unity bank

ANNUAL REPORT & ACCOUNTS 2022

OUR
CORPORATE PHILOSOPHY

VISION

TO BE
NIGERIA'S RETAIL BANK
OF CHOICE

MISSION

TO CREATE
SUPERIOR WEALTH FOR
OUR STAKEHOLDERS

BUSINESS DEFINITION

A NATIONAL
COMMERCIAL BANK
WITH A RETAIL SOUL

OUR CORE VALUES

PASSION
We are driven by the desire to exceed the qualitative expectations of our customers.

RESOURCEFUL
Our people are ingenious and imaginative in providing solutions to challenges.

EXCELLENCE
We seek to create and raise standards

TEAM WORK
All levels of staff within the Bank work together to ensure our commitments to our stakeholders are delivered.

INTEGRITY
Our people are forthright in all their dealings with internal and external customers & stakeholders.

EMPATHY
Unity Bank holds itself to the enduring principle of showing respect and compassion to all.

DEPENDABLE
The Bank stakeholders can always count on its reliability and loyalty.

content

FINANCIAL HIGHLIGHTS

Executive Summary

The Bank in the year 2022 deepened its presence in retail banking having tailored specific retail market products to increase the fees and commission income.

The products improved our brand visibility and penetration in new markets that yielded quality asset thereby growing the interest income for the year. While noting the volatility in the market, collaborations in the digital space has significantly impacted in our service delivery and customer engagements.

Our commitment to continued growth and improvement in a sustainable manner guide our activities in the area of Trade finance, asset creation and investment. We ensure that the environment and its social factors form a strong consideration in our strategic business decisions.

We are resolute that the new year 2023 will witness brilliant growth in all spheres.

Executive Highlights

2022 Performance Snapshot

	31 DEC 22	31 DEC 21
BALANCE SHEET		
In Billions of Naira		
Total Assets	510.14	538.87
Customer Deposit	327.43	322.28
Net Loans & Advances	289.36	269.27
Shareholders' Funds	(274.95)	(276.15)
INCOME STATEMENT		
In Billions of Naira		
Gross Earnings	57.15	50.28
Net Operating Income	28.47	28.41
Operating Expense	27.09	25.08
PBT	1.10	3.21
PAT	0.94	3.17
REGULATORY RATIOS		
Liquidity Ratio	30.50%	31.00%
Loan Deposit Ratio (LDR)	88.37%	83.55%
Capital Adequacy Ratio (CAR)	-89.69%	-86.18%

STAFF STRENGTH

Professional Staff
2022
1,301
2021
1,632

Contract Staff
2022
2,363
2021
2,219

COVERAGE VIA BRANCH & DIGITAL CHANNELS

Branches
215

ATMs
449

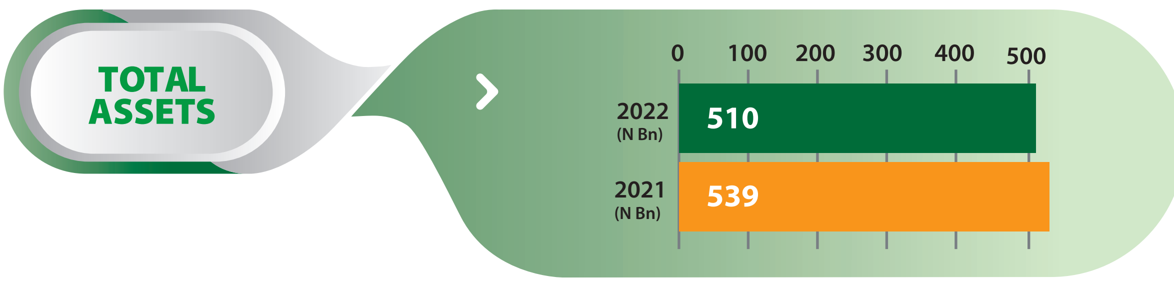
Operational POS
5,800

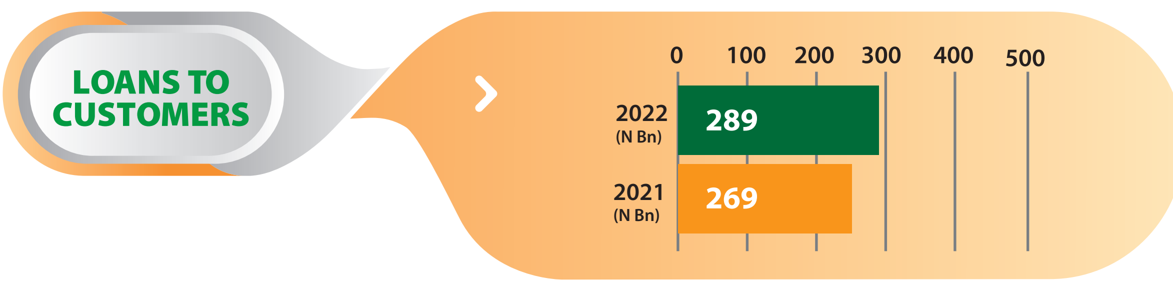
Active Cards (cumulative)
1,161,759

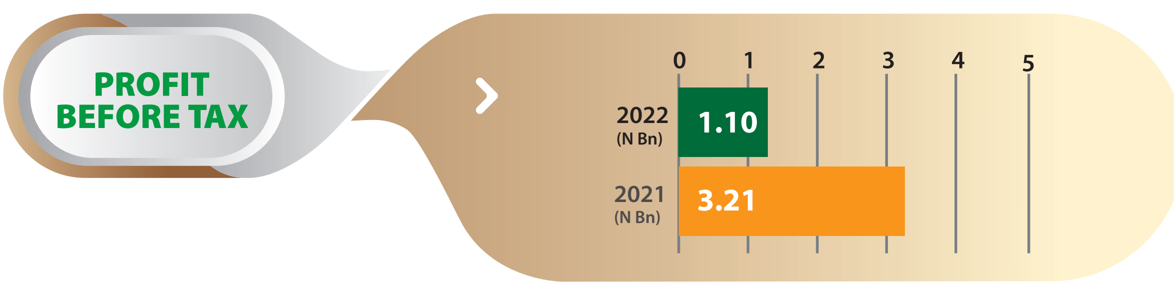
EXECUTIVE HIGHLIGHTS

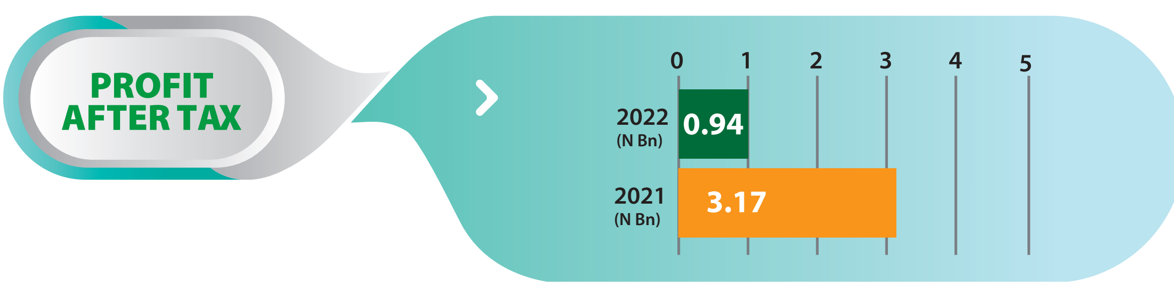
BUSINESS SEGMENTS

- Corporate Banking
- Commercial Banking
- Personal Banking
- Private Banking
- SME
- Institutional Banking









BOARD OF DIRECTORS

Board of **Directors**

Mr. Hafiz Mohammed Bashir
Acting Chairman

Hajiya Yabawa Lawan Wabi, mni.
Non-Executive Director

Mr. Hafiz Mohammed Bashir is the Acting Chairman of the Board of Directors. Prior to his appointment on April 27, 2023, he was the Chairman of the Board Finance and General Purpose Committee and a member of the Board Credit Committee, Board Governance & Nominations Committee and Board Risk Management & Audit Committee. Mr. Hafiz Mohammed Bashir was appointed to the Board of Unity Bank Plc on November 21, 2017.

Mr. Bashir is an accomplished and versatile individual with vast experience in both public and private sector. A passionate leader, with first class communication skills and a track of successful management, extensive knowledge of operations and project management. He holds a Post Graduate Diploma in Management from Abubakar Tafawa Balewa University, Bauchi and a Master's Degree in Business Administration from the Business School of Netherlands.

Mr. Bashir has garnered several years of experience spanning over 26 years. He is currently the Chairman/CEO Fitzcom International Ltd; a position he has held since 1993 to date. He is also the Chairman, Hafad Global Services Ltd and Fiztoms Nigeria Ltd, positions he has held from 2006 and 2008 respectively to date.

He has also served as the Local Government Inspector/Auditor in charge of Rimi Local Government and Inspector/Auditor in charge of Bakori Local Government.

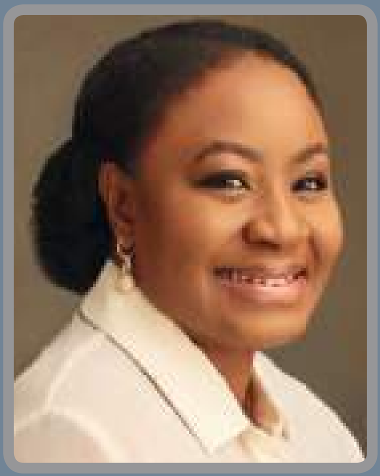
Hajiya Yabawa Lawan Wabi, *mni* is the Chairperson of the Board Finance & General Purpose Committee and she was appointed to the Board of Unity Bank Plc on February 2, 2015. She is a Member of Board Credit Committee, Statutory Audit Committee, Board Finance & General Purpose Committee and Board Risk Management & Audit Committee amongst others.

Hajiya Wabi has spent several years in the service of Nigeria, both at the State and Federal levels. She has held positions such as Senior Accountant, National Agricultural Land Dev. Authority (NALDA) Maiduguri; Chief Accountant, Ministry of Health, Borno State; Asst. Director of Finance & Accounts, Borno State; Head of Admin. & Finance, Petroleum Trust Fund Borno State; Deputy Director of Finance & Accounts, Ministry of Finance and Economic Development, Borno State; Director of Finance & Accounts, Ministry of Works & Housing, Borno State; Accountant-General, Borno State; Federal Minister of Finance, amongst others. She also served on the Board of Mainstreet Bank (now Polaris Bank) as a Non-Executive Director.

Hajiya Wabi holds a B.Sc in Accounting from the Ahmadu Bello University, Zaria. She is a member of a number of professional associations such as the Institute of Directors of Nigeria (IoD), Institute of Certified Public Accountants of Nigeria, Chartered Institute of Taxation of Nigeria and National Institute for Policy and Strategic Studies, NIPSS. She is also a Fellow, Association of National Accountants of Nigeria.

BOARD OF DIRECTORS

Mr. Sam N. Okagbue FCArb
Independent Director



Mrs. Tomi Somefun
Managing Director/CEO

Mr. Sam Okagbue, FCArb is the Chairman of the Board Risk Management & Audit Committee. He was appointed to the Board of Unity Bank Plc as an Independent Director on February 2, 2015. He is a Member of the Board Credit Committee, Board Finance & General Purpose Committee, Board Governance & Nominations Committee and Statutory Audit Committee. He held Chairmanship and Membership positions in a number of Board Committees of the Bank.

He is a legal professional and a founding member and Managing Partner of the Law Firm, George Ikoli & Okagbue (GI&O). He holds an LL.B from University of Ife (now Obafemi Awolowo University), Ile-Ife and an LLM from University of London, London School of Economics. Mr. Okagbue's career spans over three decades beginning with the National Assembly of Nigeria where he served as the Secretary to the Senate Committee on Defence from 1981 – 1982.

Mr. Okagbue has served in various legal capacities some of which include; Associate and Partner at different times in the Law Firm of Bentley Edu & Co.; Company Secretary and Legal Adviser, Fidelity Union Merchant Bank Limited. He was also the Legal Advisor; African Institute of Petroleum and Consultant to International Finance Corporation.

Mr. Okagbue is a member of several professional bodies amongst which are; Institute of Directors (IoD) of Nigeria, International Lawyers Network (ILN), International Trademark Association (INTA), Institute of Trademark Agents (ITMA), Nigerian Economic Summit Group (NESG), Fellow, Nigerian Institute of Chartered Arbitrators (FCArb) and the Nigerian Bar Association. He has been a Notary Public (Federal Republic of Nigeria) since 1992.

Mrs. Tomi Somefun is the Managing Director/CEO of Unity Bank Plc. Prior to her appointment in August 2015, she served as the Executive Director overseeing the Lagos and South-West Business Directorates, the Financial Institution Division and Treasury Department of the Bank. She is a Member of the Board Finance & General Purpose Committee, Board Risk Management Committee, Board Credit Committee, amongst others.

She is a career professional with 35 years post qualification experience, over 27 of which are in the banking sector, spanning key segments including Treasury & Investment Banking, Corporate Banking, Retail and Commercial Banking Operations. Tomi had a distinguished career with UBA group where she led 2 major subsidiaries of UBA as MD/CEO including a start-up company, UBA Pensions Custodian where she was pioneer Managing Director. Prior to UBA, Tomi worked with two leading Consulting Firms: KPMG and Arthur Andersen (now KPMG).

A Fellow of the Institute of Chartered Accountants of Nigeria and Chartered Institute of Bankers of Nigeria (CIBN), she graduated with a Second Class Upper Division from the Obafemi Awolowo University (formerly University of Ife) in 1981 with a Bachelor of Education in English Language. She was conferred a Honorary Degree of Doctor of Business Administration (D.BA) by the Redeemer's University (RUN) in 2019.

Tomi has extensive Executive Education in leading change and organization renewal, strategy formulation & execution, business analytics and development, and financial management from various esteemed business schools. She is an alumnus of the Columbia Business School, United States of America, and INSEAD, Fontainebleau, France, and holds a Certificate of Management Excellence from Harvard Business School (HBS). She is a member of various professional bodies including the Institute of Directors (IOD), Bank Directors Association of Nigeria (BDAN) and Chartered Institute of Bankers of Nigeria (CIBN). In addition, she has served on the board of several quoted and unquoted companies, and Non-Governmental Organizations (NGOs).

BOARD OF DIRECTORS

Mr. Temisan Tuedor
Executive Director

Mr. Ebenezer A. Kolawole
Executive Director

Mr. Temisan Tuedor is the Executive Director, North Bank & Franchise Business and was appointed to the Board of Unity Bank Plc as Executive Director in 2015. He is a member of the Board Finance & General Purpose Committee, Board Credit Committee, amongst others.

Mr. Tuedor has over two decades' experience spanning various facets of banking. He acquired a reputation for high level business transformation and change management. His professional career started with Chartered Bank Limited as a Credit Analyst, Corporate Banking Division before joining the Nigeria Liquefied Natural Gas (NLNG).

He later returned to the Banking sector by joining Prudent Bank Limited in 2000 as a Pioneer Branch Manager and rose to become the Head, Special Task Force, Niger Delta Axis. He held strategic management positions as General Manager & Group Head, Apapa and Lagos Mainland Zone, Oceanic Bank International Plc (now Eco Bank Plc); Senior Vice President and Internal Managing Director, Apapa, Bank PHB Plc (now Keystone Bank Ltd); and General Manager, Corporate and Commercial Banking both in Ikeja and Apapa/ Lagos Mainland, Skye Bank (now Polaris Bank Ltd.). Mr. Tuedor is the Chairman of the Assets and Liability Management Committee (ALCO).

Mr. Tuedor holds a B.Sc. in Business Administration from the University of Lagos (1987) and a Masters in Business Administration (MBA) from the Ahmadu Bello University, Zaria (1992). He has a certificate in Advanced Management Program from Fontainebleau, France, October, 2011. He also holds a certificate from the Kelloggs School of Management, Northwestern University, Chicago, U.S.A.

Mr. Tuedor is a member of various professional bodies amongst which are the Institute of Directors (IOD) of Nigeria, Bank Directors Association of Nigeria (BDAN) and the Chartered Institute of Bankers of Nigeria (CIBN).

Mr. Ebenezer A. Kolawole is the Executive Director, Finance & Operations. He was appointed to the Board of Unity Bank Plc in April, 2018. He is a member of the Board Finance & General Purpose Committee, Board Risk Management Committee, amongst others.

Mr. Kolawole is a first class Accounting graduate from Obafemi Awolowo University Ile-Ife with First Class Honours in 1991. He is also a Fellow of the Institute of Chartered Accountants of Nigeria (FCA). Mr. Kolawole started his career with a manufacturing company named Standard International Ltd in 1993 where he served as Chief Accountant. In 1994 he joined Ecobank Nigeria Plc as a Banking Executive in Banking Operations rising to the position of Deputy Financial Controller of the Bank.

Mr. Kolawole joined Standard Trust Bank Plc (now UBA) in April 1999 where he rose to the position of Group Head, Compliance/Regulatory Risk Management of the Bank until the merger of STB with UBA Plc in August 2005. While in UBA Plc, he functioned as Chief Financial Officer-UBA Nigeria/ Regulatory & External Reporting; Group Head, Financial Reporting and Group Financial Controller until he left the Bank in 2011. He worked with Mainstreet Bank Ltd (now Polaris Bank Ltd.) from November 2011 to January 2015 as Group Chief Financial Officer. He left the Bank as General Manager and joined Glo Communication as National GloWorld Co-ordinator and thereafter as Head of Finance. Mr. Kolawole resumed with Unity Bank Plc on September 15, 2015 as Chief Financial Officer. He has spear-headed a lot of transformation and has displayed exceptional analytical competencies in Finance, Strategy, Risk Management, Operations and Performance Management.

BOARD OF DIRECTORS

Mr. Usman Abdulqadir
Executive Director

Mr. Alaba Williams
Company Secretary

Mr. Usman Abdulqadir is the Executive Director, Risk Management and Compliance of Unity Bank Plc, having joined in April 2018. He is a member of the Board Credit Committee, Board Risk Management Committee, amongst others. Until his appointment, he was Vice President and Divisional Head, Post-Trade Services of FMDQ OTC Securities Exchange Plc and the Ag. Managing Director / Chief Operating Officer of FMDQ Clear Limited.

Mr. Abdulqadir has a Bachelor's Degree in Accounting (Bayero University, Kano, Nigeria) and a Master's Degree in Islamic Finance (Durham University, UK). He was admitted as an Associate Member of the Institute of Chartered Accountants of Nigeria in the Year 2000. In his over twenty (20) years' work experience in the banking sector, he spent thirteen (13) at the Central Bank of Nigeria (CBN) and left as a Principal Bank Examiner. Whilst at the CBN, Mr. Abdulqadir participated in various projects, including but not limited to:

Working Group on Liquidity Risk Management of the Islamic Financial Services Board; Project Management Office on the implementation of the new framework for financial stability in Nigeria; Nigeria Banking Sector Consolidation Programme (served in the Implementation Committee); and Nigeria Banking Sector Reform Programme 2009 (The Project Alpha Team).

Mr. Abdulqadir was the pioneer Executive Director (Chief Risk and Finance Officer) at SunTrust Bank Nigeria Limited and also founded the East Atlantic Advisors Limited, a business consulting and financial advisory services firm based in Lagos.

Mr. Alaba Williams is the Company Secretary. He boasts of over 25 years of experience in the banking sector. He started his working career with a stint at The Chartered Institute of Bankers of Nigeria (CIBN) early 1992 with the Institute's Consultancy Department and later in the same year joined Eko International Bank Plc (Now Polaris Bank) as a Legal Officer where he rose to the position of Head of Documentation Unit. He thereafter joined Societe Bancaire Nigeria Limited (Merchant Bankers) in 2001 as Head, Legal Services and was later appointed as Company Secretary/ Legal Adviser, the position he held until the bank merged to form Unity Bank Plc in 2005.

Prior to his current role, Mr. Williams was the pioneer Head, Legal Services Department of Unity Bank in 2006 and was an integral part of the team that ensured a successful merger of the nine Banks that formed Unity Bank Plc. At various times, he was appointed as Head, Debt Recovery Department, Head, Human Resources Management Department and again as Head, Legal Services Department. He was appointed the Directorate Head, Company Secretary & Legal Services with effect from January 1, 2020.

He holds a Bachelor of Laws from Lagos State University (1989) and was called to the Nigerian Bar in 1990. He obtained his Master's in Business Administration (MBA) from the Federal University of Technology, Akure (2001). He is also a member of The Nigerian Bar Association, a Full member of The Chartered Institute of Personnel Management of Nigeria (CIPM). An associate of the Intitute of Chartered Secretaries and Administrators of Nigeria.

CHANGES TO THE BOARD

Alhaji Aminu Babangida
Former Chairman
March 2011 - March 2023

Dr. Oluwafunsho Obasanjo
Former Non-Executive Director
March 2011 - March 2023

Alhaji Aminu Babangida was the Former Chairman of the Board of Directors until March 17, 2023 after serving on the board for twelve (12) years. Prior to his appointment as the Chairman in October, 2017, he was the Vice-Chairman of the Board of Directors. Alhaji Babangida was appointed to the Board of Unity Bank Plc in 2011 where he has held Chairmanship and membership positions in a number of Board Committees including the Board Credit Committee, Statutory Audit Committee, Board Finance & General Purpose Committee, amongst others.

Alhaji Babangida, is an Entrepreneur, a co-founder/Chief Executive Officer of Phoenix Energy, Abuja and a Team Member of El-Amin International School, Minna. He also worked on the trading floor of Trafigura BV, London, UK.

Alhaji Babangida attended Regents Business School, London and Westminster Business School London where he obtained a B.A in International Business and M.A in International Business Management respectively.

He is knowledgeable in the field of oil exploration. He is a member of the Institute of Directors (IOD), Bank Directors Association of Nigeria (BDAN) and the Chartered Institute of Bankers of Nigeria (CIBN). He has also attended various local and international courses.

Dr. Oluwafunsho Obasanjo was appointed Non-Executive Director on March 18, 2011 and retired from the board on March 17, 2023 after serving on the board for twelve (12) years. She is a Scientist with insight in the areas of Molecular Biology/Biochemistry, Chemistry, Analytical Techniques and Bioinformatics. She obtained an M.Sc in Medicinal Chemistry from the University College, London, United Kingdom and also holds a PhD in Bio-Organic Chemistry from the University of East Anglia.

Dr. Obasanjo was the Chairperson of the Board Credit Committee and also Member of Board Governance & Nominations Committee, Board Risk Management & Audit Committee and Board Finance & General Purpose Committee. She has held Chairpersonship and Membership positions in a number of Board Committees of the Bank.

She is a member of the Institute of Directors (IOD), Bank Directors Association of Nigeria (BDAN) and the Chartered Institute of Bankers of Nigeria (CIBN). She has attended various local and international courses/trainings.

CHANGES TO THE BOARD

Prof. Iyabo Obasanjo
Non-Executive Director

Hajiya Halima Babangida
Non-Executive Director

Prof. Obasanjo was appointed as a Non-Executive Director after obtaining the CBN approval on April 27, 2023. She is an Associate Professor, Faculty Affiliate, Africana Studies Program at College of William and Mary, Williamsburg, Virginia, USA. She was also an Assistant Professor at College of William and Mary, Williamsburg, Virginia USA, State Commissioner for Health, Ministry of Health, Ogun State, and a Distinguished Senator of Federal Republic of Nigeria.

Prof. Obasanjo studied Veterinary Medicine at the University of Ibadan. She furthered her studies at the University of California, Davis, USA and acquired a Masters in Preventive Veterinary Medicine (MPVM) and she also has a PhD in Epidemiology, Minor: Immunology from Cornell University, Ithaca, New York, USA.

She is the Chairperson of the Board Governance and Nominations Committee and also a member of the Board Credit Committee, Board Risk Management and Audit Committee and Board Finance and General Purpose Committee.

She is a multi-skilled professional with very robust years of experience, proven problem solving and strong leadership skills. She has over the years demonstrated the ability to develop positive business relationships, evidenced by remarkable track records.

Hajiya Halima Babangida was appointed as a Non-Executive Director after obtaining the CBN approval on April 27, 2023. She studied Business Management at the AGSB University, Switzerland and Business Administration from Montruex School of Business, Switzerland. She has cognate experience in stevedoring, logistics, and farming/food chain industry and in the real estate and property management businesses.

Hajiya Halima Babangida is the chairperson of the Board Credit Committee, Board Governance and Nominations Committee, Board Risk Management and Audit Committee and Board Finance and General Purpose Committee.

She is a proven visionary, strategic leader and turn around manager that translates business strategies into maximum earnings at minimum cost. She is an expert in enhancing profitability, developing strategic initiatives, international relationships and she is very knowledgeable in implementing necessary controls to ensure compliance and hitch free business.

Corporate **Information**

Directors	Aminu Babangida*	-	Chairman
	Tomi Somefun	-	MD/CEO
	Oluwafunsho Obasanjo*	-	Non Executive Director
	Sam N. Okagbue, FCArb	-	Non Executive Director *(Independent)*
	Hafiz Mohammed Bashir^	-	Non Executive Director/ Ag. Chairman
	Yabawa Lawan Wabi, mni	-	Non Executive Director
	Temisan Tuedor	-	Executive Director
	Ebenezer A. Kolawole	-	Executive Director
	Usman Abdulqadir	-	Executive Director
	Iyabo Obasanjo"	-	Non Executive Director
	Halima Babangida"	-	Non Executive Director

**retired effective 18 March 2023*
^appointed acting Chairman effective 27 April 2023
"appointed effective 27 April 2023

Company Secretary
Alaba Williams *FRC/2020/002/00000020510*

Registered Office
Unity Bank Plc
Plot 42, Ahmed Onibudo Street
Victoria Island, Lagos

Independent Auditor
KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island, Lagos
www.kpmg.com/ng

Tax Advisors
Ijewere & Co
(Chartered Tax Advisory)
Itoya House, 126 Lewis Street
P. O Box 8713
Lagos, Nigeria
FRC/2015/ICAN/00000011189

Registrars Office
Unity Registrars Limited
25, Ogunlana Drive
Surulere, Lagos
FRC/2014/CIBN/00000007827

Bank's Registered Number
94524

Bank's Tax Identification Number
00797699-0001

Settlement Bank
First Bank of Nigeria PLC
Samuel Asabia House
35 Marina, Lagos

Foreign Correspondence Bank
ODDO BHF, Frankfurt Germany
FBN Bank (Limited) UK
Bank of Beirut (Limited), UK
Access Bank Limited, UK
United Bank for Africa, New York, USA
United Bank for Africa, London UK

REPORT OF THE BOARD & MANAGEMENT

CHAIRMAN'S STATEMENT

Introduction

I am delighted to welcome you, on behalf of the Board of Directors, to the 17th Annual General Meeting (AGM) of our esteemed institution. It is my first time addressing you, and I am honored to have this opportunity to present to you the Bank's annual report and performance for the year ended 31st December, 2022.

ECONOMIC REVIEW

The year 2022 presented numerous challenges worldwide as most economies were trying to recover from the impact of the COVID-19 pandemic. In addition to this, several factors such as the ongoing Ukraine-Russia War, increased cost of living, the resurgence of COVID-19 in mainland China, and the general slowdown in many advanced economies further dampened global growth.

In the Emerging Markets and Developing Economies, the unfolding tight external financing conditions and shock spillovers from the Advanced Economies, could further dampen the recovery of output growth. Considering these developments, the International Monetary Fund (IMF), in its January 2023 World Economic Outlook, forecast global output growth for 2023 at 2.9%, compared with 3.4% in 2022. Growth is, however, expected to improve to 3.1% in 2024.

For the domestic economy, the year commenced with macro and micro-economic baggage from 2021, including heightened insecurity, flooding, inflation, weak revenue, rising domestic and foreign debt, high exchange rate volatility, and an eight-month industrial action by the Academic Staff Union of Universities. In general, Gross Domestic Product (GDP) grew by 3.10 percent (year-on-year) in 2022, compared with 3.40 percent in 2021, with the last quarter reflecting a 3.52 percent (year-on-year) growth in real terms. Consequently, the economy maintained continuous growth for nine consecutive quarters by the end of 2022.

Despite the moderate but muted growth in the economy, the country still struggled with an overall price level surge as Nigeria witnessed ten consecutive rises in headline inflation, surging from 15.6 percent in January to 21.34 percent in December 2022. Inflationary pressure in 2022 was driven by the combination of energy prices, currency pressures, as well as the challenges that plagued the agricultural sector, including flooding, insecurity, and supply chain disruptions.

Nigeria's foreign trade balance improved in 2022 compared to 2021, especially in Q2 2022. According to the National Bureau of Statistics (NBS), imports in 2022 stood at N25.6 trillion, the highest in five years, and grew by N4.75 trillion from 2021, while exports grew by N7.89 trillion to N26.80 trillion in the same period, providing a surplus balance of N1.2 trillion compared to the deficit of N1.94 trillion recorded in 2021. The moderate growth in exports was largely due to the 46% increase in crude oil exports between 2021 and 2022, signifying better performance in the country's oil production relative to OPEC quota. However, this did not reduce the pressure on foreign exchange during the year. The naira fell at the official market to N461/$1 at the end of the year from

Mr. Hafiz Mohammed Bashir
Acting Chairman

Despite the harsh economic realities and capital limitations, the Bank was able to grow its operating income by 5 percent, even though profit before tax fell to N1.3 billion in 2022. Customer deposits grew marginally and the loan book grew by 7.4 percent.

N435/$1 at the beginning of the year as monetary authority struggled to keep up with dollar obligations to international airlines and dollar demand for import, foreign school fees and upkeep payments during the year. Similarly, in the parallel market, the exchange rate, which moved within the range of N561.00 and N570.00 to a dollar at the beginning of 2022, plummeted to almost N1000/$1 in the fourth quarter, just as Nigeria's external reserves depleted to $36 billion in December 2022 from $40.5 billion at the beginning of the year owing to demand pressure.

Despite rising inflation, a weakening currency, interest rate hikes, and global economic woes, the Nigerian stock market maintained positive momentum and ended 2022 on an impressive note as the NGX All Share Index appreciated by 19.98 percent to close the last trading day of the year with 51,251.06 index points from 43,046.78 at the beginning of the year. This was largely due to continuous buying pressure on blue-chip companies, despite the loss of momentum between June and October 2022. The dips in the market during the second half of 2022 were not unconnected with the bearish position of foreign investors (mainly as a result of fears created by the build-up to the 2023 election), hikes in Monetary Policy Rate, weak interest from retail investors, and so on.

To tame inflation and attract foreign capital inflows, the Monetary Policy Committee of the CBN took a hawkish stance by raising the Monetary Policy Rate (MPR) four times in six meetings during the year, increasing the MPR from 11.5 percent at the beginning of 2022 to 16.5 percent by the end of the year. Additionally, at the last MPC meeting of the year, a newly designed currency was unveiled along with a redefined cashless policy aimed at reducing the amount of cash outside the financial system to enable the CBN through its monetary policy initiatives gain traction, pricing and Foreign Exchange Control.

Given the weakening global economic conditions and fragile fundamentals in the local scene, the fiscal authorities also made frantic efforts to stimulate growth and prevent the country from sliding back into recession by implementing an approved budget of N17.13 trillion with a deficit of N6.26 trillion, which was mainly sourced through local and foreign borrowings, thus raising the country's debt stock to N46.25 trillion by the end of 2022 from N39.55 trillion at the beginning of the year. This is unexpected given the level of infrastructural renewal that has been embarked upon by the outgoing administration. We expect to see many project deliveries in 2023, especially since the Senate extended the implementation of the 2022 Budget to March 31, 2023.

Looking beyond the political and electioneering activities, we believe that 2023 will present challenges that can only be resolved through the implementation of deliberate and far-reaching policies that have a defining impact on revenue generation and government efficiency. Consequently, we expect to see a phased removal of subsidies in the coming months and a proficient alignment of fiscal and monetary policies to deliver a resilient economy that guarantees a strong financial system and growth opportunities for businesses.

REVIEW OF OUR BUSINESS IN 2022 AND OUTLOOK FOR 2023

Distinguished shareholders and everyone present, considering the economic and operating environment as earlier highlighted, and following the key challenges in the Banking industry, the 2022 financial year turned out to be a challenging one for our institution as the executive management continued to re-establish the foundations, tame costs and grow new business lines on which the future success of the Bank will be built.

Despite the harsh economic realities and capital limitations, the Bank was able to grow its operating income by 5 percent, even though profit before tax fell to N1.3 billion in 2022. Customer deposits grew marginally and the loan book grew by 7.4 percent. Total assets, however, shrank by 5.3 per cent to close at N510 billion. Despite this, our risk management practices remained robust, and we maintained a strong NPL position throughout the year. This enabled us to weather the challenges posed by the harsh foreign and local economic conditions and maintain our commitment to supporting our customers and communities.

The Managing Director will provide further details of the financials and some of the key issues that underpined the Bank's performance in the last financial year. I will, however, provide you with details of overarching initiatives that have been undertaken to reposition the Bank for improved performance in the coming years.

Ladies and gentlemen, in 2022, our Bank invested heavily in IT infrastructure, knowing well that a robust IT infrastructure is a functional requirement to drive business growth, partnerships and customer experience. Our commitment is to further invest in IT solutions that will accelerate digital onboarding, improve customer experience, value services, and innovative partnerships that will make us more efficient and competitive by creating new income lines and compete well in the emerging digital space.

During the year, we expanded our range of innovative products and services to both the banked and unbanked, especially with the improved marketing of our Yanga

account product tailored towards reducing the financially excluded women in the country.

Ladies and gentlemen, 2022 represented the last lap in the implementation of the Bank's strategic imperatives for the last planning cycle. Looking back, members of the Board and Management are quite impressed with the far-reaching steps taken in key areas of service quality, organizational restructuring, business footprints, risk management, process improvement, etc. We will continue to build on these foundations. Although, in this new strategic horizon, beginning from this year, we are focusing largely on digital opportunities and partnerships, fast-paced process automation, targeted value chain relationships, cost and resource efficiency, and brand visibility.

Finally, I am aware that the Bank's ongoing recapitalization program is the proverbial "elephant in the room," but I can assure you that we will not avoid it. As you are aware, the Bank's recapitalization plan was initiated in 2015, at a time when the Nigerian economy, in general, and the capital market in particular, struggled and is still struggling to attract fresh capital (local and foreign). However, with proper regulatory consultation, the Board and Management have started to explore fresh and exciting options to re-energize the Bank's balance sheet with new lease of life. We have high hopes that this process will be concluded in earnest.

CONCLUSION

Distinguished shareholders, ladies and gentlemen, looking ahead, we remain committed to our vision, strategic objectives, and to delivering value for our shareholders. As mentioned earlier, we will ramp up growing investment in digital capabilities, enhance our product offerings, and pursue opportunities for growth with our esteemed customers, new relationships, and partnerships both domestically and internationally.

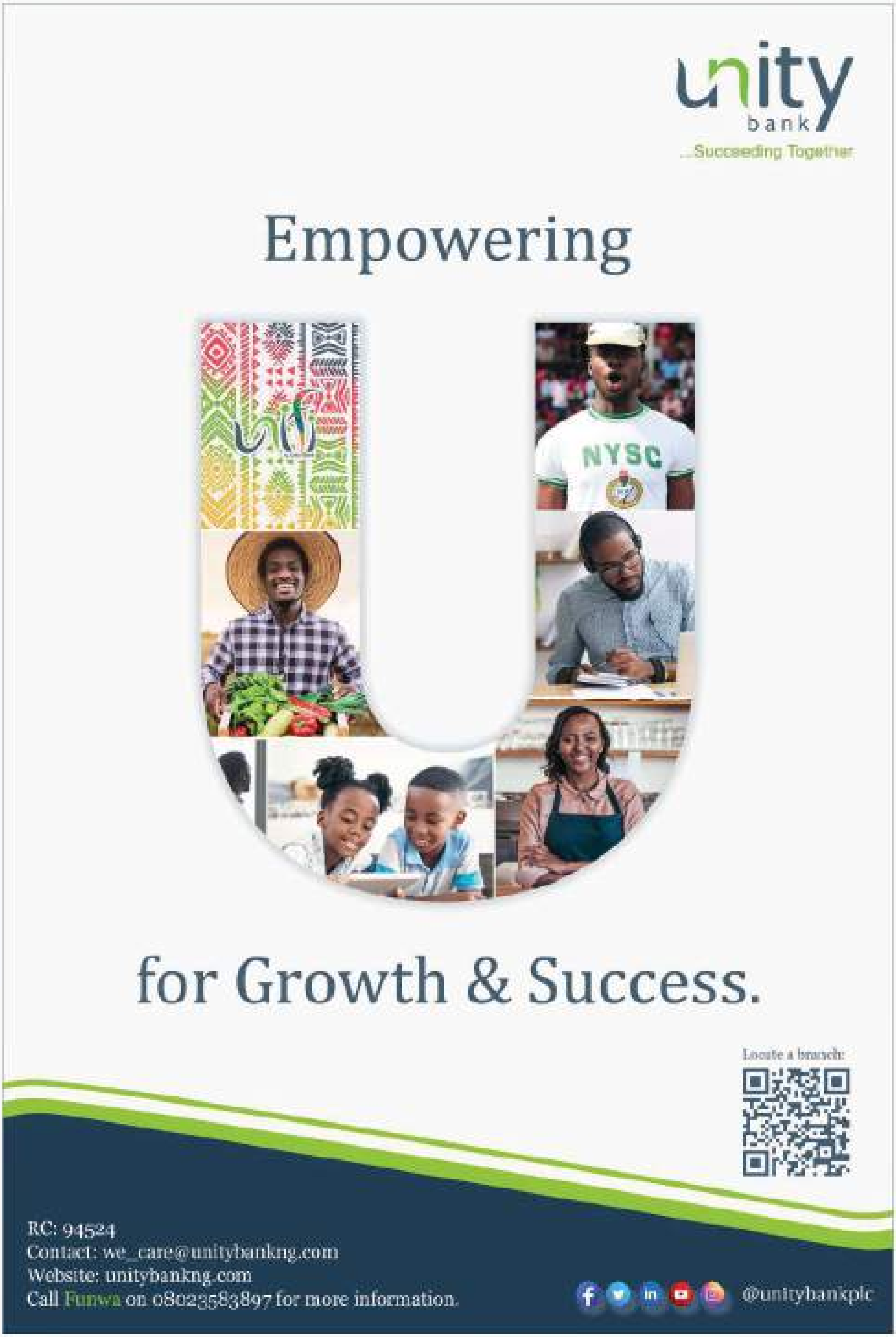
Owing to new regulatory demands, we are pleased to announce the retirement of our resourceful Board Chairman, Mr. Aminu Babangida, and our non-executive director, Dr. Oluwafunsho Obasanjo, effective March 18, 2023, after their meritorious service of 12 years on the Board of the Bank. They brought vigor, leadership, and strategic insights into board activities at every opportunity. We wish them fulfilling and blissful experiences in their future endeavors.

The Board has also put forward and obtained the regulator's approval for the appointment of two new non-executive directors in the persons of Professor Iyabo Obasanjo and Hajiya Halima Babangida, and I was also appointed as the Ag. Chairman of the Board. Please join me and welcome them on board.

It is important to appreciate the Management and staff of the Bank for their great commitment to the values, vision, and customers of the Bank even in times that required great sacrifices. I would also like to commend my colleagues on the Board for their undaunted resolve to guide the Bank on the pathway of sustainable growth. I will also be counting on their tenacity, wisdom, and experience to lead the Board in my current capacity.
Finally, on behalf of everyone at Unity Bank, I wish to express my gratitude to our shareholders, customers, and other stakeholders for their unwavering support and confidence in the Unity Bank project. I give everyone the assurance of our unalloyed dedication to excellent service delivery, a complete and positive turnaround in customers' digital experience, and better financial performance in 2023.

Thank you.

Hafiz Mohammed Bashir
Acting Chairman,
Board of Directors
FRC/2023/PRO/DIR/003/026716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RC: 94524
Contact: we_care@unitybankng.com
Website: unitybankng.com
Call Funwa on 08023583897 for more information.
@unitybankplc


Tomi Somefun
Managing Director / CEO

MANAGING DIRECTOR'S STATEMENT

Introduction

Dear Esteemed Shareholders, Customers, Regulators, Gentlemen of the Press, Invited Guests, and Members of the Public, I welcome you all to the 17th Annual General Meeting of Unity Bank Plc.

Without any doubt, the year 2022 was yet another challenging year after the COVID-19 era. At the beginning of the year, the world and various economies were poised for recovery and growth on the back of renewed consumer spending, the lifting of travels and trade restrictions, and the expansionary stance adopted by various countries to stimulate domestic demand as well as activities in sectors affected by the pandemic. Just as the world was returning to normalcy, the Russia-Ukraine war occasioned a new wave of shock and disruption which has fast become a global crisis with a significant impact on inflation, interest rate, trade, supply chain, foreign exchange volatility, and monetary policy changes. As a result of these headwinds, all economies struggled, and the IMF estimated global growth at 3.2% as against an initial forecast of 6.0% in 2021.

On the domestic front, having recorded a fragile 3.4% growth in 2021, the year 2022 was characterized by subdued growth (2.25% GDP in Q3, 2022), policy rate hike (MPR @ 16.5% from 11.5% in 2021), inflationary pressure (21.4% from 16.9% in 2021), tightened financial market condition (CRR @ 32.5% from 27.5% in 2021) and high operation cost due on the impact of the FX crisis on commodities and energy. Key socioeconomic and macroeconomic indicators remained weak as the unemployment rate soared to 33.3%, income inequality widened and consumer purchasing power deteriorated with a misery index of 54.7% as the monetary and fiscal authorities adopted various policies to stem the negative impact of rising inflation on the economy without an adverse impact on growth.

Some of the steps taken were:

1. Increase in interest rate to reduce money supply, incentivize savings and investment in government securities;

2. Introduce the RT200 FX Programme (Race to US$200 billion in FX Repatriation) to improve the nation's non-oil and stimulate the real sector of the economy;

3. Introduction of the 100 for 100 policy to stimulate investments in Nigeria's manufacturing sector with the core objective of boosting production and productivity, necessary to transform and catalyze the productive base of the economy;

4. The setup of Infracorp to raise over N15trillion to support investment in critical infrastructure in Nigeria;

5. The launch of E-Naira to support the growth of the digital economy, amongst others.

Esteemed Shareholders, building on our achievements last year, our focus this year will be on improving operational efficiency, revamping our processes and channels, aggressive customer acquisition, and building sustainable businesses.

Whilst the Bank like some of its peers in the industry had a share of these challenges and headwinds, especially during the 4th quarter of the year when liquidity was impacted due to the sudden increase in the Cash Reserve Requirement (CRR) and excessive tightening by the CBN, the Bank survived and improved on some of our Key Performance Indicators (KPIs) and objectives for the financial year 2022.

Financial Performance:

During the reviewed period, the Bank achieved a 16.2% increase in gross earnings, reaching N56.9billion in 2022 from N48.9billion in 2021. The improvement in gross earnings is due to the Bank's deliberate strategy of expanding its product offerings and improving customer acquisition and retention. In terms of profitability, the high cost of operation, high cost of funds, and inflationary pressure impacts our expense line and dragged our profit before tax to N1.1billion from N3.2billion recorded in the previous year.

Whilst the bank's customer deposits marginally increased by 1.6% or N5.1billion during the period, our savings liability grew by N23.2billion which is a 27% growth over 2021. The growth in savings reflects our deliberate efforts towards building a more sustainable liability through our penetration to core retail businesses/customers as well as the unbanked. One notable area of success for the Bank in 2022 was the expansion of its loan portfolio, which grew by 7.5% to N289.36 billion from N269.27 billion in 2021.

Esteemed Shareholders, building on our achievements last year, our focus this year will be on improving operational efficiency, revamping our processes and channels, aggressive customer acquisition, and building sustainable businesses.

Therefore, we will retain our six corporate goals:

a) Refining our internal and external identity

b) Improving service, communication, and performance management culture.

c) Innovation and creative thinking among employees.

d) Cost efficiency in delivering our products and services.

e) Optimization of our electronic channel for a better customer experience.

f) Aggressive reactivation and account acquisition drive.

The End of a Cycle

At the end of 2022, the four-year strategy plan outlined in 2019 came to an end. While we recorded progress across the four critical strategic priorities: Improving service quality and customer centricity, Aggressive customer acquisition, Focus on retail, SME and commercial, and Strengthening of core foundations, not all the desired expectations were met, especially in the area of recapitalization. On our focus on retail, SME, and commercial business, we recorded increased traction during the strategy cycle.

In the retail segment, we championed the Copreneurship initiative in partnership with the National Youth Service Corps (NYSC) to increase youth account acquisition, diversification of our customers segment and investment in entrepreneurship. The Copreneurship challenge had 9 successful batches across 10 locations in the country, gaining over 20,000 new customers. The massive success of this initiative brought an influx of acknowledgment for the Bank at the Federal and State level. We were allocated 10% of national corpers allowee accounts which diversified our customer segments and increased youth penetration.

Our strategy for the SME business focused on creating bouquet of products to support our SME customers through facilitation of trade, credit, investment, and capital flows. The introduced products saw massive adoption and as such, we are continuously expanding our products range and increasing strategic partnerships to massively benefit our SME customers. The commercial business also delivered performance through the acquisition of various commercial portfolios during the review period.

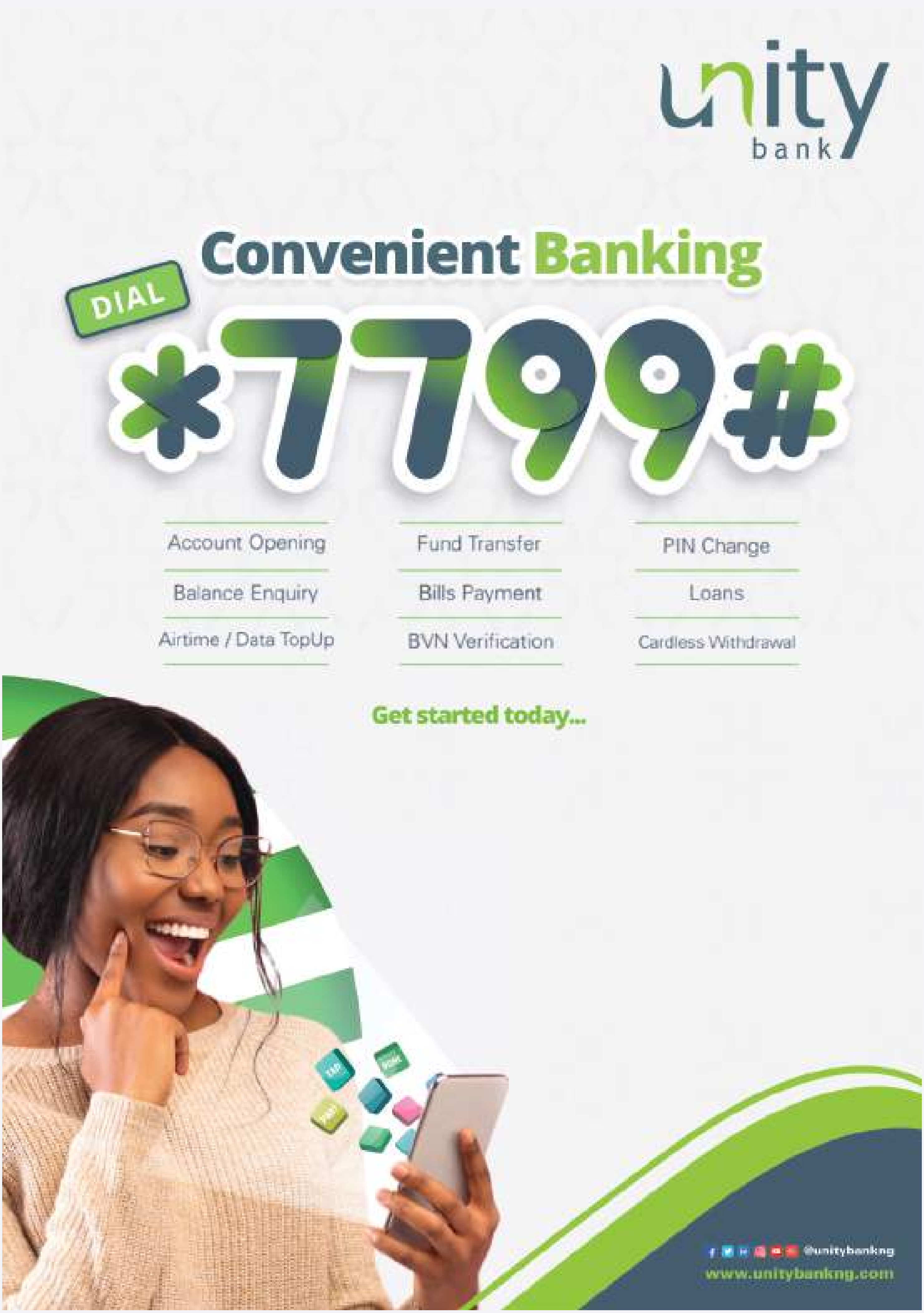
Looking Ahead

Our ambition to become 'Nigeria's retail bank of choice" has not changed and we will continue to work tirelessly to bring this to fruition. Transforming our infrastructure, enhancing our customer propositions, and reducing our cost base will continue to drive business operations. During the year also, we shall embark on a massive redeployment of our human resources, fine-tune our structure, and build more capacity within the workforce through training and strategic recruitment. We will be more deliberate on collaborating with viable and well-structured fintech entities and sweat our recent investments in our IT infrastructure and security. As we transition fully into the cashless environment, not only should our uptime be topnotch, but we must also continue to deploy innovative features in line with customers' needs.

I continue to be immensely grateful for the hard work and dedication of my colleagues across the Bank. Their diligence, tenacity, and resilience are the reason for the collective success of our institution.
The Board, my colleagues in executive management and I would also like to acknowledge and thank shareholders for their unwavering support. I am confident about our ability to deliver our strategic goals despite economic uncertainties, and we will continue to deliver sustainable results for our stakeholders.

Thank you all for your attention.

Tomi Somefun
Managing Director / CEO
FRC/2013/ICAN/00000002231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Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report on the affairs of Unity Bank Plc ("the Bank") together with the financial statements and Independent Auditor's report for the period ended the year ended 31 December 2022.

a. Representation
The Board of Directors represents all shareholders and acts in the best interest of the Bank. Each Director represents the Bank's shareholders regardless of the manner in which he/she was appointed. Each Director undertakes not to seek, nor to accept, any benefit liable to compromise his/her independence.

b. Legal form
The Bank was incorporated in Nigeria under the Companies and Allied Matters Act as a private limited company on 27th April, 1987 with the name Intercity Bank Limited. It was granted license on 28th October 1987 to carry on the business of commercial banking and commenced full banking business operation on 28th October, 1988. The Bank was converted into a Public Limited Liability Company on 8th September, 1992. Following the consolidation reforms introduced and driven by the Central Bank of Nigeria in 2004, the Bank after its merger with eight other Banks, changed its name to Unity Bank Plc on 30th December, 2005 and its shares are currently quoted on the Nigerian Stock Exchange.

c. Principal activity
The principal activity of the Bank is the provision of banking and other financial services to corporate and individual customers. Such services include but not limited to granting of Loans and Advances, Corporate Banking, Retail Banking, Consumer and Trade Finance, International Banking, Cash Management, Electronic Banking services and money market activities.

d. Business review and future development
The Bank carried out banking activities in accordance with its Memorandum and Articles of Association. A comprehensive review of the business for the year and the prospects for the ensuing year is contained in the Managing Director's report that will be presented in the annual report.

e. Property and equipment
Information relating to the changes in property and equipment of the Bank during the year is provided in note 21 of the financial statement. In the opinion of the Directors, the fair value of the Bank's property and equipment is not less than the value shown in the accounts and are in line with the related statement of accounting policy of the Bank.

f. Operating results
The table below summarises the financial performance of the Bank in the year under review:

	Dec-22 N'000	Dec-21 N'000
Gross earnings	57,149,854	50,284,346
Profit before minimum and income tax	1,386,125	3,332,132
Minimum tax expense	(285,280)	(124,264)
Profit before tax	1,100,845	3,207,868
Income tax expense	(159,470)	(34,616)
Profit after tax	**941,375**	**3,173,252**
Profit attributable to shareholders	941,375	3,173,252
Earnings per share		
Basic and diluted earnings per share (Kobo)	8.05	27.15

g. Dividends
The Bank did not declare any dividend during the year (2021: Nil)

h. Directors

Aminu Babangida*	-	Chairman
Tomi Somefun	-	MD/CEO
Dr. Oluwafunsho Obasanjo*	-	Non Executive Director
Sam N. Okagbue, FCArb	-	Non Executive Director (Independent)
Hafiz Mohammed Bashir^	-	Non Executive
Yabawa Lawan Wabi, *mni*	-	Non Executive Director
Temisan Tuedor	-	Executive Director
Ebenezer Kolawole	-	Executive Director
Usman Abdulqadir	-	Executive Director
Iyabo Obasanjo"	-	Non Executive Director
Halima Babangida"	-	Non Executive Director

** retired effective 18 March 2023*
^ appointed acting Chairman effective 27 April 2023
"appointed effective 27 April 2023

i. Director's shareholding
The Directors who held office during the year, together with their direct and indirect interests in the issued share capital of the Bank as recorded in the register of directors' shareholding and/or as notified by the directors for the purposes of section 301 of the Companies and Allied Matters Act 2020 and the listing requirements of the Nigerian Stock Exchange are as stated below:

Directors holdings		31-Dec-2022			31-Dec-2021	
Name of Directors	**Direct Holdings**	**Indirect Holdings**	**%**	**Direct Holdings**	**Indirect Holdings**	**%**
Aminu Babangida[1]	NIL	648,472,967	5.54%	NIL	648,472,967	5.54%
Dr. Oluwafunsho Obasanjo[2]	NIL	926,104,410	7.92%	NIL	926,104,410	7.92%
Hafiz Mohammed Bashir	38,191,947	NIL	0.33%	510,000	NIL	0.00%
Sam N. Okagbue	NIL	NIL	-	NIL	NIL	-
Yabawa Lawan Wabi[3]	NIL	4,000,130,848	34.22%	NIL	4,000,845,460	34.22%
Tomi Somefun	NIL	NIL	-	NIL	NIL	-
Temisan Tuedor	NIL	NIL	-	NIL	NIL	-
Ebenezer Kolawole	NIL	NIL	-	NIL	NIL	-
Usman Abdulqadir	NIL	NIL	-	NIL	NIL	-

1 El-Amin Nig. Limited. And B-Sha Limited
2 Tempo Food & Packing Limited, Obasanjo Holdings, Alarab Properties Limited, Agro Mixed Nigeria Limited, Ibad Limited Asset
3 Management Corporation of Nigeria (AMCON)

j. Directors interest in contracts
For the purpose of section 303 of the Companies and Allied Matters Act 2020, all contracts with related parties during the year were conducted at arm's length.

Information relating to related parties transactions are contained in Note 48 to the financial statements

k. Shareholding analysis
The shareholding pattern of the Bank as at 31 December 2022 is as stated below:

Range	No of Shareholders	Unit
1 - 9999	56,319	55,136,011
10000 - 50000	14,543	98,474,338
50001 - 100000	3,424	68,896,786
100001 - 500000	3,255	180,301,639
500001 - 1000000	1,181	90,129,045
1000001 - 50000000	105	219,812,958
50000000 - 100000000	19	145,334,387
100000001 - 500000000	49	2,449,313,102
500000001 - 1000000000	3	1,870,339,397
1000000001 - 5000000000	3	6,511,600,279
TOTAL	**78,901**	**11,689,337,942**

The shareholding pattern of the Bank as at 31 December 2021 is as stated below:

Range	No of Shareholders	Unit
1 - 9999	56,610	56,092,561
10000 - 50000	14,622	100,429,708
50001 - 100000	3,948	70,468,245
100001 - 500000	3,857	178,165,463
500001 - 1000000	1,120	84,455,144
1000001 - 50000000	72	145,871,225
50000000 - 100000000	16	120,526,859
100000001 - 500000000	48	2,546,550,410
500000001 - 1000000000	3	1,852,359,484
1000000001 - 5000000000	3	6,534,418,843
TOTAL	**80,299**	**11,689,337,942**

l. Substantial interest in shares
According to the register of members as at 31 December 2022, no shareholder held more than 5% of the issued share capital of the Bank except the following:

Shareholder	No of Shares held	Shareholding (%)
Asset Management Corporation Of Nigeria (AMCON)	4,000,130,848	34.22%
Panafrican Capital Nominee	1,480,614,483	12.67%
Lighthouse Capital Limited	1,053,199,290	9.01%
Ibad Limited	717,722,190	6.14%
El-Amin (Nig.) Ltd	615,889,636	5.27%
TOTAL	**7,867,556,447**	**67.31%**

According to the register of members as at 31 December 2021, no shareholder held more than 5% of the issued share capital of the Bank except the following:

Shareholder	No of Shares held	Shareholding (%)
Asset Management Corporation Of Nigeria (AMCON)	4,000,845,460	34.22%
Panafrican Capital Nominee	1,480,614,483	12.67%
Lighthouse Capital Limited	1,053,199,290	9.01%
Ibad Limited	717,722,190	6.14%
El-Amin (Nig.) Ltd	615,889,636	5.27%
TOTAL	**7,867,556,447**	**67.31%**

m. Acquisition of own shares
The Bank did not purchase its own shares during the year (2021: Nil).

n. Corporate Social Responsibility (CSR)
For the period ended 31 December 2022, the Bank expended the sum of N33.5 million, (December 2021 – N658.95 million) on various CSR Commitments. CSR commitments usually cover the fields of Education/ Capacity Building, Trade Promotions, Value Reorientation, Professional Developments, Community Interventions, Sports and Health as follows:

The schedule of the CSR as at 31st December 2022 is as stated below:

SN	Details of expenditure	Category	Amount (N'000)
1	FINANCIAL INSTITUTION TRAINING CENTER (FITC)	Professional Development	15,000
2	CHARTERED INSTITUITE OF BANKERS (CIBN)	Professional Development	17,500
3	RESWAYE IRO EARTH DAY	Education	500
4	ALTSCHOOL AFRICA	Education	500
	TOTAL		**33,500**

The schedule of the CSR as at 31st December 2021 is as stated below:

SN	Details of expenditure	Category	Amount (N'000)
1	POLICE EQUIPMENT FUNDS	Community Intervention	500,000
2	NIGERIAN POLICE - RENOVATIONS	Community Intervention	79,828
3	CHARTERED INSTITUITE OF BANKERS (CIBN)	Professional Development	40,000
4	KWARA STATE UNIVERSAL BASIC EDUCATION	Education	16,125
5	LAGOS STATE ECONOMIC SUMMIT	Education	10,000
6	LOCAL GOVERNMENT STAFF PENSIONS BOARD TRAINING	Training	10,000
7	DO-ESTDOT INTERNATIONAL SCHOOL	Education	2,000
8	GIRLS CHILD CONCERN ACADEMY	Education	1,000
	TOTAL		**658,953**

o. Human Resources
Commitment to Equal Employment Opportunity

The Bank is committed to maintaining positive work environment and to conduct business in a positive professional manner by consistently ensuring equal employment opportunity to all irrespective of gender.

