of the bank bi-annually.

Customer Complaints Management and Feedback

Introduction

In 2024, Wema Bank made bold steps to further position itself as a top-tier service brand by delivering bespoke, technology-driven customer experiences across all service channels. Guided by our vision to exceed customer expectations by consistently creating a minimum of 4-star rated experiences for our customers across all channels, we integrated advanced technologies such as artificial intelligence and Robotic Process Automation (RPA) to optimize responsiveness and recovery when service interruptions occur. Our customer experience initiatives were strategically aligned with the Central Bank of Nigeria's Consumer Protection Framework, ensuring that every interaction adheres to regulatory standards while prioritizing innovation and customer satisfaction.

Transformational Achievements in 2024

This year, Wema Bank's journey toward service excellence was marked by groundbreaking milestones. We achieved remarkable advancements in complaints management through innovative solutions and optimized processes.

We migrated our contact center infrastructure to Cloud, which enabled us to implement several AI-based capabilities as we leverage technology to improve speed & efficiency while interacting with customers and solving their problems. The number of dropped calls at the contact center was 6.7% at the end of 2024 which is more than a 100% improvement in 2023 – customers were able to reach us within 20 seconds of dialing our numbers.

Our BOTs were smoothly integrated with internal robotic processes to maximize the level of acceptance of our chatbots by customers (increased by 41% in 2024 compared to 2023) while the average response time by the BOTs was reduced to about 2 minutes. In all, across the Bank, complaint resolution within SLA improved to 88% which reduced customer/regulatory escalations by 38% as of December 31, 2024.

Description	Number of Complaints		Total Amount Claimed		Amount Refunded	
	2024	2023	2024	2023	2024	2023
Pending Complaints B/F	9,974	13,642	10,843	10,273	N/A	N/A
Received Complaints	783,461	617,941	17,964	11,828	17,515	11,258
Resolved Complaints	780,063	621,609	28,358	11,258	17,515	11,258
Unresolved Complaints escalated to CBN for intervention	N/A	N/A	N/A	N/A	N/A	N/A
Unresolved Complaints pending with the bank C/F	11,372	9,974	449	10,843	N/A	N/A

The table above shows the total number of complaints and claims received at the end of the Financial Year 2024 compared to 2023.

The improvement is not limited to the Contact Centre and complaints, we also improve the level of responsiveness through our centralized functions mainly in the Head Office leveraging technology, streamlined processes, and automation. The SLA compliance rate (the number of tasks/requests completed within SLA) for the support functions increased from 66.47% at the end of 2023 to 78.43% in December 2024.

Continuous Feedback Integration

Customer feedback remained integral to our growth strategy in 2024, and we actively sought insights through:

- Regular customer surveys and focus groups.
- One-on-one business review meetings with key stakeholders.
- Direct engagement via "Talk to Us" telephones in our branches.

Over 13,000 customers completed various surveys deployed by the Bank while over 56,000 customers used the 'Talk to Us' phone in the branches. 158,670 customers reached out to us through the contact center for various reasons not limited to complaints in 2024.

These insights extracted from our engagements with customers directly influenced product enhancements and process optimizations, ensuring that customer voices remained central to decision-making in Wema Bank.

Looking Ahead

As we close this year, Wema Bank is proud of its achievements in Customer Experience and Service delivery, and we hope to continue to redefine customer experience through engagement, innovation, personalization, and empathy by blending technology with a customer-first philosophy.

In 2025, our focus remains steadfast intelligent data-driven engagements, operational efficiency, and 5-Star rated experiences for our customers. With each interaction, we aim to build enduring trust and loyalty, ensuring that Wema Bank continues to lead as a beacon of exceptional Customer Experience.

Our goal is to become the No.1 Service Brand in Nigeria within the next 3 years.



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Letters
Customer Protection Unit, Wema Bank Plc, Wema Towers, 54 Marina, Lagos



Ombudsman
01-2779960 - cpu@wemabank.com



Social Media
Facebook.com/wemabankplc | Youtube.com/wemabank
Instagram.com/wemabank | Twitter.com/google+.com



Conclusion:

The improvements made in complaint management in the Bank in 2023 reflect our unwavering dedication to customer-centricity. In all, our customers are happier, and the Bank's Net Promoter Score (NPS) is soaring to all-time high levels.

GROW YOUR BUSINESS WITH SEAMLESS PAYMENT COLLECTION WITH WEMA BANK!

Download **ALAT For Business** now or visit

www.wemabank.com/sme/collections-and-payment

to get started



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✉ help@ALAT.ng ☎ 09044411010

🗨 Customer help desk

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REPORTS

02

91	Notice of the 2024 Annual General Meeting
96	Chairman's Statement
101	Managing Director/CEO's Statement
103	Board and Management
112	Executive Management
114	Directors Report
126	Report of the Audit Committee
127	Statement of Directors' Responsibilities
128	Statement of Corporate Responsibility for the consolidated and separate Financial Statements
129	Certification of Internal Control Over Financial Reporting by the MD/CEO
130	Certification of Internal Control Over Financial Reporting by the CFO
131	Management's Report on the Effectiveness of Internal Control
132	Report of the External Consultant on the Appraisal of the Board
133	Independent Auditor's Limited Assurance Report on Management Assessment of ICOFR
136	Independent Auditor's Report

Notice of the 2024 Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2024 Annual General Meeting (AGM) of Wema Bank Plc (the Bank) will be held electronically on Thursday, May 22, 2025 at 11:00am via the link: <https://wemabank.com/AGM/> to transact the following business:

Ordinary Business

1. To lay before the meeting the Audited Financial Statements for the year ended December 31, 2024, together with the report of the Directors, Auditors, and the Statutory Audit Committee thereon.
2. To declare a dividend.
3. To elect/approve the appointment of Director:
 - i. Mr. Olukayode Bakare - Executive Director
4. To re-elect the following Directors retiring by rotation:
 - i. Mrs Bolarin Okunowo
 - ii. Prince Olusegun Adesegun
 - iii. Dr. (Mrs.) Oluwayemisi Olorunshola
5. To disclose the remuneration of Managers of the Bank.
6. To authorize the Directors to fix the remuneration of the Auditors.
7. To elect members of the Statutory Audit Committee

Special Business

8. To approve the remuneration of Non-Executive Directors
9. To consider and if thought fit authorize the Board to issue, by way of Private Placement, 4.5 billion ordinary shares of N0.50 kobo each from the share capital of the Bank up to the sum of N50,000,000,000.00 (Fifty Billion Naira only) at a price of N 11.00 or as otherwise determined by the Board to one or more investors in such tranches and on such terms and conditions as shall be determined by the Board.
10. To consider and approve the amendment of Clause 93 (iii) of the Articles of Association of the Bank to increase the percentage of shareholding required to appoint a person to be a director of the Bank from 5% (per cent) to 10% (per cent) of the issued and paid-up capital of the Bank.

Dated this 25th day of April 2025

By Order of the Board



Johnson Lebile

Company Secretary

FRC/2019/NBA/00000019017

Notes

a. Virtual Meeting Link

Further to the signing into Law of the Business Facilitation (Miscellaneous Provision) Act 2023, which allows companies to hold meetings electronically, this AGM would be held virtually.

The virtual meeting link for the AGM is via <https://wemabank.com/AGM/>. This will be sent to all shareholders electronically and will also be available on the Bank's website. Accreditation of shareholders for the AGM shall begin from May 21, 2025, till the commencement of the meeting.

b. Proxy

A member who is entitled to attend and vote at the Annual General Meeting is therefore entitled to appoint a proxy to attend and vote in his/her stead.

A blank proxy form is attached to the Annual Report and available on the Bank's website at www.wemabank.com and the Registrars website at www.gtlregistrars.com. For the appointment to be valid, a completed and duly stamped Proxy Form must be completed and deposited at the office of the Registrar, Greenwich Registrars & Data Solutions, 274, Murtala Mohammed Way, Yaba, Lagos State, not less than forty-eight (48) hours prior to the time fixed for the Annual General Meeting.

c. Dividend Payment and Closure of Register

If the dividend recommended by Directors is approved by members at the Annual General Meeting, the dividend will be payable less withholding tax on May 22, 2025 to shareholders who are listed on the Bank's Register of Members as at the close of business on May 1, 2025. Shareholders who have completed the e-dividend mandate forms will receive a direct credit of the dividend into their bank accounts.

Notice is therefore given that the Register of Members and Transfer Books will be closed from Friday May 2, 2025 to Wednesday May 7, 2025.

d. Statutory Audit Committee

In accordance with the Section 404 (6) of the Companies and Allied Matters Act 2020, any shareholder may nominate another shareholder for appointment to the Audit Committee. All nomination of members for election to the Audit Committee should reach the Company Secretary at least twenty-one (21) days before the Annual General Meeting via companysecretariat@wemabank.com.

Kindly note that the provisions of the Section 404 (5) of the Companies and Allied Matters Act 2020, Codes of Corporate Governance issued by Securities and Exchange Commission (SEC) and Central Bank of Nigeria (CBN) Corporate Governance Guidelines for Commercial, Merchant, Non-Interest and Payment Service Banks in Nigeria 2023 require all members of the Committee to have basic financial literacy and be knowledgeable in internal control processes. Consequently, all nominations should be accompanied by a copy of the nominee's detailed resume disclosing requisite qualifications.

e. Appointment of Director

Olukayode Bakare was appointed as an Executive Director of the Bank on October 17, 2024, subject to CBN's approval. His appointment has been approved by the Central Bank of Nigeria and will be presented to the shareholders for the approval of his appointment at this Annual General Meeting. Olukayode Bakare's profile can be found on the Bank's website.

f. Rights of Shareholders to ask questions

Shareholders have a right to ask questions not only at the meeting, but also in writing prior to the meeting on any item contained in the Annual Reports and Accounts. Please send questions and comments to the Company Secretariat Department, Wema Bank Plc., 54 Marina Lagos not later than 15th day of May 2025.

g. Unclaimed Dividend

A list of unclaimed dividends will be circulated with the Annual Report and Financial Statements. Members concerned are advised to contact the Registrars - Greenwich Registrars & Data Solutions Limited at 274, Murtala Mohammed Way, Yaba Lagos State.

h. E-Dividend

Pursuant to the directive of the Securities and Exchange Commission, notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of e-dividend.

A detachable application form for e-dividend to enable shareholders furnish particulars of their accounts to the Registrars as soon as possible is attached to the Annual Reports for convenience. The form can also be downloaded from the Bank's website at www.wemabank.com or from Greenwich Registrars & Data Solutions website at www.gtlregistrars.com.

i. Biographical Details of Directors for Re-election/Election

Mrs. Bolarin Okunowo, Prince. Olusegun Adesegun and Dr. (Mrs.) Oluwayemisi Olorunshola will be retiring by rotation at this meeting in line with Section 285 of CAMA. The retiring Directors, being eligible for re-election are offering themselves for re-election as Directors at this Annual General Meeting. The profiles of the Directors standing for re-election are available in the Annual Report and on the Bank's website.

j. Live Streaming of AGM

The Annual General Meeting will be streamed live online. This will enable shareholders and other stakeholders who could not join the meeting electronically to follow the proceedings. The link to the live stream will be made available by the Registrars and on the Bank's website at www.wemabank.com.

k. Electronic copy of Annual Report

The 2024 Annual Report and Accounts of the Bank shall be made available on the Bank's website at www.wemabank.com.

Explanatory Notes on The Proposed Resolutions for 2024 Annual General Meeting

Notes below explain the resolutions to be proposed at the upcoming Annual General Meeting

Resolutions 2 to 9 shall be by ordinary resolutions which require a simple majority of votes for them to be passed. Please note that only members who exercise their voting rights would be considered in determining the number of votes for and against a resolution.

Annual Reports and Accounts

Section 388 (1) of the Companies and Allied Matters Act, 2020 require the Directors of the Bank to lay before the shareholder in a general meeting for each financial year, copies of the financial statements of the Bank made up to date not exceeding nine months prior to the date of the meeting. This will enable shareholders access the financial standing of the Bank and ask questions.

Resolution 1:

Dividend Declaration

Section 426 (1) of the Companies and Allied Matters Act 2020 provides that a company at its general meeting may declare dividend upon recommendation by directors. The recommendation that dividend should be paid is subject to the approval of the general meeting, who also reserves the right to reduce the dividend but cannot increase the dividend payable. If the N1.00 dividend recommended is approved, the dividend, net of withholding tax will be payable on May 22, 2025 to those shareholders registered on the Bank's Register of Shareholders as of May 1, 2025.

Resolution 2:

Ratification of Director's Appointment

Section 274 (2) of the Companies and Allied Matters Act 2020 provides that where a casual vacancy is filled by the directors, the person may be approved by the general meeting at the AGM and if not so approved, he shall immediately cease to be a director. Olukayode Bakare was appointed as a Director, and he will be presented to the general meeting who has the right to ratify his appointment.

Resolution 3:

Re-election of Directors

Section 285 (1) of the Companies and Allied Matters Act 2020 provides that one-third of directors of the Bank shall retire from office at the annual general meeting. Subsection (2) provides that the directors to retire are those who have been longest in office since the last election. In relation to the above cited section, the Bank's Articles of Association require one-third of all Non-Executive Directors (rounded down) to stand for re-election every year, depending on their tenure on the Board.

In keeping with the requirement, Mrs. Bolarin Okunowo, Prince. Olusegun Adesegun and Dr. (Mrs.) Oluwayemisi Olorunshola will retire at this Annual General Meeting and being eligible for re-election, will submit themselves for re-election. It is hereby confirmed that following a formal evaluation, the Directors continue to demonstrate commitment to their role as Non-Executive Directors. The profiles of these Directors are provided in the Annual Report.

Resolution 4:**Disclosure of Remuneration of Managers**

In line with the provision of Section 257 of the Companies and Allied Matters Act, 2020, the Bank shall at the General Meeting disclose the remuneration of its managers to the shareholders.

Resolution 5:**Approval of Auditors Remuneration**

In line with the provision of Section 238 of the Companies and Allied Matters Act, 2020, one of the businesses to be transacted at the Annual General Meeting is fixing the remuneration of the statutory auditors. At this meeting, the shareholders shall be required to authorize the Directors to fix the remuneration of the Auditors for the financial year ending December 31, 2025.

Resolution 6:**Election to the Statutory Audit Committee**

Section 404 (6) of the Companies and Allied Matters Act, 2020, provides that any member may nominate another member of the company to the Audit Committee by giving written notice of such nomination to the Company Secretary at least twenty-one (21) days before the Annual General Meeting and any nomination not received prior to the meeting as stipulated is invalid. New Audit Committee members shall be appointed at this General Meeting.

Resolution 7:**Approval of Director's Remuneration**

Section 293 (1) of the Companies and Allied Matters Act provides that the remuneration of the directors is determined by the company in a general meeting and such remuneration is deemed to accrue day-to-day. Shareholders will therefore be required to approve an annual fee of N144,500,000.00 (One Hundred and Forty-Four Million, Five Hundred Thousand Naira) only for the Non-Executive Directors for the 2024 financial year. The proposed remuneration is maintained at the 2023 threshold.

Resolution 8:**Approval of Additional Capital by way of Private Placement**

Following the General Meeting's approval at the AGM for 2023 financial year that the Bank should raise additional capital to enable it to meet the Central Bank of Nigeria's recapitalization directives for a National Licensed Bank and achieve its business needs, the Board intends to present a resolution to raise additional capital in the sum of N50,000,000,000.00 (Fifty Billion Naira only) by way of Private Placement to meet a portion of the minimum recapitalization requirement for a National Licensed Bank.

Resolution 9:**Alteration of the Articles of Association**

In line with the provisions of Section 53 (1) of the Companies and Allied Matters Act, 2020, a company may, by special resolution, alter or add to its Articles of Association, including the deletion or modification of existing provisions. Accordingly, a resolution is being proposed to the General Meeting to amend Clause 93 (iii) of the Bank's Articles of Association, to revise the percentage of shares required for a shareholder to appoint a director of the Bank from 5% (per cent) to 10% (per cent) of the issued and paid-up share capital of the Bank.

**Saving for
your kid's future**

Download ALAT to get started



*Just Got
Better!*

**Boys
Kiddies
ACCOUNT**



Chairman's Statement



Dr. Oluwayemisi Olorunshola
Chairman Board of Directors



Chairman's Statement

Distinguished Shareholders, Ladies and Gentlemen. It is with great pleasure that I welcome you all to our Annual General Meeting for the year ended December 31st, 2024. It is indeed an honor to address you today as the Chairman of the Board of Directors of Wema Bank.

The Bank marked its 80th anniversary on the 2nd of May 2025. The anniversary was a useful time to reflect on our heritage and the Bank's impact on staff, customers and the country over the last 8 decades. The gathering offered us an opportunity not only to reflect on the achievements of the past year but, as the oldest surviving indigenous bank in the country, our 80 years of existence is also a clear testament to the resilience and exceptional performance of our bank in the face of challenging market conditions.

Dr. (Mrs.) Oluwayemisi Olorunshola
Chairman Board of Directors

In the year under review, the Nigerian economy faced a set of challenges, including currency fluctuations, high inflation, and talent migration. All these impacted the performance of businesses, institutions, and the national economy during the year. The global economic landscape was also marked by significant challenges, including inflation, geopolitical tensions, supply chain disruptions, and conflicts, but despite these challenges, Wema Bank demonstrated strength and adaptability.

Wema Bank, your bank, achieved strong growth throughout the period. Our focus on execution excellence and adaptability to the evolving landscape, made us even stronger. It is encouraging to see the bank's continued and commendable progress across various growth indices.

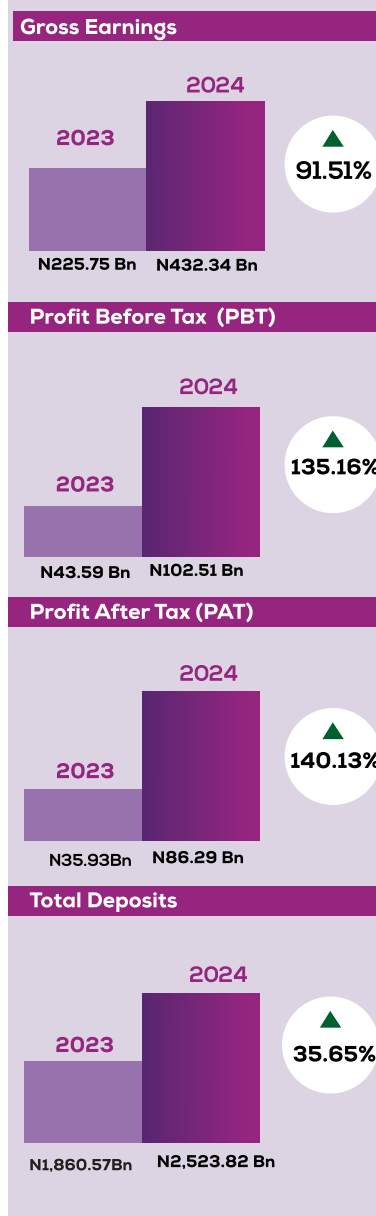
Our innovative digital platform, ALAT, remains a key differentiator, maintaining its market leadership in the digital space with impressive performance. This achievement underscores our commitment to leveraging technology to drive growth, improve customer experience and enhance operational efficiency.

Domestic Economy

The Nigerian economy displayed resilience in 2024, overcoming significant challenges such as high inflation, exchange rate volatility, and the removal of subsidies. In the 4th Quarter of 2024, GDP increased to 3.84% building on the 3.46% growth recorded in the 3rd quarter outpacing the 3.52% growth observed during the same period in 2023.

The banking sector operated within a particularly challenging environment, navigating inflationary pressures that reached 34.80% in December 2024. Moreover, the banking industry faced substantial regulatory and market reforms, including adjustments in monetary policy, foreign exchange management, and capitalization requirements:

- **Banking Sector Recapitalization:** Banks were required to meet higher capital thresholds within two years, a move designed to enhance the sector's stability and resilience.
- **Monetary Policy Adjustments:** The CBN increased the MPR from 18.75% in January to 27.5% by November 2024.
- **Foreign Exchange Reforms:** Measures such as limiting banks' foreign currency holdings, introducing the Electronic Foreign Exchange Matching System (EFEMS) to improve transparency, and easing regulations for International Money Transfer Operators (IMTOs) were implemented.
- **Liquidity Management:** The CBN raised the Cash Reserve Ratio and conducted significant open market operations.



Despite a complex macroeconomic landscape, the banking sector has adapted, demonstrating resilience in the face of economic uncertainties and ongoing reforms.

Operating Environment

2024 was marked by significant geopolitical challenges, with tensions such as the ongoing conflict in Eastern Europe and Middle East causing disruptions to supply chain operations and elevating energy costs. These challenges have created an unpredictable environment for global trade and investment, complicating long-term business planning.

Governments around the world are enacting stricter regulations related to data privacy, cybersecurity, and environmental standards. To avoid penalties and safeguard their reputations, companies must remain vigilant and proactive in meeting these regulatory requirements. Meanwhile, rapid technological advancements—such as artificial intelligence, automation, and digital transformation—are reshaping industries. Firms are investing in technology to enhance efficiency and competitiveness, although this transformation brings both opportunities and challenges as businesses strive to stay relevant in a dynamic environment.

Globally, the economy is projected to grow modestly by 2.4% in 2025. However, inflation

continues to pose a significant challenge, driven by elevated food and energy prices. Central banks have responded with aggressive interest rate hikes to manage inflation, but these measures have also resulted in capital outflows from emerging markets.

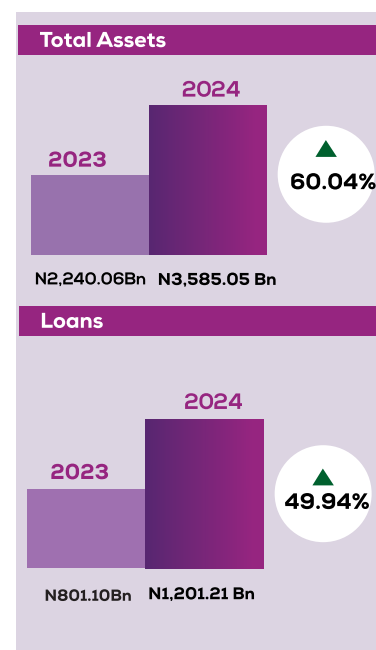
- **Geopolitical Tensions:** Conflicts in Eastern Europe, particularly the Russia-Ukraine war, and unrest in the Middle East continue to generate uncertainty in global markets. These tensions disrupt vital supply chains, elevate energy prices, and dampen investor confidence, creating challenges for businesses and economies worldwide.
- **China's Economic Slowdown:** China's economic growth in 2024 was forecasted to be the weakest since 1990, excluding the COVID-19 period. Sluggish domestic demand, declining exports, and structural challenges contributed to this slowdown, with potential ripple effects on global trade, supply chains, and investment flows.
- **Financial Stress:** High levels of public and private debt, coupled with financial instability, are raising alarm in several regions. Concerns about potential banking crises and heightened market volatility have created an environment of caution among investors and policymakers.
- **Trade Fragmentation:** Rising protectionism and trade barriers, especially between major economies like the US and China, are disrupting established trade flows. These divisions weakened global economic cooperation, hinder innovation, and imposed additional costs on businesses operating across borders.
- **Climate Change:** The effects of climate change, such as extreme weather events, are causing disruptions in agriculture, infrastructure, and energy sectors. Simultaneously, the transition to greener economies poses adjustment challenges but also presents opportunities for innovation and sustainable growth.

Financial Scorecard

The Bank continued to record improved performance, as Gross Earnings grew by 91.5% from N225.75 billion in FY 2023 to N432.34 billion in FY 2024. Profit before Tax (PBT) increased by 135.16% to N102.51 billion from N43.59 billion in FY 2023, and Profit After Tax (PAT) increased by 140.13% to N86.29 billion from N35.93 billion reported in FY 2023. The Bank grew its Total Deposits by 35.65% as of FY 2024 to N2,523.82 billion from N1,860.57 billion reported in FY 2023.

Total Assets as of FY 2024 stood at N3,585.05 billion, representing a 60.04% increase over the N2,240.06 billion recorded in the corresponding year of 2023 and placing the Bank squarely above the One trillion Naira mark, a milestone we surpassed in Q3 2021. Additionally, loans to customers rose by 49.94% to close FY 2024 at N1,201.21 billion from the 801.10 billion recorded in 2023.

Impressively, the Wema and ALAT brands continue to win public acceptance and market relevance. The Bank continues to record growth in its retail deposit drive. It also has been a good year with our earnings growing by 91.51% year on year with earnings per share at 483.2kobo. The Bank's NPL closed at 3.86%, a reduction from FY 2023 position.



Our Strategic Focus

The bank closed out on its Digital Dominance in Three (DD3) strategy last year and has launched a new Strategy to help propel the bank's corporate ambition. The Top Tier in Three (TTT) strategy is a growth strategy structured to drive the attainment of the bank's enterprise aspirations and aimed at making sure the bank is a Tier 1 bank within 5 years and a systemically important bank (SIB) in 3 years.

To meet the new CBN capital requirements, the bank will be raising N200bn in new capital as approved by the shareholders at the last Annual General meeting. This will be broken down into N150bn Rights Issue and N50bn in Special Placement. Additionally, we remain committed to maintaining leadership in the digital banking space and enhancing our corporate and commercial presence on a global scale.

Capital Raise Update

The Board of Directors of Wema Bank has initiated its approved Capital Management plan after the new directive by CBN and sequel to the approval of the shareholder at the AGM held in 2024. The plan includes the following:

1. To raise the sum of N150,000,000,000.00 (One Hundred and Fifty Billion naira) through a Rights Issuance Program to meet the new CBN capital requirement.
2. To strengthen our capital position, by raising N50,000,000,000 (Fifty Billion Naira) through a Special Placement Program.

The capital raise through a Rights Issuance will commence in the first quarter of 2025 to raise an additional N200bn in fresh capital.

In summary, we will continue to seek to improve our position in the industry by:

1. Achieving full compliance with the new CBN capital requirements ahead of the April 2026 deadline.
2. Strengthening key financial performance indicators as we transition into a Systemically Important Bank (SIB).
3. Driving innovation and expanding our leadership in the digital banking space to deliver seamless customer experiences.
4. Enhancing operational efficiency and governance frameworks to sustain long-term growth and stability.
5. Expanding our corporate and commercial banking capabilities to better serve our clients locally and globally.

Our Achievements

Our performance over the past year highlights our resilience and adaptability as an organization. Despite operating in a highly constrained, regulatory and economic environment, we achieved remarkable year-on-year growth across key performance metrics.

In alignment with our strategic goals, we successfully raised N40 billion, reflecting strong investor confidence in our institution and positioning us to meet the new CBN capital requirements. Furthermore, Wema Bank was certified as the No. 1 Great Place to Work in Nigeria, underscoring our unwavering commitment to staff welfare and fostering a progressive organizational culture.

ALAT, our flagship digital platform, continues to serve as a key growth driver and a hallmark of our innovative mindset. With the introduction of innovative features, including the ALAT Xplore platform, we are poised for even greater growth and heightened performance in the coming year.

Additionally, we celebrated the successful graduation of participants from our Skillnovation Program, a partnership with the Federal Government of Nigeria aimed at equipping young talents with the technology skills and knowledge necessary to excel in today's dynamic business environment.

As a customer-centric organization, we remain committed to delivering exceptional service and innovative solutions. By prioritizing our customers' needs and leveraging digital advancements, we are well-positioned to achieve sustained growth and industry leadership in the year ahead.

2025 Outlook

As we step into 2025, the Bank remains steadfast in its commitment to driving growth and achieving its strategic objectives. While the global economic outlook remains uncertain, the projected GDP growth rates of 4.2% for Sub-Saharan Africa and 3.2% for Nigeria in 2025 present opportunities for expansion and increased economic activity.

Nevertheless, we recognize the potential downside risks associated with these projections. Critical factors that could influence our progress include:

- **Global Oil Market Volatility:** Fluctuations in global oil prices that could impact Nigeria's fiscal revenues and overall economic performance.
- **Insecurity:** Ongoing security challenges in various regions, which may disrupt economic activities and hinder growth.
- **High Inflation Rates:** Persistent inflationary pressures that continue to erode consumer purchasing power and increase operating costs for businesses.
- **Workforce Dynamics:** The ongoing brain drain and evolving global attitudes toward work, which may intensify workforce shortages and require adaptive workforce strategies.

Despite these challenges, the Bank remains resolute in its pursuit of innovative solutions to deliver exceptional customer experiences, drive superior returns, and empower our customers and communities. By leveraging cutting-edge products and services, we are well-positioned to navigate the evolving economic landscape and seize opportunities for sustainable growth in 2025.

On behalf of the Board of Directors, I extend our heartfelt gratitude for your unwavering support and loyalty



Oluwayemisi Olorunshola
Chairman Board of Directors
FRC/2023/PRO/DIR/003/492710

10 March 2025



Managing Director/CEO's Statement



Moruf Oseni
Managing Director/CEO

MD/CEO Statement

Dear Shareholders,

It is my honor to welcome you to our Annual General Meeting for the financial year ended December 31, 2024. Today, we are not only reflecting on a year of achievements but also celebrating Wema Bank's unwavering resilience, strategic innovation, and operational excellence in the face of challenges. Despite global inflationary pressures, geopolitical uncertainties, and supply chain disruptions, your bank has demonstrated remarkable adaptability, strength, and vision.

Guided by our commitment to excellence, we navigated the dynamic landscape of our industry with agility and foresight. A cornerstone of this success is our digital banking platform, ALAT, which continues to lead the way in creativity and innovation, solidifying its position as a market leader.

Our Strategic Focus

The Bank is in the second year of executing our enterprise strategy called Top Tier in Three (TTT). This roadmap aims to position Wema Bank among Nigeria's top-tier banks within three years. Entering the second year of this strategy, we remain resolute in our commitment to achieving these milestones.

In response to the new Central Bank of Nigeria's capital requirements for commercial banks, we are implementing our capital management plan to ensure that we meet the regulator's expectation by the end of FY 2025. We intend to open our program in Q2, 2025 and wrap up before year end.

Our core focus will continue to be on delivering our banking mandate to the highest standard possible while delighting our customers with high quality service. Our digital play will also be sustained with the introduction of new products and services. We will also continue to expand our offerings in the corporate and commercial space.

Key areas of focus over the next 12 months will include:

- Achieving full compliance with the new CBN capital requirements ahead of the April 2026 deadline.
- Strengthening of key financial performance indicators as part of our growth ambitions.
- Utilization of the latest innovation in the digital banking space to enhance our leadership while delivering seamless customer experiences.
- Enhancing operational efficiency and governance frameworks to ensure sustainable growth.
- Expanding our corporate and commercial banking capabilities to serve clients locally and globally.

Our Achievements

This past year has underscored our resilience as we achieved notable growth across key performance metrics despite a constrained regulatory and economic environment. Some of the highlights include:

Capital Raise Success

We successfully raised N40 billion, reinforcing investor confidence and positioning us to meet the CBN capital requirements.

Recognition as No. 1 Great Place to Work

Wema Bank was certified as the best workplace in Nigeria, recognized for Innovation, Learning and Development, and as the best employer for Millennials. The launch of our Purple Crèche Initiative further demonstrated our commitment to fostering a family-friendly work environment.

Digital Innovation through ALAT

Our flagship platform, ALAT, continues to drive growth and innovation. With the introduction of new features such as ALAT Explore and ALAT Pay, we are poised for even greater success in the coming year.

Youth Empowerment through Skillnovation

We celebrated the graduation of participants from the Skillnovation Program, a joint initiative with the Federal Government of Nigeria aimed at equipping Nigeria's youth with the skills necessary to thrive in a digital economy.

Looking Ahead

As we step into 2025, we remain focused on delivering superior returns to our shareholders and exceptional service to our customers. We are energized by the opportunities that lie ahead and confident in our ability to meet and exceed expectations.

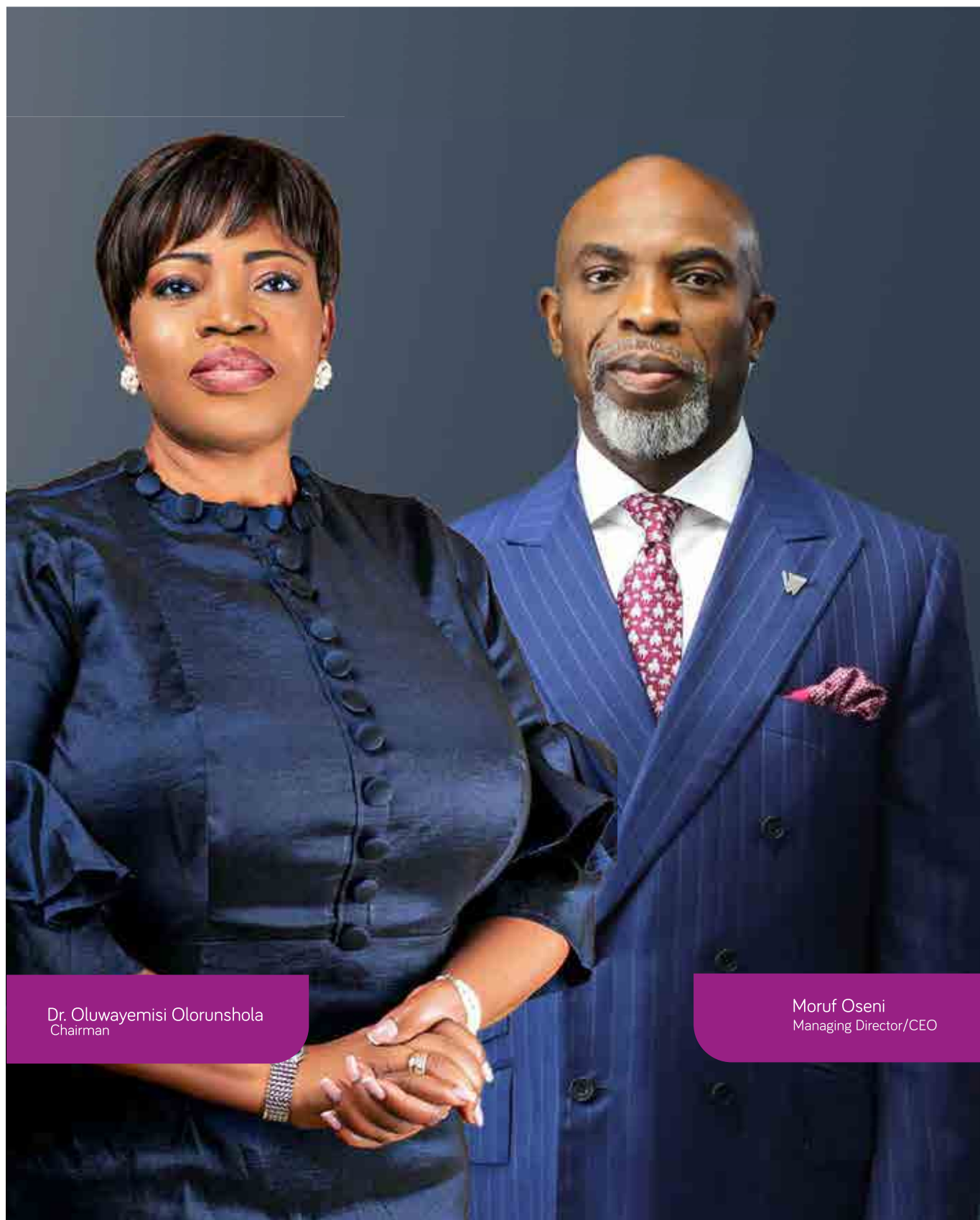
Your unwavering support continues to be the cornerstone of our success, and we are grateful to have you on this journey with us.

Thank you for your trust, confidence, and partnership as we chart the course for another year of growth and success.



Moruf Oseni
Managing Director/CEO
FRC/2013/NIM/00000002114
10 March 2025

Board and Management



Dr. Oluwayemisi Olorunshola
Chairman

Moruf Oseni
Managing Director/CEO

Board and Management



Top L-R: Mrs Bolarin Okunowo (Independent Non-Exec), Prince Olusegun Adesegun(Non-Exec), Oluwole Ajimisinmi (DMD), Yewande Zaccheaus (Non-Exec) and Olukayode Bakare (ED)

Bottom R-L: Yusuf Kazaure (Non-Exec), Segun Opeke (ED), Abolanle Matel-Okoh (Non-Exec), Adeyemi Adefarakan (Non-Exec), Ibiye Ekong (Independent Non-Exec) and Tunde Mabawonku (ED)

Profile of Directors



Dr. Oluwayemisi Olorunshola
Chairman

Dr. (Mrs) Oluwayemisi Olorunshola is an experienced Supply Chain professional and a business associate with over 16 years experience in a multinational organisation and over 10 years as a business manager. She possesses a B.Sc. Education degree in Education & Economics from the prestigious Obafemi Awolowo University, Ile Ife, a Master of Business Administration degree from University of Liverpool, UK, and a Doctorate degree in Business Administration from Walden University, USA.

She is a well trained professional in various aspects of business management and her work experience spans every aspect of the supply chain including Business & Production Planning procurement, Distribution, Import & Export, and Logistics Services. She is a lover of education. Her widely read publication on small business sustainability strategies published in the journal of Functional Education FEAcademia, Proquest.com, and Academia.edu, has been referenced by many scholars.

Dr. Mrs Olorunshola is a fellow of the International Institute for African Scholars and a chartered member of the Nigerian Chartered Institute of Personnel Management. An ardent believer in community development and in pursuant of this interest, she is a volunteer in many civic activities where she has contributed greatly to the development of her community and other areas of influence.

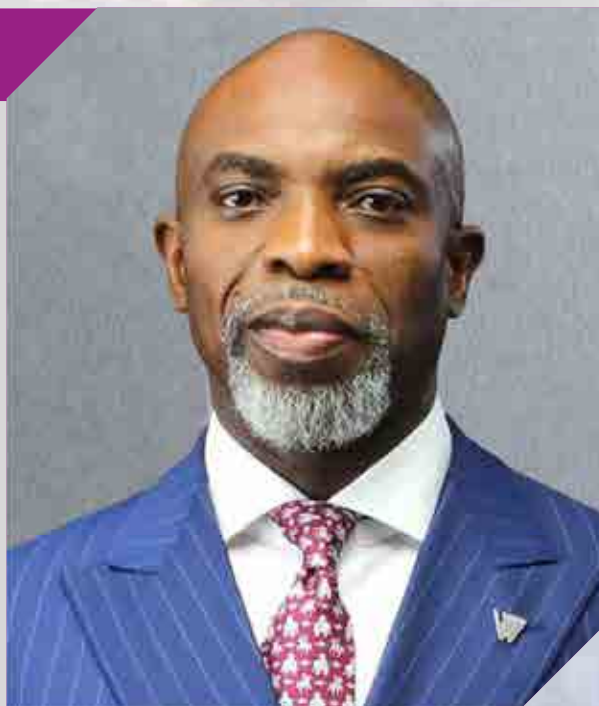
Dr. (Mrs) Oluwayemisi Olorunshola joined the Board of Wema Bank Plc. in January 2022.

Moruf Oseni
Managing Director/CEO

Moruf Oseni is currently the Managing Director/CEO of Wema Bank Plc. He joined Wema Bank in June 2012 as an Executive Director. He has over 26 years of cognate experience with more than 17 years at Senior to Executive Management levels. Moruf Oseni was an Executive Director for six (6) years and Deputy Managing Director for over four (4) years before his elevation to MD/CEO.

He has played a major role in the execution of the turnaround program of the Bank. He was responsible for the launch of ALAT – Nigeria's 1st digital Bank that has received local and global awards and multiple accolades. Prior to Wema Bank, he was the CEO of MG Ineso Limited, a principal investment and financial advisory firm and before that, he was an investment banker at both Renaissance Capital and Schroder Salomon Smith Barney/Citigroup Global markets.

Moruf holds a Master of Business Administration (MBA) from Institut European d'Administration des Affaires (INSEAD) in France, a Master in Finance (MiF) from the London Business School and a B.Sc. in Computer Engineering from Obafemi Awolowo University (OAU), Ile-Ife, Nigeria. He is also an alumnus of both the Advanced Management Program (AMP) of Harvard Business School and King's College, Lagos.



Profile of Directors



Oluwole Ajimisinmi
Deputy Managing Director

Oluwole Ajimisinmi joined Wema Bank in June 2009 as the Company Secretary/Legal Adviser of the Bank. Prior to his appointment as an Executive Director in July 2020, he was the Regional Executive in charge of the Bank's Retail, Commercial and Public Sector business in the Lagos Business Directorate of the Bank, a portfolio which he still manages.

Wole is an experienced banking professional with over 25 years' experience in legal, banking, financial risks mitigation, Commercial lending, transaction structuring, mergers & acquisitions, cross border business advisory and classified asset recovery across different business jurisdictions. Having started his career as a solicitor in a private law firm, he began his journey in banking with Prudent Bank. He led the Legal Team that worked on the successful consolidation of five banks, which included Prudent Bank Plc, EIB International Bank Plc, Cooperative Bank Plc, Bond Bank Plc and Reliance Bank Limited to form Skye Bank Plc.

