

WEMA BANK PLC

SME LOAN POLICY DOCUMENT

Effective: January 2026

1. COLLATERAL REQUIREMENTS

SME Overdraft Facilities:

- Minimum collateral coverage: 120%
- Acceptable collateral: Land, buildings, equipment, debentures
- Valuation validity: 6 months maximum
- Legal perfection required within 30 days

Term Loans:

- Minimum collateral coverage: 150%
- Insurance mandatory on all physical assets
- Annual revaluation for facilities above ₦50 million

2. ELIGIBILITY CRITERIA

Business Age:

- Minimum 2 years operational history
- Bank statement for last 12 months required
- Audited accounts for businesses with turnover > ₦100 million

Credit Bureau:

- Maximum DPD (Days Past Due): 30 days
- No adversely classified facilities in last 12 months

- CRC check mandatory

3. TURNAROUND TIME

Application Processing:

- Initial review: 24 hours
- Credit committee approval: 48 hours after complete documentation
- Disbursement: 24 hours post-approval

Required Documents:

- BVN and valid government ID
- CAC documents (for registered businesses)
- Bank statements (12 months)
- Utility bill (not older than 3 months)
- Business financial statements
- Board resolution (for corporate entities)

4. INTEREST RATES

Current Lending Rates (as of February 2026):

- SME Overdraft: 18% - 22% per annum
- Term Loan: 20% - 24% per annum
- Rate depends on risk rating and relationship strength

5. REPAYMENT TERMS

Overdraft:

- Review annually
- Interest payable monthly
- No prepayment penalty

Term Loans:

- Maximum tenure: 5 years
- Moratorium available (max 6 months)
- Equal monthly installments
- Prepayment allowed with 30 days notice

6. DORMANT ACCOUNTS

Definition:

- No customer-initiated transaction for 12 consecutive months
- Excludes bank charges and interest

Reactivation:

- Customer visit to branch mandatory
- Fresh KYC update required
- BVN revalidation
- Account officer interview

7. DECLINING CRITERIA

Automatic Decline if:

- Existing NPL (Non-Performing Loan) anywhere
- Blacklisted on NIBSS watchlist
- Court judgment against applicant
- Business in restricted sectors (gambling, cannabis, etc.)