

# 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.)