He went on to serve as Head, Legal Services Department for Skye Bank, overseeing legal services for the 207 branches of the bank and later joined Wema Bank as the Company Secretary and Legal Adviser of the Bank where he oversaw the responsibility of proffering opinions on all legal related issues, including but not limited to securitization of credits, deal structuring etc., and later as Divisional Head of Corporate Services supervising over 6 Departments: Legal Services, Investor Relations, General Admin Services, Board Secretariat, Brand & Marketing Communications and Property Management. Wole was elevated to the position of DMD of the Bank in December 2024

Tunde Mabawonku
Executive Director

Tunde is a seasoned professional with over 24 years working experience spanning across digital banking, retail banking, financial control, strategic management, culture transformation, change management, tax & cost management, investor relations, corporate sustainability, human capital management, business performance, credit/risk, and customer experience.

Tunde started his career in Chartered Bank then moved to Prudent Bank where he headed the performance management and cost control unit. He proceeded to become the deputy head of financial control and strategy department of the same bank.

Tunde is an Alumnus of the Harvard Business School General Management Program and also holds a Master's Degree in Finance (MiF) from London Business School, London and a BSc. in Economics from the University of Ibadan, Oyo State Nigeria. Prior to his appointment as an Executive Director in April, 2023, Tunde was the Chief Financial Officer (CFO) for the Bank and headed the Finance and Corporate Services Division as well.



Profile of Directors



Segun Opeke
Executive Director

Segun Opeke is a result oriented professional banker with over thirty-five (35) years working experience from leading Nigerian commercial banks. He studied Banking and Finance at the University of Lagos and thereafter obtained an MBA from the same University of Lagos in 1999. He is also an alumnus of the Columbia Business School, New York and the London Business School, United Kingdom.

Segun started his banking career at Chartered Bank Limited and played diverse strategic roles in various banking institutions including leading the consumer banking team in FSB International Bank before proceeding to Prudent Bank as an Area Manager.

Following the consolidation of Skye Bank in 2006, Segun worked as the bank's Treasurer, Regional Director and later became the Group Head of Corporate Banking, Aviation and Maritime group. Upon Polaris Bank taking over the defunct Skye Bank in 2018, Segun was made an Executive Director in charge of Lagos Business and Corporate Banking directorates until June 2023 when he retired from the Bank.

Segun has attended several professional, management and leadership programs in world class institutions including INSEAD and Euromoney, London. He is a strong team player, and he is credited with making immense contributions in the areas of business development, corporate finance/restructuring and digital transformation. He was appointed as an Executive Director in February 2024.

Olukayode Bakare
Executive Director

Olukayode is an ardent treasury and finance professional with over thirty-two (32) years post-graduation experience from both academics and banking sectors, respectively. Until his appointment as an executive director, he was the Divisional Executive in charge of Treasury, Wholesale Funding & Global Trade Business of the Bank.

Olukayode studied Economics at the Ogun State University and thereafter obtained an MSC from the University of Ibadan in 1995. He also holds an ACI dealing Certificate (Distinction) of the Financial Markets Association, Paris, France.

Olukayode started his banking career in Ecobank Limited and has played diverse strategic roles in various banking institutions including being the pioneer Treasurer at Diamond du Republic of Benin. He once had a stint at Intercontinental Bank (now Access Bank) as the Group Executive, Market Risk Management.

Olukayode has attended various courses and seminars including the Advanced Capital Market program at the New York Institute of Finance, Digital Transformation at IMD, Lausanne, Switzerland and Changing the Game: Negotiation and Competitive Decision-Making at Harvard Business School. He is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria.

He was appointed as an Executive Director in December 2024.



Profile of Directors



Abolanle Matel-Okoh
Non-Executive Director

An Attorney with over 31 years' experience in diverse areas of judicial science encompassing legal research, investigation of cases, adjudication of clients' claims, and transaction of clients' business. An effective facilitator, she possesses a strong client focus, and a genuine commitment to achieve established objectives.

Abolanle holds an LL. B (Hons) Degree in Law from the Olabisi Onabanjo University and was admitted to the Nigerian Bar as well as the New York State Bar. She is well-trained in the effectiveness of corporate boards, risk management, and advanced strategy for directors. She has attended training and seminars at IMD in Lausanne Switzerland, INSEAD in Fontainebleau France as well as Harvard Business School in Boston USA.

A Certified Executive coach, she is the founder and CEO of BMO Advisory Services a coaching and leadership development outfit with a particular focus on women empowerment. She is a recipient of the prestigious "Super Achiever" Peak Performing Woman of the Year 2023 award, the 2024 Leading Ladies Africa award, and the ABCD Africa 100 Most Impactful Voices 2024 award.

Abolanle joined the Board in January 2015

Prince Olusegun Adesegun
Non-Executive Director

Prince Olusegun Adesegun is a Psychologist with a Master's Degree in Industrial Psychology from the University of Ibadan.

He started his career at Pyramid Products Limited as a Manager in Training and rose to become the General Manager of the then Eastern Zone in 1988. Upon retirement, he engaged in private business and has over time garnered experience in marketing administration, management, and supply chain logistics solutions. He eventually became the CEO of Pecol Ventures Limited – a cash crop export and paper products company which he helped to grow from a small producer to a large, world-class Agric-Export firm.

Between 2011 - 2015, Prince Adesegun served as the Deputy Governor of Ogun State. He is currently a Career Counsellor and Consultant for high-quality investment decisions.

He joined the board in July 2021.



Profile of Directors



Adeyemi Adefarakan
Non-Executive Director

In a career that spans 25 years of international and cross-sector experience, Adeyemi Adefarakan is a seasoned C-suite executive with strong global investment banking, portfolio risk, asset and financial management exposure. He graduated with a BSc (Hons) in Economics & Accountancy from the prestigious City University, London, and holds a Master's degree in International Securities, Investment & Banking from the acclaimed ICMA Centre at the University of Reading, U.K.

He is also an alumnus of both the Emerging CFO: Strategic Financial Leadership Programme at Stanford Graduate School of Business, USA, and Global CEO Africa Programme in the triumvirate of business schools comprising Lagos Business School (Nigeria), Strathmore Business School (Nairobi, Kenya) and Yale School of Management (Connecticut, USA).

Adeyemi forged his career on the trading floors of some of London's financial powerhouses including State Street Global Markets, DRW Investments, JP Morgan Chase, Deutsche Bank and HSBC Global Asset Management. In his years in London, he traded both vanilla and complex instruments and risk-managed multi-billion-dollar multi-asset portfolios.

He currently serves as the Executive Vice Chairman on the board of CBSL (Continental Broadcasting Service Limited) alongside other board positions where he creates and extracts shareholder value through active board engagement. Adeyemi became a Non-Executive Director of the Bank in July 2021.

Yewande Zaccheaus
Non-Executive Director

Yewande Zaccheaus is the Founder and Chairman of Eventful Ltd, a pioneering and leading event planning and consulting company in Nigeria. She studied Law at the University of Lagos and thereafter obtained an LL.M from Cambridge University, England. Yewande started her career with Nigerian American Merchant Bank. She later moved into private practice before joining Ecobank Nigeria Plc where she worked as the Company Secretary and Legal Adviser from 1989 till 2002. She also had a stint in Private Banking department of Ecobank Nigeria Plc before she retired from Banking.

After a successful career in law and banking, Yewande established her own business, Eventful Ltd in 2002. She retired in March 2021 after 19 years of leading the company, achieving the first leadership transition in the event industry. In addition, Yewande is a founding Trustee and a past Chairperson of Women in Management and Business (WIMBIZ). She is an award winning entrepreneur who serves on several boards and non-profit organisations as non-executive director and chairman.

She joined the Board in October 2023.



Profile of Directors



Bolarin Okunowo

Independent Non-Executive Director

Bolarin Okunowo is a seasoned business leader and finance specialist with over 18 years of experience in a range of roles spanning investment banking and financial services, manufacturing, oil and gas, real estate, and hospitality. She is the Managing Director/Chief Executive Officer of Chemical and Allied Products Plc (CAP Pic), a subsidiary of UAC of Nigeria Plc (UACN). Prior to her executive appointment at CAP Pic, Bolarin served as the immediate past Managing Director/CEO of Portland Paints and Products Nigeria Plc ("Portland Paints"), another subsidiary of UACN. At Portland Paints, she led a turnaround of the business and the implementation of the successful merger with CAP Plc in July 2021.

Per UACN Group appointments, she was the Head, Energy & Infrastructure Finance at Stanbic IBTC Capital ("Stanbic") with responsibility for the oil and gas, power, and infrastructure debt finance portfolio. Prior to Stanbic, Bolarin worked with ARM Investments Managers and PricewaterhouseCoopers. Bolarin is a qualified Chartered Accountant; she holds a bachelors degree in Commerce from the University of Birmingham UK and a masters degree in Information Systems from the prestigious London School of Economics.

She has served in various capacities on the boards of various publicly listed companies. She is currently a Non-Executive Director of Livestock Feeds Plc and chairs the Board Risk Management Committee.

Bolarin joined the Board of the Bank in January 2022 and chairs the Bank's Remuneration, Nomination and Governance Committee; and the Board Audit Committee.

Ibiye Ekong

Independent Non-Executive Director

Ibiye Ekong is a finance professional with over 28 years' experience in Accounting and Banking and Finance with a passionate bias for Retail Banking. She started her professional working career as Management Trainee and later Assistant Treasurer at John Holt Plc where she was charged with funds management and foreign exchange bidding management. She later joined banking at Chartered Bank Plc's Correspondent Banking Unit, and was at one time, the Treasurer of the bank managing the bank's assets and liabilities. She was part of the pioneer team that transformed the operations of Prudent Merchant Bank to commercial banking, contributing to the growth and development of Prudent Bank in various senior management capacities, to wit: Senior Manager (Treasury), Assistant General Manager (Treasury), Deputy General Manager (Corporate Banking Group). From 2006, as part of the consolidated Skye Bank Team, she was General Manager (Business Development) and Head of Enterprise Risk Management before becoming an Executive Director in charge of the South-South, Edo, Delta and South-East Regions of the bank, as well as Head of the retail banking team.

She retired from Skye Bank Plc as an Executive Director.

Ibiye is a Fellow and former Council Member of the Chartered Institute of Bankers of Nigeria (CIBN) and currently serves on the Finance and General Purposes Committee of the Governing Council of the CIBN. She is also a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and member of the Institute of Directors (IoD) and the Risk Management Association of Nigeria.

She had served as a member of the Audit Committee of Nigerian Interbank Settlement System (NIBSS) and member of the Audit Committee of the Chartered Institute of Bankers of Nigeria (CIBN) and member of several other committees of the CIBN.

Mrs Ekong was appointed to the Board as an Independent Non - Executive Director in September 2020 and she is the chairman of the Bank's Board Credit Committee.



Profile of Directors



Yusuf Kazaure

Non- Executive Director

Yusuf Kazaure is a seasoned professional with over thirty-five (35) years cumulative multi sector working experience spanning Architecture, Construction, Banking, as well as Information and Communication Technology (ICT). He is an experienced corporate and technology industry executive, focused on transformative outcomes and motivated by challenges. Mr. Kazaure obtained a BSc and MSc in Architecture from the prestigious Ahmadu Bello University Zaria, Nigeria. He is also an alumnus of Bayero University Kano, Nigeria and Oxford University, United Kingdom where he obtained an MBA and Diploma in Computing respectively. He is currently pursuing a PhD in Cybersecurity at the Nasarawa State University, Keffi, Nigeria.

He started his career in the public service in 1987 as an Architect in the Kano State Ministry of Works and Housing before moving into the banking sector where he worked for 10 years. He served as the Permanent Secretary in the Ministry of Commerce and that of Urban & Regional Planning in Jigawa State and later became a Director General in charge of International and Governmental Affairs in the Executive Governor's Office of Jigawa State between 1999 and 2002. He was the pioneer Managing Director /CEO of Galaxy Information Technology and Telecommunication Ltd – the Jigawa State owned ICT company in 2002, and later the CEO of Galaxy Backbone Ltd – a Federal Government owned ICT company in 2014 up until December 2019. He was also the Chairman of the Board of Directors, Nigeria Satellite Communications Ltd between January 2020 to June 2023 and a director of MAG Group Ltd, a multinational conglomerate with about eight (8) subsidiaries/ affiliates that have a presence in over 20 countries.

Mr. Kazaure has attended several executive training courses at various universities and institutions across the world including Leading the Effective Sales Team at INSEAD, in France; Strategic Alliance at Wharton, University of Pennsylvania, USA; Securitization for Housing Finance, Fannie Mae, USA; the Advance Management Training Program (AMP) of the Lagos Business School; the CIO Institute of Carnegie Mellon University, USA to mention a few. He is a fellow of the Nigeria Computer Society, a fellow of the Nigeria Institute of Management Consultants and a fellow of the Nigerian Institute of Architects.

He was appointed as a Non-Executive Director in February 2024.

Executive Management



Moruf Oseni
Managing Director/CEO



Wole Ajimisinmi
Deputy Managing Director



Tunde Mabawonku
Executive Director



Segun Opeke
Executive Director



Olukayode Bakare
Executive Director

General Managers



Oluwatoyin Karieren
Chief Compliance Officer



Rotimi Badiru
Regional Executive, Lagos Island 1



Sylvanus Eneche
Chief Risk Officer



Olaitan Sunday
Regional Executive,
South-West



Ololade Ogungbenro
Divisional Head, Brands, People and
Culture



Emmanuel Edah
Head, Corporate Banking

Deputy General Managers



Olusegun Adeniyi
Chief Digital Officer



Adeoluwa Akomolafe
Chief Information Officer



Adekunle Onitiri
Divisional Head, Remedial Asset



Tajudeen Bakare
Divisional Head, Business Support



Olalekan Somorin
Regional Manager, Ikeja



Ayodele Olojede
Divisional Head, Retail and SME



Kayode Oladipo
Regional Executive, Lagos Island 2

Assistant General Managers



Kemi Adeniji
Head Internal Control



Johnson Lebile
Company Secretary and
General Counsel



Gbenga Olorun-Rinu
Group Head Manufacturing &
Large Corporate



Bamidele Adefemi
Head, Federal Public Sector



Adeola Ajai
Treasurer



Folashade Oladapo-Lawal
Regional Manager, Port Harcourt



Uchenna Obazeh
Head, Credit Risk Management



Queen Dillion
Regional Manager, Abuja 2



Chioma Onuaguluchi
Regional Manager, Abuja 1



Adenike Daramola
Regional Manager, Oyo



Bunmi Oladosu
Chief Financial Officer



Oluwale Esomajumi
Chief Audit Executive



Damola Bolodeoku
Head, Payment Business



Kayode Osumah
Regional Manager, Lagos Mainland



Niyi Owaduge
Regional Manager, Ondo / Ekiti



Adeyemi Oshundiya
Chief Experience Officer



Ajibade Laolu-Adewale
Group Head, Partnership & Ecosystem



Ganiyu Lasisi
Group Head, Specialized Business
-Manufacturing & Large Corporates
Group

Directors' Report

The Directors are pleased to present their annual report, which outlines the operations of Wema Bank Plc and its Special Purpose Vehicle (SPV) (collectively referred to as "the Group"). This report includes the audited consolidated and separate financial statements, along with the independent auditor's report, for the financial year ended 31 December 2024.

a. Legal Form

The Bank was incorporated in Nigeria on May 2, 1945, as a private limited liability company under the Companies Act of 1922. It transitioned to a public company in April 1987. The Bank's shares, which are currently listed on the Nigerian Stock Exchange, were first quoted in February 1991. In January 2001, the Bank was granted a universal banking license by the Central Bank of Nigeria. As part of the banking sector consolidation, Wema Bank Plc acquired National Bank of Nigeria Plc. in December 2005. Today, the Bank operates as a commercial institution with national banking authorization under the Central Bank of Nigeria's updated licensing framework.

b. Principal Activity

The Bank's core activity is the provision of banking and financial services to both corporate and individual customers. These services include the issuance of loans and advances, corporate finance, and a wide range of other banking solutions.

The Bank also has a wholly owned subsidiary, Wema Bank Funding SPV Plc., established specifically to issue bonds for financing the Bank's working capital, improving liquidity, and strengthening its capital base.

Key highlights of the Bank's operating performance for the period under review are as follows:

In thousands of Nigerian Naira	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Gross earnings	433,434,006	226,914,538	432,337,943	225,746,689
Profit on ordinary activities before taxation	102,517,170	43,663,929	102,508,748	43,591,327
Taxation	(16,237,349)	(7,674,962)	(16,222,574)	(7,658,955)
Profit on ordinary activities after taxation	86,279,821	35,988,967	86,286,174	35,932,372
Profit attributable to equity holders	86,279,821	35,988,967	86,286,174	35,932,372
Appropriation:				
Transfer to statutory reserve	12,942,926	5,389,856	12,942,926	5,389,856
Transfer from regulatory risk reserve	(3,124,336)	1,045,040	(3,124,336)	1,045,040
Transfer to retained earnings	76,461,231	29,554,071	76,467,584	29,497,476
Basic earnings per share	483.1	279.9	483.2	279.5

c. Proposed Dividend

The Board of Directors recommends the payment of a dividend from the current year's earnings, reflecting the Bank's strong performance, subject to approval at the Annual General Meeting. The dividend will be paid from the audited earnings for 2024, in accordance with regulatory guidelines, rather than from accumulated reserves. This payment aligns with the Bank's dividend policy and is intended to provide valuable support to our shareholders.

In accordance with the powers granted by Section 426 of the Companies and Allied Matters Act, 2020, the Directors propose a dividend of 100 kobo per share to be paid from the retained earnings as of December 31, 2024, in full compliance with all regulatory requirements.

Compliance with the CBN Circular on Dividend Payment

The proposed dividend payment is in line with the requirements of the CBN circular on Internal Capital generation and dividend payout ratio.

The Directors seek to pay dividend based on the justifications below:

- The Bank has largely complied with all the requirements outlined in the CBN circular on dividend payouts and is not in violation of any regulations.
- The proposed dividend payment will not adversely affect any of the Bank's key financial ratios.
- The dividend proposal has been thoroughly evaluated and ratified by the Board of Directors, following a comprehensive risk assessment and consideration of the current economic conditions.

Fraud and Forgeries

Item	Count
No. Of Cases	987
Amount Involved (N)	255,923,420.83
Actual loss (N)	29,448,647.30
Amount Involved (\$)	200.00
Actual loss (\$)	NIL

Fraud Type/Channel	Amount Fraud Involved N(000)	Amount Lost by the bank N(000)	Amount Involved N(\$)	Amount Lost by the bank N(\$)	Percentage of amount involved	Perpetrators	
						Internal%	External%
Internet Fraud	61,366	8,462	-	-	13.79	0%	100%
Mobile Banking	22,711	5,696	-	-	25.08	0%	100%
POS	61,457	-	-	-	-	0%	100%
ATM	1,739	-	-	-	-	0%	100%
WEB	68,351	3,548	-	-	5.19	0%	100%
Operation & Others	40,299	11,743	200	-	29.14	87%	13%
Total	255,923	29,449	200	-	11.51	14%	86%

Shareholding Analysis

The shareholding pattern of the Bank as at 31 December 2024 is as stated below:

Share Range	Number Of Shareholders	Shareholders %	Number Of Holdings	Shareholding %
1-1,000	144,157	58.52	63,768,634	0.30
1,001-5,000	75,730	30.74	159,919,632	0.75
5,001-10,000	11,460	4.65	80,735,627	0.38
10,001-50,000	11,612	4.71	243,541,624	1.14
50,001-100,000	1,650	4.67	113,659,367	0.53
100,001-500,000	1,303	0.53	266,938,747	1.25
500,001-1,000,000	221	0.09	155,379,220	0.73
1,000,001-5,000,000	140	0.06	283,599,913	1.32
5,000,001-10,000,000	18	0.01	137,364,004	0.64
10,000,001 - 500,000,000	29	0.01	3,273,336,020	15.27
500,000,001 - 1,000,000,000	6	0.00	4,430,647,749	20.67
1,000,000,000 and Above	5	0.00	12,221,285,531	57.03
TOTAL:	246,331	100.00	21,430,178,125	100.00

The shareholding pattern of the Bank as at 31 December 2023 is as stated below:

Share Range	Number Of Shareholders	Shareholders %	Number Of Holdings	Shareholding %
1-1,000	143,131	58.57	63,556,063	0.49
1,001-5,000	75,608	30.94	159,532,968	1.42
5,001-10,000	11,337	4.64	79,693,668	0.62
10,001-50,000	11,336	4.64	237,161,344	1.84
50,001-100,000	1,529	0.63	104,697,367	0.81
100,001-500,000	1,091	0.45	227,721,143	1.77
500,001-1,000,000	181	0.07	127,328,030	0.99
1,000,001-5,000,000	114	0.05	245,477,115	1.91
5,000,001-10,000,000	10	0.00	77,477,913	0.60
10,000,001 - 500,000,000	28	0.01	1,968,378,982	15.31
500,000,001 - 1,000,000,000	5	0.00	2,953,956,924	22.97
1,000,000,000 and Above	3	0.00	6,612,923,021	51.43
TOTAL:	244,373	100.00	12,858,155,360	100.00

Shareholding Structure / Free Float Status as at 31st December 2024

Shareholding Structure / Free float Status	No of Ordinary Shares	% Holdings
Shareholders		
Strategic Shareholding	11,192,633,105	52.23
Directors Direct Shareholding	979,196,510	4.57
Government Shareholding	1,834,403,127	8.56
Free Float	7,423,942,205	34.64
Total	21,430,174,947	100.00

Strategic Shareholding

Name	Holding	Holding%
SW8 Invest Coy	3,659,582,311	17.08
Petrotrab Limited	1,475,960,576	6.89
Neemtree Limited	6,057,090,218	28.26
Total	11,192,633,105	52.23

Directors Shareholding	Holding	Holding %
Abolanle Matel-Okoh	972,669,052	4.54%
Oluwole Albert Ajimisinmi	2,788,858	0.01%
Tunde Mabawonku	1,805,166	0.01%
Yusuf Kazaure	1,000,000	0.00%
Olukayode Moriwiyu Bakare	933,434	0.00%
Moruf Abiola Oseni	-	0.00%
Olusegun Oluremi Adesegun	-	0.00%
Adeyemi Obalolu Adefarakan	-	0.00%
Oluwayemisi Christianah Olorunshola	-	0.00%
Yewande Zacccheaus	-	0.00%
Bolarin Folashade Okunowo	-	0.00%
Segun Opeke	-	0.00%
Ibiye Asime Ekong	-	0.00%
Total	979,196,510	4.57%

Government Shareholding	Holding	Holding %
Oyo State	107,328,000	0.00
Ogun State	370,372,221	1.73
Osun State	370,938,888	1.73
Fountain Holdings Limited	324,227,015	1.51
Odu'a Investment Company Limited	661,537,003	3.09
Total	1,834,403,127	8.56

Declaration:

Wema Bank Plc. with a free float of 34.64% as at 31st December, 2024 is compliant with the Nigerian Stock Exchange's free float requirements for companies listed on the Main Board.

Substantial Interests in Shares

According to the Register of Members, as at 31 December 2024, the following shareholders held more than 5% of the issued share capital of the Bank:

S/N	NAME	Holding	% Holding	Representative on the Board
1.	NEEMTREE LIMITED	6,057,090,218	28.25	Abolanle Matel-Okoh & Yewande Zaccheaus
2.	SW8 INVESTMENT LTD	3,659,582,311	14.90	Adeyemi Adefarakan
3.	PETROTRAB LIMITED	1,475,960,576	8.54	Nil
4.	ODU'A INVESTMENT COY.	1,834,403,127	8.56	Olusegun Adesegun

According to the Register of Members as at 31 December 2023, the following shareholders held more than 5% of the issued share capital of the Bank:

S/N	Name	Holding	% Holding	Representative on the Board
1.	NEEMTREE LIMITED	3,632,682,768	28.25	Abolanle Matel-Okoh & Yewande Zaccheaus
2.	SW8 INVESTMENT LTD	1,915,272,289	14.90	Adeyemi Adefarakan
3.	PETROTRAB LIMITED	1,098,626,666	8.54	Nil
4.	ODU'A INVESTMENT COY.	1,035,953,710	8.06	Olusegun Adesegun

Aside from the above-named substantial shareholders, no other person(s) holds more than 5% of the issued and fully paid-up shares of the Bank.

Directors' Shareholding

The following Directors of the Bank held office during the year and had direct and or indirect interests in the issued share capital of the Bank as recorded in the Register of Directors Shareholding as noted below:

DIRECTORS	Direct Holdings in 2024	Indirect Holdings in 2024	Direct Holdings in 2023	Indirect Holdings in 2023
Oluwole Ajimisinmi	2,788,858	-	2,056,998	-
Moruf Oseni	-	-	-	-
Abolanle Matel-Okoh	972,669,052	6,057,090,218	583,333,333	3,632,682,768
Oluwole Akinleye**	336,283	-	336,283	-
Ibiye Ekong	-	-	-	-
Olusegun Adesegun	-	1,834,403,127	-	1,035,953,710
Adeyemi Adefarakan	-	3,659,582,311	-	1,915,272,289
Oluwayemisi Olorunshola	-	-	-	-
Bolarin Okunowo	-	-	-	-
Yewande Zaccheaus	-	6,057,090,218	-	3,632,682,768
Tunde Mabawonku	1,805,166	-	868,333	-
Segun Opeke*	-	-	-	-
Yusuf Kazaure*	1,000,000	-	-	-
Olukayode Moriwiyu Bakare*	933,434	-	-	-

*Segun Opeke joined the Board February 2024

*Yusuf Kazaure joined the Board February 2024

** Oluwole Akinleye retired the Board November 2024

*Olukayode Bakare joined the Board December 2024

- Abolanle Matel-Okoh has indirect holdings with Neemtrees Limited
- Olusegun Adesegun has indirect holdings with Odua Group
- Adeyemi Adefarakan has indirect holdings with SW8 Investment Ltd
- Yewande Zaccheaus has indirect holdings with Neemtrees Limited

Directors' Interests in Contracts

For the purpose of Section 303 of the Companies and Allied Matters Act, CAP C20 LFN 2020, none of the Directors had direct or indirect interest in any contract with the Bank in the year under review.

Property and Equipment

Information relating to changes in property and equipment is given in Note 19 to the consolidated and separate financial statements. In the Directors' opinion, the net realizable value of the Group's properties is not less than the carrying value in the consolidated and separate financial statements.

Donations

The Bank made contributions to charitable and non-political organizations amounting to N1.274b during the year (N395.13m 31 December 2023) as listed below:

SPONSORSHIPS, EVENTS, DONATION AND GIFTS 2024	N
African Diaspora Network	2,000,000.00
6th Nigerian National Cooperatives Award	3,000,000.00
AACCF -Agritech Women Empowerment Programme	2,500,000.00
Adeola Azeez Community Care Foundation	2,500,000.00
Africa Gaming Expo	10,000,000.00
Africa Sustainable Trade Week Expo	19,032,783.84
Akarigbo Golf Tournament	5,000,000.00
Annual Bankers Committee Retreat Support	5,292,743.25
Around Nigeria In 30 Days Tourism	20,000,000.00
Association Of Nigerian Barbers	2,000,000.00
CIBN 2024 Investiture Fellowship	5,000,000.00
Declutter And Donate 70 Food Items For Floor Victims	2,585,000.00
Ecwas Febwe Fair	10,000,000.00
Ekiti State Innovation Summit	20,000,000.00
Enugu State Annual Unity Christmas	5,000,000.00
Finance Literacy	35,886,583.48
Fintech Exhibition Sponsorship	24,434,950.00
Ibadan - Oyo State Bomb Blast Inc Support	15,000,000.00

SPONSORSHIPS, EVENTS, DONATION AND GIFTS 2024	N
Ikeja Golf Club	9,245,000.00
Ikoyi Passport Office	6,723,250.00
International Coaching Expo	5,000,000.00
Joint Study Tour Iro Digitis	7,500,000.00
Lagos Business School Reunion	4,000,000.00
Lagos Country Club	5,000,000.00
Lagos State Security Trust Fund	47,500,000.00
Leave No One Behind Initiative	3,500,000.00
Lions International District Governors Presentation	5,000,000.00
MOWA Partnership Renovation of Kano Skill Acquisition Centre	2,490,000.00
Naija Brand Chick Trade Fair	489,000,000.00
National Diaspora Day	2,500,000.00
Nigeria Climate Change Forum	5,000,000.00
Nigeria Philanthropy Office	42,500,000.00
Presidency MSME Awards	58,039,250.00
Shore Protection at Portharcourt Gold Club	10,000,000.00
Smile 2024 International Youth Leadership	2,500,000.00
St. Mary Hospital	10,000,000.00
Support For Web & App Development Training Program	2,500,000.00
Support to Federal Ministry of Youth (State): Copreneur Push up Project	14,124,000.00
The FASU Games in Unilag	3,805,500.00
The Nigeria - America Creative Industry	7,500,000.00
Total School Support Seminar/Exhibition	5,000,000.00
Others	336,172,644.86
Total Donations	1,273,831,705.44

Wema Bank as part of its SME strategy provides access to market engagement and opportunities for small-scale businesses. As part of this initiative, we sponsor/support the Naija Brand Chick SME fairs across multiple locations both in and outside Nigeria. In 2024, we sponsored Naija Brand Chick fairs events in Port Harcourt, Kano, Lagos, Ibadan, Abuja, Benin, Asaba, Enugu, and the United Kingdom.

The fairs present an opportunity for SMEs to engage potential customers and showcase their goods and services.

SPONSORSHIPS, EVENTS, DONATION AND GIFTS 2023	N
Oyo State Business Summit Support	30,000,000.00
Endowment Prize And Start-up Grant For Hackaholics 4.0 Participants	26,000,000.00
Support To Bankers Committee Iro 2023 Budget	21,647,357.20
Donation To Widows And Orphans Hope Project	10,000,000.00
Chartered Institute Of Bankers (cibn) 60th Anniversary Support	8,000,000.00
Support For Chartered Risk Management Institute (crmi) Of Nig 22nd Annual Int'l Conference	5,000,000.00
Donation To Lebanese Ladies Society's 2023 Fund-raising	5,000,000.00
Support For Nigerian Medical Association Lagos Agm 2023	3,850,000.00
Support For 2023 Psrg-richardson Health, Safety, Security And Environment (hsse) Forum	3,000,000.00
Donation Of Laptops & Docking Stations To Diamed Center Limited	8,420,000.00
Support For Westernpost's Capacity Building Workshop	5,000,000.00
Support For Sporting Lagos Fc 22/23 Season	5,000,000.00
Support For Stem Girls Project Calabar	2,500,000.00
Support To Mobihealthcare For Free Breast Screening For Customers In Lagos & Ph	2,000,000.00
UNFCCC Cop28 Partnership With Natural Eco Capital Ltd	2,000,000.00
Support For AS+A Communications Pr/csr Forum Exhibition	1,000,000.00
Support Of Yellow Cowries Financial Literacy Competition	250,000.00
Others	256,461,191.38
Total Donations	395,128,548.58

Shareholder's Bulletin

Share Capital History

Issued & Paid -

Year	Authorised		Issued Share Capital (Increase)	Description	Total Issued Share Capital	
	No. of Shares	Amount N	No. of Shares		No. of Shares	Amount N
1945	20,000	10,000	20,000	Initial Capital	20,000	10,000
1970	1,000,000	1,000,000	980,000	Private Issue	1,000,000	500,000
1974	8,000,000	4,000,000	4,600,000	Private Issue	5,600,000	2,800,000
1981	8,000,000	8,000,000	4,000,000	Private Issue	9,600,000	4,800,000
1987	25,000,000	25,000,000	14,400,000	Private Issue for cash	24,000,000	12,000,000
1988	-	-	8,000,000	Private Issue for cash	32,000,000	16,000,000
1989	-	-	8,000,000	Private Issue for cash	40,000,000	20,000,000
1990	100,000,000	50,000,000	16,000,000	Bonus: 2 for 5	56,000,000	28,000,000
1990	-	-	24,000,000	Public Issue for Cash	80,000,000	40,000,000
1991	160,000,000	80,000,000	20,000,000	Bonus: 1 for 4	100,000,000	50,000,000
1992	300,000,000	150,000,000	20,000,000	Bonus: 1 for 5	120,000,000	60,000,000
1993	-	-	80,000,000	Public Issue for Cash	200,000,000	100,000,000
1993	-	-	30,000,000	Bonus: 1 for 4	230,000,000	115,000,000
1995	600,000,000	300,000,000	46,000,000	Bonus: 1 for 5	276,000,000	138,000,000
1996	-	-	55,200,000	Bonus: 1 for 5	331,200,000	165,600,000
1997	-	-	68,217,200	Public Issue for Cash	399,417,200	199,708,600
1997	1,200,000,000	600,000,000	639,067,520	Bonus: 8 for 5	1,038,484,720	519,242,360
2000	2,000,000,000	1,000,000,000	311,545,416	Right Issue for Cash: 1 for 2	1,350,030,136	675,015,068
2002	2,500,000,000	1,250,000,000	207,696,944	Right Issue for Cash: 1 for 2	1,557,727,080	778,863,540
2003	-	-	778,863,540	Right Issue for Cash: 1 for 2	2,336,590,620	1,168,295,310
2003	-	-	778,863,540	Bonus: 1 for 3	3,115,454,160	1,557,727,080
2004	-	-	1,038,494,720	Bonus: 1 for 3	4,153,948,880	2,076,974,440
2004	5,000,000,000	2,500,000,000	5,000,000,000	Public Issue for Cash	9,153,948,880	4,576,974,440
2005	-	-	445,162,526	Bonus: 1 for 20	9,599,111,406	4,799,555,703
2005	721,519,546	360,759,773	721,519,546	National Bank for Conversion	10,320,630,952	5,160,315,476
2010	2,500,618,927	833,539,642	2,500,618,927	Special Placing	12,821,249,879	6,410,624,940
2012	-913,907,131.00	-456,953,565.50	913,907,131	Share Reduction	11,907,342,748	5,953,671,374
2013	40,000,000,000	20,000,000,000	26,667,123,333	Special Placing	38,574,466,081	19,287,233,041
2014	60,000,000,000	30,000,000,000	-	-	38,574,466,081	19,287,233,041
2021	60,000,000,000	30,000,000,000	25,716,310,721	Share Reconstruction: 1 for 3	12,858,155,360	6,429,077,680
2022	40,000,000,000	20,000,000,000	-	-	12,858,155,360	6,429,077,680
2024	-	-	8,572,022,765	Right Issue: 2 for 3	21,430,178,125	10,715,089,063

Remuneration Policy

Mandate & Terms of Reference

The Remuneration Policy is a product of the Remuneration, Nomination & Governance Committee of the Board of Directors ("the Board") of the Bank. The Committee is set out in compliance with various Corporate Governance Codes.

Objectives

This Policy sets out the criteria and mechanism for determining the levels of remuneration of the Directors of the Bank and the frequency for review of same. It further defines the process for determining Directors' compensation and reward for corporate and individual performance.

Purpose

Amongst others, this Policy attempts to:

- Ensure remuneration is provided in a form that will attract, retain and motivate qualified industry professionals as Directors of a reputable bank.
- Balance and align the remuneration of the Directors with the short-term and long-term elements of their tasks.
- Align the interests of the Executive and Non-Executive Directors with the interests of the Shareholders and other stakeholders of the Bank; and
- Ensure that remuneration reflects performance.

Executive Directors' Remuneration Components

Fixed Remuneration

The fixed remuneration shall be determined on the basis of the role of the individual director, including responsibility, skill and experience, job complexity, performance and the specific needs of the Bank at the material time.

Performance-Based Remuneration

The Remuneration, Nomination & Governance Committee shall determine a maximum percentage of performance-based remuneration relative to the fixed remuneration in line with the KPIs as defined by Executive Contract of the Executives.

Pension Schemes

Executive Directors are covered by defined pension contribution plans and the Bank remits both its percentage of the pension contributions and that of the Executive Directors to the nominated Pension Managers every month.

Severance Pay

Executive Directors are entitled to Severance Pay as determined in their contracts of employment.

Other Benefits

Other benefits which may include medical insurance are awarded on the basis of individual employment contracts and industry practice.

Non-Executive Directors Remuneration Components

The remuneration of Non-Executive Directors is determined by the Board, based on recommendations from Executive Management, and is subject to approval by Shareholders at the General Meeting. However, the fees, allowances, or other incentives linked to corporate performance paid to Non-Executive Directors are structured to ensure they do not compromise their independence.

The components of Non-Executive Directors' fees include: an Annual Fee, Sitting Allowance, and Reimbursable Expenses incurred in the performance of their duties for the Bank. Directors' annual fees are paid in arrears. For 2023, the annual fee was N20,000,000.00 (Twenty Million Naira only) for the Chairman and N18,000,000.00 (Eighteen Million Naira only) for other Non-Executive Directors, gross per annum. The proposed annual fee for 2024, which remains at the 2023 level, will be presented for approval at the 2024 Annual General Meeting.

The sitting allowance for each Board meeting attended is N500,000.00 (Five Hundred Thousand Naira only) for each of the Non-Executive Directors and N600,000.00 (Six Hundred Thousand Naira only) for the Chairman.

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Human Capital Management

EXECUTIVE SUMMARY

As Nigeria's leading innovative financial institution, Wema Bank is steadfast in its commitment to fostering an empowering and supportive work environment for all employees. The bank continuously enhances its core Human Resources (HR) functions—spanning talent acquisition, learning and development, compensation, benefits, and performance management. These initiatives transform HR processes into strategic opportunities that drive engagement, productivity, and holistic employee support. Our goal is clear: to cultivate a workforce that thrives personally and professionally while delivering optimal business outcomes.

The Human Capital Management (HCM) Department is instrumental in executing these strategic HR functions. This report highlights the key initiatives spearheaded by the HCM Department in 2024, all designed to strengthen, develop, and empower our workforce. These efforts reinforce Wema Bank's commitment to employee success, ensuring alignment with organizational goals and solidifying our position as a leader in employee experience and development.

LEARNING AND DEVELOPMENT

a Management Development Programmes

The Purple Academy has continuously delivered innovative, impactful learning initiatives that directly support the bank's strategic goals. In 2024, we introduced the Individual Development Plan (IDP) and Performance Tracker, tools that align learning directly with strategy, competencies, and measurable performance outcomes. These tools have driven significant performance improvements across business units. We also launched targeted Performance Improvement Programs, enabling employees to achieve better results.

b New Hire Onboarding and Integration

We enhanced our onboarding process to ensure new hires are aligned with the bank's values and objectives from day one. The approval of the Diversity, Equity, and Inclusion (DEI) Charter institutionalized inclusivity as a core principle of our culture. The Workforce Assimilation Program (WAP) seamlessly integrated new employees into our organization, while expanded mentoring programs provided the support needed for their professional growth and cultural alignment.

c Banker's-in-Training Program: Shaping the Future Workforce

The Bankers-in-Training (BIT) program under the Foundation School has been further enhanced with immersive boot camps and On-the-Job (OJT) training, establishing a strong pipeline of early-career professionals. BIT Alumni Programs were introduced, ensuring continuous engagement through mentorship and development opportunities.

d Banking School and Strategic Partnerships

We strengthened the connection between training and performance outcomes by integrating the Performance Tracker into our Banking School. The Operations Culture Drive was implemented to align operational practices with our strategic and cultural goals. We also partnered with the Customer Experience Team to host the Customer Experience Conference, which reinforced our commitment to delivering exceptional customer service. Furthermore, we continued supporting the Associate Chartered Institute of Bankers (ACIB) and Management Development Programs (MDP), with candidates set to complete their ACIB qualifications by year-end.

TALENT NURTURING

a Succession Planning and Talent Mapping

We have identified critical roles within the bank and mapped potential successors in both the short and long term. Additionally, an external talent mapping process has been completed, pinpointing potential industry leaders who can fill role gaps and ensure business continuity.

b Bench Strength and 2IC Plans

We have ensured that 86% of line managers across the bank have suitable backups in place, ensuring staffing stability and a seamless transition when required.

c Leadership Development

Our Management Development Program (MDP) and personalized Coaching Program have significantly prepared high-potential employees for leadership roles, ensuring that leadership behaviors align with the bank's vision.

d. **ALAT Summer Internship**

The ALAT Summer Internship 2.0 program offered undergraduates valuable work experience and mentorship, providing them with insights into the bank's culture and preparing them for future roles. We are focused on building a strong talent community, particularly for tech and marketing roles.

EMPLOYEE ENGAGEMENT

a. **Wemalympics 2024 – Family Fun Day**

Wemalympics 2024 exemplified teamwork, camaraderie, and the vibrant spirit of our employees. The event not only fostered collaboration and strengthened bonds but also promoted employee well-being, showcasing our core values of partnership and play.

b. **Nigeria Bankers' Games**

We triumphed at the Nigeria Bankers' Games 2024 as the overall winner of the games, securing 18 medals (10 gold, 6 silver, 2 bronze). This achievement reinforced Wema Bank's reputation as a dominant force in the banking sector.

c. **International Women's Day & International Men's Day**

We celebrated International Women's Day and International Men's Day by organizing impactful webinars, workshops, and outreach events, empowering both women and men in the workplace.

d. **Employee Appreciation Day**

Our Employee Appreciation Day recognized and honored the dedication of our employees, celebrating their contributions and reinforcing our commitment to valuing their hard work.