Directors and staff analysis by gender are given in the tables below:

(a). Analysis of total employees

	31 DECEMBER 2022		31 DECEMBER 2021	
Employees	**Number**	**Percentage**	**Number**	**Percentage**
Male	813	62%	1007	62%
Female	488	38%	625	38%
	1,301	**100%**	**1,632**	**100%**

(b). Analysis of Board and top management staff
i. Board members (Executive and non-executive Directors)

	31 DECEMBER 2022		31 DECEMBER 2021	
Employees	**Number**	**Percentage**	**Number**	**Percentage**
Male	6	67%	6	67%
Female	3	33%	3	33%
	9	**100%**	**9**	**100%**

ii. Top Management staff (AGM-GM)

	31 DECEMBER 2022		31 DECEMBER 2021	
Employees	**Number**	**Percentage**	**Number**	**Percentage**
Male	18	86%	15	88%
Female	3	14%	2	12%
	21	**100%**	**17**	**12%**

(c). Further analysis of Board and top management staff

	31 DECEMBER 2022					
	Male		**Female**		**Total**	
Assistant General Managers	5	100%	0	0%	5	100%
Deputy General Managers	9	82%	2	18%	11	100%
General Managers	4	80%	1	20%	5	100%
Board Members (NEDs))	3	60%	2	40%	5	100%
Board Members (EDs ex MD/CEO)	3	100%	0	0%	3	100%
Managing Director/CEO	0	0%	1	100%	1	100%
	24		**6**		**30**	

	31 DECEMBER 2021					
	Male		**Female**		**Total**	
Assistant General Managers	3	75%	1	25%	4	100%
Deputy General Managers	9	90%	1	10%	10	100%
General Managers	3	100%	0	0%	3	100%
Board Members (NEDs))	3	60%	2	40%	5	100%
Board Members (EDs ex MD/CEO)	3	100%	0	0%	3	100%
Managing Director/CEO	0	0%	1	100%	1	100%
	21		**5**		**26**	

Employment of Disabled Persons
The Bank continues to maintain a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitudes. The Bank's policy prohibits discrimination of disabled persons in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts are made to ensure that their employment with the Bank continues and appropriate training arranged to ensure that they fit into the Bank's working environment.

Health, Safety and Welfare at Work
The Bank enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly and employees are aware of existing regulations. The Bank provides subsidies to all levels of employees for transportations, housing, lunch and also medical expenses both for staff and their immediate families. Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises.

The Bank operates both a Group Personal Accident and the Workmen's Compensation Insurance covers for the benefit of its employees. It also operates a contributory pension plan in line with the amended Pension Reform Act 2014.

Employee Involvement and Training
The Bank is committed to keeping employees fully informed as much as possible regarding the Bank's performance and progress and seeking their opinion where practicable on matters which particularly affect them as employees. In accordance with the Bank's policy of continuous development, training is carried out at various levels and employees are nominated to attend both local and international courses. These are equally complemented Formal and informal channels are also employed in communicating with employees with an appropriate two-way feedback mechanism. Incentive schemes designed to encourage involvement of employees in the Bank's performance are implemented whenever appropriate.

p. Whistle Blowing
Pursuant to the requirements of the new code of corporate governance, the Bank has set up both electronic (On both its external website and internal portals) and manual (Visible whistle blowing boxes across all its locations) mechanisms to ensure its compliance.

q. Statutory Audit Committee
Pursuant to the requirements of the Companies and Allied Matters Act (CAMA) 2020, the Bank has in place a Statutory Audit Committee comprising two Non-Executive Directors and three representatives of Shareholders as follows:

1	Sunday Akinniyi (Shareholder's representative)	-	Chairman
2	Ahmed U Ndanusa (Shareholder's representative)	-	Member
3	Funke Titilayo Shodeinde (Shareholder's representative)	-	Member
4	Sam N. Okagbue, FCArb (Independent Director)	-	Member
5	Yabawa Lawan Wabi mni (Non-Executive Director)	-	Member

r. Disclosure of customer complaints in financial statements for the year ended 31 December 2022

	NUMBER		AMOUNT CLAIMED		AMOUNT REFUNDED	
			(N'000)	(N'000)	(N'000)	(N'000)
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Pending complaints	7	5	2,724,660	2,556,364		-
Received complaints	95,958	77,467	7,431,216	7,529,193		-
Resolved complaints	95,941	77,465	10,151,010	7,360,896	263,928	583,082
Complaints carried forward	24	7	4,866	2,724,660		-

There were no complaints received and resolved by the Bank in other currencies for the year ended 31 December 2022 (2021: Nil).

s. Events after the reporting date
The Bank, at its 46th emergency Board meeting, held on the 15th March 2023, accepted the retirement of the Chairman, Aminu Babangida and non executive director, Oluwafunsho Obasanjo. Hafiz Mohammed Bashir was appointed as acting Chairman and Professor Iyabo Obasanjo and Ms Halima Babangida were also appointed to the Board of the Bank and the Central Bank of Nigeria (CBN) approval was obtained on the 27th April 2023. There are no other events after the reporting date, which could have had material effect on the financial position of the Bank as at 31st December 2022 and the profit and other comprehensive income for the period ended at that date.

t. Auditors
Messers KPMG professional services have indicated their willingness to continue in office as auditors to the Bank in accordance with section 401 of the Companies and Allied Matters Act of Nigeria 2020. A resolution will be proposed at the Annual General Meeting to authorise the directors to determine their remuneration.

BY ORDER OF THE BOARD

Alaba Williams
FRC/2020/002/00000020510
Company Secretary

Unity Bank Tower
Plot 42, Ahmed Onibudo Street
Victoria Island, Lagos.

Dated this 28th day of April 2023.


unity bank
...Succeeding Together
BANK BETTER
WITH unifi
by Unity Bank
DO MORE WITH UNIFI
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CORPORATE GOVERNANCE REPORT

Statement of **Corporate Responsibility**

FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Chief Financial Officer, hereby certify the financial statements of Unity Bank Plc for the year ended 31 December 2022 as follows:

a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2022.

b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2022.

d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to Unity Bank Plc is made known to the officer by other officers of the companies, during the year ended 31 December 2022.

e) That we have evaluated the effectiveness of the Bank's internal controls within 90 days prior to the date of audited financial statements, and certify that the Bank's internal controls are effective as of that date.

f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.

g) That we have disclosed the following information to the Bank's Auditors and Audit Committee:

   (i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Bank's ability to record, process, summarise and report financial data, and have identified for the Bank's auditors any material weaknesses in internal controls, and

   (ii) there is no fraud that involves management or other employees who have a significant role in the Bank's internal control.

Ebenezer Kolawole
Executive Director/Chief Financial Officer
FRC/2013/ICAN/00000001964
28th April 2023

Tomi Somefun
Managing Director/CEO
FRC/2013/ICAN/00000002231
28th April 2023

COMPLIANCE STATUS

In the opinion of the Board of Directors, during the year under review, the Bank complied with the following Codes of Corporate Governance:

a. The Central Bank of Nigeria (CBN) issued Code of Corporate Governance for Banks and Discount Houses in Nigeria 2014.

b. The Securities and Exchange Commission (SEC) issued Code of Corporate Governance for public companies.

c. The National Code of Corporate Governance for Public Companies which became effective in January 2019.

SHAREHOLDERS' MEETING

The shareholders remain the highest decision making body of Unity Bank Plc, subject however to the provisions of the Memorandum and Articles of Association of the Bank, and other applicable legislation. At the Annual General Meetings (AGM), decisions affecting the Management and strategic objectives of the Bank are taken through a fair and transparent process. Such AGMs are attended by the shareholders or their proxies and proceedings at such meetings are monitored by members of the press and representatives of the Nigerian Stock Exchange, Central Bank of Nigeria, Nigeria Deposit Insurance Commission, Corporate Affairs Commission, Securities and Exchange Commission and the Bank's statutory auditors.

OWNERSHIP STRUCTURE

At inception, the public sector ownership within the Bank was more than the regulatory threshold of 10%, the Bank had between 2006 to 2010 reduced the public sector from 70% to 30.40%.

The Bank through the 2014 Capital Raising exercise (vide Rights Issue and Private Placement) diluted the percentage of public sector shareholding in the Bank from 30.40% as at September 3, 2014 to 8.91% as at December 31, 2014. The public sector ownership currently stands at 8.27% as at 31 December 2022.

By so doing the Bank has complied fully with Clause 5:1:2 of the revised Central Bank of Nigeria (CBN) Code of Corporate Governance.

BOARD OF DIRECTORS

The Board of Directors consists of the Chairman, Managing Director/Chief Executive Officer (MD/CEO), Executive Directors (EDs), Non-Executive Directors (Non-EDs) and Independent Directors. The Directors have diverse background covering Economics, Agricultural Economics, Management, Accounting, Psychology, Information Technology, Public Administration, Law, Engineering, and Business Administration. These competences have impacted on the Bank's stability and growth.

The office of the Chairman of the Board is distinct and separate from that of the Managing Director/Chief Executive Officer and the Chairman does not participate in running the daily activities of the Bank. There are no family ties within the Board members.

We confirm that the Chairman of the Board is not a member of any Board Committee and appointment to the Board is made by the shareholders at the Annual General Meeting upon the recommendation of the Board of Directors.

MEMBERSHIP OF THE BOARD OF DIRECTORS

Memberships of the Board of Directors during the year ended 31 December 2022 were as follows:

S/N	Director's Name	Position Held within the Board
1	Aminu Babangida	Board Chairman
2	Dr. Oluwafunsho Obasanjo	Non Executive Director
3	Sam N. Okagbue, FCArb	Independent Director
4	Yabawa Lawan Wabi, *mni*	Non Executive Director
5	Hafiz Mohammed Bashir	Non Executive Director
6	Tomi Somefun	Managing Director/CEO
7	Temisan Tuedor	Executive Director
8	Ebenezer Kolawole	Executive Director
9	Usman Abdulqadir	Executive Director

STANDING BOARD COMMITTEES

The Board carried out its oversight responsibilities through five (5) standing Committees whose terms of reference it reviews regularly. All the Committees have clearly defined terms of reference, which set out their roles, responsibilities and functions, scope of authority and procedures for reporting to the Board. In Compliance with Code No. 6 on industry transparency, due process, data integrity and disclosure requirement, the Board had in place the following Committees and reporting structures through which its oversight functions were performed:

1 Board Risk Management & Audit Committee;

2 Board Credit Committee;

3 Board Finance and General Purpose Committee;

4 Board Governance & Nominations Committee.

5 Statutory Audit Committee

BOARD RISK MANAGEMENT AND AUDIT COMMITTEE

The Board Risk Management & Audit committee has over sight functions over the Bank's internal control systems, financial reporting, disclosure policies and practices and insulating the Bank from operational and lending risks. The Committee is responsible for overseeing on behalf of the Board and shareholders.

- The integrity of financial reporting
- The soundness and adequacy of the Bank's internal control systems
- The independence, qualification and performance of internal and external auditors
- Entrenching a culture of good corporate governance
- Overseeing the overall Risk Management of the Bank;
- Reviewing periodically, Risk Management objectives and other specific Risk Policies for consideration of the full Board;
- Evaluating the Risk Rating Agencies, Credit Bureau and other related Service Providers to be engaged by the Bank;
- Approving the internal Risk Rating Mechanism;
- Reviewing the Risk Compliance reports for Regulatory Authorities;
- Reviewing and approving exceptions to The Bank's Risk Policies;
- Review of policy violations on Risk issues at Senior Management Level;
- Certifying Risk Reports for Credits, Operations, Market/Liquidity subject to limits set by the Board;

- Evaluating the risk profile and risk management plans for major projects and new ventures to determine the impact on the
- Ensuring compliance with global best practice standards as required by the Regulators.
- Monitoring the market, Operational, Reputational, Liquidity, Compliance, Strategic, Legal and other Risks as determined by
- Any other oversight functions as may, from time to time, be expressly requested by the Board.

REPORTING
The Board Risk Management and Audit Committee shall report its Committee business to the Board.

MEMBERSHIP
The Committee is chaired by an independent director and comprises of a total number of Seven (7) members including One (1) Independent Director, Two (2) Executive Directors and the MD/CEO as follows:

1	Sam N. Okagbue, FCArb (Independent Director)	Chairman
2	Dr. Oluwafunsho Obasanjo (Non-Executive Director)	Member
3	Yabawa Lawan Wabi, mni (Non-Executive Director)	Member
4	Hafiz Mohammed Bashir (Non-Executive Director)	Member
5	Managing Director/CEO	Member
6	ED, Risk Management & Compliance	Member
7	ED, Finance & Operations	Member

Executive Directors are excused from the meeting when considering Audit Reports.

BOARD CREDIT COMMITTEE
The Board Credit Committee is charged with the responsibility of evaluating and or approving all credits beyond the powers of Management from N750 Million to N1 Billion for fund based facilities and from N1.5 Billion to N2 Billion for non fund facilities. The following are its terms of reference:

ROLES
The Role of the Committee is:

i. Oversee Management's establishment of policies and guidelines, to be adopted by the Board

ii. Articulating the Bank's tolerances with respect to credit risk, and overseeing Management's administration of, and compliance with, these policies and guidelines.

iii. Oversee Management's establishment of appropriate systems (including policies, procedures, management and credit risk stress testing) that support measurement and control of credit risk.

iv. Periodic review of Management's strategies, policies and procedures for managing credit risk, including credit quality administration, underwriting standards and the establishment and testing of provisioning for credit losses.

v. Overseeing the administration of the Bank's credit portfolio, including Management's responses to trends in credit risk, credit concentration and asset quality.

vi. Coordinate as appropriate its oversight of credit risk with the Board Risk Management Committee in order to assist the Committee in its task of overseeing the Bank's overall management and handling of risk.

vii. Evaluate and or approve all credits beyond the powers of the Executive Management.

viii. Ensure that a qualitative and profitable Credit Portfolio exist for the Bank.

ix. Evaluate and recommend to the Board all credits beyond the Committee's powers.

x. Review of credit portfolio within its limit in line with set objectives.

xi Review of classification of credit advances of the Bank based on prudential guidelines on quarterly basis.

xii. Approving the restructuring and rescheduling of credit facilities within its powers;

xiii. Write-off and grant of waivers within powers delegated by the Board;

xiv. Review and monitor the recovery of non-performing insider related loans.

MEMBERSHIP

The Committee has seven (7) members comprising of four (4) Non-Executive Directors and three (3) Executive Directors as follows:

i.	Dr. Oluwafunsho Obasanjo (Non Executive Director)	Chairperson
ii.	Sam N. Okagbue, FCArb (Independent Director)	Member
iii.	Yabawa Lawan Wabi, *mni* (Non Executive Director)	Member
iv.	Hafiz Mohammed Bashir (Non Executive Director)	Member
v.	Managing Director/CEO	Member
vi.	ED, Risk Management & Compliance	Member
vii.	ED, North Bank & Franchise Business	Member

BOARD FINANCE AND GENERAL PURPOSE COMMITTEE

The Finance & General Purpose Committee of the Board has oversight function on capital and operational expenditures of the Bank as well as staff matters. Its terms of reference are as follows:

1 Periodic review of the Bank's Strategic Plans inclusive of required Organisational Structure to drive the plans;

2 Review of the Bank's Annual Budget and on quarterly basis, Budget variances.

3 Measuring actual performance against budget by reviewing Management accounts and operating results

4 Hire, Fire and Promote staff of Principal Manager grade and recommendations on such issues of staff on grades of AGM and above to the Board;

5 Monitor compensation arrangements to ensure that the Bank is attracting and retaining highly qualified staff through competitive salary and benefits, programmes and awards;

6 Review long range planning for Top and Senior Management development and succession;

7 Review the recommendation of Management for the total size and distribution of the Annual incentive Bonus and approve such amounts or recommend to the Board.

MEMBERSHIP
The Committee comprises Seven (7) Members and the Chairman is a Non-Executive Director. The Membership of the Committee is as follows:

1	Hafiz Mohammed Bashir	Chairman
2	Dr. Oluwafunsho Obasanjo	Member
3	Sam N. Okagbue, FCArb	Member
4	Yabawa Lawan Wabi, *mni*	Member
5	Managing Director/CEO	Member
6	ED, Finance & Operations	Member
7	ED, North Bank & Franchise Business	Member

BOARD GOVERNANCE & NOMINATIONS COMMITTEE (BG&NC)
The BG&NC concentrates on Board Compensations and Appointment matters with the following terms of Reference and Membership:

Functions

- The Committee shall consider matters relating to the composition of the Board and Board Committees.
- The Committee shall handle matters relating to Board remunerations and appointment.
- The Committee shall determine the remuneration, incentive arrangements and benefits of the Chairman of the Board.
- The Committee shall determine the incentive arrangements and benefits of the Executive and Non-Executive Directors of the Bank within the limits imposed by Regulatory Authorities.
- The Committee shall determine the remuneration of executive Directors.
- Review and submit to the full Board, recommendations concerning renewal of Executive Directors' contract, their compensation plans and perquisites and ensure that their packages are competitive.
- The Committee shall recommend any proposed change(s) to the Board.
- The Committee shall keep under review the need for appointments and prepare a description of the specific experience and abilities needed for each Board appointment, consider candidates for appointment as either Executive or Non-Executive Directors and recommend such Appointments to the Board.
- Review the tenor of Non-Executive Directors on the Board and Board Committee assignments and other commitments to the Bank.
- Recommend to the Board renewal of appointment of Executive/Non Executive Directors at the end of their 1st and 2nd term of office based on the outcome of review of Directors performance.
- Advise the Board on succession planning regarding the roles of the Chairman, Chief Executive Officer and Executive Advise the Board on the contents of the Directors Annual Remuneration Report to shareholders.
- To obtain outside or other independent professional advice from third parties with relevant experience in connection with the matters within the Committee's Terms of Reference and

establish the selection criteria and to select, appoint and set the terms of payment for any "Remuneration Consultant" engaged by the Committee to advise it.

- To consider and decide on such matters as the Board may refer to it.
- To establish the criteria for Board and Board Committee Memberships.
- To review candidates' qualifications and any potential conflict of interest.
- To assess the contribution of Directors in connection with their re-nomination and make recommendations to the Board.
- To prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate;
- To periodically evaluate the skills, knowledge and experience required on the Board
- To make recommendations on experience required by Board Committee Members, Committee Appointments and Removal, Operating Structure, Reporting and other Committee Operational matters;
- To provide input to the Annual Report of the Bank in respect of Directors' compensation; To ensure that the Board evaluates itself on an Annual basis;
- To review and make recommendations to the Board for approval of the Bank's organizational structure and any proposed amendments.
- Establish and maintain remuneration, recruitment, retention, incentive and termination policies and practices for Senior Management Staff in line with best practice and the highest standard of Corporate Governance. The remuneration policies of the Bank in general.
- Recommending to the Board policies and processes for effective and dynamic leadership and governance.
- Advising and recommending board education, training, retreats, and orientation for new members.
- Ensuring that the Bank maintains remuneration and incentive policies and practices that are competitive, fair, and in line with best practice in order to attract and retain good hands.
- Recommend a Board succession plan to allow for orderly and smooth succession on the Board.
- The Committee shall ensure that the remuneration of Executives and Board members align with the long term interest of the Bank and its shareholders.
- The Committee shall ensure that the level of remunerations is sufficient to attract, retain and motivate executive officers of the Bank which shall be balanced against the Bank's interest in not paying excessive remuneration.

MEMBERSHIP
The Committee shall comprise of a minimum of four (4) members made up of only Non-Executive Directors with the expertise and independence to carry out their responsibilities and duties effectively. The Membership of the Committee is as follows:

·	Yabawa Lawan Wabi, mni	Chairperson
·	Dr. Oluwafunsho Obasanjo	Member
·	Sam N. Okagbue, FCArb	Member
·	Hafiz Mohammed Bashir	Member

STATUTORY AUDIT COMMITTEE
The Statutory audit committee has over sight functions over the Bank's internal control systems, financial reporting, disclosure policies and practices.

This comprise of equal number of Shareholders representative and Board Members not exceeding six (6). The function of the committee is to ensure:

- The integrity of financial reporting
- The soundness and adequacy of the Bank's internal control systems
- The independence, qualification and performance of internal and external auditors
- Entrenching a culture of good corporate governance

The Committee's terms of reference are defined under the following;

General
- Ensure that there is an open avenue of communication between the Internal Auditors and the Board and confirm the Auditors' respective authority and responsibilities.
- Oversee and appraise the scope and quality of the audits conducted by the Internal and External Auditors.
- Review annually, and if necessary propose for formal Board adoption, amendments to the Committee's terms of reference.

Financial Statement
- Review the Bank's annual, half year and quarterly financial results, and other published information to satisfy itself that they meet all statutory requirements, Securities & Exchange Commission (SEC) requirements, appropriate Financial Reporting Standards and, that there are no unsettled issues of significance between the Management and the Internal Auditors which could affect the truth and fairness of the Statements.
- Review annually the accounting policies of the Bank and make recommendations to the Board.

Internal Audit
- Review and assess the annual internal audit plan.
- Receive and review on quarterly basis, Internal Auditors Reports of the Bank, especially reports on efficiency, cost control and budgetary prudence.
- Review and monitor Management's responsiveness to the findings and recommendations of the Internal Auditors.
- Review the Bank's internal financial controls and risk management systems and submit these reviews and its recommendations to the Board.
- Consider and review with the external auditors the adequacy of the Bank's systems of internal

control (including computerized information systems) and the integrity of the Bank's Financial Statement and its accounts.

- Review promptly all material Reports on the Bank from the internal auditors.
- Ensure that appropriate action is taken on issues arising from such reports.
- Review the activities, resources, organizational structure and the operational effectiveness of internal audit, and where appropriate, make recommendations to the Board.

External Audit

- The Committee shall meet with both the external Auditors and Chief Financial Officer of the Bank to review the scope of the proposed audit for the year and the procedures to be utilized.
- Review with the external auditor and Management, material accounting and financial reporting policies, practices and procedures used by the Bank.
- Review and discuss both with Management and the External Auditor, audited financial statement and other key financial disclosures prior to their release.
- Oversee the independence, qualifications and performance of the Bank's external auditors.
- Consider proposals for the appointment and compensation of External Auditors.

Whistle Blowing

- Review arrangements by which staff/stakeholders/general public may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The Committee will ensure that arrangements are in place for the proportionate and independent investigation and follow-up of such matters.
- Global best practice however requires that a direct channel of communication is established between the whistle blower and the authority to take action (Investigate or cause to be investigated the matter being blown). The direct channel should be through the Board Audit Committee.

Regulatory Reports

- Examine CBN/NDIC examination Reports, Management responses and make recommendations.
- Receive regular reports on significant litigation and financial commitments and potential liability (including tax) issues that have a material impact on the Bank's financial condition or reputation.

Reporting

- The Statutory Audit Committee shall report its Committee business to the Board

MEMBERSHIP

The Committee comprises of a total number of Five (5) members made up of three (3) Shareholders representative and two (2) Non-Executive Directors

1	Sunday B Akinniyi (Shareholder's representative)	Chairman
2	Funke T. Shodeinde (Shareholder's representative)	Member
3	Ahmed U. Ndanusa (Shareholder's representative)	Member

4	Yabawa Lawan Wabi, mni (Non-Executive Director)	Member
5	Sam N. Okagbue (Independent Director)	Member

REMUNERATION OF DIRECTORS

The Shareholders, at the Bank's Annual General Meeting, set and approve the annual remuneration of members of the Board of Directors. The annual emoluments of the Directors are stated in Note 33c of the Financial Statement.

ATTENDANCE OF BOARD AND COMMITTEE MEETINGS

The table below shows the frequency of meetings of the Board of Directors and Board Committees, as well as Members' attendance from January 1, 2022 to December 31, 2022.

BOARD MEETING DATES AND ATTENDANCE OF DIRECTORS FOR 2022:

	Board	Board Credit Committee	Board Risk Management & Audit Committee	Board Governance & Nomination Committee	Statutory Audit Committee	Board Finance & General Purpose Committee
Date of meetings	18/2/2022 27/5/2022 19/8/2022 17/11/2022	15/2/2022 24/5/2022 16/8/2022 15/11/2022	14/2/2022 29/3/2022 23/5/2022 15/8/2022 14/11/2022	25/5/2022 14/11/2022	02/07/2022 29/3/2022 16/5/2022 08/08/2022 11/07/2022	16/2/2022 25/5/2022 17/8/2022 16/11/2022
Number of Meetings	4	4	5	2	5	4
Mr. Aminu Babangida	4	N/A	N/A	N/A	N/A	N/A
Oluwafunsho Obasanjo	4	4	5	2	N/A	4
Sam N. Okagbue	4	4	5	2	5	4
Yabawa Lawan Wabi, mni	4	4	5	2	5	4
Hafiz Mohammed Bashir	4	4	5	2	N/A	4
Tomi Somefun	4	3	4	N/A	N/A	4
Temisan Tuedor	4	4	N/A	N/A	N/A	4
Ebenezer A. Kolawole	4	N/A	4	N/A	N/A	4
Usman Abdulquadir	4	4	4	N/A	N/A	N/A
SHAREHOLDERS REPRESENTATIVES						
Sunday Babatunde Akinniyi	N/A	N/A	N/A	N/A	5	N/A
Funke T. Shodehinde	N/A	N/A	N/A	N/A	5	N/A
Ahmed Umar Ndanusa	N/A	N/A	N/A	N/A	5	N/A

INTERNAL AUDIT

The Bank has separate staff within the internal audit function separate from operational and management Internal control Charter for its internal audit exercise. The Charter isolates and insulates the Internal Audit Division from the control and influence of the Executive Management so as to independently review the Bank's operations. Under the Charter, the Internal Auditors' report is submitted directly to the Statutory Audit Committee.

EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee (EXCO) reviews and approves credit facilities up to its limit and an amount above its limit goes to the Board Credit Committee for review and approval. The Committee meets once a month or as the need arises.

Membership of the Executive Management Committee (EXCO) is made up of the Managing Director/Chief Executive Officer as Chairman with all Executive Directors as Members.

FUNCTIONS OF THE COMMITTEE

The Committee is charged with the responsibility of evaluating and or approving all credits beyond the powers of the Managing Director from N251Million to N750 Million for fund based facilities and N1.5 Billion for non fund facilities. The following are its terms of reference:

- Overseeing and monitoring the day-to-day operations of the Bank.
  Consideration of budget proposal and recommendation of same to the Finance & General Purpose Committee of the Board(F&GPC).
- Monitoring of the Bank's Management Accounts and Operating Results with a view to ensure that the Bank attains its budget. Establishment and maintenance of the Bank's relationship with other banks which include: opening bank accounts, establishing the mandate and list of authorized signatories for the operation of such accounts, acceptance of banking facilities within defined limits.
- Consideration of Staff issues that include employment, promotion and discipline of defined cadre of staff.
- Make recommendations to the F & GPC on recruitment, promotion and discipline of staff of Principal Manager grade level and above.
- Approval of capital expenditure within the monetary limits set by the Board.
- Evaluation and approval of credits within approval limits set by the Board.
- Evaluation and recommendation of all credits beyond its powers to the Board Credit Committee or the Board.
- Write-off and grant of waivers within powers delegated to it by the Board.
- Recommendation of write-off and waivers above its limit to the Board Credit Committee or the Board.
- Monitoring the overall risk management of the Bank.
- Formulation of policies necessary for the successful running of the Bank.
- Such other matters as may be specifically delegated to the Committee by the Board.
- Reports on its activities to the Board.

ASSETS AND LIABILITY COMMITTEE (ALCO)

The Assets and Liability Committee meets bi-monthly to consider the financial position of the Bank. It manages the Assets and Liabilities of the Bank, measures the performance of same within budgetary limits and assesses regulatory compliance in this regard.

MEMBERSHIP
Membership of the Assets and Liability Committee (ALCO) is as follows:

Chairman:	Executive Director, North Bank & Franchise Business
Members:	Executive Director, Finance & Operations
	Executive Director, Risk Management & Compliance
	Divisional Head, Risk Management
	Head, Lagos & West
	Head, Abuja & Central
	Head, Loan Recovery
Secretary	Treasury Group

FUNCTIONS OF THE ASSETS AND LIABILITY COMMITTEE

- Ensure optimal liquidity and pricing;
- Identify & shore up weak points in the Bank's Assets and Liability profiles;
- Identify opportunities in the economy.

MANAGEMENT IT STEERING COMMITTEE
Membership of the Management IT Steering Committee is as follows:

Chairman:	Group Head, IT & Operations Directorate
Members:	Executive Director, Finance & Operations
	Executive Director, Risk Management & Compliance
	Head, Lagos & West
	Head, Abuja & Central
	Head, Information Technology
	Divisional Head, Risk Management
	Divisional Head, Internal Control
	Divisional Head, Internal Audit
Secretary:	Information Technology Department

FUNCTIONS OF THE MANAGEMENT IT STEERING COMMITTEE ARE AS FOLLOWS:

- IT Policy formulation
- Alignment to the Banks strategy
- Ensure project direction and milestones monitoring
- Budgetary authority

MANAGEMENT CREDIT COMMITTEE
The Management Credit Committee oversees the establishment and management of written policy on the overall Credit Management system. It provides guidelines and standards to administer the acceptance and on-going management of all risks. The Committee also ensures compliance with established policies through periodic review of credits, on periodic basis, the Committee re-evaluates the Bank's credit risk portfolio to accommodate major changes in the internal and external factors. The Committee meets monthly and renders report to the Executive Management Committee through its Secretariat.

MEMBERSHIP
The Committee has the following membership:

Chairman:	Executive Director, North Bank & Franchise Business
Members:	Executive Director, Risk Management & Compliance
	Executive Director, Finance & Operations
	Head, Lagos & West
	Head, Abuja & Central
	Head, Enterprise Risk Management;
	Directorate Head, Company Secretary/Legal Services;
	Divisional Head, Internal Audit;
	Group Head, Operations & IT;
	Divisional Head, Internal Control Group;
Secretary:	Risk Management Group

FUNCTIONS OF THE COMMITTEE:

- Establish the Bank's credit risk profile and manage the profile to be in line with the Bank's risk appetite.
- Review and ensure the adequacy of credit risk management framework bank- wide.
- Ensure appropriate pricing of the Bank's activities in line with their risk profile.
- Ensure the implementation of risk-based pricing model and risk adjusted performance management system bank-wide.
- Review periodic credit risk reports with a view to making necessary remedial recommendations.
- Review adequacy of controls bank-wide.
- Review the credit risk profile of new products, projects, new branches and make recommendations for Management approval or decline of same.
- Review adequacy of business continuity and contingency plans bank-wide.
- Monitor implementation of remedial actions by concerned departments.
- Recommend risk-financing counterparties to Management for consideration

RISK MANAGEMENT
The Board of Directors and Management of Unity Bank Plc are committed to establishing and sustaining best practices in Risk Management in line with international practice. For this purpose, the Bank operates a centralized Risk Management and Control Division, with responsibility to ensure that the Risk Management processes are implemented in compliance with Policies approved by the Board of Directors.

The Board of Directors determines the Bank's goals, in terms of risk, by issuing a Risk Policy. The Policy both defines acceptable levels of risk for day-to-day operations as well as the Bank's willingness to incur risk, weighed against the expected rewards. The Risk Policy is detailed in the Enterprise Risk Management (ERM) Framework, which is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and managing these risks proactively in a cost effective manner. It is a top-level integrated approach to events identification, analysis, assessment, monitoring and identification of business opportunities. Specific policies are also in place for managing risks in the different risk area of Credit, Market and Operational Risks.

The evolving nature of Risk Management practices and the dynamic character of the banking industry necessitate regular review of the effectiveness of each Enterprise Risk Management component. In the light of this, the Bank's Enterprise Risk Management Framework is subject to continuous review to ensure effective Risk Management. The review is done in either or both of the following ways:

- Continuous self evaluation and monitoring by the Risk Management and Control Division in conjunction with Internal Control; and
- Independent evaluation by External Auditors and Examiners.

Implementation of Code of Corporate Governance

In compliance with sections of the code, the Bank has established a Compliance Division with responsibilities of implementing Code of Corporate Governance in addition to monitoring compliance of the Money Laundering requirements.

In compliance with section 5.3.1 of the code of Corporate Governance, we have established an alert menu on our web site

- where all stakeholders can access and provide useful information or grievances on any issues that directly and /or indirectly affect them or the Bank.
- The Chairman of the Board does not serve as Chairman/Member of any of the Board Committees;
- The Bank's organizational chart approved by CBN reflects clearly defined lines of responsibility and hierarchy;

The Bank also has in place, a system of internal control, designed to achieve efficiency, effectiveness of operations, reliability of and regulations at all levels of financial reporting and compliance with applicable laws.

Security Trading Policy

In compliance with section 14 of Nigerian Stock Exchange (NSE) amended rules, the Bank has developed a security trading policy and it is being adhered to by the Board, management and staff.

Statement of **Directors' Responsibility**

IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Board of directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with IFRS Standards as issued by International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020, Financial Reporting Council of Nigeria Act, 2011, Banks and other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The directors have made assessment of the Bank's ability to continue as a going concern and have no reason to believe that the Bank will not remain a going concern other than as disclosed in note 35 of the financial statements.

The financial statements of the Bank for the period ended 31 December 2022 was approved by the Directors on the 28th April 2023.

On behalf of Directors of the Bank;

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

28th April 2023

Hafiz Mohammed Bashir
Chairman
FRC/2023/PRO/DIR/003/026716

28th April 2023

Report of the **Statutory Audit Committe**

FOR THE PERIOD ENDED 31 DECEMBER 2022

TO THE MEMBERS OF UNITY BANK PLC

In accordance with the provisions of section 404 of the Companies and Allied Matters Act (CAMA) 2020. we confirm that the accounting and reporting policies of the Bank conformed with the Statutory requirement and agreed ethical practices.

In our opinion, the scope and planning of both the internal and external audits for the period ended 31 December 2022 were adequate. We have also received, reviewed and discussed the auditor's findings on management matters. We are totally in agreement with the External Auditors findings and expressed our views on these matters to Management.

The Committee reviewed the Audit Report on insider related-party transactions and was satisfied with management responses thereon.

The internal control system of the Bank was also being constantly and effectively monitored.

Dated 28th April 2023

Sunday Babatunde Akinniyi
Chairman, Audit Committee
FRC/2013/ICAN/00000003623

1. Sunday Babatunde Akinniyi	Chairman
2. Funke Titilayo Shodeinde	Member
3. Ahmed Umar Ndanusa	Member
4. Yabawa Lawan Wabi, *mni*	Member
5. Sam N. Okagbue, *FCArb.*	Member

SOCIETY FOR CORPORATE GOVERNANCE NIGERIA
Leadership and Integrity

Board of Directors Independent Evaluation Report

FOR UNITY BANK PLC

EXECUTIVE SUMMARY
The Society for Corporate Governance Nigeria was engaged to conduct an independent evaluation/ assessment of the performance of the Board of Unity Bank Plc for 2022 as part of the stipulated regulatory requirement.

SCOPE
The scope of the evaluation covered the following areas:

- Composition, commitment, and alignment of the skills/qualifications of directors to business requirement and performance
- Composition/effectiveness of the committees
- Compliance with existing regulatory requirement
- Effectiveness of directors in delivery of their fiduciary responsibilities
- Effective transparency and disclosure channels

Below is a summary of our findings:

Leadership:
The Board Chairman exhibits a leadership style that promotes an environment that encourages and supports the active participation and contribution of Board members at meetings. The position of the Chairman and Managing Director are held by separate individuals which shows clear separation of powers between both offices. The Chairman is a Non-Executive Director and not a member of any board committee in line with regulatory requirements.

Board Meetings:
The Board met four (4) times in the period under review. Meetings held were constructive, aligned to the agenda and directors gave meaningful contributions. Board packs were circulated to directors to better prepare for meetings. The Board adequately performed its oversight and other functions to the company.

Board Composition & Capacity:
The Board comprises of nine (9) directors: Female (3) and Six (6) Male. The board composition is as follows: four(4) Executive Directors, four(4) Non-Executive Directors and one(1) Independent Non-Executive Director.The Board is diverse in skill and experience.

Board Committees:
The Board has five (5) constituted committees namely: Board Risk Management and Audit Committee, Board Finance and General-Purpose Committee, Board Governance and Nomination Committee , Statutory Audit Committee, Board Credit Committee. All committees have charters / articulated Terms of Reference and these committees met regularly as required by regulators with most members in attendance.

Board Oversight Functions:
All policy documents were sighted and assessed for content and relevance and were found to be detailed, comprehensive, and articulate in efficiently guiding business processes and mitigating risk exposures.

Director Appointment & Development:
Directors have shown commitment to regular trainings to update their knowledge and skill. Board members attended training on Compliance Risk Management, Ethics and Governance for Board Optimization in the year under review.

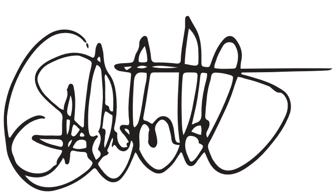
Risk Management & Compliance:
The Board has established an adequate Risk Management framework for managing risk exposures and ensuring effective internal control systems. The Board has established processes and systems for assessing, monitoring, managing, and reporting regulatory compliance. The Board ensures an annual risk assessment by duly evaluating all risk exposures of the Company's business. The risk management function is headed by a qualified management team that periodically reports to the risk management committee of the Board.

Based on the analysis of the result, the Board of Directors have demonstrated its dedication and commitment to the growth and success of the Company. This is demonstrated by their contributions, individual performance, attendance at Board and Committee meetings and the depth of discussions and resolutions arrived at during these meetings. There is also an alignment between the competencies of directors and the requirements/needs of the Company. However, that the board consider appointing one of its NEDs as an additional independent director in line with principle 2.2.4 of the CBN CODE that requires the Board of banks to have two NEDS as Independent Directors.

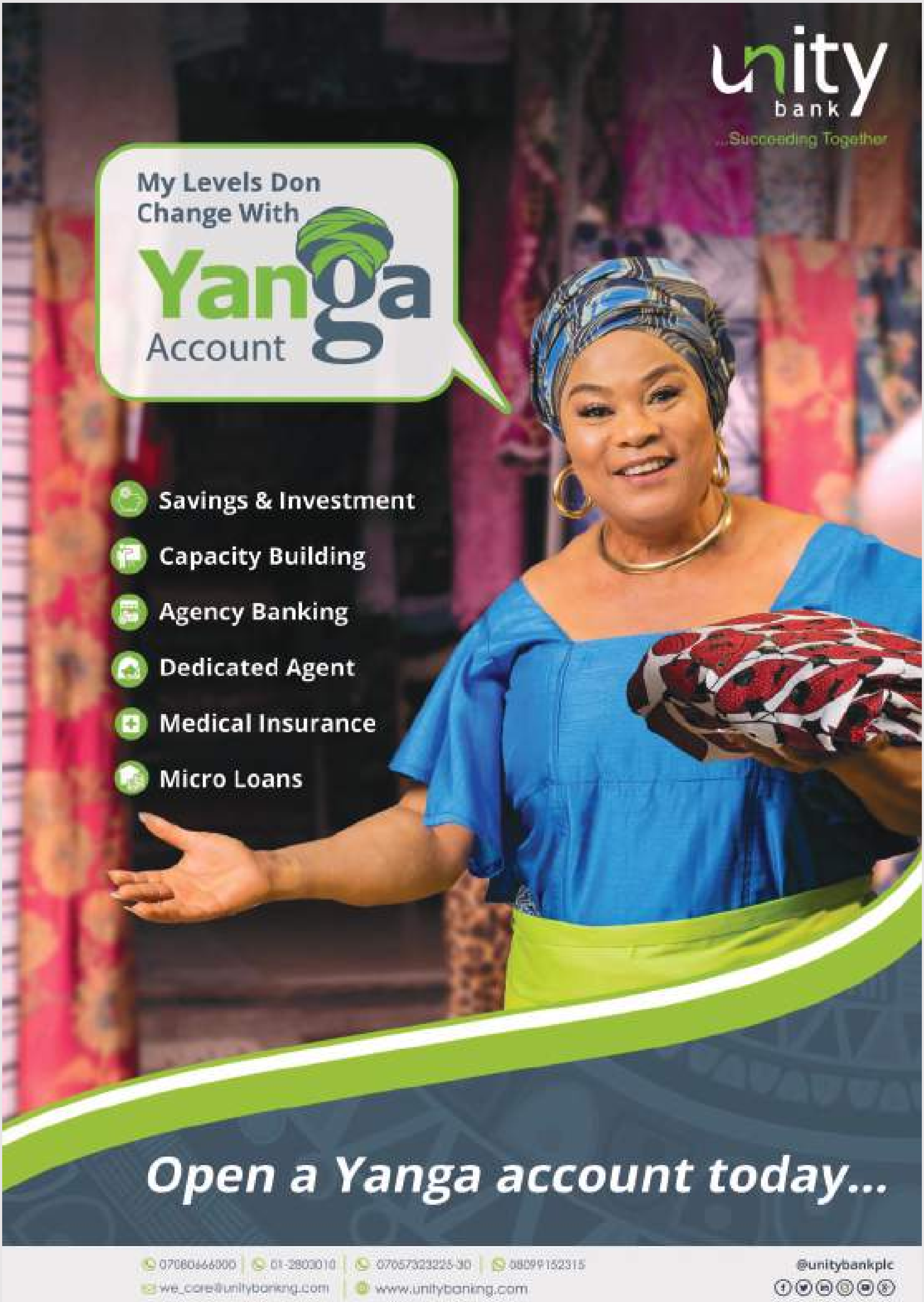
In line with the SEC CODE of Corporate Governance for Public Companies, the Nigerian Code of Corporate Governance (NCCG) and the CBN Code of Corporate Governance for Banks in Nigeria, we have found Unity Bank Plc to a large extent compliant with regulatory requirements and recommended best practices for the period under review (2022).

In all, we are happy to state that the Board of Unity Bank Plc conducted its affairs in an acceptable and satisfactory manner in 2022.

SOCIETY FOR CORPORATE GOVERNANCE NIGERIA



Chioma Mordi (Mrs.)
Chief Executive Officer
FRC/2014/NIM/00000007899



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INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report

TO THE SHAREHOLDERS OF UNITY BANK PLC.

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Unity Bank Plc (the Bank), which comprise:

- the statement of financial position as at 31 December 2022;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 35 of the financial statements, which indicates that the Bank made a profit of NGN941.4million for the year ended 31 December 2022. As at same date, the Bank's total liabilities exceeded its total assets by NGN274.9billion and the Bank did not meet the required minimum Capital Adequacy Ratio (CAR) of 10% and the minimum capital requirement of NGN25.00 billion for a national bank as required by the Central Bank of Nigeria (CBN). As stated in Note 35, these events or conditions,

along with other matters as set forth in Note 35, 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.

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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matter to be communicated in our report

Expected Credit Loss on Loans and Advances to Customers

The determination of expected credit loss (ECL) allowance requires the application of certain financial indices which are estimated from financial data obtained from within and outside the Bank as inputs, into complex financial models. The approach used in estimating the ECL allowance on loans and advances to customers is based on whether there is a significant increase in credit risk on the loan portfolio. Where there is evidence of a significant increase in credit risk on loans and advances to customers, the ECL allowance is estimated from losses expected to result from default events over the life of the loans. Where there is no evidence of significant increase in credit risk for loans and advances to customers, the ECL allowance is recognized based on an estimate of the losses expected to result from default events within 12 months after the reporting date. The estimate of the expected credit losses is an output of the model, with the key assumptions being the:

- Possibility of a loan becoming past due and subsequently defaulting; and
- Rate of recovery on the loans that are past due and in default.

The Bank incorporates forward-looking information into the measurement of ECL allowance. This includes assumptions of the impact of changes in the economic environment on the calculation of ECLs of loans and advances.

The ECL allowance on loans and advances to customers is considered to be of most significance in the audit due to the high level of subjectivity, judgments and assumptions applied by management in estimating the impact of key assumptions on the recoverability of loan and advances to customers, including the application of industry knowledge and future economic conditions in arriving at the level of credit loss required.

How the matter was addressed in our audit

Our procedures included the following:

- We evaluated the design, implementation and operating effectiveness of the key controls over the impairment assessment process.

- We assessed whether the staging of loans and advances on a sample basis used in the ECL allowance measurement was consistent with the Bank's impairment policy manual.

- We assessed the appropriateness of the Bank's determination of significant increase in credit risk and the resultant classification of loans into the various stages by examining the performance of the loans and advances on a sample basis. For loans and advances which have shown a significant increase in credit risk, we evaluated the level of past due obligations and qualitative factors such as available industry information about the obligors to determine whether the Bank should make an estimate based on the losses expected to result from default events within a year or defined default events over the life of the facilities.

- We also agreed significant loans and advances to relevant documentation such as loan agreements, repayment schedules and the bank statements.

- With the assistance of our financial risk management specialists, we tested the key data and assumptions for the data input into the ECL model used by the Bank and the reasonableness of the expected credit loss charged by:

  - challenging the reasonableness of the Bank's ECL methodology, considering whether it reflects unbiased and probability-weighted amounts that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic condition.

  - assessing the appropriateness of the Bank's forward-looking assumptions by comparing management's assumptions with publicly available information from external sources.

  - assessing the appropriateness of the approach and significant assumptions for determining the Probability of Default (PD) and Loss Given Default (LGD) used by the Bank in its ECL calculation by determining whether the data applied from external sources are aligned with the generally available data; and

  - re-performing the calculations of impairment allowance for loans and advances as at 31 December 2022 using the Bank's impairment model.

The Bank's accounting policy on impairment and related disclosures on credit risk are shown in notes 3.2 and 18 of these financial statements

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Corporate Governance Report, Report of the Statutory Audit Committee, Statement of Directors' Responsibilities in Relation to the Financial Statements, and Other National Disclosures which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon. Other information also includes Financial Highlight, Executive Summary, Profile of the Board of Directors, Report of the Board and Management Board Evaluation Report, Principal Officers, Corporate Social Responsibility Report, Branch Network Information, Product Information, Electronic Channels and Shareholder Information and the notice of Annual General Meeting together the "Outstanding reports", which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Audit Committee.

Responsibilities of the Directors for the Financial Statements
The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 BSD/1/2004

i. The Bank did not pay penalty in respect of contravention of the Banks and Other Financial Institutions Act, 2020 during the year ended 31 December 2022.
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/00000000786

For: KPMG Professional Services
Chartered Accountants
6 May, 2022
Lagos, Nigeria

Statement of **Profit or Loss**

AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 N'000	2021 N'000
Interest income	6	48,990,838	43,181,559
Interest expense	7	(29,647,236)	(23,127,005)
Net interest income		**19,343,602**	**20,054,554**
Fee and commission income	8	7,686,690	6,117,070
Fee and commission income		7,686,690	6,117,070
Net trading loss	9	(233,839)	(1,307,675)
Other operating income	10	472,326	985,717
		238,487	(321,958)
Total operating income		**27,268,779**	**25,849,666**
Net remeasurment of ECL allowance on financial assets	11	1,203,857	2,563,926
Net operating income		**28,472,636**	**28,413,592**
Personnel expenses	12	(11,161,067)	(10,536,510)
Depreciation of property and equipment	21	(2,465,851)	(1,934,265)
Amortisation of intangible assets	22	(79,765)	(50,905)
Other operating expenses	13	(13,379,828)	(12,559,781)
Total operating expenses		**(27,086,511)**	**(25,081,460)**
Profit before minimum tax		1,386,125	3,332,132
Minimum tax expense	14	(285,280)	(124,264)
Profit before tax		1,100,845	3,207,868
Income tax expense	14	(159,470)	(34,616)
Profit after tax		941,375	3,173,252
Profit for the year		941,375	3,173,252
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Fair value movements on equity instruments at FVOCI	31	1,500,690	3,678,162
Items that are or may be reclassified to profit or loss:			
Net changes in fair value on Debt securities at FVOCI during the year	31	(1,236,777)	(7,595,075)
Other comprehensive income for the year, net of tax		263,913	(3,916,913)
Total comprehensive income for the year, net of tax		**1,205,288**	**(743,661)**
Earnings per share			
Basic earnings per share (kobo)	15	8.05	27.15
Diluted earnings per share (kobo)	15	8.05	27.15

The accompanying notes are an integral part of these financial statements.

Statement of **Financial Position**

	Notes	31 DEC 2022 N'000	31 DEC 2021 N'000
Assets			
Cash and balances with Central Bank	16	47,116,736	68,608,050
Due from banks	17	21,732,544	36,980,421
Loans and advances to customers	18	289,355,699	269,269,716
Investment Securities:			
At fair value through other comprehensive income	19a	43,776,330	52,129,755
Debt instruments at amortised cost	19b	68,866,346	71,896,064
Property and equipment	21	23,459,506	22,668,391
Intangible assets	22	1,630,115	145,734
Other assets	20	14,206,683	17,170,625
Deferred tax assets	23	-	-
Total assets		**510,143,959**	**538,868,756**
Liabilities			
Due to other banks	24	117,731,414	143,321,585
Deposits from customers	25	327,429,673	322,284,567
Borrowings	26	297,381,214	309,185,583
Current tax liabilities	27	659,484	463,865
Other liabilities	28	41,890,341	39,765,666
Employee benefit liabilities	29	-	945
Total liabilities		**785,092,126**	**815,022,211**
Equity			
Share capital	30	5,844,669	5,844,669
Share premium	30	10,485,871	10,485,871
Statutory reserve	30	13,367,368	13,226,162
Accumulated deficit	30	(380,834,043)	(371,734,695)
Non distributable Regulatory Risk Reserve	30	11,613,893	1,761,444
Other reserves	31	64,574,075	64,263,094
Total equity		**(274,948,167)**	**(276,153,455)**
Total liabilities and equity		**510,143,959**	**538,868,756**

The accompanying notes are an integral part of these financial statements. The financial statements were approved by the Board of directors for issue on the 28 th April 2023 and signed on its behalf by:

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

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

Hafiz Mohammed Bashir
Ag. Chairman
FRC/2023/PRO/DIR/003/026716

Statement of **Changes In Equity**

AS AT 31 DECEMBER 2022

	Share Capital	Share Premium	Statutory Reserves	Accumulated Deficit	Non distributable Regulatory Risk Reserve	Other Reserves	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 JANUARY 2022	5,844,669	10,485,871	13,226,162	(371,734,695)	1,761,444	64,263,094	(276,153,455)
Profit for the year	-	-	-	941,375	-	-	941,375
Other comprehensive income	-	-	-	-		263,913	263,913
Total Comprehensive Income for the year	**-**	**-**	**-**	**941,375**	**-**	**263,913**	**1,205,288**
Transfer to Statutory Reserve	-	-	141,206	(141,206)	-	-	-
Transfer from non distributable reserve	-	-	-	(9,852,449)	9,852,449		-
Transfer to AGSMEIS Reserve	-	-	-	(47,068)	-	47,068	-
At 31 DECEMBER 2022	**5,844,669**	**10,485,871**	**13,367,368**	**(380,834,043)**	**11,613,893**	**64,574,075**	**(274,948,167)**
At 1 JANUARY 2021	5,844,669	10,485,871	12,750,174	(372,722,376)	51,859	68,180,007	(275,409,796)
Profit for the year	-	-	-	3,173,254	-	-	3,173,254
Other comprehensive income	-	-	-	-	-	(3,916,913)	(3,916,913)
Total Comprehensive Income for the year	**-**	**-**	**-**	**3,173,254**	**-**	**(3,916,913)**	**(743,659)**
Transfer to Statutory Reserve	-	-	475,988	(475,988)	-	-	-
Transfer from non distributable reserve	-	-	-	(1,709,585)	1,709,585	-	-
At 31 DECEMBER 2021	**5,844,669**	**10,485,871**	**13,226,162**	**(371,734,695)**	**1,761,444**	**64,263,094**	**(276,153,455)**

Statement of **Cash Flows**

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 N'000	2021 N'000
Cash flows from operating activities			
Profit after tax		**941,375**	**3,173,252**
Minimum tax		285,280	124,264
Tax expense		159,470	34,616
Profit before tax		**1,386,125**	**3,332,132**
Adjustment for non cash items:			
Impairment charge/(write back) on debt instruments	11	376,540	(1,570,765)
Impairment charge on other assets	11	835,209	382,911
Contribution Costs	29	517,598	528,610
Depreciation of property and equipment	21	2,465,851	1,934,265
Amortization of intangible assets	22	79,765	50,905
Gain on disposal of property and equipment	39i	(27,637)	(51,128)
Write off of property and equipment	39i	-	25,272
Loss/(gain) from sale of investments	10	46,389	(102,329)
Interest income	6	(48,990,838)	(43,181,559)
Interest expense	7	29,647,236	23,127,005
Divided income	10	(140,293)	(96,710)
		(13,804,055)	**(15,621,392)**
Changes in operating assets and liabilities			
Net increase in loans and advances	39(a)	(20,499,746)	(66,263,355)
Net decrease/(increase) in other assets	39(b)	2,309,733	(9,259,364)
Net increase in CBN - AGSMSEIS Account	39(k)	(158,663)	(104,350)
Net increase/(decrease) in deposit from customers	39(d)	2,674,254	(35,541,297)
Net (decrease)/increase in due to other banks	39(e)	(25,757,044)	36,097,532
Net increase in other liabilities	39(f)	2,099,831	279,131
		(39,331,635)	(74,791,704)
Cash used from operations		**(53,135,690)**	**(90,413,095)**
Income tax paid	27	(249,131)	(194,199)
Interest received	39(g)	46,419,952	40,884,660
Interest paid	39(h)	(19,590,854)	(14,714,269)
Dividend income	10	140,293	96,710
Payment on employee contribution plan	29	(518,543)	(528,780)
Net cash flows used in operating activities		**(26,933,973)**	**(64,868,973)**
Cash flows from investing activities			
Purchase of property and equipment	39(c)	(3,968,193)	(2,796,923)
Purchase of intangible assets	22	(1,563,676)	(47,802)
Proceeds from disposal of property and equipment	39(i)	65,811	80,958
Acquisition of investment securities at FVOCI	19a	(42,303,340)	(64,046,856)
Proceeds from disposal of financial instrument at FVOCI	19a	50,920,678	70,839,800
Disposal /(Acquisition) of investment securities at amortized cost	19c	4,636,920	(4,321,871)
Net cash flows from/(used in) investing activities		**7,788,200**	**(292,694)**
Cash flows from financing activities:			
Borrowings			
Proceeds from loans and borrowings	26	10,704,839	175,592,410
Repayment of borrowing	26	(28,473,336)	(137,485,612)
Net cash flows from financing activities		**(17,768,497)**	**38,106,798**
Net decrease in cash and cash equivalents		(36,914,270)	(27,054,869)
Cash and cash equivalents at 1 January		105,187,077	132,225,529
Effect of exchange rate movement on cash balances		12,745	16,417
Cash and cash equivalents at year end	39(j)	68,285,552	105,187,077

The accompanying notes are an integral part of these financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

1. Corporate Information

Unity Bank Plc provides Banking and other financial services to corporate and individual customers. Such services include but are not limited to granting of loans and advances, corporate Banking, retail Banking, consumer and trade finance, international Banking, cash management, electronic Banking services and money market activities.

Unity Bank is a Public Limited Liability company incorporated in Nigeria to carry on the business of Banking. The Bank's shares are listed on the Nigerian Stock Exchange. Its registered office is at 42, Ahmed Onibudo Street, Victoria Island, Lagos.

2.1. Statement of Compliance & Basis of preparation

The financial statements of the Bank have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards). The financial statements comply with Companies and Allied Matters Act (CAMA) 2020, Banks and Other Financial Institutions Act (BOFIA) 2020, Financial Reporting Council of Nigeria (FRCN) Act 2011 and other relevant Central Bank of Nigeria (CBN) circulars.

The financial statements have been prepared in accordance with the going concern principle under the historical cost basis except for financial instruments at Fair Value through Other Comprehensive Income (FVOCI).

2.2. Presentation of financial statements

The Bank presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the statement of financial position date (current) and more than 12 months after the statement of financial position date (non–current) are presented. The financial statements were authorized for issue by the board of directors on 28th April 2023.

2.2.1 Functional and presentation currency

The Bank's functional currency (Nigerian Naira) is adopted as the presentation currency for the financial statements. Except as otherwise indicated, financial information presented in Naira has been rounded to the nearest thousand.

2.2.2 Use of estimate and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about assumptions and estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described as follows:

- Note 3.2 (vi): impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.

- Note 5.2.4: measurement of the fair value of financial instruments with significant unobservable inputs. (level 3)

- Note 32: contingent liabilities - recognition and measurement of contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.

Judgements:
Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in Financial statements in included in the following notes:

Note 5.2: establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.

Note 5.2.4: classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial assets are SPPI on the principal amount outstanding.

3. Changes in Accounting Policies and Disclosure

The accounting policies adopted in the preparation of the financial statement are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2022. The Bank has not earlier adopted any other standard, interpretation or amendment that has been issued but not yet effective. Below is a list of interpretation and amendments that were effective for the first time in 2022 but do not have significant impact on the Bank

3.1. Amendment to IAS 16 – Property, Plant and Equipment: proceeds before intended use

The IASB issued amendment to IAS 16 – Property, Plant and Equipment which is effective for annual reporting periods beginning on or after 1 January 2022. The amendment prohibits the deduction from the cost to an item of property, plant and equipment proceeds of the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity should recognize the sale proceeds and related production cost of those items in Profit or loss.

The amendment must be applied retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendments.

The amendment did not have an impact on the Bank's financial statements.

3.2. Amendment to IAS 37 – Provisions, Contingent liabilities and Contingent assets

The IASB published amendment to IAS 37 – Provisions, Contingent liabilities and Contingent assets in May 2020. The amendment which is effective for annual reporting periods beginning on or after 1 January 2022 specifies the costs an entity needs to include when assessing whether a contract is onerous.

The amendment clarifies that the costs that relate to a contract comprise both incremental costs of fulfilling the contract and an allocation of other direct costs related to the contract activities. The amendment is not expected to have any material impact on the Bank.

