

ANNUAL  
REPORT 2014



Agric

SME

Rural Economy



**ANNUAL  
REPORT 2014**

# Corporate Philosophy

## Unity Bank- Nigeria's Retail Bank of Choice.

Unity Bank is one of Nigeria's leading Retail Banks with 237 business offices spread across the 36 States and in the Federal Capital Territory of the Federal Republic of Nigeria.

Unity Bank Plc is focused on emerging middle market businesses with a business strategy driven by Agriculture, SME and Rural Economy which is key to the National GDP growth and in line

with the Bank's Vision to be "The Retail Bank of Choice". The Bank is strategically located within the Agrarian Belt of the Country with lots of potentials in the Sector. With over 150 of our Branches sited along the Nigerian Agrarian Belt, Unity Bank is significantly contributing to the development of the Agricultural Sector in Nigeria. The Bank also has a large geographical spread to lead in the implementation of the Central Bank of Nigeria's Financial Inclusion Policy.



### 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

### TEAMWORK

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

### PASSION

We are driven by the desire to exceed the qualitative and quantitative expectations of our customers/stakeholders.

### RESOURCEFULNESS

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

### INTEGRITY

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

### DEPENDABILITY

The Bank's stakeholders can always count on its reliability and loyalty

### EMPATHY

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

### EXCELLENCE

We seek to create and raise standards in our business dealings.



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# FINANCIAL HIGHLIGHTS



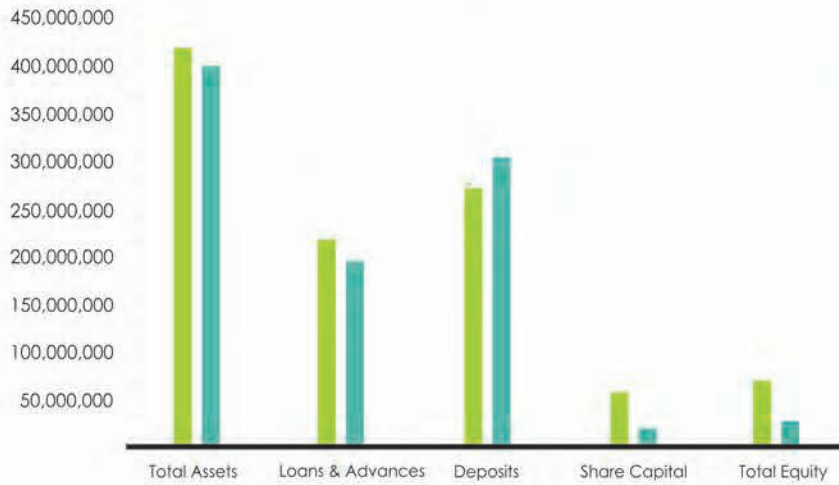
# Financial Highlights

	31 December 2014 N'000	31 December 2013 N'000
<b>MAJOR STATEMENT OF FINANCIAL POSITION ITEMS</b>		
Total Assets	413,305,111	403,629,290
Loans and Advances	219,335,346	195,229,573
Deposits	277,025,613	303,270,560
Share Capital	58,446,690	19,223,345
Total Equity	76,263,995	28,212,640
<b>MAJOR INCOME STATEMENT ITEMS</b>		
Gross Earnings	77,071,490	62,827,927
Impairment Charge	15,054,246	22,528,543
Profit Before Taxation	13,639,390	(33,639,368)
Taxation	(2,946,915)	11,057,029
Profit After Taxation	10,692,476	(22,582,339)
<b>RATIOS</b>		
	%	%
Cost to Income	69.6	284.4
Return on Assets	2.6	(5.7)
Return on Equity	20.5	(-56.7)
Capital Adequacy	2.02	(13.8)
Liquidity	44.8	34.5
Non Performing Loans	17.6	25.5
<b>OTHERS</b>		
	Number	Number
Number of Branches/Offices	238	238
Number of Staff	2,330	2,105
Number of Shares in Issue ('000)	116,893,379	38,446,690



# Financial Highlights

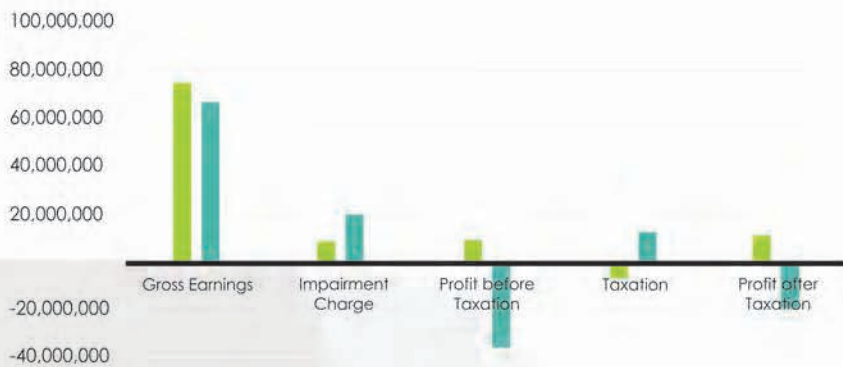
## Statement of Financial Position N'000



2014	2013
<b>Total Assets</b>	<b>Total Assets</b>
<b>413,305,111</b>	<b>403,629,290</b>
<b>Loans &amp; Advances</b>	<b>Loans &amp; Advances</b>
<b>219,335,346</b>	<b>195,229,573</b>
<b>Deposits</b>	<b>Deposits</b>
<b>277,025,613</b>	<b>303,270,560</b>
<b>Share Capital</b>	<b>Share Capital</b>
<b>58,446,690</b>	<b>19,223,345</b>
<b>Total Equity</b>	<b>Total Equity</b>
<b>76,263,995</b>	<b>28,212,640</b>

Total Assets

## Income Statement N'000



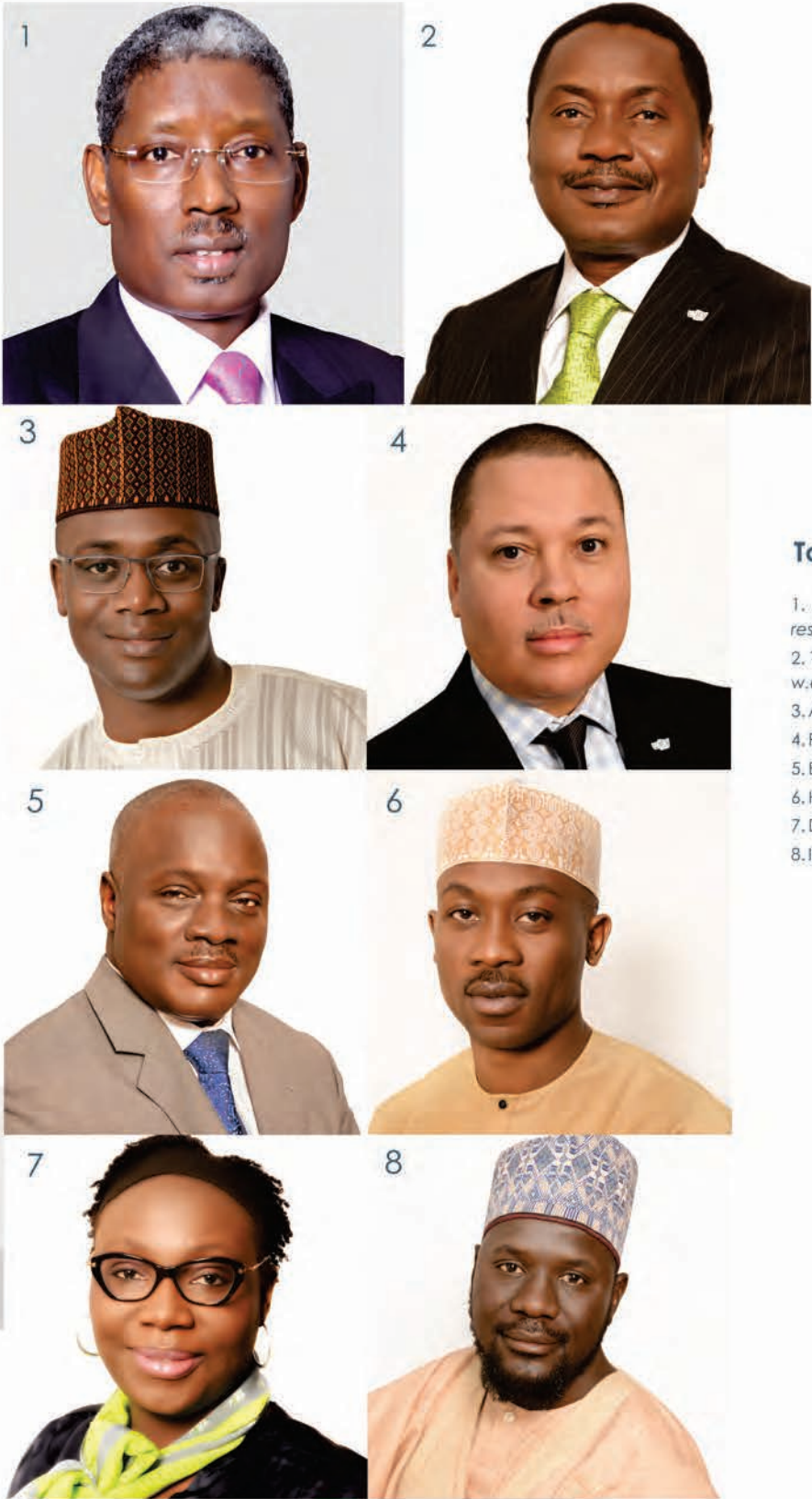
2014	2013
<b>Gross Earnings</b>	<b>Gross Earnings</b>
<b>77,071,490</b>	<b>62,827,927</b>
<b>Impairment Charge</b>	<b>Impairment Charge</b>
<b>15,054,240</b>	<b>22,528,543</b>
<b>Profit Before Taxation</b>	<b>Profit Before Taxation</b>
<b>13,639,390</b>	<b>33,639,368</b>
<b>Taxation</b>	<b>Taxation</b>
<b>(2,946,915)</b>	<b>11,057,029</b>
<b>Profit After Taxation</b>	<b>Profit After Taxation</b>
<b>10,692,476</b>	<b>(2,582,339)</b>



# BOARD OF DIRECTORS



# Board of Directors



**Top to bottom, left to right**

- 1. Alhaji Lamis Shehu Dikko-(Chairman, resigned, December 11, 2014)
- 2. Thomas A. Etuh -(Chairman, appointed w.e.f January 23, 2015)
- 3. Aminu Babangida
- 4. Richard Gboyega Asabia
- 5. Engr. Oluseun A. Mabogunje
- 6. Hakeem Shagaya
- 7. Dr. Oluwafunsho Obasanjo
- 8. Ibrahim Muhammad Abega Kaugama

# Board of Directors

9



10



11



12



13



14



### Top to bottom, left to right

9. Henry James Semenitari (*Managing Director/CEO, resigned w.e.f August 11, 2015*)

10. Ahmed Yusuf (*Retired w.e.f June, 2015*)

11. Aisha Azumi Abraham

12. Arese Alonge (*Disengaged January, 2015*)

13. Dahiru Chadi

14. Abubakar Abba Bella



# Board of Directors

## 1. Alhaji Lamis Shehu Dikko

*Chairman (Resigned 11th December 2014)*

Lamis S. Dikko is an accomplished banker. His prowess in Commercial Banking, Risk Analysis and Control, is credited to his acquisition of over 28 years banking experience. He was appointed the Chairman of the Board on 3rd April, 2014.

His banking career began in 1986 with Habib Bank Limited, where he acquired 12 years of proficiency in banking operations and eventually rose to the rank of an AGM, before proceeding to Intercity Bank Plc where he became the Chief Executive Officer in 2005. He joined Unity Bank as Executive Director, Risk Management and Controls, and was also at various times the Executive Director, Commercial Banking; and North Central Zone respectively, prior to his voluntary resignation in 2010.

Mr. Dikko studied at the Ahmadu Bello University Zaria between 1978-1980, and proceeded to Queen Mary College, University of London where he obtained a B.Sc in Economics from 1981-1984. He attended the Harvard Business School, U.S.A, Management Development Program between 1999 and 2000.

He is presently the Chairman of Katsina State Investment & Property Development Company Limited (KIPDECO); Backbone Connectivity Network Limited; Eagles View Security Service Limited; Infrastructure Bank Plc; Advisory Board, Centre for Infrastructure, Policy, Regulation and Advancement of the Lagos Business School. He is also a Director in Legacy Pension Managers Limited.

Mr. Dikko has attended various Management courses such as The Nigerian Banking Industry, Strategic Imperative for 21st Century (ANDISEN) 1996; Corporate Finance Workshop (Coopers & Lybrand) – 1997, Annual Directors Summit Group (FITC) 2001, The Nigerian Economic Summit Group (NESG) 2004, and Corporate Governance and Money Laundering

Seminar (KPMG) 2008 from the Institute of Management, Lagos Business School and other financial institutions respectively.

He is also a member of the Nigeria Institute of Management (NIM); Chartered Institute of Bankers of Nigeria (CIBN); Council of the Nigerian Stock Exchange (NSE); Governing Council of the Financial Institutions Training Centre, to mention a few.

## 2. Thomas A. Etuh

*Chairman (Appointed w.e.f January 23, 2015)*

Thomas A. Etuh was appointed Non-Executive Director on March 18, 2011. He has been widely exposed to corporate business leadership for more than a decade. He is presently the Managing Director/Chief Executive Officer of TAK Continental Limited.

He is a Director on the Board of Federal Superphosphate Fertilizer Company, Kaduna, Tak Agro & Chemical Limited, Lagos, Cape Cross Salt (PTY), Namibia, and a Principal Partner of Thomasses & Associates Limited, Kaduna, among others.

He studied Management, Banking and Public Administration at the Ahmadu Bello University, Zaria, Abubakar Tafawa Balewa University, Bauchi and University of Jos respectively.

Thomas Etuh holds a Post Graduate Diploma in Management from the Abubakar Tafawa Balewa University. He is also an alumnus of the Lagos Business School (Chief Executive Programme), University of Navarra, Barcelona, Spain (Advanced Mgt. Programme), and the London Business School (Leadership Programme).



# Board of Directors

## 3. Aminu Babangida

Vice Chairman (Appointed w.e.f 23rd June, 2015)

Aminu Babangida was appointed Non-Executive Director on March 18, 2011. He is an Entrepreneur, a co-founder and Chief Executive Officer of Phoenix Energy, Abuja and is also part of the running Team Members of El-Amin International School, Minna. Prior to that, Aminu worked on the trading floor of Trafigura BV, London, UK.

He attended Regents Business School, London, UK, where he obtained a BA in International Business in 2001 and Westminster Business School London, UK where he obtained an MA in International Business Management in 2003. Aminu has also attended several professional courses in the course of his career.

## 4. Richard Gboyega Asabia - Independent Director

Richard Asabia was appointed Independent Director on March 18, 2011. He trained as a Legal Practitioner and Investment Banker and has been the Chairman/Chief Executive Officer of Interstate Securities Limited since 1993. He worked with NAL Merchant Bank Plc, Dr. F. A. Ajayi & Co, and NCR (Nigeria) Limited.

Mr. Asabia is a former Director of the erstwhile First Interstate Bank Plc. He at various times, also served as a Non-Executive Director of the following firms: Banque International Du Benin, Cotonou, Custodian & Allied Insurance Plc, and Future Glanvills Pension Limited. He attended the London School of Economics & Political Science (University of London). He also attended the Nigerian Law School, and the University of Wales where he obtained B.L. and MBA respectively.

## 5. Engr. Oluseun A. Mabogunje:

Non-Executive Director (resigned w.e.f 23rd January 2015)

Engr. Oluseun A. Mabogunje was appointed Non-Executive Director on March 18, 2011. He is a Corporate Leader of good repute and an Entrepreneur.

Before venturing into private business, he was in public service where he worked in the Department of State Services. Engr. Mabogunje is the Chief Executive Officer of Integrated Systems & Services Limited (ISDL), an electronic security and communications security Company. He is also among others a Director of Crystal Gold Microfinance Bank, Shomolu, Ancient International, and Safety Consultants & Solutions Providers, Lagos etc.

He is an Electrical/Electronic Engineer trained at the University of Ife (now Obafemi Awolowo University). He is also a member of the Nigerian Society of Engineers (NSE), Council for the Regulation of Engineering in Nigeria (COREN) and several other professional bodies.

## 6. Hakeem Shagaya: Non-Executive Director

Hakeem Shagaya was appointed Non- Executive Director on March 18, 2011. He was a one-time Technical Adviser to the Honourable Minister of State (Finance). He is also a certified Project Manager.

He has in the course of his career, worked with the United Bank of Africa and Bolmus Group Nigeria Limited. He attended Adesoye College, Offa, Nigeria; Kings College, Taunton, Somerset, United Kingdom, and the University of Sheffield where he obtained a B.Sc in Information Management and Business Studies.

He also holds a graduate degree in Management of Science, Technology & Innovation from the Manchester Business School, UK.



# Board of Directors

## 7. Dr. Oluwafunsho Obasanjo Non-Executive Director

Dr. Oluwafunsho Obasanjo was appointed Non-Executive Director on March 18, 2011. 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, United Kingdom.