EMPLOYEE HEALTH AND WELLNESS

a. **Annual Medical Check-Up Drive**

We prioritized employee wellness by ensuring that 82% of employees participated in our annual medical check-up drive, reflecting our commitment to a healthy, safe work environment.

b. **On-Site Clinic**

Wema Bank launched an on-site clinic at the Head Office, providing immediate healthcare services including general consultations, first aid, and health screenings.

c. **Health Awareness Initiatives**

We supported global health awareness campaigns by observing World Hepatitis Day, World Breast Cancer Awareness Month, and International Mental Health Awareness Week. We provided free testing, screenings, and expert-led webinars to promote employee well-being.

d. **Back-To-Work Mom Initiative**

This program supports mothers rejoining the workforce after maternity leave, ensuring a smooth transition with necessary resources and recognition of their contributions both at home and in the workplace.

BRAND REPRESENTATION AND RECOGNITION

a. **Great Place to Work Awards 2024**

Wema Bank was ranked as the No. 1 Best Workplace in Nigeria by the prestigious Great Place to Work rankings in 2024. Additionally, we earned recognition as Best in Promoting Culture of Innovation by All and Best in Delivery of Learning and Development Practice further solidifying our position as a leader in employee experience.

CONCLUSION





In 2024, Wema Bank executed transformative initiatives within Human Capital Management, achieving significant progress in employee development, engagement, and organizational growth. These accomplishments reinforce our commitment to a high-performing workforce and establish us as an industry leader.

Looking forward, we are fully focused on delivering even greater impact. We will continue equipping our employees with the necessary resources, tools, and opportunities to excel, ensuring both personal and professional growth. Our unwavering commitment to empowering our workforce is the foundation for sustained excellence, innovation, and alignment with the bank's long-term goals.

Employee Gender Analysis

The number and percentage of women in the bank during the 2024 financial year vis-a-vis the total workforce is as follows:

Human Capital Management

	M 	F 	TOTAL	M 	F 
Employee -Bank	1292	1050	2342	55%	45%
Board & Top Management					
Assistant General Manager	13	5	18	72%	28%
Deputy General Manager	7	2	9	78%	22%
General Manager	3	1	4	75%	25%
Executive Director	3	0	3	100%	0%
Deputy Managing Director	1	0	1	100%	0%
Managing Director/CEO	1	0	1	100%	0%
Non-Executive Director	3	5	8	37%	63%
TOTAL	31	13	44	70%	30%

Customer Complaints Management and Feedback

The Bank recognizes the importance of customer patronage to the growth of its business and thus considers customer complaints and feedback as valuable information to improve its service delivery.

Wema Bank has continued to improve on its feedback channels to ensure timely and satisfactory resolution of complaints. In view of this, in addition to the Bank's fully equipped state-of-the-art Contact Centre – Purple Connect, a Consumer Protection Unit was also created at the Head Office to resolve service issues as raised, without further delay. The available feedback channels in the Bank are listed below:

Hotlines:	08039003700, 01-2777700
Email:	purpleconnect@wemabank.com SMS/WhatsApp: 07051112111
Live Chat:	www.wemabank.com
Letters:	Consumer Protection Unit, Customer Experience Management Department, 54 Marina, Lagos.

Shareholder Complaint Management Channels

Shareholders can make complaints or enquiries and access relevant information about their shareholding through various channels made available by the bank. However, shareholders shall in the first instance contact the Bank's Registrars. The Registrars manage all the registered information relating to all shareholdings e.g. shareholders name, address, shareholding units, dividend payment instruction, etc. The various available channels and relevant contact details are:

- I. **Greenwich Registrars:** Shareholders who wish to make complaints or enquiries about their shareholding may contact the bank's Registrars. Please find below the Registrars contact:

Greenwich Registrars and Data Solutions Ltd 274, Murtala Mohammed Way, Alagomeji, Yaba Lagos.

Telephone: +234 12793160-2; 8131925-2

Email Address: Info@gtlregistrars.com Website: www.gtlregistrars.com

- ii **Company Secretary:** If the Registrar is unable to satisfactorily address shareholders' enquiries and resolve their complaints, the shareholder can contact the office of the Company Secretary via the contact details below:

Company Secretary
Wema Tower
54, Marina Lagos.
Email: CompanySecretariat@Wemabank.com
Telephone: +234 12778959

- iii **Investor Relations Desk:** Shareholders can also contact the Investors Relations unit of the bank via the contact details below:

Investor Relations Department,
Wema Tower,
54, Marina Lagos.
Email: Investor.relations@wemabank.com **Telephone:** +234 12779786

Shareholders and Investors may access the investor relations portal on the Bank's website for more details on the Bank's Shareholder and Stakeholder Management Policy, Communication Policy and Engagement Policy.

Auditors

KPMG Advisory Services have indicated their willingness to continue to serve as auditors in accordance with Section 401 (1) of the Companies and Allied Matters Act, 2020. Accordingly, a resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration.

By Order of The Board



Johnson Lebile

FRC/2018/NBA/00000019017
Company Secretary Wema Towers
54 Marina Lagos

10 March 2025



Report of the Audit Committee To the Members of Wema Bank Plc

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of Wema Bank Plc hereby report as follows: That we have exercised our statutory functions under section 404(7) of the Companies and Allied Matters Act of Nigeria and acknowledge the cooperation and support of Management and Staff in the conduct of these responsibilities. Therefore, we are of the opinion that

- The accounting and reporting policies of the Group are in alignment with legal requirements and agreed ethical practices.
- that the scope and planning of both the external and internal audits for the year ended 31 December 2024 were satisfactory and reinforce the Group's internal control systems.
- We have deliberated with the External Auditors of the Bank, who have confirmed that necessary co-operation was received from Management in the course of their audit, and we are satisfied with Management's response to the External Auditor's
- We are satisfied that the Bank has complied with the provisions of Central Bank of Nigeria Circular BSD/1/2004 dated 18 February 2004 on "Disclosure of Insider Related Credits in the consolidated and separate financial statements of Banks". We hereby confirm that an aggregate loan amount of N0.097billion (31 December 2023: N0.66billion) was outstanding as at 31 December 2024 of which Nil (31 December 2023: Nil) was non- performing.



Mr. Anosikeh Joe Ogbonna

FRC/2014/NIS/00000008836

Chairman, Audit Committee

10 March 2025

Members of the Audit Committee are:

Mr. Anosikeh Joe Ogbonna	-	Shareholder Chairman
Mrs. Esther Osijo	-	Shareholder Member
Mrs. Bolarin Okunowo	-	Shareholder Member
Prof. Samuel Awobode	-	Shareholder Member
Mrs. Yewande Zaccheus	-	Shareholder Member

In attendance:

Mr. Johnson Lebile	-	Company Secretary/General Counsel
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Statement of Directors' Responsibilities

For The Preparation And Approval Of The Consolidated And Separate Financial Statements

The Directors of Wema Bank Plc accept responsibility for the preparation of the consolidated separate financial statements that give a true and fair view of the financial position of the Group's and the Bank's as at 31 December 2024, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act 2020, Banks and Other Financial Institutions Act 2020 and the Financial Reporting Council of Nigeria (Amendment) Act 2023.

In preparing the consolidated and separate financial statements, the Directors are responsible for:

Properly selecting and applying accounting policies;

Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

Providing additional disclosures when compliance with the specific requirements in IFRSs Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

Going Concern

The Directors have made an assessment of the Group's and the Bank's ability to continue as a going concern and have no reason to believe the Group and the Bank will not remain a going concern in the year ahead.



Dr. (Mrs) Oluwayemisi Olorunshola

Chairman

FRC/2023/PRO/DIR/003/492710

10 March 2025



Moruf Oseni

Managing Director/CEO

FRC/2013/NIM/00000002114

10 March 2025

Statement of Corporate Responsibility

for the consolidated and separate financial statements for the year ended 31 December 2024

In accordance with section 405 of the Companies and Allied Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the consolidated and separate financial statements have been reviewed and based on our knowledge, the:

- (i) audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- (ii) audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the bank as of and for, the periods covered by the audited consolidated and separate financial statements;

We state that Management and Directors:

- (i) are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Bank and its subsidiary is made known to the officer by other officers of the Group's and the Bank's, particularly during the period in which the audited financial statement report is being prepared,
- (ii) have evaluated the effectiveness of the Group's and the Bank's internal controls within 90 days prior to the date of its audited consolidated and separate financial statements, and
- (iii) certify that the Group's and the Bank's internal controls are effective as of that date;

We have disclosed;

- (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Group and the Bank's ability to record, process, summarise and report financial data, and has identified for the Group's/Bank's auditors any material weaknesses in internal controls,
- (ii) and whether or not, there is any fraud that involves management or other employees who have a significant role in the Group's and Bank's internal control and
- (iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The consolidated and separate financial statements of the Group and Bank for the year ended 31 December 2024 were approved by the Directors on 10 March 2025.



Bunmi Oladosu
Chief Financial Officer
FRC/2013/ICAN/00000002098
10 March 2025



Moruf Oseni
Managing Director/CEO
FRC/2013/NIM/00000002114
10 March 2025

Certification Pursuant to Section 60 of the Investment and Securities Act, 2007

I, Moruf Oseni, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of December 31, 2024 of Wema Bank Plc ("the Bank") (and its subsidiary (together "the Group");
- b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- c) Based on our knowledge, the consolidated and separate financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The Group's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Group is made known to us by others within the Group, particularly during the period in which this report is being prepared.
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated and Separate Financial Statement for external purposes in accordance with IFRS Accounting Standards;
 - 4) have evaluated the effectiveness of the Group's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) We have disclosed, based on our most recent evaluation of internal control system, to the Group's auditors and the audit committee:
 - 1) that there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Group's ability to record, process, summarize and report financial information; and
 - 2) that there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal control system.
- f) The Group's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.



Moruf Oseni

Managing Director/CEO
FRC/2013/NIM/00000002114

10 March 2025

Certification Pursuant to Section 60 of the Investment and Securities Act, 2007

I, Bunmi Oladosu, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of December 31, 2024 of Wema Bank Plc ("the Bank") (and its subsidiary (together "the Group"));
- b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- c) Based on our knowledge, the consolidated and separate financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The Group's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Group is made known to us by others within the Group, particularly during the period in which this report is being prepared.
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated and Separate Financial Statement for external purposes in accordance with IFRS Accounting Standards;
 - 4) have evaluated the effectiveness of the Group's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) We have disclosed, based on our most recent evaluation of internal control system, to the Group's auditors and the audit committee:
 - 1) that there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Group's ability to record, process, summarize and report financial information; and
 - 2) that there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal control system.
- f) The Group's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.



Bunmi Oladosu

Chief Financial Officer

FRC/2013/ICAN/00000002098

10 March 2025

Management's Report on the Effectiveness of Internal Control over Financial Reporting as of December 31, 2024

The management of Wema Bank Plc is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Investment and Securities Act 2007 and the Financial Reporting Council (Amendment) Act, 2023.

The management of Wema Bank Plc assessed the effectiveness of our internal control over financial reporting as of December 31, 2024 using the criteria set forth in Internal Control—2013 Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the SEC Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act, 2007.

As of December 31, 2024, the management Wema Bank Plc did not identify any material weakness in its assessment of internal control over financial reporting.

As a result, management has concluded that, as of December 31, 2024, the Group's internal control over financial reporting was effective.

The Bank's independent auditor, KPMG Professional Services, who audited the consolidated and separate financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Group's internal control over financial reporting as of December 31, 2024 based on the limited assurance engagement performed by them. KPMG Professional Services' limited assurance report is also included in this Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Group's internal control over financial reporting.



Bunmi Oladosu
Chief Financial Officer
FRC/2013/ICAN/00000002098
10 March 2025



Moruf Oseni
Managing Director/CEO
FRC/2013/NIM/00000002114
10 March 2025

10th March 2025

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE AUDIT OF WEMA BANK PLC FOR THE YEAR ENDED 31ST DECEMBER 2024

DCSL Corporate Services Limited (DCSL) was engaged by Wema Bank Plc ("Wema Bank", "the Bank") to conduct a performance evaluation of the Board of Directors and a Corporate Governance Audit for the year ended 31st December 2024. This assessment was carried out in accordance with the provisions of the Central Bank of Nigeria Guidelines for Commercial, Merchant, Non-Interest and Payment Service Banks in Nigeria 2023 (CBN Guidelines), Nigerian Code of Corporate Governance 2018 (NCCG), the Securities and Exchange Commission Corporate Governance Guidelines 2020 (SCGG), the Companies and Allied Matters Act 2020 (CAMA), as well as global best practices.

The evaluation involved a review of the Bank's corporate and statutory documents, Minutes of Board and Committee meetings, policies, and other relevant materials provided to us. Additionally, we administered questionnaires to Directors to assess compliance with corporate governance principles and evaluate Board performance. The Bank's corporate governance structure, policies, and processes were benchmarked against the above-mentioned regulations and best practices, focusing on the following seven (7) corporate governance themes:

1. Board Structure and Composition
2. Strategy and Planning
3. Board Operations and Effectiveness
4. Measuring and Monitoring Performance
5. Risk Management and Compliance
6. Corporate Citizenship
7. Transparency and Disclosure

Our review indicates that the Board continues to uphold strong corporate governance practices, demonstrating adherence to the principles enshrined in the CBN Guidelines, NCCG, the SCGG and globally recognized best practices.

We have highlighted the few areas for improvement and provided recommendations for implementation. Details of our key findings and recommendations are contained in our detailed Reports.

Yours faithfully,

For: DCSL Corporate Services Ltd


Bisi Adeyemi

Managing Director - FRC/2013/NBA/00000002716

Directors: Abel O. Ajayi (Chairman) - Bisi Adeyemi (Managing Director) - Adeniyi Obe - Dr Anino Emuwa - Lekan Belo - Anne Agbo (Executive Director)

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Independent Auditor's Limited Assurance Report

To the Shareholders of Wema Bank Plc

Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting**Conclusion**

We have performed a limited assurance engagement on whether internal control over financial reporting of Wema Bank Plc ("the Bank") and its subsidiary (together "the Group") as of 31 December 2024 is effective in accordance with the criteria established by Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Group's internal control over financial reporting as of 31 December 2024 is not effective, in all material respects, in accordance with the criteria established in the COSO Framework and the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (*including International Independence Standards*) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG Professional Services, a partnership registered in Nigeria and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registered in Nigeria No BN 966925

A list of partners is available for inspection at the firm's address.



We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

We have audited the consolidated and separate financial statements of Wema Bank Plc in accordance with the International Standards on Auditing, and our report dated 28 March 2025 expressed an unmodified opinion of those consolidated and separate financial statements.

Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

The Board of Directors of Wema Bank Plc is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on the Effectiveness of Internal Control over Financial Reporting. Our responsibility is to express a conclusion on the Group's internal control over financial reporting based on our assurance engagement.

Our responsibilities

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on the Group's internal control over financial reporting based on our assurance engagement.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Definition and Limitations of Internal Control Over Financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with



generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Oluwafemi O. Awotoye, FCA
FRC/2013/ICAN/00000001182
For: KPMG Professional Services
Chartered Accountants
28 March 2025
Lagos, Nigeria

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Wema Bank Plc

Report on the Audit of the Consolidated and Separate Financial Statements**Opinion**

We have audited the consolidated and separate financial statements of Wema Bank Plc ("the Bank") and its subsidiary (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Bank and its subsidiary as at 31 December 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements* section of our report. We are independent of the Group and Bank in accordance with International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Registered in Nigeria No BN 986925

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Expected Credit Loss (ECL) on Loans and Advances to Customers

The key audit matter

The Group uses an Expected Credit Loss (ECL) model to determine the impairment allowance for its loans and advances to customers. The ECL methodology incorporates information about past events, current conditions, forecasts of future economic conditions in determining impairment allowances.

The Group's ECL model includes certain judgments and assumptions such as:

- the possibility of a loan becoming past due and subsequently defaulting; the rate of recovery on the loans that are past due and in default; and the market values and estimated time and cost to sell the collaterals; and
- the incorporation of forward-looking information related to the expected outlook on the country's gross domestic product, inflation rate and price of crude oil used in determining the expected credit losses in the loans and advances portfolio.

ECL on loans and advances to customers that have shown a significant increase in credit risk is based on the Group's estimate of losses expected to result from default events over the life of the loans. ECL on other loans that have not shown a significant increase in credit risk is recognized based on an estimate of the losses expected to result from default events within 12 months after the reporting year. This estimate is also an output of models, with the key assumptions being the possibility of a loan becoming past due and subsequently defaulting (which is reflected in the classification of loans into stages) and the rate of recovery on the loans that are past due and in default. The judgment involved in classifying loans and advances to customers into stages, the level of subjectivity inherent in estimating the key assumptions on the recoverability of loan balances, application of industry knowledge and prevailing economic conditions in arriving at the level of impairment required, the inputs estimated, the complexity of the estimation process and the significant judgment involved in applying these estimates to determine the level of ECL required, makes the ECL on loans and advances to customers a matter of significance to the audit.

How the matter was addressed in our audit

Our audit procedures in this area includes, among others:

- We evaluated the design and implementation of the key controls over the ECL determination process.
- The key controls evaluated includes management review of significant increase in credit risk and the resultant classification of loans into the various stages and management review of the accuracy of the relevant data used in the calculation of parameters included in the impairment model like the probability of default and loss given default.
- For a selected sample of loans and advances to customers, we assessed the appropriateness of the Group's determination of significant increase in credit risk and the resultant classification of loans into the various stages by reviewing the loan staging done by the Group. For loans and advances to customers which have shown a significant increase in credit risk, we evaluated the level of past due obligations using qualitative factors such as available information about the obligor's business or project being financed and quantitative indicators such as number of days past due to determine the impairment based on the losses expected over the life of the facilities.
- With the assistance of our Financial Risk Management specialists, we:
 - Assessed the appropriateness of the Group's ECL methodology by considering whether it reflects probability-weighted amounts that are determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions;
 - Challenged the appropriateness of the modelling approach and the historical movement in the balances of facilities between default and non-default categories by reviewing the underlying data used in determining the Probability of Default (PD) in the ECL calculations;
 - Evaluated the appropriateness of the data used in determining the Exposure at Default, including the contractual cash flow, outstanding loan balance, loan contractual repayment pattern and loan tenor;



- Tested the accuracy of the calculation of the Loss Given Default (LGD) used by the Group;
- Assessed the valuation of the collaterals used in the ECL model;
- Challenged the appropriateness of management's forward-looking assumptions using publicly available information from external sources;
- Determined the staging of facilities through the consideration of days past due as well as other qualitative characteristics that signified an increase in the credit risk of a loan customer.
- Tested the accuracy of the Group's ECL provision by re-performing the calculations of the ECL for loans and advances to customers. For loans and advances to customers which have shown a significant increase in credit risk, the recalculation was based on the amount which the Group may not recover throughout the life of the loans while for loans and advances to customers that have not shown significant increase in credit risk, the recalculation was based on the losses expected to result from default events within a year after the reporting year.

The Group and Bank's accounting policy on impairment allowance for loans and advances to customers Notes 3J(ii), disclosure on judgments and estimates (Notes 2d) and relevant financial risk disclosures are shown in the notes to the consolidated and separate financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the About Wema Bank, Corporate Governance, Sustainability Report, Innovation Report, Wema Bank Compliance Risk Framework, Chairman's Statement, Directors' Report, Customer Complaints Management and Feedback, Report of the Audit Committee, Statement of Directors' Responsibilities for the preparation and approval of the Consolidated and Separate Financial Statements for the year ended 31 December 2024, Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements, Management's Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024, Certification Pursuant to Section 60 of the Investments and Securities Act, 2007, Report of the External Consultant on the Performance Evaluation of the Board of Directors and Corporate Governance Audit of Wema Bank Plc for the year ended 31 December 2024 and Other National Disclosures which we obtained prior to the date of the auditor's report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Other information also include Profile of Directors and Shareholders Bulletin, together "outstanding reports", which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria (Amendment)



Act, 2023, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
- iii. The Bank's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Compliance with Section 26 (3) of the Banks and Other Financial Institutions Act, 2020 and Central Bank of Nigeria circular BSD/1/2004

- i. The Bank paid a penalty of N2 million in respect of contravention of CBN net open position limit during the year ended 31 December 2024 as disclosed in note 31 to the consolidated and separate financial statements.
- ii. Related party transactions and balances are disclosed in note 30 to the consolidated and separate financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Group's internal control over financial reporting as of December 31, 2024. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 28 March 2025. This report is included in the annual report.



Oluwafemi O. Awotoye, FCA
FRC/2013/ICAN/00000001182
For: KPMG Professional Services
Chartered Accountants
28 March 2025
Lagos, Nigeria



FINANCIALS 03

142	Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income
143	Consolidated and Separate Statements of Financial Position
144	Consolidated and Separate Statements of Changes in Equity
146	Consolidated and Separate Statements of Cash Flows
147	Notes to The Consolidated and Separate Financial Statements
148	Statement of Prudential Adjustments
196	Risk Overview
239	Other National Disclosures

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

<i>In thousands of Nigerian Naira</i>	Notes	Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Interest income	7	354,633,103	185,643,309	353,537,040	184,475,460
Interest expense		(177,569,260)	(93,922,252)	(176,496,617)	(92,852,911)
Net interest income	7	177,063,843	91,721,057	177,040,423	91,622,549
Net impairment loss on financial assets	11	(21,649,883)	(10,563,367)	(21,649,883)	(10,563,367)
Net interest income after impairment charge for credit losses		155,413,960	81,157,690	155,390,540	81,059,182
Net gain on FVTPL investment securities		2,497,076	229	2,497,076	229
Net fee and commission income	8	55,576,183	24,961,757	55,576,183	24,961,757
Net trading income	9	3,440,533	822,485	3,440,533	822,485
Other income	10	17,287,111	15,486,758	17,287,111	15,486,758
		78,800,903	41,271,229	78,800,903	41,271,229
Operating income		234,214,863	122,428,919	234,191,443	122,330,411
Personnel expenses	12	(45,475,369)	(26,755,149)	(45,475,369)	(26,755,149)
Depreciation and amortization	13b	(8,740,108)	(6,122,218)	(8,740,108)	(6,122,218)
Other operating expenses	13a	(77,482,216)	(45,887,623)	(77,467,218)	(45,861,717)
Profit before minimum taxation		102,517,170	43,663,929	102,508,748	43,591,327
Minimum Tax	24	-	(1,142,960)	-	(1,127,681)
Profit before taxation		102,517,170	42,520,969	102,508,748	42,463,646
Income tax expense	24	(16,237,349)	(6,532,002)	(16,222,574)	(6,531,274)
Profit for the year		86,279,821	35,988,967	86,286,174	35,932,372
Other comprehensive income, net of income tax					
<i>Items that will not be subsequently reclassified to profit or loss</i>					
Net change in fair value of equity investments FVTOCI		1,477,902	3,674,204	1,477,902	3,674,204
		1,477,902	3,674,204	1,477,902	3,674,204
<i>Items that will be subsequently reclassified to profit or loss</i>					
Net change in fair value of debt investments FVOCI		-	(1,424)	-	(1,424)
Accumulated fair value gain/(loss) on debt instrument disposed (net of tax) during the year		-	(48,532)	-	(48,532)
Other comprehensive income for the year		1,477,902	3,624,248	1,477,902	3,624,248
Total comprehensive income for the year		87,757,723	39,613,215	87,764,076	39,556,620
Profit attributable to:					
Equity holders of the Bank		86,279,821	35,988,967	86,286,174	35,932,372
Total comprehensive income for the year		87,757,723	39,613,215	87,764,076	39,556,620
Earnings per share-basic/diluted (kobo)	14	4831	279.9	483.2	279.5

The accompanying notes are an integral part of these consolidated and separate financial statements

Consolidated and Separate Statements of Financial Position

Wema Bank Plc

Consolidated and Separate Financial Statements

For the year ended 31 December, 2024

Statement of financial Position as at:

In thousands of Nigerian Naira	Notes	Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Cash and cash equivalents	15	278,924,625	220,233,575	278,919,920	220,206,835
Restricted Deposit with CBN	15b	838,595,007	503,320,833	838,595,007	503,320,833
Pledged assets	16	307,235,855	35,216,689	307,235,855	35,216,689
Investment securities:					
Fair value through other comprehensive income	17a	14,756,031	13,354,669	14,756,031	13,354,669
Fair Value through profit or loss	17b	45,455,938	4,669	45,455,938	4,669
Held at amortised cost	17c	840,020,678	614,892,883	831,849,884	606,743,512
Wema funding SPV Plc	17d	-	-	1,000	1,000
Loans and advances to customers	18	1,201,209,319	801,103,117	1,201,209,319	801,103,117
Property and equipment	19	48,322,246	35,762,897	48,322,246	35,762,897
Intangible assets	20	4,098,343	2,988,602	4,098,343	2,988,602
Deferred tax assets	21	472,076	7,105,000	472,076	7,105,000
Other assets	22	12,967,801	13,001,896	12,967,801	13,001,896
Right of Use Assets	27	1,170,067	1,254,787	1,170,067	1,254,787
Total Assets		3,593,227,986	2,248,239,617	3,585,053,487	2,240,064,506
Deposits from banks	23	258,500,000	20,863,530	258,500,000	20,863,530
Deposits from customers	23	2,523,815,263	1,860,573,537	2,523,815,263	1,860,573,537
Current tax liabilities	24	9,604,424	1,796,732	9,589,649	1,780,725
Other liabilities	25a	431,868,351	142,585,099	431,853,354	142,575,102
Provisions	25b	3,150,527	2,609,348	3,150,527	2,609,348
Other borrowed funds	26	109,868,074	80,466,750	101,693,813	72,294,463
Lease Liabilities	27	-	45,952	-	45,952
Total Liabilities		3,336,806,639	2,108,940,948	3,328,602,606	2,100,742,657
Equity					
Share capital	28	10,715,089	6,429,078	10,715,089	6,429,078
Share premium	28	56,430,821	8,698,230	56,430,821	8,698,230
Regulatory risk reserve	28	10,503,742	13,628,078	10,503,742	13,628,078
Retained earnings	28	103,251,267	36,585,528	103,280,800	36,608,707
Additional Tier 1 capital	28	21,000,000	21,000,000	21,000,000	21,000,000
Other reserves	28	54,520,428	52,957,755	54,520,429	52,957,756
Equity attributable to equity holders of the bank		256,421,347	139,298,669	256,450,881	139,321,849
Total liabilities and equity		3,593,227,986	2,248,239,617	3,585,053,487	2,240,064,506

The consolidated and separate financial statements were authorized for issue by the directors on 10th of March 2025 and signed on its behalf by:



Dr. (Mrs) Oluwayemisi Olorunshola
Chairman
FRC/2023/PRO/DIR/003/492710
March 10, 2025



Moruf Oseni
Managing Director/CEO
FRC/2013/NIM/00000002114
March 10, 2025



Bunmi Oladosu
Chief Financial Officer
FRC/2013/ICAN/00000002098
March 10, 2025

Consolidated Statement of Changes in Equity

Group

In thousands of Nigerian naira (000s)

2024

Balance at 1 January 2024

	Share Capital	Share Reserve	Share premium	At-1 Tier 1 Capital	Credit Risk Reserve	Regulatory risk reserve	Statutory reserve	SMEIS reserve	Fair value reserves	Retained earnings	Total equity
Balance at 1 January 2024	6,429,078	12,858,155	8,698,230	21,000,000	-	13,628,078	24,726,903	1,910,120	13,462,577	36,585,528	139,298,669
Profit or loss	-	-	-	-	-	-	-	-	-	86,279,821	86,279,821
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Debt instruments at FVOCI - reclassified to profit or loss	-	-	-	-	-	-	-	-	1,477,902	-	1,477,902
Net change in fair value financial instrument FVTOCI	-	-	-	-	-	-	-	-	-	-	-

Transfer within equity:

Transfer to share premium	-	(12,858,155)	12,858,155	-	-	-	-	-	-	-	-
Regulatory risk reserve	-	-	-	-	-	(3,124,336)	-	-	-	3,124,336	-
Transfer to statutory reserve	-	-	-	-	-	-	12,942,926	-	-	(12,942,926)	-
	6,429,078	-	21,556,385	21,000,000	-	10,503,742	37,669,829	1,910,120	14,940,479	113,046,759	227,056,392

Transactions with owners, recorded directly in equity

Dividend Payout	-	-	-	-	-	-	-	-	-	(6,429,078)	(6,429,078)
AT1 capital Charge	-	-	-	-	-	-	-	-	-	(3,366,414)	(3,366,414)
Right Issue	4,286,011	-	34,874,436	-	-	-	-	-	-	-	39,160,447
	4,286,011	-	34,874,436	-	-	-	-	-	-	(9,795,492)	29,364,955
Balance as at 31 December 2024	10,715,089	-	56,430,821	21,000,000	-	10,503,742	37,669,829	1,910,120	14,940,479	103,251,267	256,421,347

2023

Balance at 1 January 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	11,449,604	82,542,901
Profit or loss	-	-	-	-	-	-	-	-	-	35,988,967	35,988,967
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Debt instrument at FVTOCI - Reclassified to profit or loss	-	-	-	-	-	-	-	-	(48,532)	-	(48,532)
Net changes in Fair value financial instrument FVTOCI	-	-	-	-	-	-	-	-	3,672,780	-	3,672,780

Transfer within equity

SMEIS Charge	-	-	-	-	-	-	-	560,701	-	(560,701)	-
Regulatory risk reserve	-	-	-	-	-	1,045,040	-	-	-	(1,045,040)	-
Credit risk reserve	-	-	-	-	(781,612)	781,612	-	-	-	-	-
Transfer to statutory reserves	-	-	-	-	-	-	5,389,856	-	-	(5,389,856)	-
	6,429,078	12,858,155	8,698,230	-	-	13,628,078	24,726,903	1,910,120	13,462,577	40,442,975	122,156,117

Transactions with owners, recorded directly in equity

Dividend Payout	-	-	-	-	-	-	-	-	-	(3,857,447)	(3,857,447)
Additional Tier 1 Capital Issued	-	-	-	21,000,000	-	-	-	-	-	-	21,000,000
	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2023	6,429,078	12,858,155	8,698,230	21,000,000	-	13,628,078	24,726,903	1,910,120	13,462,577	36,585,528	139,298,669

Separate statement of changes in equity

Bank

In thousands of Nigerian naira (000s)

2024

Balance at 1 January 2024

Profit or loss	-	-	-	-	-	-	-	-	-	86,286,174	86,286,174
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Other comprehensive income

Debt instrument at FVTOCI - Reclassified to profit or loss

Net changes in Fair value financial instrument FVTOCI	-	-	-	-	-	-	-	1,477,902	-	-	1,477,902
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Transfer within equity:

Transfer to share premium	-	(12,858,155)	12,858,155	-	-	-	-	-	-	-	-
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Regulatory risk reserve	-	-	-	-	-	(3,124,336)	-	-	-	3,124,336	-
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Transfer to statutory reserve	-	-	-	-	-	-	12,942,926	-	-	(12,942,926)	-
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	6,429,078	-	21,556,385	21,000,000	-	10,503,742	37,669,829	1,910,121	14,940,479	113,076,291	227,085,925
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Transactions with owners, recorded directly in equity

Dividend Payout	-	-	-	-	-	-	-	-	-	(6,429,078)	(6,429,078)
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AT1 capital Charge	-	-	-	-	-	-	-	-	-	(3,366,414)	(3,366,414)
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Right Issue	4,286,011	-	34,874,436	-	-	-	-	-	-	-	39,160,447
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	4,286,011	-	34,874,436	-	-	-	-	-	-	(9,795,492)	29,364,955
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Balance as at 31 December 2024

	10,715,089	-	56,430,821	21,000,000	-	10,503,742	37,669,829	1,910,121	14,940,479	103,280,800	256,450,881
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2023

Balance at 1 January 2023

Profit or loss	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	82,622,676
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Other comprehensive income	-	-	-	-	-	-	-	-	-	35,932,372	35,932,372
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Debt instrument at FVTOCI - Reclassified to profit or loss

Net changes in Fair value financial instrument FVTOCI	-	-	-	-	-	-	-	-	(48,532)	-	(48,532)
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	-	-	-	-	-	-	-	-	3,672,780	-	3,672,780
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Transfer within equity

SMEIS Charge	-	-	-	-	-	-	-	560,701	-	(560,701)	-
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Regulatory risk reserve	-	-	-	-	-	1,045,040	-	-	-	(1,045,040)	-
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Credit risk reserve	-	-	-	-	(781,612)	781,612	-	-	-	-	-
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Transfer to statutory reserves	-	-	-	-	-	-	5,389,856	-	-	(5,389,856)	-
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	6,429,078	12,858,155	8,698,230	-	-	13,628,078	24,726,903	1,910,121	13,462,577	40,466,154	122,179,296
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Transactions with owners, recorded directly in equity

Dividend Payout	-	-	-	-	-	-	-	-	-	(3,857,447)	(3,857,447)
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Additional Tier 1 Capital Issued	-	-	-	21,000,000	-	-	-	-	-	-	21,000,000
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Balance at 31 December 2023

	6,429,078	12,858,155	8,698,230	21,000,000	-	13,628,078	24,726,903	1,910,121	13,462,577	36,608,707	139,321,849
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Consolidated and Separate Statements of Cash Flows

In thousands of Nigerian Naira	Notes	Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Cash flows from operating activities					
Profit for the year		86,279,821	35,988,967	86,286,174	35,932,372
Adjustments for:					
Taxation expense		-	1,142,960	-	1,127,681
Minimum Tax					
Income tax expense		16,237,349	6,532,002	16,222,574	6,531,274
Depreciation and amortization	13b	8,740,108	6,122,218	8,740,108	6,122,218
Adjustment for transfer out of PPE now expensed		109,227	-	109,227	-
Gain on disposal of property and equipment	33(xi)	(471,682)	(330,906)	(471,682)	(330,906)
Net interest income	33(xii)	(177,063,843)	(91,721,057)	(177,040,423)	(91,622,549)
Dividend received from equity investment	10	(245,681)	(210,262)	(245,681)	(210,262)
Impairment loss on financial assets	11	21,649,883	10,563,367	21,649,883	10,563,367
Operating cashflow before movement in working capital		(44,764,818)	(31,912,711)	(44,749,819)	(31,886,805)
Change in pledged assets	33(i)	(272,019,167)	(4,600,371)	(272,019,167)	(4,600,371)
Change in loans and advances to customers	33(ii)	(421,756,085)	(290,235,788)	(421,756,085)	(290,235,788)
Change in other assets	33(iii)	34,095	(1,675,039)	34,095	(1,675,039)
Change in deposits from banks	33(iv)	237,636,470	1,710,030	237,636,470	1,710,030
Change in restricted deposit with CB N	33(v)	(335,274,174)	(151,193,653)	(335,274,174)	(151,193,653)
Change in deposits from customers	33(vi)	663,241,726	694,639,518	663,241,727	694,639,518
Change in other liabilities	33(vi)	289,778,478	41,523,350	289,773,479	41,585,092
Cashflow generated by operations		116,876,526	258,255,336	116,886,526	258,342,985
Income tax paid	24.2	(1,796,732)	(1,061,974)	(1,780,725)	(1,061,974)
Interest received	33(xii)	354,633,103	185,643,309	353,537,040	184,475,460
Interest paid	33(vii)	(158,020,919)	(85,774,101)	(158,020,919)	(85,774,101)
Net cash from operating activities		311,691,978	357,062,570	310,621,922	355,982,370
Cash flows from investing activities					
Disposal/Acquisition of investment securities-at Amortized cost	33(viii)	(225,127,795)	(293,969,948)	(225,106,372)	(293,950,949)
Disposal/Acquisition of investment securities-FVTOCI	33(ix)	76,541	1,325,810	76,541	1,325,810
Change in FVTPL investments	33(x)	(45,451,269)	20,929,072	(45,451,269)	20,929,072
Dividend received from equity investment	10	245,681	210,262	245,681	210,262
Acquisition of property and equipment	19	(20,294,311)	(15,632,126)	(20,294,311)	(15,632,126)
Proceeds from the sale of property and equipment	33(xi)	941,511	887,125	941,511	887,125
Right of Use	27	(319,369)	(529,965)	(319,369)	(529,965)
Acquisition of intangible assets	20	(2,289,853)	(1,215,910)	(2,289,853)	(1,215,910)
Net cash used in investing activities		(292,218,865)	(287,995,679)	(292,197,442)	(287,976,680)
Cash flows from financing activities					
Proceed from borrowings	26b	68,741,938	50,420,032	68,741,938	50,420,032
Repayment of borrowings	26b	(39,340,616)	(4,542,615)	(39,342,590)	(4,545,548)
AT -1 Capital Charge	27b.	(3,366,414)		(3,366,414)	
Additional T-1 Capital		-	21,000,000	-	21,000,000
Right Issues		39,160,447	-	39,160,447	-
Interest paid on borrowings	33(vii)	(19,548,341)	(8,148,151)	(18,475,698)	(7,078,810)
Dividend paid to shareholders		(6,429,078)	(3,857,447)	(6,429,078)	(3,857,447)
Net cash from financing activities		39,217,937	54,871,820	40,288,606	55,938,228
Net increase in cash and cash equivalents		58,691,050	123,938,713	58,713,085	123,943,917
Cash and cash equivalents at beginning of period		217,832,580	94,385,525	217,805,840	94,353,581
Effect of exchange rate changes on cash balances		2,400,995	1,909,337	2,400,995	1,909,337
Cash and cash equivalents at end of year		278,924,625	220,233,575	278,919,920	220,206,835

The accompanying notes are an integral part of these consolidated and separate financial statements.

Notes to the consolidated and separate financial statements

1. General information

Wema Bank Plc (the "Bank") is a company domiciled in Nigeria. The address of the Bank's registered office is 54 Marina, Lagos, Nigeria. The Bank is primarily involved in investment, corporate, commercial and retail banking. The Bank has a wholly owned subsidiary which is WEMA Funding SPV Plc.

The consolidated and separate financial statements as at and for the year ended 31 December 2024 comprise the Bank and its subsidiary (together "the Group").

1.1 Going Concern

The Bank received its national banking license from Central Bank of Nigeria in November 2015 and now operates as a National Bank as against its previous status as a regional bank.

Based on the current capitalization position of the Bank, the Directors expect the Bank to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business.

Accordingly, the consolidated and separate financial statements are prepared on a going concern basis.

2. Basis of Preparation

(a) Statement of compliance

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023, the Banks and other Financial Institutions Act (BOFIA), 2020, and relevant Central Bank of Nigeria (CBN) Circulars and Guidelines.

(b) Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Bank's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand.

(c) Basis of measurement

The financial statements have been prepared under the historical cost convention except for the following:

- Assets and liabilities measured at amortised cost.
- Non-derivative financial instruments, carried at fair value through profit or loss, or fair value through OCI are measured at fair value.

(d) Use of Estimates and Judgements

The preparation of consolidated and separate financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and its subsidiary (Wema Funding SPV Plc). The subsidiary is controlled by the Bank. Total comprehensive income of the subsidiary is attributed to the owners of the Bank. When necessary, adjustments are made to the financial statements of the subsidiary to bring their accounting policies into line with those used by the Group.

The wholly owned subsidiary was incorporated in Nigeria on the 30th of June, 2016 (Registration Number 1345745) as a public limited company under the name of Wema Funding SPV Plc. The special purpose vehicle carries on business at Wema Towers, 54 Marina, Lagos. It has no subsidiary or affiliate. It was established as a special purpose vehicle for the purpose of issuing bonds to fund working capital, enhance liquidity and enhance its capital base of the Bank. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

In the separate financial statements, investment in Wema Funding SPV is carried at cost less any accumulated impairment losses.

Notes to the consolidated and separate financial statements

(f) Determination of regulatory risk reserves

Provisions under Prudential Guidelines are determined using the time-based provisioning regime prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the requirements of the International Financial Reporting Standards. As a result of the differences in the methodology/provision regime, there may be variances in the impairment allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans and other financial assets as prescribed in the relevant IFRS Accounting standards when adopted. However, Banks would be required to comply with the following:

Provisions for loans and other financial assets recognised in the income statement should be determined based on the requirements of IFRS Accounting Standards. However, the IFRS 9 impairments should be compared with provisions determined under Prudential Guidelines and the expected impact/changes in general reserves should be treated as follows:

- If Prudential provisions are greater than IFRS Accounting Standards impairments, the resultant excess provision should be transferred from the retained earnings account to a "regulatory risk reserve".
- If Prudential provisions are less than IFRS Accounting Standards impairments; IFRS Accounting Standards determined impairments are charged to the income statement. The cumulative balance in the regulatory risk reserve is thereafter reversed to the retained earnings account.

The Bank has complied with the requirements of the Prudential Guidelines.