IFRS 3 – Reference to the Conceptual Framework

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendment did not have an impact on the Bank's financial statements.

IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. The amendment did not have an impact on the Bank's financial statements.

4. Summary of significant accounting policies

4.1. Foreign currency

Transactions in foreign currencies are initially recorded at the functional (Naira) currency rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the reporting date. All differences arising on non–trading activities are taken to 'Other operating income' in the income statement.

Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions. Non–monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange difference on non-monetary items accounted for based on the classification of the underlying item.

4.2. Financial Assets and Financial Liabilities

I. Recognition

The Bank on the date of origination or purchase recognizes loans, debt and equity securities, deposits at the fair value of consideration paid. For non-revolving facilities, origination date is the date the facility is disbursed while origination date for revolving facilities is the date the line is availed. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

II. Classification and Measurement

Initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss. Financial assets include both debt and equity instruments.

Financial assets are classified into one of the following measurement categories:

- Amortized cost
- Fair Value through Other Comprehensive Income (FVOCI)
- Fair Value through Profit or Loss (FVTPL) for trading related assets

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics.

Business Model Assessment

Business model assessment involves determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Bank assesses business model at a portfolio level reflective of how the assets of the Bank are managed together to achieve a particular business objective. For the assessment of business model the Bank takes into consideration the following factors:

Business Model 1 (BM1) - These are primarily assets held at amortized cost which include retail and corporate loans and advances to customers and certain debt instrument at amortized cost. These financial assets are held in a separate portfolio for long term yield. These debt securities may be sold, but such sales are not expected to be more than infrequent. The Bank considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows.

Business Model 2 (BM2) - Other debt securities are held by the Bank in a separate portfolio to meet everyday needs. The bank seeks to minimize the costs of managing these liquidity needs and therefore actively manages the return on the portfolio. that return consists of collecting contractual cash flows as well as gains and losses from the sale of financial assets. The investment strategy often results in sales activity that is significant in value. the Bank considers that these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Business Model 3 (MB3) - financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are held to collect contractual cash flows nor held to both collect contractual cash flows and to sell financial assets.

Cash flow characteristics assessment
The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

The Bank holds a portfolio of long-term fixed rate loans for which it has the option to propose a revision of the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The right to reset the rates of the loans based on the revision in market rates are part of the contractually agreed terms on inception of the loan agreement, therefore the borrowers are obligated to comply with the reset rates without any option of repayment of the loans at par at any reset date. The Bank has determined that the contractual cash flows of these loans are solely payments of principal and interest because the option varies with the interest rate in a way that is considered a consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

a) Financial assets measured at amortised cost

Financial assets are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization is included in Interest income in the Statement of profit or loss. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach.

Loans and debt securities measured at amortized cost are presented net of allowance for credit losses (ACL) in the statement of financial position.

b) Financial assets measured at FVOCI

Financial assets are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive Income (OCI). Upon derecognition, realized gains and losses are reclassified from OCI and recorded in Non-interest income in the Statement of Comprehensive Income. Foreign exchange gains and losses that relate to the amortized cost of the debt instrument are recognized in the Statement of Comprehensive Income. Premiums, discounts and related transaction costs are amortized over the expected life of the instrument to Interest income in the Statement of Profit or Loss using the effective interest rate method.

c) Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value are recognized as part of Non-interest income in the Income Statement. The Bank can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer term investment purposes. The FVOCI election is made upon initial recognition, on an instrument-by-instrument basis and once made is irrevocable. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the statement of comprehensive income.

Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Statement of profit or loss on sale of the security.

d) Financial liabilities

Financial liabilities are classified into:

- Amortized cost
- Fair Value through Profit or Loss (FVTPL)

i) Financial Liabilities at fair value through profit or loss

Financial liabilities accounted for at fair value through profit or loss fall into two categories: financial liabilities held for trading Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability is classified as Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the income Financial liabilities are designated at FVTPL when either the designation eliminates or significantly reduces an accounting.

ii) Financial Liabilities at amortized cost
Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortized cost using the effective interest rate method. Financial liabilities measured at amortized cost are deposits from Banks or customers, other borrowed funds, debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

III. Reclassifications
Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets. A change in the Bank's business model will occur only when the Bank either begins or ceases to perform an activity that is significant to its operations such as:

- Significant internal restructuring or business combinations; for example an acquisition of a private asset management company that might necessitate transfer and sale of loans to willing buyers, this action will constitute changes in business model and subsequent reclassification of the Loan held from BM1 to BM2 Category
- Disposal of a business line i.e. disposal of a business segment
- Any other reason that might warrant a change in the Bank's business model as determined by management based on facts and circumstances.

The following are not considered to be changes in the business model:
- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets.
- A transfer of financial assets between parts of the Bank with different business models.

When reclassification occurs, the Bank reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. For example, if the Bank decides to shut down the retail business segment on 31st January 2019, the reclassification date will be 1 February 2019 (i.e. the first day of the entity's next reporting period), the Bank shall not engage in activities consistent with its former business model after 31st January, 2019. Gains, losses or interest previously recognized are not be restated when reclassification occurs.

IV. Modification of financial assets and liabilities

a. Financial assets
When the contractual terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value. Any difference between the amortized cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit or loss as 'gains and losses arising from the derecognition of financial assets measured at amortized cost'. If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Bank recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss as part of impairment charge for the year.

In determining when a modification to terms of a financial asset is substantial or not to the existing terms, the Bank will consider the following non-exhaustive criteria.

Quantitative criteria
A modification would lead to derecognition of existing financial asset and recognition of a new financial asset, i.e. substantial modification, if:

- The discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

In addition to the above, the Bank shall also consider qualitative factors as detailed below.

Qualitative criteria
Scenarios where modifications will lead to derecognition of existing loan and recognition of a new loan, i.e. substantial modification, are:

- The exchange of a loan for another financial asset with substantially different contractual terms and conditions such as the restructuring of a loan to a bond; conversion of a loan to an equity instrument of the borrower

- Roll up of interest into a single bullet payment of interest and principal at the end of the loan term

- Conversion of a loan from one currency to another currency Other factor to be considered:

- Extension of maturity dates

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized (see above) and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition.

b. Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. The Bank derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

V. De-recognition of financial instruments
The Bank derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

VI. Impairment of Financial Assets
In line with IFRS 9, the Bank assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Amortized cost financial assets;
- Debt securities classified as at FVOCI;
- Off-balance sheet loan commitments; and
- Financial guarantee contracts.

Equity instruments and financial assets measured at FVTL are not subjected to impairment under the standard.

Expected Credit Loss Impairment Model (ECL Model)
The Bank's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Bank adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition.

- Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to the remaining term to maturity is used.

- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

Measurement of Expected credit losses
The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio.

Details of these statistical parameters/inputs are as follows:

- PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.
- 12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs.
- Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for 'stage 2' and 'stage 3' exposures. PDs are limited to the maximum period of exposure required by IFRS 9.
- EAD – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including the realization of any collateral. It is usually expressed as a percentage of the EAD.

To estimate expected credit loss for off balance sheet exposures, credit conversion factor (CCF) is usually computed. CCF is a modelled assumption which represents the proportion of any undrawn exposure that is expected to be drawn prior to a default event occurring. It is a factor that converts an off balance sheet exposure to its credit exposure equivalent. In modelling CCF, the Bank considers its account monitoring and payment processing policies including its ability to prevent further drawings during periods of increased credit risk. CCF is applied on the off balance sheet exposures to determine the EAD and the ECL impairment model for financial assets is applied on the EAD to determine the ECL on the off balance sheet exposures.

Forward-looking information
The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Macroeconomic factors
The Bank relies on a broad range of forward looking information as economic inputs, such as:

GDP growth, crude oil prices, inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

Multiple forward-looking scenarios
The Bank determines allowance for credit losses using three probability-weighted forward looking scenarios. The Bank considers both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. The Bank prepares the scenarios using forecasts generated by credible sources such as Business Monitor International (BMI), International Monetary Fund (IMF), Nigeria Bureau of Statistics (NBS), World Bank, Central Bank of Nigeria (CBN), Financial Markets Dealers Quotation (FMDQ), and Trading Economics.

The Bank estimates three scenarios for each risk parameter (LGD, EAD, CCF and PD) – Normal, Upturn and Downturn, which in turn is used in the estimation of the multiple scenario ECLs. The 'normal case' represents the most likely outcome and is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses.

Assessment of significant increase in credit risk (SICR)
At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region.

The Bank adopts a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative (primary), Qualitative (secondary) and Back stop indicators which are critical in allocating financial assets into stages.

The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the Bank's internal rating system or External Credit Assessment Institutions (ECAI) while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau etc.

A backstop is typically used to ensure that in the (unlikely) event that the primary (quantitative) indicators do not change and there is no trigger from the secondary (qualitative) indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 as the case may be except there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

Definition of Default and Credit Impaired Financial Assets
At each reporting date, the Bank assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter Bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.
- Others include death, insolvency, breach of covenants, etc.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In addition, loans that are more than 90 days past due are considered impaired except for certain specialized loans (Project Finance, Object Finance and Real Estate Loans as specified by the Central Bank of Nigeria) in which the Bank has rebutted the 90 DPD presumptions in line with the CBN Prudential Guidelines.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Bank considers the following factors:

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position
Loan allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- Debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value.

However, the loss allowance is disclosed and is recognized in the fair value reserve.

VII. Write-off
The Bank writes off an impaired financial asset (and the related impairment allowance), either partially or

in full, no reasonable expectation of recovery as set out below. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- The Bank's recovery method is foreclosing collateral and the value of the collateral is such that there is reasonable expectation of recovering the balance in full.

All credit facility write-offs shall require endorsement at the appropriate level, as defined by the Bank. Credit write-off approval shall be documented in writing and properly initialed by the approving authority.

A write-off constitute a derecognition event. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognized as income on a cash basis only.

VIII. Offsetting financial instruments
Master agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will fall due and all amounts outstanding will be settled on a net basis. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or Bankruptcy of the company or the counterparty.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a Bank of similar transactions such as in the Bank's trading activity.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense are not offset in the income statement unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Bank.

(h) Investment securities
Investment securities are initially measured at fair value plus, in case of investment securities not at fair value through profit or loss, incremental direct transaction costs and subsequently accounted for depending on their classification as amortized cost, fair value through other comprehensive income.

4.4. Recognition of income and expenses
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

(i) Interest and similar income and expense
Effective interest rate:
Interest income and interest expense are recognized in profit or loss using the effective interest rate method. The 'effective interest rate" is the rate that exactly discounted future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial assets; or
- the amortized cost of the financial liability.

When calculating effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount:
The “amortized cost” of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. the ‘gross carrying amount of a financial asset’ is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

Presentation:
Interest income and interest expense calculated using the effective interest method presented in the statement of profit or loss and OCI includes:

- interest on financial assets and financial liabilities measured at amortized cost;
- interest on debt instrument measured at FVOCI;
- interest expense on financial liabilities measured at amortized cost;
- other interest income presented in the statement of profit or loss and OCI includes interest income on lease receivable
- interest expense on lease liabilities

Interest income and expense on all trading assets and liabilities are considered to be incidental to the bank’s trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Cash flows related to capitalized interest are presented in the statement of cash flows consistently with interest cash flows that are not capitalized.

(ii) Fee and commission income earned from services that are provided over a certain period of time Fees earned for the provision of services over a period of time are accrued over that period.

Loan commitment and processing fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognized as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognized over the commitment period on a straight line basis.

(iii) Net trading income comprises gains less losses related to assets and liabilities. It includes all realized and unrealized gains and/or losses on revaluation of FCY denominated assets and liabilities.

(iv) Other Operating Income: income relate mainly to transaction and service fees, which are recognized as the services are rendered.

(v) Dividend income
Dividend income is recognized when the Bank's right to receive the payment is established. Usually, this is the exdividend date for quoted equity securities. Dividends are presented in other income based on the underlying classification of the equity investment.

4.5. Cash and cash equivalents
Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non–restricted current accounts with central Banks and amounts due from Banks on demand or with an original maturity of three months or less.

4.6. Property and Equipment
Property and equipment (including equipment under operating leases where the Bank is the lessor) is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Depreciation which commences when the asset is available for use is calculated using the straight–line method to write down the cost of Property and Equipment to their residual values over their estimated useful lives. The estimated useful lives are as follows:

- Buildings... 50 years
- Computer equipment...................... 5 years
- Property & Equipment...................... 5 years
- Motor Vehicles.................................... 4 years
- Furniture & fittings............................. 5 years
- Lease hold Improvement .... Over the remaining life of the lease

Land is not depreciated. Work in progress is also not depreciated.

Property and Equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in 'Other operating income' in the income statement in the year the asset is derecognized.

4.7. Intangible assets
The Bank's other intangible assets include the value of computer softwares.

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Bank.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Subsequent expenditure on computer software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least each financial year–end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

Amortization is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

- Computer software............................ 5 years

4.8. Impairment of non–financial assets
The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash–generating unit's (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

4.9. Employee benefits
Defined contribution pension plan
The Bank operates a defined contribution pension plan in line with the Pension Reform Act, 2014. The plan is funded by contributions from the Bank and the employees. The Bank has no further payment obligations once the contributions have been paid. Contribution payable is recorded as an expense under 'Personnel expenses'. Unpaid contributions are recorded as a liability.

Short term employee benefit
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.10. Provisions
Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement net of any reimbursement.

4.11. Taxes
Income tax expense comprises current tax (company income tax, tertiary education tax National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. The Bank had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(i) Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

(ii) Minimum tax
Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

The Minimum tax liability is determined based on 0.5% of Gross turnover less franked investment income for tax returns prepared for 2023 Year of Assessment (YOA).

The Bank offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, there is a legally enforceable right to set off the recognized amounts, and it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realized.

(ii) *Deferred tax*
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Bank is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Bank. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

4.12. Fiduciary assets
The Bank provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients.

Assets held in a fiduciary capacity are reported in the financial statements as contingent assets.

4.13. Dividends on ordinary shares
Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Bank.

Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the statement of financial position date.

4.14. Segment reporting
The Bank's prepared its segment information based on geographical segments as its primary reporting segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments. The Bank operated Two (2) geographical segments in addition to the Head Office which are: North and South Bank.

The Managing Director/CEO reviews the returns from each segment to make decisions about resources allocated to each segment and assess its performance and for which discrete financial information is available. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4.15. Earnings per share
The Bank presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Where there are shares that could potentially affects the numbers of share issued, those shares are considered in calculating the diluted earnings per share. There are currently no share that could potentially dilute the total issued shares.

4.16. Loans and advances
Loans and advances' captions in the statement of financial position include:

loans and advances measured at amortized cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortized cost using the effective interest method;

When the Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognized in the Bank's financial statements.

4.17. Investment securities
The 'investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortized cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortized cost using the effective interest method;
- debt securities measured at FVOCI; and
- equity investment securities designated as at FVOCI.

For debt securities measured at FVOCI, gains and losses are recognized in OCI, except for the following, which are recognized in profit or loss in the same manner as for financial assets measured at amortized cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When debt security measured at FVOCI is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss.

The Bank elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognized in profit or loss. Dividends are recognized in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognized in OCI. Cumulative gains and losses recognized in OCI are transferred to retained earnings on disposal of an investment.

4.18. Financial guarantee contracts
Financial guarantee contracts are contracts that require the Bank (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, which is the premium received, and then amortised over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of the present value of any expected payment, when a payment under the guarantee has become probable, and the unamortised premium. Financial guarantees are included within other liabilities.

4.19. Leases
At the commencement date of a lease, the Bank recognises lease liabilities at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate

- amounts expected to be payable by the Bank under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Bank exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the Bank's incremental borrowing rate, being the rate that the Bank would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the bank's estimate of the amount expected to be payable under a residual value guarantee, or if The Bank changes its assessment of whether it will exercise a purchase, extension or termination option. The balance of the lease liability is included in Other Liabilities in the statement of financial position (See Note 28).

Right of use assets
Right-of-use assets are initially measured at cost, comprising of the following:

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Bank is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Bank presents right-of-use assets in 'property and equipment' in the statement of financial position (See Note 21)

Short-term leases and leases of low-value assets
Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than N1 million when new, for example, small IT equipment and small items of office furniture, and depends on the nature of the asset. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term. The Bank has applied the low value lease exemption for leases of printers as they are less than N1 million when new. The Bank does not have any other short term leases.

Extension and termination options
Extension and termination options are included in all of the Bank's lease arrangements. These are used to maximise operational flexibility in terms of managing the assets used in the bank's operations. Most of the extension options are subject to mutual agreement by the Bank and the lessors and some of the termination options held are exercisable only by the Bank.

5.0. Standards and interpretations issued/amended but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2023:

- IAS 1 Amendment to IAS 1- Classification of Liabilities as Current or Noncurrent
- IFRS 17 Insurance Contracts
- IFRS 8 Amendment to IFRS 8-Definition of Accounting Estimates
- IAS 12 Amendment to IAS 12-Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IAS 1 - Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement

The Bank has not applied the following new or amended standards in preparing these consolidated and separate financial statements as it plans to adopt these standards at their respective effective dates.

Commentaries on these new standards/amendments are provided below:

(i) Amendment to IAS 1 – Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendment clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity. The amendment does not have any material impact on the Bank.

(ii) IFRS 17 – Insurance Contracts
The IASB issued IFRS 17 in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard.

The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This standard does not impact the Group in anyway as the Bank and its subsidiary companies do not engage in insurance business.

(iii) IFRS 8 – Definition of Accounting Estimates
The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board. The amendment does not have any material impact on the Bank.

(iv) IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the

related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

The amendment do not have any material impact on the Bank.

(v) Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosure.

The amendment is not expected to have any material impact on the Bank

4. Segment information

The Bank prepares its segment information based on geographical segments as its primary reporting segment. A geographical segment is engaged in providing products and/or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments. The Bank in 2022 operated two geographical segments - North and South Bank - and the Corporate office.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits and losses which in certain respects, are measured differently from operating profits or losses in the financial statements. Management primarily relies on growth in deposit and profit before taxes as performance measures. The Chief Executive Officer/Managing Director (being the chief operating decision maker) reviews the internal management reports of each segment at least quarterly.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties. No revenue from transactions with a single external customer or counter-party amounted to 10% or more of the Bank's total revenue in 2021 or the year ended 31 December 2022.

The following table presents income and profit and certain asset and liability information regarding the Bank's operating segments:

31 December 2022	South N'000	North N'000	Corporate Office N'000	Total N'000
Segmented results				
Revenue	25,741,840	28,710,686	2,463,492	56,916,018
Operating profit before tax	1,104,715	1,386,823	(856,922)	1,386,125
Income Tax			(444,750)	(444,750)
Profit/(loss) for the year	**1,104,715**	**1,386,823**	**(1,550,163)**	**941,375**
Segment assets	36,855,939	231,609,277	241,678,743	510,143,959
Segment Liabilities	**249,391,298**	**211,959,234**	**323,741,595**	**785,092,127**

31 December 2021	South N'000	North N'000	Corporate Office N'000	Total N'000
Segmented results				
Revenue	14,799,639	14,531,783	19,645,249	48,976,671
Operating profit before tax	1,962,717	2,226,339	(856,982)	3,332,134
Income Tax			(158,880)	(158,880)
Profit/(loss) for the year	**1,962,717**	**2,226,339**	**(1,015,802)**	**3,173,254**
Segmented assets and liabilities				
Segment assets	95,875,542	242,151,375	200,841,838	538,868,755
Segment liabilities	**221,088,398**	**295,105,195**	**298,828,618**	**815,022,211**

5.1 Statement of Prudential adjustments

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the incurred loss model required by IFRS under IFRS 9. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS when IFRS is adopted. However, Banks would be required to comply with the following:

(a) Provisions for loans recognized in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

(i) if prudential provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the general reserve account to a "regulatory risk reserve".

(ii) if prudential provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account.

(b) The non-distributable reserve should be classified under Tier 1 as part of the core capital.

In the guidelines to IFRS implementation, the Central Bank of Nigeria (CBN) directed banks to maintain a regulatory credit risk reserve in the event that the impairment on loans determine using the CBN prudential guideline is higher than the impairment determined using IFRS principles.

The reconciliation of the impairment based on IFRS standards and the CBN prudential guidelianes provision is shown below.

	Notes	2022 N'000	2021 N'000
Loans and advances			
Impairment per CBN Prudential Guidelines (A)		23,324,918	12,424,030
Loans & advances			
Specific Impairment		8,237,179	55,251
Collective impairment		5,647,472	5,448,779
Other Assets		9,440,267	6,920,000
Impairment allowance as Per IFRS 9 (B)		11,711,025	10,662,586
Due from Banks	17	28,352	28,352
Loans and advances to customers	18	3,612,947	3,199,184
Off balance sheet	28	589,477	609,010
Other assets	20	7,480,249	6,826,040
Amount Required in Non Distributable Reserve (A > B)		11,613,893	1,761,444

COMPARISON OF IFRS WITH PRUDENTIAL GUIDELINES (PG) CLASSIFICATION

		2022 N'000	2021 N'000
Gross loans and advances to customers	18	292,968,646	272,468,900
Credit impaired loans (IFRS)		472,953	14,420
Non performing loans (PG)		10,595,043	118,236
IFRS NPL Ratio (%)		0.16%	0.01%
PG NPL Ratio (%)		3.62%	0.04%

5.2 Financial Risk Management

a. Approach to Risk Management

Unity Bank recognizes the importance of risk management practices in the achievement of its overall strategic objectives. The Bank has an effective risk governance structure and an experienced risk team. Its risk management structure facilitates maximization of opportunities, mitigation of potential threats and timely decision making.

The Bank realizes that effective risk management is fundamental to achieving financial soundness. To this end, risk management has become an integral part of our strategy. A major target is to create a homogeneous risk awareness culture throughout the institution. This will help all staff to collectively own risk.

The management of the Bank is committed to constantly creating, implementing and sustaining practices in risk-management that will take the bank to new heights. The Board of Directors determines overall risk objectives, issues and/or approve risk policies in line with the Bank's overall objectives and risk appetite. The said polices define acceptable levels of risk and a pathway for assessment and treatment where necessary.

Enterprise Risk-Management (ERM) framework encompasses all other risk management policies, since ERM in the aggregate of identifying risks, assessing the risk inherent and the opportunities therein and actively managing these risks in a cost-effective manner.

The Bank's risk management process originates from establishing a context to monitoring and reporting as shown below:

1. Establishing a context
   This is done by considering the following:
   • The environment within which the organization operates (Organizational context)
   • The objectives, core activities and operations of the Bank (Strategic context)

2. Identification of risks
   This is basically done by classifying the risks into core financial, physical, ethical or legal. It also involves determining what can happen, when it could happen and where it could happen.

3. Evaluation of risk
   It involves analysing likelihood and consequences of risks identified

4. Treatment of risks
   The decision point of whether to avoid the risk, transfer the risk or accept and mitigate the risk.

5. Reporting and monitoring of risks
   Communication, monitoring and review ensure that the important information generated by the risk management process is captured, used and maintained.

b. Trainings

Reducing unacceptable performance variability, aligning and integrating the varying Risk Management, building confidence on investment, community and stakeholders, enhancing corporate governance, successfully responding to a challenging business environment and aligning strategy with corporate culture led the Bank along the path of training its' Board of Directors and Executive Management on Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) bearing in mind the statutory and regulatory industry best practice.

c. Governance structure

The Bank instituted best practice corporate governance structures around its risk management practice and functions. Details of the Board and Management Standing Committees are as set out in the corporate governance report section.

d. Policies and Procedures
The Board through its committees provides guidance and strategic direction for the management of risk across the Bank. This is achieved through provision of policies for risk management and other key areas.

The Executive Management then transforms the strategies and policies into processes. They also set the order for the execution of the policies and processes.

The Internal Audit Group has a validation role against all these processes instituted by Management. They are also responsible for the review of Risk Management functions to ensure that processes are in line with the Risk Management Policy.

Risk Management policies and systems are reviewed periodically, (at least once in 3 years). This is to ensure that the Bank is abreast with the dynamic nature of the regulatory environment and in line with global best practices.

e. Internal Control
Broadly, the Internal Control Group performs the role of safeguarding the Bank's assets. The process of performing this function also entails ensuring the reliability and integrity of all financial transactions.

The Group also ensures internal compliance with statutory and regulatory regulations as it affects the Bank. Compliance to the State Laws as it affects the operations of the Bank is also within the ambit of the Group.

The Internal Control Group also monitors the operational efficiency of the organization and ensures compliance to internal provisions as it affects the operational and financial activities of the organization amongst others. These responsibilities are driven by the deployment of the relevant anti-fraud tools and effective monitoring of activities in line with extant Laws and Internal processes.

Internal Audit Group is set up to independently examine and evaluate various operations and systems of control to determine the effectiveness of the risk management practices of the bank, verify whether acceptable policies and procedures are followed, legislative requirements and established standards are met, resources are efficiently and economically used and planned tasks are accomplished effectively.

In providing assurance to Management and Board of Directors, Internal Audit Group on a time to time basis review activities of Branches, Regions, Zones and Head Office Departments in order to provide independent analysis, appraisals, advice and recommendations concerning the activities reviewed.

The objective of adding value by providing assurance to all levels of Management is achieved by:

- Assessing the bank's enterprise risk management strategies and its effectiveness.
- Ensuring compliance with the Bank's system, Policies and Procedures, Plans, Statutory Requirements and Regulations which could have a significant impact on operations.
- Reviewing operations or programs to ascertain whether results are consistent with the Bank's established objectives and goals and whether the operations or programs are being carried out as planned.

- Appraising the relevance, reliability and integrity of management, financial and operating data and reports, including the electronic information system.

- Ensuring adequate security and protection of access rights on all platforms across the Bank

The independence of the Internal Audit Group is key to effectively deliver on its mandate. To maintain the independence of the Internal Audit Group, the under listed is consistently maintained in Unity Bank:

Unity Bank Internal Audit Group shall be directly responsible to the Statutory Audit Committee (SAC) / Board Audit Committee (BAC) of the Bank and be independent of any other section, branch or officer.

It shall have no executive or managerial powers, functions or duties except those relating to internal audit and control.

It shall have no direct operational responsibility or authority over any of the activities audited.

It shall not be responsible for the detailed development or implementation of new systems and procedures or engage in any other activity that may impair judgment. Finally, the extent and frequency of internal audits will depend upon varying circumstances such as results of previous audits, relative risk associated with activities, materiality, the adequacy of the system of internal control, and resources available to Internal Audit Group.

In addition, the Internal Audit Group is also responsible for the independent review and internal validation of the ICAAP report.

f. Key Risk Exposures

This report focused on the material risk for which we had capacity to measure. Some of the risks considered include the following

Credit Risk
Market Risk
Liquidity Risk

5.2.1 Credit Risk

It is the likelihood that a borrower or counterparty will fail to meet his/her obligations according to the agreed terms thereby resulting in a loss for the Bank.

The Bank's primary business is that of financial intermediation hence credit risk forms a major part of its risk assets portfolio. The standardized approach was used to measure the credit capital requirement.

a. Credit Risk Measurement and Management

Exposure to credit risk is considered the largest risk in most financial institutions. It therefore attracts adequate attention and resources for a proactive and effective management.

Credit risk arises when an obligor fails to meet with the terms and conditions specified and agreed in a trading or loan contract or when its ability to perform such obligations is impaired. This may arise not only when an obligor or borrower defaults in payment of a loan or settlement but also when his repayment capability dwindles. Credit risk event occur from activities both on and off Balance Sheet engagements which include trade or project finance, interbank transactions, foreign exchange, bonds, guarantees, commitment and settlement transactions.

The Bank operates a policy of clear separation of business powers as business officers involved in Credit approvals do not have powers to approve disbursement of Credits as this resides in the control officers in Risk Management Directorate.

The Responsibilities of the Department Include:

a. Planning of the credit portfolio of the Bank.

b. Review of all credit proposals at various levels before consideration for approval.

c. Review of Credit Policies and Procedures from time to time and issue Credit Circulars on matters bothering on credit performance.

d. Monitor the use of delegated business powers and recommend sanctions for abuse.

b. Other Key Objectives for Credit Risk Management include:

1. Deliberately manage its risk asset portfolio to ensure that the risk of concentration to any sector or individual customer is minimized and ensuring portfolio flexibility and liquidity.

2. Ensure exposure to any industry or customer is determined by the regulatory guidelines, internal policies and procedures, debt service capability and balance sheet management.

3. Extend credit to only suitable and well identified customers who have complied with the "Know Your Customer" KYC principle and meet the "Risk Assets Acceptance Criteria" RAAC of the Bank.

4. Credits are to be extended to customers where the source of repayment is known and can be ascertained but not for speculative purposes and where the purpose and destination of funds are not disclosed.

5. Ensure that primary source of repayment for each credit is from an identifiable cash flow from the counterpart's normal business operations or other financial arrangements. Realization of security remains a fall back option.

6. Adoption of a pricing model that reflects variation in the risk profile of various exposures to ensure that higher risks are compensated by higher returns.

7. Ensure that the quantum of exposure and quality and value of collateral required are determined based on the risk profile of the counter party.

8. Avoid all conflict of interest situations and report all insider related credits to appropriate body.

c. Credit Risk Rating

A key quantitative measure used by Unity Bank for credit evaluation is the internal risk rating and scoring system. This helps the Bank to determine the likelihood of default and grade the risk associated with a credit facility. The overall rating is a combination of scores from the Entity and transaction aspects. Credit risk rating is an integral part of the loan approval process.

d. Frequency Of Rating

Each borrowing customer of Unity Bank will be rated (CQR and FRR) at least once every 12 (twelve) months; within six months of the customer's financial year end. This is merely a minimum requirement.

In practice however, Lending officers and their supervisors will be expected to review and risk rate each borrowing customer at the following events:

A. During the appraisal of any Credit request, renewals, increases, reductions, restructures, new lines or material change in the terms of an existing facility.

B. Once information is received or suspected about a material change in the business condition, internal arrangements or other circumstances or industry in which a borrowing customer operates.

C. When there is a material change in the Credit facility or the circumstances affecting the Credit facility such as a change in the structure of the Credit change in the Security change in the circumstances of a bank that is part of the syndication etc.

D. Any material change in regulations affecting the customer or the customer's industry.

e. Credit Approval Limits
The Bank operates a decentralized Delegation of Business Powers, approved by the Board of Directors which delegated powers to the following bodies:

- Board of Directors
- Board Credit Committee
- Executive Management Committee and
- The Managing Director.

Exposure to credit risk is considered the largest risk in most financial institutions. It therefore attracts adequate attention and resources for a proactive and effective management.

NOTES TO THE FINANCIAL STATEMENTS

f. Maximum exposure to credit risk

Loans & advances to customers at amortised cost

In thousands of Naira	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Amount	130,246,722	162,248,971	472,953	292,968,646	111,581,380	160,873,100	14,420	272,468,900
ECL allowance	(1,394,783)	(2,096,494)	(121,670)	(3,612,947)	(1,547,941)	(1,650,231)	(1,012)	(3,199,184)
	128,851,939	**160,152,477**	**351,283**	**289,355,699**	**110,033,439**	**159,222,869**	**13,408**	**269,269,716**

Debt instruments at amortised cost

In thousands of Naira	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross exposures	68,866,346	-	-	68,866,346	71,896,064	-	-	71,896,064
Impairment allowance	-	-	-	-	-	-	-	-
Carrying amount	**68,866,346**	**-**	**-**	**68,866,346**	**71,896,064**	**-**	**-**	**71,896,064**

Debt instruments at FVOCI

In thousands of Naira	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross exposures	37,425,363	-	-	37,425,363	47,279,478	-	-	47,279,478
Impairment allowance	-	-	-	-	-	-	-	-
Carrying amount	**37,425,363**	**-**	**-**	**37,425,363**	**47,279,478**	**-**	**-**	**47,279,478**

Cash and balances with Central Bank

In thousands of Naira	2021				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross exposures	47,116,736	-	-	47,116,736	68,608,050	-	-	68,608,050
Impairment allowance	-	-	-	-	-	-	-	-
Carrying amount	**47,116,736**	**-**	**-**	**47,116,736**	**68,608,050**	**-**	**-**	**68,608,050**

Due from banks

In thousands of Naira	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross exposures	21,760,896	-	-	21,760,896	37,008,773	-	-	37,008,773
Impairment allowance	(28,352)	-	-	(28,352)	(28,352)	-	-	(28,352)
Carrying amount	**21,732,544**	**-**	**-**	**21,732,544**	**36,980,421**	**-**	**-**	**36,980,421**

Other assets

In thousands of Naira	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross exposures	5,020,040	-	15,179,619	20,199,659	5,039,098	-	16,981,820	22,020,918
Impairment allowance	-	-	(7,480,249)	(7,480,249)	-	-	(6,826,040)	(6,826,040)
Carrying amount	**5,020,040**	**-**	**7,699,370**	**12,719,410**	**5,039,098**	**-**	**10,155,780**	**15,194,878**

Financial guarantees and letters of credit

In thousands of Naira	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross exposures	107,057,777	-	-	107,057,777	109,209,420	-	-	109,209,420
Impairment allowance	(589,477)	-	-	(589,477)	(609,010)	-	-	(609,010)
Carrying amount	**106,468,300**	**-**	**-**	**106,468,300**	**108,600,410**	**-**	**-**	**108,600,410**

5.2 Credit Analysis

The following tables set out the credit quality of financial assets measured at amortised cost and FVOCI debt instrument without taking into account collateral or other credit enhancement. Unless specifically indicated, for financial assets the amounts in the table represent gross carrying amounts. for loan commitments and financial guarantee contracts, the amount in the table represents the amounts committed or guaranteed, respectively

2022	12-month PD Ranges N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Purchased Credit Impaired N'000	Total N'000
Loans and Advances to Banks						
Rating 1- 6: Strong	-	21,760,896	-	-	-	21,760,896
Rating 7: Satisfactory	-	-	-	-	-	-
Rating 8 -10: Higher risk	-	-	-	-	-	-
Rating 11–12: Credit-impaired	-	-	-	-	-	-
Gross Carrying Amount	-	21,760,896	-	-	-	21,760,896
Loss Allowance		(28,352)	-	-		(28,352)
Carrying Amount	**-**	**21,732,544**	**-**	**-**	**-**	**21,732,544**
Loans and Advances to Customers						
Rating 1- 6: Strong	-	130,246,722	162,248,971	-	-	292,495,693
Rating 7: Satisfactory	-	-	-	-	-	-
Rating 8 -10: Higher risk	-	-	-	472,953	-	472,953
Rating 11–12: Credit-impaired	-	-	-	-	-	-
Gross Carrying Amount	-	130,246,722	162,248,971	472,953	-	292,968,646
Loss Allowance		(1,394,783)	(2,096,494)	(121,670)		(3,612,947)
Carrying Amount	**-**	**128,851,939**	**160,152,477**	**351,283**	**-**	**289,355,699**
Debt Securities at Amortised Cost						
Rating 1- 6: Strong	-	68,866,346	-	-	-	68,866,346
Rating 7: Satisfactory	-	-	-	-	-	-
Rating 8 -10: Higher risk	-	-	-	-	-	-
Rating 11–12: Credit-impaired	-	-	-	-	-	-
Gross Carrying Amount	-	68,866,346	-	-	-	68,866,346
Loss Allowance		-	-	-		-
Carrying Amount	**-**	**68,866,346**	**-**	**-**	**-**	**68,866,346**
Debt Securities at FVOCI						
Rating 1- 6: Strong	-	37,425,363	-	-	-	37,425,363
Rating 7: Satisfactory	-	-	-	-	-	-
Rating 8 -10: Higher risk	-	-	-	-	-	-
Rating 11–12: Credit-impaired	-	-	-	-	-	-
Gross Carrying Amount	-	37,425,363	-	-	-	37,425,363
Loss Allowance		-	-	-		-
Carrying Amount	**-**	**37,425,363**	**-**	**-**	**-**	**37,425,363**

2021	12-month PD Ranges N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Purchased Credit Impaired N'000	Total N'000
Loans and Advances to Banks						
Rating 1- 6: Strong	-	37,008,773	-	-	-	37,008,773
Rating 7: Satisfactory	-	-	-	-	-	-
Rating 8 -10: Higher risk	-	-	-	-	-	-
Rating 11–12: Credit-impaired	-	-	-	-	-	-
Gross Carrying Amount	-	37,008,773	-	-	-	37,008,773
Loss Allowance		(28,352)	-	-		(28,352)
Carrying Amount	**-**	**36,980,421**	**-**	**-**	**-**	**36,980,421**
Loans and Advances to Customers						
Rating 1- 6: Strong	-	110,628,929	160,873,100	-	-	271,502,028.74
Rating 7: Satisfactory	-	-	-	-	-	-
Rating 8 -10: Higher risk	-	-	-	966,871	-	966,871
Rating 11–12: Credit-impaired	-	-	-	-	-	-
Gross Carrying Amount	-	110,628,929	160,873,100	966,871	-	272,468,900
Loss Allowance		(1,547,941)	(1,650,231)	(1,012)	-	(3,199,184)
Carrying Amount	**-**	**109,080,988**	**159,222,869**	**965,859**	**-**	**269,269,716**
Debt Securities at Amortised Cost						
Rating 1- 6: Strong	-	71,896,064	-	-	-	71,896,064
Rating 7: Satisfactory	-	-	-	-	-	-
Rating 8 -10: Higher risk	-	-	-	-	-	-
Rating 11–12: Credit-impaired	-	-	-	-	-	-
Gross Carrying Amount	-	71,896,064	-	-	-	71,896,064
Loss Allowance		-	-	-		-
Carrying Amount	**-**	**71,896,064**	**-**	**-**	**-**	**71,896,064**
Debt Securities at FVOCI						
Rating 1- 6: Strong	-	47,279,478	-	-	-	47,279,478
Rating 7: Satisfactory	-	-	-	-	-	-
Rating 8 -10: Higher risk	-	-	-	-	-	-
Rating 11–12: Credit-impaired	-	-	-	-	-	-
Gross Carrying Amount	-	47,279,478	-	-	-	47,279,478
Loss Allowance		-	-	-		-
Carrying Amount	**-**	**47,279,478**	**-**	**-**	**-**	**47,279,478**

g. Impairment of financial assets

IFRS 9 impairment requirements are based on an expected credit loss model, replacing the incurred loss model under IAS 39. Key changes in the Bank's accounting policy for impairment of financial assets are listed below.

The Bank applies a three-stage approach to measuring expected credit losses (ECL) on debt instruments accounted for at amortised cost, FVOCI, loan commitment and financial guarantee contracts. Assets migrate through the following three stages based on the change in credit quality since initial recognition:

i) Stage 1: 12-months ECL
For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest revenue is calculated by applying the effective interest rate to the gross carrying amount.

ii) Stage 2: Lifetime ECL - not credit-impaired
For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognised. Interest revenue is calculated by applying the effective interest rate to the gross carrying amount

iii) Stage 3: Lifetime ECL - credit-impaired
Financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. As this uses the same criteria as under IAS 39, the Bank's methodology for specific provisions remains unchanged. For financial assets that have become credit-impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost rather than the gross carrying amount.

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

In determining whether credit risk has increased significantly since initial recognition, the Bank uses its internal credit risk grading system, external risk ratings and forecast information to assess deterioration in credit quality of a financial asset.

The Bank assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

The amount of ECL is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Bank and all the cash flows that the Bank expects to receive. The amount of the loss is recognised using an allowance for credit losses account

The Bank considers its historical loss experience and adjusts this for current observable data. In addition, the Bank uses reasonable and supportable forecasts of future economic conditions including experienced judgment to estimate the amount of an expected impairment loss. IFRS 9 introduces the use of macroeconomic factors which include, but is not limited to, unemployment, interest rates, gross domestic product, inflation and commercial property prices, and requires an evaluation of both the current and forecast direction of the economic cycle. Incorporating forward looking information increases the level of judgement as to how changes in these macroeconomic factors will affect ECL. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the life time or stage 3 of the ECL bucket, the Bank would continue to monitor such financial assets for a probationary period of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from life time ECL (Stage 2) to 12- months ECL (Stage 1). In addition to 90 days probationary period above, the Bank also observes a further probationary period of 90 days to upgrade from Stage 3 to 2. This means a probationary period of 180 days will be observed before upgrading financial assets from lifetime ECL (Stage 3) to 12 months ECL (Stage 1).

NOTES TO THE FINANCIAL STATEMENTS

The following tables show reconciliations from the opening to the closing balance of loss allowance by class of financial instrument.

	Cash & bank balances	Debt ins-trument at amortised	Debt instrument at FVOCI	Loans and Advances	Other Assets	Perf. Bonds, Guarantees and LCs	Total
31 December 2022 *In thousands of Naira*							
Opening balance of the ECL allowance	28,352	-	-	3,199,184	6,826,040	609,010	10,662,586
Remeasurement during the year	-	-	-	413,763	835,209	(19,533)	1,229,439)
Foreign Exchange movement	-	-	-	-	(181,000)	-	(181,000)
Closing balance	**28,352**	**-**	**-**	**3,612,947**	**7,480,249**	**589,477**	**11,711,025**

	Cash & bank balances	Debt ins-trument at amortised	Debt instrument at FVOCI	Loans and Advances	Other Assets	Perf. Bonds, Guarantees and LCs	Total
31 December 2021 *In thousands of Naira*							
Opening balance of the ECL allowance	28,352	-	-	4,124,689	6,412,883	1,342,728	11,908,652
Remeasurement during the year	-	-	-	(925,505)	382,911	(733,718)	(1,276,312)
Write offs	-	-	-	-	30,246	-	30,246
Closing balance	**28,352**	**-**	**-**	**3,199,184**	**6,826,040**	**609,010**	**10,662,586**

h. Concentration of credit risk by Industry

At 31 December 2022

Loans and advances to customer

Industry Type	Gross Loans & Advances N'000	%	Expected Credit Loss N'000	%	Net Loans & Advances N'000	%
Agriculture	246,827,779	84.25%	2,953,968	81.76%	243,873,811	84.28%
Construction	1,036,214	0.35%	7,578	0.21%	1,028,636	0.36%
Education	1,433,408	0.49%	27,463	0.76%	1,405,945	0.49%
Finance and Insurance	11,256,841	3.84%	221,038	6.12%	11,035,804	3.81%
General	7,516,290	2.57%	72,409	2.00%	7,443,881	2.57%
General Commerce	694,997	0.24%	24,836	0.69%	670,161	0.23%
Government	14,677,354	5.01%	138,574	3.84%	14,538,779	5.02%
Manufacturing	8,247,258	2.82%	162,498	4.50%	8,084,760	2.79%
Oil and Gas	1,038,107	0.35%	1,479	0.04%	1,036,628	0.36%
Power and Energy	78,844	0.03%	27	0.00%	78,817	0.03%
Professional Services	138,101	0.05%	2,712	0.07%	135,389	0.05%
Transportation	23,453	0.01%	365	0.01%	23,088	0.01%
TOTAL	**292,968,646**	**100.0%**	**3,612,947**	**100.00%**	**289,355,699**	**100.00%**

At 31 December 2021 Industry Type	Gross Loans & Advances N'000	%	Expected Credit Loss N'000	%	Net Loans & Advances N'000	%
Agriculture	246,609,438	90.51%	3,027,402	94.63%	243,582,036	84.18%
Construction	430,619	0.16%	-	0.00%	430,619	0.16%
Education	766,384	0.28%	18,604	0.58%	747,779	0.28%
Finance and Insurance	36,141	0.01%	-	0.00%	36,141	0.01%
General	6,161,494	2.26%	5,721	0.18%	6,155,773	2.29%
General Commerce	283,086	0.10%	563	0.02%	282,523	0.10%
Government	9,709,312	3.56%	16,153	0.50%	9,693,160	3.60%
Infotainment	1,011	0.00%	-	0.00%	1,011	0.00%
Manufacturing	7,118,626	2.61%	123,139	3.85%	6,995,487	2.60%
Oil and Gas	747,382	0.27%	4,891	0.15%	742,491	0.28%
Power and Energy	221,772	0.08%	672	0.02%	221,100	0.08%
Professional Services	61,933	0.02%	8	0.00%	61,925	0.02%
Transportation	55,921	0.02%	911	0.03%	55,010	0.02%
Utilities	265,781	0.10%	1,120	0.04%	264,661	0.09%
TOTAL	**272,468,900**	**100.00%**	**3,199,184**	**100.0%**	**269,269,716**	**100.00%**

Other financial assets

31 December 2022	Cash and bank balances N'000	Debt instrument at amortised cost N'000	Debt instrument at FVOCI N'000	Other assets N'000	Guarantees and LCs N'000
Financial institution	68,849,280		-	-	-
Government	-	51,343,885	37,425,363	-	-
General	-	-	-	12,719,410	106,468,300
Total	**68,849,280**	**51,343,885**	**37,425,363**	**12,719,410**	**106,468,300**

31 December 2021	Cash and bank balances N'000	Debt instrument at amortised cost N'000	Debt instrument at FVOCI N'000	Other assets N'000	Guarantees and LCs N'000
Financial institution	105,142,310		-	-	-
Government	-	54,373,603	47,279,478	-	-
General	-	-	-	15,194,878	108,600,410
Total	**105,142,310**	**54,373,603**	**47,279,478**	**15,194,878**	**108,600,410**

i. Amount Arising from ECL

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where appropriate for changes in prepayment expectations).

The Bank uses three criteria for determining whether there has been a significant increase in credit risk:

- a backstop of 30 days past due;
- a quantitative test based on movement in PD;
- qualitative indicators; and

Credit risk grades

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk grade deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data:

Corporate exposures	Retail exposures	All exposures
– Information obtained during periodic reviewof customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes – Data from credit reference agencies, press articles, changes in external credit ratings (where applicable) – Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities	– Internally collected data on customer behaviour – e.g. transaction dynamics and post disbursements activities in the account. – External data from credit reference agencies, including industry-standard credit scores (where applicable)	– Payment record – this includes overdue status as well as a range of variables about payment ratios – Utilisation of the granted limit – Requests for and granting of forbearance – Existing and forecast changes in business, financial and economic conditions

The table below provides an indicative mapping of how the Bank's internal credit risk grades relate to PD and, for the Corporate portfolio, to the external credit ratings of S&P. The weighted-average PD is calculated based on the carrying amounts of the assets in each range.

Corporate Portfolio

The corporate portfolio of the Bank is comprised of loans and advances to Banks, large corporates, public sector entities, sovereigns and other businesses

Grading	12-month weighted-average PD	External rating
Grades 1–6: Strong	0.06	AAA to B
Grades 7–12: Weak to Non Investment grade	1.00	CC to D

Retail

The retail portfolios are comprised of personal loans (e.g. staff loans, car loans, Traders Revolving Overdraft Facility (TROF) & other short term loans) and MSME loans. The weighted average PD is based on historical performance of the various sectors in the portfolio.

	12-month weighted-average PD	
Retail Portfolio	0.05	AAA to B

Generating the term structure of PD
Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by sector and by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used.

The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Determining whether credit risk has increased significantly
The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date.

As a general indicator, the credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modelling:

- the remaining lifetime PD is determined to have increased by more than 50% of the corresponding amount estimated on initial recognition; or

- the absolute change in annualised lifetime PD since initial recognition is greater than 500 basis points (bp).

In addition, irrespective of the relative increase since initial recognition, the credit risk of an exposure is deemed not to have increased significantly if the change in annualised lifetime PD since initial recognition is 500 bp or less.

Credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgement and relevant historical experiences.

The Bank identifies key drivers behind changes in credit risk for portfolios. Generally, a significant increase in credit risk is assessed based on the estimation of PDs and consideration of qualitative factors, each of which are designed to reflect forward-looking information, on an individual instrument basis as described above. However, if the Bank identifies a key driver that is not considered in the individual assessment on a timely basis, then the Bank will evaluate whether there is reasonable and supportable information that enables it to make an additional assessment on a collective basis with respect to all or some of a portfolio. This may lead to the Bank concluding that a segment or proportion of a portfolio has undergone a significant increase in credit risk.

As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment of interest or/and principal has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

Management overlays may be applied to the model outputs if consistent with the objective of identifying a significant increase in credit risk.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured at 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When the contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms. The Bank's probation period is a consecutive period of three (3) months or 90 days of performance.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default; –the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

Definition of default
The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);

- the borrower is more than 90 days past due on any material credit obligation to the Bank. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or

- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Bank considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes.

Incorporation of forward-looking information
The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

The Bank formulates three economic scenarios: a base case, which is the central scenario, developed internally based on consensus forecasts, and two less likely scenarios, one optimistic and one downturn scenario. The base scenario is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Bank operates, supranational organisations such as the Organisation for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF), and selected private-sector and academic forecasts.

The scenario probability weightings applied in measuring ECL are as follows.

		2022			2021	
at 31 December	**Upside**	**Base**	**Downside**	**Upside**	**Base**	**Downside**
Scenario probability weighting	15%	75%	10%	15%	75%	10%

Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The key drivers for credit risk for corporate and retail portfolios are: GDP growth, inflation rates, interest rates, crude oil prices, unemployment rates and exchange rates. For exposures to specific industries and/or regions, the key drivers also include relevant commodity and/or real estate prices.

The Bank estimates each key driver for credit risk over the active forecast period of three years. This is followed by a period of mean reversion of between two and four years, depending on the product and geographical market.

The table below lists the macroeconomic assumptions used in the base, upside and downside scenarios over the five-year forecast period. A The assumptions represent the absolute percentage for interest rates and unemployment rates and year-on-year percentage change for GDP.

At 31 December 2022	Exchange Rate	Crude Oil	Inflation rate	GDP Changes	Interest Rate	Unemploy -ment Rate
Base economic assumptions						
5-year average	369.20	$62.18	15.23%	1.45%	13.90%	23.30%
Peak*	461.50	$80.69	21.47%	4.52%	16.50%	33.30%
Upside economic assumptions						
5-year average	295.36	$74.62	12.18%	1.16%	11.12%	18.64%
Peak*	369.20	$96.83	17.18%	3.62%	13.20%	26.64%
Downside economic assumptions						
5-year average	443.04	$49.74	18.28%	1.74%	16.68%	27.96%
Peak*	553.80	$64.55	25.76%	5.42%	19.80%	39.96%

At 31 December 2021	Exchange Rate	Crude Oil	Inflation rate	GDP Changes	Interest Rate	Unemploy -ment Rate
Central economic assumptions						
5-year average	372.37	$62.32	14.06%	4.03%	13.40%	21.64%
Peak*	435.00	$83.62	18.72%	4.52%	14.00%	27.10%
Upside economic assumptions						
5-year average	297.89	$74.78	11.24%	3.22%	10.72%	17.31%
Peak*	348.00	$100.34	14.98%	3.62%	11.20%	21.68%
Downside economic assumptions						
5-year average	446.84	$49.86	16.87%	4.84%	16.08%	25.97%
Peak*	522.00	$66.90	22.46%	5.42%	16.80%	32.52%

The Bank has updated its economic forecasts used as an input into ECL as at 31 December 2022 taking current macro economic variables into consideration.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 3 to 5 years.

Sensitivity of ECL to future economic conditions
The ECL are sensitive to judgements and assumptions made regarding formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations. Management performs a sensitivity analysis on the ECL recognised on material classes of its assets.

The table below shows the loss allowance on loans and advances to corporate and retail customers assuming each forward-looking scenario (e.g. central, upside and downside) were weighted 100% instead of applying scenario probability weights across the three scenarios. For ease of comparison, the table also includes the probability-weighted amounts that are reflected in the financial statements.

		2022		
As at 31 December	**Upside**	**Base**	**Downside**	**Probability weighted**
Gross exposure (in millions of Naira)				
Corporate	271,903	271,903	271,903	271,903
Retail	21,066	21,066	21,066	21,066
Loss allowance (in millions of Naira)				
Corporate	3,353	3,202	3,516	3,418
Retail	191	183	201	195
Proportion of assets in Stage 2				
Corporate	162,242	162,242	162,242	162,242
Retail	7	7	7	7

	2021			
As at 31 December	Upside	Base	Downside	Probability weighted
Gross exposure (in millions of Naira)				
Corporate	268,408	268,408	268,408	268,408
Retail	4,061	4,061	4,061	4,061
Loss allowance (in millions of Naira)				
Corporate	3,416	3,337	3,561	3,197
Retail	3	2	3	2
Proportion of assets in Stage 2				
Corporate	160,866	160,866	160,866	160,866
Retail	7	7	7	7

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 are calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL are calculated by multiplying the lifetime PD by LGD and EAD.

The methodology for estimating PDs is discussed above under the heading 'Generating the term structure of PD'.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for lending collateralised by property, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

However, for retail overdrafts that include both a loan and an undrawn commitment component, the Bank measures ECL over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take, and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, which may include:

- instrument type;
- credit risk grade;
- collateral type;
- LTV ratio for retail mortgages;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular Bank remain appropriately homogeneous.

Post-model adjustments
Post-model adjustments (PMAs) are short-term adjustments to the ECL balance as part of the year-end reporting process to reflect late updates to market data, known model deficiencies and expert credit judgement.

The Bank has internal governance frameworks and controls in place to assess the appropriateness of all PMAs. The aim of the Bank is to incorporate these PMAs into the ECL models, where possible, as part of the periodic recalibration and model assessment procedures.

The Bank did not make any post model adjustments for the year ended 31 December 2022 (2021: Nill)

Loss allowance
The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. The basis for determining transfers due to changes in credit risk is set out in our accounting policy

	2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Due from Banks				
Balance at 1 January	28,352	-	-	28,352
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Balance at 31 December	**28,352**	**-**	**-**	**28,352**

			2021	
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to banks at amortised cost				
Balance at 1 January	28,352	-	-	28,352
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Balance at 31 December	**28,352**	**-**	**-**	**28,352**

			2022		
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Loans and advances to customers at amortised cost*					
Balance at 1 January	1,547,941	1,650,231	1,012	-	3,199,184
Transfer to Stage 1	3	(1)	(2)		-
Transfer to Stage 2	(52,124)	52,124			-
Transfer to Stage 3	(9,413)	(45)	9,458		-
Net remeasurement of loss allowance	(360,447)	(199,004)	88,123	-	(471,328)
New financial assets originated or purchased	704,540	1,121,989	23,107	-	1,849,636
Financial assets that have been derecognised	(435,717)	(528,800)	(28)	-	(964,545)
Write-offs	-	-	-	-	-
Unwind of discount	-	-	-	-	-
Foreign exchange and other movements	-	-	-	-	-
Balance at 31 December	**1,394,783**	**2,096,494**	**121,670**	**-**	**3,612,947**

			2021		
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
Loans and advances to customers at amortised cost*					
Balance at 1 January	**2,452,829**	**1,671,856**	**4**		**4,124,689**
Transfer to Stage 1	(12)	12	-		-
Transfer to Stage 2	-	671,861	(671,861)		-
Transfer to Stage 3	-	-	-		-
Net remeasurement of loss allowance	(910,845)	(2,401,504)	672,865		(2,639,484)
New financial assets originated or purchased	888,444	1,727,239	4		2,615,687
Financial assets that have been derecognised	(882,475)	(19,233)	-		(901,708)
Balance at 31 December	**1,547,941**	**1,650,231**	**1,012**		**3,199,184**

The loss allowance on debt investment securities at FVOCI is not recognised in the statement of financial position because the carrying amount of such securities is their fair value.

	2022 Total	2021 Total
Debt investment securities at amortised cost		
Balance at 1 January	-	-
Net remeasurement of loss allowance	-	-
New financial assets originated or purchased	-	-
Foreign exchange and other movements	-	-
Balance at 31 December	**-**	**-**
Cash and cash equivalents		
Balance at 1 January	28,352	28,352
Net remeasurement of loss allowance	0	-
Net decrease in cash and cash equivalents	-	-
Foreign exchange and other movements	-	-
Balance at 31 December	**28,352**	**28,352**
Loan commitments and financial guarantee contracts		
Balance at 1 January	609,010	609,010
Net remeasurement of loss allowance	(19,533)	-
New loan commitments and financial guarantees issued	-	-
Foreign exchange and other movements	-	-
Balance at 31 December	**589,477**	**609,010**

The following table provides a reconciliation between:

- amounts shown in the above tables reconciling opening and closing balances of loss allowance per class of financial instrument; and
- the 'impairment losses on financial instruments' line item in the consolidated statement of profit or loss and other comprehensive income.

	2022						
	Loans & advances to banks at armotised cost	Loans & advances to customers at armotised cost	Debt investment securities at FVOCI	Cash and cash equivalents	Loan commit-ments & financial guarantee contracts	Other Assets	Total
Net remeasurement of loss allowance	-	413,763	(17,690)	-	(19,533)	835,209	1,211,748
							-
							-
Recoveries of amounts previously written off		(2,415,606)					(2,415,606)
Impairment losses on financial instrument recognised in profit or loss	**-**	**(2,001,843)**	**(17,690)**	**-**	**(19,533)**	**835,209**	**(1,203,858)**

	2021						
	Loans & advances to banks at armotised cost	Loans & advances to customers at armotised cost	Debt investment securities at FVOCI	Cash and cash equivalents	Loan commit-ments & financial guarantee contracts	Other Assets	Total
Net remeasurement of loss allowance	-	(925,505)	88,458	-	(733,718)	382,911	(1,187,854)
							-
							-
Recoveries of amounts previously written off		(1,376,072)					(1,376,072)
Impairment losses on financial instrument recognised in profit or loss	**-**	**(2,301,577)**	**88,458**	**-**	**(733,718)**	**382,911**	**(2,563,926)**

The following table sets out a reconciliation of changes in the net carrying amount of credit-impaired loans and advances to customers.

	2022	2021
Credit-impaired loans and advances to customers at 1 January	14,420	69,330
Transferred to not-credit-impaired during the year	458,533	(54,910)
Credit-impaired loans and advances to customers at 31 December	**472,953**	**14,420**

iv. Concentration of credit risk

The Bank monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk from loans and advances, loan commitments, financial guarantees and investment securities is shown below.

