

UNITY BANK PLC

STATEMENT TO THE NIGERIAN STOCK EXCHANGE AND SHARE HOLDERS ON THE AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Board of Directors of Unity Bank Plc is pleased to present the abridged audited financial information of the company for the year ended 31 December 2021. These abridged financial information hereby disclosed are derived from the full audited financial statements for the year ended 31 December 2021 and are not the full audited financial statements of the Bank. The full financial statements, from which the abridged financial information were derived, will be delivered to the Corporate Affairs Commission within the required deadline. The Bank's Auditors issued an unmodified audit opinion on the full financial statements for the year ended 31 December 2021 from which these abridged financial information were derived. An electronic copy of the full consolidated and separate financial statements can be obtained at www.unitybankng.com.

STATEMENT OF FINANCIAL POSITION			STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
at 31 December	2021	2020	2021	2020	
	N'000	N'000	N'000	N'000	
Assets					
Cash and balances with Central Bank	68,608,050	99,266,770	Gross earnings	50,284,345	46,526,320
Due from banks	36,980,421	33,065,169	Interest income	43,181,558	39,119,458
Loans and advances to customers	269,269,716	202,080,856	Interest expense	(23,127,004)	(21,372,315)
Investment Securities:			Net interest income	20,054,554	17,747,142
At fair value through other comprehensive income	52,129,755	62,839,611	Fee and commission income	6,117,070	5,218,596
Debt instruments at amortised cost	71,896,064	64,379,307	Fee and commission income	6,117,070	5,218,596
Property and equipment	22,668,390	21,915,364	Net trading loss	(1,307,675)	(3,817,048)
Intangible assets	145,734	148,836	Other operating income	985,717	2,188,267
Other assets	17,170,625	8,324,417		(321,958)	(1,628,781)
Deferred tax assets	-	-	Total operating income	25,849,665	21,336,957
Total assets	538,868,755	492,020,329	Impairment losses on financial assets	2,563,927	4,127,332
Liabilities			Net operating income	28,413,592	25,464,289
Due to other banks	143,321,585	106,699,353	Personnel expenses	(10,536,510)	(10,408,996)
Deposits from customers	322,284,567	356,615,192	Depreciation of property and equipment	(1,934,263)	(1,695,656)
Borrowings	309,185,582	264,873,635	Amortisation of intangible assets	(50,905)	(47,223)
Current tax liabilities	463,865	499,184	Other operating expenses	(12,559,781)	(11,089,219)
Other liabilities	39,765,666	38,741,646	Total operating expenses	(25,081,458)	(23,241,095)
Employee benefit liabilities	945	1,115	Profit before tax	3,332,134	2,223,194
Total liabilities	815,022,210	767,430,125	Minimum tax expense	(124,264)	(114,678)
Equity			Income tax expense	(34,616)	(22,123)
Share capital	5,844,669	5,844,669	Profit after tax	3,173,254	2,086,393
Share premium	10,485,871	10,485,871	Profit for the year	3,173,254	2,086,393
Statutory reserve	13,226,162	12,750,174	Other comprehensive income		
Accumulated Deficit	(371,734,695)	(372,722,376)	<i>Items that will never be reclassified to profit or loss:</i>		
Non Distributable Regulatory Reserve	1,761,444	51,859	Fair value gains on equity instruments at FVOCI	3,678,162	505,315
Other reserves	64,263,095	68,180,007	<i>Items that are or may be reclassified to profit or loss:</i>		
Total equity	(276,153,455)	(275,409,796)	Net reclassification adjustment of realised losses (debt securities) to profit or loss	-	4,509,300
Liabilities and equity	538,868,755	492,020,329	Fair value gain on debt securities at FVOCI	(7,595,075)	(3,654,916)
			Other comprehensive income for the year net of tax	(3,916,913)	1,359,699
			Total comprehensive income for the year net of tax	(743,659)	3,446,092

The financial statements were approved by the Board of Directors for issue on 30 March 2022 and signed on its behalf by:

Aminu Babangida
Chairman
FRC/2018/IODN/00000018507

Tomi Somefun
Managing Director/CEO
FRC/2013/ICAN/00000002231

Ebenezer Kolawole
Executive Director / Chief Financial Officer
FRC/2013/ICAN/00000001964





KEY FINANCIAL INFORMATION		
Gross loans and advances	272,468,900	206,205,544
Non-performing loans to total gross loans and advances (%)	0.01%	0.03%
Earnings per share - basic (kobo)	27.15	17.85

Below is a breakdown of complaints received and resolved by the Bank during the year 31 December 2021 pursuant to CBN Circular dated 16 August 2011.