The Revised Central Bank of Nigeria (CBN) Prudential Guidelines require that if the IFRS 9 based impairment is lower than the CBN Prudential Guidelines provisions, the extent of the difference should be recognised as regulatory risk reserve in the statement of changes in equity. The reconciliation of the impairment based on relevant IFRS Accounting Standards and CBN Prudential Guidelines provision is shown in the statement below:

Statement of Prudential Adjustments

	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Prudential Provisions:				
Loans and advances	52,047,094	41,473,950	52,047,094	41,473,950
Other financial assets	8,049,453	2,798,534	8,049,453	2,798,534
	60,096,547	44,272,484	60,096,547	44,272,484
Impairment assessment under IFRS:				
Loans and advances				
12-months ECL credit	4,677,465	2,708,704	4,677,465	2,708,704
Life-time ECL Not impaired	3,803,056	392,875	3,803,056	392,875
Life-time ECL credit impaired	27,333,412	21,401,871	27,333,412	21,401,871
	35,813,933	24,503,450	35,813,933	24,503,450
Investment securities				
12-months ECL	7,467,216	3,156,168	7,467,216	3,156,168
	7,467,216	3,156,168	7,467,216	3,156,168
Off balance sheet exposures				
12-months ECL	2,018,874	1,918,802	2,018,874	1,918,802
	2,018,874	1,918,802	2,018,874	1,918,802
Other financial assets				
Other assets	3,019,577	263,008	3,019,577	263,008
Cash and cash equivalent	141,552	112,432	141,552	112,432
Other non-financial assets	1,131,653	690,546	1,131,653	690,546
	4,292,782	1,065,986	4,292,782	1,065,986
Total IFRS Impairment	49,592,805	30,644,406	49,592,805	30,644,406
Excess of Prudential impairment over IFRS impairment transferred to regulatory reserve	10,503,742	13,628,078	10,503,742	13,628,078

Notes to the consolidated and separate financial statements

2.1 New and revised IFRS Standards in issue but not yet effective

The Group has not applied the following new and revised IFRS Accounting Standards and amendments that have been issued but are not yet effective: which are not expected to have a significant effect on the Group.

- a. Amendments to IAS 21 – Lack of Exchangeability effective Jan 1, 2025.
- b. Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments effective Jan 1, 2026.
- c. IFRS 18 Presentation and Disclosure in Financial Statements effective Jan 1, 2027.

3. Material Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements:

a). Basis of consolidation

i). Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group exercises control. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

The subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Subsidiaries are measured at cost less impairment in the separate financial statement.

ii). Business combination

Business Combination under common controls are accounted for in the consolidated accounts prospectively from the date the Bank obtains ownership interests. Assets and liabilities are recognized upon reconsolidation at their carrying amount in the consolidated financial statement of the Group. Any difference between the fair values of consideration paid and the amounts at which the assets and liabilities are recorded is recognized directly in equity reserve.

Accounting for business combinations under IFRS 3 only applies if it is considered that a business has been acquired. Under IFRS 3, "Business Combinations", a business is defined as an integrated set of activities and assets conducted and managed for the purpose of providing a return to investors or lower costs or other economic benefits directly and proportionately to policyholders or participants.

A business generally consists of inputs, processes applied to those inputs, and resulting outputs that are, or will be, used to generate revenues. If goodwill is present in a transferred set of activities and assets, the transferred set is presumed to be a business. For acquisitions meeting the definition of business, the acquisition method is used. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair values of the Group's share of the identifiable net assets acquired is recorded as goodwill. Any goodwill arising from initial consolidation is tested for impairment at least once a year and whenever events or changes in circumstances indicated the need for an impairment. If the cost of acquisition is less than the fair value of the Group's share of the net assets acquired, the difference is recognized directly in the consolidated income statement.

For acquisitions not meeting the definition of business, the Group allocates the cost between the individual identifiable assets and liabilities. The cost of acquired assets and liabilities is determined by (a) accounting for financial assets and liabilities at their fair value at the acquisition date as measured in accordance with IFRS 9, "Financial instruments"; and (b) allocating the remaining balance of the cost of purchasing the assets and liabilities to the individual assets and liabilities, other than financial instruments, based on their relative fair values at the acquisition date.

b). Foreign currency transactions

The financial statements are presented in Nigerian Naira, which is the Bank's functional currency. Transactions in foreign currencies are translated at the foreign exchange rates effective at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are adjusted to the functional currency at the spot exchange rates effective at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period and the amortised cost in the foreign

Notes to the consolidated and separate financial statements

currency translated at the exchange rate effective on the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate effective at the date that the fair value is determined. Foreign exchange differences arising on translation are recognised in profit or loss.

c). Interest Income and Expense

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated using estimated future cash flows including ECL. The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

i. Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

ii. Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

iii. Presentation

Interest income calculated using the effective interest method presented in the consolidated and separate statement of profit or loss includes only interest on financial assets and financial liabilities measured at amortised cost and FVTOCI.

Interest expense presented in the consolidated and separate statement of profit or loss and other comprehensive income includes only interest on financial liabilities measured at amortised cost.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income (see Note 3e).

d). Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income, including account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

Notes to the consolidated and separate financial statements

e). Net trading income

Net trading income comprises gains, less losses related to trading assets and liabilities and includes all realised and unrealized fair value changes, dividend and foreign exchange differences.

f). Dividend Income

Dividend income is recognized when the right to receive income is established. Usually this is the ex-dividend date for equity securities. Dividends on trading equities are reflected as a component of net trading income or other operating income based on the underlying classification of the equity investment.

g). Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Specifically;

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss;
- Other exchange differences are recognized in other comprehensive income in the fair valuation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss
- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the fair value reserve.

h). Lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The change in definition of a lease mainly relates to the concept of control.

IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- The right to direct the use of that asset.

The Group/Bank applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (where the Group is a lessee in the lease contract).

At inception or on reassessment of a contract that contains a lease component, the Group/Bank allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease component as a single component.

The Group as the Lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the

Notes to the consolidated and separate financial statements

- commencement date; the amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever.

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate. The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Bank expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Bank applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and account for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other operating expenses" in the statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Bank has not used this practical expedient.

I.) Taxation

This comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(I) Current tax

The current income tax charge is calculated on the basis of the tax rates enacted or substantively enacted at the reporting date in the countries where the Bank and its subsidiaries as well as associates operate and generate taxable income. Current tax also includes any tax arising from dividend. Current income tax is recognised as an expense for the period and adjustments to past periods except to the extent that current tax related to items that are charged or credited in OCI or directly to equity.

Additional taxes that arise from the distribution of dividends by the Bank are recognised at the same time as the liability to pay the related dividend is recognized. These amounts are recognised in profit or loss because they relate to income arising from

Notes to the consolidated and separate financial statements

transactions that were originally recognised in profit or loss.

In 2024, the Finance Act 2023, was amended to impose a tax on realised profit from all foreign exchange transactions of banks within the 2023 to 2025 financial years, the tax rate is 70%.

The Police Trust Fund is provided for at the rate of 0.005% of Net Profit and Provision is also made for National Agency Science and Engineering Infrastructure Levy (NASENI) of 0.025% of PBT

(II) Minimum tax

In accordance with the Companies Income Tax Act, Cap C21, LFN 2004, the Bank and its subsidiary are assessed for tax under the minimum tax regulation when their total profits from all sources have produced tax or tax payable which is less than the minimum tax specified by the law. When assessed for minimum tax, the rates applicable for calculating the minimum tax is the higher 0.5% of Turnover (Less Franked Investment Income) or excess dividend basis where dividend paid during the year is higher than taxable profit.

(III) Deferred tax

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled.

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease regarded as a net package (the lease) for the purpose of recognizing deferred tax.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which it can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

j. Financial assets and liabilities

I. Recognition

The Bank on the date of origination or purchase recognizes loans, debt and equity securities, deposits and subordinated debentures at the fair value of consideration paid. For nonrevolving facilities, origination date is the date the facility is disbursed, origination date for revolving facilities is the date the line is availed, while origination date for credit card is the date the credit limit is availed on the card. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

II. Classification and Measurement

Initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss.

Notes to the consolidated and separate financial statements

Financial assets include both debt and equity instruments.

Financial assets are classified into one of the following measurement categories:

- Amortised cost
- Fair Value through Other Comprehensive Income (FVOCI)
- Fair Value through Profit or Loss (FVTPL) for trading related assets

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics.

Business Model Assessment

Business model assessment involves determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Bank assesses business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of business model the Bank takes into consideration the following factors:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets how the performance of assets in a portfolio is evaluated and reported to Group heads and other key decision makers within the Bank's business lines;
- The risks that affect the performance of assets held within a business model and how those risks are managed;
- How compensation is determined for the Bank's business lines' management that manages the assets; and
- The frequency and volume of sales in prior periods and expectations about future sales activity.

Management determines the classification of the financial instruments at initial recognition.

The business model assessment falls under three categories:

- Business Model 1(BM1): Financial assets held with the sole objective to collect contractual cash flows;
- Business Model 2 (BM2): Financial assets held with the objective of both collecting contractual cash flows and selling; and
- Business Model 3 (BM3): Financial assets held with neither of the objectives mentioned in BM1 or BM2 above. These are basically financial assets held with the sole objective to trade and to realize fair value changes.

The Bank may decide to sell financial instruments held under the BM1 category with the objective of collecting contractual cash flows without necessarily changing its business model if one or more of in the following conditions are met:

- When the Bank sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk. The Bank considers sale of financial assets that may occur in BM1 to be infrequent if the sales is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the financial year.
- Where these sales are infrequent even if significant in value. A Sale of financial assets is considered infrequent if the sale is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.
- Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.
- When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets have a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.
- Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the BM1 category that will not constitute a change in business model:
 - o Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
 - o Selling the financial asset to manage credit concentration risk (infrequent).
 - o Selling the financial assets as a result of changes in tax laws (infrequent).
 - o Other situations also depends upon the facts and circumstances which need to be judged by the management.

Notes to the consolidated and separate financial statements

Cash flow characteristics assessment

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI). Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Bank's claim to cash flows from specified assets (e.g. non recourse asset arrangements); and
- Features that modify consideration of the time value of money.

(a) Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortised cost using the effective interest rate method. Amortised cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortisation is included in Interest income in the Consolidated and Separate Income Statement. Impairment on financial assets measured at amortised cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortised cost are presented net of the allowance for credit losses (ACL) in the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks, balances held with other banks, Money market placements and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the Statements of financial position.

(b) Financial assets measured at FVOCI

Financial assets are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive Income (OCI), unless the instrument is designated in a fair value hedge relationship. Upon derecognition, realized gains and losses are reclassified from OCI and recorded in Other Income in the Consolidated and Separate Income Statement. Foreign exchange gains and losses that relate to the amortised cost of the debt instrument are recognized in the Consolidated and Separate Income Statement. Premiums, discounts and related transaction costs are amortised over the expected life of the instrument to Interest income in the Consolidated and Separate of Income Statement using the effective interest rate method. Impairment on financial assets measured at FVOCI is calculated using the expected credit loss approach.

(c) Financial assets measured at FVTPL

Debt instruments measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Consolidated and Separate Statement of Financial Position, with transaction costs recognized immediately in the Consolidated and Separate Income Statements as part of Other Income. Realized and unrealized gains and losses are recognized as part of Other Income in the Consolidated and Separate Income Statements.

(d) Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, any contract that evidences a residual interest in the issuer's net assets. Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value are recognized as part of Other Income in the

Notes to the consolidated and separate financial statements

Consolidated and Separate Income Statement. The Bank can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer term investment purposes. The FVOCI election is made upon initial recognition, on an instrument-by instrument basis and once made is irrevocable. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Consolidated and Separate Income Statement. Dividends received are recorded in other income in the Consolidated and Separate Income Statement. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Consolidated and Separate Income Statement on sale of the security. Transaction cost on disposal of equity instruments is recognised as an expense in the income statement.

Financial liabilities are classified into one of the following measurement categories:

- Amortised cost
- Fair Value through Profit or Loss (FVTPL)

(e) Financial Liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller. Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the income statement and are reported as 'Net gains/(losses) on financial instruments held at fair value through profit or loss'. Interest expenses on financial liabilities held for trading are included in 'Net interest income'. Financial Liabilities are designated at FVTPL when either the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value are recognized in Other Income in the Consolidated and Separate Statement of Income, except for changes in fair value arising from changes in the Bank's own credit risk which are recognized in OCI. Changes in fair value of liabilities due to changes in the Bank's own credit risk, which are recognized in OCI, are not subsequently reclassified to the Consolidated and Separate Income Statement upon derecognition/extinguishment of the liabilities.

(f) Financial Liabilities at amortised cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost using the Effective Interest Rate method. Financial liabilities measured at amortised cost are deposits from banks or customers, other borrowed funds, debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

iii. Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets. A change in the Bank's business model will occur only when the Bank either begins or ceases to perform an activity that is significant to its operations such as:

- Significant internal restructuring or business combinations; for example an acquisition of a private asset management company that might necessitate transfer and sale of loans to willing buyers, this action will constitute
- Disposal of a business line i.e. disposal of a business segment
- Any other reason that might warrant a change in the Bank's business model as determined by management based on facts and circumstances.

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets.
- A transfer of financial assets between parts of the Bank with different business models.

When reclassification occurs, the Bank reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. For example, if the Bank decides to shut down the retail business segment on 31 January 2024, the reclassification date will be 1 April, 2025 (i.e. the first day of the entity's next reporting period), the Bank shall not engage in activities consistent with its former business model after 31 January, 2024. Gains, losses or interest previously recognized are not

Notes to the consolidated and separate financial statements

restated when reclassification occurs.

iv. Modification of financial assets and liabilities

(a) Financial assets

The Bank sometimes modifies the contractual cashflows of loans to customers. Where the terms of a financial asset are modified via amendments to the loan agreements, the Bank evaluates whether the cash flows of the modified asset are substantially different from the original cashflows. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value. Any difference between the amortised cost of the original financial asset and the present value of the estimated future cashflows of the new asset is debited or credited to the customer's account. Scenarios where modifications will lead to derecognition of existing loan and recognition of a new loan include but not limited to:

- The exchange of a loan for another financial asset with substantially different contractual terms and conditions such as the restructuring of a loan to a bond; conversion of a loan to an equity instrument of the borrower.
- Roll up of interest into a single bullet payment of interest and principal at the end of the loan term.
- Conversion of a loan from one currency to another currency.
- Extension of maturity dates will lead to modification and derecognition of existing loan and recognition of a new loan.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Bank shall recalculate the gross carrying amount of the financial asset and shall recognize a modification gain or loss in profit or loss. For example, contractual cashflows of loan to customers may also be modified due to blanket payment holidays imposed by law and regulations and effective automatically without amendments being made to the loan agreements. In this scenario, the bank revises the expected gross carrying amount by discounting the rescheduled payments at original effective interest rate and the resulting loss is recognised immediately in Other income in Profit or loss as a cumulative catch-up adjustment.

Fees that are considered in determining the fair value of modified financial asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset and form part of the effective interest on the modified financial asset while other fees are included in profit or loss as part of the gain or loss on derecognition.

Impairment assessment is performed on modified financial assets before modification.

(b) Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

De-recognition of financial instruments

The Bank derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Assets pledged as collateral', if the transferee has the right to sell or repledge them.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

(v) Impairment of Financial Assets

In line with IFRS 9, the Bank assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Amortised cost financial assets;

Notes to the consolidated and separate financial statements

- Debt securities classified as at FVOCI;
- Off-balance sheet loan commitments; and
- Financial guarantee contracts.

Equity instruments and financial assets measured at FVPL are not subjected to impairment under the standard.

Expected Credit Loss Impairment Model

The Bank's allowance for credit loss calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Bank adopts a three-stage approach for impairment assesment based on changes in credit quality since initial recognition.

- **Stage 1** – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- **Stage 2** – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- **Stage 3** – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

Measurement of Expected Credit Losses

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio. Details of these statistical parameters/inputs are as follows:

- **PD** – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.
 - **12-month PDs** – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs. The Bank obtains the constant and relevant coefficients for the various independent variables and computes the outcome by incorporating forward looking macroeconomic variables and computing the forward probability of default.
 - **Lifetime PDs** – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for 'stage 2' and 'stage 3' exposures. PDs are limited to the maximum period of exposure required by IFRS 9. The Bank obtains 3 years forecast for the relevant macroeconomic variables and adopts exponentiation method to compute cumulative PD for future time periods for each obligor.
- **EAD** – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- **LGD** – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization

Notes to the consolidated and separate financial statements

of any collateral. It is usually expressed as a percentage of the EAD.

To estimate expected credit loss for off balance sheet exposures, credit conversion factor (CCF) is usually computed. CCF is a modelled assumption which represents the proportion of any undrawn exposure that is expected to be drawn prior to a default event occurring. It is a factor that converts an off balance sheet exposure to its credit exposure equivalent. In modelling CCF, the Bank considers its account monitoring and payment processing policies including its ability to prevent further drawings during periods of increased credit risk. CCF is applied on the off balance sheet exposures to determine the EAD and the ECL impairment model for financial assets is applied on the EAD to determine the ECL on the off balance sheet exposures.

Forward-looking information

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires that:

The Bank uses internal subject matter experts from Risk, Treasury and Business

Divisions to consider a range of relevant forward looking data, including macroeconomic forecasts and assumptions, for the determination of unbiased general economic adjustments in order to support the calculation of ECLs.

Macro-economic variables taken into consideration include, but are not limited to, unemployment, interest rates, gross domestic product, inflation, crude-oil prices and exchange rate, and requires an evaluation of both the current and forecast direction of the macro-economic cycle.

Macro-economic variables considered have strong statistical relationships with the risk parameters (LGD, EAD, CCF and PD) used in the estimation of the ECLs, and are capable of predicting future conditions that are not captured within the base ECL calculations.

Forward looking adjustments for both general macro-economic adjustments and more targeted at portfolio / industry levels. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

Macroeconomic factors

The Bank relies on a broad range of forward looking information as economic inputs, such as:

GDP growth, unemployment rates, central bank base rates, crude oil prices, inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

The macroeconomic variables and economic forecasts as well as other key inputs are reviewed and approved by management before incorporated in the ECL model. Any subsequent changes to the forward looking information are also approved before such are inputted in the ECL model.

The macro economic variables are obtained for 3 years in the future and are reassessed every 6 months to ensure that they reflect prevalent circumstances and are up to date.

Where there is a non-linear relationships, one forward-looking scenario is never sufficient as it may result in the estimation of a worst-case scenario or a best-case scenario. The Bank's ECL methodology considers weighted average of multiple economic scenarios for the risk parameters (basically the forecast macroeconomic variables) in arriving at impairment figure for a particular reporting period. The model is structured in a manner that the final outcome, which is a probability cannot be negative.

SICR is assessed once there is an objective indicator of a deterioration in credit risk of customer. In addition, the Bank as part of its routine credit processes perform an assessment on a quarterly basis to identify instances of SICR.

Multiple forward-looking scenarios

The Bank determines allowance for credit losses using three probability-weighted forwardlooking scenarios. The Bank considers both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. The Bank prepares the

Notes to the consolidated and separate financial statements

scenarios using forecasts generated by credible sources such as Business Monitor International (BMI), International Monetary Fund (IMF), Nigeria Bureau of Statistics (NBS), World Bank, Central Bank of Nigeria (CBN), Financial Markets Dealers Quotation (FMDQ), and Trading Economics.

The Bank estimates three scenarios for each risk parameter (LGD, EAD, CCF and PD) – Normal, Upturn and Downturn, which in turn is used in the estimation of the multiple scenario ECLs.

The 'normal case' represents the most likely outcome and is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses.

Assessment of significant increase in credit risk (SICR)

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region. The Bank adopts a multi factor approach in assessing changes in credit risk.

This approach considers: Quantitative (primary), Qualitative (secondary) and Back stop indicators which are critical in allocating financial assets into stages.

The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the Bank's internal rating system or External Credit Assessment Institutions (ECAI) while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau, etc.

A backstop is typically used to ensure that in the (unlikely) event that the primary (quantitative) indicators do not change and there is no trigger from the secondary (qualitative) indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 as the case may be except there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

Definition of Default and Credit Impaired Financial Assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'creditimpaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.
- Others include death, insolvency, breach of covenants, etc.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired. In addition, loans that are more than 90 days past due are considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Bank considers the following factors:

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.

Notes to the consolidated and separate financial statements

- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

Loan allowances for ECL are presented in the statement of financial position as follows:

- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.
- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

(vi) Write-off

The Bank writes off an impaired financial asset (and the related impairment allowance), either partially or in full, where there is no reasonable expectation of recovery as set out in IFRS 9, paragraph 5.4.4. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- The bank's recovery method is foreclosing collateral and the value of the collateral is such that there is reasonable expectation of recovering the balance in full.

All credit facility write-offs shall require endorsement at the appropriate level, as defined by the Bank. Credit write-off approval shall be documented in writing and properly initialed by the approving authority.

A write-off constitute a derecognition event. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only.

(vii) Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a nonderivative host—with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty, is not an embedded derivative, but a separate financial instrument. Where a hybrid contains a host that is a financial asset in the scope of IFRS 9, the entire hybrid contract, including the embedded features, is measured at FVTPL.

(viii) Offsetting financial instruments

Master agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will fall due and all amounts outstanding will be settled on a net basis.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle

Notes to the consolidated and separate financial statements

the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the company or the counterparty.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

(k) Investment securities

Investment securities are initially measured at fair value plus, in case of investment securities not at fair value through profit or loss, incremental direct transaction costs and subsequently accounted for depending on their classification as amortised cost, fair value through profit or loss or fair value through other comprehensive income. See description in accounting policy Note J (ii) above.

(l) Derivatives held for risk management purposes

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Derivative assets and liabilities arising from different transactions are only offset where there is a legal right of offset of the recognised amounts and the parties intend to settle the cash flows on a net basis, or realise the asset and settle the liability simultaneously.

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value with changes in fair value recognised in profit or loss.

(m) Repossessed Collateral

In certain circumstances, property is repossessed following the foreclosure on loans that are in default. Repossessed properties are measured at the lower of carrying amount and fair value less costs to sell and reported within 'Other assets'.

(n) Investment in subsidiaries

Investments in subsidiaries are reported at cost less any impairment (if any) in the separate financial statement of the Bank.

A subsidiary is not consolidated but classified as 'held for sale' if it is available for immediate sale in its present condition and its sale is highly probable. A sale is 'highly probable' where: there is evidence of management commitment; there is an active programme to locate a buyer and complete the plan; the asset is actively marketed for sale at a reasonable price compared to its fair value; the sale is expected to be completed within 12 months of the date of classification; and actions required to complete the plan indicate that it is unlikely that there will be significant changes to the plan or that it will be withdrawn.

o). Property and equipment

i. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, where the Group has an obligation to remove the asset or restore the site and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

ii Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

iii Depreciation

Depreciation is recognised in profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the

Notes to the consolidated and separate financial statements

date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

Land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

• Buildings	50 years
• Furniture and office equipment	5 years
• Computer equipment	5 years
• Motor vehicles	5 years
• Right of use of assets	Lower of lease term or the useful life for the specified class of item
• Work in progress	Not depreciated

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's value less costs to sell or the value in use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

p). Intangible assets

Software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is shorter of 5 years or the contractual licensing period. Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Softwares are derecognised: (a) on disposal; or (b) when no future economic benefits are expected from its use or disposal.

q) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than investment property and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An

Notes to the consolidated and separate financial statements

impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

r) Deposits and subordinated liabilities

Deposits and subordinated liabilities are the Group's sources of debt funding. When the Group sells a financial asset and simultaneously enters into a "repo" or "stock lending" agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as a deposit and the underlying asset continues to be recognised in the Group's financial statements. The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

Deposits and subordinated liabilities are initially measured at fair value plus transaction costs and subsequently measured at their amortised cost using the effective interest method, except where the Group chooses to carry the liabilities at fair value through profit or loss.

s) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

i Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

ii Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

t) Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value and the initial fair value is amortised over the life of the financial guarantee. The guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable). Financial guarantees are included within other liabilities.

u) Employee benefits

i Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognised as personnel expenses in profit or loss when they are due in respect of service rendered before the end of the reporting period.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the reporting period in which the employees render service are discounted to their present value at the reporting date.

The Group operates a funded, defined contribution pension scheme for employees in Nigeria. Obligations in respect of the Group's contributions to the scheme are recognised as an expense in the profit and loss account on an annual basis. The employee and the Group contribute 8% and 12.5% of basic salary, housing, luncheon and transport allowance respectively to each employee's retirement savings account maintained with their nominated Pension Fund Administrators in accordance with the Pension Reform Act 2014.

Notes to the consolidated and separate financial statements

ii Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

iii Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(vi) Regulatory risk reserve

The Nigerian banking regulator requires the Bank to create a reserve for the difference between impairment provision determined in line with the principles of IFRS and impairment provision determined in line with the prudential guidelines issued by the Central Bank of Nigeria (CBN). This reserve is not available for distribution to shareholders.

(vii) Retained earnings

Retained earnings comprise the undistributed profits from previous periods which have not been reclassified to any specified reserves.

(viii) Fair value reserve

Comprises fair value movements on equity instruments carried at FVOCI.

(ix) Credit risk reserve

Comprises of special reserve for certain credits outside impairment.

u) Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

v) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Executive Management Committee to make decisions about resources allocated to each segment and assess its performance and for which discrete financial information is available.

4. Key sources of estimation uncertainty

Allowances for credit losses

Assets accounted for at amortized cost are evaluated for impairment on the basis described in accounting policy j (viii).

The specific counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a counter party's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merit and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit Risk function.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar economic characteristics when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items cannot yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations and economic factors. In order to estimate the required allowance, assumptions are made to define the way interest losses are modeled

Notes to the consolidated and separate financial statements

and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on how well these estimated future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances are made.

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of techniques as described in accounting policy j (viii). For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

5. Critical accounting judgements made in applying accounting policies include:

Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either (i.e., derived from prices). This category includes instruments valued using: quoted market prices in inactive markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(i) Valuation of financial instruments

Business model assessment:

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Bank determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Bank monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Bank's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase of credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Establishing groups of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets.

Models and assumptions used

The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is

Notes to the consolidated and separate financial statements

applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

In thousands of Naira

Group	31-Dec-24	Level1	Level2	Level3	Total
		45,455,938	-	-	45,455,938
Investment Securities (Bonds)		-	-	-	-
Equity Securities		-	14,756,031	-	14,756,031
Pledged Assets		-	-	-	-
		45,455,938	14,756,031	-	60,211,969
Bank	31-Dec-24				
Treasury Bills		45,455,938	-	-	45,455,938
Investment Securities (Bonds)		-	-	-	-
Equity Securities		-	14,756,031	-	14,756,031
Pledged Assets		-	-	-	-
		45,455,938	14,756,031	-	60,211,969
Group	31-Dec-23				
Treasury Bills		4,669	-	-	4,669
Investment Securities (Bonds)		76,541	-	-	76,541
Equity Securities		-	13,278,129	-	13,278,129
Pledged Assets		-	-	-	-
		81,210	13,278,129	-	13,359,339
Bank	31-Dec-23				
Treasury Bills		4,669	-	-	4,669
Investment Securities (Bonds)		76,541	-	-	76,541
Equity Securities		-	13,278,129	-	13,278,129
Pledged Assets		-	-	-	-
		81,210	13,278,129	-	13,359,339

6. Operating segments

The Bank, which has a national authorization, has four reportable geographical segments, which are the Bank's strategic zones. The strategic zones offer different products and services and are managed separately based on the Bank's management and internal reporting structure. For each of the strategic zones, the Bank's management reviews internal management reports on a monthly basis.

Segment information is presented in respect of the Group's geographic segments which represents the primary segment reporting format and is based on the Group's management and reporting structure.

Notes to the consolidated and separate financial statements

Geographical segments

The Group operates in four geographical regions: South-west, South-South, Abuja and Lagos zones:

31-Dec-24					
Group					
In thousands of Nigerian Naira					
Derived from external	South- West	South- South	Abuja	Lagos	Total
Customers' contribution	89,537,395	33,324,247	47,755,291	262,817,073	433,434,006
Interest and similar expenses	(31,970,166)	(9,187,699)	(22,839,002)	(113,572,393)	(177,569,260)
Operating income	28,402,294	19,117,581	11,643,672	175,051,316	234,214,863
Operating expenses	(46,955,545)	(14,644,719)	(13,106,011)	(57,020,969)	(131,697,693)
Profit on ordinary activities before taxation	15,262,434	8,164,332	7,391,453	71,698,950	102,517,170
Income tax expense	(2,415,514)	(1,292,131)	(1,169,811)	(11,359,894)	(16,237,349)
Profit on ordinary activities after taxation	12,847,866	6,872,708	6,222,101	60,337,146	86,279,821
Assets and liabilities:					
Total assets	774,324,023	266,735,805	312,352,081	2,239,816,077	3,593,227,986
Total liabilities	753,339,626	240,379,816	287,624,409	2,055,462,788	3,336,806,639
Net Asset	20,984,398	26,355,988	24,727,672	184,353,289	256,421,347

31-Dec-23					
Group					
In thousands of Nigerian Naira					
Derived from external	South -West	South-South	Abuja	Lagos	Total
customers	40,811,655	18,661,006	15,811,266	151,630,612	226,914,538
Interest and similar expenses	(12,038,382)	(3,670,765)	(5,932,022)	(82,844,451)	(104,485,619)
Operating income	28,773,272	14,990,242	9,879,244	68,7686,161	122,428,919
Operating expenses	(14,585,402)	(4,333,111)	(3,559,762)	(56,286,715)	(78,764,990)
Profit on ordinary activities before taxation	14,187,871	10,657,130	6,319,482	12,499,446	43,663,929
Income tax expense	(3,459,312)	(1,353,362)	(1,129,062)	(1,733,225)	(7,674,962)
Profit on ordinary activities after taxation	10,728,558	9,303,768	5,190,420	10,766,221	35,988,967
Assets and liabilities:					
Total assets	206,730,198	74,223,878	93,535,423	1,873,750,119	2,248,239,617
Total liabilities	(401,404,033)	(108,235,321)	(224,819,037)	(1,374,482,556)	(2,108,940,948)
Net Asset	(194,673,835)	(34,011,443)	(131,283,615)	499,267,563	139,298,669

Notes to the consolidated and separate financial statements

In thousands of Nigerian Naira	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
7 Interest income				
Cash and cash equivalents	7,101,880	5,960,806	7,101,880	5,960,806
Loans and advances to banks and customers	233,853,561	122,183,794	233,853,561	122,183,794
Investments securities	113,677,662	57,498,709	112,581,599	56,330,860
Total interest income	354,633,103	185,643,309	353,537,040	184,475,460

All interest income and interest expense are calculated using effective interest rate method.

Interest expense				
Deposits from banks	54,605,947	6,557,002	54,605,947	6,557,002
Deposits from customers	103,414,972	80,883,746	103,414,972	80,594,943
Other borrowed funds	19,548,341	8,148,151	18,475,698	5,700,966
Total interest expense	177,569,260	93,922,252	176,496,617	92,852,911
Net interest income	177,063,843	91,721,057	177,040,423	91,622,549

8 Fees and commission income	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Credit related fees	2,047,067	1,229,214	2,047,067	1,229,214
Account maintenance fees	7,364,299	3,953,307	7,364,299	3,953,307
Management fees	8,023,680	4,829,150	8,023,680	4,829,150
Fees on electronic products	14,072,949	7,346,492	14,072,949	7,346,492
Fees on financial guarantees	2,596,629	1,373,183	2,596,629	1,373,183
FX transactions	15,039,792	4,146,145	15,039,792	4,146,145
Other fees and charges	6,431,767	2,084,267	6,431,767	2,084,267
Total fee and commission income	55,576,183	24,961,758	55,576,183	24,961,758

Credit related fees and commissions are fees charged to customers other than fees included in determining the effective interest rates relating to loans and advances carried at amortized cost. These fees are accounted for in accordance with the Group's revenue accounting policy. The representation of all fees and commission recognised in the year and prior year at a point in time and over a period of time is as shown below.

	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Point in time	55,170,840	24,891,905	55,170,840	24,891,905
Over time	405,343	69,852	405,343	69,852
	55,576,183	24,961,757	55,576,183	24,961,757

9 Net trading income				
Fixed income securities	29,960	1,158,543	29,960	1,158,543
Treasury bills	1,775,979	(1,150,616)	1,775,979	(1,150,616)
Foreign exchange trading (note 9.1)	1,634,594	814,558	1,634,594	814,558
	3,440,533	822,485	3,440,533	822,485

Notes to the consolidated and separate financial statements

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.

10	Other income	Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	Dividends on equities at FVOCI	245,681	210,262	245,681	210,262
	Gains on disposal of property and equipment	471,682	330,906	471,682	330,906
	Rental income	60,481	57,108	60,481	57,108
	Income on contingents	-	14,540	-	14,540
	Income on deposit accounts	85,882	98,668	85,882	98,668
	Digital Income	881,496	745,829	881,496	745,829
	FX Revaluation	14,655,074	13,603,283	14,655,074	13,603,283
	Swift transactions	379,067	212,435	379,067	212,435
	Service charge	75,084	15,998	75,084	15,998
	Others	432,665	197,729	432,665	197,729
		17,287,111	15,486,758	17,287,111	15,486,758

Impairment loss on financial instruments

11	Impairment loss on financial/non-financial instruments	Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	Impairment charge on financial instruments				
	Total impairment charge on loans and advances (note 18)	17,989,339	7,531,486	17,989,339	7,531,486
	Bonds/Treasury bills (note 17)	4,311,048	1,771,593	4,311,048	1,771,593
	Cash and cash equivalent (note 15)	29,120	68,678	29,120	68,678
	Other assets (note 22)	2,756,569	83,002	2,756,569	83,002
	Impairment charge on non-financial instruments				
	Off balance sheet (note 29)	100,072	1,204,926	100,072	1,204,926
	Recoveries on loans (note 18a)	(3,536,267)	(96,318)	(3,536,267)	(96,318)
	Total impairment charge on financial/non-financial instruments	21,649,883	10,563,367	21,649,883	10,563,367
	Personnel expenses				
	Wages and salaries	33,841,703	19,069,375	33,841,703	19,069,375
	Pension Contribution	2,608,910	1,277,208	2,608,910	1,277,208
	Outsourced staff cost	9,024,756	6,408,566	9,024,756	6,408,566
		45,475,369	26,755,149	45,475,369	26,755,149

*Outsourced staff cost represents cost paid to outsourcing companies for non core personel outsourced to the Bank, based on SLA with the companies.

Notes to the consolidated and separate financial statements

Personnel expenses

(a) The average number of persons employed during the period by category:

	Group		Bank	
	31-Dec-24 Number	31-Dec-23 Number	31-Dec-24 Number	31-Dec-23 Number
Executive Directors	5	4	5	4
Management	32	31	32	31
Non-management	2,305	1,691	2,305	1,691
	2,342	1,726	2,342	1,726

The emoluments of all other directors fell within the following ranges:

	31-Dec-24 Number	31-Dec-23 Number	31-Dec-24 Number	31-Dec-23 Number
N2,370,001 - N2,380,000	-	-	-	-
N2,720,001 - N2,730,000	-	3	-	3
N3,060,001 - N7,570,000	1	4	1	4
N7,570,001 - N9,570,000	-	1	-	1
N9,570,001 - N12,570,000	2	-	2	-
N12,570,001 - N18,570,000	5	-	5	-
N18,570,001 - N20,570,000	1	-	1	-

Employees other than Directors, earning more than N200,000 per annum, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contributions and certain benefits) in the following ranges:

	31-Dec-24 Number	31-Dec-23 Number	31-Dec-24 Number	31-Dec-23 Number
N1,490,001 - N2,500,000	385	487	385	487
N2,510,001 - N3,540,000	332	286	332	286
N3,540,001 - N3,990,000	353	187	353	187
N3,990,001 - N4,500,000	284	253	284	253
N4,710,001 - N5,390,000	263	158	263	158
N5,390,001 - N5,900,000	205	127	205	127
N5,990,001 - N6,600,000	98	76	98	76
N6,900,001 - N7,710,000	76	19	76	19
Above N7,710,000	346	133	346	133

Notes to the consolidated and separate financial statements

12 Personnel expenses (cont'd)

Directors' remuneration (excluding pension contributions and certain benefits) was provided as follows

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Executive compensation/fees	419,813	281,820	419,813	281,820
Other emoluments	308,375	170,255	308,375	170,255
	728,189	452,075	728,189	452,075
The directors' remuneration shown above includes:				
Chairman	12,662	9,500	12,662	9,500
Highest paid director	106,881	79,517	106,881	79,517

13a Other operating expenses

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Advertising and marketing	6,843,499	4,313,293	6,843,499	4,313,293
AMCON Levy (i)	12,787,387	7,986,255	12,787,387	7,986,255
Auditors remuneration	205,000	160,000	190,000	150,000
Business Expenses	953,369	531,719	953,369	531,719
Cash movement expenses	840,681	699,198	840,681	699,198
Diesel Expenses	3,043,321	1,860,222	3,043,321	1,860,222
Directors Expenses	65,700	50,000	65,700	50,000
Directors fees	135,983	67,868	135,983	67,868
Donations	1,273,832	395,129	1,273,832	395,129
Electricity	1,744,764	872,441	1,744,764	872,441
General administrative expenses	4,957,359	6,488,618	4,957,359	6,472,712
Legal expenses	1,062,898	383,007	1,062,898	383,007
Insurance	695,069	529,059	695,069	529,059
NDIC Premium	9,157,814	5,145,831	9,157,814	5,145,831
Other premises and equipment costs	443,177	296,120	443,177	296,120
Printing and stationery	719,980	510,706	719,980	510,706
Other Professional fees (iii)	1,460,990	1,469,705	1,460,990	1,469,705
Digital Bank Professional fees (ii)	321,393	172,560	321,393	172,560
Repairs and maintenance	5,341,802	3,408,100	5,341,802	3,408,100
Security expenses	557,541	486,222	557,541	486,222
Service charge	16,461,041	6,608,165	16,461,041	6,608,165
SMS Expenses & Others	226,216	51,017	226,216	51,017
Statutory expenses	329,333	222,506	329,333	222,506
Technology and alternative channels	5,553,916	1,422,082	5,553,916	1,422,082
Transport & Communications	2,300,153	1,757,800	2,300,153	1,757,800
	77,482,216	45,887,623	77,467,218	45,861,717

Notes to the consolidated and separate financial statements

13a Other operating expenses (cont'd)

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.

- i. This represents expenses incurred by the Group on electronic and digital platforms.
- ii. Included in other professional fees for the year ended 31 December 2024 is N68.29m fees relating to non-audit services provided by KPMG 2023: N78.44m

The details of fees earned during the year are as follows:

Non- audit services	Fees (N'000)
Risk Management Review	5,000
Agreed upon Procedures on CBN Code of Corporate Governance	5,000
Tax Services	5,231
Sustainability Assurance	5,000
Advisory Survey	8,063
Limited Assurance on Internal Control over Financial Reporting	40,000
Total	68,294

The details of fees earned during the year 2023 are as follows:

Non- audit services	Fees (N'000)
Remuneration Benchmarking Survey	18,060
Sustainability Assurance	5,000
Agreed upon Procedures on CBN Code of Corporate Governance	5,000
Risk Management Review	5,000
Tax Services	15,384
Limited Assurance on Internal Control over Financial Reporting	30,000
Total	78,444

	Group		Bank	
In thousands of Nigerian Naira	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
13b Depreciation and amortization				
Property, plants and equipment	7,265,133	4,762,674	7,265,133	4,762,674
Right of use of assets	294,863	272,643	294,863	272,643
Intangible assets	1,180,112	1,086,901	1,180,112	1,086,901
	8,740,108	6,122,218	8,740,108	6,122,218

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 2024 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding:

Notes to the consolidated and separate financial statements

<i>In thousands</i>	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Pre-share reconstruction				
Weighted average number of ordinary shares of 50k each (2023 - 50k)	17,858,502	12,858,155	17,858,502	12,858,155
Profit attributable to ordinary shareholders -basic				
Profit for the year attributable to equity holders of the Bank '000	86,279,821	35,988,967	86,286,174	35,932,372
Earnings per share -basic/diluted (Kobo)	483.1	279.9	483.2	279.5

The Bank does not have any potentially dilutive shares. Consequently, basic and diluted earnings per share are the same.

15	Cash and cash equivalents	Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	<i>In thousands of Nigerian Naira</i>				
	Cash and balances with banks	168,224,454	99,378,007	168,219,749	99,351,267
	Unrestricted balances with central bank	3,279,715	5,031,642	3,279,715	5,031,642
	Money market placements	107,562,008	115,936,358	107,562,008	115,936,358
	ECL Allowance	(141,552)	(112,432)	(141,552)	(112,432)
		278,924,625	220,233,575	278,919,920	220,206,835
	Classified as:				
	Current	278,924,625	220,233,575	278,919,920	220,206,835
	Non-current	-	-	-	-
		278,924,625	220,233,575	278,919,920	220,206,835
	Movement in ECL allowance				
	Opening balance	112,432	43,754	112,432	43,754
	Charge for the year (note 11)	29,120	68,678	29,120	68,678
	Closing balance	141,552	112,432	141,552	112,432

15b Restricted Deposit with CBN

Mandatory reserve deposit is reported net of N27.67 billion (December 31, 2023: N34.87 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.