## 8. Ibrahim Muhammad Abega Kaugama Non-Executive Director

Ibrahim M. A. Kaugama was appointed Non-Executive Director on March 18, 2011. He is an educationist and a Public Administrator. He was a Teacher in the employment of the Federal Ministry of Education, Federal Government College, Kirin Yawuri (2005-2007) and was appointed Kaugama Local Government Caretaker Chairman (2007-2008).

He was educated at the Arabic Teachers College Hadejia, Jigawa State College of Education, Gumel, and Federal College of Education, Kano, where he obtained a Bachelor's Degree in Education.

## 9. Henry James Semenitari: Managing Director/CEO

Henry James Semenitari was appointed Managing Director/CEO on 9th January, 2014. He holds a first Degree in Chemical Engineering from the University of Lagos, Masters Degree in Business Administration (M.B.A) from the International Graduate School of Management, University of Navarra, Barcelona, Spain and Advanced Leadership Training Programmes (AMP173 and ALPI) from the Harvard Business School, Boston, USA and University of Cambridge, United Kingdom respectively.

Mr. Semenitari has traversed the Nigerian banking industry and worked in All States Trust Bank Limited, Zenith International Bank Limited, Diamond Bank Limited, United Bank for Africa Plc, ACB International

Bank Limited, Continental Trust Bank Limited, Afri-Bank Nigeria Plc and First City Monument Bank Plc.

Mr. Semenitari has held various strategic positions in the Banking Industry in the course of his career, he was a Principal Manager, Retail & Commercial Banking Sector (UBA Plc) between 1996 and 2001, General Manager, Credit & Marketing (ACB International) between 2001 and 2002, Executive Director, Business Development (Continental Trust Bank Limited) between April, 2002 and April, 2003. Between May, 2003 and October, 2003 he was appointed General Manager, Consumer & Retail Banking, Afri-Bank Nigeria Plc and was appointed Executive Director First City Monument Bank between November, 2005 and December, 2010.

He resigned his appointment on 11th August, 2015.

## 10. Ahmed Yusuf Executive Director, Abuja & North Central

Ahmed Yusuf was appointed Executive Director on March 18, 2011. He is a consummate banker with vast experience in Investment Banking, Risk Management, Credit, Marketing and Financial Analysis and had worked in the former Continental Merchant Bank, FBN (Merchant Banking) Ltd, FSB International and Intercity Bank Plc. He has also been exposed to Turnaround Management and Regional Banking.

Mr. Yusuf was an active player in the consolidation of Unity Bank Plc and has been President and Vice-President, Risk Managers Association of Nigeria and Key Resource Person, Financial Institutions Training Centre, Lagos. Until his appointment as Executive Director, Retail Banking, Ahmed had variously acted as Executive Director, Risk Management & Controls, Executive Director, Lagos and West Directorates, and Executive Director, Information Technology & Operations.



# Board of Directors

He has had extensive training in Corporate Banking, Capital Market, Risk Management and leadership development in and out of the Country with Organisations like DC Gardner, Euromoney among others. Mr. Yusuf is also a chartered member of the Nigerian Institute of Management (NIM).

He holds a B.Sc in Business Administration from Ahmadu Bello University (1984) with specialisation in Finance and has more than twenty two years banking experience.

## 11. Aisha Azumi Abraham Executive Director, Secretariat & Services

Aisha A. Abraham comes with a rich experience in legal practice spanning solicitorship, university lecturing and company secretarial practice. She was a Senior Partner in Baiyee, Abubakar & Co where she was involved in setting up small scale industries and businesses.

Between 1985 and 1986, she was a Graduate Assistant in the Faculty of Law, Ahmadu Bello University, Zaria. Mrs. Abraham was in the Legal and Company Secretariat Department of NAL Merchant Bank Plc between 1986 and 1988, Credit & Marketing Department of Ivory Merchant Bank in 1990, and was the Company Secretary/Legal Adviser of Shelter Savings & Loans Limited between 1992 to 1994.

She was also one of the pioneer Directors of Urban Development Bank of Nigeria in 1992 and was Company Secretary/Legal Adviser of First Interstate Bank Plc between 2002 to 2006.

She was the Project Secretary and the Secretary to the Steering Committee and Committee of Directors of the Banks in-consolidation that became Unity Bank Plc. She has been the Company

Secretary of Unity Bank Plc since inception in 2006.

Mrs. Abraham was promoted to the position of a General Manager and Divisional Head, Secretariat & Quality Management in January, 2013. She was later appointed Executive Director, Secretariat and Services of the Bank on 2nd October, 2013.

Mrs. Abraham obtained an LLB degree from the Ahmadu Bello University, Zaria in 1982 and was called to the Nigerian Bar in 1983.

## 12. Arese Alonge Executive Director, Lagos & West (disengaged w.e.f 14th January,

Arese Alonge was appointed Executive Director on 9th January, 2014. She is a seasoned banker, and has steadily exhibited an extraordinary combination of strong strategic and tactical banking skills with a solid balance of corporate managerial experience, in a banking career spanning over twenty years.

Ms. Alonge has held several senior managerial positions, and has become a game changer in the banking sector over the years. She acquired astute banking experience through her roles in the London Borough of Islington, Guaranty Trust Bank Plc and Access Bank Plc. As Group Head, Financial Institutions of Access Bank, she was actively involved in the bank's recapitalization, as well as pioneered the bank's maritime sector, while contributing positively to the productivity of the bank. Her areas of banking expertise include Business Development and Strategy, Treasury Operations, Customer Acquisition /Relationship Management Strategies, Customized Product Development and Staff Capacity Building.

She obtained a Bachelor of Arts degree from the



## Board of Directors

University of Benin in 1988, and holds a Masters of Arts degree from the University of Lagos (1998), as well as Masters degree in Business Administration from the Lagos Business School (2013). She has also acquired other professional training from distinguished institutions such as the Chartered Institute of Banking, Citibank, New York (Credit Analysis), London Business School (Leading High Performance Teams), and Gizmotech, Ontario Canada (Banking Operations).

### 13. Abubakar Abba Bello Executive Director, North-West

Abubakar Abba Bello was appointed Executive Director on 9th January, 2014. He possesses a solid background in financial services having gained twenty-three years cognate experience in banking, with specialization in the management of complex multi-cultural environments and employees at national and international levels. He is also dexterous in operating within tight timelines and ambitious targets, by adopting methodical administration to deadlines and the application of modern leadership methods (through staff motivation and involvement in both decision-making and target-setting, clarity in communication, and inter-personal relations).

Mr. Bello has Since 1991, been actively involved in the banking practice, which has covered various positions in Mainstreet Bank, United Bank for Africa (Nigeria, Zambia and Chad), Access Bank Plc, and culminating in his appointment as the Managing Director/CEO of United Bank for Africa, Zambia, as well as in Tchad. His banking experience has equipped him with expertise in the areas of Risk Management, Staff Recruitment and Banking Operations He has acquired extensive experience in Corporate Banking, Retail Banking, Regional & Commercial Banking, and also the Public Sector.

He obtained a B.Sc. in Accounting from Ahmadu Bello University, Zaria in 1989, and has attended extensive Leadership and Advanced Management courses. He is also a member of the Chartered

Institute of Bankers, Nigeria (CIBN).

### 14. Dahiru Chadi Executive Director, North East

Dahiru Chadi was appointed Executive Director on April 3rd, 2014. He has demonstrated a laudable track record in Risk Management, having gained 25 years Banking Experience, with 21 years of those years having been concentrated on Credit Risk Management. He is a Credit Risk and Loan Recovery expert, and exhibits deep industry knowledge of borrower characteristics and behaviour, borne out of his understanding of the workings of Individual and Corporate businesses alike.

He began his banking career in the Bank of Industry (formerly Nigerian Industry Development Bank Ltd) and has consequently garnered work experience in AfriBank International Ltd (merchant Bankers) as Head, Credit Department; Principal Manager, Risk Management in United Bank for Africa Plc (UBA); Assistant General Manager heading Enterprise Risk Management in FBN Merchant Bankers Ltd (FBNMB); Head Credit Analysis and Processing (CAP) at First Bank of Nigeria; and most recently, Deputy General Manager, Specialized Lending at First Bank of Nigeria, prior to his appointment with Unity Bank Plc.

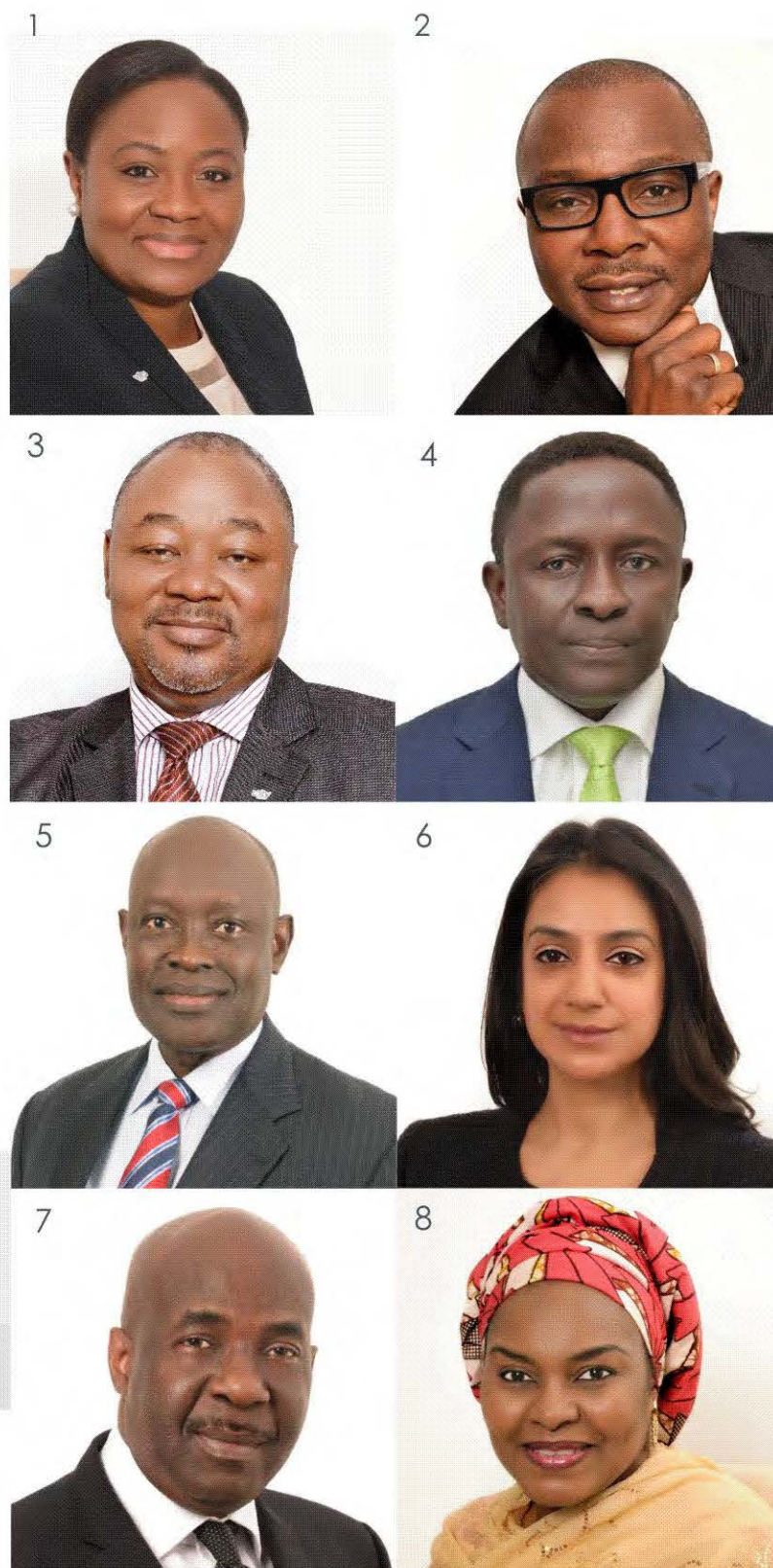
Mr. Chadi holds a B.Sc (Tech) in Textile Science & Technology from the Ahmadu Bello University, Zaria and Masters in Business Administration (Banking and Finance) from the Enugu State University of Technology (ESUT).

He also acquired other professional trainings from distinguished local and international institutions such as IBFC Ltd and H. Pierson & Associates( Advance Credit and Marketing 1997);Credit Euro money Publication Plc U.K.(Analysis and Problem Loans 1993).

He is a member of several professional bodies.



# Changes that Occurred on the Board in 2015



## Top to bottom, left to right

1. Tomi Somefun (*Managing Director/CEO w.e.f August, 2015*)
2. Henry James Semenitari (*Managing Director/CEO, resigned August 11, 2015*)
3. Ahmed Yusuf (*Retired June 2015*)
4. Temisan Tuedor (*appointed w.e.f March, 2015*)
5. Dauda Illiya (*appointed w.e.f February, 2015*)
6. Priya Heal (*appointed w.e.f February, 2015*)
7. Sam N. Okagbue (*appointed w.e.f February, 2015*)
8. Yabawa Lawan Wabi (*appointed w.e.f February, 2015*)



# Changes that Occurred on the Board in 2015

## 1. Tomi Somefun

### Managing Director/CEO

Tomi Somefun was appointed Unity Bank Plc Managing Director & Chief Executive Officer on August 10, 2015. An experienced professional with a depth of experience and knowledge of the Finance Industry, Tomi has over three decades of cognate experience of which 26 years were in the Banking Sector.

She started her career in Accounting and Financial Consulting with Peat Marwick & Co, and subsequently Arthur Andersen & Co (now KPMG). She has worked in several areas across the Industry, spanning Treasury & Institutional Banking, Investment Banking, Retail and Commercial Banking.

Prior to joining Unity Bank, she had a distinguished career with United Bank for Africa where she managed and sat on the board of several subsidiaries, including being the maiden CEO of UBA Pensions Custodian which she managed for eight years, as well as supervising the South-West Region of the Bank.

She possesses special skills which include leading and developing highly effective teams, implementing strong strategy definition and execution skills which she has enhanced through a combination of top class local and international trainings.

Preceding to her appointment as MD/CEO, Tomi was the Executive Director responsible for Lagos and South West Regional Operations, and oversight on Treasury and Financial Institutions Division.

She holds a B.A. (Hons) in English Language (Second Class Upper Division) from the Obafemi Awolowo University. She is a Fellow of the Institute of Chartered Accountants of Nigeria and has benefitted from numerous Executive Education Programmes from INSEAD, Harvard Business School, University of Columbia, and Wharton Business School.

## 2. Temisan Tuedor

### Executive Director South-South and South-East

Temisan Tuedor has over two decades of experience spanning various facets of banking. He is an accomplished Banking Executive with a record 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) as Estate Facility Officer, Bony Island.

He later returned to the Banking sector and joined 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 Ecobank Plc); Senior Vice President and Internal Managing Director, Apapa, Bank PHB Plc (now Keystone Bank Ltd); General Manager, Corporate and Commercial Banking both in Ikeja and Apapa/Lagos Mainland, Skye Bank. While at Skye Bank, he was a member of Assets and Liability Management Committee (ALCO), Management Credit Committee (MCC), Bank Strategic Management Committee among other numerous committees. He was the General Manager, South-South (Rivers, Bayelsa, Edo and Delta States) Region of Skye Bank Plc prior to his appointment with Unity Bank.

Mr. Tuedor holds a B.Sc. in Business Administration from the University of Lagos (1987) and a Masters in Business Administration (MBA) from ABU Zaria (1992). He also obtained a certificate in Advanced Management Program from Fontainebleau, France in October, 2011.



# Changes that Occurred on the Board in 2015

## 3. Dauda Ndirpaya Iliya Non-Executive Director

Dauda Iliya is a veteran banker with cognate experience of over three decades. He has been exposed to critical banking operations such as Branch Operations, Risk Asset Assessment, Loan Recovery, Regulatory Management, Debt Recovery, Audit & Inspection, Treasury Marketing and Corporate, Consumer & Commercial Banking.

He began his career in 1984 as a Tax Inspector with the Ministry of Finance, Borno State before venturing into banking. He worked with African Int'l Bank Ltd, Fortune International Bank Plc, International Trust Bank Plc, Inland Bank Nigeria Plc and Wema Bank Plc where he served as an Executive Director appointed by the CBN.

Mr. Iliya obtained a B.Sc in Business Administration from the Ahmadu Bello University, Zaria and an MBA from the same institution. He is an Honorary Senior Member (HCIB), Chartered Institute of Bankers of Nigeria (CIBN), Fellow, Institute of Economists of Nigeria (INEN), Member of the Nigerian Institute of Management – (NIM) and Certified Credit Administrators (AICCA).

He attended several local and international trainings and is an alumnus of the Lagos Business School.

## 4. Priya Heal Non-Executive Director

Priya Heal is a goal oriented achiever whose work goes beyond geographical boundaries. She has worked remarkably in multi-cultural environments like Dubai, Germany, London, South Africa and Holland.

She is the Managing Director, Chronos Group, Dubai/Germany and co-founded Chronos Asset Management. She also spearheaded the growth of the group by establishing Chronos M&A.

Mrs. Heal also served as the Managing Director, Filterinvest, Holland and Restructuring Consultant to Competition Authority, London, UK.

She holds a Law degree (LLB) from Kings College London and was called to the Bar in 1998. She is an alumnus of Yale University, Connecticut, USA and the University of Passau, Germany. She is also a member of the Honourable Society of Lincoln's Inn and the World Economic Forum.