	Cash and Bank Balances 2022	Due from Banks 2022	Loans & Advances to customers 2022	Debt Securities at armoti-sed Cost 2022	Debt Securities at Fair Value 2022	Total 2022
Carrying amount	47,116,736	21,760,896	289,355,699	68,866,346	37,425,363	464,525,040
Amount committed/guaranteed			-			-
Concentration by sector						
Corporate:						
Agriculture			243,873,811			243,873,811
Construction			1,028,636			1,028,636
Education			1,405,945			1,405,945
Finance and Insurance	47,116,736	21,760,896	11,035,804			79,913,436
General			7,443,881			7,443,881
General Commerce			670,161			670,161
Government			14,538,779	68,866,346	37,425,363	120,830,488
Manufacturing			8,084,760			8,084,760
Oil and Gas			1,036,628			1,036,628
Power and Energy			78,817			78,817
Professional Services			135,389			135,389
Transportation			23,088			23,088
Real Estate			-			-
	47,116,736	**21,760,896**	**289,355,699**	**68,866,346**	**37,425,363**	**464,525,040**

	Cash and Bank Balances 2021	Due from Banks 2021	Loans & Advances to customers 2021	Debt Securities at armoti-sed Cost 2021	Debt Securities at Fair Value 2021	Total 2021
Carrying amount	68,608,050	36,980,421	269,269,716	71,896,064	47,279,478	494,033,729
Amount committed/guaranteed			-			-
Concentration by sector						
Corporate:						
Agriculture			243,582,036			243,582,036
Construction			430,619			430,619
Education			747,779			747,779
Finance and Insurance	68,608,050	36,980,421	36,141			105,624,612
General			6,155,773			6,155,773
General Commerce			282,523			282,523
Government			9,693,160	71,896,064	47,279,478	128,868,702
Infotainment			1,011			1,011
Health Care			-			-
Manufacturing			6,995,487			6,995,487
Oil and Gas			742,491			742,491
Power and Energy			221,100			221,100
Professional Services			61,925			61,925
Transportation			55,010			55,010
Utilities			264,661			264,661
	68,608,050	**36,980,421**	**269,269,716**	**71,896,064**	**47,279,478**	**494,033,729**

v . Offsetting financial assets and financial liabilities
The disclosures set out in the following tables include financial assets and financial liabilities that:

- are offset in the Bank's statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

The 'similar agreements' include derivative clearing agreements, global master repurchase agreements and global master securities lending agreements. 'Similar financial instruments' include derivatives, sale-and-repurchase agreements, reverse sale-and-repurchase agreements and securities borrowing and lending agreements. Financial instruments such as loans and deposits are not disclosed in the following tables unless they are offset in the statement of financial position.

The ISDA and similar master netting arrangements do not meet the criteria for offsetting in the statement of financial position. This is because they create for the parties to the agreement a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Bank or the counterparties or following other predetermined events. In addition, the Bank and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Bank receives and gives collateral in the form of cash and marketable securities in respect of the following transactions:

- derivatives;
- sale-and-repurchase, and reverse sale-and-repurchase, agreements; and
- securities lending and borrowing.

This collateral is subject to standard industry terms including, when appropriate, an ISDA credit support annex. This means that securities received/given as collateral can be pledged or sold during the term of the transaction but have to be returned on maturity of the transaction. The terms also give each party the right to terminate the related transactions on the counterparty's failure to post collateral.

5.2.2 Market Risk
The Bank sees market risk as loss in on and off-balance sheet positions arising from changes in market prices or the potential to experience economic loss due to negative fluctuations or adverse movements of market factors.

a. Identification
Unity Bank market risk exposures are largely interest and exchange rate induced. The Bank currently does not play in the Commodity and Equity trading spaces.

Interest rate risk: The interest rate risk is the risk that an investment's value will change due to a change in the absolute level of interest rates. The bank identifies the IRR in the positions or financial contracts held in the regulatory trading book exposed to fair value revaluation associated with movements in market interest rates and the analysis of MPC meeting outcomes and other CBN circulars as it impacts the bank.

Foreign exchange risk: This is a risk of loss resulting from the difference between assumed and actual foreign exchange rates whether it is a long position or short position. The bank identifies its Foreign exchange risk through its trading portfolio or Net Open Position between assets and liabilities held in foreign currency.

The Bank's Market Risk management is a part of the Enterprise Risk Management function responsible for the day to day management which entails risk identification, measurement, monitoring, controlling and reporting.

The market risk management aligns its process with the Bank's strategy and Board appetite guided by operational policies

Price risk: This is the risk of a decline in the value of a security or an investment portfolio excluding a downturn in the market, due to multiple factors. The Bank's price risk is subject to regular monitoring by the Enterprise Risk Management department. The Bank's exposure to price risk volatility is its investment in financial securities as listed below:

	Note	2022 N'000	2021 N'000
Investment securities at FVOCI - Treasury bills	19	15,054,042	24,740,229
Investment securities at FVOCI - Bonds	19	22,371,321	22,539,249
Investment securities at FVOCI - Quoted equities	19	29,520	29,520
		37,454,883	**47,308,998**

b. Concentrations of currency risk: Financial Instruments
The table below shows an analysis of assets and liabilities analysed according to their currencies:

As at 31 December 2022	Notes	Naira N'000	Dollar N'000	Pound N'000	Euro N'000	Total N'000
Assets						
Cash and balances with central banks	16	46,814,744	272,718	14,055	15,219	47,116,736
Due from banks	17	3,424,639	17,568,951	131,578	607,376	21,732,544
Loans and advances to customers	18	289,355,699	-	-	-	289,355,699
Debt instruments at FVOCI	19(ai)	37,425,363	-	-	-	37,425,363
Equity instruments at FVOCI	19(ai)	3,834,007	2,516,960	-	-	6,350,967
Debt instruments at amortised cost	19b	68,866,346	-	-	-	68,866,346
Other assets*	20	12,719,410	-	-	-	12,719,410
		462,440,208	**20,358,629**	**145,633**	**622,595**	**483,567,065**
Liabilities						
Due to other banks	24	117,731,414	-	-	-	117,731,414
Deposits from customers	25	285,923,771	41,202,998	156,534	146,370	327,429,673
Debt issued and other borrowed funds	26	290,573,521	6,807,693	-	-	297,381,214
Other liabilities**	28	41,257,601	-	-	-	41,257,601
		735,486,307	**48,010,691**	**156,534**	**146,370**	**783,799,902**
Gap		(273,046,099)	(27,652,062)	(10,901)	476,225	(300,232,837)
Sensitivity to rate changes						Impact on p/l
+6% increase		-	(1,659,124)	(654)	28,573	(1,631,205)
-6% decrease		-	1,659,124	654	(28,573)	1,631,205

*Other assets excludes prepayments, stationary stocks, and other stocks which do not qualify as financial assets
**Other liabilities excludes deferred fees and ECL allowance on contingents which do not qualify as financial liabilities,

As at 31 December 2021	Notes	Naira N'000	Dollar N'000	Pound N'000	Euro N'000	Total N'000
Assets						
Cash and balances with central banks	16	67,201,167	1,281,578	16,629	108,677	68,608,051
Due from banks	17	9,163,560	27,283,106	197,639	336,116	36,980,421
Loans and advances to customers	18	269,269,716	-	-	-	269,269,716
Debt instruments at FVOCI	19(ai)	47,279,478	-	-	-	47,279,478
Equity instruments at FVOCI	19(ai)	4,850,277	-	-	-	4,850,277
Debt instruments at amortised cost	19b	71,896,064	-	-	-	71,896,064
Other assets*	20	15,194,878	-	-	-	15,194,878
		484,855,140	**28,564,684**	**214,268**	**444,793**	**514,078,885**
Liabilities						
Due to other banks	24	143,321,585	-	-	-	143,321,585
Deposits from customers	25	275,912,611	46,093,019	128,578	150,359	322,284,567
Debt issued and other borrowed funds	26	300,820,197	8,365,385	-	-	309,185,582
Other liabilities**	28	39,130,849	-	-	-	39,130,849
		759,185,242	**54,458,404**	**128,578**	**150,359**	**813,922,583**
Gap		**(274,330,102)**	**(25,893,720)**	**85,690**	**294,435**	**(299,843,698)**

Sensitivity to rate changes					Impact on PL
+6% increase	-	(1,553,623)	5,141	17,666	(1,530,816)
-6% decrease	-	1,553,623	(5,141)	(17,666)	1,530,816

*Other assets excludes prepayments, stationary stocks, and other stocks which do not qualify as financial assets

**Other liabilities excludes deferred fees and ECL allowance on contingents which do not qualify as financial liabilities

c. Interest Rate Risk

The table below shows an analysis of interest bearing assets and liabilities analysed according to when they are expected to be settled. The interest repricing gap table analyses the full term structure of interest rate mismatches within the Bank's balance sheet based on the maturity date if fixed rate.

As at 31 December 2022

	Note	Up to 1 Month N'000	1 to 3 Months N'000	3 to 6 Months N'000	6 to 12 Months N'000	1 to 3 Years N'000	Over 3 Years N'000	Total N'000
Assets								
Due from banks	17	11,062,478	-	-	-	-	10,670,066	21,732,544
Loans and advances to customers	18	25,990,704	3,353,400	2,646,516	11,191,233	244,291,007	1,882,839	289,355,699
Debt instruments – FVOCI	19a	2,924,456	6,028,897	1,239,068	4,711,534	718,585	28,153,790	43,776,330
Financial investments – Amortised Cost	19b	3,872,232	6,825,115	6,825,114	-	10,277,568	41,066,317	68,866,346
Total assets		**43,849,870**	**16,207,412**	**10,710,698**	**15,902,767**	**255,287,160**	**81,773,012**	**423,730,919**
Liabilities								
Due to other banks	24	23,231,415	-	-	94,500,000	-	-	117,731,415
Due to customers	25	258,736,208	48,670,463	8,306,259	5,369,121	6,347,622	-	327,429,673
Borrowings	26	-	-	-	50,698,630	239,874,891	6,807,693	297,381,214
Total liabilities		**281,967,623**	**48,670,463**	**8,306,259**	**150,567,751**	**246,222,513**	**6,807,693**	**742,542,301**
Net Financial Instruments		**(238,117,753)**	**(32,463,051)**	**2,404,439**	**(134,664,984)**	**9,064,647**	**74,965,319**	**(318,811,382)**
Sensitivity to rate changes								Impact on PL
+5% net increase in yield		11,905,888	1,623,153	(120,222)	6,733,249	(453,232)	(3,748,266)	15,940,569
-5% net increase in yield		(12,532,513)	(1,708,582)	126,549	(7,087,631)	477,087	3,945,543	(16,779,546)

As at 31 December 2021

	Note	Up to 1 Month N'000	1 to 3 Months N'000	3 to 6 Months N'000	6 to 12 Months N'000	1 to 3 Years N'000	Over 3 Years N'000	Total N'000
Assets								
Due from banks	17	33,064,630	3,915,791	-	-	-	0	36,980,421
Loans and advances to customers	18	1,102,589	50,843,316	14,182,239	175,776,651	14,116,206	13,248,716	269,269,717
Debt Instruments – FVOCI	19a	4,516,976	9,448,450	3,523,957	4,545,318	768,662	28,676,297	51,479,660
Financial investments – Amortised Cost	19b	3,872,232	3,412,558	10,237,671	-	11,719,399	42,654,204	71,896,064
Total assets		**42,556,427**	**67,620,115**	**27,943,867**	**180,321,969**	**26,604,267**	**84,579,217**	**429,625,862**
Liabilities								
Due to other banks	24	46,686,482	-	-	96,635,103	-	-	143,321,585
Due to customers	25	258,736,208	48,670,463	8,306,259	5,369,121	1,202,516	-	322,284,567
Debt issued and other borrowed funds	26	-	-	-	50,698,630	250,121,568	8,365,384	309,185,582
Total liabilities		**305,422,690**	**48,670,463**	**8,306,259**	**152,702,854**	**251,324,084**	**8,365,384**	**774,791,734**
Net Financial Instruments		**(262,866,263)**	**18,949,652**	**19,637,608**	**27,619,115**	**(224,719,817)**	**76,213,833**	**(345,165,872)**
Sensitivity to rate changes								Impact on PL
+5% net increase in yield		13,143,313	(947,483)	(981,880)	(1,380,956)	11,235,991	(3,810,692)	17,258,294
-5% net decrease in yield		(13,835,066)	997,350	1,033,558	1,453,638	(11,827,359)	4,011,254	(18,166,625)

NOTES TO THE FINANCIAL STATEMENTS

5.2.3 Liquidity Risk Management
The Board and Senior Management have a major stake in the liquidity management of Unity Bank. Within its oversight function, the Board sets clear liquidity management strategy, policies and procedures aligned with the Bank's overall business objectives. It further keeps a tab on Management's compliance with the Bank's liquidity risk management strategy. To this end, it seeks to know on a regular basis the liquidity position of the Bank while providing support in various forms feasible to Management in meeting the liquidity risk management objectives.

The supervisory function of Management spans from the Liquidity Risk Management framework which has strong emphasis on diversification of deposit base, practical contingency funding plan and an effective strategy for foreign currency liquidity risk.

The other Management responsibilities include:

- Through its Strategic Asset and Liability Management Committee and other relevant organs, Management ensures a robust implementation of the Bank's liquidity risk management strategy, policies and procedures.

- Management informs the Board of the Bank's liquidity risk position regularly and proactively.

- Management informs the Board about any material potential positive or adverse change in the Bank's liquidity risk profile. The report incorporates actions taken or being taken and the assistance required from the Board to redress the situation or take advantage of the positive change.

The key players in the management of Liquidity risk and their functions are:

1. Asset Liabilities Committee

2. Treasury Group

3. Market & Liquidity Risk Department

4. The Business Units

a. Asset Liabilities Committee (ALCO)
ALCO is responsible for managing the Bank's liquidity risk generally rendering reports to that effect. The frequency of such reports is normally monthly except where an emergency situation demands. A review of the liquidity position stirs recommendations to Management.

ALCO also monitors implementation of approved strategies whilst making reports to the MD/CEO on the level of compliance

b. Maturity profile of assets and liabilities
The table below shows the undiscounted cash flows on the Bank's financial assets and financial liabilities on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual undiscounted cash flow on the financial assets, liability and commitments.

31 December 2022	Note	Carrying Amount	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	1 to 3 Years	Over 3 Years	Nominal inflow/ (outflow)
Assets		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and balances with central banks	16	47,116,736	7,260,642	-	-	-	39,251,270	604,824	47,116,736
Due from banks	17	21,732,544	11,062,478	-	-	-	-	10,710,498	21,772,976
Loans and advances to customers	18	289,355,699	25,990,704	3,353,400	2,646,516	11,191,233	244,291,007	1,882,839	299,943,764
Debt & Equity instruments at FVOCI	19a	43,776,330	2,924,456	6,028,897	1,239,068	4,711,534	718,585	28,153,790	43,776,330
Debt instruments at amortised cost	19a	68,866,346	3,872,232	6,825,115	6,825,114	-	10,277,568	41,066,317	68,866,346
Other assets*	20	12,719,410	12,719,410	-	-	-	-	-	12,719,410
Total assets		**483,567,065**	**63,829,922**	**16,207,412**	**10,710,698**	**15,902,767**	**294,538,430**	**82,418,268**	**494,195,562**
Liabilities									
Due to other banks	24	117,731,414	23,231,415	-	-	94,500,000	-	-	119,866,557
Deposit from customers	25	327,429,673	258,736,208	48,670,463	8,306,259	5,369,121	6,347,622	-	327,429,673
Borrowings	26	297,381,214	-	-	-	50,698,630	239,874,891	6,807,693	297,381,214
Other liabilities**	28	41,257,601	41,257,601	-	-	-	-	-	41,257,601
Total liabilities		**783,799,902**	**323,225,224**	**48,670,463**	**8,306,259**	**150,567,751**	**246,222,513**	**6,807,693**	**785,935,045**
Gap		**(300,232,837)**	**(259,395,302)**	**(32,463,051)**	**2,404,439**	**(134,664,984)**	**48,315,917**	**75,610,574**	**(291,739,483)**

***Other assets excludes prepayments, stationary stocks, and other stocks which do not qualify as financial assets**
****Other liabilities excludes deferred fees and ECL allowance on contingents which do not qualify as financial liabilities**

To address this gap, the Bank is in the process of a recapitalization exercise. The inflow of capital would introduce funds for assets generation that can be properly matched.

31 December 2021	Note	Carrying Amount	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	1 to 3 Years	Over 3 Years	Nominal inflow/ (outflow)
Assets		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and balances with central banks	16	68,608,050	7,805,508	-	-	-	60,356,381	446,162	68,608,050
Due from banks	17	37,020,854	33,103,653	3,917,200	-	-	-	0	37,020,854
Loans and advances to customers	18	269,269,716	1,102,589	50,843,316	14,182,239	175,776,651	14,116,206	13,248,716	279,857,781
Debt instruments at FVOCI	19a	52,129,755	4,516,976	9,448,450	3,523,957	5,195,413	768,662	28,676,297	52,129,755
Debt instruments at amortised cost	19a	71,896,064	3,872,232	3,412,558	10,237,671	-	11,719,399	42,654,204	71,896,064
Other assets*	20	15,194,878	15,194,878	-	-	-	-	-	15,194,878
Total assets		**514,119,317**	**65,595,836**	**67,621,524**	**27,943,867**	**180,972,064**	**86,960,648**	**85,025,379**	**524,707,382**
Liabilities									
Due to other banks	24	143,321,585	46,686,482	-	-	96,635,103	-	-	145,456,727
Due to customers	25	322,284,567	258,736,208	48,670,463	8,306,259	5,369,121	1,202,516	-	322,284,567
Borrowings	26	309,185,582	-	-	-	50,698,630	250,121,568	8,365,384	309,185,582
Other liabilities**	28	39,130,849	39,130,849	-	-	-	-	-	39,130,849
Total liabilities		**813,922,583**	**344,553,539**	**48,670,463**	**8,306,259**	**152,702,854**	**251,324,084**	**8,365,384**	**816,057,725**
Gap		**(299,803,266)**	**(278,957,703)**	**18,951,061**	**19,637,608**	**28,269,210**	**(164,363,436)**	**76,659,995**	**(291,350,343)**

*Other assets excludes prepayments, stationary stocks, and other stocks which do not qualify as financial assets
**Other liabilities excludes deferred fees and ECL allowance on contingents which do not qualify as financial liabilities

Maturity Profile of Contingents
The table below shows an analysis of contingents analysed according to when they are expected to be recovered or settled:

31 December 2022	Up to 1 Month N'000	1 to 3 Months N'000	3 to 6 Months N'000	6 to 12 Months N'000	Over 1 Year N'000	Total N'000
Performance Bonds & Guarantees	13,707,668	1,652,794	1,490,096	31,098,156	45,533,009	93,481,723
Letters of credit	7,781,980	1,458,352	1,723,648	2,612,074	-	13,576,054
	21,489,648	**3,111,146**	**3,213,744**	**33,710,230**	**45,533,009**	**107,057,777**

31 December 2021	Up to 1 Month N'000	1 to 3 Months N'000	3 to 6 Months N'000	6 to 12 Months N'000	Over 1 Year N'000	Total N'000
Performance Bonds & Guarantees	10,399,535	4,166,942	23,247,113	3,490,576	53,210,842	94,515,008
Letters of credit	749,814	-	13,944,598	-	-	14,694,412
	11,149,349	**4,166,942**	**37,191,711**	**3,490,576**	**53,210,842**	**109,209,420**

Liquidity Reserves
As part of the management of liquidity risk arising from financial liabilities, the Bank holds liquid assets comprising cash and cash equivalents, and debt securities issued by sovereigns, which can be readily sold to meet liquidity requirements. In addition, the Bank maintains agreed lines of credit with other Banks and holds unencumbered assets eligible for use as collateral with Central Banks (these amounts are referred to as the 'Bank's liquidity reserves').

The following table sets out the components of the Bank's liquidity reserves:

	2022 Carring Amount	Fair Value	2021 Carring Amount	Fair Value
Cash on hand	6,010,368	6,010,368	6,240,566	6,240,566
Current account with the Central Bank of Nigeria	1,250,274	1,250,274	1,564,941	1,564,941
Due from banks	21,732,544	21,732,544	36,980,421	36,980,421
Investment Securities:				
At fair value through other comprehensive income	37,425,363	37,425,363	47,279,478	47,279,478
Debt instruments at amortised cost	68,866,346	68,866,346	71,896,064	71,896,064
	135,284,895	**135,284,895**	**163,961,470**	**163,961,470**

5.2.4 Fair value of financial instruments

a. Financial instruments recorded at fair value
The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the bank's estimate of assumptions that a market participant would make when valuing the instruments.

b. Financial investments – Fair Value through OCI
Financial investments –Fair Value through OCI financial assets valued using valuation techniques or

pricing models primarily consist of unquoted equities and debt securities. These assets are valued using models that use both observable and un-observable data. The un-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

c. Determination of fair value and fair value hierarchy

The bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

31 December 2022 **Financial assets**	**Level 1** **N'000**	**Level 3** **N'000**	**Total** **N'000**
Financial investments –FVOCI			
Treasury bills	14,582,359	-	14,582,359
Government bonds	22,843,002	-	22,843,002
Equity investment	29,520	6,321,447	6,350,967
	37,454,881	**6,321,447**	**43,776,328**

31 December 2021 **Financial assets**	**Level 1** **N'000**	**Level 3** **N'000**	**Total** **N'000**
Financial investments - FVOCI			
Treasury bills	24,268,547	-	24,268,547
Government bonds	23,010,930	-	23,010,930
Equity investment	29,520	4,820,757	4,850,277
	47,308,997	**4,820,757**	**52,129,754**

d. Level 3 fair value measurements

i. Reconciliation

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

31 December 2022	**FVOCI Equity instruments N'000**	**Total carrying amount N'000**
Balance at 1 January	**4,820,757**	**4,820,757**
Total gains or losses:		
in OCI	1,500,690	1,500,690
Settlements	-	-
Balance at 31 December	**6,321,447**	**6,321,447**

31 December 2021	FVOCI Equity instruments N'000	Total carrying amount N'000
Balance at 1 January	**1,172,114**	**1,172,114**
Total gains or losses:		
in OCI	3,678,162	3,678,162
Balance at 31 December	**4,850,276**	**4,850,276**

e. Valuation of unquoted equities

The Bank has investment in unquoted equities. The Bank adopted the Discounted Cash flow (DCF) Technique in estimating the fair value of its investment in unquoted equities, a technique acceptable under IFRS 13 fair value measurement. The fair has been classified as level 3 in the fair value hierarchy.

The key parameters and assumptions used in the valuation are as follows:

Step 1: A five-year forecast of the free cash flow to the firm (FCFF) for each of the equity investments was made.

Step 2: The yearly FCFF forecasts were discounted to present value using the compannies WACC.

Step 3: The terminal value at year five was estimated by dividing the compounded (with 'g') year five FCFF by the capitalization rate.

Step 4: The terminal value was discounted to present value using each company's WACC.

Step 5: The fair value was obtained by adding the present value of the five-year FCFF obtained in step (2) above to the present value of terminal value obtained in step (4) above.

Step 6: The fair value of the Bank's investment in each of the unquoted equity investments was derived by multiplying the Bank's percentage holding in the investee by the fair value obtained in step (5).

The significant unobservable inputs in the valuation method include:

- Five year forecast of the free cash flows to the firm.
- The discounting factor which include each companies' WACC.

Generally, a change in any of the unobservable input as listed above will impact on the estimated fair values for these instruments.

Valuation Assumptions - Discounted Cash flow

Risk free rate is the 11.63% yield on 10-year Federal Government of Nigeria Bond, risk premium of 10.63% and beta of 0.71 assumed based on trend analysis.

Sensitivity analysis – Equity Price Risk (unquoted equity investment)

In thousands of Naira	**Increase**	**Decrease**
Risk free rate (1% movement)	13.60%	11.60%
Risk premium (1% movement)	12.60%	10.60%

Set out below is a comparison, by class, of the carrying amounts and fair values of the bank's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities.

		31 DECEMBER 2022		31 DECEMBER 2021	
		Carrying amount N'000	Fair value N'000	Carrying amount N'000	Fair value N'000
Financial assets					
Cash and balances with central bank	16	47,116,736	47,116,736	68,608,050	68,608,050
Due from banks	17	21,732,544	21,732,544	36,980,421	37,008,773
Loans and advances to customers	18	289,355,699	289,355,699	269,269,716	272,468,900
Other Assets*	20	12,719,410	12,719,410	15,194,878	15,194,878
Financial investments – Amortised Costs	19a	68,866,346	68,866,346	71,896,064	65,846,107
		439,790,735	**439,790,735**	**461,949,129**	**459,126,708**
Financial liabilities					
Deposit from customers	25	327,429,673	327,429,673	322,284,567	322,284,567
Due to Other Banks	24	117,731,414	117,731,414	143,321,585	143,321,585
Borrowings	25	297,381,214	297,381,214	309,185,583	309,185,583
Other liabilities**	28	41,257,601	41,257,601	39,130,849	39,130,849
		783,799,902	**783,799,902**	**813,922,584**	**813,922,584**

* Other assets excludes prepayments, stationary stocks, and other stocks which do not qualify as financial assets

d. Fair value of financial assets and liabilities not carried at fair value
The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

Assets for which fair value approximates carrying value
For financial assets and financial liabilities that have a short term maturity (less than three months) it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to demand deposits, and savings accounts without a specific maturity.

Fixed rate financial instruments
The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money–market interest rates for debts with similar credit risk and maturity. For quoted debt issued the fair values are determined based on quoted market prices. For those notes issued where quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining term to maturity and credit spreads. For other variable rate instruments, an adjustment is also made to reflect the change in required credit spread.

Fair Value of financial assets attributable to changes in credit risk.
In respect of the net gain on financial assets (Debt Securities), recognised in equity, the fair value changes are attributable to changes in market interest rate and not the credit risk of the issuer.

5.2.5 Classification of financial assets and financial liabilities
See accounting policies in Notes 3(II)

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments.

31 December 2022	Note	FVOCI debt instruments N'000	FVOCI equity instruments N'000	Amortised cost N'000	Total carrying amount N'000
Cash and balances with Central Bank	16	-	-	47,116,736	47,116,736
Due from banks	17	-	-	21,732,544	21,732,544
Loans and advances to customers	18	-	-	289,355,699	289,355,699
Investment Securities	19(ai)	37,425,363	6,350,967	68,866,346	112,642,676
Other assets*	20	-	-	12,719,410	12,719,410
Total financial assets		**37,425,363**	**6,350,967**	**439,790,735**	**483,567,065**
Due to other banks	24	-	-	117,731,414	117,731,414
Deposits from customers	25	-	-	327,429,673	327,429,673
Debt issued and other borrowed funds	26	-	-	297,381,214	297,381,214
Other liabilities**	28	-	-	41,257,601	41,257,601
		-	**-**	**783,799,902**	**783,799,902**

31 December 2021	Note	FVOCI debt instruments N'000	FVOCI equity instruments N'000	Amortised cost N'000	Total carrying amount N'000
Cash and balances with Central Bank	16	-	-	68,608,051	68,608,051
Due from banks	17	-	-	36,980,421	36,980,421
Loans and advances to customers	18	-	-	269,269,716	269,269,716
Investment Securities	19(ai)	47,279,478	4,850,277	71,896,064	124,025,819
Other assets*	20	-	-	7,642,807	7,642,807
Total financial assets		**47,279,478**	**4,850,277**	**454,397,059**	**506,526,814**
Due to other banks	24	-	-	143,321,585	143,321,585
Deposits from customers	25	-	-	322,284,567	322,284,567
Debt issued and other borrowed funds	26	-	-	309,185,582	309,185,582
Other liabilities**	28	-	-	39,130,849	39,130,849
Total financial liabilities		**-**	**-**	**813,922,583**	**813,922,583**

*Other assets excludes prepayments, stationary stocks, and other stocks which do not qualify as financial assets

**Other liabilities excludes deferred fees and ECL allowance on contingents which do not qualify as financial liabilities

6. Interest income

	2022 N'000	2021 N'000
Placement with Banks	412,998	707,889
Loans and advances to customers	39,373,530	33,074,564
Financial investments – FVOCI (see (a) below)	1,222,609	1,910,730
Financial investments – amortised costs (see (b) below)	7,981,701	7,488,376
Interest income	**43,181,558**	**39,119,457**

Total interest income are calculated using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

a. Financial investments – FVOCI	2022 N'000	2021 N'000
Treasury bills	1,222,609	1,910,730
FVOCI	**1,222,609**	**1,910,730**

b. Financial investments – amortised cost

	2022 N'000	2021 N'000
Treasury Bills	1,542,743	1,447,390
Bonds - Amortised cost	6,438,958	6,040,986
Armortised cost	**7,981,701**	**7,488,376**

7. Interest expense:

	2022 N'000	2021 N'000
Due to banks	13,465,055	11,739,350
Deposits from customers	10,498,896	5,119,733
Other borrowed funds (see note 26)	5,677,974	6,256,751
Interest expense on lease liability	5,311	11,171
Total Interest expense	**29,647,236**	**23,127,005**

Total interest expense are calculated using the effective interest rate method reported above.

8. Fees and commission income

	2022 N'000	2021 N'000
Credit related fees and commission	1,857,254	1,069,816
Account Maintenance Fee	1,537,889	1,664,947
E-banking income (see note 8b)	3,962,554	3,043,946
Other fees and commission	328,993	338,361
Total fees and commission income	**7,686,690**	**6,117,070**

a. Fees and commission income from contracts with customers is measured based on the consideration specified in the contracts with the customer. The Bank recognises revenue when it transfers control over a service to the customer. The Bank provides banking services to retail and corporate customers including account management, provision of overdraft facilities, foreign currency transactions, credit card and similar services. Fees for on going account management are charged to the customers account on a monthly basis. Transaction based fees are charged when the transaction occurs while service fees are charged when the customer has enjoyed the benefits. The Bank reviews rates periodically in line with the requirements of the primary regulator's (CBN) rate guide.

b. E-banking income comprises income from ATM transactions, cards issuance and transaction income and other transactional income including alert, mobile banking, collections etc. The Bank focused on developing efficiencies in this areas and this had a significant impact on revenues..

The analysis of E-banking income is as follows:	2022 N'000	2021 N'000
ATM income	2,721,765	2,062,099
Cards Income	567,056	334,561
Transactions income	673,733	647,286
E-Banking income	**3,962,554**	**3,043,946**

9. Net trading losses

	2022 N'000	2021 N'000
FX trading gain	413,440	181,744
Foreign exchange loss	(647,279)	(1,489,419)
Net trading loss on financial instruments	**(233,839)**	**(1,307,675)**

10. Other operating income

	2022 N'000	2021 N'000
Dividend income	140,293	96,710
(Loss)/Gains from sale of financial assets	(46,389)	102,329
Rental income	190,323	86,342
Gain on disposal of property and equipment	27,637	25,857
Tax credit (b)	-	551,950
Transactional income (a)	160,462	122,529
Other operating income	**472,326**	**985,717**

(a)Included as transactional income includes income recognised for services rendered such as Cash handling, Account statement, Cheque books issuance that the Bank provided to its customers during the year.

(b)Withholding tax credit was received from Federal Inland Revenue Service (FIRS) during the year.

11. Remeasurements of ECL allowance on financial assets

	2022 N'000	2021 N'000
Due from banks (See note 17)	-	-
Loans & advances (see note 18(d))	413,763	(925,505)
FVOCI Debt securities	(17,690)	88,458
Contingents (see note 28)	(19,533)	(733,718)
	376,540	**(1,570,765)**
Recoveries on amounts previously written off (see note (a) below)	(2,415,606)	(1,376,072)
Credit loss expense	(2,039,066)	(2,946,837)
Other assets (see note 20)	835,209	382,911
Total impairment writeback	**(1,203,857)**	**(2,563,926)**

(a) Amount represents recoveries of delinquent loans previously written off. The Bank shall intensify its recovery efforts to recoup its legacy non performing loans.

Analysis of impairment by stage allocation

31 December 2022 *In thousands of Naira*	12 months ECL	Lifetime ECL not credit Impaired	Lifetime ECL credit Impaired	Total
Due from banks	-	-	-	-
Loans & advances	(153,158)	446,263	120,658	413,763
Financial instruments	(17,690)	-	-	(17,690)
Contingents	(19,533)	-	-	(19,533)
Other assets	452,298	-	382,911	835,209
	261,917	**446,263**	**503,569**	**1,211,749**
Recoveries				(2,415,606)
Total impairment writeback				**(1,203,857)**

31 December 2021 *In thousands of Naira*	12 months ECL	Lifetime ECL not credit Impaired	Lifetime ECL credit Impaired	Total
Due from banks	-	-	-	-
Loans & advances	(1,830,393)	(21,624)	926,512	(925,505)
Financial instruments	88,458	-	-	88,458
Contingents	-	-	-	-
Other assets	-	-	382,911	382,911
	(1,741,935)	**(21,624)**	**1,309,423**	**(454,136)**
Recoveries				(1,376,072)
Total impairment writeback				**(1,830,208)**

12. Personnel expenses

	2022 N'000	2021 N'000
Salary and allowances	10,643,469	10,007,900
Pension costs – Defined contribution plan (See note 29)	517,598	528,610
	11,161,067	**10,536,510**

13. Other operating expenses

Advertising and marketing	644,121	450,029
Professional fees	407,137	149,445
Rental charges	9,377	16,986
Banking Sector Resolution Funds (AMCON Levy)	3,240,391	2,958,594
NDIC insurance premium	1,462,798	1,637,872
Administrative (see note 13a below)	7,616,004	7,346,855
	13,379,828	**12,559,781**

13a. Administrative

		2022 N'000	2021 N'000
AGM expenses		35,000	35,159
Audit fees	(iv)	85,000	77,000
Fuel & motor running expenses		147,042	127,840
Printing and stationery		178,307	189,721
Bank charges & subscription		368,542	315,197
Donations		77,960	670,916
General insurance		225,083	234,086
Legal expenses		460,999	341,442
Local & foreign travels		331,440	236,354
Electricity & power expenses		466,060	374,273
Cash & Currency management expense		468,097	465,708
Facility maintenance & management expenses		271,432	233,351
Directors fees, allowances & expenses		245,764	232,466
Repair & maintenance expenses		599,709	639,049
Diesel expenses		873,143	475,703
Security & safety management expenses		704,418	660,161
IT and related expenses		830,132	746,120
Back Duty taxes paid		-	35,377
Training Expenses		420,225	190,705
Interest Reversals	(i)	19,727	183,764
Office related expenses	(ii)	551,067	415,844
AMCON Clawback expense		-	271,307
Other expenses	(iii)	256,857	195,312
		7,616,004	**7,346,855**

i. Interest reversals: This relates to interest concessions received by customers from prior year(s) transactions.
ii. Office related expenses includes items such as office provision & toiletries, entertainment expenses, telephone and related subscriptions, newspapers and periodicals.
iii. Included as part of other expenses items relating to rates, levies & fees incured by the bank in the normal cause of business but have not been claissified into any of the sub classes above.
iv. The auditors have not been engaged or been paid in/for any other non-audit activitiy other than as has been disclosed above.

14. Tax Expenses

	2022 N'000	2021 N'000
Minimum income tax		
Minimum income tax	285,280	124,264
	285,280	124,264
Tertiary Education tax	142,075	-
NITDA levy	13,861	27,527
NASENI Levy	3,465	6,950
Police Trust Fund levy	69	139
Income tax expense	159,470	34,616
Total tax expense	**444,750**	**158,880**

	2022 N'000	%	2021 N'000	%
Reconciliation of effective tax rate				
Profit before income tax	1,386,125		3,332,132	
Minimum tax	285,280	21%	124,264	4%
Tax calculated at domestic rate applicable in Nigeria (30%)	415,838	30%	999,640	30%
Tax effect of adjustments on taxable income				
Non-deductable expenses	484,633	35%	211,888	6%
Tax exempt income	(53,255)	-4%	(3,393,225)	-102%
NIDTA levy	13,861	1%	27,527	1%
Temporary differences for which no deferred tax was recognised	679,827	49%	2,175,054	65%
Recognition of previously unrecognised tax losses	(1,704,901)	-123%	-	0%
NASENI Levy	3,465	0%	6,950	0%
Police trust fund levy	69	0%	139	0%
Tertiary Education tax	34,653	3%	66,643	2%
Total tax expense	**159,470**	**12%**	**34,616**	**1%**

15. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date. While diluted earnings per share is computed by dividing the net profit for the year attributable to ordinary shareholders by fully diluted shares (i.e. including the impact of stock options, grants and convertible bonds) outstanding at the reporting date. The Bank as at the end of the period did not have any stock options, grants and convertible bonds.

	2022 N'000	2021 N'000
Net profit attributable to ordinary shareholders for basic earnings:	941,375	3,173,252
Weighted average number of ordinary shares for basic earnings per share:	11,689,338	11,689,338
Basic earnings per ordinary share	**8.05**	**27.15**

Diluted earnings per ordinary share

The Bank has no dilutive instruments. As a result, dilutive earnings per share is the same as the basic earnings per ordinary share.

16. Cash and Balances with Central Bank

	2022 N'000	2021 N'000
Cash on hand	6,010,368	6,240,566
	6,010,368	6,240,566
Current account with the Central Bank of Nigeria	1,250,274	1,564,941
Deposits with the Central Bank of Nigeria	39,251,270	60,356,381
CBN - AGSMEIS Account	604,824	446,162
	47,116,736	**68,608,050**
Current	46,511,912	68,161,888
Non-Current	604,824	446,162
	47,116,736	**68,608,050**

Deposits with the Central Bank of Nigeria represent mandatory reserve deposits and are not available for use in the bank's day–to–day operations. There was no impaired cash asset in the year.

17. Due from banks

	2022 N'000	2021 N'000
Placements with banks and discount houses	10,698,418	27,837,729
Balances with banks within Nigeria	3,782,377	1,645,304
Balances with banks outside Nigeria	7,280,101	7,525,740
	21,760,896	**37,008,773**
Less: remeasurement of ECL allowance (see note 17(a))	(28,352)	(28,352)
	21,732,544	36,980,421
Current	21,732,544	36,980,421
Non-Current	-	-
	21,732,544	**36,980,421**

Balance due from banks have been assessed for impairment using the expected credit loss (ECL) model as required under IFRS 9.

a. Movement in impairment allowance	2022 N'000	2021 N'000
At 1 January	28,352	28,352
Impairment writeback for the year	0	-
At 31 December	**28,352**	**28,352**

18. Loans and advances to Customers

	2022 N'000	2021 N'000
a. *i. Direct Loans and advances to*		
Government lending	14,677,354	11,478,414
Corporate lending	15,989,493	5,148,772
Consumer lending	8,807,801	4,744,118
	39,474,648	**21,371,304**
ii. On-lending facilities	253,493,998	251,097,596
Gross Loans & Advances (including On-lending)	292,968,646	272,468,900
Less: Allowance for impairment losses	(3,612,947)	(3,199,184)
	289,355,699	**269,269,716**
Current	43,181,853	241,904,794
Non-Current	246,173,846	27,364,922
	289,355,699	**269,269,716**

NOTES TO THE FINANCIAL STATEMENTS

b. Collaterals held & other Credit enhancements
The Bank holds collateral and other credit enhancements against certain of its credit exposures. The following table stratify credit exposures from loans and advances to customers by ranges of loan to value (LTV) ratio. LTV is calculated as the ratio of the gross loan amount to the value of the collateral. The valuation of the collateral excludes any adjustment for obtaining and selling this collateral. For credit-impaired loans, the value of collateral is based on the most recent appraisals.

The Bank may take collateral in form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees.

Loan to value ratio is as follows

31 December 2022	Exposure	Value of collateral	LTV ratio
Cash	20,695,946	19,147,543	108%
Secured against real estate	5,141,593	13,305,376	39%
Otherwise secured	267,131,107	267,131,107	100%
	292,968,646	**299,584,026**	**98%**

31 December 2021	Exposure	Value of collateral	LTV ratio
Cash	10,092,149	12,733,004	79%
Secured against real estate	4,382,092	16,532,403	27%
Otherwise secured	257,994,659	257,994,659	100%
	272,468,900	**287,260,066**	**95%**

c. Loans and advances to customers by Maturity

	2022 N'000	2021 N'000
0 to 30 days	8,755,160	1,022,886
1 -3 months	2,422,105	1,576,662
3-6 months	373,425	1,050,608
6-12 Months	10,241,625	2,812,526
Over 12 Months	17,682,333	14,908,622
Total Loans & advances	**39,474,648**	**21,371,304**

On-lending	2022 N'000	2021 N'000
0-6 Months	23,499,815	62,477,988
6-12 Months	1,753,167	172,964,124
Over 12 Months	228,241,016	15,655,484
Total On lending	**253,493,998**	**251,097,596**
Gross Loans (Including On-Lending)	**292,968,646**	**272,468,900**

d. Reconciliation of impairment allowance for loans and advances to customers

	2022 N'000	2021 N'000
At 1 January	3,199,184	4,124,689
(Writeback)/Charge for the year (see note 11)	413,763	(925,505)
At 31 December	**3,612,947**	**3,199,184**

e. Concentration of credit risk

Credit risk concentration is determined by management on the basis of geography and Industry The geographical concentration of risk asset are shown below

Region	2022 N'000	2021 N'000
South South	2,657,138	1,106,597
South West	35,461,990	19,277,124
South East	477,886	2,088,166
North West	17,665,185	14,506,947
North Central	207,085,117	207,430,184
North East	29,621,330	28,059,882
	292,968,646	**272,468,900**

19. Investments Securities

	2022 N'000	2021 N'000
(a.i) Fair Value through OCI		
Debt Instruments		
Debt securities - treasury bills	15,054,042	24,740,229
Debt securities - government bonds	22,371,321	22,539,249
	37,425,363	**47,279,478**
Equity investments		
Quoted equities	29,520	29,520
Unquoted equities	6,321,447	4,820,757
	6,350,967	**4,850,277**
	43,776,330	**52,129,755**

The debt instrument at fair value through other comprehensive income includes treasury bills of N13.4 billion and FGN bond of N30.3 billion pledged as collateral for borrowings and as collateral for clearing and settlement account respectively.

(a.ii) Movement in investment securities at FVOCI

31 December 2022	N'000 Debt instruments	N'000 Equities	N'000 Total
Balance beginning of the year	47,279,478	4,850,277	52,129,755
Fair value changes during the year	(1,236,777)	1,500,690	263,913
Purchase of investments securities at FVOCI	42,303,340	-	42,303,340
Redemption/disposal of debt securities	(50,920,678)	-	(50,920,678)
Balance, end of the year	**37,425,363**	**6,350,967**	**43,776,330**

31 December 2021	N'000 Debt instruments	N'000 Equities	N'000 Total
Balance beginning of the year	61,667,497	1,172,114	62,839,611
Fair value changes during the year	(7,595,075)	3,678,163	(3,916,912)
Purchase of investments securities at FVOCI	64,046,856	-	64,046,856
Redemption/disposal of debt securities	(70,839,800)	-	(70,839,800)
Balance, end of the year	**47,279,478**	**4,850,277**	**52,129,755**

	2022 N'000	2021 N'000
Current	14,903,955	22,684,796
Non-Current	28,872,375	29,444,959
	43,776,330	**52,129,755**

b. Debt instruments at amortised costs	2022 N'000	2021 N'000
Government debt securities	68,866,346	71,896,064
Remeasurement of ECL allowance	-	-
	68,866,346	**71,896,064**

	2022 N'000	2021 N'000
Current	17,522,461	17,522,461
Non-Current	51,343,885	54,373,603
	68,866,346	**71,896,064**

c. Movement in financial instrument at amortised cost

	2022 N'000	2021 N'000
Balance at the beginning of the year	71,896,064	64,379,307
Net acquisition of financial instruments during the year	(4,636,920)	4,321,871
Interest Income	7,981,701	7,488,376
Interest received	(6,374,499)	(4,293,490)
	68,866,346	**71,896,064**

20. Other assets

	2022 N'000	2021 N'000
Non financial assets		
Prepayments	1,215,489	1,673,017
Stationery stocks	271,784	302,730
	1,487,273	**1,975,747**
Financial assets		
Account receivables (d)	2,419,736	1,879,166
SME forex allocation receivable (c)	2,600,304	2,600,304
Settlement receivables (see note (a) below)	15,179,619	17,541,448
	20,199,659	**22,020,918**
Less: remeasurement of ECL allowance	(7,480,249)	(6,826,040)
Net financial assets	**12,719,410**	**15,194,878**
Total other assets	**14,206,683**	**17,170,625**
Current	14,206,683	17,170,625
Non-Current	-	-
	14,206,683	**17,170,625**

a. Included as part of Settlement receivables are outstanding reconciling items on nostro reclassed to other assets totalling N4.8billion (2021: N4.6billion). The amount has been subjected to full impairment while reconciliation of the aged open items in the nostro accounts is on going.

b. Movement in remeasurement of ECL allowance was as follows:

	2022 N'000	2021 N'000
Balance at the beginning of the year	**6,826,040**	**6,412,883**
Impairment Charge for the year (see Note 11)	835,209	382,911
Amount written off	-	-
Foreign exchange movement	(181,000)	30,246
Balance year end	**7,480,249**	**6,826,040**

c. This represents the amount receivable from the CBN on the SME Funding carried out in 2017. the Directors are of the opinion that the amount is not doubtful of recovery, accordingly, no impairment has been recognised.

d. Incuded as part of Account receivables is an amount of N1.9billion (2021: N1.4billion) which relate to operational losses incurred during the year on unauthorised transfers made by third parties. Necessary impairments have been made and the charge to expense.

21. Property and equipment

	Land N'000	Building N'000	ROU Building N'000	Motor Vehicle N'000	Property and Equipment N'000	Furniture and Fittings N'000	Work in Progress N'000	Total N'000
Cost:								
At 01 January 2022	**415,550**	**24,706,534**	**2,064,020**	**5,308,304**	**16,256,242**	**3,554,818**	**1,487,142**	**53,792,610**
Additions	-	37,746	446,483	1,049,474	1,187,421	45,529	1,201,540	3,968,193
Disposals	-	-		(92,564)	(221,348)	-	-	(313,912)
Reclassifications	-	114,545	-	860	905,697	988	(1,022,090)	-
Reclass out of PPE	-	-	-	-	-	-	(672,912)	(672,912)
Reclass to expense							(140)	(140)
At 31 December 2022	**415,550**	**24,858,825**	**2,510,503**	**6,266,074**	**18,128,012**	**3,601,335**	**993,540**	**56,773,839**
Accumulated Depreciation and impairment:								
At 01 January 2022	**-**	**7,821,651**	**1,449,049**	**4,054,503**	**14,366,478**	**3,432,539**	**-**	**31,124,220**
Additions	-	460,141	567,346	674,327	725,071	38,966	-	2,465,851
Disposals	-	-	-	(58,058)	(217,422)	(258)	-	(275,738)
At 31 December 2022	**-**	**8,281,792**	**2,016,395**	**4,670,772**	**14,874,127**	**3,471,247**	**-**	**33,314,333**
Net book value:								
At 01 January 2022	**415,550**	**16,884,883**	**614,971**	**1,253,801**	**1,889,764**	**122,279**	**1,487,142**	**22,668,391**
At 31 December 2022	**415,550**	**16,577,033**	**494,108**	**1,595,302**	**3,253,885**	**130,088**	**993,540**	**23,459,506**

	Land N'000	Building N'000	ROU Building N'000	Motor Vehicle N'000	Property and Equipment N'000	Furniture and Fittings N'000	Work in Progress N'000	Total N'000
Cost:								
At 01 January 2021	**415,550**	**24,637,896**	**1,714,330**	**5,303,635**	**15,411,721**	**3,466,777**	**688,575**	**51,638,484**
Additions	-	59,508	404,222	446,841	979,671	78,376	828,306	2,796,924
Disposals	-	-	-	(326,147)	(146,094)	-	-	(472,241)
ROU lease liability terminated	-	-	(54,532)	-	-	-	-	(54,532)
Reclassifications	-	9,130	-	-	10,944	9,665	(29,739)	-
Write Off	-	-	-	(116,025)	-	-	-	(116,025)
At 31 December 2021	**415,550**	**24,706,534**	**2,064,020**	**5,308,304**	**16,256,242**	**3,554,818**	**1,487,142**	**53,792,610**
Depreciation and impairment:								
At 01 January 2021	-	7,369,048	970,900	3,946,214	14,039,754	3,397,203	-	29,723,119
Additions	-	452,603	478,149	499,322	468,855	35,336	-	1,934,265
Disposals	-	-	-	(326,146)	(142,131)	-	-	(468,277)
Write Off	-	-	-	(64,887)	-	-	-	(64,887)
At 31 December 2021	**-**	**7,821,651**	**1,449,049**	**4,054,503**	**14,366,478**	**3,432,539**	**-**	**31,124,220**
Net book value:								
At 01 January 2021	**415,550**	**17,268,848**	**743,430**	**1,357,421**	**1,371,967**	**69,574**	**688,575**	**21,915,365**
At 31 December 2021	**415,550**	**16,884,883**	**614,971**	**1,253,802**	**1,889,764**	**122,279**	**1,487,142**	**22,668,391**

There were no impairment losses on any class of property and equipment during the year (December 31, 2021: Nil)

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (December 31, 2021: Nil).

All property and equipment are non-current. None of the Bank's assets were financed from borowings, consequently no borrowing cost has been capitalized as part of asset cost.

22. Intangible assets

	Computer Software N'000 2022	Total N'000 2022	Computer Software N'000 2021	Total N'000 2021
Cost:				
At 01 January	**3,490,465**	**3,490,465**	**3,442,663**	**3,442,663**
Additions:				
Internally Developed	-	-	-	-
External Purchase	1,563,676	1,563,676	47,802	47,802
At 31 December	**5,054,141**	**5,054,141**	**3,490,465**	**3,490,465**
Amortisation and impairment:				
At 01 January	**3,344,732**	**3,344,732**	**3,293,827**	**3,293,827**
Amortisation	79,765	79,765	50,905	50,905
Disposals/Write offs	(471)	(471)	-	-
At 31 December	**3,424,026**	**3,424,026**	**3,344,732**	**3,344,732**
Net book value:				
At 31 December	**1,630,115**	**1,630,115**	**145,734**	**145,734**
At I January	**145,734**	**145,734**	**148,836**	**148,836**

There were no impairment losses on any intangible asset during the year (December 31, 2021: Nil)

There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (December 31, 2021: Nil).

All intangible assets are non-current. None of the Bank's assets were financed from borowings, consequently no borrowing cost has been capitalized as part of asset cost.

23. Deferred taxes

	2022 N'000	2021 N'000
	-	-

The Bank's deferred tax asset which principally arose from allowable loss, unutilized capital allowance and stage 3 impairment allowance on credit-impaired financial instruments is N46.9billion as at 31 December 2022 (2021:N47.8 billion).

Although the deferred tax arising from unrelieved losses are carried forward indefinitely and are available to be utilized in future when the bank is in taxable profit position, the Directors are of the opinion that it is uncertain when the Bank will have taxable profit against which the deferred tax can be utilized.

Details of the unrecognised deferred tax are as follows:

At 31 December	2022 Gross Amount N'000	Tax effect N'000	2021 Gross Amount N'000	Tax effect N'000
Property and equipmment	(20,587,723)	(6,176,317)	(16,906,278)	(4,550,846)
Impairment allowance on loans and advances to customers	3,612,947	1,083,884	3,199,185	974,352
Impairment allowance on other assets	7,480,249	2,244,075	6,854,392	372,368
Unrelieved losses	112,720,916	33,816,275	117,496,814	34,031,227
Unutilised capital allowance	53,104,739	15,931,422	47,880,836	10,697,211
	156,331,129	**46,899,339**	**158,524,949**	**41,524,312**

24. Due to other banks

	2022 N'000	2021 N'000
Due to other banks comprise of:		
Takings from banks (note 24b)	117,731,414	143,321,585
	117,731,414	**143,321,585**
Current	117,731,414	143,321,585
Non-Current	-	-
	117,731,414	**143,321,585**

24b. Due to other banks (continued)	2022 N'000	2021 N'000
Takings from banks		
First Bank of Nigeria Plc	117,564,541	96,500,000
Greenwich Merchant Bank	-	15,400,000
Paralex Bank	-	2,200,000
Central Bank of Nigeria	-	28,696,885
Accrued interest	166,873	524,700
	117,731,414	**143,321,585**

25. Deposit from customers

	2022 N'000	2021 N'000
a. Analysis by type of account:		
Demand deposits	105,086,004	126,813,600
Savings deposits	108,737,991	85,550,652
Time deposits	72,099,776	63,548,359
Domiciliary deposits	41,505,902	46,371,956
	327,429,673	**322,284,567**

b. Analysis by type of depositors

Government	45,847,961	22,626,661
Corporate	171,792,773	205,584,658
Individuals	109,788,939	94,073,248
	327,429,673	**322,284,567**

c. Analysis by maturity	**2022 N'000**	**2021 N'000**
0-30 days	258,736,208	258,736,208
31-90 days	48,670,463	48,670,463
91-180 days	8,306,259	8,306,259
181-365 days	5,369,121	5,369,121
over 365 days	6,347,622	1,202,516
	327,429,673	**322,284,567**
Current	321,082,051	321,082,051
Non-Current	6,347,622	1,202,516
	327,429,673	**322,284,567**

26. Borrowings

	2022 N'000	**2021 N'000**
CBN short term loan (see note 26(b))	50,698,630	50,698,630
Borrowings from Bank of Industry/CBN (see note 26 (c))	239,874,891	250,121,568
Borrowings from AFREXIM (see noted (d))	6,807,693	8,365,385
	297,381,214	**309,185,583**

Movement in debt and other borrowed funds during the year is as follows:

2022	**CBN Short Term Loan N'000**	**Bank of Industry/CBN N'000**	**AFREXIM N'000**	**Total N'000**
At 1 January	**50,698,630**	**250,121,568**	**50,698,630**	**250,121,568**
Additions during the year	-	10,704,839	-	10,704,839
Interest capitalised	1,068,493	3,936,296	673,185	5,677,974
Unrealised exchange loss	-	-	286,154	286,154
Repayments	(1,068,493)	(24,887,812)	(2,517,031)	(28,473,336)
At 31 December	**50,698,630**	**239,874,891**	**6,807,693**	**297,381,214**

Movement in debt and other borrowed funds during the year is as follows:

2021	CBN Short Term Loan N'000	Bank of Industry/CBN N'000	AFREXIM N'000	Total N'000
At 1 January	**50,698,630**	**204,707,698**	**9,467,308**	**264,873,636**
Additions during the year	-	175,592,410	-	175,592,410
Interest capitalised	2,500,000	3,126,790	629,961	6,256,7518
Modification of loan terms	-	-	(551,950)	(551,950)
Unrealised exchange loss	-	-	500,348	500,348
Repayments	(2,500,000)	(133,305,330)	(1,680,282)	(137,485,612)
At 31 December	**50,698,630**	**250,121,568**	**8,365,385**	**309,185,583**

	2022 N'000	2021 N'000
Current	50,698,630	50,698,631
Non Current	246,682,584	258,486,952
	297,381,214	**309,185,583**

b. Central Bank of Nigeria Short Term Loan
This represents short term borrowings obtained from the Central Bank of Nigeria to meet working capital requirements.

c. Bank of Industry/ CBN
The amount represents funding obtained from the Bank of Industry which are simultaneously lent out to customers as loans. Disbursements have been made and form part of the bank's total loan portfolio. The Bank bears the credit risks on the loans granted and is under obligation to repay to the lenders.

In additions, the Bank received N175.59 billion from the CBN during the year, being on lending facilities to qualifying individuals and institutions as part of the Federal Government's initiative to providing single digit interest rates for the sector. The total sum of N133 billion has been disbursed and has been included in our on-lending facilities in note 18.

d. AFREXIM Loan
This represents a term loan facility obtained from African Export-import Bank for a tenor of seven years, which qualifies it as Tier II capital. Interest is payable quarterly. The facility will bear interest at a rate per annum equal to LIBOR +5.45% (6.45%). The facility was secured over the permitted accounts, the charge over FGN Treasury and a security assignment bills valued at USD45 million deed whereby Unity Bank will assign to AFREXIM all securities taken from its clients benefitting from this facility.

The terms of the loan from AFREXIM was modified in 2020. The modification included a change in the interest rate from LIBOR +5.45% to LIBOR + 6.76% with a maturity period of 7 years from the loan modification date of 31 December 2019.

27. Current tax liabilities

	2022 N'000	2021 N'000
Current tax		
At the beginning of the year	463,865	499,184
Charge for the year (see note 14)	444,750	158,880
Payments made during the year	(249,131)	(194,199)
Balance at the end of the year	**659,484**	**463,865**
Current	659,484	463,865
Non-Current	-	-
	659,484	**463,865**

28. Other liabilities

	2022 N'000	2021 N'000
Non financial liabilities		
Deferred fees	43,263	25,806
ECL allowance on contingents (see (a) below)	589,477	609,010
	632,740	**634,816**
Financial liabilities		
Bankers payment and branch drafts	1,899,369	1,239,185
Lease liabilities (see (b) below)	110,194	104,883
Other accrued expenses	1,449,249	753,844
Provision for litigations (see (d) below)	529,857	529,857
Accrual for Banking Resolution Fund (see (c) below)	17,571,030	14,330,639
Settlements payable	3,549,483	2,708,010
Margin on letters of credit	7,902,798	11,509,865
Collection Accounts	4,111,400	3,080,566
Accounts payable	4,134,221	4,874,001
	41,257,601	39,130,850
Total other liabilities	**41,890,341**	**39,765,666**
Current	33,011,980	31,176,283
Non-Current	8,878,361	8,589,383
	41,890,341	**39,765,666**

a. Movement in ECL allowance on contingents during the year

	2022 N'000	2021 N'000
Balance, beginning of the year	**609,010**	**1,342,728**
Movement during the year (note 11)	(19,533)	(733,718)
Balance at the end of the year	**589,477**	**609,010**

b. Lease liability

The Bank leases a number of branch and office premises. The leases typically run for a period between 1 – 15 years, with an option to renew the lease after that date. For some leases, payments are renegotiated with sufficient regularity to reflect market rentals.

i. Right-of-use assets

Right-of-use assets relate to leased branch and office premises that are presented within property and equipment (See note 21b).

	Branch & Office Premises 2022 N'000	Branch & Office Premises 2021 N'000
Balance at 1 January	**614,972**	**743,430**
Depreciation Charge for the year	(567,346)	(478,148)
Additions	446,483	404,222
ROU terminated	-	(54,532)
Balance as at 31 December	**494,109**	**614,972**

	2022 N'000	2021 N'000
ii. Lease liability	110,194	104,883

The net carrying amount of leased assets as at 31 December 2022, included within property and equipment is N494.1 million (2021: N614.9 million)

The Bank's exposure to liquidity risk as a result of leases are monitored by the Bank's enterprise risk management unit. When measuring the lease liabilities for leases that were classified as operating leases, the Bank discounted lease payments using its incremental borrowing rates. The weighted- average rate applied is 11.92% (2021: 11.92%).