16	Pledged assets - Held at amortised cost	Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	<i>In thousands of Nigerian Naira</i>				
	Treasury bills (note 16.1)	190,846,328	1,387,006	190,846,328	1,387,006
	Bonds (16.2)	116,389,527	33,829,683	116,389,527	33,829,683
		307,235,855	35,216,689	307,235,855	35,216,689

Notes to the consolidated and separate financial statements

The assets pledged as collateral include assets pledged to third parties under secured borrowing with the related liability disclosed in Note 26 and other clearing activities with the clearing bank. The pledges have been made in the normal course of business. In the event of default, the pledgee has the right to realize the pledged assets

In thousands of Nigerian Naira		Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
17	Investment securities	900,232,647	628,252,221	892,061,853	620,102,850
	Current	155,568,401	107,468,384	155,568,401	107,468,384
	Non-current	744,664,246	520,783,837	736,493,453	512,634,466
17a	Investment securities measured at FVTOCI				
	FGN Bonds	-	76,541	-	76,541
	Equity (see note (i) below)	14,756,031	13,278,128	14,756,031	13,278,128
		14,756,031	13,354,669	14,756,031	13,354,669
17b	Investment securities measured at FVTPL				
	Treasury Bills	45,455,938	4,669	45,455,938	4,669
		45,455,938	4,669	45,455,938	4,669
17c	Investment securities measured at amortised cost				
	Treasury Bills	110,112,462	107,463,715	110,112,462	107,463,715
	FGN Bonds	731,217,857	501,807,928	723,047,063	493,658,557
	Other Bonds (see (ii) below)	6,157,575	8,777,408	6,157,575	8,777,408
	ECL Allowance - Investments at Amortised Cost	(7,467,216)	(3,156,168)	(7,467,216)	(3,156,168)
		840,020,678	614,892,883	831,849,884	606,743,512
	Movement in ECL allowance				
	Opening balance	3,156,168	1,384,575	3,156,168	1,384,575
	Charge/write back for the year	4,311,048	1,771,593	4,311,048	1,771,593
	Closing balance	7,467,216	3,156,168	7,467,216	3,156,168
(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)	14,627,781	13,149,880	14,627,781	13,149,880
		14,756,031	13,278,129	14,756,031	13,278,129
		14,756,031	13,278,129	14,756,031	13,278,129

Notes to the consolidated and separate financial statements

(a) The breakdown of fair value on FVTOCI financial assets is as follows:

<i>In thousands of Nigerian Naira</i>	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Unified Payment Services Limited	1,858,017	2,022,494	1,858,017	2,022,494
FMDQ	2,940,661	2,046,707	2,940,661	2,046,707
Nigeria Inter-Bank Settlement System	9,957,353	9,208,928	9,957,353	9,208,928
Closing balance	14,756,031	13,278,129	14,756,031	13,278,129

(b) Description of Valuation Methodology and inputs

Market Approach

We adopted the market multiples (guideline public companies and transaction) valuation approach in estimating the fair value of Wema's investment in the three entities. This methodology expounds that similar assets should sell for the same value or similar prices.

According to the standard, the fair value measurement of unquoted equity instruments under the market multiples approach consists of the following steps:

i. Identifying guideline public companies and transactions.

The bank obtained a list of guideline public companies using the S&P Capital IQ platform

Entities	Approach
Financial Market Dealers Quote	We have selected a universe of guideline public companies that operate in emerging markets within the Financial Exchange and Data Industry using the S&P Capital IQ platform
Nigerian Inter-bank Settlement System	We have selected a universe of guideline public companies that operate in emerging markets within the payment processing services industry using the S&P Capital IQ platform
Unified Payment Services	We have selected a universe of guideline public companies that operate in emerging markets within the data and outsourced services industry using the S&P Capital IQ platform

- ii. Selecting the performance measure that is most relevant to assessing the value of the investee (i.e. the performance measure that market participants will typically use to price the investee). This would typically be by reference to trading multiples, for example, earnings, book value of equity or revenue. For the purpose of this engagement, we have adopted the price to book value (P/B) for FMDQ, while we adopted the enterprise value to earnings before income, tax, depreciation and amortisation (EV/EBITDA) for NIBSS and UPS, as this reflects the nature of these entities' businesses and operations.
- iii. Applying the appropriate valuation multiple to the relevant performance measure of the investee to obtain an indicative fair value of the investee's equity value as at the valuation date.
- iv. Making appropriate adjustments to ensure comparability between the unquoted equity instruments held by the Company and the equity instruments of the guideline public companies.
- v. Making appropriate adjustments to the equity values obtained from the guideline public companies methodology to reflect the marketability of each company's shares and the ownership in the companies (majority or minority stake).

In determining the equity values of FMDQ, NIBSS and UPS, we considered the following:

Notes to the consolidated and separate financial statements

ADJUSTMENTS	
Marketability discount	We made adjustments to the guideline comparable companies and transactions to account for the lack of marketability of the firm's share. The discount of 13.20% applied is the average of 10% - 30%, sourced from the result of an industry survey of discounts and premiums typically applied to valuations in West Africa.
Minority discount	An adjustment was made; we applied for minority discounts of 15.7% .

Determine the indicative valuation ranges

In order to derive the applicable market multiple for the Company, we computed the harmonic mean, the mean and the median of the multiples from the guideline public companies.

Movement in fair value gain

Opening balance	13,149,879	9,475,675	13,149,879	9,475,675
Fair value gain for the year	1,477,902	3,674,204	1,477,902	3,674,204
Closing balance	14,627,781	13,149,879	14,627,781	13,149,879

ii Investment securities measured at amortised cost

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

	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
I. 7YR: DANA Group Bond Series 1				
Opening balance	929,145	929,145	929,145	929,145
Principal repayment during 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	574,502	718,120	574,502	718,120
Principal repayment during the year	(143,475)	(143,618)	(143,475)	(143,618)
Closing balance	431,027	574,502	431,027	574,502
II. OGUN State Govt Bond				
Opening balance	5,016,339	5,000,000	5,016,339	5,000,000
Principal repayment during the year	(976,390)	16,339	(976,390)	16,339
Closing balance	4,039,948	5,016,339	4,039,948	5,016,339
III. ONDO State Govt Bond				
Opening balance	2,294,875	3,068,431	2,294,875	3,068,431
Principal repayment during the year	(608,275)	(773,556)	(608,275)	(773,556)
Closing balance	1,686,600	2,294,875	1,686,600	2,294,875
Total Other Bonds	7,049,267	8,777,408	7,049,267	8,777,408
ECL	(891,692)	(891,692)	(891,692)	(891,692)
	6,157,575	7,885,716	6,157,575	7,885,716

(d) Investment in SPV

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

Notes to the consolidated and separate financial statements

18 Loans and advances to customers at amortised cost

	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
In thousands of Nigeria Naira				
Overdrafts	103,038,947	65,396,844	103,038,947	65,396,844
Term Loans	1,125,693,131	751,193,407	1,125,693,131	751,193,407
Advances under finance lease	8,291,174	9,016,316	8,291,174	9,016,316
Gross loans and receivables	1,237,023,252	825,606,567	1,237,023,252	825,606,567
Less ECL allowances				
Stage 1	(4,677,465)	(2,708,704)	(4,677,465)	(2,708,704)
Stage 2	(3,803,056)	(392,875)	(3,803,056)	(392,875)
Stage 3	(27,333,412)	(21,401,871)	(27,333,412)	(21,401,871)
	(35,813,933)	(24,503,450)	(35,813,933)	(24,503,450)
Net loans and advances to customers	1,201,209,319	801,103,117	1,201,209,319	801,103,117

31-Dec-24	Term loan	Overdrafts	Finance lease	Total
Gross loans	1,125,693,131	103,038,947	8,291,174	1,237,023,252
Stage 1	(3,134,482)	(1,214,982)	(328,001)	(4,677,465)
Stage 2	(3,785,316)	(17,740)	-	(224,256)
Stage 3	(17,257,526)	(10,003,004)	(72,882)	(30,912,212)
	1,101,515,807	91,803,221	7,890,291	1,201,209,319

31-Dec-23	Term loan	Overdrafts	Finance lease	Total
Gross loans	751,193,407	65,396,844	9,016,316	825,606,567
Stage 1	(1,376,888)	(1,129,900)	(201,916)	(2,708,704)
Stage 2	(381,602)	(9,198)	(2,075)	(392,875)
Stage 3	(13,397,782)	(7,958,063)	(46,026)	(21,401,871)
	736,037,135	56,299,683	8,766,300	801,103,117

Notes to the consolidated and separate financial statements

18a Movement in ECL allowance

	Overdraft	Term Loan	Advances under finance lease	Totals
In thousands of Nigerian Naira				
Balance as at 1st January 2024	9,097,160	15,156,273	250,017	24,503,450
Stage 1	1,129,900	1,376,888	201,916	2,708,704
Stage 2	9,198	381,602	2,075	392,875
Stage 3	7,958,063	13,397,782	46,026	21,401,871
Interest on impaired facilities	328,704	2,579,186	-	2,907,890
ECL allowance during the year	7,462,939	10,275,534	250,866	17,989,339
Written off in the year as uncollectible	(4,022,711)	(2,027,768)	-	(6,050,479)
Amounts recovered during the year	(1,630,366)	(1,805,901)	(100,000)	(3,536,267)
Balance as at 31 December 2024	11,235,726	24,177,324	400,883	35,813,933
Stage 1	1,214,982	3,134,482	328,001	4,677,465
Stage 2	17,740	3,785,316	-	3,803,056
Stage 3	10,003,004	17,257,526	72,882	27,333,412

Notes to the consolidated and separate financial statements

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	1,780,967	19,431,358	13,526,276	7,609,834	20,105,637	3,375,541	65,829,613
Additions	661,205	2,832,434	4,134,299	5,361,728	8,102,927	(798,283)	20,294,311
Disposals	(144)	(12,960)	(210,255)	(724,603)	(350,353)	-	(1,298,315)
Balance as at 31 December 2024	2,442,028	22,250,832	17,450,320	12,246,959	27,858,211	2,577,259	84,825,609
Accumulated depreciation and impairment							
Balance at 1 January 2024	-	6,145,124	9,260,392	2,791,037	11,870,162	-	30,066,716
Charge for the year	-	391,940	1,626,875	1,955,941	3,290,377	-	7,265,133
Disposals	-	(4,564)	(146,940)	(333,733)	(343,249)	-	(828,486)
Balance as at 31 December 2024	-	6,532,501	10,740,327	4,413,245	14,817,290	-	36,503,363
Carrying amounts							
Balance at 1 January 2024	1,780,967	13,286,233	4,265,884	4,818,796	8,235,477	3,375,541	35,762,897
Balance as at 31 December 2024	2,442,028	15,718,331	6,709,993	7,833,714	13,040,922	2,577,258	48,322,246

- The authorised and contracted capital commitments as at the reporting date was nil (31 December 2023: nil).
- There were no capitalised borrowing costs related to the acquisition of Property and equipment during the year (31 December 2023: nil).
- All Property and equipment are non-current.

Notes to the consolidated and separate financial statements

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							
Balance at 1 January 2023	1,590,773	18,579,635	11,509,776	3,905,355	13,693,612	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
Disposals	(4,556)	(247,122)	(16,633)	(958,278)	(12,939)	-	(1,239,528)
Balance as at 31 December 2023	1,780,967	19,431,358	13,526,276	7,609,834	20,105,637	3,375,541	65,829,613
Accumulated depreciation and impairment							
Balance at 1 January 2023	-	5,818,792	7,959,302	2,516,226	9,693,028	-	25,987,348
Charge for the year	-	376,394	1,308,517	892,596	2,185,167	-	4,762,674
Disposals	-	(50,061)	(7,427)	(617,784)	(8,034)	-	(683,306)
Balance as at 31 December 2023	-	6,145,125	9,260,392	2,791,038	11,870,161	-	30,066,716
Carrying amounts							
Balance at 1 January 2023	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	8,235,476	3,375,541	35,762,897

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

Notes to the consolidated and separate financial statements

- There were no impairment losses on any class of property and equipment during the year (December 31, 2023: Nil)
- There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (December 31, 2023: Nil).
- All property and equipment are non-current. None of the Group's assets were financed from borrowings, consequently no borrowing cost has been capitalized as part of asset cost.
- There were no liens or encumbrances on assets as at the year end. No assets have been pledged as security for borrowing. (31 December 2023: Nil)
- There were no capital commitments as at year end. (31 December 2023: Nil)

In thousands of Nigerian Naira	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
20 Intangible assets				
Cost				
Cost 1 January	9,390,017	8,174,107	9,390,017	8,174,107
Additions	2,289,853	1,215,910	2,289,853	1,215,910
Disposal	-	-	-	-
Closing Balance	11,679,870	9,390,017	11,679,870	9,390,017
Amortization and impairment losses				
Cost 1 January	6,401,415	5,314,514	6,401,415	5,314,514
Amortization for the year	1,180,112	1,086,901	1,180,112	1,086,901
Disposal	-	-	-	-
Closing Balance	7,581,527	6,401,415	7,581,527	6,401,415
Carrying amounts	4,098,343	2,988,602	4,098,343	2,988,602

- The intangible assets have got finite lives and are amortized over the higher of 5 years or the contractual licensing period. No impairment losses were recognized against intangible assets.
- The authorized and contracted capital commitments as at the reporting date was nil (31 December 2023 nil).
- There were no capitalized borrowing costs related to the acquisition of Property and equipment during the year (31 December 2023: nil).
- All Intangible assets are non-current

21 Deferred tax assets

Recognised deferred tax assets

Deferred tax assets are attributable to Reversal)/origination of temporary differences:

In thousands of Nigerian Naira	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
At 1 January	7,105,000	12,983,230	7,105,000	12,983,230
Reversal	(6,632,926)	(5,878,230)	(6,632,926)	(5,878,230)
Closing balance	472,076	7,105,000	472,076	7,105,000

Notes to the consolidated and separate financial statements

	Group and Bank	
	31-Dec-24	31-Dec-23
<i>In thousands of naira</i>		
Property and equipment	(8,231,513)	(5,691,423)
Lease liabilities	-	14,705
Impairment	3,350,062	1,837,279
Provisions	945,158	834,991
unrealised exchange gains	(4,898,091)	(4,353,051)
unutilised capital allowance	9,306,460	14,462,499
Deferred tax asset as at 31 December 2024/2023	472,076	7,105,000

Deferred taxes are calculated on temporary differences under the liability method using a statutory tax rate

Movements in temporary differences 1 January 2024 to 31 December 2024:

<i>In thousands of Naira</i>	1-Jan-24	Recognized in profit or loss	31-Dec-24
Property and equipment	(5,691,423)	(2,540,090)	(8,231,513)
Lease liabilities	14,705	(14,705)	-
Impairment	1,837,279	1,512,783	3,350,062
Provisions	834,991	110,167	945,158
unrealised exchange gains	(4,353,051)	(545,041)	(4,898,091)
unutilised capital allowance	14,462,499	(5,156,039)	9,306,460
Deferred tax asset as at 31 December	7,105,000	(6,632,925)	472,076

Movements in temporary differences 1 January 2023 to 31 December 2023:

<i>In thousands of Naira</i>	1-Jan-23	Recognized in profit or loss	31-Dec-23
Property and equipment	(5,461,642)	(229,781)	(5,691,423)
Lease liabilities	(155,734)	170,439	14,705
Impairment	2,689,846	(852,567)	1,837,279
Provisions	876,601	(41,610)	834,991
unrealised exchange gains	(477,597)	(3,875,454)	(4,353,051)
carry forward loss	2,493,899	(2,493,899)	-
unutilised capital allowance	13,017,858	1,444,641	14,462,499
Deferred tax asset as at 31 December	12,983,230	(5,878,230)	7,105,000

Notes to the consolidated and separate financial statements

In thousands of Nigerian Naira		Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	
22 Other assets					
Financial Assets					
Accounts receivables	2,742,529	5,351,545	2,742,529	5,351,545	
Other Settlements	-	-	-	-	
Collateralized Placement	53,354	53,213	53,354	53,213	
Clearing Balance	346,968	368,234	346,968	368,234	
Fraud & Burglary	261,037	256,387	261,037	256,387	
AGSMEIS Investment with CBN	1,910,121	1,910,121	1,910,121	1,910,121	
Receivable on E-business Channels	3,632,888	712,357	3,632,888	712,357	
FBN Settlement	5,374	-	5,374	-	
Non-Financial Assets					
Prepayments	1,636,952	889,926	1,636,952	889,926	
Stock	4,780,380	3,252,127	4,780,380	3,252,127	
Others	617,775	470,995	617,775	470,995	
	15,987,378	13,264,904	15,987,378	13,264,904	
Specific impairment on other assets	(3,019,577)	(263,008)	(3,019,577)	(263,008)	
	12,967,801	13,001,896	12,967,801	13,001,896	
At 1 January	263,008	897,836	263,008	897,836	
Allowance made during the year	2,756,569	83,002	2,756,569	83,002	
Write off made during the year	-	(717,830)	-	(717,830)	
Closing balance	3,019,577	230,308	3,019,577	263,308	
Classified as:					
Current	15,672,988	12,955,305	15,672,988	12,955,305	
Non-current	314,390	309,599	314,390	309,599	
	15,987,378	13,264,904	15,987,378	13,264,904	
23 Deposits from banks					
<i>In thousands of Nigeria Naira</i>					
Money market deposits	258,500,000	20,863,530	258,500,000	20,863,530	
Deposits from customers					
Retail customers:					
Term deposits	318,165,040	195,965,985	318,165,040	195,965,985	
Current deposits	42,881,476	39,517,572	42,881,476	39,517,572	
Savings	425,702,984	269,215,862	425,702,984	269,215,862	
Corporate customers:					
Term deposits	214,111,111	228,729,190	214,111,111	228,729,190	
Current deposits	858,548,276	867,565,417	858,548,276	867,565,417	
Others	664,406,376	259,579,511	664,406,376	259,579,511	
	2,523,815,263	1,860,573,537	2,523,815,263	1,860,573,537	

Notes to the consolidated and separate financial statements

23b	The maturity profile of customers' deposit is as follows:	Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	Under 3 months	430,819,270	589,184,375	430,819,270	589,184,375
	3 - 6months	417,876,717	62,420,615	417,876,717	62,420,615
	6 - 12months	179,612,760	101,843,962	179,612,760	101,843,962
	Over 12months	1,495,506,516	1,107,124,585	1,495,506,516	1,107,124,585
		2,523,815,263	1,860,573,537	2,523,815,263	1,860,573,537

24	In thousands of Nigerian Naira	Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	Taxation				
	Minimum Tax	-	1,142,960	-	1,127,681
24.1	Income tax expense				
	CIT	4,412,328	-	4,397,626	-
	Education Tax	1,298,880	105,396	1,298,880	105,396
	NITDA Levy	1,015,011	437,098	1,014,938	436,373
	Nigerian Police Trust Fund	5,126	2,185	5,125	2,182
	Windfall levy	2,616,808	-	2,616,808	-
	NASENI	256,272	109,093	256,272	109,093
	Current Income Tax expense	9,604,424	653,772	9,589,649	653,044
	Origination and reversal of temporary differences	6,632,925	5,878,230	6,632,925	5,878,230
		16,237,349	6,532,002	16,222,574	6,531,274

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

Effective Tax Reconciliation

		Group			Bank		
		31-Dec-24	31-Dec-23		31-Dec-24	31-Dec-23	
	%		%	%			%
Profit before tax from continuing operations		102,517,170	43,663,929		102,508,748	43,591,327	
Income tax using the tax rate	30%	30,782,170	13,093,405	30%	30,752,621	13,077,398	30%
Non-deductible expenses	1%	552,726	5,427,600	1%	552,726	5,427,600	12%
Tax exempt income	-24%	(24,367,941)	(12,626,768)	-24%	(24,672,422)	(12,626,768)	-29%
Company Income Tax	4%	4,397,626	-	4%	4,397,626	-	0%
Information technology tax	1%	1,014,938	436,373	1%	1,014,938	436,373	1%
Education tax levy	1%	1,298,880	105,396	1%	1,298,880	105,396	0%
NASENI levy	0%	256,272	109,093	0%	256,272	109,093	0%
Nigerian Police Fund levy	0%	5,125	2,182	0%	5,125	2,182	0%
Windfall Tax	3%	2,616,808	-	3%	2,616,808	-	0%
Tax expense	16%	16,556,606	6,532,002	16%	16,222,574	6,531,274	15%

Notes to the consolidated and separate financial statements

	In thousands of Nigerian Naira	Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
24.2	Current tax liabilities				
	At 1 January	1,796,732	1,061,974	1,780,725	1,061,974
	Payment during the year	(1,796,732)	(1,061,974)	(1,780,725)	(1,061,974)
	Charge for the year	9,604,424	1,796,732	9,589,649	1,780,725
	Closing balance	9,604,424	1,796,732	9,589,649	1,780,725

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 2023. Education Tax is based on 3% 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

25	Other liabilities and Provisions In thousands of Nigerian Naira	Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	Other liabilities	431,868,351	142,585,099	431,853,354	142,575,102
	Provisions	3,150,527	2,609,348	3,150,881	2,609,348
		435,018,878	145,194,447	435,003,881	145,184,450

25.a	In thousands of Nigerian Naira	Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	Other Liabilities				
	Account Payables	5,333,593	4,534,596	5,333,593	4,534,596
	Other current liabilities (i)	252,136,737	1,709,237	252,121,740	1,699,237
	Insurance Claim	67,531	46,222	67,531	46,222
	Swift Payables	863,122	27,794	863,122	27,794
	Western Union	3,204	3,198	3,204	3,201
	Salary Suspense	10,299	25,874	10,299	25,874
	Other payable	3,848,241	1,614,849	3,848,241	1,614,849
	Electronic products payable	2,148,430	941,117	2,148,430	941,117
	Certified cheques	2,301,687	2,049,956	2,301,687	2,049,956
	Customer deposits for letters of credit	67,752,609	37,553,635	67,752,609	37,553,635
	Discounting Line	14,750,289	48,549,270	14,750,289	48,549,270
	Collections and settlement (ii)	45,919,482	27,720,126	45,919,482	27,720,126
	Remittances	36,733,127	17,809,223	36,733,127	17,809,223
		431,868,351	142,585,099	431,853,354	142,575,102
	Classified as				
	Current	359,647,527	58,070,079	359,632,530	58,060,082
	Non current	72,220,824	84,515,020	72,220,824	84,515,020
		431,868,351	142,585,099	431,853,354	142,575,102

Notes to the consolidated and separate financial statements

25.1i Other current liabilities consist of special project fund, cash surplus, other staff deductions and payables that are held for subsequent payments.

25.1ii Collections and settlements are balances held in trust on behalf of customers for various transactions. These include transfers, escrows, collection for remittances, etc.

25.b Provisions

In thousands of Nigerian Naira	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Provision for litigation and claims	1,131,653	690,546	1,131,653	690,546
Impairment on contingents	2,018,874	1,918,802	2,018,874	1,918,802
	3,150,527	2,609,348	3,150,527	2,609,348
Classified as				
Current	2,018,874	1,918,802	2,018,874	1,918,802
Non current	1,131,653	690,546	1,131,653	690,546
	3,150,527	2,609,348	3,150,527	2,609,348

Movement in Provisions

Opening balance	2,609,348	1,254,489	2,609,348	1,254,489
Additions – Litigation and claims	100,072	149,933	100,072	149,933
Additions – Impairment on contingents	441,107	1,204,926	441,107	1,204,926
Closing balance	3,150,527	2,609,348	3,150,527	2,609,348

Provision for litigations: This is provision for litigations and claims against the Bank as at 31 December 2024. These claims arose in the normal course of business and are being contested by the Bank. The Directors, having sought advice of professional counsels, are of the opinion that this provision is adequate for liability that have crystalized from these claims. There is no expected reimbursement in respect of this provision.

In thousands of Nigerian Naira	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
26 Other borrowed funds				
Due to BOI (see (i) below)	773,754	1,592,459	773,754	1,592,459
CBN Agric. loan (see ii below)	532,358	1,068,305	532,358	1,068,305
CBN MSMEDF (see iv below)	272,421	343,849	272,421	343,849
Wema SPV (see v below)	18,323,308	18,318,382	10,149,047	10,146,095
Anchor Borrowers fund (see iii below)	-	416,667	-	416,667
Other Borrowings (see ix below)	1,371,229	1,432,763	1,371,229	1,432,763
Shelter Afrique (see vi below)	3,983,143	4,665,137	3,983,143	4,665,137
AFDB (see vii below)	-	1,360,665	-	1,360,665
EBID (See x below)	77,450,000	45,355,500	77,450,000	45,355,500
DBN (see viii below)	7,161,861	5,913,023	7,161,861	5,913,023
	109,868,074	80,466,750	101,693,813	72,294,463

Notes to the consolidated and separate financial statements

- (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 N2,634,492,000 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 December 2024: N18.323 billion (2023: N18.318 billion) 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
- (x) This amount represents the bank's foreign facility from EBID, this was granted to the Bank for a period of 3.5 years. It is repayable bi-annually with interest rate of 6months SOFR plus margin at 5.25%.

In thousands of Nigerian Naira	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
26b At 1 January	80,466,750	69,455,532	72,294,463	61,286,178
Additions	68,741,938	50,420,032	68,741,938	50,420,032
Reclassification	-	(34,866,199)	-	(34,866,199)
Payments made	(39,340,616)	(4,542,615)	(39,342,590)	(4,545,548)
Closing balance	109,868,072	80,466,750	101,693,811	72,292,463

The other borrowed funds are non current except for WEMA SPV which matures in 2025.

Notes to the consolidated and separate financial statements

27. Right of use of asset

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

In thousands of Nigerian Naira		31-Dec-24	31-Dec-23
COST		N	N
27a.	Balance at 1 January	2,505,171	1,975,207
	Additions	319,369	529,965
	Expired contracts	(740,795)	-
	Closing Balance	2,083,745	2,505,171
DEPRECIATION CHARGE			
	Balance at 1 January	1,250,384	977,741
	Charge for the period	333,559	272,643
	Expired contracts	(670,265)	-
	Closing Balance	913,678	1,250,384
CARRYING AMOUNT			
	Opening balance	1,254,787	997,465
	Closing Balance	1,170,067	1,254,787
27b.	LEASE LIABILITY	31-Dec-24	31-Dec-23
		N	N
	Balance at 1 January	45,952	31,583
	Finance charge for the year	(45,952)	14,369
	Closing Balance	-	45,952

In thousands of Nigerian Naira	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
28 Share capital and Reserves				
Issued and fully paid -				
21,430,178,125 Ordinary shares (2023 - 12,858,155,360)				
shares of 50k each (2023 - 50k)	10,715,089	6,429,077	10,715,089	6,429,077
Share Premium				
At 1 January	56,430,821	8,698,230	56,430,821	8,698,230
Closing balance	56,430,821	8,698,230	56,430,821	8,698,230

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

Notes to the consolidated and separate financial statements

Statutory reserves

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

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.

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

Retained earnings

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

In thousands of Nigeria Naira	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
At 1 January	36,585,528	11,449,605	36,608,707	11,529,379
Profit or loss	86,279,821	35,988,967	86,286,175	35,932,372
AT1 capital Charge	(3,366,414)	-	(3,366,414)	-
Transfer to Regulatory risk reserve	3,124,336	(1,045,040)	3,124,336	(1,045,040)
Transfer to Statutory Reserve	(12,942,926)	(5,389,856)	(12,942,926)	(5,389,856)
Dividend Paid to Shareholders	(6,429,078)	(3,857,447)	(6,429,078)	(3,857,447)
Regulatory charge to SMEIS	-	(560,701)	-	(560,701)
Closing balance	103,251,267	36,585,528	103,280,800	36,608,707

Regulatory risk reserve

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

(i) Other Reserves

In thousands of Nigeria Naira	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Share Reserve	-	12,858,155	-	12,858,155
Statutory Reserve	37,669,829	24,726,903	37,669,829	24,726,903
AGSMEIS Reserve	1,910,120	1,910,121	1,910,121	1,910,121
Fair Value Reserves	14,940,479	13,462,577	14,940,479	13,462,577
	54,520,428	52,957,756	54,520,429	52,957,756

Notes to the consolidated and separate financial statements

29. Contingencies

(a) Litigation and claims

The Bank is a party to numerous legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from such proceedings will have a material adverse effect on the financial position of the Bank, either individually or in the aggregate. N1.013 billion provision has been made as at 31st December 2024. The total amount claimed against the Bank is estimated at N9.622 billion (Dec 2023: N9.47 Billion) with a counter claim in the sum of N16.98 billion from the Bank (Dec 2023: N16.37bn).

(b) 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.

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

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

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

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

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

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

In thousands of Nigerian naira	Group		Bank	
	Group 31-Dec-24	Group 31-Dec-23	Bank 31-Dec-24	Bank 31-Dec-23
Contingent liabilities:				
Guarantees and indemnities	273,184,509	195,893,115	273,184,509	195,893,115
Bonds	51,190,952	35,765,028	51,190,952	35,765,028
Clean-line facilities & irrevocable letters of credit	64,666,017	87,673,470	64,666,017	87,673,470
ECL	(2,018,874)	(1,918,802)	(2,018,874)	(1,918,802)
Closing balance	387,022,603	317,412,811	387,022,603	317,412,811

Notes to the consolidated and separate financial statements

The following tables show reconciliations from the opening to the closing balance of the loss allowance on off balance sheet exposures.

In thousands of Nigerian naira	Group and Bank - December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Off Balance sheet exposures				
Balance at 1 January 2024	1,918,802	-	-	1,918,802
Net re-measurement of loss allowance (see note 11)	100,072	-	-	100,072
Closing Balance	2,018,874	-	-	2,018,874
Gross Amount	389,041,477	-	-	389,041,477

In thousands of Nigerian naira	Group and Bank - December 2023			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Off Balance sheet exposures				
Balance at 1 January 2023	713,876	-	-	713,876
Net re-measurement of loss allowance (see note 11)	1,204,926	-	-	1,204,926
Closing Balance	1,918,802	-	-	1,918,802
Gross Amount	319,331,613	-	-	319,331,613

30. Related party transactions

Transactions with key management personnel

The Bank's key management personnel and persons connected with them, are also considered to be related parties for disclosure purposes. The key management personnel have been identified as the executive and non-executive directors of the Bank. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Wema Bank Plc.

Key management compensation

	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Short term benefits	675,485	489,845	675,485	489,845
Post employment benefits	1,018,260	806,863	1,018,260	806,863
Fees and sitting allowances	135,081	97,950	135,081	97,950
	1,828,826	1,394,658	1,828,826	1,394,658

Key management personnel and their immediate relatives transacted with the Bank during the year as follows:

Loans and advances:

	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
At 1 January	664,222	1,131,972	664,222	1,131,972
Granted during the year	-	125,841	-	125,841
Repayments during the year	(573,516)	(593,591)	(573,516)	(593,591)
At 31 December	90,706	664,222	90,706	664,222
Interest earned	2,037	67,757	2,037	67,757
Deposit liabilities				
Deposit	125,345	1,879,690	125,345	1,879,690

Interest rates charged on balances outstanding are rates that would be charged in an arm's length transaction. The secured loans granted are secured over real estate, equities and other assets of the respective borrowers. ECL is NIL (2023 - N97,510,621.39) have been recorded against balances outstanding during the period with key management personnel and their immediate relatives at the year end.

Notes to the consolidated and separate financial statements

Related party transactions

Transactions with other related parties		Loans	Deposit	Interest Received	Interest Paid
31-Dec-24	Relationship	N'Million	N'Million	N'Million	N'Million
Diamed Centre Limited	Related Company to a Management staff	90.71	125.3	2.04	-

Transactions with other related parties		Loans	Deposit	Interest Received	Interest Paid
31-Dec-23	Relationship	N'Million	N'Million	N'Million	N'Million
Diamed Centre Limited	Related Company to a Director	48.69	6.61	6.56	-
Solomon Kesinton Agro Allied Ltd	Related Company to a Director	222.26	2.67	34.13	-
Kesington Adebukunola Adebutu	Related Company to a Director	-	114.56	-	1.39
WemaBod Limited	Related Company to a Director	-	657.35	-	6.63

SIGNIFICANT SHAREHOLDERS AND THEIR RELATED INTEREST AS AT 31 DEC,2024

SN	ACCOUNT NAME	RELATIONSHIP	DIRECTOR'S NAME	FACILITY TYPE	BALANCE	LOAN STATUS
1	DIAMED CENTRE LIMITED	SERVING DIRECTOR	KESSINGTON ADEBUTU	TERM LOAN	90,706,100.98	PERFORMING

Loans granted to related parties are secured over real estate and other assets of the respective borrowers and all loans are performing. No lifetime impairment has been recognized in respect of loans granted to related parties and the carrying amount of the insider related loans as at December 31, 2023 totaled N0.90 billion.

Notes to the consolidated and separate financial statements

31. Contraventions

The Bank paid penalties to the tune of N2,000,000 during the year:

In thousands of Nigeria Naira	
Nature of contravention	Penalties
Net open position breach	2,000
Total penalties	2,000

32. Dividend per share

	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Proposed Dividend per share (₦)	1.00	0.50	1.00	0.50
Dividend proposed (₦'000)	21,430,178	6,429,078	21,430,178	6,429,078
Number of shares in issue and ranking for dividend (₦'000)	21,430,178	12,858,155	21,430,178	12,858,155
Dividend per share paid during the year (₦)	0.50	0.30	0.50	0.30
Dividend paid during the year (₦'000)	6,429,078	3,857,447	6,429,078	3,857,447

* Proposed dividend per share of 100kobo per share is based on the number of shares existing as at 31 December 2024. The Dividend declared is subject to shareholders' ratification at the next Annual General Meeting of the Bank.

Pursuant to the powers conferred on them by Section 426 of the Companies and Allied Matters Act, 2020, the Directors shall propose a dividend of 100 kobo per share in compliance with all regulatory requirements.

This is subject to approval by shareholders at the next Annual General Meeting.

The number of shares in issue and ranking for dividend represents the outstanding number of shares as at December 31, 2024 and December 31, 2023 respectively.

Dividends are paid to shareholders net of withholding tax at the rate of 10% in compliance with extant tax laws.

Notes to the consolidated and separate financial statements

33. Reconciliation of changes in working capital

Reconciliation of the movement in assets and liabilities for the purpose of the statement of cashflows is as follows:

In thousands of Nigerian Naira		Group		Bank	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
33(i)	Pledged assets				
	As at January 1	35,216,689	30,616,318	35,216,689	30,616,318
	Closing Balance	(307,235,856)	(35,216,689)	(307,235,856)	(35,216,689)
	Cash flow movement	(272,019,167)	(4,600,371)	(272,019,167)	(4,600,371)
33(ii)	Loans and advances to customers				
	Changes in Loans and Advances	(400,106,202)	(279,672,421)	(400,106,202)	(279,672,421)
	ECL allowance	(21,649,883)	(10,563,367)	(21,649,883)	(10,563,367)
	Cash flow movement	(421,756,085)	(290,235,788)	(421,756,085)	(290,235,788)
33(iii)	Other assets				
	As at January 1	13,001,896	11,326,857	13,001,896	11,326,857
	Closing Balance	(12,967,801)	(13,001,896)	(12,967,801)	(13,001,896)
	Cash flow movement	34,095	(1,675,039)	34,095	(1,675,039)
33(iv)	Deposit from banks				
	As at January 1	20,863,530	19,153,500	20,863,530	19,153,500
	Closing Balance	258,500,000	20,863,530	258,500,000	20,863,530
	Cash flow movement	237,636,470	1,710,030	237,636,470	1,710,030
33(v)	Restricted deposit with CBN				
	As at January 1	503,320,833	386,993,380	503,320,833	386,993,380
	Reclassification to CRR	-	(34,866,1999)	-	(34,866,1999)
	Closing Balance	(838,595,007)	(503,320,833)	(838,595,007)	(503,320,833)
	Cash flow movement	(335,274,174)	(151,193,652)	(335,274,174)	(151,193,652)
33(vi)	Deposits from customers				
	As at January 1	1,860,573,537	1,165,934,019	1,860,573,537	1,165,934,019
	Closing Balance	2,523,815,878	1,860,573,537	2,523,815,263	1,860,573,537
	Cash flow movement	663,241,726	694,639,518	663,241,726	694,639,518
33(vi)	Other Liabilities				
	As at January 1	145,243,399	103,717,049	145,230,402	103,645,310
	Closing Balance	435,018,878	145,240,399	435,003,881	145,230,401
	Cash flow movement	289,775,479	41,523,350	289,773,479	41,585,092
33(vii)	Interest Paid				
	Interest expense on deposits	(158,020,919)	(85,774,101)	(158,020,919)	(85,774,101)
	Interest paid on borrowings	(19,548,341)	(8,148,151)	(18,475,698)	(7,078,810)
	Total Interest	(177,569,260)	(93,922,252)	(176,496,617)	(92,852,911)
33(viii)	Investment securities-At Amortised Cost				
	As at January 1	614,892,883	320,922,935	606,743,512	312,792,563
	Closing Balance	(840,020,678)	(614,892,883)	(831,849,884)	(606,743,512)
	Cash flow movement	(225,127,795)	(293,969,948)	(225,106,372)	(293,950,949)
33(ix)	Investment securities-FVTOCI				
	Fair value reserve FVTOCI financial assets	1,477,902	3,624,248	1,477,902	3,624,248
	Movement in Fair value through OCI	(1,401,361)	(2,298,438)	(1,401,361)	(2,298,439)
		76,541	1,325,810	76,541	1,325,809
33(x)	Fair Value through profit or loss				
	As at January 1	4,669	20,933,741	4,669	20,933,741
	Closing Balance	(45,455,938)	(4,669)	(45,455,938)	(4,669)
	Cash flow movement	(45,451,269)	20,929,072	(45,451,269)	20,929,072
33(xi)	Movement in Cost				
	Accumulated Depreciation (Note 13b)	1,298,315	1,240,478	1,298,315	1,240,478
	Net Book Value	(828,487)	(684,257)	(828,487)	(684,257)
	Sales on proceed	469,828	556,221	469,828	556,221
	Gains on disposal of property and equipment	941,511	887,125	941,511	887,125
		471,683	330,904	471,683	330,906
33(xii)	Net Interest Income				
	Total interest income	354,633,103	185,643,309	353,537,040	184,475,460
	Total interest expense	177,569,260	93,922,252	176,496,617	92,852,911
		177,063,843	91,721,057	177,040,423	91,622,549

Notes to the consolidated and separate financial statements

Risk Overview

Introduction

Wema Bank has continued to remain resolute in its dedication to engendering a robust risk culture, embodying a paradigm that encompasses an enduring legacy of shared values, attitudes and beliefs. This collective ethos plays a pivotal role in enhancing risk awareness and shaping our behaviors. It influences our risk-taking temperament and informs our risk management philosophy, resulting in a cohesive and proactive stance towards managing risks. By proactively addressing risks, the Group is able to protect and maximize value for all its stakeholders: owners, customers, employees, regulators and society at large.

Risk Management Philosophy

Our Risk Management philosophy is predicated on achieving an optimal equilibrium between risk and return, with the overarching objective of mitigating potential downsides while maximizing upside opportunities. This strategic approach is designed to enhance shareholder value, instill confidence among our capital providers and clients, and foster the agility and resilience essential for guaranteeing the long-term sustainability of our business operations. The following key risk principles underpin our risk management philosophy and govern our decision-making processes

- The Group will adopt a unified and holistic enterprise-wide strategy for risk management, which will systematically identify, evaluate, and manage risks across all dimensions of its operations. This approach will ensure that the Group only undertakes risks that are consistent with its established risk appetite, thereby balancing strategic objectives with prudent risk management practices.
- The Group's Risk Management Framework will establish policies and maintain a robust risk governance structure that ensures accountability at all levels, providing a seamless cascading of policy decisions throughout the organization, reaching every level and operational unit, thereby guaranteeing that strategic directives are effectively implemented and adhered to across the entire enterprise.
- Risk management will be thoroughly integrated into the Group's overall strategy, becoming an integral component of all business decision-making. By doing so, risk management will be a key enabler in achieving the Group's strategic goals, ensuring that risk considerations are consistently aligned with business objectives and outcomes.
- We will maintain a zero-tolerance policy towards any form of inappropriate market conduct, actions, or omissions that could intentionally harm our stakeholders, compromise our integrity, or tarnish our reputation. Our commitment to upholding the highest standards of ethical behavior ensures that we consistently act with integrity and transparency, safeguarding the trust and confidence of our stakeholders.
- We will maintain a robust capital position, grounded in adherence to global best practices and rigorous compliance with all relevant regulatory requirements. This commitment ensures that our financial foundation remains strong and resilient, aligning with the highest standards of governance and regulatory oversight.

Risk Appetite

The Board of Directors retains ultimate responsibility for the definition and oversight of the Group's risk appetite, which is formally articulated and reviewed annually via our Enterprise Risk Appetite Framework. This framework establishes the types and aggregate levels of risk that Wema Bank is prepared to accept in pursuit of its strategic goals and objectives.

The Group's risk appetite is expressed through a combination of qualitative and quantitative parameters. It is operationalized via clearly defined, measurable metrics: including triggers, limits, and threshold, which are explicitly outlined within the framework. These metrics ensure that the Bank's risk-taking activities remain aligned with its strategic vision while maintaining robust governance and control mechanisms.