## 5. Yabawa Lawan Wabi mni Non-Executive Director

Yabawa Lawan Wabi has spent several years in the service of our nation, 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; Dep. 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 several others.

She also served on the Board of Mainstreet Bank (now Skye 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 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.



# Changes that Occurred on the Board in 2015

## 6. Sam N. Okagbue Independent Director

Sam Okagbue is a founding member and the 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 Senate Committee on Defence from 1981 – 1982.

He has also served in various legal capacities some of which are: Associate in the law firm of Bentley Edu & Co.; Company Secretary and Legal Adviser, Fidelity Union Merchant Bank Limited and Partner in the law firm of Bentley Edu & Co. before becoming Managing Partner. He was 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 International Lawyers Network (ILN), International Trademark Association (INTA), Institute of Trademark Agents (ITMA), Nigerian Economic Summit Group (NESG), and Nigerian Bar Association. He has been a Notary Public (Federal Republic of Nigeria) since 1992.

# PROFESSIONAL ADVISERS



## Professional Advisers

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**AUDITORS** Ahmed Zakari & Co  
(Chartered Accountants)  
5th Floor, African Alliance House  
F1 Sani Abacha Way  
Kano

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**REGISTRAR AND TRANSFER OFFICE** Unity Registrars Limited  
25, Ogunlana Drive  
Surulere  
Lagos

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**SETTLEMENT BANK** First Bank of Nigeria PLC  
Samuel Asabia House  
35 Marina  
Lagos

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**FOREIGN CORRESPONDENT BANKS** Deutsche Bank, New York  
Standard Chartered Bank, London  
Habibson Bank, London  
FBN Bank, UK  
Union Bank, UK  
Habib Bank, UK  
Banque SBA, Paris  
Sumitomo Mitsui, London

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**TAX ADVISORY** Ijewerre & Co  
(Chartered Tax Advisory)  
Itoya House  
126, Lewis Street  
P.O. Box 8713  
Lagos, Nigeria

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# CHAIRMAN'S STATEMENT



## Chairman's Statement

“

Distinguished Shareholders, Members of the Board of Directors, Ladies and Gentlemen, I am pleased to welcome you to the 9th Annual General Meeting of your Bank and present the operating results and key achievements for the financial year ended December, 2014.

”





# Chairman's Statement

Distinguished Shareholders, Members of the Board of Directors, Ladies and Gentlemen, I am pleased to welcome you to the 9th Annual General Meeting of your Bank and present the operating results and key achievements for the financial year ended December 2014. The year 2014 stood out in the history of our Bank with an exceptional performance across all performance ratios and indices. Before I present the Bank's financial result as at 31st December, 2014; permit me to start by briefly reviewing the socio-political and economic environment within which our Bank operated.

## Global Economy

An uneven global recovery was sustained largely due to weaker-than-expected international activities in the first quarter of 2014. Growth forecast for the world economy was revised downward to 3.3 percent in 2014. This however represents 0.4% lower than the April, 2014 World Economic Outlook (WEO).

During the year under review, crude oil prices in U.S. dollars declined to \$59.46 in December, 2014. The decline was partly due to unexpected demand weakness in some major emerging market economies as well as decline in industrial metal prices. However, the much larger decline in oil prices suggested an important contribution of oil supply factors, including the decision of the Organization of the Petroleum Exporting Countries (OPEC) to maintain current production levels despite the steady rise in production from non-OPEC producers, especially the United States.

Global growth increased broadly as expected to 3.75% in the third quarter of 2014, up from 3.25% in the second quarter. United States experienced recovery which was stronger than expected, while economic performance in all other major economies recorded weaker growth. Japan fell short of expectations as the economy ran into technical recession in the third quarter of 2014, whereas the economy of China experienced lower growth. The growth of Indian economy remained

unchanged as weaker external demand was offset by the boost to the terms of trade from lower oil prices and a pickup in industrial and investment activity after policy reforms. A much weaker outlook was experienced in Russia as projections reflects the economic impact of sharply lower oil prices and increased geopolitical tensions through direct and confidence effects. The sharp slowdown in Russian economy and Ruble depreciation weakened the outlook for other economies in the Commonwealth of Independent States (CIS) group.

Interest rates and risk spreads rose in many emerging market economies, notably commodity exporters, and risk spreads on high-yield bonds and other products exposed to energy prices also widened.

## Domestic Economy In 2014

The year 2014 was a year of two distinct halves. The First and Second quarters were stable and recorded a positive GDP growth of 6.21% and 6.54% respectively while third and fourth quarters were rough and cartwheeled. The GDP of 6.21% recorded in the first quarter was as a result of growth driven by the services sector due to the oil sector contraction while the increase from 6.21% to 6.54% in the second quarter was as a result of the rebound in oil production. Also, the decline in the country's GDP from 6.54% to 6.23% in the third quarter was due to the stalling of the oil sector which fell to an average of 2.15million from 2.21million per barrel (per day) as well as the fall in international oil prices.

The country's GDP was rebased to emerge as the largest economy in Africa with \$510 billion in GDP. The value of United States dollar as against the naira also remained stable in the first and second quarter with an exchange rate of N155.73/\$1 at the official market and \$167.50/\$ at the parallel market. Inflation rate remained on a single digit of 8.2% during the first and second quarters while oil prices peaked at \$116pb with an oil production of 1.88mbpd.



# Chairman's Statement

According to the National Bureau of Statistics; the estimated growth experienced in the GDP was as a result of the non-oil sector which expanded by 7.51% compared to 6.71% in the previous quarters as a result of growth driven by manufacturing (16 percent), particularly apparels and footwears. Crop production rose (up by 4.34 percent), activities in telecommunications (6.25 percent) and real estate (5.9 percent).

The second half of the year 2014 was rough with the increase in the insurgency attacks in the North-East and part of the North West. Outbreak of the Ebola Virus in Nigeria also had a negative impact on the country's economy. Within the second half of the year 2014 (3rd & 4th quarters), oil prices slumped by 48% to \$56pb with oil production flat at 1.9mbpd. Quarter three growth rate declined to 6.23% while inflation rate declined to 7.9%. The naira midpoint was devalued by 8% to N168/\$ while parallel depreciation stood at N193/\$ indicating a 15% devaluation in the forex parallel market. Unlike the first and second quarters where the country's external reserve stood at \$37.48billion, the third and fourth quarters had external reserve declining to \$34.8billion.

The Banking industry landscape was not left out of the unfolding events in the year 2014 with the change in baton of the leadership of the Apex Bank (Central Bank). The change in leadership of the Central Bank continued to strengthen the cashless policy with it's charges waived for one year and lifting of charges on deposits. With various regulatory policies, the year 2014 recorded an increase in the Monetary Policy Rate (MPR) from 12% to 13% per annum while CRR on private sector deposit was increased to 20% from 15% in the previous year.

The stock market experienced a year of four-divides as it was flat in the first six (6) months, experienced growth for three (3) months, plunged in two (2) months and recovered in one (1) month. As the stock market rose up by 6.06% to N14.02trillion, the price per-earnings of firms declined to 24.4% during

the year. Corporate earnings went down by 6.3% as fear of the capital market drove the market down by 8%. The stock market however went down by 18.18% to N11.48trillion towards the close of the year in 2014.

## Unity Bank Performance

The change in Management Team in the year 2013/2014 has proven that the Board of Directors were apt in taking decisions. The injection of a vibrant and focused Management Team improved the Bank's financial performance in 2014 compared to the year ended 2013.

I am delighted to inform you that our Bank in the year 2014 embarked on capital raising exercise amounting to about N40billion through Rights Issue of N19.23billion, and Special Placement of N20billion. The proceeds from the additional capital raised was meant to strengthen and improve the Bank's IT Infrastructure, upgrade the Bank's Products and Channels, Human Resource Development, Corporate Communications, additional working capital as well as the development and renovation of our Branches across the country.

The Bank in 2014 was recognized and awarded "One of the top100 Businesses in Nigeria" while the Managing Director was recognized by Leadership Newspaper as the "Banker of the Year" having moved the Bank's position from a negative PBT of N33.63billion in 2013 to a positive PBT of N13.64billion as at 31st December, 2014.

## Balance Sheet.

The Bank's total assets increased by N9.68billion representing 2.4% increase from N403.62billion recorded in 2013 to N413.31billion as at 31st December, 2014. This, was largely driven by the Bank's focus on operational efficiency.

Customer deposits decreased by 8.65% from a deposit liability of N303.27billion in 2013 to a deposit of N277.02billion as at 31st December, 2014 as a result of the Bank's conscious effort at reducing high



# Chairman's Statement

cost deposits.

The Bank's loans and advances during the year increased by 12.35% from N195.22billion in 2013 to N219.33billion in 2014. The Bank's recovery drive in the year 2014 was quite impressive as most of our customers with bad loans are beginning to settle their indebtedness to the Bank and as such has significantly reduced the bank's Non-Performing Loans (NPL).

## Income Statement

On the income statement, the Bank sustained an impressive improvement in all parameters as gross earnings grew by 23% from N62.827billion in 2013 to N77.07billion in 2014.

The Bank's total operating income grew by 46.87% from N40.78billion recorded in 2013 to N59.89billion as at 31st December, 2014. Net interest income increased by 51% from N30.14billion in 2013 to N45.45billion in 2014 while fees and commission grew from N7.33billion in 2013 to N10.71billion indicating 46% increase as at 31st December, 2014.

As a fall back to effective cost management model, the Bank significantly reduced its total operating expense by 40% from N51.88billion recorded in 2013 to N31.91billion for the year ended 31st December, 2014. The improvement in the bank's operating expense was as a result of Management's commitment towards cost reduction through reduction in cost of funds and other operating expense which stood at N14.691billion in 2014 as against N33.89billion in 2013.

Finally, the Bank in the year 2014 closed with a Profit before Tax (PBT) of N13.64billion indicating an increase of 141% when compared to the loss of

(N33.63) billion recorded in 2013. The impressive performance in the Bank's financials was partly due to the reduction in cost of funds and operating expenses of the Bank.

## Unity Bank's Proposition For The Year 2015

The year 2015 is another year for all of us to put concerted efforts towards ensuring we surpass our performance in the year 2014. The Bank, will going forward continue to improve on its financial performance as we move from a "Survival Posture" to a "Relevance Posture" at the same time working towards a "Dominance Posture" to ensure that we become "Nigeria's Retail Bank of Choice by the year 2020".

However, it is now clear that we can fulfill our vision if we remain focused and committed to our strategic initiative through a highly skilled and dedicated work force that will be willing to go the extra mile in our various responsibilities as an institution.

Thank you and God bless.

**Thomas Etuh**  
Chairman



# MANAGING DIRECTOR'S STATEMENT

## Managing Director's Review

Distinguished Shareholders,

It is my delight to welcome you to the 9th Annual General Meeting of Unity Bank Plc and present your Bank's performance for the 2014 financial year.

Our strategic thrust at the beginning of the year was to put in place processes, procedures and systems that will facilitate sustainable earnings. Driven by our core values, we implemented various efficiency initiatives aimed at building the high performing organization we aspire to be. The result of the aforementioned was a Pre-tax Profit of N13.64 billion at year end.

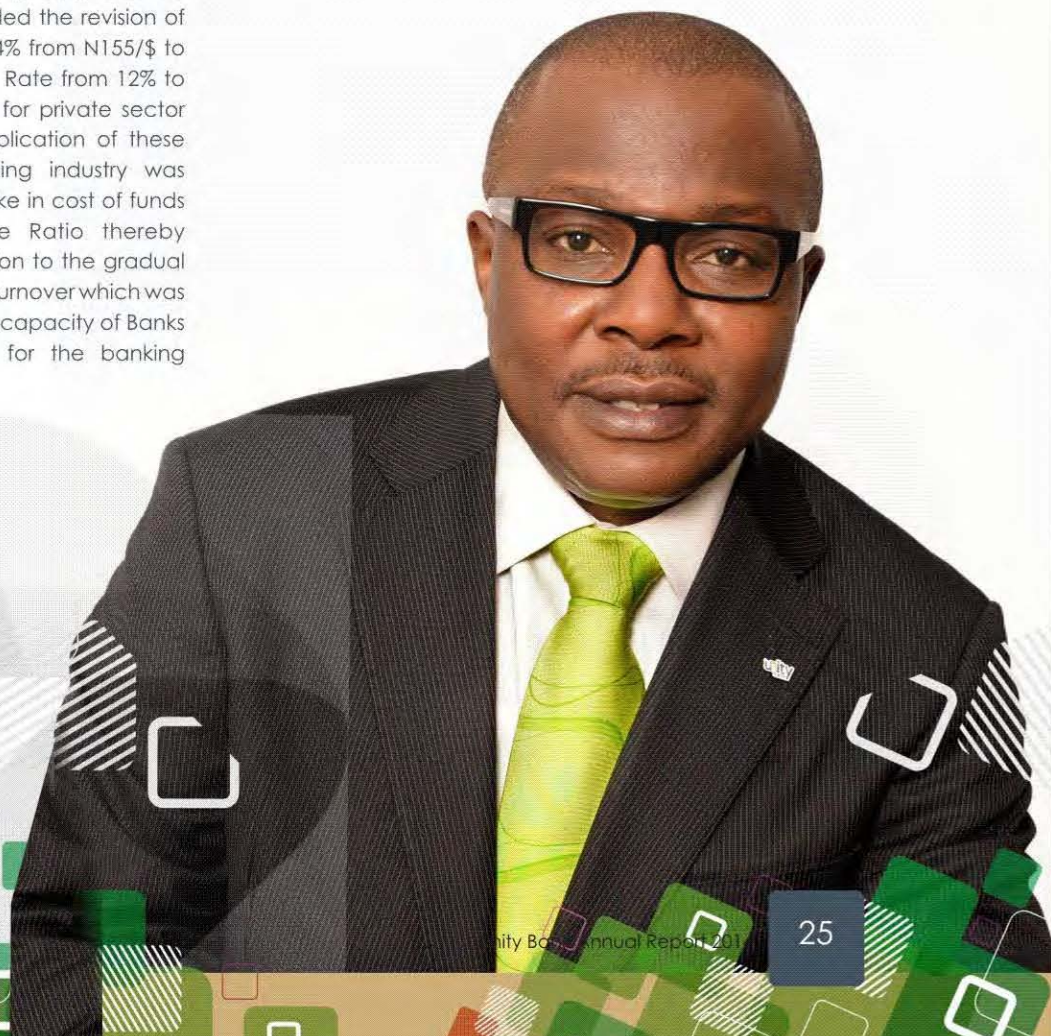
Our performance was, inspite of a very challenging operating environment heightened by the contractionary stance of the regulators. The Naira had come under immense pressure against the backdrop of free falling global oil prices, and the regulatory response to this included the revision of the mid-point of the Naira by 8.4% from N155/\$ to N168/\$, hike in Monetary Policy Rate from 12% to 13% as well as increase of CRR for private sector funds from 15% to 20%. The implication of these pronouncements for the banking industry was additional squeeze in liquidity, hike in cost of funds and increased Cost-to-Income Ratio thereby shrinking margins. These in addition to the gradual phase-out of the Commission on Turnover which was already constraining the earning capacity of Banks had far reaching implications for the banking industry.

“

Distinguished Shareholders,

It is my delight to welcome you to the 9th Annual General Meeting of Unity Bank Plc and present your Bank's performance for the 2014 financial year.

”





## Managing Director's Review

Notwithstanding these headwinds, I am glad to report that your Bank achieved an appreciable result for the year under review. Interest and Similar Income grew by 20% from N52 billion in 2013 to N62 billion in 2014. This impacted positively on our Net Interest Income which rose by 50.8% from N30.14 billion in 2013 to N45.45 billion in 2014 while Net Interest Margin stood at 72.56%, up from 57.75 % reported in 2013. Other Income stood at N14.44 billion, an increase of 35.78% from the N10.63 billion figure recorded in 2013. This is the result of proactive measures put in place towards generating income from alternative sources and channels as we reposition ourselves to accommodate the phase-out of Commission on Turnover. For the period under review, the Bank employed an efficiency model which led to a decrease of 39.88% in Other Expense when compared to the corresponding period in 2013. Furthermore, the Bank posted a Profit Before Tax of N13.64 billion from a loss position of N33 billion in 2013. Total Assets stood at N413.31 billion reflecting a growth of 2.40% from the N403.63 billion recorded in 2013. Total Deposit Liability declined slightly by 9.47% when compared to the December 2013 figure, however this was as a result of the bank's deliberate strategy to prune expensive deposit evidenced by the reduction in Interest Expense to N17 billion in 2014 as against N22 billion in 2013.

Improved service delivery across our network leading to increase in value creation and customer satisfaction has ensured growth in our brand recognition and acceptance. To this end, the Bank was the recipient of several awards including, the Best Bank in Agriculture Financing by Businessday

Awards, it was also recognized amongst the Top 100 Businesses in Nigeria in 2014 by The Federal Government of Nigeria. The Bank also made the Nigeria Stock Exchange (NSE) Top 30 Index quoted companies and awarded the Best Regional Enterprise Bank by the European Business Assembly Oxford, Great Britain and the British Institute of Directors, in the United Kingdom.

The outlook for our Bank is very positive on the back of our 2014 performance. We intend to leverage on the success of our Rights Issue and Private placement which saw us raise additional capital in excess of N39 billion which gives us a good footing in our bid to further access Tier II capital in the months to come.