	2022 N'000	2021 N'000
iii. Amounts Recognised in profit or loss		
Interest on lease liability (see note 7)	5,311	11,171
Depreciation of ROU assets (see note 21)	567,346	478,148
	572,657	**489,319**

c. This relates to AMCON sinking fund contribution calculated in line with the AMCON Amendment Act 2015.

d. The Bank has made provision for some litigation cases. The Bank is still contesting the cases at higher courts and believe that the decisions will be upturned.

29.Employee benefit liabilities

Defined contribution plan

A defined contribution plan is a pension plan under which the bank pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The total expense charged to income of N528 million represents contributions paid to these plans by the bank at rates specified in the Bank's collective agreement with Staff. The rates are currently higher than rates advised by the pension act at 12.5% and 8% for employeers and employees contribution respectively.

	2022 N'000	2021 N'000
Balance at the beginning of the year	**945**	**1,115**
Charge for the year (note 12)	517,598	528,610
Payment to Pension Fund Administrators (PFAs)	(518,543)	(528,780)
Balance, end of the year	**-**	**945**
Current	-	945
Non-Current	-	-
	-	**945**

30. Share capital

	2022 N'000	2021 N'000
i. Issued and fully paid share capital		
At 1 January: 11,689,337,942 ordinary shares of 50k each	5,844,669	5,844,669
As at year end: 11,689,337,942 ordinary shares of 50k each	5,844,669	5,844,669
b. Share Premium		
At 1 January	10,485,871	10,485,871
As at year end	**10,485,871**	**10,485,871**

c.Statutory reserve: This reserve represents the cumulative appropriation from general reserves/earnings in line with Nigerian banking regulations that require the Bank to make an annual appropriation in reference to specific rules. Section 15(1) of the Bank and Other Financial Institutions Act of 2020, stipulates that an appropriation of 30% of profit after tax be made if the statutory reserve is less than the paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid-up share capital. In the current year. The Bank transferred 15% of its 'profit after tax' to statutory reserves.

d. Accumulated deficit: Accumulated deficit represent undistributed losses, net of statutory appropriations attributable to the ordinary shareholders.

e. Regulatory Risk Reserve: Regulatory reserve for credit risk: This reserve represents the cumulative difference between the loan loss provision determined per the Prudential Guidelines and the allowance/ reserve for loan losses as determined in line with the principles of IFRS 9.

31. Other reserves

	Fair Value Reserve N'000	Share Re-construction Reserve N'000	CBN AGSMEIS Reserve N'000	Reserve for SMEIS N'000	Other Capital Reserve (restated) N'000	Total N'000
At 1 January 2021	**3,463,302**	**67,103,925**	**172,662**	**440,119**	**(3,000,000)**	**68,180,008**
Fair value gain on debt instruments	(7,595,075)	-	-	-	-	(7,595,075)
Fair value gain on equity instruments	3,678,162	-	-	-	-	3,678,162
	(3,916,913)	-	-	-	-	(3,916,913)
At 31 December 2021	**(453,611)**	**67,103,925**	**172,662**	**440,119**	**(3,000,000)**	**64,263,095**
At 1 January 2022	**(453,611)**	**67,103,925**	**172,662**	**440,119**	**(3,000,000)**	**64,263,095**
Fair value loss on debt instrument	(1,236,777)	-	-	-	-	(1,236,777)
Fair value gain on equity instruments	1,500,690	-	-	-	-	1,500,690
Transfer to AGSMEIS Reserve	-	-	47,068	-	-	47,068
	263,913	**-**	**94,136**	**-**	**-**	**358,049**
At 31 December 2022	**(189,699)**	**67,103,925**	**219,730**	**440,119**	**(3,000,000)**	**64,574,075**

Fair Value Reserve
Fair Value Reserves comprises changes in the fair value of financial assets through OCI.

Share Reconstruction Reserve
The Bank, in 2015, at an extraordinary general meeting resolved to implement a share capital reconstruction scheme with the objective of increasing the market value of existing shareholders by compressing (reducing) the units held by each share holder to one (1) share for every ten (10) held. Consequently, the issued and fully paid share capital was restructured from N58,446,689,710 to N5,844,668,971. The amount by which the share capital was reduced was transferred to the share capital reconstruction reserve. This increased the Share reconstruction balance from N14,501,904,000 in 2006 to N67,103,924,739 in 2015.

CBN AGSMEIS Reserve
In April 2017, the Central Bank of Nigeria issued guidelines to govern the operations of the Agriculture/ Small and Medium Enterprises Scheme (AGSMIES), which was established to support the Federal Government's efforts at promoting agricultural businesses and Small and Medium Enterprises (SMEs) as vehicles for achieving sustainable economic development and employment generation.

SMIEIS (Small and Medium Scale Enterprises) Reserve
The SMIEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all

licensed Banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guidelines (amended by CBN Letter dated 11 July 2006), the contributions will be 10% of the profit after tax and shall continue after the first 5 years but the Banks' contributions shall thereafter reduce to 5% of profit after tax. The small and medium scale industries equity investment scheme reserves are non distributable. However, this is no longer mandatory.

Other capital reserve
Reserve relates to transactions with shareholders. The Central Bank of Nigeria (CBN) had in 2018 debited the Bank with the amount of N3 billion being deduction for interest due to AMCON from other core shareholders of the bank as stipulated in the shares purchase agreement between AMCON and the core shareholders dated 15 September 2014. The amount will only be realised at the disposal of AMCON's interest in the shares of the Bank.

32. Contingent Liabilities

a. Legal claims
Litigation is a common occurrence in the banking industry due to the nature of the business undertaken. The Bank has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing.

The Bank in the ordinary course of business is presently involved in 690 litigation suits: 180 cases instituted by the Bank and 374 cases instituted against the Bank. The total amount claimed in the cases against the Bank is estimated at N90.6 billion (2021: N90.7 billion) The distribution of all litigations is shown below. The directors are of the opinion that none of the aforementioned cases is likely to have a material adverse effect other than the provision of N529 million (2021: N529million) made in note 28. The Bank is not aware of any other pending to threatened claims or litigations.

Cases	2022 Volume	2021 Volume
Civil cases against the bank	374	429
Civil cases by the bank	180	186
Civil appeals against the bank	63	75
Civil appeals by the bank	47	72
Garnishee order absolute being contested by the Bank	26	26
	690	**788**

b. Contingent Liabilities
To meet the financial needs of customers, the bank enters into various irrevocable commitments and contingent liabilities. These consist of financial guarantees and letters of credit.

Even though these obligations may not be recognized on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the bank.

Letters of credit and guarantees (including standby letters of credit) commit the bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Guarantees and standby letters of credit carry a similar credit risk to loans. contingent liabilities are:

	2022 N'000	2021 N'000
Performance Bonds and Guarantees	93,481,723	94,515,007
Letters of credit	13,576,054	14,694,412
	107,057,777	**109,209,419**

33. Related party disclosures

Transactions with key management personnel of the Bank
The Bank's key management personnel, and persons connected with them, are considered to be related parties for disclosure purposes. The definition of key management personnel includes close members of the family of key personnel and any entity over which key management personnel exercises control. The key management personnel have been identified as the executive and non-executive directors of the Bank. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Bank.

Transactions with key management personnel of the Bank were as follows

	2022 N'000	2021 N'000
Deposits (Note 33(a))		
Currently serving Directors (Note 33(a)(i))	115,422	55,475
Common Directorship (Note 33(a)(ii))	2,064,944	14,227,594
Total related party deposits	**2,180,366**	**14,283,069**
Loans and advances (Note 33b)		
Currently serving Director	-	-
Common Directorship	17,323,237	5,348,163
Total related party loans	**17,323,237**	**5,348,163**

a. The details of the directors deposits as at 31 December are shown below:

i. Serving Directors	2022 N'000	2021 N'000
Aminu Babangida	7,214	3,833
Hafiz Mohammed Bashir	10,219	5,371
Oluwafunsho Obasanjo	23,071	19,185
Sam N. Okagbue, *FCArb.*	30,439	14,337
Tomi Somefun	10,270	7,609
Tuedor Temisan	1,391	825
Yabawa Lawan Wabi, *mni*	13,421	1,401
Ebenezer A. Kolawole	18,757	2,860
Usman Abdulqadri	640	54
	115,422	**55,475**

Deposit from entities with common Directorship	Relationship	2022 N'000	2021 N'000
TAK Integrated Agric Solutions Limited	Former Chairman	261	261
TAK Agro & Chemical Limited	Former Chairman	1,096,956	14,206,524
Practoil Limited	Former Chairman	374	364
Kashton Concepts Nigeria Limited	Former Director	550,924	-
Al-Arab Properties Limited	Former Director	4	-
I-bad Limited	Former Director	582	-
Lighthouse Capital Limited	Former Chairman	415,800	-
Living Spring Agro Limited	Former Director	43	20,445
		2,064,944	14,227,594
Total related party deposits		**2,180,366**	**14,283,069**

b. Loans and advances to key management personnel as at 31 December 2022

S/N	Borrower	Related interest	Relationship to Bank	Facility type	Performing N'000	Non performing N'000	Balance N'000
1	TAK INTEGR. AGRIC. SOLUTION. LTD.	THOMAS ETUH	FORMER DIRECTOR	TERM LOAN	5,619,196,995	-	5,619,196,995
2	LIGHTHOUSE CAPITAL. LTD.	THOMAS ETUH	FORMER DIRECTOR	TERM LOAN	10,994,340,164	-	10,994,340,164
3	KASHTON CONCEPTS NIG. LTD.	BOLA SHAGAYA	FORMER DIRECTOR	TERM LOAN	709,699,873	-	709,699,873
	Total loans and advances to related parties				**17,323,237,032**	**-**	**17,323,237,032**

Loans and advances to key management personnel as at 31 December 2021

S/N	Borrower	Related interest	Relationship to Bank	Facility type	Performing N'000	Non performing N'000	Balance N'000
1	TAK INTEGR.AGRIC. SOLUTION.LTD.	THOMAS ETUH	FORMER DIRECTOR	TERM LOAN	5,005,823,656	-	5,005,823,656
2	TAK AGRO & CHEMICALS LTD	THOMAS ETUH	FORMER DIRECTOR	TERM LOAN	342,339,801	-	342,339,801
	Total loans and advances to related parties				**5,348,163,457**	**-**	**5,348,163,457**

c. Remuneration paid to Non Executive Directors	**2022 N'000**	**2021 N'000**
Fees	160,000	160,000
Sitting Allowances	30,750	38,600
Other director expenses	55,014	33,865
	245,764	**232,465**
The highest paid director	41,750	41,400
The number of directors who received fees and other emoluments (excluding pension contributions)	Number	Number
N5,000,001 and above	9	9
	9	**9**

d. Transactions with shareholders (Asset Management Company of Nigeria)	2022 N'000	2021 N'000
Other capital reserve	3,000,000	3,000,000
Accrual for Banking sector resolution fund	17,571,030	14,330,639
Expenses relating to Banking sector resolution fund	3,240,391	2,958,594

e. Disclosure on Directors' Remuneration
The disclosure on Directors' Remuneration is made pursuant to the Governance Codes and Regulations issued by the Central Bank of Nigeria and the Nigerian Stock Exchange and the Securities & Exchange Commission.

The Bank has a formal Board Remuneration Policy which is consistent with its size and scope of operations. The Policy focuses on ensuring sound corporate governance practices as well as sustained and long-term value creation for shareholders. The policy aims to achieve the following amongst others

a. Motivate the Directors to promote the right balance between short and long term growth objectives of the Bank while maximizing shareholders' return.

b. Enable the Bank attract and retain Directors with integrity, competence, experience and skills to deliver the Bank's strategy;

c. Promote compliance with global regulatory trends and governance requirements, with emphasis on long-term sustainability;

d. Align individual rewards with the Bank's performance, the interests of shareholders, and a prudent approach to risk management;

e. Ensure that remuneration arrangements are equitable, transparent, well communicated, easily understood, aligned with the interest of shareholders and adequately disclosed.

Executive Directors' Remuneration:
Executive remuneration at Unity Bank Plc is structured to provide a solid basis for succession planning and to attract, retain and motivate the right calibre of staff required to achieve the Bank's business objectives.

The Board sets operational targets consisting of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance for the Executives at the beginning of each year. Executive compensation is therefore tied to specific deliverables on a fixed pay basis. Fixed pay includes basic salary, transport, housing and other allowances.

The Board Corporate Governance Committee (a Committee comprised of only Non- Executive Directors) makes recommendations to the Board on all matters relating to Directors' remuneration. The Executive Directors are not involved in decisions on their own remuneration

Please see the table below for the key elements of Executive Directors' remuneration

Element	Description	Payment Mode	Other Details
Base Pay/ Salary	This is a fixed pay (guaranteed cash) which is not dependent on performance. It comprises basic salary and all cash allowances paid to the Executive Director.	Monthly/ Annually	Salaries for all roles are determined with reference to applicable relevant market practices
Other Benefits	These are the non-monetary compensation provided to the Executive Director, such as official car, club and professional membership subscription.	Actual items are provided or the cash equivalent for one year is given.	Review periodically in line with contract of employment

Review of the various remuneration elements means the re-appraisal of the elements to ensure that they are competitive and reflective of industry expectations. They do not necessarily refer to an increment or reduction in the value of the benefits.

Non-Executive Directors Remuneration
Non-Executive Directors' remuneration is structured to conform to prevailing regulations and is set at a level that is at par with market developments, reflects their qualifications, the contributions required and the extent of their responsibilities and liabilities.

Non-Executive Directors are paid an annual fee in addition to reimbursable expenses incurred in the course of their role as Board members, where not provided directly by the Bank. The annual fee is approved by Shareholders at the Annual General Meeting and is paid quarterly in arrears, with subsequent

They also receive a sitting allowance for each meeting attended by them but do not receive any performance incentive payments.

Please see the table below for the key elements of Non-Executive Directors' remuneration arrangements:

Element	Description	Payment Mode	Other Details
Annual Fees	Reflect market value of individuals and their role within the Bank	Quarterly	Reviewed periodically on need basis subject to shareholder approval at the Annual General Meeting.
Sitting Allowances	To recognize the responsibilities of the Non-executive Directors To encourage attendance and participation at designated committees assigned to them	Per meeting	Reviewed periodically on need basis subject to shareholder approval at the Annual General Meeting.

The Bank periodically benchmarks its remuneration practices against peer organizations whose business profiles are similar to that of the Bank

34. Other employee and directors disclosures

	2022 Number	2021 Number
a. The average number of persons employed by the Bank during the year was as follows:		
Executives	4	4
Management	21	17
Non-management	1,276	1,611
	1,301	**1,632**

b. Compensation for the above staff (excluding Bank directors) include:

	2022 N'000	2021 N'000
Salaries and wages	10,643,469	10,007,900
Pension costs:		
Defined contribution plans	517,598	528,610
	11,161,067	**10,536,510**

c. The number of employees of the Bank, other than directors, who received emoluments in the following ranges (excluding pension contributions), were:

	2022 Number	2021 Number
N300,000 and below	-	-
N300,001 - N2,800,000	-	-
N2,800,001- N3,500,000	468	662
N3,500,001- N4,000,000	302	360
N4,000,001- N5,500,000	156	173
N5,500,001- N6,500,000	114	132
N6,500,001- N7,800,000	102	120
N7,800,001- N9,000,000	67	74
N9,000,001 and above	92	111
	1,301	**1,632**

35. Going Concern

The Bank made a profit after tax of N0.94 billion for the year ended 31 December 2022. (2021: profit after tax N3.1billion). As at that date, the Bank's total liabilities exceeded its total assets by N274.9 billion (2021: N276.2 billion) and the capital adequacy stood at -89.69% (2021: -86.18%). The Bank therefore did not meet the minimum capital requirement and the CAR as stipulated by the Central Bank of Nigeria (CBN) for a Bank with a National banking license which is 10%. The directors acknowledge that material uncertainty remains over the timing of the recapitalisation of the Bank. However, the Directors have reached an advanced stage with both local and multinational investors in the fund mobilisation for the Bank.

The Directors are confident that they would be able to recapitalise the Bank upon the upturn of economic activities within the next one year. Based on this, the directors have a reasonable expectation that the Bank will continue in operational existence for the foreseeable future and as such realise its assets and settle its liabilities in the normal course of business. Accordingly, these financial statements have been prepared based on accounting polices applicable to a going concern.

36. Capital Management

a. The Bank's process for assessing and managing the impact of capital on its business plans on present and future regulatory capital communications is an important aspect of its strategic planning. The Bank's Capital Adequacy is reviewed at each periodic review date to ensure that it meets regulatory requirements and standard of international best practices.

The Bank's capital is Tier 1 (Core Capital) consists of essentially share capital and reserves created by appropriations of retained earnings over the years. Tier 2 capital is composed of long term borrowings for financial planning and other non qualifying Tier 1 reserves to the limit allowable.

The primary objectives of the Bank's capital management policy is to ensure that the Bank complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and maximise shareholder's value. The Bank's capital requirements have been deficient as reflected in its negative capital adequacy ratio computations reported at (86.55%) and (86.18%) for the years ended 31 December 2022 and 2021 respectively.

To address this deficiency, the Bank is in the process of a recapitalization exercise. Discussions are with prospective investors who have indicated interests to inject substantial capital into the Bank are at various stages. Whilst the capital raising exercise has been diversified to engage several strategic investors, deliberate actions were taken by the Bank to strictly extract commitment following the review of capacity, investment funding availability and strong poise and strategic alignment to the long-term vision and aspirations of the Bank that form the basis to invest in Unity Bank.

In the ongoing capital raising exercise, the Bank has considered a variety of classes of investors, including local and foreign, internal and new investors, individual and institutional investors, amongst other options. However, all prospective investors are required to demonstrate financial and business capacity, impeccable reputation and potential to add strategic value towards achieving the Bank's strategic goals and vision.

b. *Forbearances*

i. Financial accomodation from the CBN

Unity Bank Plc was also granted by the Central Bank of Nigeria a short term financial accommodation of N50 billion to augment working capital requirements with a maturity date of 19 September 2023 (see note 26).

Capital Adequacy Ratio

The Bank presents details of it's regulatory capital resources in line with the Central Bank of Nigeria's guidance on Pillar I Capital requirements.

Regulatory capital	2022 N'000 full impact of IFRS 9 transition	2022 N'000 Added impact of IFRS 9 transition	2021 N'000 full impact of IFRS 9 transition	2021 N'000 Added impact of IFRS 9 transition
Tier 1 capital				
Share capital	5,844,669	5,844,669	5,844,669	5,844,669
Share premium	10,485,871	10,485,871	10,485,871	10,485,871
Share Reconstruction	67,103,925	67,103,925	67,103,925	67,103,925
Statutory Reserves	13,367,368	13,367,368	13,226,162	13,226,162
SMEIES Reserves	440,119	440,119	440,119	440,119
CBN AGSMEIS Reserve	219,730	219,730	172,662	172,662
Other reserves	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Accumulated deficit	(380,834,043)	(380,834,043)	(371,734,695)	(371,734,695)
IFRS 9 Transitional Adjustment - -	-	-		
Total qualifying Tier 1 capital	**(286,372,361)**	**(286,372,361)**	**(277,461,287)**	**(277,461,287)**
Less:				
Intangible assets	1,630,115	1,630,115	145,734	145,734
Deferred Tax Assets	-	-	-	-
Adjusted total qualifying tier 1 capital	**(288,002,476)**	**(288,002,476)**	**(277,607,021)**	**(277,607,021)**
Tier 2 capital				
Revaluation Reserve	(189,699)	(189,699)	(453,611)	(453,611)
Total qualifying Tier 2 Capital	**(189,699)**	**(189,699)**	**(453,611)**	**(453,611)**
Total Qualifying Capital	**(288,192,175)**	**(288,192,175)**	**(278,060,632)**	**(278,060,632)**
Risk - weighted assets:				
Risk Weighted Amount for credit risk	245,066,233	245,066,233	243,444,832	243,444,832
Risk Weighted Amount for operational risk	45,213,703	45,213,703	43,412,131	43,412,131
Risk Weighted Amount for market risk	31,054,401	31,054,401	35,782,601	35,782,601
Total risk-weighted assets	**321,334,337**	**321,334,337**	**322,639,564**	**322,639,564**
Ratio	**-89.69%**	**-89.69%**	**-86.18%**	**-86.18%**

Transitional arrangements treatment of IFRS 9 expected credit loss for regulatory purposes by Banks in Nigeria

During the year ended 31 December 2018, the Central Bank of Nigeria (CBN) issued a circular to provide guidance on the treatment of ECL provisions for regulatory purpose and introduce a four-year transitional arrangement to cushion the effect on tier 1 regulatory capital. The summary of the guidance is as follows:

1. Utilisation of Regulatory Risk Reserve (RRR) to cushion the impact of IFRS 9 ECL Provisions on Transition Date In order to cushion the impact of IFRS 9 on regulatory capital banks are required, in the first instance, to apply the balance in their RRR to reduce the additional ECL provisions to be recognized in the opening retained earnings on January 1, 2018. The amount to be deducted from RRR shall be limited to the excess of ECL provisions over the IAS 39 provisions on the transition date. Accordingly, banks are required to effect appropriate accounting entries to reflect the transfer from RRR to the retained earnings.

2. Transitional Arrangement of the ECL Accounting Provisions for Regulatory Capital Purpose where the additional IFRS 9 ECL provision as stated in (1) above is higher than the balance in RRR, Banks are required to amortise the excess in line with the transitional arrangements provided by CBN. For the purpose of the transitional arrangement, the excess of the ECL provisions over IAS 39 provisions adjusted for the RRR is termed "Adjusted Day One Impact", using the Static Approach. This approach requires banks to hold static the Adjusted Day One Impact and amortise on a straight-line basis over the four-year transition period by writing back to the Tier 1 capital as indicated in the table below. The Adjusted Day On Impact for the Bank was N2.48billion.

Period	Provisions to be written back	%	BANK
Year 0 (January 1, 2019)	4/5 of Adjusted Day One Impact	80%	1,985,361.57
Year 1 (December 31, 2019)	3/5 of Adjusted Day One Impact	60%	1,489,021.18
Year 2 (December 31, 2020)	2/5 of Adjusted Day One Impact	40%	992,680.78
Year 3 (December 31, 2021)	1/5 of Adjusted Day One Impact	20%	496,340.39
Year 4 (December 31, 2022)	Nil	0%	-

37.Events after reporting date

There were no other significant events after the reporting date that could affect the reported amount of assets and liabilities as of the reporting date.

38. Contraventions

The Bank contravened certain extant regulatory provisions during the year. The details of such contraventions and the penalties paid are shown below:

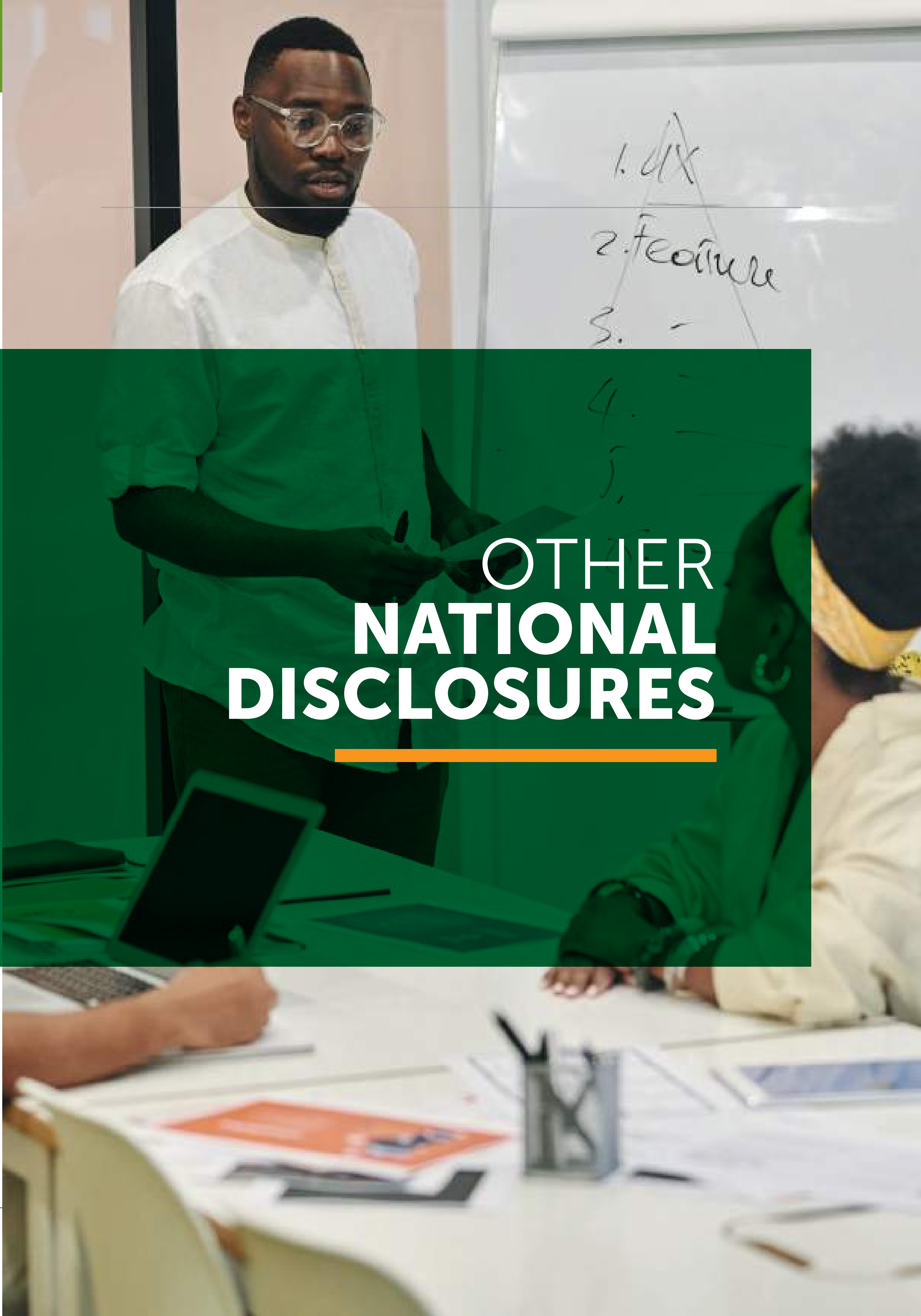
Nature of Contravention and penalty paid	Regulatory Agency	2022 N'000	2021 N'000
Penalty IRO 2020 Risk Assets Exam	CBN	-	4,000
Penalty for contravening CBN directive on loan offer agreement	CBN	-	2,000
Penalty on Late response to customer complaints	CBN	-	2,000
Late filing of 2017 Statement & 2018 Q1, Q2, Q3 Accounts	SEC	-	9,000
		-	**17,000**

39. Statement of cash flow workings

	Notes	2022 N'000	2021 N'000
(a) Loans & advances to customer			
Net loans, beginning of the year	18	269,269,716	202,080,856
Impairment write-back/(loss) on loans and advances	11	(413,763)	925,505
Movement for Cash Flow Statement		20,499,746	66,263,355
Net loans end of the year	18	**289,355,699**	**269,269,716**
(b) Changes in other assets			
Gross amount, beginning of the year	20	23,996,665	14,737,300
Movement for cashflow purposes		(2,309,733)	9,259,365
Gross amount end of the year	20	**21,686,932**	**23,996,665**
(c) Purchase of PPE			
Property, Plant and Equipment	21	3,521,710	2,392,702
ROU Asset	21	446,483	404,222
Acquisition of PPE		**3,968,193**	**2,796,924**
(d) Deposits from customers			
At 1 January	25	322,284,567	356,615,192
Interest payable at the end of the year (see note 39 (h) below)		2,470,852	1,210,672
Movement for Cash Flow Statement		2,674,254	(35,541,297)
At 31 December	25	**327,429,673**	**322,284,567**
(e) Due to Other Banks			
At 1 January	24	143,321,585	106,699,353
Interest payable as at year end (see note 24b)		166,873	524,700
Movement for Cash Flow Statement		(25,757,044)	36,097,532
At 31 December	24	**117,731,414**	**143,321,585**
(f) Other liabilities			
At 1 January	28	39,765,666	38,741,646
Impairment write back on contingents (see note 11)	11	19,533	733,718
Interest expense on lease liability		5,311	11,171
Movement for Cash Flow Statement		2,099,831	279,131
At 31 December	28	**41,890,341**	**39,765,666**
(g) Interest received			
Interest recognised in the statement of profit or loss	6	48,990,838	43,181,559
Interest receivable, beginning of the year		7,225,301	4,928,402
Interest receivable, end of the year		(9,796,187)	(7,225,301)
Movement for Cash Flow Statement		**46,419,952**	**40,884,660**

NOTES TO THE FINANCIAL STATEMENTS

	Notes	2022 N'000	2021 N'000
(h) Interest paid			
Interest expense	7	29,647,236	23,127,005
Interest capitalised on borrowings	26	(5,677,974)	(6,256,751)
Interest payable:			
Deposit liabilities		(2,470,852)	(1,210,672)
Due to Banks	24	(166,873)	(524,700)
Interest payable, beginning of the year		(1,735,372)	(409,442)
Interest expense on lease liability	7	(5,311)	(11,171)
Interest paid during the year		**19,590,854**	**14,714,269**
(i) a. Disposal of property and equipment			
Cost	21	313,912	472,240
Accumulated Depreciation	21	(275,738)	(468,276)
Gain on disposal		27,637	51,128
Proceeds from sale	a	**65,811**	**55,092**
b. Write off of property and equipment			
Cost	21	-	116,025
Accumulated Depreciation	21	-	(64,887)
Loss on disposal		-	(25,272)
Proceeds from sale	b	**-**	**25,866**
Proceed on Disposal (total)	a+b	65,811	80,958
Gain on disposal of Property and Equipment	10	**27,637**	**25,857**
(j) Cash and cash equivalent reported in the statement of cash flow			
Cash on hand	16	6,010,368	6,240,566
Current account with CBN	16	1,250,274	1,564,941
Deposits with the Central Bank of Nigeria	16	39,251,270	60,356,381
Due from other banks	16	21,760,896	37,008,773
Impact of foreign exchange on cash balances	39(l)	12,745	16,417
At 31 December		**68,285,553**	**105,187,078**
(k) Changes in other balances with CBN			
AGSMEIS Account			
At 1 January	16	446,162	341,812
Movement for cashflow purposes		158,663	104,350
At 31 December	16	**604,825**	**446,162**
(l) Adjustment for non-cash exchange differences			
Unrealised exchange difference on borrowings	26	(286,154)	(500,348)
Net input of foreign exchange on cash balances	39(j)	12,745	16,417
		(273,409)	**(483,931)**



OTHER NATIONAL DISCLOSURES

OTHER NATIONAL DISCLOSURES

Statement of **Value Added**

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 N'000	%	2021 N'000	%
Gross earnings	56,916,015		48,976,671	
Interest expense	(29,647,236)		(23,127,005)	
	27,268,779		**25,849,666**	
Bought in materials and services				
Local	(13,379,828)		(12,559,781)	
Net Impairment losses on financial assets	1,203,857		2,563,926	
	15,092,808	100	15,853,811	100
Applied to pay:				
Employees:				
Wages, salaries and pensions	11,161,067	74	10,536,510	66
Government				
Taxes	444,750	3	158,880	1
To be retained in the business for expansion and future wealth creation:				
Depreciation	2,465,851	16	1,934,265	12
Amortisation	79,765	1	50,905	-
Profit for the year	941,375	6	3,173,252	20
	15,092,808	**100**	**15,853,811**	**100**

Value Added is the additional wealth created by the efforts of the Bank and its Employees. The statement shows the allocation of the wealth amongst employees, government, capital providers and that retained in the business for expansion and future wealth creation.

Statement of **Financial Position**

FIVE YEAR FINANCIAL SUMMARY

	31 DECEMBER				
	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Assets				*Restated*	*Restated*
Cash and balances with Central Bank	47,116,736	68,608,050	99,266,770	14,209,138	9,340,372
Due from banks	21,732,544	36,980,421	33,065,169	33,725,276	32,062,650
Loans and advances to customers	289,355,699	269,269,716	202,080,855	104,017,725	44,096,959
Financial investments – held-for-trading	-	-	-	-	76,662,150
Debt instruments at fair value through other comprehensive income	43,776,330	52,129,755	62,839,611	87,262,055	-
Equity instruments at fair value through other comprehensive income	-	-	-	-	25,660,268
Debt instruments at amortised cost	68,866,346	71,896,064	64,379,307	29,209,131	-
Other assets	14,206,683	22,668,391	21,915,364	21,963,559	20,602,236
Property and equipment	23,459,506	145,734	148,836	136,201	80,866
Goodwill and other intangible assets	1,630,115	17,170,625	8,324,417	2,528,985	2,295,340
Deferred tax assets	-	-	-	-	-
TOTAL ASSETS	**510,143,959**	**538,868,756**	**492,020,329**	**293,052,070**	**210,800,841**
Liabilities and Equity					
Liabilities					
Due to other banks	117,731,414	143,321,585	106,699,353	108,240,698	100,347,202
Due to customers	327,429,673	322,284,567	356,615,192	257,691,182	247,630,264
Borrowings	297,381,214	309,185,583	264,873,635	183,303,723	126,211,139
Current tax liabilities	659,484	463,865	499,184	621,306	501,187
Other liabilities	41,890,341	39,765,666	38,741,646	22,044,718	20,451,210
Employee benefit liabilities	-	945	1,115	6,331	34,493
Total liabilities	**785,092,126**	**815,022,211**	**767,430,125**	**571,907,958**	**495,175,495**
Equity					
Issued share capital	5,844,669	5,844,669	5,844,669	5,844,669	5,844,669
Share premium	10,485,871	10,485,871	10,485,871	10,485,871	10,485,871
Statutory reserve	13,367,368	13,226,162	12,750,174	12,437,215	11,929,737
Retained earnings	(380,834,043)	(371,734,695)	(372,722,376)	(374,443,951)	(377,319,662)
Non Distributable Regulatory Reserve	11,613,893	1,761,444	51,859	-	-
Other reserves	64,574,075	64,263,094	68,180,007	66,820,308	64,684,731
Total equity	**(274,948,167)**	**(276,153,455)**	**(275,409,796)**	**(278,855,888)**	**(284,374,654)**
Total liabilities and equity	**510,143,959**	**538,868,756**	**492,020,329**	**293,052,070**	**210,800,841**

OTHER NATIONAL DISCLOSURES

Summary **Profit or Loss**

FIVE YEAR FINANCIAL SUMMARY

	31 DECEMBER				
	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Total operating income	27,268,779	25,849,666	21,336,957	25,132,625	19,117,960
Operating expenses	(27,086,511)	(25,081,460)	(23,241,095)	(19,568,590)	(20,713,169)
Impairment losses	1,203,857	2,563,926	4,127,332	(1,921,923)	(5,958,492)
Profit before taxation	1,386,125	3,332,132	2,223,194	3,642,112	(7,553,701)
Current taxation	(444,750)	(158,880)	(136,801)	(258,923)	(141,619)
Deferred taxation	-	-	-	-	(319,334)
Profit/(Loss)after taxation	941,375	3,173,252	2,086,393	3,383,189	(7,695,320)
Earnings per share (basic)	8.05	27.15	17.85	28.94	(65.83)

ENTERPRISE RISK MANAGEMENT DISCLOSURE

Enterprise Risk Management

1. Approach to Risk Management

Unity Bank Plc recognizes the importance of risk management practices in the achievement of its overall strategic objectives. The Bank has an effective risk governance structure and an experienced risk management team. Its risk management structure facilitates maximization of opportunities, mitigation of potential threats and timely decision making.

The Bank realizes that effective risk management is fundamental to achieving financial soundness. To this end, risk management has become an integral part of our strategy. A major target is to create a homogeneous risk awareness culture throughout the institution. This will help all staff to collectively own risks enterprise-wide.

Risk management style is well defined to create a balance between corporate oversight and actual risk management functions with a focus on the three lines of defense below:

Starting from the process of prospecting businesses for the Bank, risk management is activated. This will reduce the burden of assessment of other risk functions. In the event of a process breach, in line with management objectives, internal audit will identify and recommend for process correction.

The Management of the Bank is committed to constantly creating, implementing and sustaining risk management practices that will take the bank to new heights. The Board of Directors determines overall risk objectives, issues and/or approve risk policies in line with the Bank's overall objectives and risk appetite. The said policies define acceptable of risk levels and a pathway for assessment and treatment where necessary.

The Enterprise Risk Management (ERM) framework encompasses all other risk management policies, given that ERM is the aggregate of risk identification, assessment and active management in a cost-effective manner.

The Bank's risk management process originates from identification, to establishing a context, to mitigation, monitoring and reporting as shown below:

1. Establishing a context
This is done by considering the following:
- The environment within which the organization operates (Organizational context)
- The objectives, core activities and operations of the Bank (Strategic context)

2. Identification of risks
This is basically done by classifying the risks into core Financial, Physical, Ethical or Legal. It also involves determining what can happen, when it could happen and where it could happen.

3. Evaluation of risk
It involves analyzing likelihood and consequences of risks identified

4. Treatment of risks
The decision point of whether to avoid the risk, transfer the risk or accept and mitigate the risk.

5.Reporting and monitoring of risks
Communication, monitoring and review ensure that the important information generated by the risk management process is captured, used and maintained

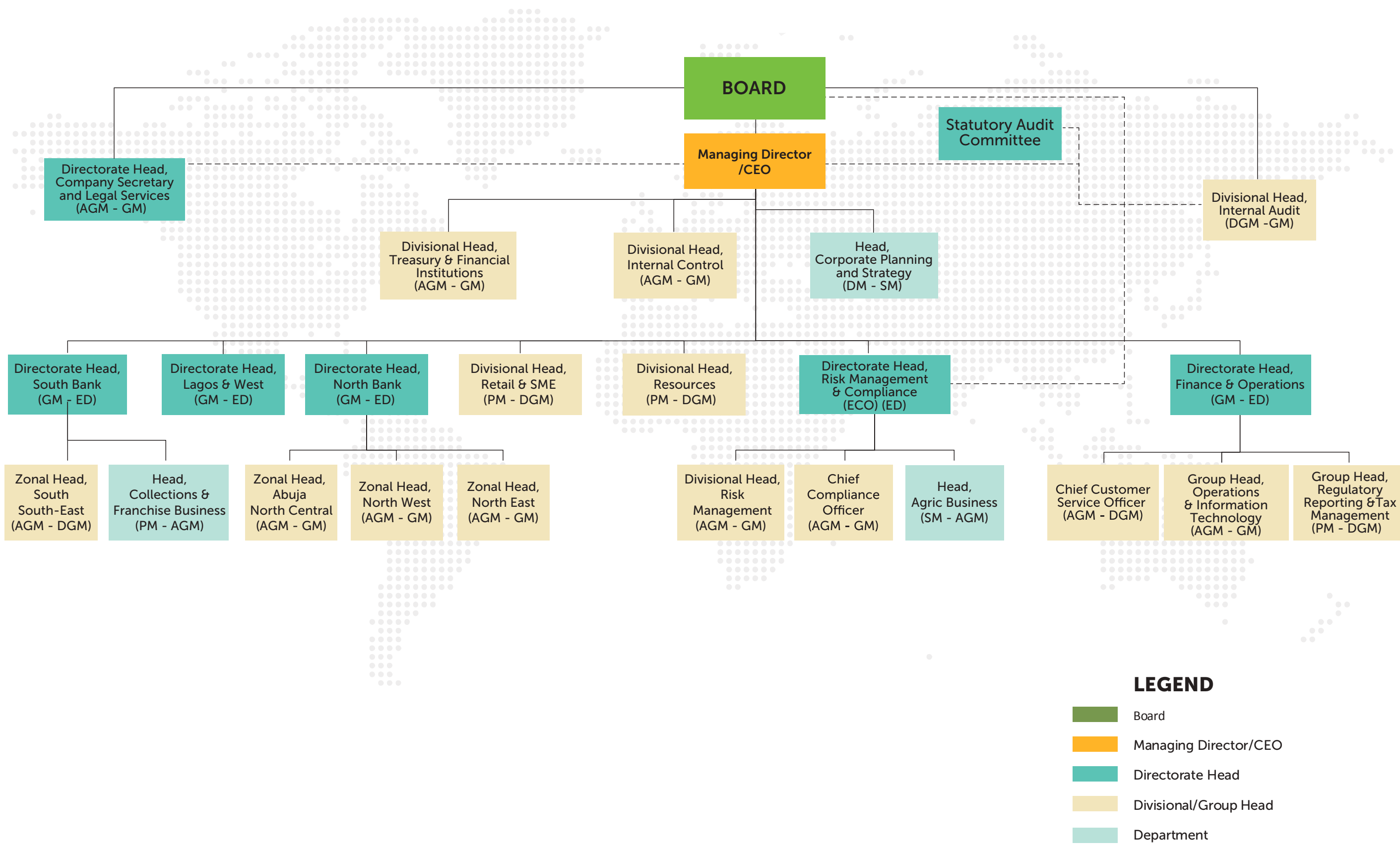
Unity Bank's Enterprise Risk Strategy
The following risks are directly managed by the bank:

a. Credit Risk
b. Market Risk and Liquidity Risk
c. Operational Risk (including Information Security and Information Technology Risk)
d. Strategic Risk
e. Compliance and Legal Risk
f. Reputational Risk
g. Interest Rate Risk
h. Foreign Exchange Risk

The process of identification, evaluation, measurement and management of the above-mentioned risks are discussed in details under the Internal Capital Adequacy Assessment Process (ICAAP) Report.

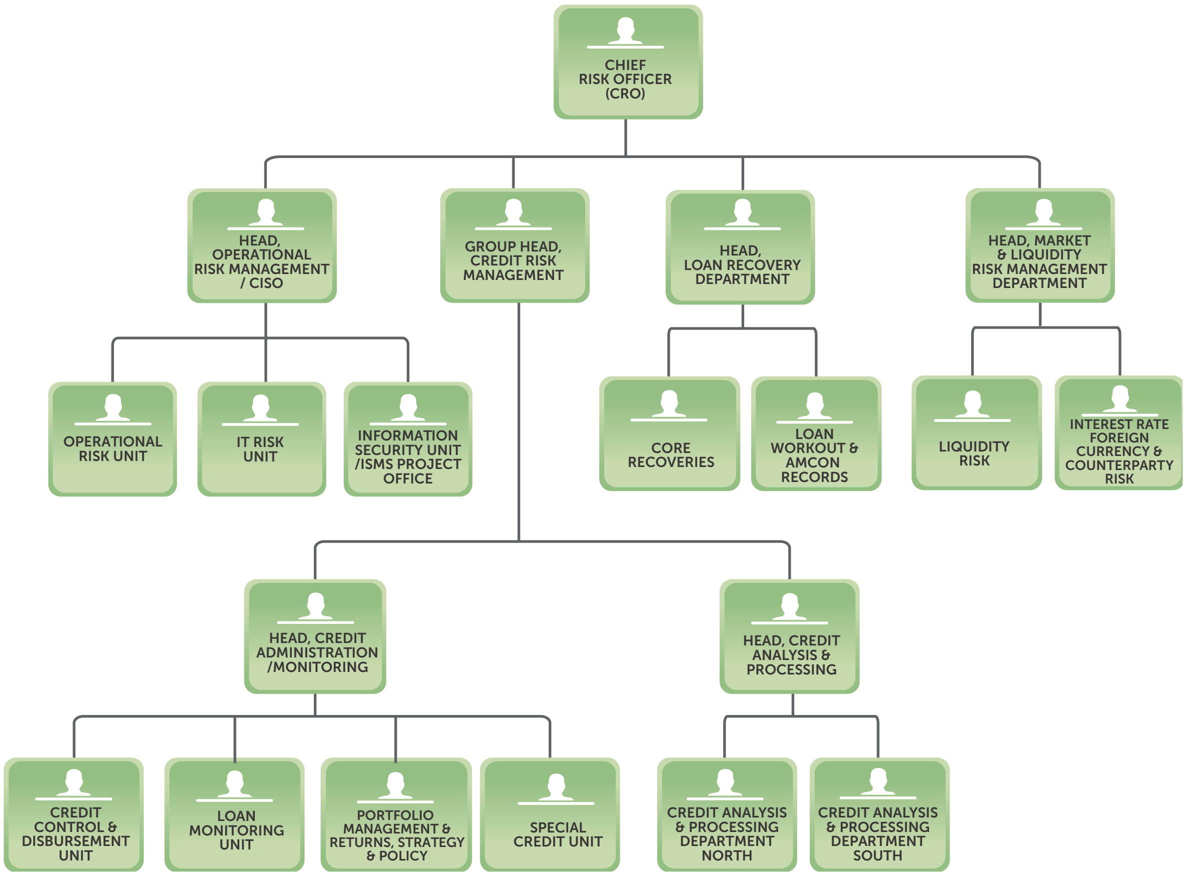
1.1 Risk Organization and Governance Structure

Unity Bank Corporate Organogram

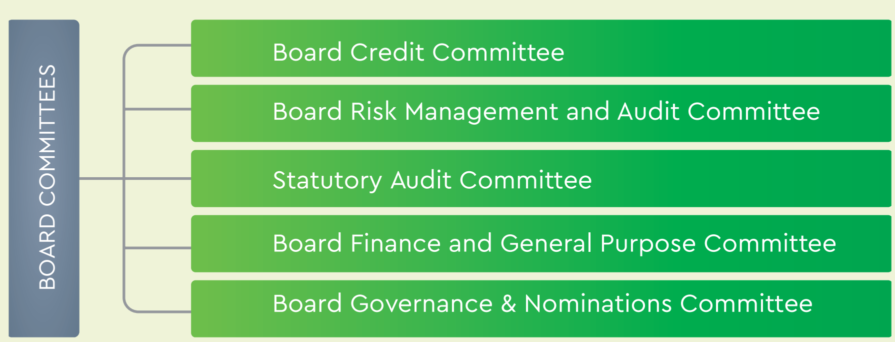


ENTERPRISE RISK MANAGEMENT

New Enterprise Risk Management Structure



The Bank instituted best practice corporate governance structures around its risk management roles and functions. The Board of Directors, through its various Committees, articulates the vision, sets the tone and provides strategic direction for the management of risk across the institution. The various Board Committees are as listed below:



RISK MANAGEMENT DEPARTMENTS AND THEIR KEY FUNCTIONS

Credit Analysis & Processing (CAP)
Responsibilities of the CAP department include the following:

- Reviewing and certifying all credit requests before approval by the relevant approving authorities.
- Propose annual list of insurance underwriters for Management approval
- Reviewing issues affecting credit process efficiency and/or effectiveness.
- Reviewing and recommending changes to the Risk Assets Pricing Policy.
- Issuing of Credit Circulars approved by Management.
- Appraising and recommending the appointment of professional service agents e.g. Estate Valuers, Warehousing Agents, Project Consultants etc.
- Compiling data for the measurement of Credit Risk for the Bank.
- Listing and reviewing of credit events for consideration in Credit Risk Assessment
- Anchoring the Management Credit Committee
- Ensure appropriate pricing of risk assets.
- Compliance with the Bank's risk appetite definitions and RAAC.

Market and Liquidity Risk (MLR)
The function is sub-divided into:

- Strategic Planning (ALCO)
- Risk Identification
  - Interest Rate Risk
  - Foreign Currency Risk
  - Equity Risk
  - Liquidity Risk
  - Counterparty Risk
- Risk Measurement (for the same risk areas listed above)
- Risk Control: This focuses on such issues as Dealing Limits, Overnight Position Limits, Intra-day Limits, Concentration Limits, and Liquidity gap Limits, Contingency Funding Plan, Crisis Management Plan, Counterparty Limits, etc.
- Risk Monitoring (covers all the control areas)
- Risk Reporting.

Credit Administration
Credit Risk Management Group is subdivided into the following Departments and Units with clearly defined responsibilities:

Credit Control and Disbursement:
- Reviewing loan acceptance documentation prior to disbursements.
- Disbursement of all approved facilities that meet conditions precedent.
- Declassification of accounts to release suspended interest on Banks.
- Monitoring of Deferrals on facilities with deferral approvals.
- Ensure that all transactions are compliant with the Bank's policies and regulations
- Responding to internal queries about payments and provision of Loan repayment schedules.
- Reviewing and processing Customer request for Release of Security Documents.
- Setting and changing of interest Rate on loan and current accounts with concession approval.
- Rendering of monthly report on facility disbursed which entails customer details, security details, facility details and dimensions, etc.
- Setting of Guarantees on the Core Banking Application (CBA) to generate control number.
- Booking of Guarantees on the CBA and deduction of charges
- Cancellation of Guarantees on the CBA at expiration or as approved by Management.
- Creation of Cash Margin account on Guarantee upon receipt of proceed.

- Placement of Lien on Guarantees cash collateral.
- Reviewing and Processing Customer request for Release of Cash Margin on Guarantees.

Credit Risk Monitoring:
- Total Portfolio Policing
- Monitoring Industry Exposure
- Risk Migration
- Limits Management
- Collateral Management
- Account Activity Monitoring
- Maintenance and Monitoring of Repayment Records
- Risk-Return Correlation Monitoring
- Market Intelligence
- Material Adverse Events
- Impaired Assets – Classification/Declassification.
- IFRS Provisioning Monitoring & Control

This function is very critical and wide in coverage. It makes the difference between whether an exposure remains performing or becomes delinquent. The function is organized in teams, with each team being responsible for a particular zone(s).

Credit Portfolio Management and Reporting:
- Reporting on Total Portfolio by:
    - Industry
    - Risk Rating
    - Product Programmes
    - Geographical Location
    - Business Units
- Impaired Assets Report
- Watch-list
- Exceptions/Breaches
- Risk/Return Reports.

- **Portfolio Planning**
    - Macro-economic Indicators
    - Socio-political Environment
    - Target Capital Adequacy Ratio
    - Portfolio Stress Testing
    - Total Portfolio Limit
    - Target Industries/Markets
    - Portfolio Distribution – Concentration and Diversification
    - Target Names
    - Credit Product Offerings

Operational Risk Management
Operational Risk Management Department reports to Chief Risk Officer and has the following roles: -

- Coordinate the evolution of ERM Policy and practices,
- Custodian of ERM Policy bank-wide
- Co-ordinate effective implementation of ERM policies in all the core risk areas of the Bank including Credit Risk, Market Risk, Operations Risk and Compliance Risk Management.
- Carry out self-assessment of the Bank's enterprise risk management framework and initiate process for gap remediation.
- Coordinate internal and external review of the Bank's ERM policies and remediation of identified gaps.

- Oversee and coordinate specific risk policy implementation and compliance with respect to Strategic Risk, Reputational Risk.
- Coordinate enterprise-wide Business Continuity Management System (ISO 22301 - BCMS).
- Coordinate capital allocation for significant activities of the Bank.
- Coordinate risk-adjusted performance management system in the Bank.
- Serves as risk integration and aggregation coordinator.
- Reviewing and certifying products risk prior to deployment.
- Monitor risk exposures against set limits bank-wide
- Identification, reporting and management of operational risks bank-wide
- Responsible for implementing programmes for managing IT and information security risks across the Bank.
- Champion the maintenance and recertification of the Bank to the PCIDSS and ISO 27001 ISMS standards.
- Review of ISMS and IT Risk policies and coordinate its implementation.
- Coordinate the review of all IT risks and Non conformities in line with ISMS Standards, IT Risk register, change management issues, access control monitoring and review, monitoring of implementation of remediation programs for vulnerabilities on e-platforms amongst others.
- Escalation of critical risks to appropriate levels of risk owners, Management and Board
- Periodically update the Board and Management on the implementation of risk remediation programmes for vulnerabilities Bank wide.

Loan Recovery Department (LRD)
The LRD responsibilities include:

- Recovery of bad loans
- Coordination of recovery activities across the network
- Appointment of recovery agents
- Coordination of collateral liquidation for debt recovery
- Initiating along with Business Units, and processing of Loan Workout proposals.
- Reporting of the Bad Loans Portfolio.
- Coordinating recovery efforts on accounts in Lost category and initiate recovery plans.
- Processing of interest waivers and write-off requests in respect of accounts classified Lost.
- Liaise with Legal Services Department on accounts under recovery.
- Processing restructuring/workout arrangement of lost credits.
- Monthly review and rendition of reports on accounts under lost category.

The Head of Loan Recovery reports to the Chief Risk Officer.

Other Stakeholders -

Legal Services Department (LSD)
The LSD responsibilities include:

- Provision of technical support in identifying and managing exposure to legal risks.
- Conducting searches at State Land Registries and the Corporate Affairs Commission (CAC)
- Preparing and vetting of all credit- related Agreements/Contracts to be entered into by the Bank.
- Vetting of security documents for disbursement of approved credits.
- Issuance of contingent liability instruments.
- Providing opinion as to legal suitability of security arrangement for approved credits.
- Appointment and monitoring of Solicitors engaged by the Bank for perfection of securities, recovery of loans, litigations, searches etc.

Internal Control Group (ICG)
The ICG responsibilities include:

- Ensure that all the Bank activities and business are carried out in strict compliance with the approved policies and procedures and in line with the Regulatory Provisions.

ENTERPRISE RISK MANAGEMENT

- Profiling and creation of users on financial applications in the Bank and deactivation of same as the case may be.
- Monitoring of agreements as contained in duly executed Service Level agreements
- Managing the Bank's Fraud Desk in line with regulatory requirements.
- Appropriately escalate report to Management on any observed breaches after preliminary investigations and recommend appropriate actions to be taken to prevent reoccurrence.
- Recommend amendments to policies and procedures in order to enhance efficiency and effectiveness of the system.
- To ensure all branches and other relevant locations are manned with Control Officers to review their operations and environment.

Communications and Brand Management: -
This Department champions the management of the Bank's brand and exposure to reputation risk. It is responsible for providing technical support for the Bank's Management in managing the Bank's brand capital.

Corporate Planning and Strategy
This Division is responsible for managing the Bank's strategic risk.

Internal Control Environment
The Bank creates a strong and efficient internal control environment through the implementation of the following policies: -

Continuous Audit Function
- Most of the Bank's business locations have Resident Control Officers to carry out continuous audit of the Bank's operations.

Segregation of Duties
- Establishment and maintenance of the principle of segregation of duties in all its key functions.

Dual or Multi-level Controls
- Ensuring dual or multiple level controls in its key processes. No single person can initiate and conclude a process be it, manual or automated.

System Control of Processes
- System-controlled processes are being emphasized as much as practicable.

Independence of Internal Control/Back Office Functions
- The independence of the internal control and back office functions is being maintained through reporting lines and authority levels.

Independent Review of Risk Management by Internal Audit
- Independent review of the operational risk management framework is being carried out periodically by Internal Audit Division of the Bank.

Data Validation and provision
- Provision of data from internal control reports.

Documented Roles of Units/Departments
- Roles and responsibilities of Departments and Units are well documented with clear reporting lines.

Duplication or Overlapping Functions/Job Roles
- There is no ambiguity or overlap of functions. Strategy and Corporate Development Division, Human Capital Management and ERM Office carry out annual review of job functions to remove all overlapping activities.

Clearly Defined Authority Levels
- Authority levels, delegation of authorities are clearly defined in line with best practice.

Implementation of Code of Corporate Governance
- Codes of corporate governance are being implemented using best practice standards.

Compliance with Laws and Regulations
- There is full compliance with all laws and regulations of the Central Bank of Nigeria, Securities and Exchange Commission, NAFIU – Anti-money laundering laws, as well as all other regulatory bodies

Optimal Staffing
- The Bank shall ensure the optimal level of staffing in all its functional units. To this end, job evaluation shall be carried out for every job role to determine the quantum of man-hour and skill level required to handle the roles. This shall be carried out by Human Capital Management, Strategy Division, Operations Risk Department and Financial Control.

Authority Limits and Access Rights
- Delegated authority limits whether operational or fund-based to ensure contingent exposures are approved by the Board.
- Such approval limits include credit approval, placement of interbank funds, dealers' limits, posting of transactions, payment of cash, expense limits, amongst others.
- The authorities are personalized for skill-based sensitive job-roles that require high level of judgment and discretion.

Disclosure
In compliance to Pillar III of the Basel II, the Bank renders clear and concise disclosure of its processes. The Bank reports its financials in line with the CBN and the FRC approved International Financial Reporting Standards (IFRS). Unity Bank also regularly updates existing capacity and relevant modalities to ensure its continued compliance with all applicable IFRS.

2. Risk Assessment
The Bank's risk assessment begins with risk identification and culminates in mitigation. Risk evaluation deploys several methods to measure the impacts of such risk on the capital adequacy. A cost and benefit analysis is also done to ascertain whether a risk should be taken on, while some conventional methods are used to measure the Pillar I risks, Pillar II risks as assessed using methods that reflect the peculiarity and complexity of the Bank's business. Another key factor considered in measuring Pillar II risk is the materiality principle.

3. Key Risk Exposures
This section focuses on the material risk for which the Bank had capacity to measure. Some of the risks considered include the following:

Pillar I risks:
- Credit Risk
- Market Risk
- Operational Risk

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3.1 Credit Risk

It is the likelihood that a borrower or counterparty will fail to meet his/her obligations according to the agreed terms thereby resulting in a loss for the Bank.

The Bank's primary business is that of financial intermediation hence credit risk forms a major part of its overall risk profile. The Standardized Approach was used to measure the credit capital requirement.

Measurement and Assessment

The Bank combines quantifiable model-based approaches and past experiences in assessing and measuring credit risk. Some of the methods used include the following:

i.Historical Experience and Hindsight

In measuring and assessing credit risk, we consider the length of relationship with a counterparty in the measurement and assessment of credit risk. The past credit conduct of counterparties with the bank is also taken into consideration. Historical experience also entails using the benefit of hindsight from other credit transaction and experiences in the bank.

ii. Credit Search

The Bank also explores the option of carrying out credit searches on counterparties from licensed Credit Bureaus. This provides a fair idea of the general credit rating and conduct of counter-parties.

iii. Internal Credit Risk Rating

A key quantitative measure used by Unity Bank for credit evaluation is the internal risk rating and scoring system. This helps the Bank to determine the likelihood of default and grade the risk associated with a credit facility. The overall rating is a combination of scores from the Entity and transaction aspects. Credit risk rating is an integral part of the loan approval process.