The Risk Appetite framework does not seek to prevent risk taking, but rather to ensure that the risk the Bank chooses to undertake in pursuit of its defined objectives: aligns to the chosen strategy; is understood at appropriate levels of the organization and is adequately rewarded. The Risk appetite is integrated into business planning, capital allocation, performance management and Board reporting processes.

The bank shall control enterprise risks at all times and shall not make significant trade-offs for the sake of profitability. All asset creation, liability assumption, and operational activities shall be guided at all times by existing risk limits and policies that have been spelt out in the Risk Appetite Framework.

Notes to the consolidated and separate financial statements

Enterprise Risk Management

The business activities undertaken by Wema Bank inherently involve exposure to various risks. The Bank generates value through the creation of risk assets while mitigating potential losses through the effective management of these risks. As such, risk management is a fundamental driver of, and integral to, all the Bank's operations and decision-making processes.

The Group employs a unified and comprehensive approach to Risk Management by consolidating all risk elements under a cohesive set of oversight functions. This integrated methodology ensures that risks are addressed exhaustively through the Enterprise Risk Management Framework, fostering a holistic perspective that aligns risk management with strategic objectives.

Enterprise Risk Management (ERM) at Wema Bank is a strategically integrated process, directed by the Board of Directors, executive management, and key personnel. It is embedded within the Bank's strategy-setting and operational activities to identify potential events that could impact the organization. The ERM framework ensures that risks are managed within the Bank's defined risk appetite, providing a structured approach to achieving its strategic objectives with reasonable assurance.

This framework encompasses a comprehensive set of methodologies and processes designed to manage risks and capitalize on opportunities aligned with the Bank's goals. It involves systematically identifying events or circumstances relevant to the Bank's objectives: both risks and opportunities, assessing their likelihood and potential impact, formulating appropriate response strategies, and monitoring progress. Through this proactive approach to risk and opportunity management, Wema Bank safeguards and enhances value for its stakeholders, including shareholders, employees, customers, regulators, and society at large.

Wema Bank's Enterprise Risk Management (ERM) framework is seamlessly integrated with its Governance and Compliance frameworks. This alignment ensures that risks are comprehensively identified, understood, managed, and communicated across the organization. The primary objective of the ERM function is to systematically identify, measure, evaluate, monitor, report, and control all material risks in a timely manner while assessing the adequacy of capital and liquidity in relation to the Bank's risk profile and prevailing market or macroeconomic conditions.

The Board of Directors defines the Bank's risk appetite, which is established with careful consideration of the Bank's strategic objectives and the level of risk it is prepared to assume in pursuit of these goals. The Board recognizes the interconnected nature of various risks and ensures that policies and processes are aligned with the Bank's overarching risk management strategy and established tolerance levels.

Employees are empowered to actively monitor, assess, report, and manage risks within their respective operational areas. Comprehensive risk registers are maintained, and an annual Risk and Control Self-Assessment (RCSA) exercise is conducted across all business units and processes. A culture of accountability and integrity is deeply embedded within the organization, further supported by anonymous whistleblowing channels for reporting misconduct. Regular training reinforces this risk-aware culture and promotes adherence to expected standards.

Risks are systematically identified and documented through the Bank's risk mapping process, which outlines its risk profile across key categories within individual business units. These risks are regularly assessed using tools such as the Risk Appetite Framework, stress testing mechanisms, and emerging risk evaluations. Credit, Operational, and Market risks are measured and monitored under Basel II Pillar 1 guidelines, while other Pillar 2 risks are addressed through the Internal Capital Adequacy Assessment Process (ICAAP).

This robust approach ensures that Wema Bank maintains resilience while safeguarding its stakeholders' interests.

Risk Management Framework And Governance

Wema Bank employs an automated approach to managing, communicating, and implementing enterprise risk management policies and procedures across the Bank. This integrated and dynamic platform facilitates the documentation and analysis of risks, the development of mitigation plans, the definition of controls, and the management of continuous risk assessments. It provides clear visibility into key risk indicators, assessment results, and compliance initiatives. We firmly believe that understanding and managing our risks, while continuously enhancing our controls, are essential to achieving our strategic objectives.

The Group's Risk Management Framework is structured around a distinct organizational architecture and established policies and procedures, designed to facilitate the systematic identification, analysis, management, and monitoring of diverse risks inherent in our business operations. This framework ensures that risk limits and controls are aligned with strategic objectives, thereby optimizing risk exposure while supporting business growth.

Notes to the consolidated and separate financial statements

Our operational processes involve a comprehensive approach to risk management, encompassing the identification, measurement, evaluation, acceptance, and mitigation of individual risks or risk combinations. The Board, informed by the strategic guidance of various Board and Management Risk Committees, fosters a robust risk governance culture that influences the Bank's risk posture and decision-making processes.

We recognize that effective risk management is contingent upon the actionable insights derived from timely and relevant information, which inform strategic actions. Our annual risk cycle is designed to provide management with pertinent and timely data, enabling the observation and evaluation of trends, and facilitating informed decision-making that supports the Bank's strategic objectives.

The governance structure underpinning our risk cycle is meticulously designed to ensure the delivery of accurate and timely information to the appropriate stakeholders, enabling informed decision-making at all levels. Wema Bank adopts a comprehensive and integrated approach to assessing and managing all significant risks, maintaining vigilance over both known and emerging risks to safeguard the organization against potential external shocks. Our Board Risk Committees play a pivotal role in overseeing risk management practices, ensuring that our risk appetite, culture, and profile are meticulously aligned with our strategic vision of delivering long-term, sustainable growth.

The Board defines the Group's risk appetite in alignment with Wema Bank's strategic objectives. This process carefully considers the risks the organization is prepared to undertake in pursuit of its goals while recognizing the interconnected nature of various risks and their potential to amplify one another. Our policies and processes are seamlessly aligned with our risk management strategy and established risk appetite, ensuring a cohesive framework that supports prudent decision-making and reinforces our commitment to resilience and sustainability.

Our risk governance framework incorporates the Three Lines of Defense model, which establishes a clear delineation of responsibilities across three distinct lines, each playing a pivotal role in risk management and compliance assurance. This structured approach ensures a cohesive and effective risk management system, fostering a robust governance environment that aligns with the organization's strategic objectives.

Our employees are empowered to proactively monitor, assess, report, and manage risks within their respective operational domains. Comprehensive risk registers are maintained, and a periodic review of all business units and processes is conducted through the Risk and Control Self-Assessment (RCSA) exercise. A culture of personal accountability and integrity is fostered throughout the organization, with employees encouraged to report any observed wrongdoing anonymously via dedicated whistleblowing channels. Regular training sessions across all aspects of our risk culture serve to reinforce expected behaviors and promote a risk-aware environment. These frontline employees/ operations essentially constitute the first line of defense.

Risks are systematically identified and documented through the Bank's risk mapping process, which delineates the Group's risk profile in relation to key risk categories across its component business units. Identified risks are regularly assessed through the Group's risk appetite framework, stress testing protocols, and emerging risk evaluations. Utilizing the Basel II Pillar 1 framework, our Credit, Operational, and Market risks are consistently measured and monitored. Other Pillar 2 risks are assessed and provided for through our Internal Capital Adequacy Assessment Process (ICAAP). This second line of defense involves our dedicated risk management and compliance functions. These teams support frontline operations by establishing, monitoring, and ensuring the effectiveness of risk management practices and compliance controls. They report directly to senior management and play a critical role in maintaining regulatory compliance and managing risk exposure.

The management of risk is a dynamic process that necessitates regular evaluations of the effectiveness of each enterprise risk management component. Consequently, the Group's ERM Framework is subject to ongoing review to ensure effective and cutting-edge risk management practices. This review process is conducted through continuous self-assessment and monitoring by the risk management and compliance functions in collaboration with Internal Audit, as well as independent evaluations by external auditors, examiners, and consultants. This represents the third line of defense, which seeks to provide an independent and objective assurance on the effectiveness of risk management, governance and adequacy of internal controls.

Stress Testing

Over the years we have consistently enhanced our ERM Framework, to strategically target and manage risk. This helps us to

- Understand the nature of the risks we are taking and the range of possible outcomes under various scenarios
- Understand the capital required to assume these risks.
- Understand the range of returns that we can earn on the capital allocated to these risks
- Attempt to optimize the risk-adjusted return on investments.
- Carry out Enterprise-wide scenario and stress testing.

Notes to the consolidated and separate financial statements

We employ comprehensive and rigorous scenario-based stress testing to evaluate the potential impact of key and emerging risks on the Group's liquidity, capital adequacy, and strategic objectives. Our analysis encompasses a diverse range of scenarios, including adverse macroeconomic, geopolitical, climate-related, and operational risk events, as well as tailored events specific to Wema Bank.

In addition to regulatory-mandated stress testing, our regular internal stress testing assessments provide Management with critical insights into the implications of severely adverse conditions. These evaluations enable us to assess the resilience of the Group's financial stability against external shocks and ensure robust preparedness for maintaining long-term sustainability.

Board And Management Committees

The Board of Directors has overall responsibility for Group's Risk Management framework, and it exercises its statutory and regulatory oversight via its related committees and sub-committees. These committees include:

- Board Risk Management Committee (BRMC)
- Board Credit Committee (BCC)
- Board Audit Committee (BAU)
- Management Credit Committee (MCC)
- Management Risk Committee (MRC)
- Watchlist Committee
- Asset and Liability Committee (ALCO)
- Sustainability Committee
- Information Security Steering Committee

Notes to the consolidated and separate financial statements

Credit Risk Management

Overview

In 2024, the global economy was characterized by persistent inflation, monetary tightening, and subdued growth prospects amid ongoing geopolitical uncertainties and energy market volatility. Against this backdrop, the credit environment remains challenging. Many advanced economies were still battling persistent inflation, prompting central banks to maintain or even tighten monetary policies to stabilize prices. Economic growth showed a deceleration in several developed markets, while emerging economies experienced varied recovery rates amid lingering uncertainties. Geopolitical tensions and trade disruptions continued to create an uncertain environment for global trade, affecting investor sentiment and market stability. While traditional sectors struggled under supply chain disruptions and rising costs, technology, green energy, and certain services displayed resilience and potential for rebound. Fluctuations in energy prices added to economic uncertainty, impacting both production costs and consumer spending patterns worldwide. Overall, the global economic landscape in 2024 was characterized by cautious recovery amid headwinds from inflation, geopolitical risks, and ongoing supply chain challenges.

The continued repercussions of the COVID-19 pandemic have underscored the necessity of robust credit risk management during periods of economic instability.

In Nigeria, key economic indicators such as GDP growth, inflation, and employment significantly influence borrowers' repayment capacity, necessitating vigilant and adaptive risk management practices by banks. In response, Wema Bank has proactively enhanced its customer outreach, risk assessment, and data management strategies to navigate these headwinds.

Initiatives include the identification of key loan attributes, rigorous evaluation of existing data integrity, segmentation of borrowers by shared characteristics, and establishing processes for determining eligibility for intervention funds. Additionally, the bank has diversified its loan portfolios across various industries to mitigate concentration risk and conducted regular stress testing to assess portfolio resilience under adverse economic conditions. These measures help ensure compliance with both local and international regulatory standards while minimizing credit losses in a volatile global environment.

Credit risk refers to the possibility that a borrower may not fulfill their financial commitments, such as repaying a loan or adhering to contractual terms. This inherent risk is central to the lending process, as it stems from uncertainties regarding a borrower's capacity or willingness to repay debts promptly. It applies to all types of borrowers—whether individuals, corporations, governments, or other entities.

Managing credit risk involves a systematic approach by financial institutions—like banks—to evaluate, monitor, and mitigate the risks associated with lending. The main goal is to reduce the chances of borrower default and to limit the financial losses that occur when loans are not repaid.

At our bank, credit risk is overseen by dedicated Credit Committees that manage the entire risk management process. The bank has set clear objectives for maintaining a high-quality and diversified credit portfolio, along with stringent criteria for selecting borrowers and counterparties. Our policies also define exposure limits based on individual or connected borrowers, various sectors, industries, and geographic regions.

The credit risk management of the Bank is mainly concerned with generation of profits, which are commensurate with the risks being undertaken to meet the Bank's target returns on assets and investment.

In line with best practice, the Bank implements an integrated and quantitative credit risk process aimed at reducing loan losses and ensuring that capital reserves appropriately reflect the risk profile. The process incorporates the following:

- Better model management that spans the entire modeling life cycle.
- Real-time scoring and limits monitoring.
- Robust stress-testing capabilities.
- Data visualization capabilities and business intelligence tools that get important information into the hands of those who need it, when they need it.
- Robust Credit Monitoring and Early Warning Systems to track the performance of loans in real-time, establish early warning systems to identify potential signs of credit deterioration and ultimately, act promptly upon early warnings to mitigate potential losses.
- Collaboration and Compliance with Regulation to stay informed about regulatory changes and ensure compliance with relevant laws and guidelines.

Notes to the consolidated and separate financial statements

The credit risk management functions of the Bank involve credit analysis, credit administration and loan review to ensure that the quality of the aggregate risk asset portfolio is not compromised from disbursement to full payback.

The credit risk management function helps to guide lending officers in balancing the quality and quantity of the loan portfolio of the bank to achieve earnings objectives while also meeting appropriate credit needs, maintaining proper credit standards, holding risk to reasonable limits, minimizing losses, evaluating new business opportunities, adjusting to changes in the regulatory environment and providing adequate liquidity.

The Bank's credit risk management objective is to enable us to have a high quality and well diversified risk asset portfolio, which will:

Generate profits which are commensurate with the risks and meet the bank's target Return on Assets; Enable the Bank to identify potential problem risk assets thus keeping non-performing assets and charge-offs to the barest possible;

Adhere (as much as practicable) to directives concerning exposure to industries/sectors identified to be strategic.

To achieve these objectives, the Bank does the following:

- Identify target markets
- Determine its risk appetite and appropriate returns
- Structure and develop products that will meet clients' requirements but with minimal risk to the bank
- Manage the risk asset portfolio effectively and efficiently.

In Wema Bank, credit risk management is guided by the following;

Trust and integrity

Individuals and companies place their funds with us trusting our integrity in managing these funds. This integrity flows through everything the Bank does. Any break in the chain of "continuous integrity, no matter how small and no matter where; will eventually lead to the decline of the Bank – if it is not checked." The Bank will not take any action that may compromise its integrity.

It is easy to forget the importance of integrity. In credit functions, you are far removed from the depositors who have entrusted their money to you. As the funds you lend come from so many sources, you often feel no specific responsibility. As Bankers, we make conscious efforts to continuously strengthen our integrity. The name: Wema Bank is a constant reminder of this need.

Two examples of the application of the integrity principle are, avoiding conflicts of interest (for instance loans to the Bank's auditors) and complying with Government regulations.

Understanding risk

The Bank's main activity is to manage risk. Risk, simply defined, is the variability of possible outcomes. It is also the potential for uncontrolled loss of something of value. For every transaction, you must learn to identify and optimize returns from all risks undertaken. Risk in this sense is an opportunity once fully understood.

One method is to think through the transaction step by step. At each point ask what could go wrong and how can I:

- Alert myself to the event.
- Identify inherent risks and minimize unwanted risks/outcomes.
- Optimize returns from risks undertaken.

It is this principle that guides us to always have at least two separate ways out of a loan.

Matching risk and return

For every risk the Bank takes we must have a matching return for taking that risk. All too often we take the interest and fees we charge as fixed and simply apply our efforts to structuring a credit. In many instances the return on the credit is far too low for the risk of lending. For instance, a 10% profit margin on a loan is a small compensation for losing the whole loan. It would take the profit of 10 good loans just to break even. In this situation, our success rate must be over 90% of all loans.

However, in special cases we might decide to have an exposure to a company at a low return with the expectation of getting other

Notes to the consolidated and separate financial statements

business accounts which will improve our profitability from the relationship.

Delinquent loans are costly to manage. From experience a bad loan takes more than ten times as much management effort as a good loan. For every bad loan, the opportunity cost in lost income from other activities is very high. Bad loans are a major drag on a Bank's efficiency.

Independent verification

For us in Wema Bank, a guiding principle of credit is that all information should be independently verified. This may involve an external expert or a skilled member of staff. Independently verified information helps to reduce risk considerably.

An important aspect of independent verification is the separation of controls. For instance, the person who prepares a credit should not be the one who approves it.

Complying with government regulations

A key principle of credit policy is that the bank will always comply with all government regulations. This principle is based on several factors. The Bank operates under a license. The terms of the license call for compliance with government regulations. By not complying, we not only breach our contract with the authorities, we also risk losing our license or incurring penalties.

Also, if we assume that government regulations are in the best interest of the country, then we work against this interest when we break them. If we break regulations and this information reaches the market, then our reputation will be diminished. The fall in reputation could result in lost business and reduced profit. Considering all the negative results of breaking regulations, we are much better off complying with them.

Credit risk policy

The Bank's Credit Policy is the set of principles on the basis of which it determines who it will lend money to or give credit.

Target market & client focus

Establishing a target market and focusing on clients, forms the basis of a strong business and credit relationship. At Wema Bank, we do not intend to meet all the finance needs of all customers. We thus focus our efforts on target markets, specifically chosen by us after detailed studies.

The target markets are the industries a credit team concentrates its marketing efforts on. Client focus identifies the specific customers within that target market for whom we wish to be the primary Bank. Lending to these customers will be dependent on their meeting our Risk Acceptance Criteria (RAC).

Building a profitable, high quality credit portfolio is the key aim of every Account Officer at Wema Bank. A good Account Officer is not one that aims at winning and retaining any client at all costs but the one that learns to say "no" not just to low quality credit proposals but also to those credit requests that do not fit into our corporate strategy.

Credit concentration risk

Credit concentration risk refers to any single exposure or group of exposures with the potential to result in large losses which may impair the Bank's earnings or capital because of significant credit risk events affecting the single obligor or group of obligors with similar business or risk profile.

Below is the table of the geographical concentration risk:

Group & Bank 2024 REGION	Amortised Cost N'000	Concentration	Impairment Allowance N'000	Net Loans N'000	NPL
LAGOS	955,758,310	77.26%	28,706,414	927,051,896	36,958,872
SOUTH WEST	134,380,838	10.86%	3,697,012	130,683,826	5,194,427
SOUTH SOUTH	95,513,599	7.72%	1,375,685	94,137,914	3,692,539
NORTH	42,283,477	3.42%	920,095	41,363,382	349,165
SOUTH EAST	9,087,028	0.73%	1,114,727	7,972,301	336,105
Grand Total	1,237,023,252	100%	35,813,933	1,201,209,319	47,830,817

Group & Bank 2023 REGION	Amortised Cost N'000	Concentration	Impairment Allowance N'000	Net Loans N'000	NPL
LAGOS	624,164,696	76%	19,756,215	604,408,482	31,650,031
SOUTH WEST	113,096,466	14%	1,828,747	111,267,718	2,965,726
SOUTH SOUTH	54,264,701	7%	1,400,780	52,863,921	891,207
NORTH	32,032,948	4%	1,510,167	30,522,780	109,909
SOUTH EAST	2,047,756	0%	7,541	2,040,216	247
Grand Total	825,606,567	100%	24,503,450	801,103,117	35,617,120

Basel II recognizes that credit risk concentrations are the single most important cause of major problems in banks globally. Credit concentration risk is defined in the Basel II Accord as "any single exposure or group of exposures with the potential to produce losses large enough (relative to a bank's capital, total assets, or overall risk level) to threaten a bank's health or ability to maintain its core operations."

Regular monitoring and review of the credits within the various portfolios are undertaken with the objective of identifying changes to credit quality, credit concentration and where appropriate, taking corrective action. Swift identification of problematic credits and potential incidents of concentration is a key objective for the Bank.

Notes to the consolidated and separate financial statements

Gross Loans and Advances To Customers And The Non-Performing Loan Portion Per Industry Sector As At December 31, 2024

In millions of Naira

Group Loans and advances to customers

Bank Loans and advances to customers

SECTORS	Gross Loans	NPL	Carrying Amount	Impairment Allowance	Gross Loans	NPL	Carrying Amount	Impairment Allowance
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	4,077,356	0	3,988,235	89,121	4,077,356	0	3,988,235	89,121
AGRICULTURE, FORESTRY AND FISHING	56,646,040	3149119.81	56,435,534	210,505	56,646,040	3149119.81	56,435,534	210,505
ARTS, ENTERTAINMENT AND RECREATION	2,856,317	630,801	2,777,402	78,914	2,856,317	630,801	2,777,402	78,914
CAPITAL MARKET	104,251	0	104,251	0	104,251	0	104,251	0
CONSTRUCTION	55,476,463	19,718	52,653,256	2,823,208	55,476,463	19,718	52,653,256	2,823,208
EDUCATION	6,346,064	16,243	6,177,031	169,033	6,346,064	16,243	6,177,031	169,033
FINANCE AND INSURANCE	35,912,942	531,622	35,265,348	647,594	35,912,942	531,622	35,265,348	647,594
GENERAL	155,932,169	7,381,565	148,232,767	7,699,403	155,932,169	7,381,565	148,232,767	7,699,403
GENERAL COMMERCE	234,140,095	12,714,081	221,479,825	12,660,269	234,140,095	12,714,081	221,479,825	12,660,269
GOVERNMENT	14,004,832	33,367	13,925,692	79,139	14,004,832	33,367	13,925,692	79,139
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	6,023,048	584.448667	5,996,075	26,974	6,023,048	584.448667	5,996,075	26,974
INFORMATION AND COMMUNICATION	6,246,712	25.97159693	6,173,129	73,583	6,246,712	25.97159693	6,173,129	73,583
MANUFACTURING	210,970,639	6,253,075	208,911,187	2,059,452	210,970,639	6,253,075	208,911,187	2,059,452
OIL AND GAS	243,015,408	10,441,673	238,348,079	4,667,330	243,015,408	10,441,673	238,348,079	4,667,330
POWER AND ENERGY	4,788,289	310,360	4,661,729	126,560	4,788,289	310,360	4,661,729	126,560
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	41,570,333	1,904	41,023,647	546,687	41,570,333	1,904	41,023,647	546,687
REAL ESTATE ACTIVITIES	30,248,553	579,381	29,972,395	276,158	30,248,553	579,381	29,972,395	276,158
TRANSPORTATION AND STORAGE	125,214,860	4,369,456	122,219,559	2,995,301	125,214,860	4,369,456	122,219,559	2,995,301
WATER SUPPLY; SEWAGE, WASTE MGT AND REMEDIAL	3,448,881	1,397,841	2,864,179	584,702	3,448,881	1,397,841	2,864,179	584,702
Grand Total	1,237,023,252	47,830,817	1,201,209,319	35,813,933	1,237,023,252	47,830,817	1,201,209,319	35,813,933

Notes to the consolidated and separate financial statements

Gross Loans and Advances To Customers And The Non-Performing Loan Portion Per Industry Sector As At December 31, 2023

In millions of Naira

SECTORS	Group				Bank			
	Loans and advances to customers				Loans and advances to customers			
	Gross Loans	NPL	Carrying Amount	Impairment Allowance	Gross Loans	NPL	Carrying Amount	Impairment Allowance
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	3,415,738	0	3,392,207	23,531	3,415,738	0	3,392,207	23,531
AGRICULTURE, FORESTRY AND FISHING	38,941,181	111	38,713,804	227,377	38,941,181	111	38,713,804	227,377
ARTS, ENTERTAINMENT AND RECREATION	1,345,547	908,091	1,341,202	4,345	1,345,547	908,091	1,341,202	4,345
CAPITAL MARKET	67,366	0	67,359	6	67,366	0	67,359	6
CONSTRUCTION	30,900,904	15,253	30,836,616	64,288	30,900,904	15,253	30,836,616	64,288
EDUCATION	5,931,497	10,742	5,863,728	67,770	5,931,497	10,742	5,863,728	67,770
FINANCE AND INSURANCE	31,757,277	381,754	31,626,933	130,344	31,757,277	381,754	31,626,933	130,344
GENERAL	111,868,986	8,554,172	105,200,312	7,034,996	111,868,986	8,554,172	105,200,312	7,034,996
GENERAL COMMERCE	135,452,129	8,049,900	128,046,078	7,406,051	135,452,129	8,049,900	128,046,078	7,406,051
GOVERNMENT	23,759,700	32,130	23,745,442	14,259	23,759,700	32,130	23,745,442	14,259
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	6,930,874	369	6,872,597	58,277	6,930,874	369	6,872,597	58,277
INFORMATION AND COMMUNICATION	4,422,367	5	4,399,362	23,005	4,422,367	5	4,399,362	23,005
MANUFACTURING	147,553,622	3,210,333	146,308,253	1,245,370	147,553,622	3,210,333	146,308,253	1,245,370
OIL AND GAS	159,123,732	5,867,509	156,371,897	2,751,835	159,123,732	5,867,509	156,371,897	2,751,835
POWER AND ENERGY	20,242,949	402,336	20,199,784	43,166	20,242,949	402,336	20,199,784	43,166
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	14,533,801	1,580	13,962,004	571,797	14,533,801	1,580	13,962,004	571,797
REAL ESTATE ACTIVITIES	30,547,355	7,359	30,122,812	424,543	30,547,355	7,359	30,122,812	424,543
TRANSPORTATION AND STORAGE	55,501,886	4,888,548	51,784,334	3,717,552	55,501,886	4,888,548	51,784,334	3,717,552
WATER SUPPLY; SEWAGE, WASTE MGT AND REMEDIAL	3,309,655	3,286,929	2,614,717	694,938	3,309,655	3,286,929	2,614,717	694,938
Grand Total	825,606,567	35,617,120	801,103,117	24,503,450	825,606,567	35,617,120	801,103,117	24,503,450

Notes to the consolidated and separate financial statements

Responsibilities of Business and Credit Risk Management

In Wema Bank, Business units and Credit Risk Management have a joint responsibility for the overall accuracy of risk ratings assigned to obligors and facilities. Business Relationship Managers will be responsible for deriving the ORR using approved methodologies as set out in the Bank's policy, however Credit Risk Management Team will validate such ratings.

Credit Risk Management is responsible for reviewing and ensuring the correctness of the ORR assigned to a borrower and facilities. This review includes ensuring the ongoing consistency of the business' Risk Rating Process; ongoing appropriate application of the Risk Rating Process and tools; review of judgmental and qualitative inputs into the Risk Rating Process; ensuring the timeliness and thoroughness of risk rating reviews; and ensuring that the documentation of the Risk Rating Process is complete and current. In Wema Bank, Credit Risk Management has the final authority if there is a question about a specific rating.

Credit process

Wema Bank's credit process starts with target market identification and portfolio planning. Credit requests are initiated by the Strategic Business Units, and the credit requests are subjected to review and approvals by applicable credit approving authorities. Further to appropriate approvals, loans are disbursed to beneficiaries.

Monitoring of facilities is undertaken by both the Strategic Business Units and the Bank's Loan Review and Monitoring Department. The process is centralized.

Credit risk rating policy

A risk rating is a grade given to a loan (or a group of loans), reflecting its quality. Risk ratings are usually in numbers. For instance, risk ratings range from AAA to D, where AAA represents a loan of highest quality and D represents a loan of lowest quality. Risk classifications are in form of interpretation such as Extremely Low Risk, Average Risk, High Risk, Substandard or Lost. In many cases both ways of assessing risks are used together.

Risk rating methodology and process

The credit rating of the obligors plays a vital role in final credit decisions as well as in the terms offered for successful loan applications. Wema Bank employs a robust credit rating system in the determination of the Obligor and inherent risks and thus allows the bank to maintain its asset quality at a desired level.

As the Bank manages a large number of loans, by giving each one a grade or risks rating, a number of processes can be performed more effectively. These processes include:

1. Measuring the riskiness of the total portfolio of loans (for instance a weighted average).
2. Monitoring the trend in the quality of loans (for instance from January to December average risk rating fell 2 points from A to BBB).
3. Establishing guidelines for Risk Based Pricing (e.g. Rating A may be priced as prime while Rating C may be priced at prime + 3%).
4. Providing performance measures (for instance, recognition could be given to the team with the lowest average risk rating).
5. Providing criteria for taking action on loans (for instance all loans of risk rating CCC will be mentioned at MCC to ensure they do not deteriorate further).

RISK CLASSIFICATION	RISK GRADE	RISK WEIGHT
Extremely Low Risk	AAA	9.0 – 10.0
Very Low Risk	AA	8.0 – 8.9
Low Risk	A	7.0 – 7.9
Above Average Risk	BBB	6.0 – 6.9
Average Risk	BB	5.5 – 5.9
Below Average Risk	B	5.0 – 5.4
High Risk/ Watchlist	CCC	4.5 – 4.9
Very High Risk/ Substandard	CC	4.0 – 4.4
Extremely High Risk/Doubtful	C	3.5 – 3.9
Bad and Lost	D	Below 3.5

Notes to the consolidated and separate financial statements

Credit risk rating models in Wema Bank

The following are the credit risk rating models deployed by the Bank. Obligor Risk Rating Models have been developed for:

1. Retail exposures
2. Commercial exposures
3. Corporate exposures

Facility Risk Rating Models have been developed for:

1. Probability of Default
2. Loss Given Default
3. Exposure at Default

Credit approval and lending authorities

The key objective of Wema Bank lending is to make profits. In making a credit decision a Relationship Manager must have sufficient information to evaluate a potential borrower's character, collateral, capital and capacity. They must also understand the external conditions, which will affect the borrower's ability to meet their financial obligations. To ensure that decisions to lend are made at levels that reflect the size and complexity of the loans, different loan amounts fall under special approval authorities. The proper lending authority must approve all facilities, loans and commitments to all clients.

The lending authority in the Bank shall flow through the management hierarchy with the final authority residing in the Board of Directors.

The Bank maintains internal credit approval limits for various levels of authority in the credit process. The current position as approved by the Board and Management is as shown in the table below:

Authority level	Approval limit
Board	Above N15 billion
Board Credit Committee	N15 billion
Management Credit Committee	N5 billion
Managing Director	N1.1 billion
Other Approving Authorities	As approved & delegated by the Managing Director

Some other specific control and mitigation measures are outlined below:

Collateral

In line with the Bank's credit policy, security is taken for all credits granted. In order to ensure adequacy of collateral in the event of default of principal loan and interest, the Bank's policy requires a minimum of 150% of the Forced Sale Value (FSV) of all non-cash collateral and 110% cover for cash collateralized loans.

Furthermore, in order to ensure credibility and integrity of security valuation, the Bank has limited acceptable security valuation to three (3) prominent accredited estate valuers in Nigeria.

The major types of collateral acceptable for loans and advances include:

- I. Mortgages over residential properties;
- II. Charges over business assets such as premises, inventory and accounts receivable;
- III. Charges over financial instruments such as debt securities and equities.
- IV. Cash
- V. Insurance Bonds and Counter Indemnity from insurance companies.

Longer-term finance and lending to corporate entities as well as individuals are generally secured. In addition, in order to minimize the credit loss, the Bank will seek additional collateral from the counterparty as soon as loss indicators are noticed for the relevant loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, except for asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Notes to the consolidated and separate financial statements

Details of collateral pledged by customers against carrying amount of loans and advances as at 31 December 2024 are as follows:

In thousands of Naira	Group		Bank	
	<i>Total exposure</i>	<i>Value of collateral</i>	<i>Total exposure</i>	<i>Value of collateral</i>
Secured against property/real estate	250,502,372	265,138,926	250,502,372	265,138,926
Secured by equities	205,873,875	200,458,929	205,873,875	200,458,929
Secured by debenture on stock and companies' assets	687,713,982	617,807,841	687,713,982	617,807,841
Cash collateral, lien over fixed and floating assets	92,933,023	49,699,691	92,933,023	49,699,691
Total Gross amount	1,237,023,252	1,133,105,387	1,237,023,252	1,133,105,387
Impairment allowance	35,813,933		35,813,933	
Net carrying amount	1,201,209,319	1,133,105,387	1,201,209,319	1,133,105,387

Details of collateral pledged by customers against carrying amount of loans and advances as at 31 December 2023 are as follows:

In thousands of Naira	Group		Bank	
	<i>Total exposure</i>	<i>Value of collateral</i>	<i>Total exposure</i>	<i>Value of collateral</i>
Secured against property/real estate	197,666,051	246,890,845	197,666,051	246,890,845
Secured by equities	142,875,041	120,687,589	142,875,041	120,687,589
Secured by debenture on stock and companies' assets	416,640,429	377,305,224	416,640,429	377,305,224
Cash collateral, lien over fixed and floating assets	68,425,046	60,514,021	68,425,046	60,514,021
Total Gross amount	825,606,567	805,397,680	825,606,567	805,397,680
Impairment allowance	24,503,450		24,503,450	
Net carrying amount	801,103,117	805,397,680	801,103,117	805,397,680

Notes to the consolidated and separate financial statements

31 December, 2024	Term loan	Overdrafts	On lending	Finance lease	Total
Disclosure by Collateral					
Property/Real estate	206,685,818	31,304,090	21,569,688	5,579,330	265,138,926
Equities	166,466,542	28,953,998	3,584,378	1,454,011	200,458,929
Debenture on stock and companies' assets	564,724,027	24,371,683	26,730,529	1,981,602	617,807,841
Cash	35,512,148	14,046,672	84,339	56,531	49,699,691
Grand total: Fair value of collateral	973,388,536	98,676,444	51,968,934	9,071,473	1,133,105,387
Grand total: Gross loans	1,077,632,739	103,038,947	48,060,392	8,291,174	1,237,023,252
Grand total: Impairment	23,098,650	11,235,726	1,078,675	400,882	35,813,933
Grand total: Net amount	1,054,534,089	91,803,221	46,981,717	7,890,291	1,201,209,319
Grand total: Amount of undercollateralization	104,244,203	4,294,742	(3,874,670)	(746,411)	103,917,865

Stage 1

31 December, 2024	Term loan	Overdrafts	On lending	Finance lease	Total
Against 12 months ECL loans and advances					
Property/Real estate	168,348,964	23,444,311	16,068,525	5,545,578	213,407,378
Equities	163,427,461	25,554,054	3,553,899	1,453,729	193,989,143
Debenture on stock and companies' assets	520,617,682	19,193,663	25,397,494	1,981,602	567,190,440
Cash	35,136,940	14,046,024	82,428	56,531	49,321,924
Fair value of collateral	887,531,048	82,238,051	45,102,346	9,037,440	1,023,908,884
Gross loans	993,952,572	84,805,945	42,564,871	8,230,250	1,129,553,638
Impairment	2,937,271	1,214,982	197,211	328,001	4,677,465
Net amount	991,015,301	83,590,963	42,367,660	7,902,249	1,124,876,172
Amount of undercollateralization	106,421,524	2,567,894	(2,537,475)	(807,190)	105,644,753

Notes to the consolidated and separate financial statements

Stage 2

31 December, 202 4	Term loan	Overdrafts	On lending	Finance lease	Total
Against lifetime ECL not credit-impaired loans and advances					
Property/Real estate	4,694,621	783,013	930,500	-	6,408,134
Equities	59	592	-	-	652
Debenture on stock and companies' assets	31,926,382	4,361,597	-	-	36,287,979
Cash	870	-	-	-	870
Fair value of collateral	36,621,932	5,145,202	930,500	-	42,697,634
Gross loans	36,898,220	4,884,548	694,073	-	42,476,841
Impairment	3,610,342	17,740	174,975	-	3,803,056
Net amount	33,287,878	4,866,808	519,099	-	38,673,785
Amount of undercollateralization	276,288	(260,654)	(236,427)	-	(220,793)

Stage 3

31 December, 202 4	Term loan	Overdrafts	On lending	Finance lease	Total
Against lifetime ECL credit-impaired loans and advances					
Property/Real estate	33,642,233	7,076,766	4,570,663	33,752	45,323,414
Equities	3,039,022	3,399,352	30,479	282	6,469,135
Debenture on stock and companies' assets	12,179,964	816,424	784,467	0	13,780,855
Cash	374,338	648	1,911	0	376,898
Fair value of collateral	49,235,557	11,293,190	5,387,520	34,034	65,950,301
Gross loans	46,781,947	13,280,692	4,835,320	94,813	64,992,773
Impairment	16,551,037	10,003,004	706,489	72,882	27,333,412
Net amount	30,230,910	3,277,689	4,128,831	21,931	37,659,361
Amount of undercollateralization	(2,453,610)	1,987,502	(552,200)	60,779	(957,528)

Notes to the consolidated and separate financial statements

GROUP and BANK

31 December, 202 3	Term loan	Overdrafts	On lending	Finance lease	Total
Disclosure by Collateral					
Property/Real estate	188,975,485	28,900,593	22,144,089	6,870,677	246,890,845
Equities	107,769,782	9,992,506	2,110,639	814,662	120,687,589
Debenture on stock and companies' assets	326,378,366	18,643,565	30,004,049	2,279,245	377,305,224
Cash	55,263,050	4,680,101	442,835	128,035	60,514,021
Grand total: Fair value of collateral	678,386,683	62,216,765	54,701,612	10,092,619	805,397,680
Grand total: Gross loans	701,396,471	65,356,138	49,837,641	9,016,316	825,606,567
Grand total: Impairment	19,683,217	3,767,433	974,806	77,994	24,503,450
Grand total: Net amount	681,713,254	61,588,706	48,862,835	8,938,322	801,103,117
Grand total: Amount of under/over collateralization	23,009,788	3,139,373	(4,863,972)	(1,076,303)	20,208,887

Stage 1

31 December, 202 3	Term loan	Overdrafts	On lending	Finance lease	Total
Against 12 months ECL loans and advances					
Property/Real estate	157,960,995	17,852,463	20,297,092	6,800,715	202,911,265
Equities	104,432,497	6,838,062	2,076,894	814,476	114,161,930
Debenture on stock and companies' assets	289,971,755	16,978,838	28,789,572	2,279,245	338,019,409
Cash	53,400,251	4,250,686	439,374	128,035	58,218,347
Fair value of collateral	605,765,497	45,920,050	51,602,933	10,022,471	713,310,951
Gross loans	613,284,074	49,639,587	47,354,627	8,952,168	719,230,455
Impairment	2,229,299	178,671	259,592	41,142	2,708,704
Net amount	611,054,775	49,460,917	47,095,035	8,911,026	716,888,074
Amount of undercollateralization	7,518,576	3,719,537	(4,248,306)	(1,070,303)	5,919,504

Notes to the consolidated and separate financial statements

Stage 2

31 December, 202 3	Term loan	Overdrafts	On lending	Finance lease	Total
Against lifetime ECL not credit-impaired loans and advances					
Property/Real estate	7,882,999	6,787,955	48,203	-	14,719,156
Equities	1,218,368	1,489,257	-	-	2,707,624
Debenture on stock and companies' assets	23,678,963	1,437,485	1,214,477	-	26,330,925
Cash	73,625	426,816	-	-	500,441
Fair value of collateral	32,853,954	10,141,512	1,262,680	-	44,258,147
Gross loans	52,567,026	10,102,202	1,246,612	-	63,915,841
Impairment	347,672	41,304	3,899	-	392,875.50
Net amount	52,219,354	10,060,898	1,242,714	-	63,522,966
Amount of undercollateralization	19,713,072	(39,310)	(16,068)	-	19,657,695

Stage 3

31 December, 202 3	Term loan	Overdrafts	On lending	Finance lease	Total
Against lifetime ECL credit-impaired loans and advances					
Property/Real estate	23,131,492	4,260,175	1,798,794	69,963	29,260,424
Equities	2,118,917	1,665,187	33,745	186	3,818,036
Debenture on stock and companies' assets	12,727,648	227,242	784,467	-	13,739,357
Cash	1,789,173	2,599	3,460	-	1,795,233
Fair value of collateral	39,767,231	6,155,203	2,620,466	70,149	48,613,049
Gross loans	35,545,371	5,614,349	1,236,401	64,149	42,460,270
Impairment	17,106,246	3,547,458	711,315	36,852	21,401,871
Net amount	18,439,125	2,066,891	525,086	27,297	21,058,399
Amount of undercollateralization	(4,221,860)	(540,854)	(1,384,065)	(6,000)	(6,152,779)

Notes to the consolidated and separate financial statements

Master Netting Arrangements

In accordance with our policy and practice, the Bank utilizes netting and set-off arrangements to address discrepancies arising from outstanding balances with defaulting counterparties.

Credit-related commitments

The Bank consistently implements strong asset and liability management practices to guarantee that both its cash flows and contingent obligations are met on time. It also takes appropriate measures to efficiently manage and optimize gaps resulting from undrawn commitments.

Credit concentration

The Bank keeps a close watch on credit risk concentrations by analyzing exposures within specific industries, geographic areas, or among a limited number of large borrowers.

Credit Definitions

Impaired loans and investment securities

Impaired loans and securities are those for which the Bank anticipates it will likely not recover the full principal and interest as per the agreed terms. These are specifically classified as impaired and are assigned grades CC, C, and D under the Bank's internal credit risk grading system.

Allowances for impairment

The Bank sets aside an allowance for impairment losses based on its estimation of losses incurred within its loan portfolio. This allowance consists of two primary components: a specific loss reserve for individually significant exposures, and a collective loan loss allowance for groups of similar assets that have experienced losses which haven't been individually identified.