We have significantly improved our risk management practices with the implementation of an enterprise risk management suite. Our aggressive posture towards loan recovery with its attendant positives for our loan book, liquidity and profitability will be sustained going into 2015.

We remain committed towards the achievement of our overarching objective of being Nigeria's retail Bank of choice. We will focus on three core imperatives which includes Agriculture, SMEs and the Rural Economy as we aim to take advantage of the immense domestic market in Nigeria. We have undergirded this aspiration by strategic recruitment of individuals at supervisory levels with track record of performance in the industry and core competence in our areas of strategic thrust.

# Managing Director's Review

To further deepen our retail strategy and increase our customer convenience quotient, we have improved our internet banking platform by increasing the bouquet of services available to our customers bringing it to par with global banking standards. Though our website has consistently received recognition and awards, we have further enhanced its look and feel while enriching the content as well as its interactive capabilities.

Our people remain our greatest asset and competitive edge in executing our imperatives. We could not have achieved this result without their hard work and dedication. Therefore, we are determined to sustain that enabling environment that encourages personal development which aids the achievement of corporate objectives. Our people based initiatives has been supported by the deployment of an integrated performance management system which will assist in not only measuring performance but in the implementation of our core objectives.

Dear Shareholders, our 2014 performance is an indication of the great things that lie ahead of us as an institution and for all our stakeholders. Having articulated a clear strategy for the near to long term, we will build on the foundation of speed and precision we have laid to continually deliver exceptional services and innovative solutions to our customers.

Without doubt, we will succeed together!

Thank you

**Engr. Henry James Semnitari**  
Managing Director/Chief Executive Officer

Pre-Tax Profit  
**N13.64B**

Net Interest Margin  
**72.56%**

Total Assets  
**2.4%** ↑



# DIRECTORS' REPORT

# Directors' Report

The Directors present their annual report on the affairs of Unity Bank Plc ("the Bank") together with the financial statements and Auditor's report for the twelve months ended 31st December, 2014.

## a. Representation

The Board of Directors represents all shareholders and acts in the best interest of the company. Each Director represents the company'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 CAP C20 LFN 2004 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.

## e. Fixed Assets

Information relating to the movements in fixed assets of the Bank during the year is provided in the notes to the accounts. In the opinion of the Directors, the market value of the Bank's properties is not less than the value shown in the accounts.

## f. Operating Results

Gross earnings increased by 22.67% and profit before tax of the Bank improved from a loss of N33.6billion to a profit of N13.6billion as a result of the reengineering currently going on within the Bank.

Highlights of the Bank's operating results for the year under review are as follows:



# Directors' Report

	2014 N'000	2013 N'000
Gross Earnings	77,071,490	62,827,928
Profit before taxation	13,639,390	(33,639,369)
Taxation Credit/ (Expense)	(2,946,915)	11,057,029
	10,692,476	(22,582,340)
(Loss)/Profit after taxation	10,692,476	(22,582,339)
Profit Attributable to the shareholders	10,692,476	(22,582,339)
APPROPRIATIONS:		
Transfer to statutory reserve	3,641,207	-
Transfer to general reserve	7,051,269	(22,582,339)

## g. Directors

The names of the Directors during the year ended 31st December, 2014 are as follows:

Lamis Shehu Dikko	Former Chairman (Appointed w.e.f. April 22, 2014, resigned December 2014)
Mr Thomas Etuh	Vice Chairman (Appointed w.e.f. April 22, 2014)
Mr Henry James Semenitari	MD/CEO
Engr. Oluseun Mabogunje	Director
Dr. Oluwafunsho Obasanjo	Director
Alhaji Ibrahim M. A. Kaugama	Director
Alhaji Hakeem Shagaya	Director
Mr. Richard Gboyega Asabia	Director (Independent)
Mallam Gimba Hassan Ibrahim	Director (Independent) (Retired w.e.f May 2014)
Alhaji Aminu Babangida	Director
Mr. Ahmed Yusuf	Executive Director
Mrs. Aisha A. Abraham	Executive Director
Mrs Arese Alonge	Executive Director (Appointed w.e.f January 2014)
Mr Abubakar Abba Bello	Executive Director (Appointed w.e.f January 2014)
Mr. Dahiru Chadi	Executive Director (Appointed w.e.f April 2014)

# Directors' Report

Post Balance Sheet Changes within the Bank's Board

NAME	CHANGE
Mr. Thomas Etuh	Appointed Chairman (January, 2015)
Ms. Arese Alonge	Disengaged (January, 2015)
Engr. Oluseun Mabogunje	Resigned (January, 2015)
Mrs. Priya Heal	Appointed Director (February, 2015)
Mr. Dauda N. Iliya	Appointed Director (February, 2015)
Haj. Yabawa Lawan Wabi	Appointed Director (February, 2015)
Mr. Sam N. Okagbue	Appointed Independent Director (February, 2015)

## h. Directors' shareholding

The direct and indirect interests of Directors 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 sections 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange is as stated below:

Number of Shares held as at 31st December, 2014

PARTICULARS OF DIRECTORS NAME OF DIRECTORS	DIRECT HOLDINGS	%		INDIRECT HOLDINGS	%	
Alh. Lamis Dikko	27,000,000	0.02		536,514	-	LSD Associates Ltd
Mr. Richard Gboyega Asabia	1,958,512	0.00		1,669,762	-	Asabia S.O. Estate
Alh. Aminu Babangida	-	-		6,484,729,674	5.5	El-amin Nig. Ltd. And B-sha Ltd.
Dr. Oluwafunsho Obasanjo	-	-		9,261,044,117	7.92	Tempo Food & Packing Limited, Obasanjo Holdings, Alarab Properties Limited, Agro Mixed Nigeria Limited, Ibad Limited
Alh. Ibrahim Muhammad Abega Kaugama	-	-		1,304,444,835	1.12	Jigawa State Inv. & Property & Jigawa Forum
Mr. Thomas A. Etuh	10,531,992,906	9.01		-	-	
Mr. Hakeem Shagaya	7,103,485	0.01		1,369,345,228	1.17	Shagaya Bola
Engr. Oluseun Mabogunje	-	-		34,010,715	0.03	Mabogunje Akinlawon Ladipo & Devices Ltd
Mr. Henry James Semenitari	-	-		6,201,921,463	5.31	Rivers State Govt & Tobin West Abiye
Mr. Ahmed Yusuf	46,200,000	0.04		-	-	
Mrs. Aisha A. Abraham	10,246,683	0.01		-	-	
Mr. Abba Bello	-	-		-	-	
Ms. Arese Alonge	-	-		-	-	
Mr. Chadi Dahiru	-	-		-	-	



# Directors' Report

## I. Shareholding Analysis

The shareholding pattern of the Bank as at 31st December, 2013 is as stated below:

RANGE	NO OF SHAREHOLDERS	UNIT
1- 9999	59,728.00	100,122,025.00
10000-50000	14,136.00	299,452,508.00
50001-100000	3,189.00	225,802,925.00
100001-500000	5,246.00	1,181,052,497.00
500001-1000000	1,216.00	909,579,242.00
1000001-5000000	1,402.00	5,633,840,692.00
5000001-10000000	13.00	937,780,981.00
10000001-50000000	30.00	7,592,064,622.00
50000001-100000000	18.00	11,147,282,079.00
100000001-500000000	10.00	88,866,401,849.00
<b>TOTAL</b>	<b>84,988.00</b>	<b>116,893,379,420.00</b>

## j. Substantial interest in shares

According to the register of members as at 31st December 2014, no shareholder held more than 5% of the issued share capital of the Bank except the following:

SHAREHOLDER	NO OF SHARES HELD	SHAREHOLDINGS (%)
Asset Management Corporation of Nigeria	40,241,599,791	34.43%
PANAfrican Capital Nominee	14,549,644,838	12.45%
Etuh Thomas	10,531,992,906	9.01%
Ibad Limited	7,177,221,900	6.14%
El-Amin (NIG.) Limited	6,158,896,360	5.27%
<b>Total</b>	<b>78,659,355,795</b>	<b>67.29%</b>

## k. Acquisition of own shares

The Bank did not purchase its own shares during the period.

# Directors' Report

## I. Donations and Charitable Gifts

The Bank has over the years made contributions to charitable and non-political organizations. Contributions during the year amounted to N188,168,500 (2013 - N52,285,000), details of which are presented below:

S/N	DETAILS OF EXPENDITURE	CATEGORY	AMOUNT	DATE
1	Sponsorship of Lagos International Polo Tournament	Sports	1,000,000	20 -02- 14
2	Donation to Finance Correspondents Association of Nigeria (FICAN)	community intervention	340,000	5 -03- 14
3	Sponsorship of the Nigerian Stock Exchange Corporate Sports Event	Trade & Promotions	678,500	11 -03- 14
4	Donation towards the 2014 Rivers State Civil Service Week	community intervention	150,000	16 -06- 14
5	11th Annual Corporate Financial Reporting Summit and Dinner	Capacity building	1,000,000	04 -12- 14
6	Donation in favour of Women for Change Initiative	community intervention	5,000,000	03 -11- 14
7	Donation towards the Victims of Terror (A CBN initiative)	community intervention	175,000,000	27 -10- 14
8	Participation in Nigeria Stock Exchange Roadshow in Asia	Trade & Promotions	5,000,000	07 -11- 14
<b>TOTAL</b>			<b>188,168,500</b>	

The Bank has between 2008 to date made a total contribution of N459 million to charitable and non political causes.

## m. Post Balance Sheet Events

As at the date of authorizing this financials the Bank was in the process of reconstructing its fully paid share capital by issuing one new share for every ten previously held.

## n. 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' Report

## Analysis Of Executive Management And Board By Gender As At December 31, 2014

Grade	Number		Total	Percentage	
	Male	Female		Male	Female
ED to MD	4	2	6	66.7%	33.3%
AGM to GM	20	1	21	95.2%	4.8%
Other Directors	9	1	10	90%	10%

## Analysis Of Staff By Gender

Employees	Total Number	%	Employed during the year	%
Male	1526	65.5	343	62.9
Female	805	34.5	203	37.1
Total	2331	100	546	100

### 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 company'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 company'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 complimented by on-the-job training.

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

# Directors' Report

performance are implemented whenever appropriate.

## o. 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.

## p. Statutory Audit Committee

Pursuant to the requirements of the Code of Corporate Governance in the Banking sector, the Bank has in place a Board Committee comprising three Non-Executive Directors and three Shareholders as follows:

S/N	Name		
1	Mr. Sunday Akinniyi (Shareholder)	-	Member
2	Mr. Ahmed U. Ndanusa (Shareholder)	-	Member
3	Mrs. Funke Titilayo Shodeinde (Shareholder)	-	Member
4	Engr. Oluseun Mabogunje (Non-Executive Director)	-	Member
5	Alhaji Ibrahim M. A. Kaugama (Non-Executive Director)	-	Member
6	Alhaji Aminu Babangida (Non-Executive Director)	-	Member

## q. Auditors

Due to new CBN guidelines on the duration of auditors, the Board approved the engagement of Messrs Ahmed Zakari & Co (Chartered Accountants) as the Bank's auditors. In accordance with Section 357 (2) of the Companies and Allied Matters Act 1990, a resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration.

**BY ORDER OF THE BOARD**

### AISHA ABRAHAM

Company Secretary  
Unity Bank Tower  
Plot 785 Herbert Macaulay Way  
Central Business District, Abuja

Dated this .....day of ..... 2015



# STATUTORY REPORTS

# Corporate Governance

## Corporate Governance

The Central Bank of Nigeria in its circular FPR/DIR/CIR/GEN/01/004 of May 16, 2014 released a Code of Corporate Governance which aimed at protecting equity ownership, enhancement of sound organizational structure, promotion of industry transparency and guidelines for whistle blowing. The Code came into force on October 1, 2014. It required Banks to include in their annual report and Accounts a compliance report to the Code of Corporate Governance, in compliance therefore, we state below our compliance Report as at December 31st 2014:

## Compliance Status

In line with the provisions of the new code, the Bank has put in place a robust Internal Control and Risk Management framework that will ensure optimal compliance with internationally acceptable corporate governance indices in all its operations. In the opinion of the Board of Directors, the Bank has substantially complied with the Code of Corporate Governance during the 2014 financial year.

## Statutory Bodies

Apart from the CBN Code of Corporate Governance, which the Bank has striven to comply with since inception, it further relies on other regulatory bodies to direct its policy thrust on Corporate Governance.

## 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 has between 2006 to 2010 reduced the public sector from 70% to 30.40%. Furthermore an understanding was reached with the public sector shareholders on the need to reduce their shareholding to bring it within the regulatory threshold of not more than 10%.

Thus the Bank's recently concluded 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 Bank has therefore complied fully with Clause 5:1:2 of the revised Central Bank of Nigeria (CBN) Code of Corporate Governance.



# 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) 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, 2014 were as follows:

S/N	Name	Position Held
1	Lamis Shehu Dikko	Former Chairman (Appointed w.e.f. April 22, 2014 resigned December 2014)
2	Mr Thomas Etuh	Vice Chairman (Appointed w.e.f. April 22, 2014)
3	Mr Henry James Semenitari	MD/CEO
4	Engr. Oluseun Mabogunje	Director
5	Dr. Oluwafunsho Obasanjo	Director
6	Alhaji Ibrahim M. A. Kaugama	Director
7	Alhaji Hakeem Shagaya	Director
8	Mr. Richard Gboyega Asabia	Director (Independent)
9	Mallam Gimba Hassan Ibrahim	Director (Independent) (Retired w.e.f May 2014)
10	Alhaji Aminu Babangida	Director
11	Mr. Ahmed Yusuf	Executive Director
12	Mrs. Aisha A. Abraham	Executive Director
13	Mrs Arese Alonge	Executive Director (Appointed w.e.f January 2014)
14.	Mr Abubakar Abba Bello	Executive Director (Appointed w.e.f January 2014)
15.	Mr. Dahiru Chadi	Executive Director (Appointed w.e.f April 2014)

# Corporate Governance

## Post Balance Sheet Changes within the Bank's Board

S/N	Name	Change
1	Thomas Etuh	Appointed Chairman (January, 2015)
2	Arese Alonge	Disengaged (January, 2015)
3	Engr. Oluseun Mabogunje	Resigned (January, 2015)
4	Priya Heal	Appointed Director (February, 2015)
5	Dauda N. Iliya	Appointed Director (February, 2015)
6	Yabawa Lawan Wabi	Appointed Director (February, 2015)
7	Sam N. Okagbue	Appointed Independent Director (February, 2015)

## Tenure of Office

The tenure of office of an Executive and a Non-Executive Director is a renewable term of two (2) years each.

## Delegation of Power

The Board of Directors delegates any of their powers to Committees consisting of such members of their body as they think fit and have oversight functions on the Committees.

The Board also delegates authority to Management in line with best practices, for the day-to-day Management of the Bank through the MD/CEO, who is supported in this task by the five (5) Executive Directors.

## Standing Board Committees

The Board carries out its oversight responsibilities through seven (7) 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 has in place the following Committees and reporting structures through which its oversight functions are performed:

- Statutory Audit Committee;
- Board Credit Committee;
- Board Risk Management Committee;
- Board Finance and General Purpose Committee;
- Board Information Technology Strategy Committee;
- Board Governance & Nominations Committee.
- Board Audit Committee



# Corporate Governance

## Statutory Audit Committee

This is a joint shareholders/Board Committee that comprises of an equal number of Shareholders and Board members. The Committee has oversight functions on Internal Control system and Financial Reporting. The Committee's terms of reference are:

### General

The Committee shall:

- Ensure that there is an open avenue of communication between the External 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.

### Whistle Blowing

- Review arrangements by which staff of the Bank may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.
- As global best practice however 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 Committee shall ensure that arrangements are in place for the proportionate and independent investigation and follow-up of such matters.

### Regulatory Reports

The Committee shall also:

- Examine CBN/NDIC examination Reports and make recommendations thereof.
- Monitor and review the standards of risk management and internal control, including the processes and procedures for ensuring that material business risks, including risks relating to IT security, fraud and related matters, are properly identified and managed, the effectiveness of internal control, financial reporting, accounting policies and procedures, and the Bank's statements on internal controls before they are agreed by the Board for each year's Annual Report.
- Consider and review the process for risk management annually to ensure adequate oversight of risk faced by the Bank and the system of internal controls and reporting of those risks within the Bank.
- Receive regular Reports on significant litigation and financial commitments and potential liability (including tax) issues involving the Bank.

# Corporate Governance

The Statutory Audit Committee comprises of a total number of six (6) members made up of three (3) Non-Executive Directors and three (3) Shareholders as follows:

Shareholders		(Elected w.e.f August, 2010 to November, 2014)		
1	Alhaji Mustapha B. Atiku	(Elected w.e.f June, 2012 to November, 2014)	-	Chairman
2	Mr. Joseph Akin Ogbeni		-	Member
3	Ms. Funke Titilayo Shodeinde	(Elected w.e.f November, 2014)	-	"
4	Akinniyi Babatunde Sunday	(Elected w.e.f November, 2014)	-	"
5	Umaru Ahmed Ndanusa		-	"

## Non - Executive Directors

4	Alhaji Aminu Babangida		-	Member
5	Engr. Oluseun Mabogunje		-	"
6	Alhaji Ibrahim M.A. Kaugama		-	"

Quorum : Four (4) members.

