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**Tomi Somefun**  
Managing Director / CEO

## Introduction

Our esteemed shareholders, customers, other stakeholders present, gentlemen of the press, invited guests and members of the public, I welcome you all to the 16th Annual General Meeting of Unity Bank Plc.

The 2021 financial year was a year of resilient recovery and transformation post COVID-19. The Bank had a rapid recovery from the disruptions experienced and adopted several strategies to expand its retail footprint through diverse product offerings that catered to a broader segment of the market. This adaptation to the 'new normal' created new opportunities for the continuous digitization and adoption of technology than ever before and resulted in significant progress in our earnings and deepened our market reach.

## Global and Domestic Macroeconomic Environment

According to the International Monetary Fund (IMF), global economy expanded by 5.5% in spite of various headwinds occasioned by the discovery of the Omicron variant of COVID-19, lingering supply-chain and rising inflationary pressure. The robust recovery during the year was driven by strong consumer spending and some uptake in investment, with trade in goods surpassing pre-pandemic levels. However, the heightened geopolitical tensions associated with the recent Russia-Ukraine crisis has created a new wave of uncertainty and shock (elevated interest rate, supply chain disruption and inflationary pressure) to global growth projections.

# Managing Director's Statement

On the domestic front, as indicated by the National Bureau of Statistics (NBS), the economy sustained its growth trajectory in 2021 as real Gross Domestic Product (GDP) grew by 3.98%(year-on-year) in real terms in the fourth quarter of 2021, showing a sustained positive growth for the fifth quarter since the recession witnessed in 2020 when output contracted by -6.10% and -3.62% in Q2 and Q3 of 2020 under the Covid pandemic. The fourth quarter growth indicates a steady economic recovery accounting for an annual growth of 3.40% in 2021. The recorded growth was occasioned by rise in aggregate demand and upswing in business activities.

Inflation rate continued to moderate for seven consecutive months, as it declined from 18.17% in March 2021 to 15.92% in November 2021. Current account deficit narrowed significantly, from a huge deficit of 4.53% of GDP in the 4th quarter of 2020 to negative 0.44% of GDP in the 2nd quarter of 2021 due to a surplus position in the goods account. External reserves stand at over \$41.4bn which is enough to support 9 months of imports. The naira has remained largely stable around N411/US\$1 at the I&E window particularly since the discontinuation of FX allocation to Bureau De Change operators along with the convergence between the CBN and NAFEX rates. Average daily FX turnover at the I&E window is now over \$250million, up from \$40million in April 2020. The All-Share Index (ASI) and Market Capitalization (MC) closed at 42,716.44 and N22.30 trillion respectively on December 31, 2021. Other socioeconomic indicators remained weak, income inequality widened, unemployment rate increased, purchasing power deteriorated and the level of insecurity heightened.

## Highlights of Business Performance

The resilient recovery the Bank experienced was evident in its declaration of increase in profit and growth in assets during the financial year. The Bank recorded a Profit before tax of N3.33 billion in the financial year ended December 2021, indicating a 49.9% increase from N2.22 billion recorded in 2020. Similarly, a review of the Banks' 2021 full-year result filed with the Nigeria Exchange Group showed a



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significant improvement in the bottom line as Profit after tax rose by 52.1% to N3.17 billion from N2.09 recorded in the corresponding period of 2021.

During the financial year, gross earnings grew by 8.1% to N50.28 billion from N46.52 billion in 2021. This comes on the heel of a faster than expected recovery from the disruptions of the COVID-19 pandemic, which provided an opportunity for the Bank to expand its retail footprint through strategic product offerings that appealed to broader segments of the market. Another highlight is the growth of assets, which rose by 9.5% to close at N538.87 billion from N482.02 billion in 2020, cumulating three years of consecutive high growth. Equally, the Bank grew its assets by 39% and 67.9% in 2019 and 2020 respectively to see a rebound with an even greater resurgence in the Bank's profitability for two successive years.