Write-off policy

The Bank removes a loan or security balance—and any related impairment allowances—from its books when the Management Credit Committee concludes that the exposure is uncollectible. This decision is based on factors such as significant deteriorations in the borrower or issuer's financial position, which render them unable to meet their obligations, or when collateral proceeds are insufficient to cover the full exposure. For smaller, standardized loans, charge-off decisions typically rely on the product's specific past due status.

All loans and advances are categorized as :

	Stage 1	Stage 2	Stage 3
Trigger	Initial recognition	Significant increase in credit risk	Credit-impaired
ECL	12-month ECL	Lifetime ECL	Lifetime ECL
Effective interest rate (EIR)	EIR on gross carrying amount (without ECL)	EIR on gross carrying amount (without ECL)	FIR on amortised cost (with ECL)

Notes to the consolidated and separate financial statements

Market Risk Management

Overview

Market risk entails the risk that earnings or capital will be negatively impacted as a result of changes in market conditions such as interest and foreign exchange rates, among others, originating from both trading and investment operations.

The Group has implemented effective market risk management processes to identify, measure, monitor, regulate, and report exposures to these major market risks as needed, to improve returns thereby safeguarding shareholder value.

The primary objective of sound market risk practices in the Group is to ensure that market risk exposures are within the acceptable risk appetite approved by the Board.

The Board determines the Group's level of market risk appetite and delegates authority in a logical and hierarchical manner based on levels and responsibilities.

A dedicated market risk team oversees implementing and enforcing the market risk policy framework, as well as managing market risk daily within the Group. This unit operates independently of the trading and business units.

Market risk limits are established within the context of the Board's approved risk appetite, and they are routinely reviewed and reported to Management and the Board on an ongoing basis. Market risk limitations/metrics include notional/position limits, marking-to-market, stress testing, value-at-risk, liquidity gap analysis, repricing gap analysis, and factor sensitivities, among others. The Group maintains a realistic perspective of its daily trading exposures by using fair value accounting on its trading portfolio.

The CBN's current cash reserve ratio of 50% has continued to mount pressure on the bank's liquidity and funding capacity.

To increase the Group's ability to meet financing obligations while simultaneously building adequate liquidity buffers, the following strategies are being implemented, among others, to guide the bank during regular and stress business situations:

- Wema Bank holds a strong FCY credit position in the interbank market. In the worst-case scenario, this interbank placement portfolio might be used to conduct foreign exchange swaps with the CBN and other counterparties.
- The Bank can use its Eurobond investment to meet short-term FCY obligations through collaborative borrowing.
- The Bank is currently increasing its LCY funding through capital raising initiatives.
- The Bank will use its trade lines with foreign banks/correspondent banks as needed.
- The lending strategy prioritizes short-term, self-liquidating, and capital-light transactions to enhance liquidity and capital.
- Strong emphasis on loan recoveries and collections to enhance liquidity management.
- Strategic focus on accumulating low-cost funds and increasing liquid asset portfolios.

Market risk refers to the possibility of losses in the on-balance and off-balance positions as a result of market price fluctuations. For Wema Bank, this entails changes in interest rates and foreign currency rates.

Exposure to market risk

Exposure to market risk is separated into two portfolios:

- Trading portfolios
- Non – trading portfolios

Trading portfolios comprise positions resulting from market making. The models/tools used to quantify, and control traded market risk (interest rate and foreign exchange risk) include daily position valuation, limit monitoring, sensitivity analysis, value-at-risk, and stress testing analyses, among others.

Non-trading portfolios consist mostly of positions resulting from the interest rate management of our retail and commercial banking assets and liabilities, as well as non-traded financial instruments. The key objective of market risk management for non-trading portfolios is to maximize net interest income.

Wema Bank is exposed to market risk due to positions established in its trading and banking books. When appropriate, we apply the same risk management strategies and measurement tools to trading and non-trading portfolios.

Notes to the consolidated and separate financial statements

One of the key goals of market risk management, as part of our independent risk function, is to ensure that our business units' risk exposures are within the allowed limits and aligned with the established plan. To achieve this goal, market risk management collaborates closely with risk takers ("the business units") as well as other control and support groups.

Market risk governance

Market risk management governance is intended and implemented to encourage oversight of all market risks, effective decision-making, and prompt escalation to senior management and the board.

Market risk management creates and implements a framework for systematically identifying, assessing, monitoring, and reporting on market risk vulnerabilities. Market risk managers identify market risks by doing active portfolio research and engaging with business sectors.

Wema Bank manages and controls market risk through Board-approved policies and limitations (BRMC). These rules and restrictions ensure that risks faced across business activities and on an aggregate basis are within the Bank's risk appetite, while also taking regulatory restraints into account.

The restrictions are recommended by the Head of Market Risk Management via the Chief Risk Officer (CRO) and approved by the appropriate management committees, followed by the Board (BRMC).

The risk reporting system include presenting reports to the Asset and Liability Committee (ALCO), Management Risk Committee (MRC), and Board Risk Management Committee (BRMC). The management committees receive market risk reports and suggestions on a regular basis, and relevant reports are given to the Board Risk Management Committee (BRMC) quarterly.

Exposures to market risks are addressed using a variety of metrics/models, including repricing gap, ratios, value at risk, earning at risk (EaR), economic value of equity (EVE), sensitivity and scenario analysis, among others. In addition, the Bank performs stress tests on a regular basis to assess its sensitivity to extremely severe but probable shocks.

In accordance with the CBN circular on the Basel II/III capital framework, the bank uses the standardized approach for market risk regulatory capital requirements.

Market Risk Measures

Monitoring and Limiting Market Risk Exposures

Our goal is to accurately quantify all forms of market risks using a complete set of risk measures that match economic and legal needs. The quantification of market risks is based on both internally generated key risk metrics/tools and regulatory-defined market risk methodologies.

Limits settings

Specific limitations and triggers (regulatory and internal) have been established across the major market risk categories to prevent excessive market risk exposure. Market risk management ensures that the Bank regularly adheres to these limits and triggers. The following limits amongst others currently exist:

- Open position limits
- Interbank placement limits (DPLs):
- Management action triggers (MATs)
- Stop Loss limit.
- Dealer limits
- Value-at-Risk limits

Mark-to-Market (MTM)

The mark-to-market technique calculates unrealized profit or loss by revaluing open traded positions at current market values. When there are no market prices available for a certain contract period, mark-to-model is used to calculate the applicable market pricing. The Bank's policy is to revalue all exposures in its traded market risk portfolio daily. Generally, marking to market occurs independently of the trading unit.

Notes to the consolidated and separate financial statements

Sensitivity analysis

Sensitivity analysis assesses the impact of market factor movements on specific instruments or portfolios, such as interest rates and foreign exchange rates, as well as the effect of a one basis point shift in yield. We employ sensitivity metrics to track market risk positions within each risk class. Sensitivity limits are established for portfolios, products, and risk categories, with market depth being a key determinant in setting an acceptable risk threshold.

Value at Risk

Value at risk ('VaR') is a technique for calculating the maximum potential loss on risk positions due to changes in market rates and prices over a set time horizon and at a particular level of confidence. VaR is used to control market risk and is calculated for all trading situations. Where VaR is not calculated explicitly, we employ alternate tools, as described in the 'Stress testing' section below.

Our models are predominantly based on historical and parametric simulations which incorporate the following features:

- Historical market rates and prices are calculated with reference to foreign exchange rates, interest rates, and the associated volatilities.
- Potential market movements utilized for VaR are calculated with reference to data from at least the past five years; and
- VaR measures are calculated to a 99% confidence level and use a one-day holding period.

The nature of the VaR models indicates that an increase in observed market volatility will lead to an increase in VaR without any changes in the underlying positions.

VaR Model Limitations

Although a valuable guide to risk, VaR should always be viewed in the context of its limitations. For example:

- Using historical data as a proxy for estimating future events may not cover all potential events, especially extreme ones.
- Using a holding period assumes that all positions can be liquidated, or risks offset during that period, which may not fully reflect market risk during times of severe illiquidity.
- Using a 99% confidence level does not guarantee accuracy and;
- The VaR is determined based on outstanding exposures at the end of the business day and may not account for intra-day changes.

Risk factors are reviewed on a regular basis and incorporated directly in the VaR models, where possible.

Stress Testing

Stress testing is an important procedure that is integrated into our market risk management framework to evaluate the potential impact on portfolio values of more extreme, although plausible events or movements in a set of financial variables. In such cases, losses can be far higher than those indicated by VaR models. Scenarios are created to capture the most relevant future occurrences or market movements for risk variables. The Bank's risk appetite for possible stress losses is defined and monitored. Reverse stress tests are conducted under the assumption that there is a fixed loss. The stress testing process determines which scenarios cause this loss. The reverse stress test is intended to better comprehend circumstances that may have contagion and systemic repercussions outside of normal corporate contexts. Stressed VaR and stress testing, together with reverse stress testing and gap risk management, give management with insights into the 'tail risk' beyond VaR, for which Wema Bank has a limited appetite.

Back-testing

We routinely validate the correctness of our VaR models by back testing them against both actual and hypothetical profit and loss figures and the related VaR statistics. Non-modeled factors like fees, commissions, and intra-day transaction income are excluded from the hypothetical profit and loss statement. We would expect, on average, to see two or three losses in excess of VaR at the 99% confidence level over a one-year period. The actual number of losses in excess of VaR over this period can therefore be used to gauge how well the models are performing.

Structural foreign exchange exposures

Foreign exchange risk refers to the existing or potential risk to earnings and capital posed by adverse changes in foreign exchange rates.

Structural foreign exchange exposures refer to net investments in currencies other than the Naira. Exchange changes in structural exposures are reflected in 'Other comprehensive income'. In our consolidated financial accounts, we use the naira as the presentation currency. As a result, exchange rates between the Naira and all other currencies used in our daily operations have an impact on our consolidated balance sheet. Our structural foreign exchange exposures are managed with the primary objective of ensuring, where practical, that our capital ratios are largely protected from the effect of changes in exchange rates.

Notes to the consolidated and separate financial statements

The Asset and Liability Committee monitors the foreign exchange position daily and meets bi-monthly to discuss it.

Interest rate risk in the banking book

The interest rate in the banking book (IRRBB) is a significant component of the Bank's market risk exposures. This is the risk that changes in prevailing interest rates will have a negative impact on the market value of assets versus liabilities and/or income versus expenses. The Bank's trade and banking books contain interest-sensitive assets and liabilities, which subject it to interest rate risk.

Wema Bank identified four major sources of IRRBB:

1. Repricing risk is the risk of negative effects resulting from disparities in the timing of the impact of interest rate changes on the value of assets and liabilities.
2. Yield curve risk is the risk of negative repercussions caused by a change in the shape of the yield curve.
3. Basis risk is the risk of adverse outcomes caused by changes in the difference between two or more rates for different instruments of the same maturity.
4. Option risk is the risk that changes in market interest rates result in changes in the value or maturity of instruments.

Measurement of interest rate risk in the banking book

Interest rate risk in the banking book is measured and controlled using three metrics:

1. Economic Value of Equity
2. Re-pricing gap analysis
3. Net Interest Income Sensitivity; and

Economic value of equity (EVE)

The economic value of equity ('EVE value') is the present value of future banking book cash flows that could be allocated to equity providers in a managed run-off scenario. This equals the current book value of equity plus the present value of future net interest income in a managed run-off scenario. Deducting the book value of equity from the computed EVE value yields the present value of net interest income under any interest rate scenario, including managed run-off. An EVE sensitivity is the extent to which the EVE value will fluctuate due to a pre-specified shift in interest rates, while all other economic factors are held constant.

The EVE sensitivity is the sum of the sensitivity of discounted net interest income and the sensitivity of the net present value of any transactions utilized to hedge equity-based interest income. If the EVE sensitivity is adjusted to remove the sensitivity in net present value of any transactions used to hedge the interest income earned on equity, the resulting adjusted EVE sensitivity represents the extent to which discounted net interest income is sensitive to a pre-specified change in interest rates under a managed run-off scenario.

When determining the sensitivity of the economic value of stock to interest rate fluctuations, the timing of principle cash flows can change but the amount remains constant.

EVE can also be used for assessing the economic capital required to support interest rate risk in the banking book ('IRRBB'):

When EVE exceeds the current balance sheet carrying value of equity in any scenario, the banking book income stream is positive (i.e. profit) and hence capital accretive, requiring no economic capital for IRRBB.

Where the EVE of any scenario is less than the current balance sheet carrying value of equity, the banking book income stream is negative (i.e., a loss), and hence capital deductive under that scenario, with economic capital for IRRBB held against this loss

Re-pricing gap analysis

This enables the Bank to maintain a positive or negative gap depending on the forecast of interest rate trend. The amount of the gap is then modified to either hedge net interest income against changing interest rates or anticipate increased net interest income in accordance with market expectations.

Net interest income sensitivity

A key component of our non-traded interest rate risk management is monitoring the sensitivity of predicted net interest income to different interest rate scenarios (simulation modeling), while keeping all other economic variables constant. Projected net interest income sensitivity figures reflect the impact of pro forma movements in projected yield curves based on a static balance sheet size and structure assumption, except for cases where the size of the balances or repricing is deemed interest rate sensitive (non-interest-bearing current account migration and fixed rate loan early repayment). Wema Bank actively strives to modify the interest rate risk profile to maximize net income.

In thousands of Nigerian Naira

Sensitivity of projected net interest income	200bps parallel increase	200bps parallel decrease
2024		
Period ending 31 December	3,540,531	(3,540,531)
2023		
Period ending 31 December	1,667,362	(1,667,362)

Notes to the consolidated and separate financial statements

Exposure to Fixed and variable interest rate risk

31 December 2024

GROUP

	Carrying amount	Fixed	Floating	Non-interest bearing
<i>In thousands of Nigerian Naira</i>				
Cash and cash equivalents	278,924,625	107,420,456	-	171,504,169
Restricted Deposit with CBN	838,595,007	-	-	838,595,007
Pledged assets	307,235,855	307,235,855	-	-
Non-pledged trading assets	45,455,938	45,455,938	-	-
Derivative financial instruments	-	-	-	-
Loans and advances to customers	1,201,209,319	981,430,497	219,778,822	-
Investment securities	854,776,709	840,020,678	-	14,756,031
Other financial assets	12,967,801	-	-	12,967,801
	3,539,165,254	2,281,563,425	219,778,822	1,037,823,007
Derivative financial instruments	-	-	-	-
Deposits from banks	258,500,000	258,500,000	-	-
Deposits from customers	2,523,815,263	871,096,575	86,882,560	1,565,836,128
Other borrowed funds	109,868,074	28,434,932	81,433,143	-
Other financial liabilities	431,883,126	-	-	431,883,126
	3,324,066,463	1,158,031,507	168,315,702	1,997,719,254

31 December 2023

GROUP

	Carrying amount	Fixed	Floating	Non-interest bearing
<i>In thousands of Nigerian Naira</i>				
Cash and cash equivalents	220,233,575	115,823,926	-	104,409,649
Restricted Deposit with CBN	503,320,833	-	-	503,320,833
Pledged assets	35,216,689	35,216,689	-	-
Non-pledged trading assets	4,669	4,669	-	-
Derivative financial instruments	-	-	-	-
Loans and advances to customers	801,103,117	618,038,513	183,064,604	-
Investment securities	628,247,552	614,969,424	-	13,278,128
Other financial assets	13,001,896	-	-	13,001,896
	2,201,128,331	1,384,053,221	183,064,604	634,010,506
Derivative financial instruments	-	-	-	-
Deposits from banks	20,863,530	20,863,530	-	-
Deposits from customers	1,860,573,537	654,946,347	38,964,690	1,166,662,500
Other borrowed funds	80,466,750	33,750,585	46,716,165	-
Other financial liabilities	142,585,099	-	-	142,585,099
	2,104,488,916	709,560,462	85,680,855	1,309,247,599

Notes to the consolidated and separate financial statements

31 December 2024

BANK

	Carrying amount	Fixed	Floating	Non-interest bearing
<i>In thousands of Nigerian Naira</i>				
Cash and cash equivalents	278,919,920	107,420,456	-	171,499,464
Restricted Deposit with CBN	838,595,007	-	-	838,595,007
Pledged assets	307,235,855	307,235,855	-	-
Non-pledged trading assets	45,455,938	45,455,938	-	-
Derivative financial instruments	-	-	-	-
Loans and advances to customers	1,201,209,319	981,430,497	219,778,822	-
Investment securities	846,605,915	831,849,884	-	14,756,030
Other financial assets	12,967,801	-	-	12,967,801
	3,530,989,755	2,273,392,631	219,778,822	1,037,818,302
Derivative financial instruments	-	-	-	-
Deposits from banks	258,500,000	258,500,000	-	-
Deposits from customers	2,523,815,263	871,096,575	86,882,560	1,565,836,128
Other borrowed funds	101,693,813	20,260,670	81,433,143	-
Other financial liabilities	431,853,354	-	-	431,853,354
	3,315,862,430	1,149,857,245	168,315,702	1,997,689,482

31 December 2023

BANK

	Carrying amount	Fixed	Floating	Non-interest bearing
<i>In thousands of Nigerian Naira</i>				
Cash and cash equivalents				
Restricted Deposit with CBN	220,206,835	115,823,926	-	104,382,909
Pledged assets	503,320,833	-	-	503,320,833
Non-pledged trading assets	35,216,689	35,216,689	-	-
Derivative financial instruments	4,669	4,669	-	-
Loans and advances to customers	-	-	-	-
Investment securities	801,103,117	618,038,513	183,064,604	-
Other financial assets	620,099,181	620,099,181	-	-
	2,192,953,220	1,389,182,978	183,064,604	620,705,638
Derivative financial instruments	-	-	-	-
Deposits from banks	20,863,530	20,863,530	-	-
Deposits from customers	1,860,573,537	654,946,347	38,964,690	1,166,662,500
Other borrowed funds	72,294,463	25,578,298	46,716,165	-
Other financial liabilities	142,575,102	-	-	142,575,102
	2,096,306,632	701,388,175	85,680,855	1,309,237,602

Notes to the consolidated and separate financial statements

Fair Value sensitivity

The table below shows the impact of changes in yields on the value of bonds and treasury bills. Increase in yield would lead to decline in the market value of Bonds and Treasury bills. This analysis was carried to show the impact of 50bps, 100bps and 300bps increase in market yield on the Bank's earning in both the fair value through profit & loss and fair value through other comprehensive income portfolio.

Price sensitivity analysis on fixed income securities

31 December 2024

	Carrying Value	Impact of 50bps increase in yield	Impact of 100bps increase in yield	Impact of 300bps increase in yield
<i>In Thousand Naira</i>				
Impact on statement of Profit & Loss				
Fair Value through Profit & Loss: Bonds	-	-	-	-
Fair Value through Profit & Loss: Treasury bills	45,455,938	(137,919)	(274,964)	(814,577)
Total	45,455,938	(137,919)	(274,964)	(814,577)
Impact on Other Comprehensive Income				
Fair Value through Other Comprehensive Income:				
Bonds	-	-	-	-
Fair Value through Other Comprehensive Income:				
Treasury bills	-	-	-	-
Total	45,455,938	(137,919)	(274,964)	(814,577)

Price sensitivity analysis on fixed income securities

31 December 2023

	Carrying Value	Impact of 50bps increase in yield	Impact of 100bps increase in yield	Impact of 300bps increase in yield
<i>In Thousand Naira</i>				
Impact on statement of Profit & Loss				
Fair Value through Profit & Loss: Bonds	-	-	-	-
Fair Value through Profit & Loss: Treasury bills	4,669	(17.03)	(33.10)	(96.30)
Total		(17.03)	(33.10)	(96.30)
Impact on Other Comprehensive Income				
Fair Value through Other Comprehensive Income: Bonds	76,540.59	(80.45)	(160.74)	(480.29)
Fair Value through Other Comprehensive Income: Treasury bills	-	-	-	-
Total		(80.45)	(160.74)	(480.29)
Total		(97.48)	(193.85)	(576.59)

Notes to the consolidated and separate financial statements

Liquidity Risk Management

Overview

Liquidity risk is the risk that the Group will be unable to meet payment obligations as at when they fall due or without incurring a higher-than-normal cost in the process. The Group's liquidity risk management framework aims to ensure that the Group can always meet its payment obligations while also managing liquidity and funding risks within its risk appetite. The approach considers all important and major causes of liquidity risk, whether they are on- or off-balance sheet.

Liquidity risk management framework

Liquidity risk management governance is intended and implemented to encourage oversight of all liquidity concerns, effective decision-making, and prompt escalation to Senior Management and the Board.

The Group has an internal liquidity and financing risk management structure in place to ensure that it can survive severe liquidity pressures. It is designed to adapt to changing business models, markets, and regulations. The Asset and Liability Management Committee (ALCO) manages liquidity and funding in accordance with Bank policies and worldwide best practices.

The Board establishes the Bank's liquidity and funding risk strategy, as well as its risk appetite, based on recommendations from the Chief Risk Officer (CRO) through the Asset and Liability Management Committee (ALCO). At least once a year, the Board authorizes the Group's Liquidity Policy and Contingency financing Plan, which includes establishing liquidity risk tolerance thresholds that the Group uses to measure and control liquidity risks, as well as our long-term financing strategy.

Treasury is responsible for managing the Bank's overall liquidity and funding position, while Market Risk serves as an independent control function, reviewing the liquidity risk framework, proposing the risk appetite through the Chief Risk Officer (CRO), and validating liquidity risk models used to measure and manage the Group's liquidity risk profile.

In addition, specialized business targets are set to guarantee that the Bank achieves its total liquidity and funding requirements.

Periodic Liquidity Scorecards are used to educate appropriate Management Committees and the Board of Directors on performance versus risk appetite indicators. As part of the annual strategic planning process, we forecast the development of key liquidity and funding metrics based on the underlying business strategies to ensure that the plan meets our risk appetite.

The Group has created a liquidity management strategy based on a statistical model with conservative assumptions about cash inflows and liability. Liquidity positions are assessed by calculating the Group's net liquidity gap and comparing selected ratios to targets outlined in the liquidity risk management manual. In addition, liquidity stress tests are run under extreme withdrawal scenarios. These stress tests specify additional liquidity requirements to be met by holdings of liquid assets.

Quantifications

The Group has adopted both qualitative and quantitative approaches to measuring liquidity risk. Specifically, the Bank adopted the following approaches:

1. Funding and Liquidity plan;
2. Gap Analysis; and
3. Ratio Analysis.

The Funding and Liquidity Plan describes the Group's funding sources and applications. The funding liquidity risk limit is determined by computing liquidity ratios and monitoring the cumulative gap between our assets and liabilities. The liquidity gap for any tenor bucket shows the market placement or borrowing required to replace an asset or assets that are approaching maturity. The Group checks the 30-day and one-year cumulative gaps as +/- 20% and 30% of the entire on/off balance sheet size.

The Gap Analysis monitors all contractual cashflows over a 12-month period using predefined maturity buckets. The Group has implemented a set of permitted limitations to limit its exposure to wholesale counterparties, who are historically regarded to be the most vulnerable to market volatility.

Liquidity Coverage Ratio (LCR)

The LCR strengthens the Group's short-term resilience to potential liquidity shocks by guaranteeing that we have enough high-quality liquid assets (HQLAs) to withstand a 30-day acute stress scenario. The LCR standard is intended to ensure that the Group maintains an adequate amount of unencumbered HQLAs that may be converted into cash to meet its liquidity needs over a 30-day time horizon under a significantly severe liquidity stress scenario stipulated by the Central Bank of Nigeria.

Notes to the consolidated and separate financial statements

We carefully manage the Group's liquidity and funding to support our business strategy and always meet regulatory obligations, even while under stress. To accomplish this, we track our position using a broader range of metrics, including the Liquidity Coverage Ratio ('LCR'). As of December 31, 2024, the Bank's LCR was 182.54%, compared to the regulatory threshold of 100%, and we had high-quality liquid assets totalling N838.19billion. The table below provides a comparative analysis of the Bank's LCR at the conclusion of the fiscal year:

Liquidity Coverage Ratio (LCR)

	31 December 2024	31 December 2023
Total high-quality liquid assets (N'billion)	838.19	602.92
Total net cash outflow (N'billion)	459.18	445.00
LCR Ratio (%)	182.54%	135.49%

Limit Management and Monitoring

The monitoring procedure focuses on funding portfolios, the forward balance sheet, and general indicators, comparing pertinent information and data to previously specified boundaries. The Bank's Treasury is responsible for ensuring enough liquidity by maintaining an optimal level of liquid assets and available funding for short-term liabilities. Increased withdrawals of short-term money are monitored by measuring the Bank's deposit base. Liquidity risk is disclosed to the Board of Directors quarterly.

Contingency Funding Plan

The Group has a contingency funding plan which incorporates early warning signals to monitor market conditions. The contingency funding plan covers the following considerations:

- Available sources of secondary funding to supplement cash flow shortages.
- The lead times to obtain such funding.
- The roles and responsibilities of those involved in the contingency plans, and
- The communication and escalation plan when there are signs of deteriorating liquidity conditions.

The Group continuously evaluates its liquidity position and funding plans, understanding that unexpected and/or unforeseen occurrences, whether company-specific or systemic, could result in a short or long-term liquidity crisis. It evaluates its contingency funding plan considering changing market conditions and stress test results.

To monitor liquidity and funding, the Bank's Treasury collaborates with Market Risk to create a liquidity spreadsheet that forecasts fund sources and uses. The spreadsheet considers the impact of both moderate risk and adverse crisis events. The worksheet is an essential part of the contingency funding plan. Although it is unlikely that a big financing crisis will emerge, we believe it is critical to assess the risk and develop contingency plans if one does.

Maturity Risk Profile

The table below displays the undiscounted cash flows from the Group's and the Bank's financial liabilities based on their earliest contractual maturity. The gross nominal inflow/(outflow) shown in the table represents the contractual, undiscounted cash flow from the financial liability or promise.

Notes to the consolidated and separate financial statements

Residual Contractual Maturities of Financial Assets and Liabilities

GROUP							
31 December 2024	Carrying Amount	Gross Nominal Inflow/ (Outflow)	Less than 3 months	3 - 6 months	6 - 12 months	1 - 5 years	More than 5 years
In thousands of Nigerian Naira							
Non-derivative assets							
Cash and cash equivalents	278,924,625	279,088,735	279,088,735	-	-	-	-
Restricted Deposit with CBN	838,595,007	838,595,007	-	-	-	-	838,595,007
Pledged assets	307,235,855	560,963,206	19,054,835	82,909,291	139,439,551	76,937,008	242,622,521
Non-pledged trading assets	45,455,938	45,455,938	45,455,938	-	-	-	-
Loans and Advances to customer	1,201,209,319	1,526,125,019	546,479,990	276,606,507	163,706,065	443,560,002	95,772,455
Investment securities	854,776,709	1,624,325,295	25,566,164	124,900,992	49,304,776	499,861,841	924,691,523
	3,526,197,453	4,874,553,202	915,645,662	484,416,791	352,450,392	1,020,358,851	2,101,681,505
Non-derivative liabilities							
Deposits from banks	258,500,000	258,934,849	258,934,849	-	-	-	-
Deposits from customers	2,523,815,263	2,525,743,196	2,376,140,739	44,790,183	31,628,142	678,973	72,505,160
Other borrowed funds	109,868,074	121,990,822	14,938,241	964,341	18,021,367	86,773,297	1,293,577
	2,892,183,337	2,906,668,868	2,650,013,829	45,754,524	49,649,509	87,452,269	73,798,736
Gap (Asset - Liability)	-	-	(1,734,368,166)	438,662,266	302,800,883	932,906,582	2,027,882,769
Cumulative Liquidity Gap	-	-	(1,734,368,166)	(1,295,705,900)	(992,905,017)	(59,998,435)	1,967,884,334

Liquidity Gap describe a discrepancy or mismatch in the supply or demand for cash inflows and outflows. The ALM Team use maturity gap analysis to compare cash inflows and outflows daily and over a series of time-bands. The liquidity gap reports are prepared using the projection worksheets created for different scenarios and stress levels. For each scenario, the assumptions used were approved by the ALCO. For liquidity in the normal or ordinary course of business, the minimum levels of projected liquidity shall be maintained. For liquidity in all other scenarios and stress levels, the ALCO establishes minimum guidance levels.

Notes to the consolidated and separate financial statements

Residual Contractual Maturities of Financial Assets and Liabilities(cont'd)

BANK

	Carrying Amount	Gross Nominal Inflow/(Outflow)	Less than 3 months	3 - 6 months	6 - 12 months	1 - 5 years	More than 5 years
31 December 2024							
In thousands of Nigerian Naira							
Cash and cash equivalents	278,919,920	279,084,030	279,084,030	-	-	-	-
Restricted Deposit with CBN	838,595,007	838,595,007	-	-	-	-	838,595,007
Pledged assets	307,235,855	560,963,206	19,054,835	82,909,291	139,439,551	76,937,008	242,622,521
Non-pledged trading assets	45,455,938	45,455,938	45,455,938	-	-	-	-
Loans and Advances to customer	1,201,209,319	1,526,125,019	546,479,990	276,606,507	163,706,065	443,560,002	95,772,455
Investment securities	846,605,915	1,616,154,501	25,566,164	124,900,992	41,133,982	499,861,841	924,691,523
	3,518,021,954	4,866,377,702	915,640,957	484,416,791	344,279,598	1,020,358,851	2,101,681,505
Non-derivative liabilities							
Deposits from banks	258,500,000	258,934,849	258,934,849	-	-	-	-
Deposits from customers	2,523,815,263	2,525,743,196	2,376,140,739	44,790,183	31,628,142	678,973	72,505,160
Other borrowed funds	101,693,813	121,990,822	14,938,241	964,341	18,021,367	86,773,297	1,293,577
	2,884,009,076	2,906,668,868	2,650,013,829	45,754,524	49,649,509	87,452,269	73,798,736
Gap (Asset - Liability)			(1,734,372,872)	438,662,266	294,630,089	932,906,582	2,027,882,769
Cumulative Liquidity Gap			(1,734,372,872)	(1,295,710,606)	(1,001,080,517)	(68,173,935)	1,959,708,834

Notes to the consolidated and separate financial statements

Residual Contractual Maturities of Financial Assets and Liabilities

GROUP							
31 December 2023	Carrying Amount	Gross Nominal Inflow/ (Outflow)	Less than 3 months	3 - 6 months	6 - 12 months	1 - 5 years	More than 5 years
In thousands of Nigerian Naira							
Non-derivative assets							
Cash and cash equivalents	220,233,575	220,637,068	220,637,068	-	-	-	-
Restricted Deposit with CBN	503,320,833	503,320,833	-	-	-	-	503,320,833
Pledged assets	35,216,689	52,736,783	719,795	786,398	1,506,193	12,277,776	37,446,621
Non-pledged trading assets	4,669	4,669	4,669	-	-	-	-
Loans and Advances to customer	801,103,117	966,019,125	323,103,293	148,239,588	139,672,263	236,667,109	118,336,872
Investment securities	628,247,552	1,268,503,629	24,432,100	17,729,174	32,084,046	283,916,310	910,341,999
	2,188,126,435	3,011,222,107	568,896,924	166,755,160	173,262,502	532,861,195	1,569,446,325
Non-derivative liabilities							
Deposits from banks	20,863,530	20,968,150	20,968,150	-	-	-	-
Deposits from customers	1,860,573,537	1,886,592,551	1,770,610,091	51,659,236	28,991,548	35,331,676	-
Other borrowed funds	80,466,750	92,041,882	3,351,959	968,525	11,027,412	75,220,385	1,473,601
	1,961,903,817	1,999,602,583	1,794,930,200	52,627,761	40,018,960	110,552,061	1,473,601
Gap (Asset - Liability)			(1,226,033,275)	114,127,399	133,243,542	422,309,134	1,567,972,724
Cumulative Liquidity Gap			(1,226,033,275)	(1,111,905,876)	(978,662,334)	(556,353,200)	1,011,619,524

Notes to the consolidated and separate financial statements

Residual Contractual Maturities of Financial Assets and Liabilities(cont'd)

BANK

	Carrying Amount	Gross Nominal Inflow/(Outflow)	Less than 3 months	3 - 6 months	6 - 12 months	1 - 5 years	More than 5 years
31 December 2023							
In thousands of Nigerian Naira							
Cash and cash equivalents	220,206,835	220,206,835	220,206,835	-	-	-	-
Restricted Deposit with CBN	503,320,833	503,320,833	-	-	-	-	503,320,833
Pledged assets	35,216,689	52,736,783	719,795	786,398	1,506,193	12,277,776	37,446,621
Non-pledged trading assets	4,669	4,669	4,669	-	-	-	-
Loans and Advances to customer	801,103,117	966,019,125	323,103,293	148,239,588	139,672,263	236,667,109	118,336,872
Investment securities	620,098,181	1,260,354,258	24,432,100	17,729,174	32,084,046	275,766,939	910,341,999
	2,179,950,324	3,002,642,503	568,466,692	166,755,160	173,262,502	524,711,824	1,569,446,325
Non-derivative liabilities							
Deposits from banks	20,863,530	20,968,150	20,968,150	-	-	-	-
Deposits from customers	1,860,573,537	1,886,592,551	1,770,610,091	51,659,236	28,991,548	35,331,676	-
Other borrowed funds	72,294,463	83,869,595	3,351,959	968,525	11,027,412	67,048,098	1,473,601
	1,953,731,530	1,991,430,296	1,794,930,200	52,627,761	40,018,960	102,379,774	1,473,601
Gap (Asset - Liability)			(1,226,463,508)	114,127,399	133,243,542	422,332,050	1,567,972,724
Cumulative Liquidity Gap			(1,226,463,508)	(1,112,336,109)	(979,092,567)	(556,760,517)	1,011,212,207

Notes to the consolidated and separate financial statements

The following table sets out the allocation of the carrying value of assets and liabilities subject to market risk between trading and non-trading portfolios:

Group	At 31st December 2024			At 31st December 2023		
	Carrying amount NGN	Trading portfolios NGN	Non-trading portfolios NGN	Carrying amount NGN	Trading portfolios NGN	Non-trading portfolios NGN
Assets subject to market risk						
Cash and cash equivalents	278,924,625	-	278,924,625	220,233,575	-	220,233,575
Cash and bank balances with Central Bank	838,595,007	-	838,595,007	503,320,833	-	503,320,833
Pledged assets	307,235,855	-	307,235,855	4,669	4,669	-
Non-pledged trading asset	45,455,938	45,455,938	-	35,216,689	-	35,216,689
Loans and advances to customers	1,201,209,319	-	1,201,209,319	801,103,117	-	801,103,117
Investment securities	854,776,709	-	854,776,709	628,247,552	-	628,247,552
Other financial assets	12,967,801	-	12,967,801	13,001,896	-	13,001,896
	3,539,165,254	45,455,938	3,493,709,316	2,201,128,331	4,669	2,201,123,662
Liabilities subject to market risk						
Deposits from banks	258,500,000	-	258,500,000	20,863,530	-	20,863,530
Deposits from customers	2,523,815,263	-	2,523,815,263	1,860,573,537	-	1,860,573,537
Other borrowed funds	109,868,074	-	109,868,074	80,466,750	-	80,466,750
Other Financial liabilities	431,883,126	-	431,883,126	142,585,099	-	142,585,099
	3,324,066,463	-	3,324,066,463	2,104,488,916	-	2,104,488,916

Notes to the consolidated and separate financial statements

The following table sets out the allocation of the carrying value of assets and liabilities subject to market risk between trading and non-trading portfolios:

Bank	At 31* December 202 4			At 31st December 202 3		
	Carrying amount	Trading portfolios	Non-trading portfolios	Carrying amount	Trading portfolios	Non-trading portfolios
	NGN	NGN	NGN	NGN	NGN	NGN
Assets subject to market risk						
Cash and cash equivalents	278,919,920	-	278,919,920	220,206,835	-	220,206,835
Cash and bank balances with Central Bank	838,595,007	-	838,595,007	503,320,833	-	503,320,833
Pledged assets	307,235,855	-	307,235,855	4,669	4,669	-
Non-pledged trading asset	45,455,938	45,455,938	-	35,216,689	-	35,216,689
Loans and advances to customers	1,201,209,319	-	1,201,209,319	801,103,117	-	801,103,117
Investment securities	846,606,915	-	846,606,915	620,099,181	-	620,099,181
Other financial assets	12,967,801	-	12,967,801	13,001,896	-	13,001,896
	3,530,990,755	45,455,938	3,485,534,817	2,192,953,220	4,669	2,192,948,551
Liabilities subject to market risk						
Deposits from banks	258,500,000	-	258,500,000	20,863,530	-	20,863,530
Deposits from customers	2,523,815,263	-	2,523,815,263	1,860,573,537	-	1,860,573,537
Other borrowed funds	101,693,813	-	101,693,813	72,294,463	-	72,294,463
Other financial liabilities	431,853,354	-	431,853,354	142,575,102	-	142,575,102
	3,315,862,430	-	3,315,862,430	2,096,306,632	-	2,096,306,632

Notes to the consolidated and separate financial statements

Foreign currency concentrations risk as at 31 December 2024

Group

	US Dollar	Euro	Pound	Naira	Others	Total
In thousands of Nigerian Naira						
31 December 2024						
Cash and cash equivalents	216,289,698	6,582,703	13,546,664	38,242,425	4,263,135	278,924,625
Restricted Deposit with CBN	-	-	-	838,595,007	-	838,595,007
Pledged assets	14,297,969	-	-	292,937,887	-	307,235,855
Non-pledged trading assets	-	-	-	45,455,938	-	45,455,938
Loans and advances to customers	204,247,622	4,162,515	597,532	989,558,008	2,643,643	1,201,209,319
Investment securities	380,555,561	-	-	474,221,148	-	854,776,709
Other assets	1,561,696	48,103	-	11,358,002	-	12,967,801
Total financial assets	816,952,546	10,793,321	14,144,196	2,690,368,413	6,906,779	3,539,165,254
Deposits from banks	-	-	-	258,500,000	-	258,500,000
Deposit from customers	626,054,844	9,017,288	14,009,328	1,874,714,345	19,458	2,523,815,263
Other borrowed funds	81,433,143	-	-	28,434,932	-	109,868,074
Other liabilities	109,527,409	3,349,511	231,026	311,887,858	6,887,321	431,883,126
Total financial liabilities	817,015,396	12,366,800	14,240,354	2,473,537,134	6,906,779	3,324,066,463

Notes to the consolidated and separate financial statements

Foreign currency concentrations risk as at 31 December 2024 (contd.)

Group

	US Dollar	Euro	Pound	Naira	Others	Total
31 December 2023						
Cash and cash equivalents	192,758,261	8,729,290	6,333,485	8,006,001	4,406,538	220,233,575
Restricted Deposit with CBN	-	-	-	503,320,833		503,320,833
Pledged assets	14,297,969	-	-	20,918,720	-	35,216,689
Non-pledged trading assets	-	-	-	4,669	-	4,669
Loans and advances to customers	178,355,383	4,422,799	7,325	618,265,261	52,349	801,103,117
Investment securities	103,593,658	-	-	524,653,894	-	628,247,552
Other assets	3,913,815	1,088,572	3,171	7,859,908	136,430	13,001,896
Total financial assets	492,919,086	14,240,661	6,343,981	1,683,029,286	4,595,317	2,201,128,331
Deposits from banks	20,863,530	-	-	-	-	20,863,530
Deposit from customers	252,315,761	6,657,544	5,311,259	1,596,274,254	14,719	1,860,573,537
Other borrowed funds	51,381,302	-	-	29,085,448	-	80,466,750
Other liabilities	98,671,550	7,801,970	886	31,628,971	4,481,723	142,585,099
Total financial liabilities	423,232,143	14,459,514	5,312,145	1,656,988,673	4,496,442	2,104,488,916

Notes to the consolidated and separate financial statements

Bank

	US Dollar	Euro	Pound	Naira	Others	Total
In thousands of Nigerian Naira						
31 December 2024						
Cash and cash equivalents	216,289,698	6,582,703	13,546,664	38,237,720	4,263,135	278,919,920
Restricted Deposit with CBN	-	-	-	838,595,007	-	838,595,007
Pledged assets	14,297,969	-	-	292,937,887	-	307,235,856
Non-pledged trading assets	-	-	-	45,455,938	-	45,455,938
Loans and advances to customers	204,247,622	4,162,515	597,532	989,558,008	2,643,643	1,201,209,319
Investment securities	380,555,561	-	-	466,050,354	-	846,605,915
Other assets	1,561,696	48,103	-	11,358,002	-	12,967,801
Total financial assets	816,952,546	10,793,321	14,144,196	2,682,192,915	6,906,779	3,530,989,755
Deposits from banks	-	-	-	258,500,000	-	258,500,000
Deposit from customers	626,054,844	9,017,288	14,009,328	1,874,714,345	19,458	2,523,815,263
Other borrowed funds	81,433,143	-	-	20,260,670	-	101,693,813
Other liabilities	109,527,409	3,349,511	231,026	311,858,086	6,887,321	431,853,354
Total financial liabilities	817,015,396	12,366,800	14,240,354	2,465,333,101	6,906,779	3,315,862,430

Notes to the consolidated and separate financial statements

31 December 2023	US Dollar	Euro	Pound	Naira	Others	Total
Cash and cash equivalents	192,758,261	8,729,290	6,333,485	7,979,261	4,406,538	220,206,835
Restricted Deposit with CBN	-	-	-	503,320,833	-	503,320,833
Pledged assets	14,297,969	-	-	20,918,720	-	35,216,689
Non-pledged trading assets	-	-	-	4,669	-	4,669
Loans and advances to customers	178,355,383	4,422,799	7,325	618,265,261	52,349	801,103,117
Investment securities	103,593,658	-	-	516,504,523	-	620,098,181
Other assets	3,913,815	1,088,572	3,171	7,859,908	136,430	13,001,896
Total financial assets	492,919,086	14,240,661	6,343,981	1,674,853,175	4,595,317	2,192,952,220
Deposits from banks	20,863,530	-	-	-	-	20,863,530
Deposit from customers	252,315,761	6,657,544	5,311,259	1,596,274,254	14,719	1,860,573,537
Other borrowed funds	51,381,302	-	-	20,913,161	-	72,294,463
Other liabilities	98,671,550	7,801,970	886	31,618,973	4,481,723	142,575,102
Total financial liabilities	423,232,143	14,459,514	5,312,145	1,648,806,389	4,496,442	2,096,306,632

Notes to the consolidated and separate financial statements

Foreign currency sensitivity analysis

The Group is mainly exposed to the currencies of the United States of America (USD), the European Union (EUR) and the United Kingdom (GBP) respectively.