## 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 =N= 750 Million to =N=1 Billion for fund based facilities and from =N=1.5 Billion to =N=2 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.



# Corporate Governance

- 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:

Alh. Aminu Babangida	Chairman
Mr. Thomas Etuh	Member
Mr. Richard G. Asabia	Member
Mr. Hakeem Shagaya	Member
Managing Director/CEO	Member
ED, Enterprise Risk Management	Member
ED, Retail Banking	Member

## Quorum

Five (5) members with at least two (2) Non-Executive Directors and two (2) Executive Directors.

## Board Risk Management Committee (BRMC)

The Board Risk Management Committee has the oversight function of insulating the Bank from operational and lending risks and is charged with the following responsibilities:

## Roles

The Roles and Responsibilities of the Committee are:

- 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 Bank's risk profile.
- 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 the Board.
- Any other oversight functions as may, from time to time, be expressly requested by the Board.

# Corporate Governance

## Membership

The Committee has Seven(7) members; four (4) Non-Executive Directors and three (3) Executive Directors as follows:

SN	Name		
1	Richard Gboyega Asabia	-	Chairman
2	Dr. Oluwafunsho Obasanjo	-	Member
3	Mr. Thomas Etuh	-	Member
4.	Mr. Hakeem Shagaya	-	Member
5	Managing Director/CEO	-	Member
6	ED, Secretariat & Services	-	Member
7	ED, Enterprise Risk Management	-	Member

## Quorum

Four (4) members with a member each of the Non-Executive and Executive Director status

## Board Finance and General Purposes Committee

The Finance & General Purposes 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:

- Periodic review of the Bank's Strategic Plans inclusive of required Organisational Structure to drive the plans;
- Review of the Bank's Annual Budget and on quarterly basis, Budget variances.
- Measuring actual performance against budget by reviewing Management accounts and operating results
- 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;
- Monitor compensation arrangements to ensure that the Bank is attracting and retaining highly qualified staff through competitive salary and benefits, programmes and awards;
- Review long range planning for Top and Senior Management development and succession;
- 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 membership of the Committee is eight (8) made up of five (5) Non-Executive Directors and three (3) Executive Directors.

## Quorum

Five (5) members with a member each from the Executive and Non-Executive Director status.

SN	Name		
1	Mr. Thomas A. Etuh	-	Chairman
2	Mr. Hakeem Shagaya	-	Member
3	Alhaji Ibrahim M. A. Kaugama	-	Member
4	Dr. Oluwafunsho Obasanjo	-	Member
5	Alh. Aminu Babangida	-	Member
6	Managing Director/CEO	-	Member
7	ED, Secretariat and Services	-	Member
8	ED, Enterprise Risk Management	-	Member



# Corporate Governance

## Board Information Technology (I.T.) & Strategy Committee

The IT & Strategy Committee, on behalf of the Board, drives the Bank's computerization process and ensures value is derived from expenditure on computerization. Specifically, the Committee has the following functions.

### Strategic Alignments

- a) Provide strategic direction and ensure I.T. strategy is aligned with the Bank's business objective.
- b) Issue high level policy guidance relating to risk funding and partnerships.
- c) Verify the compliance of the implementation of the strategy to the agreed objectives and goals.

### IT Resource Management

- a) Provide high level direction on sourcing and utilization of IT resources;
- b) Oversee funding of IT and approve all I.T. related expenditures to be incurred within delegated powers by the Board.

### Risk Management

- a) Ascertain that Management has resources in place to ensure management of IT risks.
- b) Confirm that critical IT risks are managed.

### Performance Management

- a) Review strategic compliance and achievement of goals and objectives.
- b) Review IT performance measurement and contribution to the business.

### Membership

The Committee's membership is seven (7) made up of four (4) Non-Executive Directors and three (3) Executive Directors as follows:

S/N	Name		
1	Engr. Oluseun Mabogunje	-	Chairman
2	Mr. Hakeem Shagaya	-	Member
3	Alhaji Aminu Babangida	-	Member
4	Dr. Oluwafunsho Obasanjo	-	Member
5	Managing Director/CEO	-	Member
6	ED, Secretariat & Services	-	Member
7	ED, Enterprise Risk Management	-	Member

### Quorum

Four (4) with at least one each from the Non-Executive and Executive Director status.

# Corporate Governance

## Board Governance & Nominations Committee

The BG&NC concentrates on Board Compensations/Appointment matters with the following terms of Reference and Membership:

### Functions

- Handles matters relating to Board's Remunerations and Appointment;
- Determine the remuneration, incentive arrangements and benefits of the Chairman of the Board;
- Determine the incentive arrangements and benefits of the Executive and Non- Executive Directors of the Bank within the limits imposed by Regulatory Authorities;
- Review and submit to the full Board, recommendations concerning Executive Directors compensation plans and perquisites and ensure that their packages are competitive;
- Recommend any proposed change(s) to the Board;
- Keeps under review the need for appointments;
- 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 the 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 Directors;
- 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 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.

### Membership

The Committee is made up of four (4) Non-Executive Directors as follows:

S/N	Name		
1	Mr. Thomas A. Etuh	-	Chairman
2	Mr. Hakeem Shagaya	-	Member
3.	Dr. Oluwafunsho Obasanjo	-	Member
4.	Alh. Aminu Babangida	-	Member

### Quorum



# Corporate Governance

Three (3) members constitute a quorum.

## Meeting

The Committee meets once in a year or when necessary.

## Remuneration of Directors

The Shareholders, at the Bank's Annual General Meeting, set and approved the annual remuneration of members of the Board of Directors. The annual emoluments of the Directors are stated in the Annual Report.

## 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 31, 2014 to December 31, 2014.

Director	Board	Board Credit Committee	Board Risk Management Committee	Statutory Audit Committee	Board Finance & General Purpose Committee	Board Information Technology Strategy Committee	Board Governance & Nomination Committee
Date of Meetings	13/03/14 26/03/14 05/05/14 15/07/14 21/07/14 11/08/14 11/11/14	12/03/14 10/07/14 30/10/14	12/03/14 11/07/14 30/10/14	15/01/14 10/03/14 16/04/14 23/07/14 15/10/14	03/02/14 28/02/14 11/03/14 28/05/14 10/07/14 04/11/14 17/12/14	11/03/14 28/05/14 14/07/14 05/11/14	28/02/14 11/07/14 10/11/14 17/12/14
Number of Meetings	7	3	3	5	7	4	4
Alh. Lamis Shehu Dikko	4 appointed w.e.f April, 2014	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Thomas Etuh	7	3	2	N/A	7	N/A	3
Mr. Henry James Semenitari	7	3	3	N/A	7	4	N/A
Mr. Richard Gboyega Asabia	5	2	2	N/A	N/A	N/A	N/A
Engr. Oluseun Mabogunje	6	N/A	N/A	4	N/A	4	N/A
Alh. Ibrahim Muhammed A. Kaugama	7	N/A	N/A	5	N/A	N/A	N/A
Mr. Hakeem Shagaya	6	N/A	1	N/A	7	4	4
Mal Gimba H. Ibrahim	3 retired w.e.f May, 2014	1	1	N/A	N/A	N/A	1
Alh. Aminu Babangida	5	2	1	3	2	3	3
Dr. Oluwafunsho Obasanjo	6	N/A	2	N/A	4	2	4
Alh. Rislanudeen Muhammad	N/A resigned w.e.f January, 2014	N/A	N/A	N/A	N/A	N/A	N/A
Alh. Ahmed Yusuf	7	3	3	N/A	N/A	3	N/A
Mrs. Aisha A. Abraham	7	N/A	1	N/A	3	2	N/A
Mr. Abubakar Abba Bello	6	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Dalhiru Chadi	4 (Appointed w.e.f April, 2014)	2	2	N/A	3	2	N/A
Ms. Arese Alonge	6	N/A	2	N/A	N/A	N/A	N/A

# Corporate Governance

## **Board Audit Committee** (Came into effect in November 2014)

The Board Audit Committee ('the Committee') is one of the Committees of the Board of Directors ('The Board') and a Committee set up to have oversight functions on internal Control System and Financial Reporting. The Committee is also set up in compliance with the revised Central Bank of Nigeria (CBN) Code of Corporate Governance which came into force on 1st October, 2014 which sets out the principles governing the operations of the Committee.

### **Purpose and Objectives**

The overall purpose and objective of the Committee is to protect the interest of the Bank's Shareholders by overseeing on behalf of the Board and Shareholders the:

- Integrity of financial reporting.
- Adequacy of the Bank's internal control framework.
- Internal and external audit function.
- Entrenching a culture of good corporate governance.

The Committee performs its duties in accordance with its Charter and makes recommendations to the Board on the adequacy of internal and external audit procedures. It shall also assist the Board to discharge its responsibilities by exercising due care, diligence and skill.

### **Role of the Committee**

The primary role of the Committee is to report to the Board and provide appropriate advice and recommendations on the matters relevant to the Charter in order to facilitate decision making by the Board.

### **Membership**

The Committee has five(5) members comprising of four (4) Non-Executive Directors and One (1) Independent Director as follows:

Mr Richard G. Asabia	Chairman
Engr. Oluseun Mabogunje	Member
Alh. Ibrahim M. A. Kaugama	Member
Alh. Aminu Babangida	Member
Dr. Oluwafunsho Obasanjo	Member

### **Quorum**

A quorum shall consist of two-third (2/3) of the Committee's members.



# Corporate Governance

## Internal Control

The Bank has separate staff within the internal audit function 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 Board 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 =N=251 Million to =N=750 Million for fund based facilities and =N=1.5 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.

# Corporate Governance

## 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, Corporate & Commercial Banking
Member:	Executive Director, Retail Banking
	Executive Director, Secretariat & Services
	Executive Director, Institutional Banking
	Executive Director, Enterprise Risk Management
	Chief Financial Officer
	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, Retail Banking
	Executive Director, Secretariat & Services
	Executive Director, Institutional Banking
	Executive Director, Enterprise Risk Management
	Head Information Technology
	Chief Financial Officer
	Group Head, Internal Control
	Group Head, Internal Audit
Secretariat:	Information Technology Department

Functions of the Management IT Steering Committee are as follows:

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



# Corporate Governance

## Management Credit Committee

The Management Credit Management 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, Enterprise Risk Management
Members:	Executive Director, Retail Banking; Executive Director, Secretariat & Services; Executive Director, Institutional Banking; Executive Director, Corporate & Commercial Banking; Head, Enterprise Risk Management; Chief Financial Officer; Head, Legal; Group Head, Internal Audit; Group Head, Operations & IT; Group Head, Internal Group;
Secretariat:	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

# Corporate Governance

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.

## Breaches of the Code

We are not aware of any violation to the Code of Corporate Governance as at 31st December 2014.

## Security Trading Policy

In compliance with section 14 of the NSE Amended Rules, the company has developed a security trading policy and its being adhered to by the Board, Management and staff.



# Directors Responsibility for Annual Financial Statements

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act, require the directors to prepare financial statements for each financial year that gives a true and fair view of the state of financial affairs of the Bank at the end of the year and of its profit or loss. The responsibilities include ensuring that the Bank:

- i. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the bank and comply with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act;
- ii. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- iii. prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with,

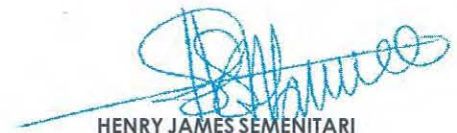
- International Financial Reporting Standards;
- Prudential Guidelines for Licensed Banks;
- Relevant circulars issued by the Central Bank of Nigeria;
- Code of Corporate Governance;
- The requirements of the Banks and Other Financial Institutions Act; and
- The requirements of the Companies and Allied Matters Act.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of the loss for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal and financial control.

Nothing has come to the attention of the directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of this statement.



**DAHIRU CHADI**  
EXECUTIVE DIRECTOR



**HENRY JAMES SEMENITARI**  
MANAGING DIRECTOR/CEO

# Unity Bank Plc Remuneration Policy for Members of the Board and Executives

## Remuneration Policy for Non-Executive Directors

The Bank shall pay to the Non-Executive Director the following:

- Annual fee.
- Sitting Allowance for each meeting attended
- Accommodation on attendance at Board Meeting or in lieu of accommodation.
- Return Ticket where meeting is held outside his/her place of residence

## Remuneration Policy for Managing Director/CEO

The Bank shall pay to the Managing Director/CEO a total emolument as reflected in the schedule to his/her Agreement and any other benefits incidental to the Managing Director/CEO and as may be approved by the Board from time to time.

- Where however, any of these benefits is taken in kind, the allowances would be valued for the purpose of computing Total Earnings.
- There shall be maximum yearly 15% increment to the earnings on annual basic salary subject to minimum of satisfactory performance per annum.
- Furniture Allowance may be reviewed after (4) years.

On resignation, retirement or termination of the contract, the Company shall pay to the Managing Director/CEO, unless fraud or negligence resulting in loss is involved, a severance package at the rate of 35% of total emolument per annum for each completed year of service.

## Remuneration Policy for Executive Directors

The Bank shall pay the Executive Director a total emolument as reflected in the schedule to his/her Agreement and any other benefits incidental to the Executive Director and as may be approved by the Board from time to time.

- Where however, any of these benefits is taken in kind, the allowances would be valued for the purpose of computing Total Earnings.
- There shall be a maximum yearly 10% increment to the earnings on annual basic salary subject to minimum of satisfactory performance per annum.
- Furniture Allowance may be reviewed after (4) years.

On resignation, retirement or termination of the contract, the Company shall pay to the Executive Director, unless fraud or negligence resulting in loss is involved, a severance package at the rate of 35% of total emolument per annum for each completed year of service.





## Ahmed Zakari & Co.

(CHARTERED ACCOUNTANTS)

### Report of the Auditors to the Members of Unity Bank Plc

#### Report on the financial statements

We have audited the accompanying financial statement of Unity Bank Plc which comprise the statement of financial position as at 31 December, 2014 the income statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 58 to 169.

#### Directors' responsibility for financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in compliance with Financial Council of Nigeria Act No. 6, 2011 and in accordance with the International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Acts, CAP C20, LFN 2004, the Banks and Other Financial Institutions Act, CAP B3, LFN 2004, and relevant Central Bank of Nigeria circulars. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financials, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Opinion

In our opinion the financial statements give a true fair view of the financial position of Unity Bank Plc as at 31 December 2014 and its financial performance and cash flows for the year then ended in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with the International Financial Reporting Standards and the Companies and Allied Matters Act/ CAP C20, LFN 2004 and the Banks and Other Financial Institutions Act, CAP B3 LFN 2004.

**Partners:** Shuaibu A. Ahmed | Isma'ila M. Zakari | Tajudeen Adetokunbo Oni | Najib Imam | Wazir Olukayode Lawal

**Central Office:** 5th Floor, African Alliance House, F1 Sani Abacha Way, P.O. Box 6500, Kano, Nigeria

**Lagos Office:** 22b Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, Lagos, P.O. Box 54478, Falomo, Ikoyi, Lagos.

**Abuja Office:** 2nd Floor, Akintola Williams House, Plot 2048 Micheal Opara way, Wuse Zone 7, Abuja.

**E-mail:** info@ahmedzakari.com. **Url:** www.ahmedzakari.com



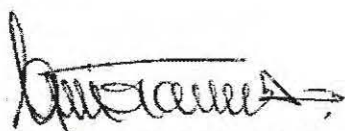
## Report on Other Legal and Regulatory Requirements

Compliance with the requirements schedule 6 of the Companies and Allied Matters Act CAP C 20, LFN 2004

- 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;
- III. The Bank's statement of financial position and income statement are in agreement with the books of account'

Compliance with Section 27 (2) of the Banks and Other Financial Institution Act CAP B3, LFN 2004 and Central Bank of Nigeria circular BSD/1/2004

- I. Our examination of loans and advances was carried out in accordance with the prudential Guidelines for Deposit Money Banks in Nigeria issued by the Central Bank of Nigeria and in accordance with the requirements of the International Financial Reporting Standard.
- II. Related party truncation and balances are disclosed in Note 45 to the financial statements in accordance with the Central Bank of Nigeria Circular BSD/1/2004;
- III. The Bank contravened the requirements of some Central Bank of Nigeria circulars during the financial year. Details of these are stated in Note 49 of the financial statements



Tajudeen Adetokunbo Oni FCA  
FRC/2013/ICAN/00000000749  
For: Ahmed Zakari & Co  
(Chartered Accountants)

March 9, 2015  
Abuja Nigeria





## REPORT OF THE AUDIT COMMITTEE

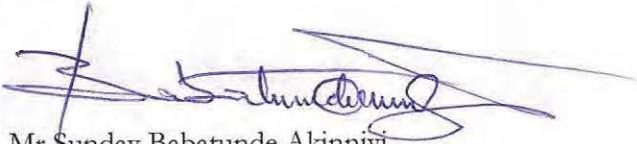
In accordance with the provisions of section 359(6) of the Companies & Allied Matters Act, CAP C20 LFN 2004, we confirm that the accounting and reporting policies of the Bank conformed to the statutory requirements and agreed ethical practices.

In our opinion, the scope and planning of both the internal and external audits for the year ended 31<sup>st</sup> December, 2014 were adequate. We have also received, reviewed and discussed the auditors findings on Management matters and were satisfied with the departmental responses thereon.

