



WEMA BANK
PC 575

Lagos, 6 October 2017

Wema Bank Plc to hold Extra-Ordinary General Meeting (EGM)

Wema Bank Plc hereby announces that its Extra Ordinary General Meeting (EGM) holds on Friday, 20th October 2017. The purpose of the Extra Ordinary General Meeting (EGM) is to seek the consent of its Shareholders in a comprehensive Scheme of Capital Reduction pursuant to the procedures set out in Sections 105, 106, 107, 108, 109, 110, 111 and 120 of CAMA and Rules 4(d), 4(g) and 5(4) of the Company Proceedings Rules 1992. The Bank is pursuing this holistic approach to enable it position its balance sheet for better efficiency.

Having been transformed to one of the leading banks within the Retail Banking space, Wema Bank with its national authorization has reemerged a stronger, more efficient, resilient and customer-focused organization with a robust risk and governance structure.

A review of Wema Bank's financials reveals the carrying of a negative retained earnings balance, which arose from losses prior to June 2009 when the current management assumed office. Though the Bank has since returned to profitability in the last 4 years, the implication of negative Retained Earnings and other impaired assets is that, the Bank, by regulation, is precluded from providing necessary returns by way of dividends to shareholders and most importantly, restricts the ability and cost to raise new capital.

The holistic capital reduction scheme would have no impact to the current holdings of Shareholders, though the Bank will be creating a capital reduction account to charge off the impaired assets while an equivalent amount will be moved from its share premium account to effectively close the entries. Following the consent of the Shareholders, the Bank will subsequently make an application to the Federal High Court for the approval of the scheme.

Wema Bank continues to improve on its performance, despite the relatively challenging business environment. Furthermore, the Bank has recorded successes in several financial and non-financial priorities specifically, Wema Bank's growth strategy – Project LEAP – revolves around a blended approach involving partnership, growing branch network and digitization. This was further strengthened by the May 2017 launch of ALAT - Nigeria's first fully digital Bank. ALAT is the first of its kind with its end-to-end digital offering and customer interaction

The Bank has its National Long Term Rating affirmed at (BBB-) by Fitch and Global Credit Rating (GCR), both leading credit rating and research agencies with its Non-Performing Loans (NPLs), Capital Adequacy Ratio and Liquidity Ratio all within the regulatory threshold.



Oluwale Ajinlami
Company Secretary/Legal Adviser