Furthermore, in 2021, the loan portfolio of the Bank grew by 33.2% to N269.27 billion from

N202.08 billion, following the aggressive focus on boosting the Bank's liquid assets base. Net operating income also rose to N28.41 billion from N25.46 billion in the corresponding period of 2020, representing a 11.58% increase, the net interest income recorded a jump of 13% to N20.05 billion from N17.74 billion in the corresponding period of 2020. Earnings per Share closed at 27.15 Kobo.

The Bank's trajectory of healthy balance sheet growth, asset quality and profitability were achieved through a combination of earnings base from asset creation, investments and trade activities and riding on the innovative customer-centric product offerings for both the retail and consumer segments of the market. The increased focus on growing the Bank's retail footprints was propelled by significant investment in technology to expand its digital banking space. We expect that the expansion of the channels and delivery platforms will further boost the multiple streams of income in the years ahead. In the

same token, the Bank's growing profile in Agribusiness placed it on a pedestal that enables it to attract several businesses across the value chain for the continuous growth of its Retail and SME Banking whilst consistently deploying product development/marketing initiatives to further grow the brand franchise, maximize the benefits and boost retail growth.

### Key Achievements

Empowering women through access to finance is a mandate of the Nigerian Sustainable Banking Principles and one of the Bank's sustainability focus. To this end, the Bank launched a women-centric retail savings account targeted at empowering women-owned SMEs to drive financial inclusion by offering micro-lending solutions, inclusive micro-insurance cover, periodic financial training, debit card and target savings options. This retail product focuses on low-income and rural entrepreneurs, women traders, market women and other women associations. To enhance product penetration, veteran Nollywood actress, Sola

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Sobowale was unveiled as Mama Yanga, the Bank's brand ambassador and charged with working with the Bank's team to create engaging content for the target market.

The mobile banking application, Unifi 2.0 was upgraded in the course of the year. This upgrade involved the improvement of old features, the addition of new features and an increase in platform security. The new platform provides a renewed user experience, added self-service options, innovative payment methods, and enhanced security. Other IT infrastructure in the Bank was also upgraded to enhance the efficiency and security.

The Bank received the 2021 award of "Icon of Youth Empowerment" in recognition of its contribution to the growth of entrepreneurship among Nigerian youth through the National Youth Service Corps (NYSC) Copreneurship initiative which provides seed capital funds for corps entrepreneurs. The Bank also retained its niche in the Agric business and received the "Best Bank in Agric Support".

### **Sustainability for Growth**

The Bank continues to champion its sustainability initiatives by carrying out its business in a way that is environmentally and socially conscious. We continue to work in line with the Nigerian Sustainable Banking Principles (NSBP) to develop a profitable yet sustainable economic growth in the banking sector. We continually aim at integrating environmental and social policies into decision-making and how we run our business on day-to-day basis.

### **Women Empowerment**

As a sustainable Bank, we are committed to promoting an inclusive workplace culture through policies and initiatives that support the leadership development and positive of female employees at all levels of the organization. The Bank's Executive management encouraged female staff through participation in both internal and external leadership events and engagement in a women-focused network. The staff maternity leave policy was also reviewed to meet industry standards, facilitating full payment of maternity leave allowance to all-female staff who have worked for a minimum of six (6) months in the organization as opposed to the previous twenty-four months (24) requirement. In celebration of International Women's Day, the Bank supported the Girl Child Concern (GCC) – a Non-Governmental Organisation centre to rehabilitate young girls affected by the insurgency and support the growth of young girls.

Network of Entrepreneurial Women (NECA) is an organization which encourages women in local and international businesses whilst nurturing entrepreneurship amongst others. The Octoberfest meeting was a forum to enlighten women on different aspects of women's health and it provided opportunities to showcase their products and services. The Bank supported the programme to promote and empower the female gender.

### **Environmental Management**

The Bank continuously enforce strict paper management with the use of E-signature to reduce paper usage and waste during documentation and approval processes. We also use a printer allocation and count system to ensure paper management across head office departments and functions. To buttress our continuous drive towards environmental sustainability, Unity Bank partners with various recycling firms to ensure

our waste is disposed of in a sustainable manner.