The Bank currently operates ten (10) risk rating buckets inclusive of 3 default buckets as shown below:

SCORE	RATING	DESCRIPTION	CHARACTERISTICS
85 and above	1	Exceptional	Excellent credit and reputation as a borrower. Security is Bank guarantee, Cash or near-cash equivalents. Unquestionable credit quality. Overwhelming capacity to meet obligation. Top multinational/corporations. Strong cash flow. Full cash coverage.
80-84	2	Very High Quality	Very high quality credit. Good financial condition, stable earnings and stable industry. Very good liquidity and debt capacity. Facility secured by marketable securities.
75-79	3	High Quality	Good asset quality and liquidity. Strong debt capacity. Strong credit fundamentals – may suffer temporary setback if any of them are adversely affected. Backed by corporate guarantee of top rated companies, domiciliation or choice legal mortgages or debentures.
70-74	4	Above Average	Satisfactory character of owner. Reasonable management, satisfactory asset quality and liquidity supported by perfected and adequate collateral situated in preferred locations.
65-69	5	Acceptable Risk	Typically, good companies in cyclical or weak industries. Temporary difficulties can be overcome to meet debt obligations. Satisfactory asset quality and liquidity. Security is adequate but perfected, and may not be in preferred locations

60-64	6	Average	Satisfactory quality but declining collateral quality. Susceptible to poor industry conditions and operating difficulties. Typically, borrowers in declining markets or small market share and operating in cyclical industries. Declining collateral quality. Manageable management and owners.
55-59	7	Average	Not strong on all the applicable fundamentals. To be accepted only on the strength of stronger Credit Risk Mitigants (CRMs) or other strong justification(s), including compelling business and relationship considerations as applicable.
50-54	8	Watch-list	Not strong on all the applicable fundamentals. To be accepted only on the strength of stronger Credit Risk Mitigants (CRMs) or other strong justification(s), including compelling business and relationship considerations as applicable
45-49	9	Watch-list	Not strong on all the applicable fundamentals. To be accepted only on the strength of exceptional Credit Risk Mitigants (CRMs) or other strong justification(s), including compelling business and relationship considerations as applicable
Below 45	10	Unacceptable Risk	Not to be accepted until the relevant fundamentals are addressed to bring the rating to within any of the acceptable bands above

Credit rating is influenced by both quantitative and qualitative variables. The minimum acceptable risk rating is 7 (Average) with a score range of 55-59.

Risk ratings models form the building blocks for the determination of default risk of counterparties. The models are back tested to ascertain the predictive capabilities relative to actual performance, and necessary amendments are made as necessary to enhance their effectiveness.

However, significant increase in credit risk is the main factor that determines movement of a financial asset from Stage 1 to either Stage 2 or Stage 3 (under IFRS 9: Risk Assets Impairment).

Expected credit loss amounts are the weighted average of credit losses with the respective risk of a default occurring as the weights. The credit losses are a measure of all cash shortfalls (i.e. the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive) discounted at the original effective interest rate.

The amount of ECLs recognized as a loss allowance depends on the extent of credit deterioration since initial recognition. There are two measurement bases:

- 12-month ECLs (Stage 1), applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality. 12-month ECLs are the portion of the lifetime ECLs that results from default events that are possible within the next 12 months (or a shorter period if the expected life of the financial instrument is less than 12 months) weighted by the probability of that default occurring.
- Lifetime ECLs (Stages 2 and 3), applies when a significant increase in credit risk has occurred on an individual or collective basis. They are the ECLs that result from all possible default events over the expected life of a financial instrument.

The following key criteria must be met in the estimation of ECL in order for a Bank to have met IFRS 9 requirements:

Criteria	Description
Use of regulatory models in the estimation of ECL	If a bank chooses to leverage existing regulatory models to estimate ECL, appropriate adjustments should be made to the models before they are used for IFRS 9 purposes. For example, the removal of conservatism in the regulatory model and adjustment of output to ensure a PiT PD rather than a through-the-cycle (TTC) PD or downturn measure.
Collective assessment	When assessing ECL on a collective basis the standard specifies that segments or groups share similar risk characteristics so that banks can reasonably assess changes in credit risk and thus the impact on ECL.
Assessment of expected changes to exposures	A bank must include the effects of contractual repayments and expected prepayments on loans. Expected drawdowns on committed facilities should also be considered.
Discounting	An entity must consider the time value of money when estimating ECL and ECL should be discounted to the reporting date.
Use of reasonable and supportable information	A bank shall measure expected credit losses of a financial instrument with available information at the reporting date about past events, current conditions and forecasts of future economic conditions.
ECL estimates are an unbiased and probability weighted amount	A bank shall measure expected credit losses of a financial instrument in a way that it reflects an amount that is determined by evaluating a range of possible outcomes.

Sum of marginal loss approach

This approach involves calculating ECL as the sum of the marginal losses occurring in each time period from the reporting date. The marginal losses are derived from individual parameters that estimate exposures and losses in the case of default and the marginal probability of default for each period (the probability of a default in time period X conditional upon an exposure having survived to time period X).

Consistent with regulatory and industry best practices, ECL calculations are based on four components, which are listed below:

- **Probability of Default (PD) –** This is an estimate of the likelihood of default over a given time horizon (e.g. 12 months or lifetime).
- **Exposure at Default (EAD) –** This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdown on committed facilities.
- **Loss Given Default (LGD) –** This is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD.
- **Discount Rate –** This is a rate used to discount an expected loss to a present value at the reporting date. It is usually the effective interest rate (EIR) (or where applicable other rate permitted by IFRS 9) determined at initial recognition.

ECLs are generally measured based on the risk of default over one of two different time horizons, depending on whether the credit risk of the borrower has increased significantly since the exposure was first recognized. The loss allowance for those exposures that have not increased significantly in credit risk ('stage

1' exposures) is based on 12-month ECLs. The allowance for those exposures that have suffered a significant increase in credit risk ('stage 2' and 'stage 3' exposures) is based on lifetime ECLs.

The PD as well as the EAD, the LGD and the effect of discounting - reflect the expected life or period of exposure. The bank calculates each of these components for a series of time intervals over the period of exposure (such as monthly, quarterly or annually) and sums them to derive the lifetime ECL.

As the Bank is required by the Standard to measure ECL in a way the reflects "reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions", The measurement of each of these components is calibrated in order that they meet these criteria.

When assessing ECL on a collective basis the standard specifies, "it is important that information about historical credit loss is applied to groups that are defined in a manner that is consistent with the groups for which the historical credit loss rates were observed". Financial instruments should be grouped in such a way that they share similar risk characteristics and for which relevant observable data that reflects current conditions is available.

The standard lists examples of shared credit risk characteristics, which include instrument type, credit risk ratings, collateral type, date of initial recognition, remaining term to maturity, industry, geography and the value of collateral relative to the financial asset. Regular review of the ECL methodology and estimation should include an assessment of the continued suitability of the groups through comparison of shared credit risk characteristics.

ECL calculation using sum-of marginal loss approach
An ECL can be computed for any horizon – typically for each due date of an exposure. The computation formula can be expressed as follows:

$$Lifetime\ ECL_T = \sum_{t=1}^{T} (Cumulative\ PD_t - Cumulative\ PD_{t-1}) * LGD_t * EAD_t * (1 - PP_t)/(1+r)^t$$

Where:
PD = Probability of default at time t if the loan has not defaulted already
LGD = Loss given default i.e. the forecasted economic loss if the default happens at time
EAD = Exposure at default i.e. the forecasted exposure at each point in time
PPt = Prepayment probability provided the exposure is still on the books at this time
r = Discount factor (EIR)

Controls and Mitigation
The credit risk is controlled and mitigated in the following ways:
- Counterparty credit search
- Setting and enforcing credit authorization/approval limits.
- Due Diligence on counterparties with proper documentation before a loan is granted
- Lending against realistic cash flows forecasts.
- Adequacy of security type and coverage.
- A Loan monitoring and review function that expressly tracks and monitors all of the Bank's credit.
- A Portfolio management team that monitors the credits on a portfolio basis for risk reporting.
- Back testing of credit risk rating system

3.1.2 Market Risk
The Bank sees market risk as the risk of loss in on and off–balance sheet positions arising from changes in market prices or the potential to experience economic loss due to negative fluctuations or adverse movements of market factors.

Identification
Unity Bank market risk exposures are largely interest and exchange rate induced. The Bank currently does not play in the Commodity and Equity trading spaces.

Interest rate risk:
The interest rate risk (IRR) is the risk that an investment's value will change due to a change in the absolute level of interest rates. The Bank IRR identification is robust, which is not limited to balance sheet risks but also covers risk to future revenue streams. One of the major indicators is the CBN announcement of Monetary Policy Rate (MPR) changes, changes in the Primary Market auction of Nigerian Treasury Bills (NTBs) and Open Market Operation (OMO).

Foreign exchange risk:
The exchange risk arises when there is a risk of an unfavorable change in exchange rate between the domestic currency and the denominated currency before the date when the transaction is completed. It exists when a financial transaction is denominated in a currency other than the domestic currency of the Bank. Unity Bank identifies its Foreign exchange risk through its trading position or banking books Net Open Position between assets and liabilities held in foreign currency.

The Market Risk management policy regulates the way the market risk management is treated in the bank. The Bank has a dedicated risk department (the Market and Liquidity Risk Department) responsible for identifying, measuring, monitoring, controlling and reporting market risk within the Bank. The Market Risk management policy, guides the day-to-day activities of the Market and Liquidity Risk Department.
In addition, the market risk management aligns its process with the Bank's strategy and Board risk appetite guided by operational policies.

Measurement and Assessment
The Market and Liquidity Risk Department has the responsibility to measure, monitor, control, and report all incidents of market risk faced by the Bank in its operation. Unity Bank's Interest rate and Foreign Exchange rate risks are measured by various statistical techniques, for instance, the daily Mark-To-Market (MTM) revaluation, Value at Risk (VaR), Duration Analysis, Maturity Gap Analysis and Net Open Position (NOP) analysis.

The Bank will continue to encourage the use or development of more complex methods of measurements in the near future.

Controls and Mitigation
The Bank minimizes exposures to losses caused by adverse movements of market factors by setting internal defined limits of relevant Treasury Instruments, dealers/traders, positions as stipulated in the Board approved Treasury Risk Limit Framework. Exposure to Foreign Exchange rate risk in trading is mitigated through a daily Foreign Currency Square Position.

Unity Bank considers the effect of currency risk in the banking book and measures it at balance sheet level by matching all FX denominated assets against liabilities of similar and /or other foreign currency.

3.1.3 Operational Risk
Operational Risk is the risk of loss resulting from failed or inadequate internal processes, people and systems or external events. This definition includes legal risk, but excludes strategic and reputational risk - Basel II 2011.

The Basic Indicator Approach (BIA) is used by the Bank to measure its operational risk capital requirement as prescribed in the CBN operational risk guideline for capital adequacy.

Sources of Operational Risk
Unity Bank is exposed to operational risk across the breadth of its operations and Banking activities.

There are various possible ways for operational risk to manifest such as poor development or execution of the Human Resource Policy/Code of Conduct for staff, insufficient staff training, ineffective processes, inadequate internal controls/audit procedures, disruptive/ineffective IT systems and applications, natural disaster and pandemic etc.

Identification

Risk identification is the first step in the proactive risk management process. It provides the opportunities, indicators, and information that allows an organization to identify major risks before they adversely affect operations and hence the business.

Several methods and tools are used to identify potential operational risk events. These include the following core components:

1. Process Mapping

Process Mapping addresses the need to understand the business processes which will aid the assessment of risk. It is used to identify and analyze gaps in the bank's policies and procedures as well as their associated risks usually by products, departments and units (branches, cash centers etc.)

2. Risk and Control Self-Assessments(RCSA)

This is a tool for acquiring information about business process risks, while empowering the process owners to take responsibility for identifying and mitigating those risks. It allows central operational risk managers to reassure themselves that staff members are acting in the desired manner. The objective is to identify, assess and report control deficiencies in people, process and system which constitutes the risk vulnerability areas and ensure compliance with control measures with a view to mitigating identified risk exposures.

3. Key Risk Indicators(KRI)

Key Risk Indicators (KRIs) are metrics that provide information on the level of exposure to a given operational risk which an organization has at a particular point in time. They help keep the operational risk management process dynamic and risk profiles current. KRIs serve as parameters, which focus on business processes/ activities to predict upcoming changes in the operational risk profile of the business processes/activities.

4. Internal Loss Data/Events

Internal losses arise from actual events, i.e. the materialization of operational risks, and reflect the organization's own experience. Therefore, internal loss events have the potential to be the most relevant basis for analysis and management response. It aids the Bank in the identification of root causes which helps operational risk managers to implement a framework for continuous optimization of the control environment. Collecting loss data helps Unity Bank to measure risk and quantify capital. The positive outcomes of the internal loss event process are not only a better-informed response to current risks but also a better-informed approach to the management of future risks.

5. External Loss Data/Events

In addition to the events that have occurred within an organization, external events can also offer valuable insight into the operational risks faced at the organization. External data contain events that can be used to create stories that help us analyze and understand risk. These events provide valuable content for the construction of scenarios, risk assessments, key risk indicators and risk appetite setting that monitor the changing business environment.

6. Scenario Analysis

Scenario analysis is a process used to assess the impact on the business of hypothetical, yet foreseeable, extreme operational loss events. It focuses on defining realistic situations that could have a sizeable impact on the business but occur very rarely: the so called 'tail risks', sitting at the tail of the loss distribution, which differ from the typical expected losses observed by the business on an annual basis. Therefore, scenario analysis assesses and manages exposures due to high-severity low-frequency events with emphasis on extremes and not limited to financial impact alone.

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7. Reporting
Operational risk reports are produced on both a regular and on an impromptu basis. The reports include a profile of the key risks to business units' achievement of their business objectives, relevant control issues and operational risk incidents. Specific reports are prepared on a regular basis for the relevant business units, internal control and Management executives. The reports to Board Risk Management and Audit Committee (BRMAC) is quarterly while the ones for the SBU's are monthly.

Measurement and Assessment
Measurement of operational risk is quite challenging. However, the Bank has adopted precise measurement techniques to increase the risk management capabilities to statistically measure the risk exposures as follows:

1. Risk Event Classification
   - Frequency/likelihood of occurrence
   - Impact of the loss

2. Incident Event Analysis
   - Cause and effect analysis

3. Risk Quantification and Prioritization
   - Assignment of scores and weights to identified risks

4. Analysis of Loss Event Data (historic losses)
   The assessment outcomes need to be validated through comparison to actual internal loss experience and relevant external data available to make appropriate adjustments. Below is the Bank's scoring grid for risk quantification.

Likelihood			Impact			Overall Risk Rating			
*Likelihood	Rating	Frequency	Consequence	Rating	Financial) Loss (N'000)	Risk Level	Risk Weight	% Risk Weight	Risk rating
Rare	1	30 yrs	Insignificant	1	≤ N10	0.1 - 1.0	0.02- 0.2	2-20%	Very Low
Unlikely	2	3 - 30 yrs	Minor	2	> N10 ≤ N50	1.1 - 2.0	0.22- 0.4	22-40%	Low
Often	3	1 - 3 yrs	Moderate	3	> N50 ≤ N500	2.1 - 3.0	0.42 - 0.6	42-60%	Moderate
Likely	4	Yearly	High	4	> N500 ≤ N5,000	3.1 - 4.0	0.62- 0.8	62-80%	High
Expected	5	Monthly	Massive	5	> N5,000 ≤ N25,000	4.1 - 5.0	0.82 - 1	82-100%	Very High

*Likelihood - the frequency of an event happening without controls

Mitigation
Operational Risk Management Department is guided by a standardized and comprehensive policy (Operational Risk Management Policy) for managing operational risks within the Bank.

The Bank operates a – 'three lines of defense' model to address operational risk through:

- First line of defense: Business line management where the process owners are responsible for ensuring that a risk and control environment is established as part of the day-to-day activities;

- Second line of defense: Operational Risk Department and Internal Control Group within the Enterprise Risk Management Directorate, Human Capital Management Department, Financial Control Department and Compliance Group who together set boundaries by drafting and implementing policies and procedures;

- Third line of defense: Internal Audit Group is responsible for providing independent, objective assurance and consulting activities to improve the bank's operations.

Also, the Bank performs testing and certification of the adequacy and effectiveness of controls and compliance using the approved Operational Risk Management Policy.

3.1.4 Information Technology (IT) Risk
Information Technology risk is defined as the risk of loss from breaches in the Confidentiality, Integrity and Availability of information assets. Increasing dependence on information technology to power the business of Banking requires constant vigilance in mitigating the exposure(s) associated with information technology usage.

Sources of Information Technology Risk
Information Technology (IT) risk is inherent in the nature of development, deployment and usage of IT across Unity Bank enterprise. Quite a number activities contribute to increasing exposure to IT Risk including application acquisition and development, branch connectivity, access provisioning and rights, data backup and availability, data integrity, authorization, authentication and auditing. These inherent exposures need to be properly identified, evaluated and managed to reasonable levels.

Information Security Management System (ISMS)
A holistic approach is required in managing and mitigating technology-related risk through the well-established and defined ISO 27001 (ISMS). The ISO 27001 standard demands significant top management involvement. The key aspects of the ISMS approach involve the following:

1) Risk Assessment and Treatment
Risk assessments processes identify, quantify, and prioritize risks against criteria for risk acceptance and objectives relevant to Unity Bank. The results should guide and determine the appropriate management action and priorities for managing information security risks and for implementing controls selected to protect against these risks.

2) Information Security Policy
To provide management direction and support for information security in accordance with business requirements and relevant laws and regulations.

Management should set a clear policy direction in line with business objectives and demonstrate support for, and commitment to, information security through the issue and maintenance of an information security policy across the organization.

3) Organizing Information Security
Managing Information Security and Technology risk across Unity Bank is organized into:

i. Internal Organization
Management is increasingly involved and support security initiatives within the organization through clear direction, demonstrated commitment, explicit assignment, and acknowledgment of information security responsibilities.

ii. External Parties
These are risks to the Bank's data and information-processing facilities arising from business processes involving external parties. Where relevant risks are identified, appropriate controls are implemented before granting access.

4) Asset Management
All assets of the Bank are clearly identified and an inventory of all important assets drawn up and maintained. There are many types of assets, including:

a) Information: databases and data files, contracts and agreements, system documentation, research information, user manuals, training material, operational or support procedures, business continuity plans, fallback arrangements, audit trails, and archived information;
b) Software assets: application software, system software, development tools, and utilities;
c) Physical assets: computer equipment, communications equipment, removable media, and other equipment;
d) Services: computing and communications services, general utilities, e.g. heating, lighting, power, and air-conditioning;
e) People, and their qualifications, skills, and experience;
f) Intangibles, such as reputation and image of the organization.

5) Human Resources Security
Security roles and responsibilities of employees, contractors and third party users are defined and documented in accordance with the Bank's information security policy. All candidates for employment, contractors and third party users are adequately screened for sensitive jobs.

6) Physical and Environmental Security
To prevent unauthorized physical access, damage, and interference to the Bank's premises and information.

Critical or sensitive information processing facilities are housed in secure areas, protected by defined security perimeters, with appropriate security barriers and entry controls. They are physically protected from unauthorized access, damage, and interference

7) Communications and Operations Management
Operating procedures are documented, maintained, and made available to all users who need them. Segregation of duties is implemented, where appropriate, to reduce the risk of negligent or deliberate system misuse.

8) Access Control
Access to information, information processing facilities, and business processes is controlled on the basis of business and security requirements. Access control rules and rights for each user or group of users is clearly stated in an access control policy. Access controls are both logical and physical.

9) Information Systems Acquisition, Development and Maintenance
Security requirements are identified and agreed prior to the development and/or implementation of information systems. Information security requirements are identified at the requirements phase of a project and justified, agreed, and documented as part of the overall business case for an information system.

10) Information Security Incident Management
Information security events are reported through appropriate management channels as quickly as possible. All employees, contractors and third-party users are aware of their responsibility to report any information security events as quickly as possible.

11) Business Continuity Management
To counteract interruptions to business activities and to protect critical business processes from the effects of major failures of information systems or disasters and to ensure their timely resumption.

12) Compliance
To avoid breaches of any law, statutory, regulatory or contractual obligations, and of any security requirements. The Central Bank of Nigeria (CBN) as part of its IT Standard Blueprint expects Unity Bank to comply with a number of standards including PCI DSS, ISO 20000, ISO 270001, COBIT 5 (Enterprise Governance of IT), Enterprise Architecture (TOGAF), XBRL (Financial Reporting Standard) etc. The Bank is yet to achieve final certification to any of these standards, but in Principle has received certificate of compliance to PCI DSS 3.2 from a local Qualified Security Assessors (QSA) Digital Jewels."

3.2 Pillar II Risks

3.2.1 Credit Concentration Risk

The Bank assesses potential losses by virtue of concentration in credit. This may arise from uneven distribution of the Bank's loans to individual borrowers, a group of related parties or an industry/geographical location.

Identification

Concentration risk is identified in the following areas of the Bank:

- Credit concentration to individuals/sectors/geographical location
- Off balance sheet items
- Liability generation(deposits)

Measurement and Assessment

The Bank adopts the following approach in measuring credit concentration risk:

1. Portfolio Analysis

The Bank has a sound Portfolio Management/Monitoring units that monitors and reports the composition of the credit portfolio. The control mechanism involves monitoring actual sectorial exposure and performance against set internal limits or regulatory threshold. Where necessary, breaches on limits are reported via periodic reports to Executive Management.

2. Herfindahl Hirschman Index (HHI)

The Bank computes the HHI for its credit exposures. This index measures the size of a firm in relation to its industry. It is veritable for monitoring portfolio concentration and in the calculation of additional capital required.

Controls and Mitigation

The following measures are put in place to control the Bank's concentration risk:

- Large exposures policy: This will place specified limits on the maximum exposure to a particular counterparty and/or sector.
- A stop-lending decision, which may be induced by breaches in certain regulatory thresholds like sectorial limits and capital adequacy.

3.2.2 Interest Rate Risk in Banking Book

Interest rate risk in the banking book (IRRBB) more specifically refers to the current or prospective risk to the Bank's capital and earnings arising from adverse movements in interest rates that affect the institution's banking book positions. It is the risk that the amount of net interest income obtainable at unchanged interest rates may not be attained given an adverse change in market interest rates.

Identification

IRRBB is identified in the Bank's book mainly through the following:

- Repricing risk: risks related to the timing mismatch in the maturity and repricing of assets and liabilities and off-balance sheet short and long-term positions.
- Yield curve risk: risks arising from changes in the slope and the shape of the yield curve for bonds, bills and loans.

IRRBB Measurement

The Bank measures and manages its IRRBB risk by:

- Designing IRRBB measurement methodologies, e.g. Periodic Gap Analysis between our assets and liabilities. The measurement is by allocating the interest-earning Asset timing of cash flows and maturing interest bearing liabilities (e.g. non-maturity and volatile deposits, etc.). Renewals or new products are not considered in the analysis.

- Establishing behavioral assumption mechanism e.g. non-maturing liability assumptions and effective maturity of the assets.
- Discounting the net cash flow to the present.
- Multiply the discounted net cash flows by the 6 different interest rate scenarios for each of the currencies.
- Maximum loss across all interest rate shock scenarios (summary) is the EVE risk measure to get the EC.
- Designing IRRBB stress testing methodologies with simple scenarios.

Control and Mitigation
The management of Interest Rate Risk in the Banking Books is driven through periodic reviews by Assets-Liability Management Committee (ALCO) which comes up with policy directives on the type of deposits to take and those to de-emphasize in order to manage the Bank's re-pricing gap.

The Bank minimizes exposures to losses caused by adverse movements of market factors by forecasting interest rates direction and setting defined limits on Instruments.

3.2.3 Strategic Risk
This is the risk of a possible loss that might arise from the pursuit of an unsuccessful business plan or strategy. It is also the risk that an event (external or internal) could derail the overall achievement of the Strategic Plan of the Bank.

The factors responsible for this kind of risk include poor business decisions, poor execution of decisions, inadequate resource allocation and failure to respond well to changes in the business environment. Poor implementation of the selected strategy/business plan could also expose the Bank to loss.

Identification
The bank's risk profile is subject to review based on the following parameters:
- Compatibility of strategic decisions taken in relation to the bank's long-term vision, mission and values
- Speed and effectiveness with which the bank is able to respond to changes
- Availability of resources to take care of strategic decisions
- Impact of strategic decisions on the bank

These risks are identified based on our strategic business focus. Based on our strategic business direction, the following are the identified strategic risks:

- Delayed conclusion of ongoing efforts by the Bank to raise capital for business growth.
- Income pressure from the incursion of payment banks and Fintechs into the electronic banking space
- IT disaster and technological failure
- Downside risk in industries invested in general downside risk of monetary and fiscal failure (economic recession)
- Continuous change in customers' preference and choices
- Key market and industry changes
- Change management challenges.

Measurement, Management and Mitigation
The Bank, in a bid to reposition itself in line with achieving the maximum benefits of its retail and SME strategy, is making frantic effort to raise capital. The current economic realities have impaired the capacity of the Bank to quickly raise capital to expand its business operations. In any case, the Bank has reached advanced stage in discussions with some prospective investors (local and foreign) and is hopeful of finalizing the entire process before the end of 2023. It is important to note that this process is not without consultation with the regulators. In the event that the Bank is unable to raise the intended capital by the end of the current strategic planning horizon, the Bank will consider other options, which are not limited to merger with or other forms of business combination with another financial institution.

The Bank is not unaware of the income pressure arising from the activities of Fintechs, and Payment Service Banks. This risk is also exacerbated by the constant downward review of bank charges by the CBN. In view of this, the Bank has already identified partnership with Fintech companies as a viable alternative to competing with them. Consequently, we have commenced strategic and mutually beneficial relationships with Fintech companies in the area of microloans, bills payment, switch connection to other banks, agency banking, app development, etc. These collaborations have helped the Bank to earn additional income through revenue sharing, agency fee, etc. In addition, the Bank has created a Product and Channels group, with the ambition to make our retail and SME products, including our channels compete effectively and outperform similar offerings of competitor banks.

The risks associated with IT infrastructure and possibility of system glitches that would affect business operations have been identified by our IT Risk Team. We have therefore developed and adopted an IT recovery plan.

In addition, the Bank has developed and regularly updates its Business Continuity Plan which further strengthens our enterprise resilience. In addition, the back-up plans at branch level and at enterprise levels are also in place. These plans have been tested and are ready to be deployed in the event of such eventuality.

On the downside risks associated with any industry we are heavily invested in, the Bank has always watched the direction of the economy and our risk assets have largely been determined by sectoral economic performance. Currently, agricultural loans constitute the biggest portion of our loan portfolio. However, with a view to addressing the current high concentration occasioned by the Anchor Borrowers Program of the CBN, the Bank is working at diversifying its risk asset portfolio away from Agriculture, especially primary production.

Agriculture has remained a growing sector of the Nigerian economy. However, in recent times, we have noticed challenges within the agrarian/farming belt of the country. These challenges include climate change, flooding, farmers'/herders' crisis, the activities of bandits and general insecurity. In consideration of these risks, the Bank directly supervised the disbursement and utilization of the CBN intervention programs and includes provision for insurance in all the credit exposure to this sector. In addition, the Bank is strategically diluting its loan portfolio to minimize the concentration risk.

On the monetary front, the bank's robust credit management framework has ensured credit discipline across its branches and business units, while also growing its loan books by 7.5% (to N289.36 billion) in 2022.

The Bank has never taken for granted, the dynamic nature of consumers' preference and choice in its day-to-day decision making. This is why the bank has created various channels for receiving customers and staff feedback on products, services, and needs, in order to deliver optimally in these areas and stay abreast of the ever changing nature of consumer demand. In addition, the Bank has engaged IT consultants to work with the Bank in the revamping of its customer data analytics to improve the detection and prediction of our customers behaviour in order to be ahead of changes in customers tastes and dynamics.

The Bank continues to measure key changes in the market and the industry on daily and weekly basis through our Market Risk Team, Treasury Department and the Asset and Liability Committee (ALCO. The ALCO reviews market and industry fundamentals, and takes decisions proactively ahead of any forecasted changes within the industry, or in response to any unforeseen deviation in the market.

Considering that the Bank is undergoing a lot of management-instigated changes to ensure the Bank competes favorably in the market, many critical initiatives are being introduced regularly in line with the strategic focus of the Bank. In order to obtain maximum staff buy-in and to reduce the change management risk, these managements-driven initiatives are communicated effectively through all the internal communication channels. In addition, Executive Management holds town hall meetings on a regular basis at zonal levels to sell management's vision to staff and to motivate staff to play key role in the realization of the Bank's vision and goals.

Finally, the Bank also has dedicated functions under the Corporate Planning and Strategy Group whose core functions include to regularly monitor indices and market trends that relate to the Bank's business/ strategy and measure the milestones against the target strategy impacts. The Group currently reports to the MD/ CEO. Management of this risk is done with guidance from Strategy policy that expresses the Bank's risk indicators and their treatment methodology.

3.2.4 Reputational Risk

The risk constitutes the potential that negative perception of the Bank's conduct or business practices will adversely affect profitability, operations or customers and clients. The Bank is exposed to the risk of adverse perception of its image in the market, adverse publicity or susceptibility to market rumors.

Identification

Customer dissatisfaction and negative media publication are the major causes of reputational loss to the Bank. The Bank has a process through which customers can lodge complaints on the services provided by branches, regional offices or corporate office.

Another source of reputational risk is inadequate processes/policies to manage financial crimes. In responding to the challenges posed by reputational risk on a daily basis, the bank, through its Strategy and Communications and Brand Management Departments, is putting in place a reputational risk framework to properly analyze, manage and communicate reputational risk factors.

The potential factors which affect the Bank's reputational risk profile include:

- Regulatory actions against the Bank
- Lack of clearly differentiated products and services offerings from those offered by competition as customers perceive the products as identical.
- The services rendered by front desk officers.

The above risk can result in the following reputational losses:

- Loss of current or future customers
- Loss of public confidence
- Staff attrition leading to an increase in hiring costs, or staff downtime
- Reduction in current or future business partners
- Regulatory sanctions
- Increased costs due to government regulations, fines, or other penalties
- Loss of banking license

Management and Mitigation

The Bank has a dedicated Communications and Brand Management department which amongst other functions, systematically monitors all forms of media information relating to the Bank and by so doing manages reputational risk.

In furtherance to the above, Communications and Brand Management department renders a monthly report of negative publications/mentions on the Bank to the Board through the Risk Management Group.
The Bank has also employed the services of reputable consultants to help monitor reputational exposures and take proactive steps to support the Bank's response to issues that can impact the bank's reputation.

Unity Bank has a business philosophy and a strong culture of strict adherence to regulations and compliance standards to help maintain sound reputation in the market.

The Bank has also appointed a Chief Customer Care Officer at Senior Management level to ensure that customer satisfaction is given top level drive.

3.2.5 Legal Risk

Legal risk refers to the risks of loss arising from the nature of the Bank's contractual agreements. Legal risk is inevitable in the banking industry due to the nature of the relationships and businesses that Banks engage in. It constitutes the array of legal consequences that flow from the relationships and businesses that the Bank undertakes which might result in financial or reputational loss to the Bank.

Identification

The risks may arise from breach of laws and regulations, legal actions or disputes for or against the Bank as well as failure to adhere to contractual agreements or inadequate management of non-contractual rights and obligations by the Bank.

Measurement and Assessment

The Bank critically and proactively evaluates its actual or potential legal risks with a view to ascertaining and adopting the best cost effective approach in resolving them. These risks are assessed by considering the facts and nature of the relationship(s) or transaction(s) that gave rise to the dispute, the relevant laws relating to the disputes, the extent of the claims or the amount of claims and damages involved, its impact on the Bank's financial position and the Bank's chances of success in the dispute.

Control and Mitigation

All exposures to legal risks are being managed by the Bank on a proactive basis and the Bank has formal policies and controls for managing and mitigating its legal risks. These include:

- Review of all relevant laws, regulations and pronouncements made by the relevant regulatory authorities which may apply to Bank's businesses and relationships.
- Review of all Agreements involving the Bank and documents for credit facilities by Legal Department to ensure that the Bank is adequately protected and that they are in conformity with the Bank's policies, and relevant laws and regulations.
- Critical review of all disputes involving the Bank to ensure that the best effective approach is adopted in resolving them.
- Engaging skilled and competent solicitors to handle all litigation matters and where necessary, other non-litigation matters for the Bank.
- Actively support the Bank's external solicitors with the necessary information and documents and follow up on legal matters to ensure effective representation.
- Constant monitoring of all pending legal disputes to prevent avoidable loss to the Bank.

3.2.6 Liquidity Risk

Liquidity Risk is defined as the risk to a Bank's earnings and capital arising from its inability to meet obligations as and when due and at reasonable cost. This risk can expose Unity Bank to litigation, financial loss, or damage to its reputation. In the extreme, it could lead to a run on the Bank and eventual collapse of the institution.

Identification

The Bank identifies Liquidity risk through a combination of risk appetite definition and risk response framework. In identifying Liquidity risk, the bank puts the following factors into consideration;

- Regular review to ascertain the level of highly liquid marketable securities free of legal or operational impediments that can be used to meet liquidity needs in stressed situations.
- Fund volatility.
- Size and structure of off-balance sheet exposures.
- The growth of loans to available deposits
- Ability to attract funding from the market at short notice and at reasonable cost.
- Current corporate rating of the bank

Measurement and Assessment

The Bank does not rely only on Loan-to-Deposit ratios. The bank has adopted global best practices, specifying common standards in measuring and managing liquidity Risk. This standard is characterized by

- Maturity Liquidity Gap Analysis
- Scenario Analysis
- Analyses of the diversification on Funding sources
- A liquidity Policy that stipulates methodology, processes & responsibilities.

Control and Mitigation

Unity Bank Plc's Treasury Group manages the Bank's liquidity daily while the Market and Liquidity Risk Department carries out Strategic measurement, reporting and monitoring of the risk. The Assets and Liability Committee (ALCO) co-ordinates these efforts and ensure that the Bank's Liquidity is at optimal level at all time.

Other measures include;
1. Limit System and Limit breach escalation processes.
2. Balance sheet trend analysis.
3. Daily review of the available liquid assets and liabilities
4. Setting of Maximum loss threshold
5. Functional Contingency Funding Plan.
6. Forecasting historical run-off

3.3 Other Risks

These risks are neither directly connected to Pillar I nor Pillar II risks. The Bank does not consider them material enough to be quantified or assessed for capital using notional amount. They are however worthy of mention.

RISKS	SPECIFICATION	CONTROLS
Key Staff Risk	Risks of loss as a result of excessive dependency on a staff.	Proper succession plan, knowledge sharing and stringent leave policy implementation
Outsourcing Risk	The risk of loss by virtue of third party dependency on supplies, software, connectivity and other banking activities including outsource staff recruitment.	Formal evaluation of performance of its vendors. Properly executed service level agreement and contract.

3.4 Business Continuity

This is simply the need to ensure an acceptable level of operational continuity of the Bank's core services, processes and supporting infrastructure to the fulfillment of its objectives.

Threats such as natural disasters (fire, flood) and other unexpected business interruptions (loss of personnel, terrorism, malicious attacks on systems) have the potential to disrupt the business operations of the Bank hence pose a risk. However, where these threats crystallize, the consequences may be dire which eventually will require the activation of the Bank's Disaster Recovery and Business Continuity Plan.

Identification, Measurement and Mitigation

The Bank's business continuity policy and disaster recovery plan provides both protection to the Bank's continued operations and an assessment of potential costs. These documents stipulate the roles and responsibilities of relevant stakeholders in responding, communicating and reporting incidents in the event of a disruption.

Fire marshals and the security team constitute the Bank's evacuation team responsible for effective evacuation of personnel in the event of a fire incident. Restoration of applications and any disrupted IT service is the responsibility of the IT recovery team.

Simulation of an evacuation process is tested periodically to identify failure points and resolution of the observed weaknesses to improve the continuity levels. Priority is usually given to more crucial threats when assessing their potential impacts.

The invocation of the Disaster Recovery and Business Continuity Plan in the event of a severe disaster with widespread implications has been considered, although the circumstances of invoking the plan are likely to be less severe.

4. Capital Adequacy

Capital adequacy has become a key part of the regulatory assessment especially after the global financial meltdown. The Bank's regulatory capital requirement was computed in compliance with the CBN regulatory framework for Basel II capital adequacy. This primarily covers the Credit, Market and Operational risks.
In line with the New Regulatory framework for Prudential Supervision of Nigerian Banking System, Unity Bank adopted the Standardized Approach for Credit and Market risks whilst Basic Indicator Approach (BIA) was used for Operational risk measurement.

4.1 Regulatory Capital

The Bank's regulatory capital requirement for the year ended December 31st, 2022 as provided for by the Central Bank of Nigeria is largely Pillar I risk dependent. It comprises of a combination of three risk types whose distribution is presented in the table and chart below:

RISK TYPE	RISK WEIGHTED ASSETS	CAPITAL CHARGE
CREDIT RISK	245,066,232,812	24,506,623,281
MARKET RISK	31,054,400,927	2,484,352,074
OPERATIONAL RISK	45,213,702,777	3,617,096,222
TOTAL	**321,334,336,516**	**30,608,071,578**

The Bank's risk weighted assets are concentrated in the credit risk area, a fact that is typical of the nature of financial institutions. Our total Credit Risk Weighted Asset (CRWA) figure is N245.07bn. Operational and Market RWA accounts for N45.21bn and N31.05bn respectively. The dominance of credit risk is emphasized in the chart below:

Credit risk contributes a significant 80% of the Bank's total capital charge, while Operational and Market risk accounted for 12% and 8% respectively

5. Risk Appetite

In the pursuit of value for shareholders, the Bank works within a certain tolerance risk acceptance criterion. In setting Unity Bank's risk appetite, the need for balance between the concepts of risk acceptance and aversion have been considered. This approach is driven in part by the strategic intent of the Bank to become the retail Bank of choice and in part by other germane considerations including capital levels, prevalent market conditions, regulatory dictates and the operating environment.

The Bank has a broad categorization of risk laced with its internal ratings and interpretation thus:

Category	Indicator	Details
High Risk Appetite	5	Actively seeking opportunities that have inherent risks that, should they crystallize, may result in reputational damage, financial loss, major breakdown in IT systems/data integrity, regulatory breaches, potential injury to staff and/or customer, etc.
Moderate Risk Appetite	4	Willing to accept risks that, should they crystallize, may result in reputational damage, financial loss, major breakdown in IT systems/ data integrity, regulatory breaches, potential injury to staff and/or customer, etc.
Modest Risk Appetite	3	Willing to accept some risks in certain circumstances that, should they crystallize, may result in reputation damage, financial loss, major breakdown in IT systems/data integrity, regulatory breaches, potential injury to staff and/or customer, etc.
Low Risk Appetite	2	In most cases, not willing to accept risks that, should they crystallize, may result in reputation damage, financial loss, major breakdown in IT systems/data integrity, regulatory breaches, potential injury to staff and/or customer, etc.
Zero Risk Appetite	1	Not willing to accept under any circumstance, any risks that has the potential to result in reputation damage, financial loss, major breakdown in IT systems/data integrity, regulatory breaches, potential injury to staff and/or customer, etc.

In normal conditions, the Bank will prefer to play in the moderate space with minimal mitigation and reputational concerns.

5.1 Risk Appetite Statement

The risk appetite definition and monitoring allows the Bank to do the following:

- Improve return on risk for the credit facilities granted
- To meet growth objectives within the enterprise risk appetite and to protect the Bank's performance
- Discover unexploited enterprise risk capabilities and hence unearth profitable opportunities
- Improve executive management control and co-ordination of risk-taking across all risk areas.

The risk appetite statement reads as follows:

"In the quest for achieving the objectives of maximizing its income on credit facilities and shareholders' value, the Bank exhibits a "moderate" appetite for risk. This practice is reflected in the Board approved risk limits/thresholds. It is also exhibited in the specific approach of the Bank to retail business generally."

"The quantitative expression of our moderate risk appetite is reflected in the limits and thresholds, backed by its operating policies and procedures. These quantitative thresholds cut across the entire sphere of the Bank's business. In areas where supervisors stipulate operating threshold, the Bank's internal equivalents of such thresholds are more restrictive. The qualitative expressions are mostly relating to behavioral guidance in the conduct of the Bank's business".

5.2 Qualitative Expressions of Risk Appetite

The Bank may finance any transaction subject to its policies and its strategies. However, in line with its tolerance, Unity Bank shall not process facilities for the following purposes:

- To support illegal tenacities/purchase illegal fire arms
- To support gambling activity/ support illegal military activity
- To support production and distribution of tobacco and illicit drugs
- To support act(s) of terrorism

Other qualitative measures considered in determining the appetite of the Bank include the following:

- Business should not be overtly vulnerable to government policy actions
- Business should align with environmental sustainability objectives.
- Cash flow lending is key, collateral recovery is to salvage extreme measure
- Management oversight and internal policies

5.3 Quantitative Expressions of Risk Appetite

Credit Risk

The quantitative expression of the Bank's credit risk appetite is expressed through portfolio and regulatory limits. For any given risk parameter, it is the practice of the Bank to have an internal limit, which acts as a red flag for the Bank. The quantitative expressions are shown in the table below:

S/N	Risk Type	Risk Appetite Factor	Objective	Regulatory Limit	Set Limit	Actual 31-Dec-22	Qualitative Measures
1	Portfolio Quality	Ratio of Non -Performing loans to total portfolio	Reduction of NPL ratio to the barest minimum	<=5%	<=3.8%	3.6%	Risk acceptance criteria, separation of approval and disbursement process, credit monitoring, Watch List Committee review etc.
2	Portfolio Liquidity	Ratio of short term to total loans	Ensure considerably liquid risk asset portfolio reasonably able to respond to changes in the operating environment.	Short-term obligations not exceeding 40% of total facilities	<=30%	10.1%	Review of liquidity limits to ensure that threshold is maintained

3	Credit Ratings/ Scoring	Quantitative representation of credit quality	Tracking Credit quality	BBB+ and above(Risk rating 4 and above)	BBB	BBB	Rating questions to measure entity and transaction quality
4	Single Obligor and Public sector	Compliance with regulatory limits	To ensure diversified portfolio across all sectors	Single obligor limits <=20% of shareholders fund; Public sector limits <=10% of the portfolio; Approved management limit	<15% and <7.5%	4.0% and 5.0%	Portfolio planning
5	Sectorial and Insider Related exposure	Compliance with regulatory limits	To ensure diversified portfolio across all sectors	Sectors should not exceed 20% of total credit portfolio; Insider Related limits <=10% of Banks paid up capital	<=15% and <=8%	84% and 6%	Portfolio planning
6	Ratio of restruct-ured Loans	Managing portfolio quality	Manage default triggers	Should not exceed 20% of total credit portfolio	<=15%	0.1%	Proper credit application scrutiny from the onset
7	Capital Adequacy	Credit risk effect on Capital	Maintaining a good capital cover for credit risk exposures	Greater than or equal to 10% but Less than or equal to 20%	12%	-86.55%	Collateral quality, Obligor's risk profile.

The set limits are internal, considering both the guide (Regulatory limits) and the Bank's tolerance in line with the overall strategy.

Market Risk

The quantitative expression of the Bank's market risk appetite is reflected in the table below:

S/N	Risk Type	Risk Appetite Factor	Objective	Regulatory Limit	Set Limit	Actual 31-Dec-22	Qualitative Measures
1	Liquidity Risk	Ratio of Liquid assets to Liquid Liabilities	Ensure considerably liquid asset portfolio reasonably able to respond to changes in deposit withdrawals	30%	35%	15.2%	Timely, accurate, limit Monitoring of positions
2	Currency Risk	Net Open Position (NOP)	To curtail exposure resulting from changes in foreign exchange.	10% of SHF	9% of SHF	7.82%	Foreign currency ALM strategy
3	Currency Risk	Foreign Currency Trading Position (FCTP)	To curtail losses arising in foreign exchange holding position.	-10% (Short), +0.5%(Long) of SHF	-1% (Short), +0.47% (Long) of SHF	-0.09%	Risk tolerance for Interday position
4	Funding Risk	Deposit mix	Ensure considerably low cost funds to improve earnings (Net interest income)		Demand: 50 Savings: 30 Fixed :20	32:46:22	Deposit mobilization and diversification strategy
5	Foreign currency trading risk	stop loss limit	To restrict likely losses on a certain trade	NA	Max of 15kobo	--	Risk Tolerance
6	Funding risk	Loan to Deposit Ratio (core deposit)	To access banks liquidity	>65%	Max 70%	46.68%	Loan vs deposit growth monitoring.

Operational Risk

The quantitative expression of the Bank's operational risk appetite is reflected in the table below:

<table>
<tr><th>S/N</th><th>Risk Type</th><th>Risk Appetite Factor</th><th>Objective</th><th>Regu-latory Limit</th><th>Set Limit</th><th>Actual 31-Dec-22</th><th>Qualitative Measures</th></tr>
<tr><td>1</td><td>Fraud</td><td>Actual loss exposures for internal and external frauds</td><td rowspan="2">-To ascertain root causes and the institution of effective controls to deter further occurrences.
-To identify process improvement opportunities through compliance/ regulatory obligations.</td><td rowspan="2">N/A</td><td rowspan="2">N25,000,000.00</td><td>N93,937,066.59</td><td>Loss data monitoring</td></tr>
<tr><td>2</td><td>Regulatory</td><td>Fines & penalties</td><td></td><td>Regulatory compliance monitoring</td></tr>
</table>

The controls highlighted below have been instituted to deter further occurrences:

- Restriction of the bank's cards for international transactions
- Staff awareness on compliance requirements
- Sensitization of internal and external customers on fraud detection and prevention
- Software deployment to profile customers and monitor suspicious transactions
- Increase in the frequency of staff Compliance trainings
- Application of the bank's approved sanctions on erring staff

Quantitative expressions in other risk areas include the following:

- The Bank shall operate within a low appetite for reputational risks, and aspires to be among the top 5% most respected Banks. Accordingly, the Bank has zero tolerance for instances or events that would result in negative publicity which will in turn impact adversely on the reputation of the Bank.
- The Bank has a low appetite for strategic risk, and shall not accept strategic risk profile with potential for loss above 5% of budgeted PBT.

5.4 Oversight and Internal Policies

The oversight function plays a key role in both the qualitative and quantitative expressions of risk appetite. This is so because, the Board highlights appetite setting and policy direction of the Bank's tolerance for risk. As the second level of defense, Risk Management requires effective policies and senior management involvement.

Oversight

The Bank adopts a top- bottom approach to the management of risk. Risk attitude and cultures cascade from Board and senior management to other members of staff as such the Board and senior management play a key role in bank-wide risk consciousness and awareness generally.

The Board sets the tone with the approval of the Bank's strategy and appetite. They also review and approve policies that will guide implementation and unit functions that will ultimately add value to the Bank and its shareholders in line with best risk management practices.

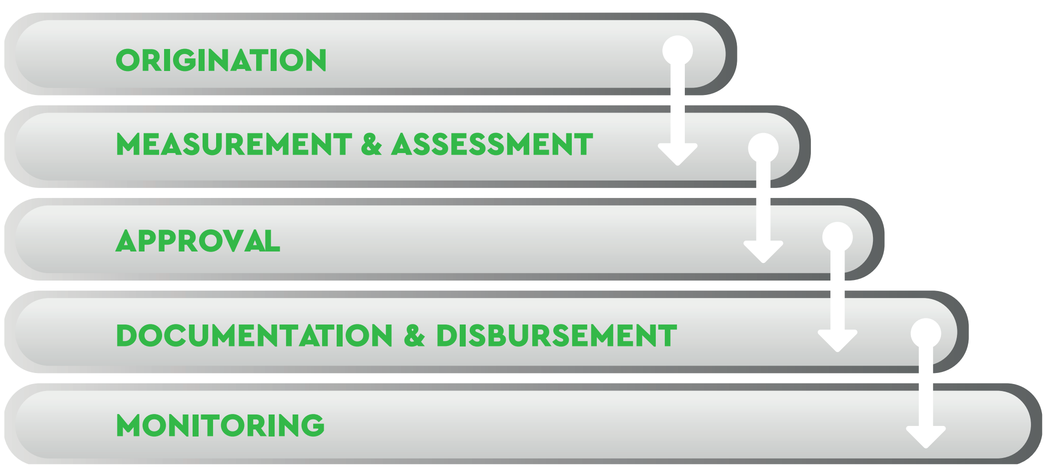
Internal Policies
Risk management policy and implementation document are approved by the Board. Subsequently, certain powers are delegated to Executive Management in line with the appetite. These policies define the roles, responsibilities, limits and authorities.

Senior management institutes policy administration techniques / procedures as a part of overall risk strategic framework. These techniques provide guidance to the staff.

The Bank's policies include:

- A formal risk evaluation process.
- Approval authority/ lending limits
- Credit risk policy
- Sustainable banking policy
- Investment policy framework
- Contingency funding plan
- Strategic risk management policy
- Reputational risk policy
- Operational risk management policy
- Enterprise risk management framework

5.5 Credit Risk Management
The Bank's Credit Risk Management (CRM) can be summarized in the stages as shown below:



Customer prospecting is done in alignment with the risk management strategy which cascades from the Bank's strategy. The customer's request for a facility from the branch and the subsequent application by same forms the origination part of credit risk management. The identification of the risk inherent in these transactions, analysis of the risks, rating, mitigation recommendation and risk pricing makes up the measurement stage of CRM.

The approval stages start from the Chief Risk Officer and moves to higher approval stages depending on the limits and facility type.

Upon rejection, the life cycle of the of the application ends. However, if the application is approved, documentation commences in preparation for disbursement.

More granularly, these four stages include the following steps:

1. Customer request for facility.
2. Branch initiates the credit and prepares a Credit Approval Memo (CAM) on the e-CAM, i.e. the Bank's proprietary credit workflow application..
3. The CAM is routed to the Regional Manager on the e-CAM for further review and endorsement.
4. This is in turn routed to the Zonal Head and the line Executive Director for their respective review and endorsement.
5. Upon endorsement by the line ED, the CAM is routed to Credit Analysis and Processing (CAP) department where it is assigned to an Analysts for detailed review and analysis.
6. When done, the Analyst forwards the completed review on the CAM to the Head CAP who also reviews and endorses.
7. Next, the application goes to the Chief Risk Officer, the ED Risk Management & Compliance and then to the Managing Director depending on the limit and facility type.
8. Insider-related transactions must get to the Board for ratification, irrespective of the amount and/or structure.
9. Upon approval, CAP conveys management approval to Branch Managers based on terms and conditions.
10. An offer letter is issued to the customer by the Branch Manager
11. Upon execution of the offer letter, documentation commences with the use of Credit Documentation and Disbursement approval (CDDA). This is between the branch, Credit Administration and Legal Services departments.
12. Legal Services Department gives confirmation on security and other documents.
13. Facility is disbursed upon confirmation of complete documentation and compliance with conditions precedent to drawdown.

Monitoring begins immediately after the facility is disbursed with a keen eye for early warning signals. A successful credit process ends on the final pay down of the facility.
A regular credit process should culminate in pay down after effective Loan monitoring. However, in cases where the facility is not paid down at maturity and keeps deteriorating recovery measures are implemented.

5.6 Liquidity Risk Management

The Board and Senior Management have a major stake in the liquidity management of Unity Bank. Within its oversight function, the Board sets clear liquidity management strategy, policies and procedures aligned with the Bank's overall business objectives. It further keeps a tab on Management's compliance with the Bank's liquidity risk management strategy. To this end, it seeks to know on a regular basis the liquidity position of the Bank while providing support in various forms feasible to Management in meeting the liquidity risk management objectives.

The supervisory function of Management spans from the Liquidity Risk Management framework which has strong emphasis on diversification of deposit base, practical contingency funding plan and an effective strategy for foreign currency liquidity risk.

The other Management responsibilities include:

- Through its Asset and Liability Committee (ALCO) and other relevant organs, Management ensures a robust implementation of the Bank's liquidity risk management strategy, policies and procedures.

- Management informs the Board of the Bank's liquidity risk position regularly and proactively.

- Management informs the Board about any material potential positive or adverse change in the Bank's liquidity risk profile. The report incorporates actions taken or being taken and the assistance required from the Board to redress the situation or take advantage of the positive change.

The key players in the management of Liquidity risk and their functions are:

1. Asset and Liability Committee
2. Treasury and Financial Institutions Division
3. Market & Liquidity Risk Department
4. The Business Units

Asset and Liability Committee (ALCO)
ALCO is responsible for managing the Bank's liquidity risk generally rendering reports to that effect. The frequency of such reports is normally monthly except where an emergency situation demands. A review of the liquidity position stirs recommendations to Management.

ALCO also monitors implementation of approved strategies whilst making reports to the MD/CEO on the level of compliance.

Treasury and Financial Institutions Division.
Treasury Division works in conjunction with the business units in the implementation of the Bank's liquidity in line with management strategy. The Division also provide market intelligence information as would be required from time-to-time to stay competitive in terms of industry practice. These actions are carried out in reference to the liquidity risk management framework.

Market and Liquidity Risk Department
The Market & Liquidity risk department is responsible for the following:

- The day-to-day monitoring, reviewing, and reporting of the Bank's Market & Liquidity risk position to Management on periodic basis.
- Generating and analyzing liquidity risk reports for the Bank.
- Independently confirming liquidity risk indices and ratios for reliability.

Business Units
Business units ensure the implementation of liquidity risk management strategy in their various business pursuits with respect to the following details:

- Deposit mix – core and purchased/tenured funds
- Deposit size and maturity structure
- Other liabilities components
- Asset mix and growth strategy
- Generally ensure compliance with the Bank's Risk appetite for liquidity risk.

5.7 Contingency Funding Plan (CFP) – Funding Plan In Crisis Period

The contingency funding plan is a crisis-period operational and liquidity risk strategy. Unity Bank has set out strategies for a way out in the event of such anomaly. The Contingency Funding Plan (CFP) states how Unity Bank intends to navigate a stressed liquidity situation.

Unity Bank's Contingency Funding Plan (CFP) provides a framework for intervention in stressed liquidity situations and outlines specific action steps to be taken and responsibilities of key personnel in the event that such a scenario crystallizes. The CFP is activated once certain triggers occur that threaten the liquidity capacity of the Bank.

The CFP is well structured that it categorized based on liquidity crisis into three (3) namely;

1. Impending Crisis Situation
2. Crisis Situation
3. Extreme Crisis Situation.

CATEGORY 1 - IMPENDING CRISIS

A situation likely to result in a 'Liquidity Event' in the near term. This is a situation where the Bank is experiencing rapid deterioration in liquidity position such as; rising funding cost, persistent mismatch of assets and liabilities, rapid deterioration in risk assets and rapid increase in loans evidenced by increasing loan to deposit ratio.

CATEGORY 2 - CRISIS SITUATION

This is a liquidity Crisis situation where there is a likelihood of default within 48-72 hours. It is a critical situation that requires urgent attention. The Treasurer calls for immediate meeting of the Liquidity Crisis Committee (LCC). The secretariat alerts all stakeholders.

It is the role of the Treasurer to advise the Liquidity Crisis Committee of any category of Liquidity Crisis situation as mentioned above. This will arise from daily monitoring of liquidity trend and patterns bank-wide.

The Treasury must render daily report to LCC and ALCO respectively for their review, as a contingency measure to meet liquidity obligations of the Bank. The Treasurer, in conjunction with other stakeholders perform one or more of the followings depending on the crisis category: -

1. Disposal of HQLA (high-quality liquid assets)
2. Decrease holdings of non-liquid assets (sell off assets and recall outstanding loans and advances).
3. Withdraw undisbursed lines of credit
4. Access short-term funds (Sources of funds available to Unity Bank include confirmed interbank dealing lines, and other wholesale markets). However, it is an unguaranteed source and subject to market conditions and availability
5. Increase fixed tenured liabilities.
6. Use assets to generate additional funding either by outright sale, repurchase agreement or securitization structures (BA/CP, OBB, Bonds, Swaps)
7. Access foreign lines.
8. Communicate with major funds providers to encourage and ensure continued support
9. Designate staff to handle communication with key customers.
10. Standardize communication and information to counterparty and customers.
11. Monitor significant outflows.
12 Discuss with customers to discover why they are making the withdrawals and see if they can be assured to keep the funds.
13. Request for passionate refund of Cash Reserve Requirement Fund on a temporary basis.
14. Increase capital funds (if possible).

CATEGORY 3 - EXTREME CRISIS SITUATION

This is defined as a situation where the Bank is unable to meet statutory requirements and liquidity obligations; a situation that can be described as 'critically illiquid bank' as described in S2.1.2.C of CBN Supervisory Intervention Framework for Nigerian Banks of February 2011 (and as subsequently amended). The following actions are taken;

- The Bank shall comply with the 'supervisory actions' listed in S2.1.2.C of CBN Supervisory Intervention Framework for Nigerian Banks of February 2011 (and as subsequently amended).

- The Board of the Bank must advise Central Bank of Nigeria and NDIC of the situation and solicit for liquidity support from Central Bank of Nigeria, as a last resort and Nigeria Deposit Insurance Corporation (NDIC) stating that the bank is not technically insolvent.

Activation/Testing Contingency Funding Plan

Contingency funding plan as it relates to the Bank activity is basically an exigency fund from other banks at minimal notice should the need arise.

The Bank has such plan with virtually all the DMBs with exception of the International Banks.

The Bank tests the plan only when there is a need to, through interbank activities. One of such Banks is First Bank as Unity bank has previously drawn N100bn on the line and it's still running (with current balance of N94.5bn).

6. Stress Testing

Stress testing is a risk management technique used to evaluate the potential effects on an Institution's financial and capital condition, of a set of specified changes in risk factors, corresponding to extreme unfavorable but plausible events.

The concept of stress testing attempts to determine the impact of situations where the assumptions underlying established models used in managing a business fail.
Risk management has evolved and as such, there are a number of methods to help financial institutions conduct realistic stress tests. Some of the methods include:

I. *Sensitivity analysis*
This method involves the impact of a large movement on a single factor/parameter in a model.

II. *Scenario Analysis*
This involves simultaneous, extreme movement of a set of factors/parameter in a model. Scenario is an improvement on sensitivity as it takes into cognizance the individual effect and the interaction between different risk factors.

III. *Historical Simulations*
Historical simulation is less subjective as it uses the trend/observed actual events of the past to predict the future. This method works under the massive assumption that if it has happened in the past, then it can happen again.

IV. *Value at Risk*
This method is the most popular in the financial industry presently. It calculates the maximum loss expected over a given period of time (horizon) at a given confidence interval. The Monte Carlo and the Variance-covariance methods are good examples of VaR models.

V. *Hybrid*
This method is a combination of two or more of the above-mentioned methods.

The growing importance of risk management requires solutions capable of providing comprehensive and actionable risk metrics, coupled with the scalability and performance needed to handle large portfolios and computationally intensive risk calculations and scenarios. To this end, Unity Bank uses VaR models for credit and market risk respectively. A hybrid model is used to stress operation risk and other pillar II risks.