The Committee reviewed the Audit Report on insider related party transactions and are satisfied with the Management response thereon.

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

Dated this 26<sup>th</sup> day of February, 2015.



Mr Sunday Babatunde Akinniyi  
**Chairman, Audit Committee**

### Members of the Audit Committee

Mr Sunday Babatunde Akinniyi  
Ms. Funke Titilayo Shodeinde  
Mr. Ahmed Umar Ndanusa  
Engr. Oluseun Mabogunje  
Alh. Ibrahim M.A. Kaugama  
Alh. Aminu Babangida

# Report On Board Evaluation

## EXECUTIVE SUMMARY

The Unity Bank Board Evaluation for the 2014 (and first quarter of 2015) fiscal year was conducted by SIAO. The evaluation was done in compliance with the CBN Code of Corporate Governance and in accordance with best practices.

Please find below our observations:

The scope of the Evaluation entails: Board Composition and Balance, Board Committees, Board Responsibilities and Board Processes, Financial Transparency and Corporate Behavior.

The composition of the Board is that of seventeen (17) members including six Directors newly appointed. They are: Mr Dauda Iliya, Mrs Yabawa Wabi, Mr Sam Okagbue, Mrs Priya Heal, Mrs Tomi Somefun, and Mr Temisan Tuedor. In the course of the year 2014, Mr Lamis Shehu Dikko, a Non-Executive Director exited the Board. Two other Directors: one Non-Executive and the other an Executive Director (Mr Oluseun Mabogunje and Ms Arese Alonge respectively), also exited the Board during the first quarter of the year 2015.

Unity Bank is still in compliance with Section 2.2 of the CBN Code which states that the Board of Banks shall have at least two Independent Directors. Mr Sam Okagbue and Mr Richard Asabia hold these positions respectively.

The Unity Bank Board of Directors consists of individuals, who are knowledgeable in business and financial matters, and who are fit to be members of the Board of a banking institution.

In accordance with Section 2.3 of the CBN Code, the position of Chairman and Chief Executive are held by Mr Thomas Etuh and Mr. Henry Semenitari respectively. Therefore, there is clear separation of powers between both offices, and duties and roles are clearly understood.

There are seven (7) Board Committees, they are: the Board Finance and General Purpose Committee, the Board Information Technology and Strategy Committee, the Board Credit Committee, the Board Risk Management Committee, the Board Governance and Nomination Committee, the Board Audit

Committee. They are properly constituted with members who are qualified and fully understand their responsibilities.

There were eight (8) Board meetings held during the year, and the level of attendance was high. Also the agenda and the minutes of Board meetings were properly documented as observed. Training programs were held during the year, and they were held both in Nigeria, and outside Nigeria.

A few of the trainings attended with dates and location include:

1. Company Direction Course 1-Effective Board, March 25 & 26, 2014 Nigeria.
2. Leading Strategic Growth and Change, October 27-31, 2014, New York City
3. Nigeria Leadership Initiative Fellows Seminar, October 25 - November 1, 2014, Yale University, New Haven, USA.



In summary, the Board of Unity Bank Ltd has largely complied with the directives of the CBN Code. Details of our findings and recommendations are contained in the full Board Evaluation Report.



# FINANCIAL STATEMENTS



# Statement of Profit or Loss

for the year ended 31 December, 2014

	Notes	31 December 2014 N'000	31 December 2013 N'000
Interest and similar income	3	62,635,546	52,195,852
Interest and similar expense	4	(17,184,561)	(22,052,800)
<b>Net interest income</b>		<b>45,450,985</b>	<b>30,143,052</b>
Fee and commission income	5	10,714,474	7,334,874
Fee and commission expense	5	-	-
<b>Net fee and commission income</b>	<b>5</b>	<b>10,714,474</b>	<b>7,334,874</b>
Net trading income	6	1,698,232	48,823
Net Income from sale of financial instrument at fair value through profit & Loss	7	(280,060)	-
Other operating income	8	2,303,297	3,248,378
		<b>3,721,469</b>	<b>3,297,202</b>
Total operating income		<b>59,886,928</b>	<b>40,775,127</b>
Credit loss expense	9	-	-
Impairment losses on Financial investments	9	(15,054,246)	(21,592,692)
Impairment losses on Goodwill	9	-	(11,000)
Impairment losses on Non current assets held for sale	9	-	(509,256)
Impairment losses on Bank Balances	9	-	(405,470)
Net operating income		<b>44,832,682</b>	<b>18,246,584</b>
Personnel expenses	10	-	-
Depreciation of property and equipment	20	(13,884,015)	(15,093,664)
Amortisation of intangible assets	21	(2,307,269)	(2,508,152)
Other operating expenses	11	(307,111)	(390,668)
Total operating expenses		<b>(14,694,897)</b>	<b>(33,893,468)</b>
Profit/(Loss) before tax		<b>(31,193,291)</b>	<b>(51,885,952)</b>
Income tax expense/credit	12	13,639,390	(33,639,369)
Profit/(Loss) after tax		<b>(2,946,915)</b>	<b>11,057,029</b>
		<b>10,692,476</b>	<b>(22,582,339)</b>
Earnings per share			
Basic earnings per share (Basic)	13		
Diluted earnings per share	13	17.45	(58.74)
		17.45	(58.74)

# Statement of Comprehensive Income

for the year ended 31 December, 2014

	31 December 2014 N'000	31 December 2013 N'000
Profit/(Loss) for the year	10,692,476	(22,582,339)
Other comprehensive income		
<b>Reclassifiable to Income Statement:</b>		
Net (loss) on available-for-sale financial assets	(420,821)	(54,585)
Income tax (charge)/credit relating to components of other comprehensive income	-	-
Other comprehensive income for the year, net of tax	(420,821)	(54,585)
Total comprehensive income for the year, net of tax	10,271,654	(22,636,924)



# Statement of Financial Position

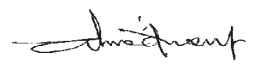
for the year ended 31 December, 2014

	Notes	31 December 2014 N'000	31 December 2013 N'000
<b>Assets</b>			
Cash and balances with Central Bank	15	6,814,218	9,710,926
Due from banks	16	16,158,360	7,385,127
Loans and advances to customers	17	219,335,346	195,229,573
Financial investments – held-for-trading	18a	2,793,700	-
Financial investments – available-for-sale	18b	57,903,167	49,456,338
"Financial investments – available-for-sale pledged as collateral"	18c	19,605,200	38,330,267
Financial investments – held-to-maturity	18d	26,550,431	28,259,864
Other assets	19	8,681,702	15,526,590
Property and equipment	20	18,491,476	20,091,653
Goodwill and other intangible assets	21	17,148,015	17,389,808
Deferred tax assets	22	16,737,488	19,036,676
Non current assets held for sale	23	3,086,008	3,212,468
<b>Total assets</b>		<b>413,305,111</b>	<b>403,629,290</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Due to customers	24	277,025,613	303,270,560
Debt issued and other borrowed funds	25	45,499,812	54,319,092
Current tax liabilities	26	647,727	425,554
Other liabilities	27	13,792,184	16,931,889
Employee benefit liabilities	28	75,780	469,555
<b>Total liabilities</b>		<b>337,041,116</b>	<b>375,416,650</b>
<b>Equity</b>			
Issued share capital	29	58,446,690	19,223,345
Share premium	SCE	10,485,871	11,929,515
Statutory reserve	SCE	10,898,794	7,691,052
Retained earnings	SCE	(56,434,482)	(58,700,475)
Non Distributable Regulatory Reserve	SCE	38,400,508	33,181,767
Other reserves	30	14,466,615	14,887,436
<b>Total equity</b>		<b>76,263,995</b>	<b>28,212,639</b>
<b>Total liabilities and equity</b>		<b>413,305,111</b>	<b>403,629,290</b>

The accounting policies and the financial statements on the subsequent pages were approved by the Board and signed on its behalf by:



Henry James Semenitari  
Managing Director/CEO  
FRC/2014/IODN/00000006865



Ahmed Yusuf  
Executive Director  
FRC/2014/CIBN/00000006950



Mrs. Patricia Chinwe Ahunanya  
Chief Financial Officer  
FRC/2014/ICAN/00000006866

The accounting policies on pages 66 to 79 and the explanatory notes on pages 80 to 146 to form part of these financial statements

# Statement of Changes in Equity

for the year ended 31 December, 2014

	Issued Capital N'000	Share Premium N'000	Statutory Reserves N'000	Retained Earnings N'000	Non-distributable Regulatory Reserve N'000	Other Reserves N'000	Total equity N'000
<b>At 1 January, 2013</b>	<b>19,223,345</b>	<b>11,929,515</b>	<b>7,691,052</b>	<b>(7,478,136)</b>	<b>4,541,768</b>	<b>15,550,140</b>	<b>51,457,683</b>
Write off from reserves	-	-	-	(22,582,339)	-	(608,120)	(608,120)
Profit/(loss) for the period	-	-	-	(28,640,000)	28,640,000	-	(22,582,339)
Transfer from/to retained earnings	-	-	-	-	-	-	-
Issued Share Capital	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(54,585)	(54,585)
Other comprehensive income	-	-	-	-	-	-	-
<b>At 31 December, 2013</b>	<b>19,223,345</b>	<b>11,929,515</b>	<b>7,691,052</b>	<b>(58,700,475)</b>	<b>33,181,768</b>	<b>14,887,436</b>	<b>28,212,639</b>
<b>At 1 January, 2014</b>	<b>19,223,345</b>	<b>11,929,515</b>	<b>7,691,052</b>	<b>(58,700,475)</b>	<b>33,181,768</b>	<b>14,887,436</b>	<b>28,212,639</b>
Write off from reserves	-	-	-	10,692,476	-	-	10,692,476
Profit/(loss) for the period	-	-	-	(8,426,483)	5,218,740	-	37,779,701
Transfer from/to retained earnings	-	-	3,207,743	-	-	-	-
Issued Share Capital	39,223,345	(1,443,644)	-	-	-	-	37,779,701
Dividend paid	-	-	-	-	-	(420,821)	(420,821)
Other comprehensive income	-	-	-	-	-	-	-
<b>At 31 December, 2014</b>	<b>58,446,690</b>	<b>10,485,871</b>	<b>10,898,794</b>	<b>(56,434,482)</b>	<b>38,400,508</b>	<b>14,466,615</b>	<b>76,263,995</b>

## Statutory Reserve

Nigerian banking regulations require Banks to make an annual appropriation to a statutory reserve. As stipulated by section 16(1) of the Banks and Other Financial Institutions Act of 1991 (amended), an appropriation of 30% of profit after tax is 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 capital.

## Non Distributable Regulatory Reserve

This is a reserve created by comparing impairment of risk assets under IFRS and provisions for risk assets using CBN Prudential Guidelines. Where the impairment amount under IFRS is lower than the provisions amount under Prudential Guidelines, the IFRS impairment figure is used in the accounts. However, the difference between the IFRS impairment and Prudential guidelines provisioning is removed from the retained earnings and transferred to a non distributable reserve.

## Issued Share Capital

The Bank successfully raised N39.22billion through a rights issue (N19.22Billion) and special placement (N20Billion) during the year.



# Statement of Cash Flows

for the year ended 31 December, 2014

Operating activities	31 December 2014 N'000	31 December 2013 N'000
<b>Profit before tax</b>	<b>13,639,390</b>	<b>(33,639,369)</b>
<b>Adjustment for non cash items:</b>		
Impairment losses on Bank balances	-	10,125
Impairment losses on Other assets	2,315,294	17,049,243
Impairment losses on Risk assets	15,054,246	21,592,692
Impairment losses on financial Investment	-	11,000
Impairment losses on goodwill	-	509,256
Impairment losses on Non current assets Held for sale	-	405,470
Depreciation of property and equipment	2,307,269	2,508,152
Amortisation of intangible assets	307,111	390,668
Profit on disposal of Property and equipment	(83,145)	(68,175)
Gains from sale of investments	(1,081,077)	(572,489)
	<b>32,459,089</b>	<b>8,196,574</b>
<b>Changes in operating assets</b>		
Deposits with the Central Bank of Nigeria	0	27,696,943
Loans and advances to customers	(39,160,019)	(30,853,791)
Other assets	4,656,054	(13,304,305)
	<b>(34,503,965)</b>	<b>(16,461,152)</b>
<b>Changes in operating liabilities</b>		
Due to customers	(26,244,948)	34,394,799
Current tax liabilities	0	(165,957)
Other liabilities	(3,139,705)	(1,924,782)
Defined contribution	(393,775)	149,784
	<b>(29,778,427)</b>	<b>32,453,844</b>
Cash generated from operations	(31,823,304)	24,189,266
Income tax paid	(425,554)	(400,935)
<b>Net cash flows from/(used in) operating activities</b>	<b>(32,248,858)</b>	<b>23,788,331</b>
<b>Investing activities</b>		
Purchase of property and equipment	(772,381)	(1,779,046)
Purchase of intangible assets	(65,318)	(792,138)
Proceeds from sale of property and equipment	148,433	133,969
Proceeds from sale of investment	2,145,831	-
Available for sale investments	8,792,662	(58,087,530)
Held for trading investments	(2,793,700)	-
Held to maturity investments	1,709,432	26,812,500
<b>Net cash flows from/(used in) investing activities</b>	<b>9,164,961</b>	<b>(33,712,245)</b>
<b>Financing activities:</b>		
Share Capital	37,779,700	-
Debt issued and other borrowed funds	(8,819,280)	(115,406)
<b>Net cash flows from/(used in) financing activities</b>	<b>28,960,420</b>	<b>(115,406)</b>
Net increase/(decrease) in cash and cash equivalents	5,876,523	(10,039,320)
Cash and cash equivalents at 1 January	17,096,054	27,135,374
Cash and cash equivalents at 31 December	<b>22,972,578</b>	<b>17,096,054</b>

# Statement of Prudential Adjustments

for the year ended 31 December, 2014

During the year under review, the Bank transferred the sum of N5.22billion from its retained earnings to a non distributable reserve within the statements of Changes in Equity.

This movement will bring the total non distributable reserve balance to N38.4billion

A breakdown of the transfer is given below:

	Note	Specific	General	Total
<b>Loans and Advances</b>				
Provision per CBN Prudential Guidelines		83,817,315	1,372,049	85,189,365
Impairment Allowance as Per IAS 39 (Individual & Collective)	Note 17d	46,788,857	-	46,788,857
<b>Amount Required in Non Distributable Reserve</b>		<b>37,028,458</b>	<b>1,372,049</b>	<b>38,400,508</b>



# Statement of Accounting Policies

## 1.1 Corporate Information

Unity Bank Plc provides banking and other financial services to corporate and individual customer. 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.

Unity Bank is a Public Limited Liability company incorporated in Nigeria to carry on the business of banking. Its registered office is at Plot 785, Herbert Macaulay Way, Central Business District, Abuja. The Bank's shares are listed on the Nigerian Stock Exchange.

## 1.2 Basis of preparation

The financial statements have been prepared on a historical cost basis, except for available-for-sale investments, derivative financial instruments, other financial assets and liabilities held for trading, financial assets and liabilities designated at fair value through profit or loss.

The financial statements are presented in Nigeria naira (N) and all values are rounded to the nearest thousand naira, except when otherwise indicated.

### Statement of compliance

The financial statements of the bank have been prepared in accordance with IFRS as issued by the IASB. Where there are deviations necessitated by regulatory pronouncements/policy guides, full disclosure have been made.

### 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.

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 recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expense are not offset in the consolidated income statement unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Bank.

## 1.3 Significant accounting judgments, estimates and assumptions

In the process of applying the Bank's accounting policies, Management has exercised judgment and estimates in determining the amounts recognised in the financial statements. The most significant uses of judgment and estimates are as follows:

### Going concern

The Bank's Management has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, Management will continue to prepare the financial statements on the going concern basis.

### Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.



# Statement of Accounting Policies

## Impairment losses on loans and advances

The Bank divides its loan portfolio into significant and insignificant loans based on Management approved materiality threshold. The Bank also groups its risk assets into buckets with similar risk characteristics (industry) for the purpose of collective impairment of insignificant loans and unimpaired significant loans. The Probability of Default (PD) and the Loss Given default (LGD) are then computed using historical data from the loan buckets. The PD is adjusted by a Lag Identification Period (LIP) factor.

The Bank reviews its individually significant loans and advances at each statement of financial position date to assess whether an impairment loss should be recorded in the income statement. In particular, Management takes into consideration the estimated cash flows timing and the state of the pledged collateral when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. The Present Value of such cash flows as well as the present value of the fair value of the collateral is then compared to the Exposure at Default.

Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively in buckets of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The collective assessment of impaired insignificant loans is done with a PD of 100% and the historical LGD adjusted with the LIP factor while the collective assessment of unimpaired insignificant loans and significant loans is done with the historical PD and LGD adjusted with the LIP factor.

## Impairment of available-for-sale investments

The bank reviews its debt securities classified as available-for-sale investments at each statement of financial position date to assess whether they are impaired. This requires similar judgment as applied to the individual assessment of loans and advances.

The bank also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the bank evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than its cost.

## 1.3 Summary of significant accounting policies

### (1) Foreign currency translation

The financial statements are presented in Nigeria naira (N). Nigeria naira (N) is both the functional and reporting currency.

### (i) Transactions and balances

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 statement of financial position 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 rates as at the dates 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.