The table below shows the impact of currency volatility on the earnings of the Bank. Holding a long position in foreign currency will result in revaluation gain if the local currency depreciates while holding a short position in foreign currency will result in revaluation loss if the local currency depreciates.

	US Dollar	Euro	Pound	Others
In thousands of Nigerian Naira				
31 December 2024				
Impact of 10% depreciation of the Naira	(6,285)	(157,348)	(9,616)	-
Impact of 20% depreciation of the Naira	(12,570)	(314,696)	(19,232)	-
Impact of 50% depreciation of the Naira	(31,425)	(786,739)	(48,079)	-
	US Dollar	Euro	Pound	Others
31 December 2024				
Impact of 10% depreciation of the Naira	6,285	157,348	9,616	-
Impact of 20% depreciation of the Naira	12,570	314,696	19,232	-
Impact of 50% depreciation of the Naira	31,425	786,739	48,079	-

Notes to the consolidated and separate financial statements

	US Dollar	Euro	Pound	Others
In thousands of Nigerian Naira				
31 December 2023				
Impact of 10% depreciation of the Naira	8,540,499	(21,885)	103,361	9,888
Impact of 20% depreciation of the Naira	17,080,997	(43,771)	206,721	2,064,159
Impact of 50% depreciation of the Naira	42,702,494	(109,426)	516,804	5,160,399
	US Dollar	Euro	Pound	Others
31 December 2023				
Impact of 10% appreciation of the Naira	(8,540,499)	21,885	(103,361)	(9,888)
Impact of 20% appreciation of the Naira	(17,080,997)	43,771	(206,721)	(2,064,159)
Impact of 50% appreciation of the Naira	(42,702,494)	109,426	(516,804)	(5,160,399)

The Group has prudently adopted the ruling NAFEM rate for the translation of financial assets and liabilities denominated in foreign currencies for the period ended December 2024.

Notes to the consolidated and separate financial statements

Operational Risk Management

Operational risk management is crucial for ensuring the stability and resilience of Wema Bank's operations. It involves identifying, analysing, managing, and monitoring risks arising from internal processes, people, systems, and external events. These risks can lead to potential losses, harm, or negative impacts on the bank's objectives.

Wema Bank integrates operational risk management within its enterprise risk management division. This comprehensive approach ensures vigilance regarding both known and emerging risks, helping to maintain stability and resilience in the bank's operations.

Sources of Operational Risk

- Internal Processes: Risks from process complexity, inadequate documentation, and process flaws.
- People: Risks associated with staff failures, such as lack of experience, insufficient resources, and lack of integrity.
- Systems: Risks from IT failures, security breaches, and system suitability.
- External Events: Risks from natural disasters, terrorism, and other external forces.

Operational Risk Management Framework

The framework ensures proactive identification, assessment, measurement, mitigation, monitoring, and reporting of principal risks. Key components include:

- Governance Structures: Clear reporting lines and accountabilities.
- Risk Management Tools: Utilization of business process mapping, scenario analysis, risk & control self-assessment (RCSA), key risk indicators (KRIs), and key performance indicators (KPIs).
- Risk Profile and Tolerances: Defined thresholds for inherent and residual risks.
- Risk Reporting: Regular reporting to senior management for effective decision-making.
- Independent Review: Regular assessments and policy revisions based on changes in the risk profile.

Policies and Procedures

Operational risk management policies and procedures align with the bank's overall business strategy and support continuous improvement. They cover the review and approval of new products, activities, processes, and systems, considering inherent risks, necessary controls, and resource availability.

Business Continuity Management

Wema Bank's Business Continuity Management System (BCMS) adheres to ISO 22301:2019 standards and regulatory requirements, ensuring protection against business interruptions. The BCMS is designed to protect the bank's people, operations, customers, other interested parties, and reputation. The bank consistently maintains and enhances its BCMS to meet these standards, ensuring full compliance with the CBN IT standard blueprint. External auditors annually review the management system to ensure the Bank's control effectiveness against the risk of interruption to its business activities.

Third-Party Risk Management

Wema Bank's Third-Party Risk Management framework is designed to effectively manage the risks associated with engaging third-party vendors and service providers. This framework ensures that all third-party relationships are aligned with the bank's strategic objectives and regulatory requirements. The Bank aims to mitigate the risks associated with third-party relationships and ensure that these partnerships contribute positively to the bank's overall objectives. This includes thorough due diligence, continuous monitoring, and regular assessments of third-party performance and compliance.

Consumer Protection Risk Management

To safeguard the interests of its customers while ensuring compliance with regulatory requirements, the consumer protection risk management framework has been incorporated into the overall enterprise risk management framework. Wema Bank strives to safeguard its customers' interests, improve their banking experience, and uphold a solid reputation for integrity and reliability. This involves implementing robust policies and procedures to address customer complaints, ensuring transparency in product offerings, and maintaining high standards of customer service.

Strategic and Reputational Risk Management

Strategic risk management involves aligning the bank's goals with its corporate mission and values, ensuring resource allocation and prioritization, and establishing mechanisms for performance evaluation and feedback. The strategic risk management process includes:

Notes to the consolidated and separate financial statements

- **Formulating Strategic Goals and Objectives:** Aligning with the Bank's corporate mission and values, these goals and objectives are translated into a well-structured strategic plan to deliver and measure desired outcomes.
- **Resource Allocation and Prioritization:** Ensuring that personnel, technology, funding, and capital resources are allocated and prioritized in a manner compatible with implementation strategies.
- **Communication and Implementation:** Effectively communicating, implementing, and modifying strategies as needed.
- **Performance Evaluation and Feedback:** Establishing mechanisms for evaluating performance and providing feedback.
- **Strategic Risk Management Framework:** Designing a framework tailored to the Bank's risk profile and sophistication level to ensure that strategic risks are consistently and comprehensively identified, assessed, monitored, controlled, and reported.

Reputational risk refers to the potential for negative publicity about an institution's business practices or its key officers, whether true or not, to cause a decline in the customer base, costly litigation, or revenue reductions. This risk can arise from an institution's failure to effectively manage other types of risks. Wema Bank recognizes that managing reputational risk starts with understanding that reputation is a matter of perception. Management acknowledges that the Bank's overall reputation is shaped by its standing among various stakeholders (investors, customers, suppliers, employees, regulators, politicians, non-governmental organizations, and the communities in which it operates) across specific categories (product quality, corporate governance, employee relations, customer service, intellectual capital, financial performance, and handling of environmental and social issues). A strong positive reputation among stakeholders in multiple categories will result in a strong positive reputation for Wema Bank. The Bank has established processes to properly articulate, analyse, and manage reputational risk factors in response to challenges.

Exposure to liquidity risk (MARKET RISK)

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. This measurement complies with the regulatory requirement guideline of the Central Bank of Nigeria.

	Group		Bank	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
At the end of the year	33.37%	35.17%	33.37%	35.17%
Average for the year	30.47%	32.38%	30.47%	32.38%
Maximum for the year	39.26%	37.01%	39.26%	37.01%
Minimum for the year	26.20%	28.46%	26.20%	28.46%

Capital Management

Regulatory capital

The Bank's lead regulator, the Central Bank of Nigeria sets and monitors capital requirements for the Bank. The banking operations are directly supervised by the Central Bank of Nigeria.

The Bank, in 2008 took a proactive step of commencing the process of disencumbering the books of doubtful and classified assets so as to lay a solid foundation for a more virile and prosperous Bank.

In the aftermath of this our capital management objectives have been to:

Stop further erosion of shareholders' wealth;

- Take all necessary measures to bring the Bank's capital to the level set by the regulatory authorities; and
- Sustain the Bank's capability to continue as a going concern.

The Bank has instituted effective mechanisms for the daily monitoring of movement in our capital base and measurement of our capital adequacy ratio by deploying techniques stipulated by the Central Bank of Nigeria (CBN) banks' supervisory guidelines. Throughout the reporting year, the Bank complied strictly with the requirement of monthly rendition of report on same to the CBN. The Auditors are also required to comply with the Nigeria Deposit Insurance Corporation (NDIC) requirement of submitting an annual certificate that consist the computed capital adequacy ratio of the Bank.

To align with the CBN current reforms, we are taking a multiple approach to raising the Bank capital base to the required level through:

Increasing the Bank's revenue base while ensuring efficient management of operating expenses.

Notes to the consolidated and separate financial statements

Vigorously implementing debt recovery strategies.

Our Bank's regulatory capital, managed by the Financial Control and Treasury Units is divided into two tiers.

Tier 1 capital, which includes share capital, share premium, other reserves and retained earnings.

Tier 2 capital, which includes revaluation reserves and other borrowings.

The risk weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of and reflecting an estimate of credit, capital market and other risks associated with each asset and counterparty, taking into consideration any eligible collateral guarantee. A similar treatment is accorded to off balance sheet transactions with adjustments in line with the contingent nature of the underlining potential losses.

Capital Adequacy Ratio

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. In accordance with Central Bank of Nigeria regulations, a minimum ratio of 10% is to be maintained.

In thousands of Nigeria naira	31-Dec 2024	31-Dec 2023
Tier 1 capital		
Ordinary share capital	10,715,089	6,429,078
Share premium	56,430,821	8,698,230
Statutory reserves	37,669,829	24,726,903
SMEIES	1,910,121	1,910,121
Other reserves	124,280,800	70,466,862
Total qualifying Tier 1 capital	231,006,660	112,231,193
Deferred tax assets	472,076	7,105,000
Intangible assets	4,098,343	2,988,602
Investment in capital of financial subsidiaries	0.00	-
	4,570,418	10,093,602
Adjusted Total qualifying Tier 1 capital	226,436,242	102,137,591
Tier 2 capital		
Other comprehensive income (OCI)	14,940,479	13,462,577
Sub-ordinated debts	2,029,810	4,058,438
Total qualifying Tier 2 capital	16,970,289	17,521,015
Net Tier 2 Capital	16,970,289	17,521,015
Total regulatory capital	243,406,530	119,658,606
Risk -weighted assets		
Credit risk	1,067,563,532	613,683,646
Market risk	14,129,125	23,065,793
Operational risk	155,564,886	109,272,232
Total risk -weighted assets	1,237,257,543	746,021,671
Risk-weighted Capital Adequacy Ratio (CAR)	19.67%	16.04%
Total tier 1 capital expressed as a percentage of risk -weighted assets	18.30%	13.69%

Notes to the consolidated and separate financial statements

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon regulatory capital, but in some cases, the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes.,

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Bank to particular operations or activities, it is not the sole basis used for decision making.

Account also is taken of synergies with other operations and activities, the availability of management and other resources and the fit of the activity with the Bank's longer term strategic objective.

Notes to the consolidated and separate financial statements

Other National Disclosures

Statement of Value Added

In thousands of Nigerian Naira	Group				Bank			
	2024	%	2023	%	2024	%	2023	%
Gross Income	433,434,006		226,914,538		432,337,943		225,746,689	
Interest Paid	(177,569,260)		(93,922,252)		(176,496,617)		(92,852,911)	
	255,864,746		132,992,286		255,841,326		132,893,778	
Impairment charge on financial assets	(21,649,882)		(10,563,367)		(21,649,882)		(10,563,367)	
Bought-in materials and services	(77,496,991)		(45,887,623)		(77,467,218)		(45,861,717)	
Value added	156,717,874	100	76,541,296	100	156,724,226	100	76,468,694	100
Distribution								
Employees								
Salaries and Benefits	45,475,369	29	26,755,149	35	45,475,369	29	26,755,149	35
Government								
Income tax	9,602,306	6	1,796,732	2	9,589,649	6	1,780,725	2
Deferred Tax	6,632,925	3	5,878,230	8	6,632,925	3	5,878,230	8
Retained in the Bank								
Assets replacement (Depreciation & Amortisation)	8,740,108	6	6,122,218	8	8,740,108	6	6,122,218	8
Profit transferred to reserve	86,265,047	57	35,988,967	47	86,286,175	57	35,932,372	47
	156,717,874	100	76,541,296	100	156,724,226	100	76,468,694	100

Other National Disclosures

Financial Summary

<i>In thousands of Nigerian Naira</i>	Group 31-Dec-24	Bank 31-Dec-24	Group 31-Dec-23	Bank 31-Dec-23	Group 31-Dec-22	Bank 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-20
Assets:										
Cash and cash equivalents	278,924,625	278,919,920	220,233,575	220,206,835	96,294,862	96,262,918	109,726,640	109,714,649	97,524,936	97,527,858
Restricted Deposit with CBN	838,595,007	838,595,007	503,320,833	503,320,833	386,993,380	386,993,380	313,847,420	313,847,420	246,974,959	246,974,959
Pledged assets	307,235,855	307,235,855	35,216,689	35,216,689	30,616,318	30,616,318	83,723,119	83,723,119	27,454,662	27,454,662
Investment securities	900,232,647	892,061,853	628,252,221	620,102,850	352,912,906	344,782,534	174,081,524	163,120,256	183,799,001	172,860,013
Wema funding SPV Plc	-	1000	-	1000	-	1,000	-	-	-	-
Loans and advances to customers	1,201,209,319	1,201,209,319	801,103,117	801,103,117	521,430,696	521,430,696	418,864,303	418,864,303	360,076,079	360,076,079
Investment property	-	-	-	-	-	-	-	-	38,388	38,388
Right of use Assets	1,170,067	1,170,067	1,254,787	1,254,787	997,465	997,465	851,249	851,249	621,528	621,528
Property Plant and equipment	48,322,246	48,322,246	35,762,898	35,762,898	25,449,667	25,449,667	22,418,542	22,418,542	21,517,323	21,517,323
Intangible assets	4,098,343	4,098,343	2,988,602	2,988,602	2,859,593	2,859,593	2,170,640	2,170,640	1,391,549	1,391,549
Other assets	12,967,801	12,967,801	13,001,896	13,001,896	11,326,857	11,326,857	34,305,993	34,305,993	21,883,615	21,883,615
Deferred tax assets	472,076	472,076	7105,000	7,105,000	12,983,230	12,983,230	15,500,694	15,500,694	18,236,111	18,236,111
	3,593,227,986	3,585,052,487	2,248,239,617	2,240,064,506	1,441,864,974	1,433,703,658	1,175,490,124	1,164,516,865	979,518,151	968,582,084
Finance by:										
Share capital	10,715,089	10,715,089	6,429,078	6,429,078	6,429,078	6,429,078	19,287,233	19,287,233	19,287,233	19,287,233
Share premium	56,430,821	56,430,821	8,698,230	8,698,230	8,698,230	8,698,230	8,698,230	8,698,230	8,698,230	8,698,230
Additional Tier 1 capital	21,000,000	21,000,000	21,000,000	21,000,000	-	-	-	-	-	-
Retained earnings	103,251,267	103,280,800	36,585,528	36,608,707	11,449,605	11,529,379	11,023,900	11,241,627	7,103,647	7,314,727
Other reserve	65,024,170	65,024,171	66,585,833	66,585,834	55,965,988	55,965,990	31,137,254	31,137,254	24,052,644	24,052,644
Deposits from banks	258,500,000	258,500,000	20,863,530	20,863,530	19,153,500	19,153,500	40,700,000	40,700,000	-	0
Deposits from customers	2,523,815,263	2,523,815,263	1,860,573,537	1,860,573,537	1,165,934,019	1,165,934,019	927,471,175	927,471,175	804,873,392	804,873,392
Lease liabilities	-	-	45,951,72	45,951,72	31,583	31,583	26,879	26,879	22,875	22,875
Current tax liabilities	9,604,424	9,589,649	1,796,732	1,780,725	1,061,974	1,061,975	716,120	716,120	394,511	394,511
Other liabilities	431,868,351	431,853,354	142,585,099	142,575,102	102,430,977	102,359,237	63,697,672	63,637,777	41,562,147	41,522,098
Provision	3,150,527	3,150,527	2,609,348	2,609,348	1,254,489	1,254,489	-	-	-	-
Other borrowed funds	109,868,074	101,693,813	80,466,750	72,294,463	69,455,532	61,286,178	72,731,661	61,601,570	73,523,472	62,416,375
	3,593,227,988	3,585,053,487	2,248,239,617	2,240,064,506	1,441,864,974	1,433,703,658	1,175,490,124	1,164,517,865	979,518,151	968,582,084
Guarantees and other commitments	387,022,603	387,022,603	317,412,811	317,412,811	152,455,290	152,455,290	118,568,967	118,568,967	78,692,203	78,692,203
	Group 31-Dec-24	Bank 31-Dec-24	Group 31-Dec-23	Bank 31-Dec-23	Group 31-Dec-22	Bank 31-Dec-22	Group 31-Dec-21	Bank 31-Dec-21	Group 31-Dec-20	Bank 31-Dec-20
Gross earnings	433,434,006	432,337,943	226,914,538	226,914,538	131,083,307	131,083,309	93,632,481	92,137,078	81,382,795	79,876,995
Profit/(loss) before taxation	102,517,170	102,508,748	43,663,929	43,663,929	14,883,961	14,746,008	12,377,495	12,384,142	5,931,687	5,946,523
Income tax	(16,237,349)	(16,222,574)	(7,674,962)	(7,674,962)	(3,531,981)	(3,531,981)	(3,450,940)	(3,450,940)	(1,354,306)	(1,354,306)
Profit/(loss) after taxation	86,279,821	86,286,174	35,988,967	35,988,967	11,351,980	11,214,027	8,926,555	8,933,202	4,577,381	4,592,217

KITS

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- 241 Shareholder's Proxy Form
- 243 E-dividend Mandate Activation Form
- 244 Branch Network



Proxy Form

Annual General Meeting to be held electronically via this link: <https://wemabank.com/AGM/> on Thursday, 22nd of May, 2025 at 11:00am

I/We* _____

being member/members of Wema Bank Plc hereby appoint** _____ or failing him/her the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held on Thursday, 22nd May, 2025 and at any adjournment thereof.

SHAREHOLDER'S SIGNATURE & DATE	SHAREHOLDER'S NAME

Please indicate with an "X" in the appropriate box how you wish your votes to be cast on the resolutions set below. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	To lay before the meeting the Audited Financial Statements for the year ended December 31, 2024, together with the report of the Directors, Auditors and the Statutory Audit Committee thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2.	To declare a dividend.	<input type="checkbox"/>	<input type="checkbox"/>
3.	To elect / approve the appointment of a Director Mr. Olukayode Bakare	<input type="checkbox"/>	<input type="checkbox"/>
4.	To re-elect the following Directors retiring by rotation: Mrs. Bolarin Okunowo <input type="checkbox"/> Prince Olusegun Adesegun <input type="checkbox"/> Dr. (Mrs) Oluwayemisi Olorunshola <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	To disclose the remuneration of Managers of the Bank.	<input type="checkbox"/>	<input type="checkbox"/>
6.	To authorize the Directors to fix the remuneration of the Auditors.	<input type="checkbox"/>	<input type="checkbox"/>
7.	To elect members of the Statutory Audit Committee.	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS BY ORDINARY RESOLUTIONS		FOR	AGAINST
8.	To approve the remuneration of Directors.	<input type="checkbox"/>	<input type="checkbox"/>
9.	To approve that the Board raise additional capital in the sum of N50billion by way of Private Placement	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS BY SPECIAL RESOLUTION		FOR	AGAINST
10.	To amend the Articles of Association	<input type="checkbox"/>	<input type="checkbox"/>

ADMISSION CARD

ANNUAL GENERAL MEETING to be held electronically via this link: <https://wemabank.com/AGM/> on Thursday, 22nd of May, 2025 at 11:00am

Shareholder's Name (Surname & Other Names) _____

Shareholder's Account No. No. of Shares

IMPORTANT

- Before posting the proxy form, please tear off this part and retain it. A person attending the Annual General Meeting of the Company by his/her proxy should produce this card to secure admission to the meeting.
- Write your name in Block Letters on the proxy form where marked (*) and the name of your proxy where marked (**) and ensure the proxy form is dated and signed.
- It is a requirement of the Stamp Duties Act, Cap 411, Laws of the Federation of Nigeria, 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of the shareholders must bear a stamp duty.
- The proxy form when completed must be deposited at the office of the Registrars, Greenwich Registrars & Data Solutions Limited, 274, Murtala Muhammed Way, Yaba, Lagos not less than 48 hours before the time fixed for the meeting.
- If proxy form is executed by a company, it should be sealed under its common seal or under the hand and seal of its Attorney.

SIGNATURE OF PERSON ATTENDING

DATE SIGNED.

/ /

PLEASE AFFIX
POSTAGE STAMP
HERE

THE REGISTRAR
GREENWICH REGISTRARS & DATA SOLUTIONS
274, MURTALA MUHAMMED WAY
YABA, LAGOS.

**Affix
Current
Passport Photograph**

E-DIVIDEND MANDATE ACTIVATION FORM

Only Clearing Banks are acceptable

Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below

The Registrar

GREENWICH REGISTRARS & DATA SOLUTIONS

274 Murtala Muhammed Way, Yaba, Lagos

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my\our bank detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname/Company Name

First Name

Other Names

Address

City

State

Country

Previous Address (if any)

CSCS Clearing House Number

Mobile Number 1

Mobile Number 2

Email Address

Shareholder's Signature

Company Seal (If applicable)

2nd Signatory (Joint/Company Accounts)

Help Desk Telephone No/Contact Centre
Information for Issue resolution or
clarification: +234-(0)1-2917747,
+234-(0)1-2793160-2.

Tick	Company Name	Shareholders Account No.
	11 PLC	
	Abplast Products PLC	
	Allianz Nigeria Plc (erstwhile Union Assurance Company Limited; Ensure Insurance)	
	Aluminium Extrusion PLC	
	Cashchew Nut Processing Industries PLC	
	Chellarams PLC	
	Christlieb PLC	
	DANA Group of Companies PLC Series 1 & 2	
	DN Tyre & Rubber PLC	
	Ecobank Transnational Incorporated (Naira)	
	Ecobank Transnational Incorporated (USD)	
	Ekiti State Bond Tranche 2	
	EKOCORP PLC	
	Eterna PLC	
	FAN Milk PLC	
	General Telecoms PLC	
	GlaxoSmithKline Nigeria PLC	
	Global Biofuel Nigeria Limited	
	Great Nigeria Insurance PLC	
	Ikeja Hotels PLC	
	Impresit Bakolori PLC	
	Industrial & General Insurance PLC	
	IPWA PLC	
	John Holts PLC	
	Julius Berger Nigeria PLC	
	Kajola Integrated & Investment Company PLC	
	Lennard Nigeria PLC	
	Meyer PLC	
	Municipality Waste Management Contractors Limited Series I,II & III	
	Nestle Nigeria PLC	
	Nigeria Cement Company PLC	
	Nigeria Reinsurance	
	Nigerian Enamelware Company PLC	
	Nigerian Lamp & Industries	
	Nigerian Wire & Cable PLC	
	Okitiptupa Oil Palm PLC	
	Oluwa Glass Company	
	The Tourist Company of Nigeria PLC	
	Tripple Gee & Company PLC	
	UBA Fixed N20 Billion Bond Series 1 Bond	
	UBN Property Company PLC	
	Unilever Nigeria PLC	
	Union Bank of Nigeria PLC	
	Union Homes REITS	
	Union Homes Savings & Loans PLC	
	University Press PLC	
	WEMA Bank PLC	
	Wema Funding SPV Plc Bond Series I & II	

Branch Network

Lagos

ABULE EGBA BRANCH

15, Lagos/Abeokuta Express Way, Abule- Egba, 01 2779906

AGEGE BRANCH

185, Old Abeokuta Motor Road, Agege 01 2779897

ALABA BRANCH

3a, Ojo-Igbede Road, Alaba International Market, Ojo 01 2779876

AWOLOWO ROAD BRANCH

35 Awolowo Road Ikoyi , 01 2779863

DOPEMU BRANCH

60, Lagos/Abeokuta Express Road, Dopemu 01 2779899

IDOWU TAYLOR BRANCH

8, Idowu Taylor Street, Victoria Island Lagos 01 2779861

OBA AKRAN BRANCH

24, Oba Akran Avenue, Ikeja 01 2779907

ILUPEJU BRANCH

48A, Town Planning Way I lupeju, Lagos 012779789

JIBOWU BRANCH

33, Ikorodu Road, Jibowu 01 2779890

LAPAL BRANCH

241, Igbosere Road, Lagos Island 01 2779867

MARINA BRANCH

Wema Tower, 54, Marina, Lagos Island 01 2779862

OBA AKRAN BRANCH

Plot 30, Oba Akran Avenue, Ikeja 01 2779896

OJUELEGBA BRANCH

4, Ajoke Dosumu Street Ojuelegba, Barracks. Lagos 012779448

ADENIJI ADELE BRANCH

184, Adeniji Adele Road Lagos Island 01 2779868

AJAH BRANCH

KM 23, Lagos Epe Express Road, Ajah 012778605

ALLEN BRANCH

33, Allen Avenue, Ikeja 01 2779902

BADAGRY BRANCH

Joseph Dosu Road, Badagry 01 2779881

BROAD STREET BRANCH

41/45, Broad Street, Lagos Island 01 2779860

EBUTE META BRANCH

52/54, Murtala Muhammed way. Ebute-Metta 01 2779889

IJEDE BRANCH

60, Ikorodu Road, Ijede 01 2779888

IKORODU BRANCH 1

23/24, Sagamu Road. Ikorodu. 01 2779883

IPONRI BRANCH

Iponri Shopping Centre, Iponri, Surulere 01 2779873

KAFI BRANCH

Omatsola mall, 4 Kafi street, Behind Shoprite Mall, Ikeja 01 2779931

LASU BRANCH

LASU Lagos State Univeristy Main Campus, Lagos-Badagry Exp. Ojo 01 2779879

ONIRU BRANCH

Odyssey Plaza, Plot 4,T.F. Kuboye Road, Oniru, Lekki 01 2779841

OSHODI BRANCH

455, Agege Motor Road, Oshodi 01 2779886

TINUBU BRANCH

27 Nnamdi Azikwe Street, Lagos Island. 01 2779869

ADMIRALTY BRANCH

Admiralty 26, Obafemi Anibaba Street, O ffAdmiralty Road Lekki Phase 1 01 2779868

AJAO ESTATE BRANCH

Ajao Estate 2, Rasmon Close, O ffOsolo Road, Ajao Estate 01 2779882

ASPAMDA BRANCH

Blk 9, (Zone D) Asпамda Mkt., Int'l Trade Fair Complex, 01 2779875

BARIGA BRANCH

60, Jagunmolu Street, Bariga 01 2779884

COMMERCIAL ROAD BRANCH

2, Commercial Road, Apapa 01 2779874

EGBEDA BRANCH

117, Idimu Road, Orelope Bus stop, Egbeda 01 2779900

IJORA BRANCH

Ijora Fisheries Terminal Behind Nepa workshop, Ijora. 01 2779871

IKORODU BRANCH 2

100, Lagos Road (Aruna bus stop) Ikorodu Lagos 012779873

ISOLO BRANCH

24, Abimbola Street, Isolo 01 2779895

LAGOS AIRPORT HOTEL BRANCH

111, Obafemi Awolowo Road, Ikeja 01 2779905

LAWANSON BRANCH

89, Itire Road, Lawanson, Surulere 01 2779885

OPEBI BRANCH

65A, Opebi Road, Ikeja Lagos 01 2779840

SANGOTEDO BRANCH

Klm 48 ,Opposite FRSC Office on Lagos-Epe Expressway, After Lagos Business School, Olokonla

WAREHOUSE ROAD BRANCH

32, Warehouse Road, Apapa. 01 2779878

AJEROMI BRANCH

1, Baale Street,olodi Apapa Ajegunle, Lagos 01 2779475

LEKKI BRANCH

2nd Roundabout, Beside, Texaco Filling Station, Lekki. 01 2779866

MARYLAND BRANCH

2, Mobolaji Bank-Anthony Way, Maryland, Ikeja 01 2779892

OGBA BRANCH

Plot 45, Omole Industrial Estate Ogba 01 2779898

OKE-ARIN BRANCH

104, Alakoro Street, Oke Aarin Market, Lagos Island 01 2779865

OREGUN BRANCH

41, Kudirat Abiola Way, Oregun, 01 2779900

ORILE IGANMU BRANCH

34, Opere Street,o fLagos/Badagry Exp. Orile-Iganmu, 01 2779872

UNILAG BRANCH

University of Lagos, Akoka, Yaba 01 2779891

MAMMAN KONTAGORA BRANCH

23, Broad Street, Mamman Kontagora House, Lagos Island 01 2779864

MUSHIN BRANCH

236, Agege Motor Road Mushin , 01 2779887

OJOTA BRANCH

Odu'a Int'l Model Market Complex, Ojota 01 2779893

OKOKOMAIKO BRANCH

29, Badagry Express Way Okoko , 01 2779877

FESTAC BRANCH

1st Avenue Plot (Parcel N), Festac Town, Lagos 2012779790

Branch Network

Abuja

AMINU KANO BRANCH

81, Aminu Kano Way
Wuse II FCT ,
01 2779913

CBD BRANCH

Area, Abuja FCT
464, Central Business
01 2779908

GARKI BRANCH

Garki, Abuja FCT
Dunukofia Street, Area 11.
01 2779908

WUSE BRANCH

36, Herbert Macaulay Way,
Wuse Zone 5
01 2779913

LUGBE BRANCH

House 168, 1st Avenue,
Lugbe FHA, Lugbe FCT
01 2779908

NATIONAL ASSEMBLY BRANCH

NASS Complex, Three Arm Zone
Abuja FCT
01 2779911

RALPH SODEINDE BRANCH

Oyo House, Ralph
Shodeinde Street, Abuja FCT
01 2779912

GWARINPA BRANCH

Wema Bank Plot C73/C74, Chembian
Plaza 4th Avenue Gwarimpa FCT Abuja
2012779407

Akwa Ibom

EKET BRANCH

78, Eket-Oron Road,
Eket
01 2779978

UYO BRANCH

Plot 179, Aka Road,
Uyo
01 2779986

Anambra

ONITSHA BRANCH

No. 27, New Market Road,
Onitsha.
012779789

Bauchi

BAUCHI BRANCH

Opposite Bauchi State
Library
01 2779986

Borno

MAIDUGURI BRANCH

Ibrahim Sani Abacha way.
Opposite State Secretariat,
Maiduguri, Borno State

YENOGA BRANCH

Mbiama Road, Opposite
INEC Office
01 2779979

Cross River

CALABAR BRANCH

39 /113, Murtala Mohammed Highway,
Calabar (Former Crossline Park)
01 2779979

Delta

ASABA BRANCH

407, Nnebisi Road, Asaba
Delta
01 2779981

Bayelsa

WARRI BRANCH

33, Effurun/Sapele Road,
Warri
01 2779982

AKPAKPAVA BRANCH

12, Akpakpava Street,
Benin City
01 2779984

MISSION ROAD BRANCH

39, Mission Road,
Benin City
01 2779985

UNIBEN BRANCH

University of Benin,
Benin City
01 2779980

Ekiti

ABUAD BRANCH

Sport Complex Opp, Afe
Babalola University, Ado Ekiti
01 2777851

AIYEDUN BRANCH

Omuro Road,
Aiyedun Ekiti
01 2779963

ARAMOKO BRANCH

IlaO Quarters, Aramoko
Roundabout Aramoko
01 2779965

OMUO EKITI BRANCH

Kota, Omuro Oke
Road, Omuro-Ekiti
01 2779968

IKERE EKITI BRANCH

Oke-Aodu Street, Beside Ikere
Central Mosque, Ado-Ekiti Road, i
01 2779967

IYIN EKITI BRANCH

46, Oba Owolabi Road,
Iyin-Ekiti
012777859

OKESHA BRANCH

2, Adekunle Fajuyi Road.
Ado Ekiti.
01 2777850

OREREOWU BRANCH

2, Orereowu Street, Old Garage,
Ado-Ekiti
01 2779961

Enugu

UNAD BRANCH

Ekiti State University,
Iworoko Rd, Ado Ekiti
01 2779966

ENUGU BRANCH

73, Ogui Road, Opposite ACB,
Enugu.
012779889

Kaduna

KADUNA BRANCH

22, bida road, kaduna
Kaduna
012778636

Kano

KANO BRANCH

Murtala Muhammed way, Beside
Fedex.
01 2779832

Kogi

LOKOJA BRANCH

IBB Way, Lokoja Opposite
Kogi State Radio, Lokoja
01 2778955

Kwara



ILORIN BRANCH

371, Ibrahim Taiwo Road,
Ilorin, Kwara State
01 2779921

Branch Network

Nasarawa

MARARABA BRANCH

-  Kabai junction, along Abuja-Nasarawa Expressway,
-  012777707



Niger

MINNA BRANCH



-  Minna 35, Bosso Road, Minna
-  01 2779870

Ogun

AGO IWOYE BRANCH

-  Fibigbade Street, Ago-Iwoye
-  01 2779955



IDI IROKO BRANCH

-  Lagos Road, Idi-Iroko
-  01 2779948



IJEBU ODE BRANCH

-  201, Folagbade Street, Ijebu Ode
-  01 2779953

LAFENWA BRANCH

-  2, Lagos/Abeokuta Road, Lafenwa, Abeokuta
-  01 2779946

BELLS BRANCH

-  Bells University of Technology, Otta.
-  01 2779904

AIYETORO BRANCH

-  Ayetoro Road, Ayetoro
-  01 2779952



IFO BRANCH

-  Abeokuta Motor Road Ifo
-  01 2779951

ILARO BRANCH

-  Leslie Street, Ilaro.
-  01 2779943


OKE ILEWO BRANCH

-  IBB Boulevard, Opp. CBN, Oke-Ilewo, Abeokuta
-  01 2779949



OTTA BRANCH

-  Idi Iroko Road, Opp Slot/MTN Building, Otta
-  01 2779901

BABCOCK BRANCH

-  Babcock University Ilishan Remo
-  01 2779959

IJEBU IGBO BRANCH

-  Adeboye Road, Ijebu Igbo
-  01 2779954



IPERU ROAD BRANCH

-  KAAF Building, Old Ibadan Exp Road, Iperu Remo
-  01 2779950.


OWODE BRANCH

-  Fashina Square, Idiroko Road, Owode-Yewa
-  01 2779947



IBAFO BRANCH

-  Plot 3, block A, area A, Lagos-Ibadan express way, Ibafo
-  2012779791



WAPCO BRANCH

-  Lafarge Cement Factory, Sagamu
-  01 2779958

OOU BRANCH

-  OOU, Ago Iwoye Olabisi Onabanjo University, Ago Iwoye
-  01 2779956

SAGAMU BRANCH

-  Akarigbo Road, Sabo.
-  01 2779957

PANSEKE BRANCH

-  GNI Building Panseke, Abeokuta ,
-  01 2779944

Ondo



ELIZADE BRANCH

-  Elizade University , ilara-mokin
-  01 2779940

IRUN AKOKO BRANCH

-  Opposite Anglican Church, Ado Road, Irun Akoko
-  012779830


ORE BRANCH

-  1, O ffOndo Road, Opp. FRSC Office Behind Sabo Market, Ore
-  01 2779973



FUTA BRANCH

-  Federal University of Technology (FUTA), Akure
-  01 2779972

OBA ADESIDA BRANCH

-  54A, Oba Adesida Road, Akure
-  01 2779969

IGBARAOKE BRANCH

-  Obada Market Square Igbaraoke
-  2012779977



IKARE BRANCH

-  34, Jubilee Road, Ikare Akoko
-  01 2779974



ONDO BRANCH

-  4 Yaba Street, Ondo
-  01 2779975

OYEMEKUN BRANCH

-  34, Oyemekun Road, Akure
-  01 2779974

OWO BRANCH

-  Idimisas Road, Opposite Olowo's Palace, Owo
-  01 2779976

Branch Network

Osun

EDE BRANCH

1, Owode Market Road,
Ede Osun

01 2779939

ILESA BRANCH

Ereguru Palace Square,
Imo Roundabout, Ilesha

01 2779941

STATION ROAD BRANCH

106 Station Road
Osogbo

01 2779935

IGBONA BRANCH

10b Awolowo Way, Igbona
Osogbo

01 2779932

MODAKEKE BRANCH

Ondo Road,
Modakeke

01 2779930

IWO BRANCH

6 Station Road,
Iwo

01 2779936

OAU BRANCH

OAU Campus,
Ile-Ife

01 2779942

OKUKU BRANCH

Offa-Osogbo Road, Beside
King Palace, Okuku

01 2779933

IRAGBIJI BRANCH

Market Square Palace
area, Iragbiji,

01 2779932

Oyo

AGODI GATE BRANCH

Opposite Agodi Police Station,
Agodi Gate, Ibadan,

01 2779914

COCOA MALL BRANCH

Beside Shoprite Cocoa House,
Oba Adedipe Road, Dugbe.

01 2779989

IGBOHO BRANCH

Behind Oyo State General Hospital
Oke Afin, Igboho

01 2779920

MOKOLA BRANCH

Mokola Roundabout,
Ibadan

01 2779923

APATA GANGA BRANCH

Abeokuta Road, Apata,
Ibadan

01 2779915

DUGBE BRANCH

Sijuwola House, Plot 5,
Old Dugbe Layout, Ibadan

01 2779917

IGBO-ORA BRANCH

Opposite Methodist Church,
Shagaun-Un, Igboora

01 2779928

NEW GBAGI BRANCH

New Gbagi Market, New Ife Road,
Gbagi, Ibadan

01 2779918

BODIJA BRANCH

Oba Akinbiyi Shopping
Centre, Bodija, Ibadan

01 2779916

IGBETI BRANCH

Market Square,
Igbeti

01 2779919

KISHI BRANCH

Kishi/Igbeti, Ajegunle Kishi II,
Kishi

01 2779922

OGBOMOSO BRANCH

Ibadan-Ilorin Road,
Apake, Ogbomosho

01 2779924

OLUBADAN BRANCH

New Ife Road, Opp New Garage,
Ibadan

01 2779925

SECRETARIAT BRANCH

Secretariat
Roundabout, Ibadan

01 2779929

POLYTECHNIC BRANCH

Polytechnic South Campus,
The Polytechnic, Ibadan

01 2779926

SANGO BRANCH

Elewure Bus Stop,
Sango Road, Ibadan

01 2779927

Rivers

ABA ROAD BRANCH

76, ABA Road,
Porthacourt

01 2778624

OLU OBASANJO BRANCH

66, Olu Obasanjo Road, BICS
Mall, Porthacourt

012779987

TRANS AMADI BRANCH

PLOT 32, Trans Amadi Industrial
Layout, Porthacourt

012779988

ARTILLERY BRANCH

44, Port Harcourt - Aba express way,
Obia, Porthacourt, Rivers

2012778630

Cash Centers

ABEERE CASH CENTRE. OSUN

Osun State Government
Secretariat, Abeere, Osogbo,
Osun State.

ALABA CASH CENTRE LAGOS

D452 Opposite Block 13, Ojo Alaba
Electrical, Lagos State

ABEERE CASH CENTRE EKITI

Osun State Government Secretariat,
Abeere, Osogbo,

ODUDUWA UNIVERSITY ATM PLUS. OSUN

Oduduwa University,
Ipetumodu, Ile Ife, Osun State.

IYE EKITI ATM PLUS. EKITI

Ilejejeje Local Government
Secretariat, Isan-oye Road,
Iye Ekiti, Ekiti State

JEBBA ATM PLUS. NIGER

Life-camp By Ts Junction Before
Jebba Bridge, Jebba, Niger State

OOU ATM PLUS OGUN

OOU ATM Plus Center Permanent
Site Ago Iwoye

OYE EKITI ATM PLUS. EKITI

Behind Faculty Of Law,
University Of Oye, Ekiti

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