Description	Number	Amount Claimed	Amount Refunded
		N'000	N'000
Pending complaints brought forward	5	2,556,364	-
Received Complaints	77,467	7,529,193	-
Resolved Complaints	(77,465)	(7,360,896)	(583,082)
Unresolved Complaints carried forward	7	2,724,660	-

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
Cash flows from operating activities		
Profit after tax for the year	3,173,254	2,086,393
Minimum tax	124,264	114,678
Tax expense	34,616	22,123
Profit before tax	3,332,134	2,223,194
Adjustment for non cash items:		
Impairment charges on debt instruments	(1,570,765)	618,659
Impairment (writeback)/charge on other assets	382,911	(3,199,073)
Trading loss on financial instrument	-	4,509,297
Employee benefit charge for the year	528,610	609,387
Depreciation of property and equipment	1,934,263	1,695,656
Amortization of intangible assets	50,905	47,223
Profit on disposal of property and equipment	(51,128)	(8,923)
Write off of property and equipment	25,272	10,827
Loss/(gains) from sale of investments	(102,329)	(1,261,455)
Interest income	(43,181,558)	(39,119,457)
Interest expense	23,127,004	21,372,315
Divided income	(96,710)	(85,875)
Changes in operating assets	(15,621,392)	(12,588,224)
Net increase in loans and advances	(66,263,355)	(99,291,731)
Net increase in other assets	(9,259,364)	(2,330,711)
Net increase in CBN - AGSMSEIS Account	(104,350)	(169,150)
Changes in operating liabilities	(75,627,069)	(101,791,592)
Net increase in deposit from customers	(35,541,297)	97,802,483
Net (decrease)/increase in due to other banks	36,097,532	(1,740,698)
Current tax liabilities	279,131	16,383,864
Cash generated from operations	(90,413,094)	(1,934,166)
Income tax paid	(194,199)	(258,924)
Interest received	40,901,079	34,191,055
Interest paid	(14,714,269)	(16,115,426)
Divided income	96,710	85,875
Payment on employee contribution plan	(528,780)	(614,603)
Net cash flows used in operating activities	(64,852,554)	15,353,812
Cash flows from investing activities		
Purchase of property and equipment	(2,796,923)	(1,659,316)
Purchase of intangible assets	(47,802)	(59,858)
Proceeds from sale of property and equipment	80,958	20,777
Acquisition of investment securities at FVOCI	(64,046,857)	(130,135,918)
Proceeds from disposal of investment securities at FVOCI	70,839,800	155,831,744
Acquisition of investment securities at amortised cost	(4,321,871)	(33,220,011)
Net cash flows used in investing activities	(292,695)	(9,222,582)
Cash flows from financing activities:		
Borrowings		
Proceeds from loans and borrowings	175,592,410	100,554,445
Repayment of borrowing	(137,485,612)	(22,904,750)
Net cash flows from financing activities	38,106,798	77,649,695
Net increase in cash and cash equivalents	(27,038,451)	83,780,925
Cash and cash equivalents at 1 January	132,225,529	48,444,604
Cash and cash equivalents at year end	105,187,079	132,225,529

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL INFORMATION TO THE MEMBERS OF UNITY BANK PLC

Report on the Summary Financial Information	
Opinion	The summary financial information which comprise: • the statement of financial position as at 31 December 2021, • the statement of profit or loss and other comprehensive income; and • the statement of cashflows for the year then ended; are derived from the audited financial statements of Unity Bank Plc for the year ended 31 December 2021. In our opinion, the summary Financial Information are consistent, in all material respects, with the audited financial statements in accordance with Companies and Allied Matters Act (CAMA), 2020 and the Banks and Other Financial Institutions Act, 2020.
Summary Financial Information	The summary of the financial information do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria Act 2011, the Banks and Other Financial Institutions Act (BOFIA) 2020 and other relevant Central Bank of Nigeria guidelines and Circulars. Reading the summary financial information and the auditor report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor report thereon.
The Audited Financial Statements and Our Report Thereon	We expressed an unmodified audit opinion on the audited financial statements in our report dated 7 April 2022. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.
Emphasis of matter - Comparative information	We draw attention to note 35 to the full financial statement which indicates that as at 31 December 2021, the Bank's total liabilities exceeded its total assets by N276 billion and the Bank did not meet the required Minimum Capital Adequacy Ratio (CAR) of 10% and the minimum capital requirement of N25 billion for a national bank as required by the Central Bank of Nigeria (CBN). As stated in Note 35 to the full set of financial statement, these events and conditions, along with other matters as set forth thereon, indicate that a material uncertainty exists that may cast significant doubt about the Bank's ability to continue as a going concern. Our opinion is not modified in respect of this matter.
Directors' Responsibility for the Summary Financial Information	The Directors are responsible for the preparation of the summary financial information in accordance with the Companies and Allied Matters Act of Nigeria (CAMA), 2020 and the Banks and Other Financial Institutions Act, 2020.
Auditor's Responsibility	Our responsibility is to express an opinion on whether the summary financial information are consistent, in all material respects, with the audited financial statements based on our procedures which were conducted in accordance with the International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.
Report on Other Legal and Regulatory Requirement	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	i. The Bank paid penalties in respect of contravention of the Banks and Other Financial Institutions Act, 2020 during the year ended 31 December 2021. Details of penalties paid are disclosed in note 38 to the financial statements. ii. Related party transactions and balances are disclosed in note 33 to the financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Akinyemi Ashade, FCA
FRC/2013/ICAN/0000000786
For: KPMG Professional Services
Chartered Accountants
6 May 2022
Lagos, Nigeria