# Statement of Accounting Policies

## 2. Financial instruments – initial recognition and subsequent measurement

### (i) Date of recognition

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the bank becomes a party to the contractual provisions of the instrument.

### (ii) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the purpose and the management's intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

### (iii) Financial assets or financial liabilities held-for-trading

Financial assets or financial liabilities held-for-trading are recorded in the statement of financial position at fair value. Changes in fair value are recognised in 'Net trading income'. Interest and dividend income or expense is recorded in 'Net trading income' according to the terms of the contract, or when the right to the payment has been established.

### (iv) Financial assets and financial liabilities designated at fair value through profit or loss

Financial assets and financial liabilities classified in this category are those that have been designated by Management on initial recognition. Management may only designate an instrument at fair value through profit or loss upon initial recognition when the following criteria are met, and designation is determined on an instrument by instrument basis:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.
- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
- The financial instrument contains one or more embedded derivatives which significantly modify the cash flows that otherwise would be required by the contract.

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded in 'Net gain or loss on financial assets and liabilities designated at fair value through profit or loss'. Interest earned or incurred is accrued in 'Interest income' or 'Interest expense', respectively, using the effective interest rate (EIR), while dividend income is recorded in 'Other operating income' when the right to the payment has been established. Capital gains on assets not yet disposed are not recognised in the income statement.

### (v) 'Day 1' profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the bank immediately recognises the difference between the transaction price and fair value (a 'Day 1' profit or loss) in 'Net trading income'. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the income statement when the inputs become



# Statement of Accounting Policies

observable, or when the instrument is derecognised.

## (vi) Available-for-sale financial investments

Available-for-sale investments include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held-for-trading nor designated at fair value through profit or loss.

Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value.

Unrealised gains and losses are recognised directly in equity (other comprehensive income) in the 'Available-for-sale reserve'. When the investment is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the income statement in 'Other operating income'. Where the bank holds more than one investment in the same security they are deemed to be disposed of on a first-in first-out basis. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the EIR. Dividends earned whilst holding available-for-sale financial investments are recognised in the income statement as 'Other operating income' when the right of the payment has been established. The losses arising from impairment of such investments are recognised in the income statement in 'Impairment losses on financial investments' and removed from the 'Available-for-sale reserve'.

## (vii) Held-to-maturity financial investments

Held-to-maturity financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has the intention to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortisation is included in 'Interest and similar income' in the income statement. The losses arising from impairment of such investments are recognised in the income statement line 'Credit loss expense'.

If the Bank were to sell or reclassify more than an insignificant amount of held-to-maturity investments before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as available-for-sale. The Bank would no longer classify such financial instruments as Held-to-Maturity during the following 2 years.

## (viii) Due from banks and loans and advances to customers

'Due from banks' and 'Loans and advances to customers', include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the bank intends to sell immediately or in the near term and those that the bank upon initial recognition designates as at fair value through profit or loss.
- Those that the bank, upon initial recognition, designates as available for sale.
- Those for which the bank may not recover substantially all of its initial investment, other than because of credit deterioration.

After initial measurement, amounts 'Due from banks' and 'Loans and advances to customers' are subsequently measured at amortised cost using the EIR, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in 'Interest and similar income' in the income statement. The losses arising from impairment are recognised in the income statement in 'Credit loss expense'.



# Statement of Accounting Policies

## (ix) Debt issued and other borrowed funds

Financial instruments issued by the bank, that are not designated at fair value through profit or loss, are classified as liabilities under 'Debt issued and other borrowed funds', where the substance of the contractual arrangement results in the bank having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

After initial measurement, debt issued and other borrowings are subsequently measured at amortised cost using the EIR. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

## (x) Reclassification of financial assets

Reclassification is at the election of management, and is determined on an instrument by instrument basis. The Bank does not reclassify any financial instrument into the fair value through profit or loss category after initial recognition.

The Bank is permitted to reclassify, in certain circumstances, non-derivative financial assets out of the 'Held-for-trading' category and into the 'Available-for-sale', 'Loans and receivables', or 'Held-to-maturity' categories. It was also permitted to reclassify, in certain circumstances, financial instruments out of the 'Available-for-sale' category and into the 'Loans and receivables' category.

Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortised cost.

For a financial asset reclassified out of the 'Available-for-sale' category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired then the amount recorded in equity is recycled to the income statement.

The Bank may reclassify a non-derivative trading asset out of the 'Held-for-trading' category and into the 'Loans and receivables' category if it meets the definition of loans and receivables and the bank has the intention and ability to hold the financial asset for the foreseeable future or until maturity. If a financial asset is reclassified, and if the bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

## 3. Derecognition of financial assets and financial liabilities

### (i) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The Bank has transferred substantially all the risks and rewards of the asset, or
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the bank's continuing involvement in the asset. In that case,



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the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the bank could be required to repay. Differences between the carrying value of the asset and the consideration received and/or receivable is recognised in the profit and loss account.

## (ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

## 4. Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the bank retains substantially all the risks and rewards of ownership. The corresponding cash received is recognised in the consolidated statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within 'Cash collateral on securities lent and repurchase agreements', reflecting the transaction's economic substance as a loan to the bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the EIR. When the counterparty has the right to sell or re-pledge the securities, the bank reclassifies those securities in its statement of financial position to 'Financial assets held-for-trading pledged as collateral' or to 'Financial investments available-for-sale pledged as collateral', as appropriate.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within 'Cash collateral on securities borrowed and reverse repurchase agreements', reflecting the transaction's economic substance as a loan by the bank. The difference between the purchase and resale prices is recorded in 'Net interest income' and is accrued over the life of the agreement using the EIR.

If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within 'Financial liabilities held-for-trading' and measured at fair value with any gains or losses included in 'Net trading income'.

## 5. Determination of fair value

The fair value for financial instruments traded in active markets at the statement of financial position date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models. Consultations with experts may also be made where necessary.

## 6. Impairment of financial assets

The bank assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred



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after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial re-organisation, default or delinquency in interest or principal payments and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

## (i) Financial assets carried at amortised cost

For financial assets carried at amortised cost (such as amounts due from banks, loans and advances to customers as well as held-to-maturity investments), the bank first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the bank determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The interest income is recorded as part of 'Interest and similar income'. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the 'Credit loss expense'.

The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Bank's internal credit grading system, that considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences



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between loss estimates and actual loss experience.

With respect to loans and advances, the Provisioning determined under IFRS as stated above is compared with the requirement of the Central Bank of Nigeria Prudential Guidelines. Where the:

- Prudential Provisions is greater than IFRS provisions, the difference is transferred from the General Reserve to a non-distributable regulatory reserve.
- Prudential Provisions is less than IFRS provisions, the excess charges resulting is transferred from the regulatory reserve account to the General Reserve to the extent of the non-distributable reserve previously recognized.

## (ii) Available-for-sale financial investments

For available-for-sale financial investments, the bank assesses at each statement of financial position date whether there is objective evidence that an investment is impaired.

In the case of debt instruments classified as available-for-sale, the bank assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at amortised cost.

However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The interest income is recorded as part of 'Interest and similar income'. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

In the case of equity investments classified as available-for-sale, objective evidence would also include a 'significant' or 'prolonged' decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in the fair value after impairment are recognised in other comprehensive income.

## (iii) Renegotiated loans

Where possible, the bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR.

## 7. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 8. Leasing

The determination of whether an arrangement is a lease, or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.



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## Bank as a lessee

Leases which do not transfer to the bank substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term. Contingent rental payable are recognised as an expense in the period in which they are incurred.

## Bank as a lessor

Leases where the bank does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Where substantially all the risk and benefits of ownership of the asset have been transferred, the transaction is classified as a finance lease in the statements of financial position and presented as a receivable at an amount equal to the net investment in the lease. The net investment in the lease represents the gross investment in the lease (i.e. aggregate of the minimum lease payments receivable by the lessor under a finance lease, and any unguaranteed residual value accruing to the lessor) discounted at the interest rate implicit in the lease. The interest rate implicit in the lease takes into account the initial direct cost incurred.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the bank's net investment in the finance lease.

## 9. Recognition of income and expenses

Revenue is recognised 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 recognised.

### (i) Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available-for-sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Other operating income'.

### (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 recognised 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 recognised over the commitment period on a straight line basis.

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

### (iv) Dividend income

Dividend income is recognised when the bank's right to receive the payment is established.



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## 10. 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.

## 11. Property, Plant and Equipment

Property, Plant 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 amortisation period or method, as appropriate, and treated as changes in accounting estimates.

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

- Buildings... 50 years
- Computer equipments... 5 years
- Equipments... 5 years
- Motor Vehicles... 4 years
- Furniture and fittings... 5 years

Land is accounted for as finance lease and depreciated over the lease term usually 99 years. Where in managements' view the land constitutes an operating lease, it is treated as prepayment and spread over the lease term.

Property, Plant and Equipment is derecognised 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 recognised in 'Other operating income' in the income statement in the year the asset is derecognised.

## 12. Business combinations and goodwill

Business combinations are accounted for using the purchase method of accounting. This involves recognising identifiable assets (including previously unrecognised intangible assets) and liabilities (including contingent liabilities but excluding future restructuring) of the acquired business at fair value. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the fair values of the identifiable net assets acquired, the discount on acquisition is recognised directly in the income statement in the year of acquisition.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the bank's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the bank's cash-generating units (CGUs) or group of CGUs, which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit to which the goodwill is allocated represents the lowest level within the bank at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment in accordance with IFRS 8 Operating Segments.

Where goodwill forms part of a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.



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When subsidiaries are sold, the difference between the selling price and the net assets and goodwill is recognised in the income statement.

## 13. Intangible assets

The bank's other intangible assets include the value of computer software

An intangible asset is recognised 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 amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation 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 amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Amortisation 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

## 14. 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.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the bank estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

Impairment losses relating to goodwill CANNOT be reversed in future periods.

## 15. Financial guarantees

In the ordinary course of business, the bank gives financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognised in the financial statements (within 'Other liabilities') at fair



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value, being the premium received. Subsequent to initial recognition, the bank's liability under each guarantee is measured at the higher of the amount initially recognised less, when appropriate, cumulative amortisation recognised in the income statement, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the liability relating to financial guarantees is recorded in the income statement in 'Credit loss expense'. The premium received is recognised in the income statement in 'Net fees and commission income' on a straight line basis over the life of the guarantee.

## 16. Pension benefits

### Defined contribution pension plan

The bank also operates a defined contribution pension plan in line with the Pension Reform Act, 2004. 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.

## 17. Provisions

Provisions are recognised 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.

## 18. Taxes

### (i) Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statement of financial position date.

### (ii) Deferred tax

Deferred tax is provided on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable



# Statement of Accounting Policies

future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Current tax and deferred tax relating to items recognised directly in equity are also recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 19. 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.

## 20. Dividends on ordinary shares

Dividends on ordinary shares are recognised 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.

## 21. Equity reserves

The reserves recorded in equity (other comprehensive income) on the bank's statement of financial position include:

- † Available-for-sale<sup>1</sup> reserve which comprises changes in fair value of available-for-sale investments.

- † Statutory reserves are reserves mandated by statutory requirements.

- † Share reconstruction reserve and share premium are all capital reserves.

## 22. 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 Three (3) geographical segments which are: Central, North and South.

## 23. Non Current Assets Held for Sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Non-current assets are classified as Held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly

## Statement of Accounting Policies

probable and the asset is available for immediate sale in its present condition, management has committed to the sale and the sale is expected to be completed within one year from the date of classification.

Property Plant and Equipment and intangible asset classified as Held for sale are not depreciated or amortized. The Bank recognizes all impairment losses for any initial or subsequent write down of the asset to fair value less cost to sell. A gain is recognized in any subsequent increase in fair value less cost to sell of an asset held for sale, up to the cumulative impairment loss that has been recognized. A gain or loss not previously recognized at the date of the sale of a non-current asset shall be recognized at the date of de recognition. An impairment loss recognized will reduce the carrying amount of the non-current asset held for sale.



# Notes to the Financial Statements

## 2. 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 operates three geographical segments. These are Central, North and South Zones.

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.

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 2013 or the year ended 31 December 2014

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

31 December 2014	Central 31 December 2014 N'000	South 31 December 2014 N'000	North 31 December 2014 N'000	Unallocated 31 December 2014 N'000	Total 31 December 2014 N'000
<b>Operating income</b>					
Segment Revenues	17,667,351	10,794,882	19,733,181	28,876,075	77,071,490
Operating profit	13,945,416	5,307,113	14,557,738	(18,725,995)	13,639,390
Profit before Tax	13,945,416	5,307,113	14,557,738	(18,725,995)	13,639,390
<b>Income Tax</b>	(675,531)	(412,754)	(754,520)	(1,104,109)	(2,946,915)
Profit for the year	13,269,885	4,894,359	13,803,218	(19,830,105)	10,692,476
Segment assets	162,086,090	70,506,940	120,151,051	60,561,030	413,305,111
Segment Liabilities	162,086,090	70,506,940	120,151,051	60,561,030	413,305,111

31 December 2013	Central 31 December 2013 N'000	South 31 December 2013 N'000	North 31 December 2013 N'000	Unallocated 31 December 2013 N'000	Total 31 December 2013 N'000
<b>Operating income</b>					
Segment Revenues	15,611,583	23,522,621	15,117,940	8,575,784	62,827,927
Operating profit	1,303,991	(11,970,755)	(6,707,728)	(16,264,876)	(33,639,369)
Profit before Tax	1,303,991	(11,970,755)	(6,707,728)	(16,264,876)	(33,639,369)
<b>Income Tax</b>	2,747,468	4,139,725	2,660,592	1,509,244	11,057,029
Profit for the year	4,051,459	(7,831,030)	(4,047,136)	(14,755,632)	(22,582,339)
Segment assets	165,948,242	123,641,075	121,589,135	17,287,141	403,629,290
Segment Liabilities	165,948,242	123,641,075	121,589,135	17,287,141	403,629,290



# Notes to the Financial Statements

3	<b>Interest and similar income</b>	<b>31 December 2014</b>	31 December 2013
		N'000	N'000
	Placement with Banks	92,479	603,977
	Due from Banks and Discount Houses	17	127,174
	Loans and advances to customers*	49,744,863	41,613,647
	Advances under finance lease	727	4,154
	Financial investments – available-for-sale	9,050,189	2,039,510
	Financial investments – held-to-maturity	3,747,271	7,807,389
		<b>62,635,546</b>	<b>52,195,852</b>
	*Included in the interest earned on loans and advances are interest earned on impaired loans		
4	<b>Interest and similar expense:</b>		
	Due to banks	4,308,192	2,363,376
	Due to customers	12,098,662	18,287,258
	Debt issued and other borrowed funds	777,708	1,402,166
		<b>17,184,561</b>	<b>22,052,800</b>
5	<b>Net fees and commission income</b>		
	Fees and commission income		
	Credit related fees and commission	208,390	174,648
	Commission on turnover	1,097,427	2,209,081
	Facilities management fees	666,596	1,451,250
	Other fees and commission	8,742,061	3,499,894
		<b>10,714,474</b>	<b>7,334,874</b>
	<b>Fees and commission expenses</b>		
	Brokerage fees	-	-
	Other fees	-	-
		<b>10,714,474</b>	<b>7,334,874</b>
6	<b>Net trading income</b>	<b>31 December 2014</b>	31 December 2013
		N'000	N'000
	Foreign exchange*	1,698,232	48,823
		<b>1,698,232</b>	<b>48,823</b>
	* Included in the amount above as income from foreign exchange is N35.3million FX revaluation gain		
7	<b>Net Income from financial instruments at fair value through profit &amp; Loss</b>		
	Net Gain/(Loss) on HFT trading(Bonds)	(280,060)	-
		<b>(280,060)</b>	<b>-</b>



# Notes to the Financial Statements

<b>8</b>	<b>Other operating income</b>		
	Dividend income	272,440	288,435
	Gains from sale of financial investments	1,081,077	572,489
	Operating lease income	-	8,730
	Other incomes	949,780	2,378,724
		<b>2,303,297</b>	<b>3,248,378</b>
<b>9</b>	<b>Impairment losses</b>		
	Charge for the year	15,267,840	21,682,592
	Recoveries	(213,594)	(89,800)
	Credit loss expense	15,054,246	21,592,792
	Financial investments – available for sale		
	Debt securities		
	Quoted	-	-
	Unquoted	-	-
	Equities		
	Quoted	-	-
	Unquoted	-	11,000
		-	11,000
	Goodwill	-	509,256
	Non current assets held for sale	-	405,470
	Bank balances	-	10,125
		<b>15,054,246</b>	<b>22,518,518</b>
<b>10</b>	<b>Personnel expenses</b>		
	Wages and salaries	13,361,895	14,464,388
	Pension costs – Defined contribution plan	522,119	629,277
		<b>13,884,015</b>	<b>15,093,664</b>

# Notes to the Financial Statements

## 11 Other operating expenses

	31 December 2014 N'000	31 December 2013 N'000
Advertising and marketing	111,941	621,620
Administrative	8,956,771	8,884,889
Professional fees	449,430	100,911
Rental charges payable under operating leases	451,376	547,944
Impairment charge on other assets	2,315,294	17,049,243
Banking Sector Resolution Funds	1,036,643	5,998,672
Others	1,373,443	690,188
	<b>14,694,897</b>	<b>33,893,468</b>

Professional fees includes fees payable to the auditors in relation to the statutory audit of N80 million (2013: N80million).