7. Capital Management

Capital Management is described in the context of this document, as the continuous process of monitoring and controlling the capital maintained by Unity Bank; evaluating the capital necessity before the risks. Unity Bank is subject to; planning goals and capital necessity, considering Unity Bank's short, medium and long term strategic objectives.

The Bank acquires and holds as investments, easily realizable securities – duly discounted where appropriate. These securities, together with the Bank's balances at bank and its cash holdings, give significant cover across varying time periods. These securities may include Treasury Bills and Federal Government Bonds. The Bank ensures that it has sufficient maturing assets to meet outflows, based on its knowledge of movements in connected deposits.

Capital Management Governance Framework

Capital Advisory	Identify appropriate capital structure. The Bank is raising capital to support restructuring of its position, strengthening of existing IT infrastructure, and/or other corporate initiatives.
Decision Management	Bring discipline to decision-making across the portfolio of capital allocation projects. Provide guidance for project selection through advanced decision analysis.
Capital expenditure planning	Develop capital expenditure plans at the business unit level. Establish effective governance by assessing project readiness, monitoring the portfolio, and integrating the portfolio with forecasts.
Balance sheet and cash flow forecasting	Establishing performance targets by aligning the balance sheet and cash flow statement with strategic alternatives. Create an integrated forecasting model, master data parameter, and actionable management reporting framework.
Working capital management	Create working capital model. Prioritize initiatives based on financial benefits and risk exposure. Develop processes to track and report working capital performance and assess/analyze continuous improvement.

7.1 Capital Management Process

The process of managing capital in the Bank begins with the design and agreement on a strategy to drive its processes over a particular horizon as shown in the process flow diagram below:

This strategy must be endorsed by the Board after due consideration of the present economic realities and how they will impact the value addition to shareholders. Upon approval of the strategy, the implementation is the next step. At periodic intervals, progress is measured and adjusted against the target. Analysis of the situation involves not just milestone achievements but the positive and/or negative effect of the strategy being implemented. The process culminates in an effective allocation capital.

7.2 Capital Funding

With ardent efforts and focus given to the recapitalization programme of the Bank, the pursuit has continued to witness some positive tractions amidst the pressing challenges of regulatory pressures to close as well economic pressures occasioned by the recent fuel subsidy removal and foreign exchange reforms introduced by the CBN and Federal Government.

Capital Raising Exercise

Unity Bank's capital raising initiative has been one defined by the painstaking, strategic and deliberate actions/steps taken by the Board & Management towards not only achieving the desired levels of capital injection from eligible investment partners, but also infusing a strategic competitive advantage in an increasingly dynamic financial services environment. This is an approach we have termed as Capital-Plus (Capital +).

Highlighted below is an update of the ongoing activities:

A. PROJECT ALPHA

The Bank has made significant move on this engagement. The investor has indicated its willingness, ability and readiness to commit significant capital injection to Unity Bank subject to the terms and conditions that will be jointly and severally concurred to between the buyer and seller.
Whilst the process has been a bit long, the Bank is exercising cautious optimism on the transaction.

B. PROJECT BETA

The Bank got another willing, able and ready investor. A fit and proper person review of the entity was conducted and the Bank deemed the investor worthy of championing the vision of the Bank. The Bank is working along this axis concurrently with other prospective investors being engaged with.

C. PROJECT GAMMA

The newest entrant into the capitalization program is an investor based in a far east continent. They are in strategic partnership with a Private Bank based in an advanced economy and are desirous to acquire a controlling interest in a bank in Nigeria. They have expressed optimism to conclude the transactions swiftly.

Conclusion

Overall, the Bank wants to have a widespread of prospects that support the best-of-class of suitors towards achieving its long-term business sustainability model under the recapitalization and corporate renewal programmes. The prospective investors have demonstrated utmost willingness to inject the required equity investment and substantial working capital into the Bank. Upon completion of the strategic engagement and closure process, the statutory compliance process shall kick-start. The Bank is on course in its corporate capital raise with high optimism.

7.3 Capital Planning and Allocation

Given the potential risks and challenges facing the industry at large and Unity Bank in particular, the focused attention that the management has put up had created fundamental changes to the business model. There had been practical implementation of liquidity mobilization with new product/service development, regulatory compliance and value-creation initiatives and the reality to keep up with meeting customers' obligations at this challenging period and given the under-capitalized status of the Bank. The Board has put primary focus in the recapitalization programme which is currently producing results.

The capital plan is strategically defined to align with the Bank's overall business focus and objective to be a Retail Bank of Choice in Nigeria. The following summarizes the general and specific goals of the Bank's capital management:

A. General Goals

1. Continuously meet customers' obligations
2. Provide stable atmosphere for prospective investors
3. Focus attention on the volume, mix, and maturities of assets and liabilities.
4. Control the degree of capital leverage through planning and anticipation of the mismatch or "gap" between rate-sensitive assets and liabilities, excessive growth requirements, or other changes in the bank structure.
5. Control exposure to changes in capital funding by planning for capital needs and providing guidelines to seek funding before critical timeframes expire.
6. Provide basis for balance sheet management in terms of capital planning.
7. Ensure the safety and soundness of the Bank's deposits, while providing an appropriate climate to the prospective investors.

In addition, the Board and management has set a target level on long-term liability / Tier 2 Capital as a specific goal as follows:

- Maximum Ratio of Tier II Capital to Total Capital of 25%
  Furthermore, the level of capital will be considered adequate when it adequately surpasses the CBN regulatory benchmark of 10% from its current negative position, and is commensurate with the Bank's risk profile and new investors' risk assessment/definition criteria. The Bank will consider the following factors in its assessment of capital adequacy, asset quality, earnings, interest rate risk, liquidity and asset growth as well as other pertinent factors that are tied to long-term growth aspiration and strategy of Unity Bank.

Capital Allocation Process

This is basically the process of allocating limited capital resources along business line and risk areas in the pursuit of Unity Bank's corporate goals. Some of the steps considered in allocating capital internally include:

1. Working with the growth projections in line with strategy as approved by the Board. In doing this, a balance is struck between investing in sectors with superior returns and the emerging business opportunities in the industry.
2. Projection of capital requirement to determine capital budget at business and enterprise levels. This will also peg capital available to certain business lines.
3. When a business line reaches the limit of capital available, the release of more resources may be approved depending on the market opportunities and return on such investments.

The process is driven by Strategy, Financial Control and Risk Management.

ENTERPRISE RISK MANAGEMENT

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- UnityBiz Cards
- Business Savings Account
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- UnityCares (Healthcare Loans)
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CORPORATE SOCIAL RESPONSIBILITY

Corporate **Social Responsibility**

SUSTAINABILITY REPORT FOR 2022

Our Sustainability Statement

Unity Bank Plc is committed to carrying out its business in a way that is environmentally and socially conscious.

Sustainability Governance Committee Chairman Statement

In 2022, we continued our journey to integrate sustainability into our operations and achieved momentum on our bank's set objectives.

We recognize that attaining success requires sustained efforts which we will continue to provide. A major realization during the year was in the area of collaborations and partnerships. This not only increased the pace of progress achieved, but also the magnitude of impact. We will continue to work together with various stakeholders to achieve a more sustainable future for all.

Going forward, the focus for us more than ever, is how we can best bring sustainability into play in the dialogue with our customers and other stakeholders by increasing the bouquet of sustainable products we offer and ensuring that the Bank's operations are characterized by true responsibility. In addition to creating our own experiences through various sustainability initiatives, we will collectively devote efforts towards quantitative and qualitative data and make it the basis for dialogue and action, for promoting sustainability in all parts of society.

Chairman, Sustainability Governance Committee (SGC)

Highlights of 2022

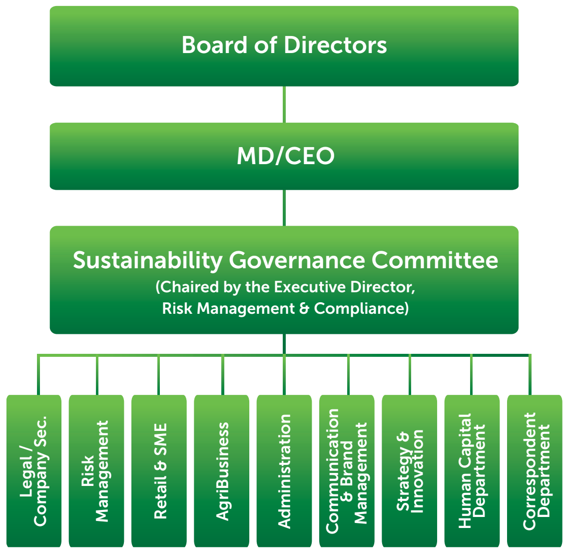
No. of female staff in the Bank. 11% are in senior management positions	488
Average score in the sustainability assessments conducted	85.9%
Disbursed to youth on the NYSC Copreneurship Scheme	38M
Our ATMs powered by solar/ renewable energy	75.5%
low income women enrolled on the Yanga scheme	>28k
Staff participated in sustainability training	1.5k
Training hours for staff	>22k
Environmental audits conducted across our branches	110
Volunteer hours of community service by employees	>3k
Female funded SMEs	59
Market women received free medical screening	>100

Sustainability Governance

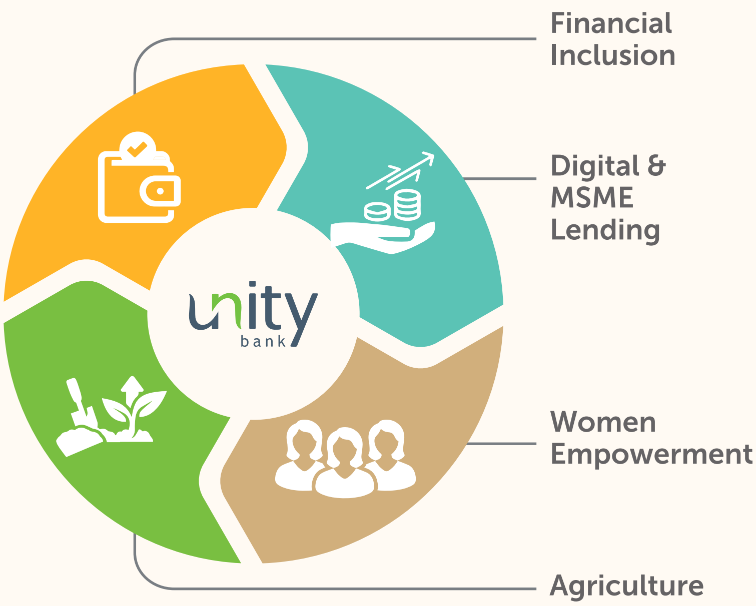
The Board has overall responsibility for sustainability across the Bank and integrates ESG matters in the formulation of Unity Banks' corporate strategy.

The Board provides oversight on the Bank's sustainability direction through the formulation and approval of the Bank's sustainability focus areas, projects, initiatives and agenda.

Unity Bank as a financial institution acknowledges its inherent task of providing financing solutions that support sustainable development and making sustainable investment simple, while also increasing knowledge of sustainability. We are determined to integrate sustainability into our business activities and the operations of the bank, and our holistic approach ensures that we take initiatives in the areas where we can make the biggest impact. To entrench sustainability across board and to ensure sustainability & related matters are handled with utmost importance, the Board constituted the Sustainability Governance Committee, tasked to better focus on sustainability matters.



Sustainability Governance



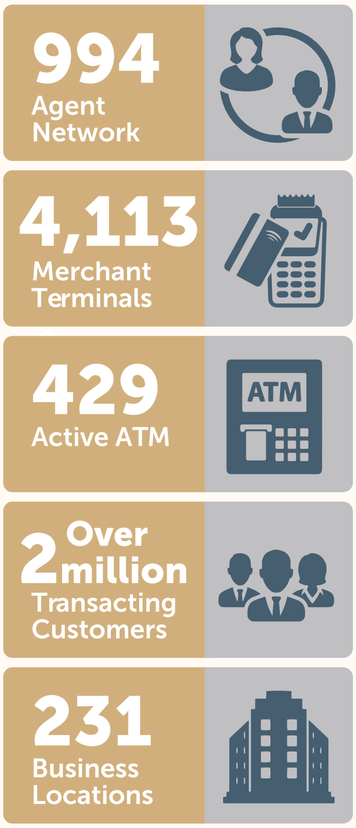
Agriculture

Unity Bank has a robust business model with strong network in the Agricultural sector of the nation. In 2022, we continued to intensify our efforts in the space through direct and indirect investments, partnerships, collaboration and capacity building. The Bank in line with its sustainability strategic focus, was actively involved in the agribusiness space, especially through the various CBN intervention schemes. The CBN intervention schemes covers most of the agribusiness value-chain especially in primary production commodity trading and processing. The Bank was very active in the primary production area and currently has relationship with most of the commodity associations in Nigeria, RIFAN, MAAN, NACOTAN, NECAS, WFAN, SOYABEANS and Several Prime Anchors. The Bank was also involved in supporting customers in the processing area to set up processing factories and also access crop aggregation facility to increase working capital.

Financial Inclusion

The Bank continues on its mandate to deepen financial inclusion by overcoming existing barriers which restrict economically active poor people from using formal financial services. Despite challenging economic circumstances in Nigeria, financial inclusion continues to grow incrementally with more than half of Nigerian adults using formal financial services. We continued our efforts to ensure more segments of the community have access to useful and affordable financial products and services that meet their needs and are delivered in a responsible and sustainable manner. We address this by creating an enabling environment for the underbanked and addressing the financing gap for small businesses. The Bank also offered financial literacy through capacity building, increased awareness, and collaboration with associations with the sole aim of democratizing financial services. Leveraging on our agency network, we increased the accessibility of the underbanked to transaction accounts. We believe that this is a necessary first step towards greater financial inclusion, as transaction accounts serve as a gateway to many other banking and financial services.

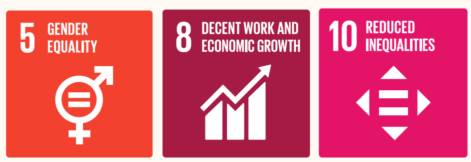
This underscores our loud call: " Financial Inclusion is a fundamental human right"



Digital & MSME Lending

At Unity Bank, we are continuously working to develop our Digital platforms and making MSME lending more available to our customers. We will continue to invest in cutting edge Information and Communication Technology (ICT) in the MSME sector through the adaptation of critical ICT tools for clients in their business and payment processes. In addition, the Bank is championing a self-service loan product for working salary earners who seek to access personal loan conveniently without any need to visit the Bank. The Digital Lending Product is made available to customers via the Bank's USSD, Mobile and Internet Banking platforms.

Women Empowerment



In 2022, the Bank continued to advance its efforts in women empowerment to reduce gender imbalance. We focused on increasing the number of women in the bank through strategic recruitment and management training programmes prioritizing female applicants. Executive management also approved the establishment of Unity Bank Women's Network; a community of female staff coming together to enhance their knowledge, expertise, and network with the aim of promoting women's economic empowerment through a gender-inclusive workplace. This initiative will develop and implement policies to support and address challenges faced by women in the Bank .

To further support the transitioning of female employees from maternity leave back to work, the bank rolled out its free onsite creche in the head office building available to all staff at the head office and the surrounding business locations. The free facility is accessible to all staff but prioritized for returning new mothers, who are struggling with childcare and to encourage the 6 months exclusive breastfeeding timeline recommended by the United Nations.

Our Operational Sustainability Focus Areas

Energy & Waste Conservation

Unity Bank has taken measures to reduce energy consumption throughout the year, we have been able to initiate measures that will reduce our energy consumption further both centrally and locally. Reducing the time the ventilation is in use, adjusting the brightness of lighting and changing lighting conditions in the various locations are some of the central measures that have had the greatest effect. We have also found a beneficial effect on electricity consumption when all employees are involved in coming up with ideas and focusing on measures that can be implemented locally. In this way, we managed to cut electricity consumption usage. For our general waste, more efforts has been put into sensitizing staff on the importance of waste sorting and recycling. We also engaged external recycling company for possible partnership to dispose and recycle our plastic waste. We have focused on minimizing wastes disposed in landfills, increasingly procuring renewable energy sources, and reducing energy consumption and carbon emissions along our journey.

People

Like many other organisations, Unity Bank has been driving new ways of working since Covid-19 struck. In 2022 we operated a hybrid work model to provide employees with more flexibility. We also organised series of mental health and wellbeing training for employee to help our people better manage their physical, emotional, and mental well-being. Our learning and development department organised programmes and workshops which saw over 1,500 employees participate in various self development programs throughout the year. The various programmes consisted of e-learning, live virtual learning, physical classes and team- based workshops. All employees are offered regular training and capacity development throughout their employment to contribute competences and professionalism at a high level. The Human Capital Development team also embarked on a Key Performance Indicator review project to improve the qualitative measurement of performance and develop a more robust appraisal system.

Partnerships

The Bank partnered with various private institutions and government agencies during the year to provide support for different stakeholders. The Bank partnered with AltSchool Africa in commemoration of International Women's Day 2022 by sponsoring the enrolment of girls in a software development training school.
This partnership created learning opportunities for young girls to develop their skill in the technology space. On the governmental front, the Bank supported the Jigawa State Government through the independent "Committee on Flood Disaster Assessment, Fund Raising, Palliatives Distribution and Establishment of a Permanent State Flood Trust Fund" in efforts to cater for the communities affected by the flood disaster in Jigawa state. Such partnerships were facilitated in form of donations, sponsorships and technical assistance to reduce inequalities and achieve a more sustainable future.

Health

Free Health Screening and Health Talk

Unity Bank in partnership with Reliance Family Clinics provided free medical screening and health talk at various market locations across Lagos state. The initiative was a complimentary addition to the launch and marketing of Unity Bank Yanga savings account roadshow organized by the Retail and SME group, targeted at introducing the product to low income women. The Yanga Savings account provides low interest credit as well as medical insurance to account holders and the health talk aimed to get account owners more proactive about their health. Over 100 market women were screened for blood pressure and hypertension, blood sugar and diabetes, clinical breast examination, hepatitis B ,hepatitis C and review of test results with medical practitioner for follow up recommendations. The key objective is for them to screen to detect any health risks and then take necessary measures to manage and modify their lifestyles. This initiative is in line with SDG 3 on "Good Health and Wellbeing".

Reliance Team conducting health checks at Yanga market activation in Ile-Epo Market

Education

Financial Literacy Day - Delta

As part of events to mark the Global Money Week and in line with SDG 4 on "Quality Education", the Bank visited and facilitated financial literacy training to over 100 students in St Columbus School, Agbor in Delta State. The financial literacy trainings are carried out in a bid to boost financial inclusion intended to promote savings culture, investment and financial management amongst young students. The Bank also visited 30 other schools in Nigeria across five business zones of the Bank.

For many years, the Bank has consistently provided Financial Literacy Training to schools, but these initiatives are even more important today as the CBN, in conjunction with the Bankers' Committee and the Junior Achievement Nigeria have worked out the framework to target secondary schools across the federation for financial inclusion.

Unity Bank Team with students of Nana College, Warri, Delta State during the Financial Literacy Day 2022

Sponsorship of 50 Women in STEM

This initiative addressed the SDG 4 and SDG 5 aimed at bridging gender gap that currently exist in terms of access to quality education. Therefore, as part of activities to celebrate the International Women's Day, the Bank supported in the procurement of application forms to enable 50 female students enrol in AltSchool Africa.

AltSchool Africa is a school for individuals looking to gain technical skills and kickstart a career in Tech. AltSchool Africa takes a non-traditional approach to learning by teaching courses directly connected with the selected track. The beneficiaries of this initiative will be equipped with technical know-how to excel in the technology space and develop onwards.

Empowerment

Copreneurship Initiative

Corpreneurship Challenge is an initiative that encourages participating Corp Members to develop business plans that could enable them to win a business grant from the Bank after a pitch presentation at the orientation camp. This is a concept where Education meets entrepreneurship in the Unity Bank's flagship entrepreneurship development initiative targeted at members of the National Youth Service Corps, NYSC. Corpreneurship Challenge is therefore a youth empowerment initiative designed to engage Youth Corp Members and promote entrepreneurship. Thus, the Bank reached milestone on SDG 4 and SDG 8 – Quality Education and Industry, Innovation and Infrastructure respectively.

With the Corpreneurship scheme, the Bank provides business grants to participating Corp Members who win a business pitch which are used set up their business. The goal of the programme is to create employment and self-sufficiency among fresh graduates. The Bank held its ninth edition of the Corprenuership Challenge in 2022 in all 10 locations - Ogun, Edo, FCT, Lagos, Sokoto, Bayelsa, Akwa-Ibom, Enugu, Osun and Kano with each state producing three winners who took home cash grants.

Corps Member during pitch presentation

Winners of the Corpreneurship Challenge Pitch in Abuja

Winners of the Corpreneurship Challenge Pitch in Delta

Sponsorship of Students to Kitian Vocational Training Hub

In the year under review, the Bank partnered with Kitian Training Hub in a move aimed at empowering young people with essential vocational skills with intent on meaningfully enhancing employability of beneficiaries. Kitian Training Hub is located in the heart of Ibadan, Nigeria and the Bank sponsored the training of 75 Youths in various vocational and technical training programmes.

The Bank supported the initiative pursuant to SDG 8 – Decent Work and Economic Growth. With the support of the Bank, the Youths gained skills in Fashion Design, Graphic & Web Design, Data Analytics, MS Word Suite and Domestic Electrical Installation.

Donation to RESWAYE (Recycling Scheme for Women and Youth Empowerment

Presentation of donation cheque to women of RESWAYE

In commemoration of Earth Day, the Bank partnered women of the Recycling Scheme for Women and Youth Empowerment (RESWAYE) to raise awareness to combat the menace of plastic pollution in the coastal areas of Lagos State and other coastal states in Nigeria. RESWAYE is an NGO that encourages women and youths (above

16 years) to participate in a buy-back program involving collection, aggregation and recycling of plastic waste to rid the coastal plains of waste and restore the environment.

This donation was targeted at supporting sustainability and recycling as a livelihood while also supporting **SDG Goals 6, 11, 13, 14 and 15 – Clean Water and Sanitation, Sustainable Cities & Communities, Climate Action, Life Below Water and Life on Land**, respectively.

Community Development

Donation to Flood Disaster Victims in Jigawa State

Following the flood that affected parts of the country earlier in the year, many communities in Jigawa state were completely destroyed while thousands of people were rendered homeless and forced to live in Internally Displaced Peoples camps and other public buildings.

As an effective response to the situation, the Bank supported the Jigawa State Government to raise funds to cater for the communities affected by the flood disaster in the state. The state Government set up "Committee on Flood Disaster Assessment, Fund Raising, Palliatives Distribution and Establishment of a Permanent State Flood Trust Fund".

Giving Together Initiative

The Bank partnered with Lagos Food Bank to carry out a community outreach in line with the Giving Together initiative where staff donated various items to the less privileged and these items were distributed to various charity NGOs. This second arm of this initiative involved the distribution of 150 food boxes to members of the Ogundimu Ilaje community in Yaba, Lagos, Nigeria. Over 50 volunteers including Unity Bank Staff were involved in the distribution of the food box and recipient were all low-income women in the Ilaje environment.

The "Giving Together" initiative centered on staff charity as a means of encouraging individual and collective engagement to inspire care for the less privileged. The Bank was able to achieve another CSR milestone for the year by supporting SDG 3 – Good Health and Well-Being and SDG 12 – Responsible Consumption and Production.

Unity Bank Team and Lagos Food Bank volunteers at Giving Together Outreach

Environment

Earth Day Beach Cleanup

In celebration of Earth Day, Unity Bank partnered with the Recycling Scheme For Women And Youth Empowerment (RESWAYE) and the Kids Beach Garden to organize a beach clean-up at the Oba Elegushi Beach, Lekki Lagos. The event involved over 120 Unity Bank staff, volunteering to pick up trash in effort to reduce the amount of plastic ending up in our waterways, on our beaches and ultimately in the ocean. The beach clean-up exercise plays a critical role in addressing the plastic pollution crisis. Staff were also sensitized on the types of plastic that are found on our beaches and this event provided an opportunity to learn more about the impacts of single-use plastics on our environment. Total weight of 181.5kg of marine debris was collected in commemoration of World Earth Day in 2022.

Unity Bank Staff volunteering at the 2022 earthday beach cleanup

Tree Planting Exercise

The tree planting initiative is one that directly addresses the impact of global warming and its effect on the environment. A bank wide tree planting exercise was organised and Staff across all regions and zones were tasked with planting and cultivating over 100 seeds. This objective of this exercise is not only to combat the climatic challenge but also provide shade and economic taste to the environment. This exercise will also reduce erosion, mitigate climate impacts and increase awareness on the danger of deforestation and tree felling.

Unity Bank staff during the tree planting exercise

Our People

Unity Creche

In a bid to improve welfare and work-life-balance of our employees, the Resources Division was assigned the task of setting up a dedicated crèche for all staff in the head office building, prioritizing nursing mothers returning from maternity leave. The establishment of Unity Creche ensured that parents have access to free and quality

The Chief Compliance Officer, Mrs. Patricia Ahunanya, and Staff at the ribbon cutting ceremony of Unity creche childcare service, making it easier for them to focus on their job during work hours. The well equipped facility was launched on November 7, 2022 in a ribbon cutting ceremony chaired by the Chief Compliance Officer, Mrs. Patricia Ahunanya, who is also the Coordinator of the Unity Bank Women's Network. The addition of the creche will increase flexibility for staff, increase employee retention, and make the organization more attractive for prospective staff intake.

Unity Bank Staff at the inaugural edition of the 2022 Unity Bank Innovation Week

UBxIdeas Innovation Week

The Bank intensified its effort to transform into an innovative organization where ideas are born, nurtured and implemented. To entrench this innovative culture across board, the Unity Bank's Innovation Week (UBxIdeas) initiative was conceived. The 2022 UBxIdeas week held from Tuesday, 22nd November - Friday, 25th November. The 3-day event involved various curated ideas spurring activities aimed at generating ideas and driving conversations around people, processes and products. A medical practitioner was also invited to speak on the impact of mental health on creativity and innovation. The event's signature activity involved an interdepartmental ideation challenge in which all departments in the Bank competed for the most innovative idea, upon deliberation from the panel judges, the Risk Management Group won the most innovative department for 2022.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PRINCIPAL OFFICERS

Principal Officers

Employee Name	Gender	Job Name	Directorate
Tomi Somefun Mrs.	Female	Managing Director	Executive Office
Tuedor Temisan Mr.	Male	Executive Director	North Bank & Franchise Business
Kolawole Ademola Ebenezer Mr.	Male	Executive Director	Finance & Operations
Abdulqadir Usman Mr.	Male	Executive Director	Enterprise Risk Management & Compliance

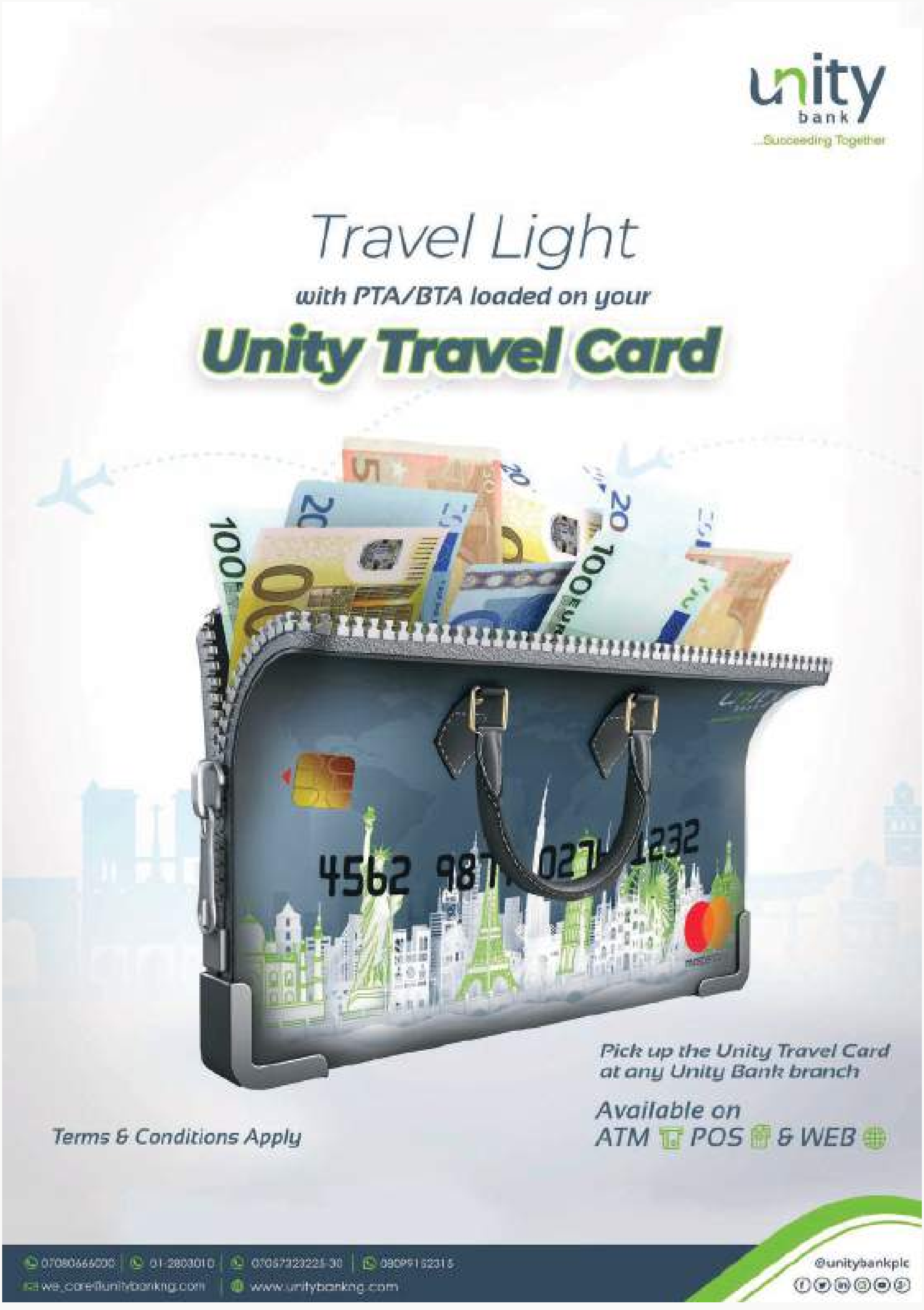
Employee Name	Gender	Job Name	Division/Group
Bakwunye Obijieze Sunny Mr.	Male	Divisional Head	Treasury & Financial Institutions
Atiku Zubairu Mr.	Male	Group Head	Operations
Aboyade-Cole Olufemi Agboola Mr.	Male	Divisional Head	Internal Control
Ahunanya Chinwe Patricia Mrs.	Female	Group Head/CCO	Compliance
Famoriyo Michael Olusegun Mr.	Male	Divisional Head/CAE	Internal Audit
Nwambu Obidike Chris Mr.	Male	Group Head/CRO	Risk Management
Akinmade Olugbenga Olufunwa Mr.	Male	Divisional Head	Retail & SME Banking
Williams Adejumobi Alaba Mr.	Male	Divisional Head/Company Secretary & Legal Services	Company Secretariat & Legal Services
Ajuebon Nkemchor Hilary Mr.	Male	Divisional Head	Resources
Abba Kazaure Yahaya Mr.	Male	Group Head	Information Technology

Employee Name	Gender	Job Name	Directorate/Zone
Ogunrinde Abiodun Olubowale Mr.	Male	Directorate Head	Lagos & West
Bashir Mohammed Nuruddin Mr.	Male	Zonal Head	Abuja & North Central Zone
Odigie William Otaigboria Innocent Mr.	Male	Zonal Head	South-South & South-East Zone
Gana Ibrahim Abbakura Mr.	Male	Zonal Head	North East Zone
Baba Idris Mustapha Mr.	Male	Zonal Head	North West Zone

Employee Name	Gender	Job Name	Department
Adeniyi Abiola Adedeji Mr.	Male	Head Of Department	Collections Department
Oluwaniyi Simeon Adegboyega Mr.	Male	Head Of Department	Central Operations
Ojesina Akintunde Opeyemi Mr.	Male	Head Of Department	Personal & SME Banking Department
Coker Olayiwola Ibukun Mr.	Male	Head Of Department	Strategy & Innovation Department
Adegbesan Olorunwa Babatunde Mr.	Male	Head Of Operations	Operations (South)
Aluko Rufus Olufemi Mr.	Male	Head Of Department	Internal Control (South) Department
Akindele Olayinka Olalekan Mr.	Male	Head Of Department	Loan Recovery Department
Adebajo Oriyomi Olaitan Mr.	Male	Head Of Department	ALM & Interest Rate Trading
Iyamu Kingsley Eghomwanre Mr.	Male	Head Of Department	E-Business Department
Alaba Folajimi Mr.	Male	Head Of Department	Financial Control Department
Obiazikwor Matthew Mr.	Male	Head Of Department	Communications & Brand Management Department
Olukoya Adebowale Olusegun Mr.	Male	Ag. Head Of Department	Legal Services Department
Haruna Malgwi Mr.	Male	Ag. Head Of Department	Agric Business Department
Lawal King Emmanuel Mr.	Male	Head Of Department	Correspondent Banking
Ibitolu Lawrence Bolude Mr.	Male	Head Of Operations	Operations (North)
Igebu Emike Elfrida Miss	Female	Head Of Department	Customer Care Department
Adubi Olubukola Akindele Mr.	Male	Head Of Department	Branch Audit Department
Onyia Wilson Mr.	Male	Head Of Department	Administration Department
Dairo Adeola Kanyinsola Mrs. Department	Female	Head Of Department	Service Quality & Innovation

Maduekwe Ezeako Kenneth Mr.	Male	Head Of Department	Credit Administration Department
Anavhe Ambrose Mr.	Male	Ag. Head Of Department	Human Capital Management Department
Christiana Aliu	Female	Head Of Department	Head Office Audit Department
Adeyemi Orioye Emmanuel Mr.	Male	Head Of Department	Fraud & Investigation Department
Omomuwasan Sunday Ola Mr.	Male	Head Of Department	Regulatory Compliance Department
Ayeni Ayodeji Jubril Mr.	Male	Ag. Head Of Department	Procurement & Logistics Department
Lasisi Enitan Yahya Mr.	Male	Ag. Head Of Department	IT/Operational Risk Department
Haruna Saidu Mr.	Male	Ag.Head Of Department	Learning & Development Department

Employee Name	Gender	Job Name	Region
Olanrewaju K Olusegun Mr.	Male	Regional Manager	South West I Regional Office
Oladipo Babatunde Olusegun Mr.	Male	Regional Manager	Victoria Island Regional Office
Abimbola Simiat Adenike Mrs.	Female	Regional Manager	South West II Regional Office
Gbewesa Abiola Babatunde Mr.	Female	Regional Manager	Apapa Regional Office
Egena Adejo Idris Mr.	Male	Regional Manager	Minna/Kogi Regional Office
Bukar Shettima Hamsatu Ms.	Female	Regional Manager	Kaduna Regional Office
Dahiru Abdullahi Mohammed Mr.	Male	Regional Manager	Dutse Regional Office
Mustapha Lawan Abubakar Mr.	Male	Regional Manager	Maiduguri Regional Office
Ibem Nwanganga Florence Mrs.	Male	Ag. Regional Manager	Ikeja Regional Office
Moyi Aminu Mr.	Male	Regional Manager	Sokoto Regional Office
Arabi Ahmad Mahmoud Mr.	Male	Regional Manager	Bauchi Regional Office
Nwankwo Godwin Ikechukwu Mr.	Male	Regional Manager	South East Regional Office
Akponah Okeyomare Anthony Mr.	Male	Regional Manager	Edo Regional Office
Mohammed Igemohia Mr.	Male	Regional Manager	Delta Regional Office
Sani Saidu Abdullahi Mr.	Male	Regional Manager	Katsina Regional Office
Gana Lawan Aisha Miss	Male	Regional Manager	Kano-North Regional Office
Akerele Olufemi Michael Mr.	Male	Regional Manager	Garki Regional Office
Mohammed Tsiga Tukur Mr.	Male	Regional Manager	Abuja Central Regional Office
Idah Agbidu Felix Mr.	Male	Ag. Regional Manager	Lafia/Markurdi Regional Office
Ibrahim Mahmoud Mr.	Male	Regional Manager	Kano-South Regional Office
Bello Usman Salihu Mr.	Male	Regional Manager	Adamawa Regional Office



unity
bank
...Succeeding Together
Travel Light
with PTA/BTA loaded on your
Unity Travel Card
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Pick up the Unity Travel Card
at any Unity Bank branch
Available on
ATM POS & WEB
Terms & Conditions Apply
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PRODUCT INFORMATION

Retail & SME Liability Products

CORPORATE CURRENT ACCOUNT

This product is a **traditional current account** designed for registered businesses. It is designed to meet the needs of businesses that require to issue third party cheques and also enjoy transaction flexibility.

unitybiz

Unity-Biz Current Account is a cost effective current account designed for SMEs. This small product comes with robust payment and collection solutions for smooth day to day banking activities.

BUSINESS SAVINGS ACCOUNT

This **savings account** is designed for all microSME businesses that need to put some funds away for ventures while earning interest.

DOMICILIARY ACCOUNTS ORDINARY

This is a **foreign currency account** that can be funded through foreign/local remittance and cash deposits.

INDIVIDUAL CURRENT ACCOUNT

A Current Account for Individuals that offers cheque- issuing designed to meet the needs of customers who require third party cheques and also enjoy transaction flexibility.

unitymax

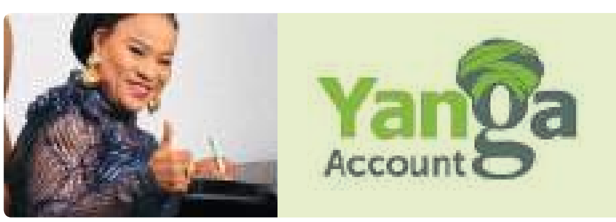
Unity Max Current Account is designed to cater to the entire spectrum of financial needs of working professionals, across all segments from lower-level employees to top executives

An easy to operate account that supports customers who wish to save money over a period of time.

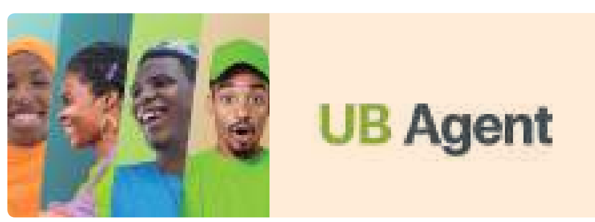
It is a hybrid account that allows customers enjoy the benefit of a savings account while also enjoying the flexibility of a current account at no cost to the customer.

This savings account is designed to cater to kids and Teenagers below 18 years. It offers parents and guardians the opportunity to set aside funds for their children.

UniFi savings account is a unique Tier 1 saving account tailored to suit the lifestyle of today's teeming youth. The account gives access to the Unifi mobile application with a gamification platform for earning rewards under the referral download and transaction counts/volumes scheme.



Unity Yanga is a bundled and easy to open women-centric retail product that comes with a customised debit card. Its unique benefit allows women in the mass market segment (in rural and urban locations in Nigeria) access micro loans, health insurance, investment, trainings & capacity building.



Agency Banking is a way of providing limited banking services to bank customers, through the use of agents who usually are not traditional bankers. Unity bank signs up agents who are trained to carry out limited banking transactions from their respective business locations.

Electronic Channels

Unifi Mobile App

An online mobile banking application that allows you to perform fundamental banking transactions from your bank account using your mobile device usually a smart phone or a tablet

Features

- Airtime top-up
- Check Account balance
- Account Statements (of last 5 transactions)
- Funds transfer
- Bill payments
- ATM/Branch locator
- Save Beneficiary features

Benefits

- Excellent customer service
- 24-hour access to transfer from your account
- Convenient and saves time of queuing at the branch
- Customer-friendly interface
- Convenient to use

Convenient Banking (USSD – *7799#)

A mobile payment application, which is designed to give access to our unbanked category of customers actively using a mobile phone and creating financial inclusion through mobile devices.

Features

- Balance enquiry
- Funds transfer
- Bills payment
- Airtime/Data recharge
- PIN change
- BVN Verification
- Block Account
- Cardless Withdrawal
- Language selection
- Increase transaction limit
- Remove account
- USSD on POS
- Bet9ja wallet funding
- Bet9ja Gaming
- Lagos IGR payment

Benefits

- Simple to use
- Convenient
- Affordable
- Available on all type of mobile phones
- Very secure and user friendly
- Enable transactions across other channels

Internet Banking Service (Corporate and Retail Internet Banking)

It is a convenient and fast online Banking Platform that enables customers transact on their accounts 24/7, from the comfort of their homes or offices with the aid of personal computers/devices.

Features

- o Account balance/statement
- o Quick payment
- o Cheque request
- o Bills payment
- o One-time payment
- o Bulk payment
- o Loans report
- o Standing instructions
- o Direct Debit
- o Mobile Top-up
- o Intra/Inter Bank transfers
- o Self-Services
- o Token management

Benefits

- o Access to enquiries and statements
- o Allows for swift Inter and Intra-bank Fund transfer
- o Issue basic instructions such as cheque book request, hotlist card
- o Empowering the Bank's customers to monitor their accounts 24/7
- o Enable POS merchants to view and reconcile their daily transactions on their POS terminals

Point of Sale Terminals (POS – Linux and Android types)

It is a device that enables receipt of payments for goods and services by customers to clients having accounts with the bank, followed by the issuance of a receipt. Payment can be made by inserting the customers' debit or credit cards into the terminal. It is also been used as a tool for Agency banking in remote areas.

Features

- o Bills payment
- o Purchases
- o Agency Banking (Cash in, cash out, transfers, account opening etc.)
- o VAS (Airtime top-up etc.)
- o MCash Pay on POS
- o USSD on POS
- o Cash-back transactions

Benefits

- o Merchants can operate 24/7 without risk
- o Lower operational cost
- o Reduced risk of theft and pilfering by cashiers
- o Increased sales – cardholders are likely to make spontaneous purchases with cards
- o Increased market share
- o Increased patronage
- o Image projection internationally for merchants accepting international cards i.e. MasterCard, Visa cards.

ELECTRONIC CHANNELS

Automated Teller Machine

It is an electronic banking outlet, which allows customers to complete basic banking transactions without the aid of a branch representative or teller. It works with either the insertion of debit/credit cards or input of codes for card-less transactions.

Features

- o Cash withdrawal
- o Cardless withdrawal
- o Balance Enquiry
- o Interbank and Intra-Bank Transfers
- o Utility bills payment
- o Airtime top-up

Benefits

- o Excellent customer services
- o 24 hour access to transfer from your account
- o Convenient and saves time of queuing at the branch

e-Collections

It is an electronic way of collecting funds on behalf of business-oriented organizations from their customers through the e-channels platforms such as bank branch collections, online and other electronic channels seamlessly. It is the electronic way of receiving of funds from the public on behalf of a merchant/biller. The product offerings are: School Portal, Church Portal, Direct Debit, E-Ticketing, Hospital Management solution, Hotel Portal, IGR Collection, Customized solution, Integrated payment gateway

Features

- o Payment to Billers and service provider
- o Direct Debit
- o Real time transaction and receipt of fund
- o Keep audit trail
- o End to end automation
- o Gives Instant value for transaction

Benefits

- o Cheap means of liability and income generation.
- o End-to-end automation of the administrative processes of organization
- o Customer loyalty and retention
- o Convenience and saves time of queuing at branches by customers
- o Customized solution to suite customer's business need
- o Reduces transaction cost
- o Increase custom acquisition

e-Payments (Unity Remit)

It is an automated system of making payments (such as vendor payment, salary payment, bill payment) through any of the bank's electronic platforms for the benefit of the customer and the bank at large. These customer-induced payments can either be made by the customer at the convenience of his office or from any branch of the bank.

Features

- Automate your staff payroll at no cost
- Prepare your payroll from anywhere in the world
- Make vendor payments online from anywhere in the world
- Make salary payments online from anywhere in the world
- Make your tax payments from the comfort of your office or homes
- Payment of vendors and other sundry expenses, bulk payment to people without bank accounts
- Make single/ bulk transfers

Benefits

- Secured payment
- Reduced risk of carrying cash
- Reduced social cost of transactions
- Improve your brand equity
- No reconciliation challenges
- Easy management of funds

Remittance

- WESTERN UNION MONEY TRANSFER
- MONEYGRAM MONEY TRANSFER
- RIA
- TRANSFAST

Remittance is the business of person to person funds transfer from one country to other countries through international network of agents. Unity bank is a member of the networks that facilitates these transactions and indeed a choice destination for money transfer services. Unity bank offers both inbound and outbound money transfer services across all our branches nationwide. This service is open to account holders and non-account holders alike. Customers can receive funds from or transfer funds to over 250 countries in the world through either Western Union or MoneyGram platforms from any Unity bank branch nationwide.

Features

- Send and receive funds in Naira and foreign currencies
- Transactions are secured with the use of pin pad
- Open to non-account holders subject to regulatory limit

Benefits

- Receive and send money within 10 minutes from/to anywhere in the world
- Service is absolutely free for receivers.... No charges
- Enjoy personalized and excellent customer service
- Free gift for every transaction

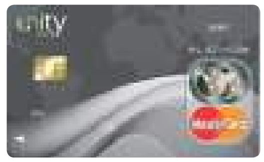
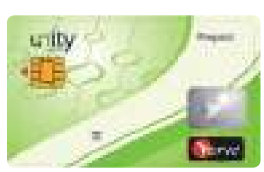
ELECTRONIC CHANNELS

Cards

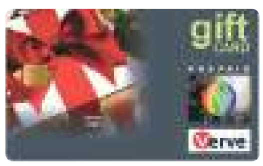
This are payment cards which enables Unity Bank customers make payments on POS terminals, Web/online and ATM terminals. The various types of cards issued by the bank are as enumerated below.

Card Types	Features	Benefits
UNITY VERVE CARD (N) It is a Naira debit card that is linked to customer's savings, current or corporate account which can only be used to settle purchases within Nigeria.	 • Naira denominated Card • 3 years validity period • For local transactions (within Nigeria) • Cross border transactions in over 20 African countries. • CHIP & PIN secured	• 24 hours access to funds on ATM, POS and WEB within Nigeria. • All customers' accounts can be linked to one card to enable accessibility to funds on any account type. • Reduces the risk and inconvenience of carrying cash. • Chip and Pin secured. • Access to discounts on Verve rewards partner locations worldwide
UNITY NAIRA DEBIT MASTERCARD (N) Unity Naira Debit MasterCard is an international card denominated in Naira. It can be linked to customer's savings or current account. This type of card enables customers to carry out transactions both within and outside Nigeria on electronic terminals.	 • Naira denominated Card • 3 years validity period • For local and International transactions • CHIP & PIN secured	• 24 hours access to funds on ATM, POS and WEB within and outside Nigeria • Reduces the risk and inconvenience of carrying cash. • Chip and Pin secured. • Convenient, reliable and safe means of carrying out transaction both locally and internationally • Provides additional security for web based transactions; Secure code for International transaction and safe token for local transactions.
UNITY YANGA DEBIT CARD Unity Yanga is a bundled and easy to open woman-centric retail product that comes with a customized debit card. It's unique benefit allows women in the mass market segment (in rural and urban locations in Nigeria) access micro loans, health insurance, investments and training/ capacity building.	 • Naira denominated Card • 3 years validity period • For local transactions (within Nigeria) • Cross border transactions in over 20 African countries.	• CHIP & PIN secured. • Savings and investment. • Agency Banking (can be enrolled with customers consent). • Capacity building engagement • Zero Account opening. • Cards are issued automatically.

PRODUCT INFORMATION

Card Types	Features	Benefits
UNITY PLATINUM MASTERCARD ($) An internationally accepted debit card issued in partnership with MasterCard Worldwide. The card is a Dollar denominated card targeted at high end customers. It is linked to customer's dollar domiciliary account and can be used to settle purchases within and outside Nigeria. All transactions done using this card reflect immediately on the customer's domiciliary account.	 • Dollar denominated • Higher transaction limits • 3 years validity period • For International & Local transactions • CHIP & PIN secured • Available on both individual and corporate account.	• 24 hours access to funds on ATM, POS and WEB within and outside Nigeria • Increased withdrawal limits • Increased transaction velocity limit • Access to VIP lounges and discounts at MasterCard partner locations worldwide • Provides additional security for web based transactions; Secure code for International transaction and safe token for local transactions.
UNITY GENERIC PREPAID MASTERCARD ($/N) An international prepaid card issued in partnership with MasterCard Worldwide. It can either be denominated in US Dollars or Naira and is not attached to any account which however, can be used to settle purchases in other major currencies. Settlement of outstanding is not applicable as customers spend the available funds loaded on their card.	 • Dollar /Naira denominated • 3 years validity period • For local & International transactions • CHIP & PIN secured	• 24 hours access to funds on ATM, POS and WEB within and outside Nigeria • Your card eliminates the risk and inconvenience of carrying cash. • Unity Bank Prepaid MasterCard can be loaded with a minimum of $100. • Helps to manage the risk of overspending • Provides additional security for web based transactions; Secure code for International transaction and safe token for local transactions. • Reloadable as many times as possible within the card validity.
UNITY HOLYTRIP PREPAID MASTERCARD ($/N) It is an international prepaid card issued in partnership with MasterCard Worldwide. It can either be denominated in US Dollars or Naira and is not attached to any account which however, can be used to settle purchases in other major currencies. Settlement of outstanding is not applicable as customers spend the available funds loaded on their card.	 • Dollar /Naira denominated • 3 years validity period • For local & International transactions • CHIP & PIN secured	• Specifically designed for pilgrims. • 24 hours access to funds on ATM, POS and WEB within and outside Nigeria • Your card eliminates the risk and inconvenience of carrying cash. • Unity Bank Prepaid MasterCard can be loaded with a minimum of $100. • Helps to manage the risk of overspending • Provides additional security for web based transactions; Secure code for International transaction and safe token for local transactions.
UNITY VERVE PREPAID (N) It is a card issued in partnership with Interswitch Limited. This is a reloadable naira denominated card that can be used for transaction on all terminals within Nigeria. The card is not attached to any account as walk-in customers/customers load funds on the card at their convenience.	 • Naira denominated • 3 years validity period • For local transactions • CHIP & PIN secured	• 24 hours access to funds on ATM, POS and WEB within Nigeria • Your card eliminates the risk and inconvenience of carrying cash. • Helps to manage the risk of overspending • Access to discounts on Verve rewards partner locations worldwide

ELECTRONIC CHANNELS

Card Types	Features	Benefits
UNITY COMBO CARD (N) It is combination of an identification card and a payment card. (All-in-one). This card is specifically designed for Schools (Secondary & Tertiary Institutions), Cooperative societies and Corporate/ Government organizations	 • Data of Institution /Student • Naira denominated • 3 years validity period • For local transactions • CHIP & PIN secured	• Customized identity & payment card • 24 hours access to funds on ATM, POS and WEB within Nigeria • Your card eliminates the risk and inconvenience of carrying cash. • Helps to manage the risk of overspending • Access to discounts on Verve rewards partner locations worldwide
GIFT CARD (N) It is a variant of Verve Prepaid card loaded with funds and issued as a gift to loved ones, friends and acquaintances. The card enables cardholder to make purchases of goods and services on electronic terminals within Nigeria.	 • Preloaded Naira denominated card • 3 years validity period • For local transactions • CHIP & PIN secured	• Designed to suit occasions • 24 hours access to funds on ATM, POS and WEB within Nigeria. • Enables cardholder access to enjoy discounts in Verve rewards locations nationwide.
 **UNITY NAIRA CREDIT CARD (N)** Unity Bank Credit Card is a revolving secured card with a credit limit that is based on a percentage of the collateral amount or monthly basic salary. Credit cards may either be cash collaterized or salary-backed. The variants available are Platinum and Standard.	• Denominated in Naira • 3 years validity period • Works on all channels – ATM, POS & WEB • 40days interest free period • 3.5% interest on outstanding balance • Revolving limit within card validity • Availability of up to two supplementary cards • Offline real time • Repayment period window matched with salary date • Enabled for local and international transactions	• Access to multiple income streams. • Convenience of repayments with our local currency (=N=) • Global acceptability of MasterCard (local and international transactions) • Cheaper interest management – billed only on amount utilized. • Opportunity to build a good credit history for future lending. • Card acts as a bridge for short term cash flow gap. • Convenient repayment cycles and process.

Agribusiness Products

AGRO INPUT SUPPLY

Unity bank developed a product to provide loans to agro dealers and input suppliers .This include LPO financing, Invoice Discounting & Guarantees. The Product targets suppliers of inputs like seeds, fertilizers, agro chemicals, knapsack sprayer, water pump etc. used for primary production of crops

AGGREGATION OF AGRICULTURAL PRODUCE

The product is targeted at the medium and large produce aggregators/ processors to provide funds to the key players in the aggregation space, tap into the opportunities in the aggregation sub-sector .

LOGISTIC AND STORAGE OF AGRICULTURAL PRODUCE

Logistics in agriculture is gaining more importance as it deals mainly with the smooth supply of food and other agricultural products from the producer to the final consumer. Storage capacity of Producers is also of great importance thereby reducing possible losses for harvest produce, example are the Perishable Crops or Livestock.

DISTRIBUTION AND RETAIL

This product is designed and targeted at Limited Liability Companies and Enterprises in the business of distributing and retailing Agricultural commodities for the local and/or export market.

FOOD PROCESSING

The product is designed to support our customers establish or expand their food processing plant to ensure availability of food to the nation at all times. It will also improve the quality and quantity of exported Agricultural commodities, thereby increasing the revenue generation from non-oil export.

TRACTORISATION AND MECHANIZATION

The product is designed to improve agricultural production in Nigeria, land Preparation practices can be best described as drudgery, manual, and labour-intensive. According to research , Nigeria has about 10,000 functional tractors are in existence in the country. This is just about 1.2% of the country's tractor needs. Hence the need to close the gap by providing funds for the acquisition of tools and machines to enhance productivity and crop production.

LIVESTOCK / POULTRY & THE VALUE CHAIN

Unity Bank provides funding to key actors in Nigeria Poultry Value Chain thereby improving the production capacity of producers to meet the protein needs of the populace. The product is targeted at Companies that are into commercial production of Poultry products, poultry hatchery business, production of poultry feeds, processing of poultry products manufacturing of poultry equipment, sales and distribution of poultry products.

FISHERY & THE VALUE CHAIN

The product is targeted at Companies that are into commercial production of fishery products, fishery hatchery business, production of fishery feeds, processing of fishery products, manufacturing of fishery equipment, sales and distribution of fishery products.

PRODUCT INFORMATION

Collections and Franchise Products

MAJOR PRODUCTS
Unity Bank is a Collecting Bank for taxes and levies due to the 3 tiers of Government in Nigeria (Federal, State & Local) and Corporates. These products runs on electronic payment channels (Paydirect, Remita ,E-Bills ,PayArena, Xpresspay, Etranzact platform etc.)