In celebration of the 2021 Earth Day, the Bank partnered with Kids Beach Garden to organize a beach cleanup as part of activities marking Earth Day; an annual event observed globally on the 22nd of April to draw attention to climate change and promote healthier practices to reduce pollution in the world. The clean-up was therefore aimed at enhancing sensitization of staff and promoting community action for environmental protection.

During the year, the Bank held capacity-building initiatives and internal sensitizations to focus on promoting business practices that reduced the generation of non-biodegradable waste, improved its treatment through effective recycling, low carbon emissions, etc, that impacts the environment.

### **Education and Development**

In a bid to provide "Quality Education" (SDG 4) for the underserved and disadvantaged, the Bank supported Do-Estdot International school, a special needs school located in Lagos state with the aim of providing equal education services for pre-school, primary, secondary for children with special needs to provide additional facilities, expand the school structure, and improve on resources needed to improve the standard of learning and create a more conducive learning environment for the students.

The Bank was the official financial partner to Ocean Ambassadors Foundation - a catch-them-young bottom-top approach Non-Governmental Organization determined to close the gender gap in the Advanced Technology (ICT), Maritime, Transportation, logistics and Supply chain sector

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in Nigeria. With the support provided by the Bank, the foundation was able to empower 3,000 secondary school girls in the capacity building initiative. This intervention underscores the importance of training the girl-child to participate actively in the relevant sectors. The Bank visited and facilitated financial literacy Training at Eminent Academy in Ado-Ekiti, Ekiti state. The financial literacy training was carried out in a bid to boost financial education, savings culture and investment amongst young students. Over the years, the Bank has consistently provided financial literacy programs to schools, but these initiatives are even more important as the Central Bank of Nigeria and other stakeholders have worked out the framework as part of financial inclusion strategy designed to target secondary schools across the federation.

### Health and Wellbeing

In our effort toward achieving the Sustainable Development Goals (SDG) 3: Health and well-being for all at every stage of life, the Bank supported the Borno State Contributory Healthcare Management Agency (BOSCHMA), an initiative with a mandate to provide quality and affordable healthcare services to residents of Borno State. The goal of the intervention was to support and boost the facility of the Agency to enhance accessibility and affordability of healthcare by beneficiaries.

The Bank in partnership with various organizations facilitated the refurbishment of the Anti-Robbery Unit office at Maroko police station. The Maroko police station is one of the 107 police divisions in Lagos state which has been responsible for the security and protection of residents in the environs. The refurbishment helped to provide a more conducive working

environment for the police officers to perform efficiently and increase the well-being of residents in the surrounding communities.

### Human Resources

We achieved a 90% training target for all Staff in the financial year. The training was conducted to boost customer service experience and instill a customer-centric mindset in Staff, equip the Market facing staff with efficient and effective training that would impact positively on the business of the Bank, enlighten Staff on the dangers of phishing and to avoid any suspicious transactions and fraud prevention, create uniformity in their work process and knowledge skills and attitude (KSA) of Staff in other to improve Staff and organization productivity and efficiency. 88% of our workforce were within the entry to middle management in line with our strategy of a mix of young officers and experienced hires that fit the culture of the Bank.

### Looking Forward

The Bank continues to strive toward achieving its vision of being the Retail Bank of Choice and our strategic priorities are tailored toward realizing this. We believe innovation is vital to respond to customer needs and to remain competitive in the market-place; technology innovation through optimization and upgrade of our platforms, product innovation through the creation of customer-driven offerings, process innovation through operational efficiency and people innovation through attraction and development of key human resources.

We will continue to be more efficient and cost-effective in delivering our products and services. Achieving efficiency will enable revenue generation and improve the value provided to

our customers. One way we aim to achieve this is by reducing service downtime across all our channels to improve customer experience. We will also deploy data analytics in profiling our customers with a view to providing personalized products.

We will continue to improve our brand identity through partnership and investment in initiatives that will develop the Bank. Furthermore, we will continue to recruit young vibrant professionals and empower staff through training and development and continue to promote staff rotation and strategic placements across functions.

Thank you.



**Tomi Somefun**

Managing Director / CEO  
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