STATE PRODUCTS

OTHER PRODUCTS

unity
bank
...Succeeding Together.
Hassle Free
Salary Advance
make it unitypay
Loan
payday.
31st
unity
pay loan.
Anytime.
ENJOY
Loans up to N5m
Flexible repayment options
Quick Disbursement within 48 hours
we_care@unitybankng.com
www.unitybankng.com
@unitybankplc


unity bank
...Succeeding Together
unity
kids
ACCOUNT
Plan for
the Future.
The savings solutions
for Children and Teenagers.
www.unitybankng.com
@unitybankplc

CORPORATE DIRECTORY INFORMATION

Corporate **Directory**

SN	STATE	BRANCH NAME	BRANCH ADDRESS
1	NIGER	BOSSO ROAD BRANCH	NO. 3, COMMERCIAL COMPLEX, BOSSO ROAD, MINNA
2	LAGOS	YABA COMM AVENUE BRANCH	NO. 32A, COMMERCIAL AVENUE,SABO YABA
3	NIGER	SULEJA BRANCH	USMAN FAROUK ROAD, BY POLICE 'A' DIVISION, SULEJA
4	KANO	IBRAHIM TAIWO ROAD BRANCH	
5	FCT	EVARIST HOUSE BRANCH	EVARIST HOUSE, PLOT 1529, NOUAKCHOTT STR, WUSE ZONE I
6	ZAMFARA	BUNGUDU BRANCH	35 CANTEEN AREA, GUSAU
7	KADUNA	SOKOTO ROAD ZARIA, BRANCH	NO 1 SOKOTO ROAD, ZARIA
8	BORNO	KIRKASAMA RD BRANCH	NO. 10 KIRKISAMA ROAD, MAIDUGURI
9	FCT	JABI BRANCH	SABON DALE SHOPPING COMPLEX, NO. 219, OBAFEMI AWOLOWO STREET, JABI DISTRICT, ABUJA
10	KATSINA	KIPDECO BUILDING BRANCH	NO. 61 IBB WAY KIPDECO BUILDING KATSINA
11	KADUNA	IKARA BRANCH	NO. 7, SECRETARIAT ROAD, IKARA
12	BAUCHI	MURTALA MOHD WAY, BRANCH	560 MURTALA MOHAMMED WAY, BAUCHI
13	KADUNA	ABUBAKAR GUMI MARKET 1 BRANCH	BROAD CASTING ROAD, KADUNA
14	FCT	NASS BRANCH	NATIONAL ASSEMBLY COMPLEX, THREE-ARMS ZONE, GARKI-ABUJA
15	GOMBE	BIU ROAD BRANCH	PLOT 9, GOMBE/BIU ROAD, GOMBE
16	KEBBI	JEGA BRANCH	NO. 3, SOKOTO ROAD, JEGA BIRNIN KEBBI
17	FCT	GARKI AREA 3 BRANCH	NO.11, FASKARI STREET, AREA 3, GARKI, ABUJA
18	FCT	CBD BRANCH	PLOT 785, HERBERT MACAULAY WAY, C.B.D. ABUJA
19	FCT	HAFSAT PLAZA BRANCH	HAFSAT PLAZA, PLOT 472, CONSTIUTION AVE. CENTRAL AREA, ABUJA
20	BORNO	BAMA ROAD BRANCH	NO. 11 BAMA ROAD, MAIDUGURI
21	BORNO	LAKE CHAD ROAD BRANCH	LAKE CHAD ROAD, MAIDUGURI
22	KADUNA	YAKUBU GOWON WAY BRANCH	PLOT 1B YAKUBU GOWON WAY, KADUNA
23	KADUNA	KACHIA ROAD BRANCH	NO. 7 KACHIA ROAD KADUNA
24	KANO	KANO CITY BRANCH	NO. 2, DURUMIN IYA QTRS, BESIDE PHCN KANO CITY SERVICE STATION
25	KANO	NASSARAWA BRANCH	NO.2, ZARIA ROAD, KANO.
26	KANO	SANI ABACHA WAY BRANCH	NO.5A, SANI ABACHA WAY, KANO
27	KANO	SHARADA BRANCH	SHARADA IND EST, PHASE 1, KANO
28	LAGOS	CREEK ROAD BRANCH	PLOT 18, CREEK ROAD, APAPA
29	LAGOS	ALLEN BRANCH	NO. 95, ALLEN AVENUE, IKEJA
30	LAGOS	BROAD STREET BRANCH	NO. 114, BROAD STREET, LAGOS ISLAND
31	LAGOS	TIAMIYU SAVAGE BRANCH	PLOT 1397A, TIAMIYU SAVAGE STREET, VICTORIA ISLAND
32	RIVERS	AZIKIWE ROAD BRANCH	NO. 3 AZIKIWE ROAD PORT HARCOURT
33	ABIA	FACTORY ROAD BRANCH	NO 7 FACTORY ROAD ABA
34	FCT	GWAGWALADA BRANCH	SECRETERIAT ROAD, GWAGWALADA, FCT
35	ADAMAWA	YOLA BRANCH	NO. 1 BANK ROAD, BEKAJI, YOLA
36	BAUCHI	COMMERCIAL ROAD, BRANCH	AHMED ABDULKADIR ROAD, BAUCHI
37	GOMBE	GOMBE COMMERCIAL AREA BRANCH	COMMERCIAL AREA, GOMBE
38	JIGAWA	NEW ROAD DUSTE BRANCH	NEW ROAD DUTSE , ADJACENT TO INVESTMENT HOUSE, DUSTE
39	KATSINA	KATSINA BRANCH	NO. 210, IBB WAY, PMB 2002, KATSINA
40	KATSINA	FUTUA BRANCH	NO 41 GUSAU ROAD FUNTUA, KATSINA
41	KEBBI	BIRNIN KEBBI BRANCH	NO. 3, AHMADU BELLO WAY, BIRNIN KEBBI
42	KOGI	AJAOKUTA BRANCH	GEREGU CAMP, AJAOKUTA
43	KOGI	LOKOJA BRANCH	MURTALA MOHAMMED WAY,LOKOJA.
44	KOGI	OKENE BRANCH	NO. 6, HOSPITAL ROAD, OKENE
45	KWARA	MURTALA MOHAMMED WAY, BRANCH	NO. 147, MURTALA MOHAMMED WAY, ILORIN
46	KWARA	OFFA BRANCH	IBRAHIM TAIWO ROAD, OPPOSITE OFFA CLUB, PMP 424, OFFA
47	NASSARAWA	LAFIA BRANCH	OPPOSITE DEPUTY GOVERNOR'S OFFICE, SHENDAM ROAD, LAFIA

SN	STATE	BRANCH NAME	BRANCH ADDRESS
48	NASSARAWA	KEFFI BRANCH	NO. 2, ABUBAKAR BURGA WAY, KEFFI
49	ONDO	OBA ADESIDA BRANCH	NO 15A, OBA ADESIDA ROAD AKURE
50	OYO	ODUTOLA ROAD BRANCH	NO. 7, ALHAJI JIMOH ODUTOLA STREET, OGUNPA, IBADAN
51	PLATEAU	AHMADU BELLO WAY BRANCH	NO 7, AHMADU BELLO WAY, JOS
52	SOKOTO	SOKOTO MAIN BRANCH	GUSAU ROAD, SOKOTO
53	TARABA	JALINGO BRANCH	NO. 11, HAMMA RUWA ROAD, JALINGO
54	YOBE	DAMATURU BRANCH	MAIDUGURI ROAD, DAMATURU
55	ZAMFARA	GUSAU BRANCH	NO. 5 CANTEEN ROAD, GUSAU
56	FCT	KWALI BRANCH	SECRETARIAT ROAD, KWALI, ABUJA
57	ADAMAWA	MUBI BRANCH	AHMADU BELLO WAY, MUBI
58	ADAMAWA	NUMAN BRANCH	PLOT 24/26 YOLA ROAD, NUMAN
59	AKWA IBOM	IKOT EKPENE BRANCH	NO. 164 IKOT EPKENE ROAD UYO
60	ANAMBRA	NIGER HOUSE BRANCH	NO. 1B BRIGHT STREET, OPPOSITE DE-YOUNG SHOPPING COMPLEX, ONITSHA
61	BAUCHI	ALKALERI BRANCH	GOMBE ROAD, ALKALERI TOWN, BAUCHI
62	BAUCHI	AZARE BRANCH	JAMA'ARE ROAD, AZARE, BAUCHI
63	BENUE	GBOKO BRANCH	NO. 42, J S TARKA WAY, GBOKO
64	BENUE	OTUKPO BRANCH	NO. 63, AHMADU BELLO WAY, OTUKPO
65	BENUE	UGBOKOLO BRANCH	OLD OTUKPO ROAD, UGBOKOLO
66	BENUE	ZAKI BIAM BRANCH	Y- JUNCTION, ZAKI BIAM, BENUE
67	BORNO	MONDAY MARKET BRANCH	ALI MONGUNO ROAD, MONDAY MARKET, MAIDUGURI.
68	GOMBE	BILLIRI BRANCH	NO. 3, YOLA ROAD, BILLIRI TOWN
69	JIGAWA	ABUBAKAR MAJE ROAD BRANCH	NO. 7, MAJE ROAD, HADEIJA
70	KADUNA	KAFANCHAN BRANCH	NO. 12, KAGORO ROAD, KAFANCHAN
71	KADUNA	MAIN STREET ZARIA BRANCH	NO. 1A MAIN STREET ZARIA
72	KANO	CHIROMAWA TOLL GATE BRANCH	CHIROMAWA TOLL GATE, KANO-ZARIA ROAD
73	KATSINA	DAURA BRANCH	KONGOLON ROAD, DAURA
74	KATSINA	DUTSIN-MA BRANCH	NO.10, HOSPITAL ROAD, DUTSIN-MA
75	KEBBI	WASAGU BRANCH	DANKO/WASAGU LOCAL GOVERNMENT, KEBBI
76	KOGI	ANKPA BRANCH	ANYIGBA ROAD, ANKPA
77	KOGI	KABBA BRANCH	ILUPA QUARTERS IYARA-KABBA
78	NIGER	PAIKO ROAD BRANCH	NO. 77, ABDULSALAM ABUBAKAR WAY, MINNA
79	KWARA	NEW MARKET ROAD ILORIN BRANCH	NO. 1, NEW MARKET ROAD BABOOKO ILORIN
80	NASSARAWA	AKWANGA BRANCH	LAFIA ROAD, AKWANGA
81	NIGER	DAWAKI ROAD BRANCH	DAWAKI ROAD, AFTER SHUAIBU NAIBI PRIMARY SCHOOL, SULEJA
82	NIGER	BIDA BRANCH	NO. 48, BCC ROAD, BIDA
83	NIGER	ZUNGERU BRANCH	OLD KONTAGORA ROAD, ZUNGERU
84	PLATEAU	WASE BRANCH	EMIR STREET, WASE
85	PLATEAU	PANKSHIN BRANCH	NEW LAYOUT, LANGTANG ROAD, PANKSHIN
86	SOKOTO	GADA BRANCH	OPPOSITE LOCAL GOVERNMENT SECRETATRIAT, GADA TOWN
87	SOKOTO	SABON BIRNIN BRANCH	SABON BIRNI TOWN
88	SOKOTO	MARKET BRANCH	NO. 3 ALIYU JODI ROAD, SOKOTO
89	SOKOTO	YABO BRANCH	SHEHU SHAGARI WAY, YABO TOWN, SOKOTO
90	TARABA	WUKARI BRANCH	IBBI ROAD, WUKARI
91	YOBE	NGURU YOBE BRANCH	MARKET ROAD, NGURU
92	YOBE	POTISKUM BRANCH	OPPOSITE NPN MARKET, MAIN ROAD POTISKUM
93	ZAMFARA	TALATAN MAFARA BRANCH	GUSAU/SOKOTO ROAD, TALATAN MAFARA, ZAMFARA STATE.
94	ANAMBRA	SGBN BUILDING BRANCH	NO. 38, NEW MARKET ROAD, NKPOR
95	RIVERS	OLD ABA ROAD BRANCH	NO. 28A OLD ABA ROAD, PORT HARCOURT
96	FCT	MAITAMA BRANCH	NO.11, IMANI EST, SHEHU SHAGARI WAY, MAITAMA, ABUJA
97	LAGOS	OPEBI BRANCH	NO. 37, OPEBI ROAD, IKEJA

CORPORATE DIRECTORY

SN	STATE	BRANCH NAME	BRANCH ADDRESS
98	LAGOS	MARINA BRANCH	NO. 2/4, DAVIES STREET, OFF MARINA ROAD, LAGOS ISLAND
99	ONDO	COMMERCIAL ZONE BRANCH	PLOT 9 BLOCK XLIII COMMERCIAL ZONE GRA ALAGBAKA AKURE
100	OYO	LEBANON ROAD BRANCH	NO. 9, LEBANON ROAD, OGUNPA, IBADAN
101	RIVERS	OMOKU BRANCH	NO. 171, AHOADA ROAD OMOKU RIVERS
102	RIVERS	ABA ROAD 1 BRANCH	NO. 198A, ABA ROAD, OPPOSITE PRESIDENTIAL HOTEL RUMUOLA PORT-HACOURT
103	ABIA	FAULKS ROAD BRANCH	NO. 185, FAULKS ROAD, ABA
104	FCT	WUSE ZONE 5 BRANCH	COPPER HOUSE PLAZA, NO 4 , ALGIES STREET, WUSE ZONE 5
105	ANAMBRA	NEW MARKET ROAD BRANCH	NO. 33 NEW MARKET ROAD, ONITSHA.
106	BENUE	BANK ROAD, MAKURDI BRANCH	NO. 35, BANK ROAD, MAKURDI
107	DELTA	ABRAKA BRANCH	DELTA STATE UNIVERSITY ROAD,ABRAKA
108	DELTA	AGBOR BRANCH	OLD LAGOS-ASABA ROAD, AGBOR
109	DELTA	ASABA BRANCH	NO. 69 DENNIS OSADEBE ROAD, ASABA
110	DELTA	EFFURUN BRANCH	NO. 29, EFFURUN/ SAPELE ROAD, EFFURUN WARRI
111	DELTA	KWALE BRANCH	NO. 109, UMUSADEGE ROAD
112	DELTA	OLEH BRANCH	NO. 6, I.D.C ROAD OLEH
113	DELTA	SAPELE BRANCH	NO.2 COURT ROAD SAPELE
114	DELTA	UGHELLI BRANCH	NO. 2, POST OFFICE ROAD, UGHELLI
115	DELTA	WARRI BRANCH	NO. 10 WARRI-SAPELE ROAD
116	EDO	AFUZE BRANCH	NO. 26 AUCHI AFUZE ROAD, AFUZE
117	EDO	AUCHI BRANCH	NO. 1 OTARU ROAD, AUCHI.
118	EDO	MISSION ROAD BRANCH	NO. 69 MISSION ROAD, BENIN
119	EDO	NEW BENIN BRANCH	NO. 98, NEW LAGOS ROAD, NEW BENIN, BENIN CITY
120	EDO	RING ROAD BRANCH	KINGS SQUARE BY AIR PORT ROAD, RING ROAD, BENIN CITY
121	EDO	UROMI BRANCH	NO. 15, MARKET ROAD, UROMI
122	KANO	KOFAR RUWA MARKET BRANCH	KOFAR RUWA MARKET, OPPOSITE BANK PHB, KANO
123	LAGOS	BURMA ROAD BRANCH	NO. 44 BURMA ROAD, APAPA
124	LAGOS	HEAD OFFICE ANNEX BRANCH	PLOT 290A, AKIN OLUGBADE STREET, VICTORIA ISLAND
125	LAGOS	OBA AKRAN BRANCH	NO.42, OBA AKRAN AVENUE, IKEJA
126	LAGOS	IDI ORO BRANCH	NO. 94, AGEGE MOTOR ROAD, IDI ORO, MUSHIN
127	PLATEAU	FARIN GADA BRANCH	NO. 1, FARIN GADA, KADUNA-ZARIA ROAD, JOS
128	FCT	WUSE 2 BRANCH	NO. 515, ADETOKUNBO ADEMOLA WAY, WUSE II, ABUJA
129	AKWA IBOM	AKA ROAD BRANCH	NO. 26B, AKA ROAD UYO, AKWA IBOM
130	EKITI	ADO EKITI BRANCH	NO. 158, OPOPOGBORO STREET, ADO-EKITI
131	EKITI	OTUN EKITI BRANCH	AMUTUTU STREET, ALONG AYETORO ROAD, OTUN EKITI, EKITI STATE
132	KANO	ELDORADO BRANCH	ELDORADO BY AIRPORT ROAD, KANO.
133	KANO	TAKAI BRANCH	NO 2A ALBASU ROAD, TAKAI KANO
134	LAGOS	ABULE EGBA BRANCH	LAGOS STATE ABATTOIR COMPLEX, OKO-OBA, AGEGE. LAGOS
135	LAGOS	EBUTE ERO BRANCH	NO. 110, ALAKORO STREET, EBUTE-ERO, LAGOS ISLAND
136	LAGOS	MILE 12 BRANCH	NO. 565, IKORODU ROAD, KOSOFE, MILE 12
137	LAGOS	OREGUN ROAD BRANCH	NO. 100, KUDIRAT ABIOLA WAY, OREGUN ROAD, IKEJA
138	LAGOS	TINCAN PORT BRANCH	BEHIND TINCAN PORT ADMIN BLOCK, TINCAN, APAPA,
139	NASSARAWA	MARARABA BRANCH	NO. 2, BABA STREET, KEFFI ROAD, MARARABA
140	ONDO	OYEMUKUN ROAD BRANCH	NO. 59/61, OYEMEKUN ROAD, AKURE, ONDO
141	ONDO	IGBOKODA BRANCH	NO. 54, BROAD STREET, IGBOKODA, ONDO
142	OSUN	OSHOGBO BRANCH	KLM 4, GBONGAN/IBADAN ROAD, (OPP. ZARAH GUEST HOUSE), OSOGBO
143	RIVERS	TRANS AMADI BRANCH	NO. 474, TRANS AMADI LAYOUT, PORT HARCOURT
144	FCT	WUSE ZONE 3 BRANCH	NO. 35, ASWAN STREET,WUSE ZONE 3, ABUJA
145	RIVERS	OLU OBASANJO BRANCH	NO. 63A OLU OBASANJO ROAD PORT HARCOURT
146	BORNO	BAGA ROAD BRANCH	NO. 4 BAGA ROAD, MAIDUGURI

SN	STATE	BRANCH NAME	BRANCH ADDRESS
147	JIGAWA	BIRNINKUDU TOWN BRANCH	NO. 1, MAIDUGURI ROAD, BIRNIN-KUDU TOWN, JIGAWA
148	JIGAWA	KIYAWA ROAD BRANCH	SANI ABACHA WAY, OPPOSITE PHCN, DUTSE
149	JIGAWA	KAZAURE BRANCH	NO. 14, KANTI DAURA ROAD, KAZAURE, JIGAWA
150	JIGAWA	MAIGATARI BRANCH	CHIROMA AHMADU STREET, MAIGATARI
151	KADUNA	BAKORI HOUSE BRANCH	NO.A3, AHMADU BELLO WAY, BAKORI HOUSE, KADUNA
152	KANO	ZOO ROAD BRANCH	NO.1 ZOO ROAD BY NEW COURT ROAD, KANO
153	KANO	BELLO ROAD BRANCH	NO.10E BELLO ROAD, KANO
154	KANO	DANBATTA BRANCH	KAZAURE ROAD, DANBATTA
155	KANO	DAWAKIN KUDU BRANCH	DAWAKIN KUDU UNGUWAR NAIBI, KOFAR AREWA, DAWAKIN KUDU
156	KANO	IBB WAY BRANCH	NO. 4 IBB WAY, KANTIN KWARI
157	KANO	BOMPAI BRANCH	18B MURTALA MOHAMMED WAY, BOMPAI
158	KANO	WUDIL BRANCH	NO.2, ALU DAN DARMAN STREET, GAYA ROAD
159	LAGOS	ADEOLA ODEKU BRANCH	NO. 19, ADEOLA ODEKU STREET, VICTORIA ISLAND
160	RIVERS	ABA RD 2 BRANCH	NO. 112E, ABA ROAD 2, PORT HARCOURT
161	FCT	BANNEX BRANCH	BANEX PLAZA, PLOT 750, AMINU KANO CRESCENT WUSE II, ABUJA
162	KADUNA	BIRNIN GWARI BRANCH	NO. 30, LAGOS ROAD BIRNIN GWARI
163	LAGOS	MUSHIN BRANCH	NO. 87, LADIPO STREET, MUSHIN
164	LAGOS	ALABA INTERNATIONAL BRANCH	NO. A65, OJO-IGEDE ROAD, ALABA INTERNATIONAL MARKET, ALABA
165	LAGOS	AWOLOWO ROAD IKOYI BRANCH	NO. 128 AWOLOWO ROAD, IKOYI
166	FCT	BWARI BRANCH	NO. 44, SHAGARI RD. OPPOSITE JAMB H/QUARTERS BWARI, ABUJA
167	OGUN	ABEOKUTA BRANCH	NO. 4, TINUBU STREET, ITA -EKO, ABEOKUTA
168	FCT	KUBWA BRANCH	NO. 2, GBAZANGO OFF GADO NASKO STREET, KUBWA ABUJA
169	EDO	IGARRA BRANCH	NO. 292 MOMODU AJAYI ROAD, IGARRA
170	EDO	UNIBEN BRANCH	UGBOWO CAMPUS, BESIDE BURSARY DEPARTMENT, UNIBEN, BENIN
171	DELTA	OZORRO BRANCH	URUDE ROAD, OZORO
172	KANO	DAWANUA GRAIN MARKET BRANCH	DAWANAU GRAIN MARKET, KATSINA ROAD, DAWAKIN TOFA LOCAL GOVT. KANO
173	GOMBE	TUDUN HATSI BRANCH	TUDUN HATSI GRAIN MARKET, EMIRS PALACE ROAD, GOMBE STATE
174	KADUNA	INDEPENDENCE WAY KADUNA	NO. 134/136, OPPOSITE RANCHERS BEES STADIUM INDEPENDENCE WAY, KADUNA
175	KATSINA	KATSINA CENTRAL MARKET BRANCH	KATSINA CENTRAL MARKET, KATSINA
176	BENUE	APA BRANCH	NO. 1, MARKET ROAD UGBOKPO, APA
177	BAYELSA	YENEGOA BRANCH	NO. 552 CHIEF MELFOROAD OKILO WAY, EBIS JUNCTION, BIOGBOLO, YENAGOA.
178	KEBBI	YAURI BRANCH	NO.35, SOKOTO-KONTAGORA ROAD, YAURI, KEBBI
179	KADUNA	JUNCTION ROAD, KADUNA BRANCH	NO.175BZ, JUNCTION ROAD, KADUNA
180	KANO	TAL'UDU BRANCH	NO.311 AMINU KANO WAY, OPPOSITE JAGORA BOOKSHOP, TALUDU.
181	LAGOS	IDDO BRANCH	NO 8, TAYLOR ROAD OFF G.CAPPA BUSTOP, IDDO
182	LAGOS	SURULERE BRANCH	NO. 53, BODE THOMAS STREET, SURULERE
183	OYO	BODIJA BRANCH	NO. 98, BODIJA-AGBOWO ROAD,NEW BODIJA IBADAN
184	OYO	IWO ROAD BRANCH	NO. 96, IWO ROAD, BESIDE IBADAN NORTH/EAST LGA, IBADAN
185	OSUN	EDE BRANCH	NO. 250 STATION ROAD, BACK TO LAND JUNCTION AGIP AREA, EDE
186	LAGOS	ASPAMDA BRANCH	BTC 6 NEW GATE, ASPAMDA MARKET, TRADE FAIR COMPLEX, LAGOS - BADAGRY EXPRESS WAY
187	LAGOS	IKORODU BRANCH	NO. 32, LAGOS ROAD, IKORODU
188	LAGOS	LEKKI EXPRESSWAY BRANCH	NO. 1 PRINCE IBRAHIM ODOFIN STREET, LEKKI EXPRESSWAY, LEKKI
189	KANO	GWARZO BRANCH	ADJACENT TO HONEYWELL FILLING STATION, KANO-GWARZO RD.
190	JIGAWA	RINGIM BRANCH	SABON GIDA, RINGIM TOWN, JIGAWA STATE
191	JIGAWA	JAHUN BRANCH	448 KAFIN HAUSA ROAD, JAHUN
192	ADAMAWA	HONG BRANCH	NO 5 MAJALISA ROAD, OPPOSITE FIRST BANK PLC, CLOSE TO DISTRICT HEAD PALACE, HONG TOWN

CORPORATE DIRECTORY

SN	STATE	BRANCH NAME	BRANCH ADDRESS
193	ADAMAWA	GANYE BRANCH	MBULO ROAD, OPPOSITE AP FILLING STATION GANYE
194	JIGAWA	GUMEL BRANCH	NO 2 UNGUWAR YADI GUMEL
195	KADUNA	KADUNA REFINERY BRANCH	NNPC/KRPC STAFF COOPERATIVE PLAZA BUILDING, KADUNA REFINERY AND PETROCHEMICAL COMPANY COMPLEX, NNPC DEPOT, KACHIA ROAD, KADUNA
196	KADUNA	PAMBEGUA BRANCH	KADUNA - JOS ROAD, NEAR UBE PRIMARY EDUCATION, PAMBEGUA.
197	KANO	HOTORO BRANCH	NO. 458, BASHIR MAITAMA SULE STREET, HOTORO (OPPOSITE RIMI HOLDING LIMITED, MAIDUGURI ROAD), KANO.
198	ABIA	UMUAHIA BRANCH	NO. 2 CLUB ROAD,UMUAHIA,ABIA
199	ANAMBRA	AWKA BRANCH	NO. 37, ZIK AVENUE, AWKA
200	EBONYI	ABAKALIKI BRANCH	NO. 30B, OGOJA ROAD,ALONG SAM EGWU WAY ABAKPA,ABAKALIKI
201	ENUGU	ENUGU BRANCH	NO. 46, OGUI ROAD,ENUGU
202	IMO	OWERRI BRANCH	NO. 23 WETHERAL ROAD OWERRI
203	LAGOS	FESTAC BRANCH	HOUSE 26, SECOND AVENUE, FESTAC TOWN, AMUWO ODOFIN
204	CROSS RIVER	CALABAR BRANCH	NO. 84 NDIDEM USANG ISO ROAD OPP MARIAN MARKET CALABAR
205	JIGAWA	KAFIN HAUSA BRANCH	KAFIN HAUSA BY MAIN MARKET, OPPOSITE OLD MOTOR PARK, KAFIN HAUSA LGA
206	FCT	GWARIMPA BRANCH	ANAFARA PLAZA, 1ST AVENUE, GWARIMPA ABUJA
207	KATSINA	MUSAWA BRANCH	MUSAWA TOWN, ADJACENT MUSAWA MARKET, KATSINA
208	KANO	TUDUN-WADA DOGUWA BRANCH	TUDUN WADA DOGWA, JOS ROAD, KANO
209	RIVERS	ONNE BRANCH	EJAMAH, OPPOSITE TRAILER PARK, ONNE JUNCTION, ELEME
210	RIVERS	WOJI BRANCH	NO. 46 WOJI ROAD, WOJI
211	NIGER	KONTAGORA BRANCH	BOKANE ESTATE, LAGOS-KADUNA ROAD, KONTAGORA
212	OGUN	MOWE BRANCH	KM 46 LAGOS IBADAN EXPRESSWAY, REDEMPTION CAMP, MOWE OGUN STATE
213	LAGOS	HEAD OFFICE BRANCH	NO. 42 AHMED ONIBUDO STREET, VICTORIA ISLAND

SN	STATE	CASH CENTER	BRANCH NAME
1	EKITI	COLLEGE OF EDUCATION IKARE EKITI	ADO EKITI BRANCH
2	DELTA	ABRAKA CASH CENTRE	ABRAKA BRANCH
3	DELTA	SECRETARIAT-ASABA	ASABA BRANCH
4	DELTA	COLLEGE OF EDUCATION CASH CENTRE	AGBOR BRANCH
5	DELTA	WARRI REFINARY, EFFURUN	EFFURUN BRANCH
6	EDO	IRRUA- EDO	UROMI BRANCH
7	EDO	UBIAJA - EDO	UROMI BRANCH
8	EDO	MEDICAL CENTRE UNIBEN	UNIBEN BRANCH
9	LAGOS	ABATTOIR	ABULE EGBA BRANCH
10	NIGER	MINNA MKT CASH CENTRE	BOSSO ROAD BRANCH
11	RIVERS	SLAUTER HOUSE CASH CENTRE	TRANS AMADI BRANCH
12	LAGOS	LEKKI-LAGOS ISLAND(ADMIRALTY)	LEKKI EXPRESSWAY BRANCH
13	NIGER	SINO-HYDRO CASH CENTRE	ZUNGERU BRANCH
14	BAUCHI	KIRFI BRANCH	ALKALERI BRANCH
15	KANO	KARAYE BRANCH	GWARZO BRANCH
16	SOKOTO	BODINGA BRANCH	YABO BRANCH

ANTI-MONEY LAUNDERING (AML), COMBATING THE FINANCING OF TERRORISM (CFT) AND COUNTERING PROLIFERATION FINANCING (CPF) OF WEAPONS OF MASS DESTRUCTION FRAMEWORK

AML/CFT/CPF Framework

Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT) and Countering Proliferation Financing (CPF) of Weapons of Mass Destruction Framework

Preamble

At Unity Bank Plc, we are committed to the fight against Money Laundering, Financing of Terrorism, Proliferation Financing of weapon of mass destruction and all form of financial crimes. All Staff are trained and required to ensure strict adherence to the Bank's Policies and Procedures that ensure compliance to extant laws and regulations. The Framework clearly sets out the Bank approach to the identification, mitigation and management of the ML/FT/PF risks that can be reasonably anticipated. The Bank adopts risk-based approach in the treatment of the identified ML/FT/PF risks.

The framework ensures the Bank complies with the relevant laws and regulations as stated below in line with best practices and standards; Banks and Other Financial Institutions Act 2020 (BOFIA) as amended

- The Financial Task Force (FATF), 40 Recommendations
- Inter-Governmental Action Group against Money Laundering in West Africa (GIABA)
- The Central Bank of Nigeria (CBN) AML/CFT/CPF Regulations, 2022
- Money Laundering (Prevention and Prohibition) Act 2022
- Terrorism (Prevention and Prohibition) Act 2022
- Proceeds of Crime (Recovery and Management) Act 2022
- Corrupt Practices and Other Related Offences Act 2004
- CBN Circulars and guidelines
- The Nigerian Financial Intelligence Unit (NFIU) Guidelines Special Control Unit against Money Laundering (SCUML) Regulation, 2013
- Security and Exchange Commission Code of Corporate Governance for Public Companies
- The Nigerian Financial Intelligence Unit (NFIU) Act, 2018
- Nigerian Code of Corporate Governance, 2018

Scope

The framework document focuses on Anti-Money Laundering/Combating Financing of Terrorism/Countering Proliferation Financing issues, financial crimes, basic tenets of Anti-Money Laundering vis-à-vis Know Your Customer (KYC) and Customer Due Diligence (CDD), Transaction monitoring and reporting, Treatment of Politically Exposed Persons, Record and data retention, Correspondent banking relationship, Prohibited businesses and Relationship with Regulators and Law Enforcement Agencies.

The scope of the framework includes the following:

Roles and Responsibilities of Board and Management

In line with best practices, the Board of Directors have oversight functions of the AML/CFT/CPF activities by setting 'tone at the top' and ensuring that all Policies and procedures are updated regularly and approved by them. The Board ensures Staff conform strictly to all internal policies and regulatory requirements as relate to management of ML/FT/PF risks.

Mandatory Reports to Executive Management and the Board.

AML/CFT /CPF compliance reports are to be submitted to Management and the Board on monthly and quarterly basis respectively. These affords the Executive Management and the Board Members the necessary information to be abreast of all regulatory expectations and make appropriate and necessary decisions as regards the evolving compliance trends in the industry. It also provides them the information to access the Bank's level of compliance with extant laws, regulations and directives.

Customer Due Diligence/Know-Your-Customer

At onboarding of any customer, the Bank ensures the prospective customers are the persons they say they are, by conducting due diligence. These include identification, verification of identity, sanction status, address verification as well as confirming and ascertaining source of wealth and funds. The identity of the Ultimate Beneficial Owner, Legal representatives, Trustees are unveiled.

Where the prospective customer is discovered to be a Politically Exposed Person or other high-risk customer that belongs to Designated Non-Financial Businesses & Professions (DNFBPs), an Enhanced Due Diligence must be conducted, and Senior Management approval obtained to commence banking relationship or continuation of same if already exists.

Unity Bank's ML/FT/PF Risk Assessment

The bank carries out assessment of its ML/FT/PF risks twice every year. The purpose of the assessment is to enable the Bank to ascertain the effectiveness of the control measures put in place to mitigate the identified risks inherent in its operations. It also enables the Bank to improve its mitigating actions in order to address identified gaps.

The risk assessment is carried out under four (4) major factors of customers, products and services, geographical location/jurisdiction, and delivery channel. The risk assessment is carried out in line with Section 11(a) of CBN's AML/CFT/CPF Regulations, 2022 which requires Financial Institutions to take appropriate steps to identify, access and understand its ML, TF, and PF risks for customers, countries or geographic areas of its operations, products, services and delivery channels.

Customer Risk Rating
In line with regulatory requirements, all customers of the Bank are risk rated in terms of nature of business/employment, geographical location/jurisdiction, country, products and account types. At onboarding, prospective customer is risk rated by the Bank's as low risk or medium risk or high risk depending on the outcome of the assessment. Also, the risk rating is adjusted periodically as a result of due diligence carried out.

Relationship with Law Enforcement Agencies and Regulatory Authorities
The Bank takes it as a responsibility and commitment to co-operate with Law Enforcement Agencies and regularly responds to enquiries by CBN, NDIC, NFIU and other regulatory bodies and Law Enforcement Agencies to facilitate the fight against all financial crimes, money laundering, financing of terrorism financing and proliferation financing of weapons of mass destruction.

Monitoring of Transactions
In line with extant laws and regulations, transactions and activities are monitored, and the necessary returns rendered. Staff have been trained on red flags for suspicious transactions and activities.

The Bank has a software, Transaction Monitoring Solution, which is being used to monitor transactions and alerts are received based on the scenarios that have been defined. The alerts received are subject to further investigation for the purpose of reporting. Furthermore, there is SWIFT Screening Solution that monitors cross-border transactions and screens customers and transactions against Targeted Financial Sanction.

Reporting of Transactions
The regulatory and statutory requirements provide that Banks must render the following reports to the Nigerian Financial Intelligence Unit:

- Foreign Currency Transaction Report (FTR)
- Currency Transaction Report (CTR)
- Suspicious Transaction Report (STR)
- Suspicious Activities Report (SAR)

Money Laundering Act stipulates that all Financial Institutions must report international transfers of funds and securities that is above $10,000 or its equivalent in other foreign currencies. Also, any lodgment of funds in excess of N5,000,000 and above for individuals and N10,000,000 and above for corporate customer must be reported. Suspicious activities/transactions are not threshold and should be reported as they occur.

Sanctions/Blacklisted Compliance Management
The Bank must not be in business relationship with any individual or corporate body that is blacklisted or sanctioned worldwide by Office of Foreign Assets and Control (OFAC), Nigerian Sanction Committee and other local regulatory and enforcement bodies. This is achieved through screening of a prospective customer at onboarding on blacklisted Sanction Screening solution.

Politically Exposed Persons (PEPs) and Financially Exposed Persons (FEPs)
A politically Exposed Person (PEP) is an individual who is or has been entrusted with prominent public functions both in Nigeria and foreign countries and those associated with them. Once a person is identified as a PEP, an Enhanced Due Diligence must be conducted which shall be approved by Senior Management. A Financially Exposed Person (FEP) is an individual who is entrusted with responsibilities and is exposed to private funds which can easily be diverted for personal use.

The PEPs, FEPs, Non-Profit Organization and Non-Government Organization can pose unique reputational and other risks to the Bank through involvement in the proceeds of corruption, embezzlement, and other illicit activities.

Relationship or Business Prohibited
In line with best practices and standards, the Bank must not engage in business activities/banking relationship with pseudo, fictitious or anonymous name. It must not have business dealings with Virtual currency or virtual money operators, or dealers as defined in 2012 by the European Central Bank as "a type of unregulated, digital money, issued and usually controlled by its developers, used and accepted among the members of a specific virtual community. The Bank must not conduct business with a shell bank or company or maintain any payable through accounts.

AML/CFT/CPF Principles for Relationship with Correspondent Banking
The Bank enters business relationship with only financial institutions that have implemented full AML/CFT/CPF policies and procedures. Adequate AML/CFT/CPF due diligence must be in place and reviewed annually.

Record retention and data
The Central Bank of Nigeria's AML/CFT/CPF Regulations, 2022 requires Financial Institutions to maintain adequate records for a minimum of 5 years, which are appropriate to the nature of the business and that can be used as evidence in any investigation.

Records relating to the evidence of identity must be kept for at least five (5) years after the relationship with the Customer has ended. This would normally be from the date the Customer 's account was closed but in the case of a dormant account this can mean ten (10) years from the date of the last transaction on the account.

AML/CFT/CPF FRAMEWORK

Old items are stored off-site as set out in the Bank 's Archiving, Retrieval and Retention of Old Records Procedure. There is also soft copy of the information.

AML/CFT/CPF Audits / Independent Testing
In our resolve to ensure improved AML/CFT/CPF activities and strengthen our Policy and Procedures, we subject our compliance to examination by the Internal Audit, External Auditors, Regulatory Bodies and third parties. This is to ensure the Bank has adequate compliance against money laundering, financing of terrorism and proliferation financing and financial crimes. The observations from audit reports are implemented to address any observed gap.

AML/CFT/CPF Training of Staff
The Bank develops, coordinates and participates in multifaceted educational and training programs that focus on the elements of the compliance and seek to ensure that all employees and Management Staff are knowledgeable of and comply with all compliance programs.
The Bank is very serious in giving continuous training and awareness to all its stakeholders to facilitate adherence to AML/CFT/CPF policies and procedures.

Anti-Bribery & Corruption (ABC) and Anti-Fraud
The Bank has in place an Anti-Bribery & Corruption (ABC) and Anti-Fraud policies in order to uphold the highest level of integrity. Corruption distorts markets and harms economic, social and political development. It is wholly unacceptable for the Bank, its employees or third parties acting on its behalf to be involved or implicated in any way in corrupt practices. Corrupt acts, including bribery, may incur criminal penalties for both the Bank and the individuals involved.

The Bank encourages a sound and safe environment within the Bank devoid of fraud or any fraudulent practice by safeguarding the assets of the Bank against theft or any form of loss resulting from fraud or similar acts.

Employee Code of Conduct & Ethics
The Bank's Employee Code of Conduct and Ethics (the Code) extends to all Executives, and entire Staff of the Bank including full-time and casual employees. Stakeholders have responsibilities to the Bank, Customer, and fellow Colleagues. The Bank requires all to recognize their responsibilities in the conduct of daily businesses and to strictly adhere to the Code. The Code provides the procedure for dealing with complaints of unethical and unprofessional practices and the sanctions for infractions of its provisions.

Whistleblowing
The Bank's Whistleblowing Policy sets out to establish a channel for Employees/ Stakeholders to freely and constructively comment on issues concerning the Bank or report any act(s) that will have negative consequences on the organization without fear of disclosure of their identities and reprisals.

Patricia Chinwe Ahunanya
Chief Compliance Officer
FRC/2014/ICAN/00000006866

AML/CFT FRAMEWORK

Internal Control & Risk Management Systems

Unity Bank's Internal Control and Risk Management Systems ensure that material errors or inconsistencies in the Financial Records are identified and corrected. The Bank's Internal Control framework is patterned after the Committee of "Sponsoring Organizations of the Treadway Commission's (COSO) Framework.

This Framework includes 'processes effected by an entity's Board of Directors, Management and other personnel, to provide reasonable assurance regarding the achievement of objectives". These are in three categories- Effectiveness and Efficiency of Operations; Reliability of Financial Reporting; and Compliance with Applicable Laws and Regulations. The scope of Internal Control, therefore, extends to policies, plans, procedures, processes, systems, activities, functions, projects, initiatives, and activities of all types at all levels of the Bank.

The Internal Control and Risk Management Systems comprise the following areas:

- Control Environment
- Risk Assessment
- Control Activities
- Information & Communication
- Monitoring

Control Environment

The Bank has three Board Committees (Board Risk Management & Audit Committee, Board Credit Committee, Board Finance and General Purpose Committee, Board Governance & Nomination Committee, and Statutory Audit Committees) that have oversight functions on the Bank's Risk Management Processes. The Committees are responsible for setting Risk Management Policies that ensure material risks inherent in the Bank's Business are identified and mitigated or controlled. The Bank also has an Audit Committee which is made up of three shareholders' representatives, two Non- Executive Directors, and one Independent Director; one of the shareholders' representatives is the Chairman. The Audit Committee is therefore independent. Its oversight functions include among others, ensuring that quality accounting policies, internal controls, and independent and objective statutory auditors are in place to prevent and detect fraud and material errors in financial reporting.

The Bank's Management committees are responsible for preventing and implementing risk management policies set out by the Board. They are also responsible for setting internal control policies and monitoring the effectiveness of the internal control systems. They ensure proper books of accounts are kept and accounting policies conform with International Financial Reporting Standards; Prudential Guidelines for licensed Banks; Circulars issued by the Central Bank of Nigeria; The requirements of the Banks and Other Financial Institutions Act; and The requirements of the Companies and Allied Matters Act.

Risk Assessment

The Board and Senior Management regularly assess the risks the Bank is exposed to, including risks relating to financial reporting. Management Committees meet regularly to assess the credit, market, interest rates, liquidity, legal and reputational risks facing the bank. Senior Management also regularly considers whether the existing Internal Controls are effective regarding the risks identified in the financial reporting process.

The Management letter issued by the external auditors which contains the auditors' observations on the control environment in the Bank is discussed at the Audit Committee meetings.

Control Activities

Control activities are an integral part of the Bank's day-to-day operations. Senior Management set up a control structure to ensure control activities are defined in every business area.

Examples of the Bank's Internal Control activities include the following;

i. Top Management Reviews

Internal Audit Reports eliciting control weaknesses are presented periodically to Management and Board Audit Committee.

- Preparation of financial statements daily for Management review.
- Monthly and quarterly profitability review, where the Bank's financial performance is reviewed and compared with set budgets.
- Quarterly reports of the DH, Internal Control during Quarterly Business Review.

ii. Activity Control
Control functions are embedded within each business area for self-checking of activities within the areas (for instance, transactions call over for timely detection of errors are carried out by all posting units with a second-level check done by the Internal Control Division). Adherence to these embedded control is checked daily, weekly, monthly, quarterly, half-yearly, and yearly

iii. Physical Controls
There are policies guiding access to the Bank's physical and financial assets, including dual custody, maker/ checker, two-factor authentication, etc. based on their risk classification and impact.

iv. Compliance with Limits
The Bank sets internal limits guiding its trading book activities, liquidity and interest rate gaps, credit concentration limits, and expense approval limits. The limits are monitored daily by an Internal Control outside the business areas.

- Approval and Authorisation Limits
- There is segregation of duties; no officer can start and conclude transactions (both physical and on the system)
- Limits exist for credit and expense approvals.

Verifications and Reconciliations
All internal ledgers are regularly proofed and reconciled; exception reports are generated.

v. Whistle Blowing
The Bank has instituted a strong whistleblowing culture among staff and also created awareness among its stakeholders. The whistleblowing platform is accessible to all and the aim is primarily to ensure that all cases of irregularities are made known and addressed by the Bank.

Information and Communication

The Bank's Management understands the need for a timely, reliable, and accurate information flow within the Bank for effective decision-making and enhanced financial reporting. Every activity of the Bank is codified in the Bank's Standard Operating Procedure (SOP), which outlines the process flow and specifies the duties and responsibilities of every officer in an activity. The SOP further highlights requirements for reporting, the frequency of reporting as well as those within the organization to whom the report would be directed to.

Monitoring

This is essential to ensure controls are operating efficiently and are used to ascertain whether each of the five components of internal control, including controls to effect the principles within each component, is present and functioning.

This involves the use of evaluations and actions performed at the management level which are designed to provide assurance that information on the operations is appropriate, appears reasonable, and is consistently prepared. It also evaluates the controls in place to identify issues and communicate these issues to the appropriate departments/units for corrective action to be taken.

unity bank
...Succeeding Together
unitypay Loan
Get Salary Advance hassle free.
Enjoy
Loans up to N5m
Flexible repayment options
Quick Disbursement within 48 hours
07080666000 | 01-2803010 | 07057323225-30 | 08099152315
we_care@unitybankng.com | www.unitybankng.com
@unitybankplc

SHAREHOLDERS INFORMATION

Shareholders Complaint Management Policy of Unity Bank Plc

1. Scope
The Complaints ManagementPolicy of Unity Bank details the manner, circumstances and major components of the management of complaints received from its shareholders in the Capital Market arising out of issues that are covered under the Investment and Securities Act, 2007. The components include the receipt, management and determination of all shareholder complaints. Unity Registrars has its own resolutions handling procedures and policies, which are not governed by this policy. The share registry may be contacted on the details provided in section 13 of this policy.

2. Terminology
Unless otherwise described in this policy, the following terms and definitions apply throughout this policy:

Unity Bank:
Unity Bank Plc. which has ordinary shares quoted on the Nigerian Stock Exchange

SEC:
Securities and Exchange Commission

SRO:
Self-Regulatory Organizations as defined

CMO:
Capital Market Operators

APC:
Administrative Proceedings Committee

ISA:
Investment and Securities Act

Shareholder: Registered owner of ordinary shares in Unity Bank Plc

3. The goal of this Complaint Management Policy is to:
- Provide efficient and easy access to shareholder information
- Provide an avenue for shareholders to channel their complaints.
- Recognize, promote and protect the shareholders' rights, including the right to comment and provide feedback on service.
- Provide an efficient, fair and accessible framework for resolving shareholders' complaints and monitoring feedback to improve service delivery.
- Enabling shareholders to have shareholder related matters acknowledged and addressed; and
- Provide staff with information about the shareholder feedback process.

4. Principles of Complaint Management
- Information on how and where to complain should be well publicized to shareholders, staff and other interested parties.
- Complaint management processes should be easily accessible to all complainants. The process should be easy to find, use and understand.

5. Objectives of the Unity Bank Policy

Unity Bank shall:
- Address each complaint in a timely, sensitive, fair, transparent, equitable, objective, professional and unbiased manner through the complaints handling process.
- Operate from the view that a shareholder who makes a complaint is entitled to a review of the issues raised and a well-considered response.

6. Nature of Complaint Channels
There are various channels though which Unity Bank shareholders can lay their complaints. All reported complaints in each channel must be consolidated for reporting purposes.

The channels are:
- Shareholders Portal in line with CBN Code
- Investor Relations Department
- Unity Bank Contact Centre
- Unity Bank Branch Offices
- Letters to the Internal Audit Group
- Emails to Bank's website
- Unity Registrars

7. Nature of Complaints
The possible categories of complaints are not exhaustive. However, they include the following:
i. Unauthorized sale of shares
ii. Non-payment of proceeds of sale
iii. Non-verification of share certificates
iv. Refusal to transfer a client's account to other Dealing Members as requested
v. Unauthorized transfer of a client's account to another Dealing Member
vi. Guaranteed return on investments
vii.Fund / Portfolio management viii. Non-payment of dividend
ix. Non-receipt of Share Certificates

8. Process Flow
8.1 Process and Record Complaints:
Upon receipt of a complaint from a shareholder, the Customer Care Department will record enquiries and complaints including details about the enquiry or complaint to assist in the thorough investigation of the matter. Information recorded may include recording all or some of the following information:

- The date and time that the enquiry or complaint was received
- Name of the shareholder
- Shareholder Reference Number (SRN) or Holder Identification Number (HIN)
- Telephone number or other contact details
- Nature of enquiry or complaint
- What the shareholder is seeking
- Whether there is any cost associated
- Action taken

8.2 The Customer Care Department will:
- Log in the complaint and any relevant data.
- Categorize it for resolution and record-keeping. Categories must be clearly defined and exclusive of one another.
- Assign the complaint to a staff

member for handling.
- Forward the complaint to another level of authority, if appropriate.
- Acknowledge Complaint

8.3 Unity Bank understands that Shareholders do not register complaints with only a casual interest in their disposition. A complaint involves some inconvenience and, possibly, expense. Loyal shareholders with strong feelings are often involved.

Therefore, Unity Bank will:
- Personalize the response.
- Talk to the shareholder, if possible, by phone or in person.
- Use letters when necessary, but avoid impersonal form letters.
- Take extra time, if need be, to help shareholders with special needs, such as language barriers.

All these are to be done within 7 days of receipt of complaint.

8.4 Resolve the Problem in a Manner Consistent with the Bank's Policy
- Forward the complaint to the appropriate level of authority for resolution.
- Keep the shareholder informed through progress reports.
- Notify the shareholder promptly of a proposed settlement.

8.5 Investigation of complaint
During the course of investigating a shareholder's enquiry, complaint or feedback, Unity Bank will liaise with Unity Registrars. If necessary, Unity Bank's engagement with the share registry will include:

- Determining the facts
- Determining what action has been undertaken by the share registry (if any)
- Coordinating a response with the assistance of the share registry.
- Keep records in the complaint file

Channel	Bank Communication	Action shareholders can take
Branches	The Bank will have provided a complaint management system. Shareholders are immediately given confirmation that his/her complaint has been received, logged and will be resolved by x date based on the SLA for each complaint type.	Call or visit a branch in person. Fill in a shareholder feedback card available in all branches.
Unity Bank Contact centre	Provide the complaint at the point.	Call hotline 07080666000
Website	Email shareholder and acknowledge receipt of complaint	Visit www.unitybankng.com
Email	Email shareholder and acknowledge receipt of complaint	Email to we_care@unitybankng.com, customercare@unitybankng.com
Letter	Logger to call shareholder and acknowledge receipt of complaint	Visit www.unitybankng.com

8.6 Follow-Up
- Find out if the shareholder is satisfied with the resolution, and ensure that it was carried out.
- Refer the complaint to a third-party dispute-resolution mechanism, if necessary.
- Cooperate with the third-party.

8.7 Prepare and file a report on the disposition of the Complaint, and periodically analyze and summarize Complaints
- Circulate complaint statistics and action proposals to appropriate departments.
- Develop an action plan for complaint prevention.
- Make sure the shareholder viewpoint is given appropriate consideration in company decision making.

9. Sources for Information.
Shareholders need to know where and how to file complaints or make inquiries. This is available on Unity Bank's website www.unitybankng.com (www.unitybankng.com/rightissues/).

The shareholders can also get information regarding the following on the website:
- Current Financials;
- Historical Bank Performance;
- Dividend history;
- Dividend Reinvestment Plan information;
- Bonus Issue (if any);
- Calendar of key dates;
- Useful shareholder forms;
- Frequently asked questions; and
- Capital

SHAREHOLDERS INFORMATION

Shareholders who wish to make an enquiry or complaint about their shares should initially contact Unity Bank Registrars located at 25, Ogunlana Drive, Surulere, Lagos or the Company Secretariat Department of the Bank located at the Head Office: Unity Bank Plc, Plot 42, Ahmed Onibudo Street, Victoria Island, Lagos. The share registry manages the Bank's Shareholders Register:

- Shareholder name(s).
- Shareholder's holding in the Bank.
- Shareholder address, phone number, email address.
- Whether information is sent to shareholders by email or post.
- Whether shareholders wish to receive the annual report by e-mail or post.
- Dividend payment instructions.

10. Third-Party Dispute Resolution
If complaints cannot be resolved directly between:

- The Bank's shareholder and CMO
- Operators in the capital market
- Complaints against regulators and Self-Regulatory Organization (SRO)
- Complaints against Operators by SROs and regulators

The parties involved can be referred to third-party dispute resolution. Third-Party mechanisms use the services of unbiased regulatory bodies or panels to resolve disputes through conciliation, mediation and arbitration.

1. Conciliation:
A neutral conciliator brings the parties together and encourages them to find a mutually acceptable resolution to the dispute.

2. Mediation:
A neutral mediator becomes actively involved in negotiations between the parties. The mediator can propose a resolution but cannot dictate a settlement of the dispute.

3. Arbitration:
An independent regulatory body or panel hears the facts on both sides of a dispute and reaches a decision. Usually both parties have previously agreed to abide by the decision but in some systems, only the business agrees in advance to abide by the outcome of the arbitration.

Alaba Williams
Secretary
FRC/2020/002/000/000/20510

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

Notice of **Annual General Meeting**

NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting of members of UNITY BANK PLC will be held virtually on Thursday, October 19, 2023 at 11am. The link for the live streaming will be made available on the Bank's website www.unitybankng.com to transact the following:

ORDINARY BUSINESS

1. To receive the audited accounts for the year ended December 31st, 2022 together with the reports of the Directors, Auditors and the Statutory Audit Committee thereon.

2. To authorize the Directors to fix the remuneration of the Auditors.

3. To re-elect Directors
a. Mr. Hafiz Mohammed Bashir
b. Hajiya Yabawa Lawan Wabi, *mni*

4. To elect the following Directors
a. Prof. Iyabo Obasanjo
b. Hajiya Halima Babangida

5. To disclose the remuneration of the Managers of the Company

6. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

7. To approve the remuneration of Directors.

NOTES

1. PROXY

A Member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy form is attached to this Notice and it is valid for the purpose of this Meeting.

All instruments of proxy must be completed, a corporate body being a Member of the Company is required to execute a proxy under seal and shareholders are required to submit their completed proxy forms in line with the Corporate Affairs Commissions' guideline at the Registered Office of the Company or the office of the **Registrar, 25 Ogunlana Drive, Surulere, Lagos**, or via email **info@unityregistrarsng.com** not later than 48 hours before the date of the Meeting. Unity Bank Plc has made arrangements to bear the cost of stamp duty of the duly completed proxy forms submitted within the stipulated timeframe.

2. VIRTUAL MEETING LINK

Further to the provisions of the Business Facilitation (Miscellaneous Provisions) Act which allows public companies to hold meetings electronically, this AGM would be held virtually. The link for the live streaming will be made available on the Bank's website **www.unitybankng.com**. The virtual meeting link will be sent to shareholders electronically and will also be available on the Company's website at **www.unitybankng.com** and also on the Registrars website **unityregistrarsng.com**

3. CLOSURE OF REGISTER AND TRANSFER BOOKS

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed from 16th October, 2023 to 18th October 2023 both days inclusive for the purpose of preparing an up-to date Register of Members.

4. BIOGRAPHICAL DETAILS OF DIRECTORS

The biographical details of the Directors standing for re-election and election are provided in the 2022 Annual Report.

5. STATUTORY AUDIT COMMITTEE

In accordance with Section 404 (6) of the Companies and Allied Matters Act, Laws of the Federation of Nigeria, 2020 (CAMA) a shareholder may nominate a shareholder for election as a member of the Statutory Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. The CAMA, Code of Corporate Governance of the Financial Reporting Council, Securities and Exchange Commission (SEC) and Central Bank of Nigeria (CBN) respectively indicates that some members of the Audit Committee should have basic financial literacy and be knowledgeable in internal control processes. We therefore request that nominations be accompanied by a copy of the nominee's detailed Curriculum Vitae.

6. RE-ELECTION OF DIRECTORS

Mr. Hafiz Muhammed Bashir and Hajiya Yabawa Lawan Wabi, mni will be retiring by rotation at this

NOTICE OF ANNUAL GENERAL MEETING

meeting in line with Section 285 of CAMA. The retiring Directors, being eligible for re-election are offering themselves for re-election as Directors at this 17th AGM. The profiles of the Directors for re-election is in the Annual Report.

7. **ELECTION OF DIRECTORS**
   Prof. Iyabo Obasanjo and Hajiya Halima Babangida were appointed as Non- Executive Directors on March 31, 2023, subject to the approval of CBN. The appointments were approved by the CBN on April 27, 2023 and would be presented for Shareholders' approval at the 17th Annual General Meeting. The profiles of the Directors for election is in the Annual Report.

8. **RIGHT OF SHAREHOLDERS TO ASK QUESTIONS**
   Shareholders have a right to ask questions not only at the meeting but also in writing prior to the meeting and such questions must be submitted to the Company Secretary not later than 14 days (two weeks) prior to the date of the Meeting.

9. **UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES**
   Shareholders are hereby informed that some dividends have remained unclaimed and returned to the Registrar. The list of all unclaimed dividends will be circulated to all Shareholders and they are advised to contact the Registrar, **Unity Registrars Limited 25 Ogunlana Drive, Surulere, Lagos**, or via email **info@unityregistrarsng.com** to resolve any issue they may have with claiming the dividends.

10. **e-DIVIDEND**
    Shareholders who are yet to complete the e-Dividend Form or who need to update their records and relevant bank accounts are urged to complete the e-Dividend Form which can be detached/downloaded from the Annual Report and Accounts as well as from the website of the Bank www.unitybankng.com or that of the Registrar, www.unityregistrarsng.com.The duly completed form should be returned to **Unity Registrars Limited 25 Ogunlana Drive, Surulere, Lagos**, or via email **info@unityregistrarsng.com**.

11. **e-REPORT**
    Electronic versions of the 2022 Annual Report and Accounts are available online for viewing and download via the Company's website **www.unitybankng.com** and that of the Registrar, **www.unityregistrarsng.com**. Shareholders who have provided their email addresses to the Registrars will receive the electronic version of the Annual report vide e-mail. Shareholders who have not provided their email addresses and are interested in receiving electronic version of the Annual Report should kindly forward their email addresses to **Unity Registrars Limited, 25 Ogunlana Drive, Surulere, Lagos**, or via email **info@unityregistrarsng.com**.

12. **LIVE STREAMING OF THE ANNUAL GENERAL MEETING**
    The AGM will be streamed live online. This will enable Shareholders and other Stakeholders who could not be attending the meeting physically to also be part of the proceedings. The link for the live streaming will be made available on the Bank's website **www.unitybankng.com** and by the Registrar, Unity Registrars Limited in due course.

Dated this 26th day of September, 2023

By order of the Board

Alaba Williams
Company Secretary
FRC/2022/002/000/000/20510

Registered Office
Unity Bank Plc
42, Ahmed Onibudo Street,
Victoria Island, Lagos.

Proxy Form

Seventeenth Annual General Meeting to be held Virtually on Thursday, October 19, 2023.

I/We ....

(Name of shareholder in block letters)

Being member(s) of Unity Bank Plc hereby appoint MR HAFIZ MOHAMMED BASHIR or failing him, MRS. TOMI SOMEFUN, as my/our proxy to act and vote for me/us and on my/our behalf at the 17th Annual General Meeting of the Bank to be held on October 19, 2023 at 11.00 am and at any adjournment thereof.

Dated this................Day of ....2023. Signature of Shareholder:....................................

IMPORTANT NOTES:

A member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy form is attached to this notice and it is valid for thes purpose of this meeting.

All instrument of proxy must be completed , a corporate body being a member of the Company are required to submit their proxy forms in line with the Corporate Affairs Commission' guideline at the registered office of the Company or the office of the Registrars, **Unity Registrars Limited, 25 Ogunlana Drive, Surulere, Lagos** or via email **info@unityregistrarsng.com** or **unityregistrars1@gmail.com** not later than 48 hours before the date of the meeting. Unity Bank has made arrangement to bear the cost of the stamp duty of the duly completed proxy forms submitted within the stipulated time frame.

In the case of joint shareholders, any one of such may complete the form but the name of all joint shareholders must be stated.

ORDINARY BUSINESS	YES	NO
1. To receive the audited accounts for the year ended December 31st, 2022 together with the reports of the Directors, Auditors and the Statutory Audit Committee thereon.		
2. To authorize the Directors to fix the remuneration of the Auditors.		
3. To re-elect Directors; a. Mr Hafiz Mohammed Bashir b. Hajiya Yabawa Lawan Wabi, *mni*		
4. To elect the following Directors: a. Prof. Iyabo Obasanjo b. Hajiya Halima Babangida		
5. To disclose the remuneration of the Managers of the Company.		
6. To elect members of the Statutory Audit Committee.		
SPECIAL BUSINESS	**YES**	**NO**
7. To approve the remuneration of Directors		

Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolution set out above.

AFFIX CURRENT PASSPORT
(To be Stamped by Bankers)

Please write your name at the back of your passport photograph

Please note that Only **Clearing Banks** are acceptable

E-DIVIDEND MANDATE FORM

Date

INSTRUCTION

Please complete all section of this form to make it eligible for processing and return to the address below.

This service costs N150.00 per approved mandate per company

The Registrar,
Unity Registrars Limited
25 Ogunlana Drive,
Surulere, Lagos
Lagos State.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below:

Bank Verification Number

Bank Name

Bank Branch

Bank Address

Bank Account Number

Account Opening Date

SHAREHOLDER ACCOUNT INFORMATION

Surname/Company Name | First Name | Other Names

Address:

City | State

Country

Previous Address (if any)

CHN(if any)

Mobile Telephone 1

Mobile Telephone 2

E-mail Address

TICK	NAME OF COMPANY	REGISTRARS ACCOUNT NO.
	AFROIL PLC	
	BGL PLC	
	CARANDA MANAGEMENT SERV. LTD	
	DVCF OIL & GAS FUND	
	DVCF OIL & GAS PLC	
	HALLMARK PAPER PRODUCTS PLC	
	HEXALIX PROPERTIES LTD	
	NORTHLINK BROKERS PLC	
	ROKANA INDUSTRIES PLC	
	UNITY BANK PLC	
	UNITY BUREAU DE CHANGE LTD	
	UNITY REGISTRARS LTD	
	VERITAS KAPITAL ASSURANCE PLC	

Company Seal/Incorporation No.
(Corporate Shareholder)

Shareholder's Signature or Thumbprint | Shareholder's Signature or Thumbprint | Joint/Company's Signatories

UNITY REGISTRARS LIMITED
..........*succeeding Always*
Website: www.unityregistrarsng.com E-mail: info@unityregistrarsng.com/unityregistrars@yahoo.com Tel: 08085009235

Notes