## 12 Income tax

The components of income tax expense for the years ended 31 December 2014 and 2013 are:

	31 December 2014 N'000	31 December 2013 N'000
<b>Current tax</b>		
Company Income tax	494,108	229,250
Education tax	-	-
Technology levy	149,525	-
Capital gains tax	4,094	5,728
Additional assessment/ Under Provision	-	-
<b>Total current tax</b>	<b>647,727</b>	<b>234,978</b>
<b>Deferred tax</b>		
Origination/ reversal of temporary differences	2,299,187	(11,292,007)
<b>Total deferred tax</b>	<b>2,299,187</b>	<b>(11,292,007)</b>
<b>Total income tax expense</b>	<b>2,946,915</b>	<b>(11,057,029)</b>

### Reconciliation of tax charge

The Bank has unrelieved losses carried forward as at 31 December, 2014. Thus it was assessed on minimum tax basis.



# Notes to the Financial Statements

## 13 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 31st December, 2014 does not have any stock options, grants and convertible bonds

The following reflects the income and share data used in the basic earnings per share computations:

	31 December 2014 N'000	31 December 2013 N'000
Net profit attributable to ordinary shareholders for basic earnings	10,692,476	(22,582,339)
Weighted average number of ordinary shares for basic earnings per share	61,262,252	38,446,690
Basic earnings per ordinary share (kobo)	17.45	(58.74)
Diluted earnings per ordinary share (kobo)	17.45	(58.74)

The Bank successfully completed its rights issue and special placement during the year. This increased the number of the Bank's issued and fully paid up ordinary shares to 116,893,379,420 (2013: 38,446,689,026)

## 14 Dividends paid and proposed

	31 December 2014 N'000	31 December 2013 N'000
Declared and paid during the year		
Equity dividends on ordinary shares:	-	-

## 15 Cash and Balances with Central Bank

	31 December 2014	31 December 2013
Cash on hand	3,949,646	5,525,412
Less: Allowance for impairment losses	-	(59,836)
	3,949,646	5,465,576
Current account with the Central Bank of Nigeria	2,864,572	4,245,350
Deposits with the Central Bank of Nigeria	-	-
	6,814,218	9,710,926

\*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\*

# Notes to the Financial Statements

## Impairment allowance for cash and balances with central bank

	Cash on hand N'000	Current Account with CBN N'000
<b>At 01 January</b>	<b>59,836</b>	-
Additional provisions	-	-
Provision no longer required	-	-
Amounts written off	(59,836)	-
<b>At 31 December 2014</b>	<b>-</b>	<b>-</b>

16	Due from banks	31 December 2014 N'000	31 December 2013 N'000
	Placements with banks and discount houses	7,682,714	139,935
	Balances with banks within Nigeria	68,684	1,343,231
	Balances with banks outside Nigeria	8,406,962	6,894,445
		<b>16,158,360</b>	<b>8,377,611</b>
	Less: Allowance for impairment losses	-	(992,484)
		<b>16,158,360</b>	<b>7,385,127</b>

## Impairment allowance for due from banks and cash balances

A reconciliation of the allowance for impairment losses for due from banks, by class, is as follows:

	N'000
<b>At 1st January 2014</b>	<b>992,484</b>
Charge for the year	-
Recoveries	-
Provision no longer required	(431,421)
Amounts written off	(561,063)
Interest accrued on impaired placements and loans	-
<b>At 31 December 2014</b>	<b>-</b>
Cash and bank balances	-
Due from banks	-
	-

17	Loans & Advances	31 December 2014 N'000	31 December 2013 N'000
a	<b>Loans and advances to customers (by customer type)</b>		
	Government lending	13,479,148	11,140,014
	Corporate lending	108,863,024	70,520,153
	Consumer lending	141,320,969	139,114,427
	Interest receivable	2,461,062	4,860,364
	Gross Loans	<b>266,124,203</b>	<b>225,634,959</b>
	Less: Allowance for impairment losses	(46,788,857)	(30,405,386)
		<b>219,335,346</b>	<b>195,229,573</b>



# Notes to the Financial Statements

<b>b</b>	<b>Loans and advances to customers by Security</b>	<b>December 2014</b>	<b>December 2014</b>
		<b>N'000</b>	<b>N'000</b>
	Secured against real estate	148,612,582	48,700,593
	Secured by shares of quoted companies	951,090	1,298,470
	Otherwise secured	107,573,768	43,180,316
	Unsecured	8,986,762	132,455,580
		<b>266,124,203</b>	<b>225,634,959</b>
<b>c</b>	<b>Loans and advances to customers by Maturity</b>		
	0 to 30 days	101,775,507	26,906,640
	1-3 months	50,670,079	52,685,723
	3-6 months	20,636,576	15,476,293
	6-12 Months	25,976,313	47,984,091
	Over 12 Months	67,065,728	82,582,212
		<b>266,124,203</b>	<b>225,634,959</b>
<b>d</b>	<b>Impairment allowance for loans and advances to customers</b>		
	A reconciliation of the allowance for impairment losses for Loans and advances, by class is as follows:		
<b>i</b>		<b>31 December 2014</b>	<b>31 December 2013</b>
		<b>N'000</b>	<b>N'000</b>
	At 1 January	30,405,386	5,739,824
	Charge for the year	15,267,840	21,682,492
	Recoveries	(213,594)	(89,800)
	Amounts written off/ written back	1,329,225	3,072,870
	At 31 December	<b>46,788,857</b>	<b>30,405,386</b>
	Individual impairment	42,646,667	22,848,367
	Collective impairment	4,142,190	7,557,019
		<b>46,788,857</b>	<b>30,405,386</b>
	Gross amount of loans individually determined to be impaired before deducting individually assessed impairment allowance	<b>44,045,259</b>	<b>49,905,290</b>

- e** **Concentration of credit risk**  
Credit risk concentration is determined by management on the basis of geography and Industry. The geographical and industry concentration of risk asset are shown below:

# Notes to the Financial Statements

## Geographical Portfolio Distribution Analysis

S/n	State /Region	Total credit N'000 30 December 2014	Total credit N'000 30 December 2013
<b>SOUTH SOUTH</b>			
1	Akwai Ibom	179,220	120,436
2	Bayelsa	232,486	181,257
3	Cross rivers	2,030,494	687,953
4	Delta	7,154,694	5,575,273
5	Edo	2,537,653	2,213,494
6	Rivers	5,611,036	4,268,471
	Sub-total	17,745,582	13,046,883
<b>SOUTH WEST</b>			
7	Ekiti	616,450	559,856
8	Lagos	47,936,867	42,764,116
9	Ogun	5,292,954	4,362,586
10	Ondo	1,761,560	1,431,307
11	Osun	2,229,859	1,782,253
12	Oyo	683,017	558,536
	Sub-total	58,520,707	51,458,654
<b>SOUTH EAST</b>			
13	Anambra	1,048,352	851,201
14	Imo	842,596	683,295
15	Enugu	568,378	410,253
16	Abia	799,063	602,538
17	Ebonyi	-	-
	Sub-total	3,258,389	2,547,288
<b>NORTH WEST</b>			
18	Kano	31,985,301	28,218,666
19	Katsina	3,330,819	2,906,413
20	Kebbi	609,940	578,797
21	Jigawa	1,405,527	1,561,295
22	Sokoto	1,506,268	1,287,111
23	Zamfara	6,326,103	5,082,632
24	Kaduna	31,065,467	25,006,066
	Sub-total	76,229,425	64,640,980
<b>NORTH CENTRAL</b>			
25	Nasarawa	1,976,723	1,572,526
26	Niger	4,022,695	2,280,946
27	Plateau	948,183	732,320
28	Kogi	783,235	664,314
29	Kwara	5,597,153	5,395,002
30	Abuja	79,223,978	68,202,039
31	Benue	8,087,043	6,332,559
	Sub-total	100,639,011	85,179,706
<b>NORTH EAST</b>			
32	Adamawa	728,222	707,368
33	Borno	1,696,856	1,232,157
34	Bauchi	4,583,218	3,954,695
35	Gombe	1,141,349	932,268
36	Yobe	304,105	327,601
37	Taraba	1,277,337	1,607,358
	Sub-total	9,731,088	8,761,448
<b>TOTALS</b>		<b>266,124,203</b>	<b>225,634,959</b>



# Notes to the Financial Statements

17(i) Concentration of credit risk by Industry Buckets  
As at 31 December, 2014

Industry Type	Loans & Advances		% of total %	Value of Collateral		Not Impaired		% Not Impaired %	Impaired		% Impaired %
	N'000	%		N'000	%	N'000	%		N'000	%	
AGRICULTURE	40,120,019	15.08	11,938,722	37,287,164	93	2,832,854	7				
OIL & GAS	24,389,601	9.16	9,184,757	20,635,530	85	3,754,071	15				
CAPITAL MARKET	462,070	0.17	-	268,932	58	193,138	42				
REAL ESTATE ACTIVITIES	8,996,470	3.38	2,336,800	5,921,060	66	3,075,411	34				
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	3,889,275	1.46	83,050	3,857,270	99	32,005	1				
ADMINISTRATIVE, SUPPORT SERVICE ACTIVITIES	784,788	0.29	243,425	678,318	86	106,469	14				
EDUCATION	1,670,011	0.63	1,443,816	1,020,550	61	649,462	39				
HUMAN HEALTH & SOCIAL WORK ACTIVITIES	250,483	0.09	217,960	248,941	99	1,542	1				
MANUFACTURING	30,160,072	11.33	14,248,158	25,776,017	85	4,384,055	15				
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	183,817	0.07	56,066	183,810	100	7	0				
CONSTRUCTION	33,563,447	12.61	28,091,247	24,664,950	73	8,898,497	27				
FINANCE & INSURANCE	3,337,419	1.25	-	2,564,401	77	773,018	23				
GOVERNMENT	13,479,148	5.06	750,000	6,476,005	48	7,003,143	52				
POWER	-	-	-	-	-	-	-				
GENERAL COMMERCE	74,915,305	28.15	37,183,305	66,229,395	88	8,685,910	12				
OTHER PUBLIC UTILITIES	3,920	0.00	-	3,920	-	-	-				
TRANSPORTATION	17,744,680	6.67	2,358,346	12,496,919	70	5,247,762	30				
COMMUNICATION	12,173,678	4.57	583,320	11,022,163	91	1,151,515	9				
<b>TOTAL</b>	<b>266,124,203</b>	<b>100.00</b>	<b>149,563,672</b>	<b>219,335,346</b>	<b>82</b>	<b>46,788,857</b>	<b>18</b>				



# Notes to the Financial Statements

As at 31 December, 2013

Industry Type	Loans & Advances N'000	% of total %	Value of Collateral N'000	Not Impaired N'000	% Not Impaired %	Impaired N'000	% Impaired %
AGRICULTURE	34,014,577	15.08	7,537,382	29,087,859.46	86	4,926,717	14.48
OIL & GAS	20,608,296	9.13	4,566,648	17,159,615.58	83	3,448,680	16.73
CAPITAL MARKET	622,357	0.28	137,910	449,198.99	72	173,158	27.82
REAL ESTATE ACTIVITIES	7,307,945	3.24	1,619,387	5,463,717.21	75	1,844,228	25.24
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	3,170,461	1.41	702,551	2,914,314.66	92	256,146	8.08
ADMINISTRATIVE, SUPPORT SERVICE ACTIVITIES	539,532	0.24	119,556	437,743.90	81	101,788	18.87
EDUCATION	1,539,843	0.68	341,218	980,082.19	64	559,761	36.35
HUMAN HEALTH & SOCIAL WORK ACTIVITIES	523,358	0.23	115,972	500,471.96	96	22,886	4.37
MANUFACTURING	23,457,500	10.40	5,198,011	17,101,090.32	73	6,356,409	27.10
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	100,258	0.04	-	98,073.10	98	2,185	2.18
CONSTRUCTION	28,001,026	12.41	6,204,823	17,401,606.68	62	10,599,419	37.85
FINANCE & INSURANCE	5,960,831	2.64	1,320,877	2,427,145.97	41	3,533,685	59.28
GOVERNMENT	11,384,340	5.05	2,522,687	5,613,292.06	49	5,771,048	50.69
POWER	-	-	-	-	-	-	19.24
GENERAL COMMERCE	64,814,153	28.73	14,362,344	52,341,290.27	81	12,472,862	32.77
OTHER PUBLIC UTILITIES	-	-	-	-	-	-	-
TRANSPORTATION	14,139,915	6.27	3,133,302	9,506,885.23	67	4,633,030	30.40
COMMUNICATION	9,450,567	4.19	2,094,177	6,577,367.31	70	2,873,200	30.40
<b>TOTAL</b>	<b>225,634,959</b>	<b>100.00</b>	<b>49,999,064</b>	<b>168,059,754.88</b>	<b>74</b>	<b>57,575,204</b>	<b>25.52</b>



# Notes to the Financial Statements

18	<b>Financial investments</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
a	<b>Held for trading investments</b>	<b>N'000</b>	<b>N'000</b>
	<b>Quoted investments</b>		
	Debt securities - Bills	500,000	-
	Debt securities - Bonds	2,293,700	-
	Equities	-	-
		<b>2,793,700</b>	-
	<b>Unquoted investments</b>		
	Debt securities	-	-
		<b>2,793,700</b>	-
	Collective impairment	-	-
		<b>2,793,700</b>	-
b	<b>Available for sale investments</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
		<b>N'000</b>	<b>N'000</b>
	<b>Quoted investments</b>		
	Debt securities - Bills	46,892,684	46,724,547
	Debt securities - Bonds	9,554,961	564,893
	Equities	282,324	282,324
		<b>56,729,969</b>	47,571,764
	<b>Unquoted investments</b>		
	Debt securities	-	-
	Equities	1,455,523	2,602,128
		<b>1,455,523</b>	2,602,128
	<b>Financial investments – Available for sale</b>	<b>58,185,492</b>	50,173,892
	Less: Allowance for impairment	(282,324)	(717,554)
	<b>Financial investments – Available for sale less impairment</b>	<b>57,903,167</b>	49,456,338
c	<b>Quoted investments pledged as collateral</b>		
	Government debt securities	-	-
	Other debt securities	-	-
	Equities	-	-
	<b>Unquoted investments pledged as collateral</b>		
	Government debt securities	-	-
	Equities	-	-
	<b>Financial investments – available for sale and pledged as collateral</b>	<b>19,605,200</b>	38,330,267
	Collective impairment	-	-
		<b>19,605,200</b>	38,330,267

# Notes to the Financial Statements

- i All unquoted available for sale equities are recorded at cost since their fair values cannot be reliably estimated
- ii They represent investment in SMEs whose shares are not traded in any active market.
- iii The decision of the Bank to continue to hold these investment is principally on the basis of earning dividend income .
- iv The Bank would dispose the investments when it deems necessary to do so or as a result of business exigencies either by selling shares to interested existing investees or such identified buyers.

d	Held to maturity investments	N'000	N'000
	<b>Quoted investments</b>		
	Government debt securities	26,550,431	15,059,300
	Other debt securities	-	-
		<b>26,550,431</b>	<b>15,059,300</b>
	<b>Unquoted investments</b>		
	Debt securities	-	13,256,992
		<b>26,550,431</b>	<b>28,316,292</b>
	Collective impairment	-	(56,428)
		<b>26,550,431</b>	<b>28,259,864</b>
<b>19</b>	<b>Other assets</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
		N'000	N'000
	Advances under finance lease	-	15,560
	Other assets comprise:		
	Prepayments	3,045,511	5,077,402
	Interbranch balances	5,612,911	8,004,354
	Fraud suspense	982,206	570,267
	Stationery stocks	226,049	238,654
	Other stocks	44,642	189,653
	Head office suspense accounts	-	12,163,751
	Account receivables	417,080	4,787,679
	Other debit balances	10,201,927	14,720,280
		<b>20,530,326</b>	<b>45,767,601</b>
	Less:		
	Allowance for impairment on other assets	<b>(11,848,624)</b>	<b>(30,241,011)</b>
		<b>8,681,702</b>	<b>15,526,590</b>

## Impairment allowance for advances under finance lease, other assets and non current assets held for sale

	Other assets N'000	Non Current Assets held for sale N'000	Total N'000
<b>At 01 January 2014</b>	30,241,011	405,471	30,646,481
Charge for the year	2,315,294	-	2,315,294
Amounts written off	(20,707,681)	0.00	(20,707,681)
<b>At 31 December 2014</b>	<b>11,848,624</b>	<b>405,471</b>	<b>12,254,094</b>



# Notes to the Financial Statements

20	Property and equipment	Land and Buildings N'000	Leasehold Improvement N'000	Motor Vehicle N'000	Plant & Equipment N'000	Furniture & Fittings N'000	Total N'000
<b>Cost:</b>							
	At 01 January 2014	17,610,643	2,129,898	3,282,971	13,125,139	2,879,552	39,028,203
	Additions	281,409	52,222	279,738	381,558	264,303	1,259,230
	Disposals	(71,090)	-	(85,214)	(483,294)	(8,870)	(648,468)
	At 31 December 2014	17,820,962	2,182,120	3,477,495	13,023,403	3,134,985	39,638,965
<b>Depreciation and impairment:</b>							
	At 01 January 2014	2,095,462	1,619,231	2,767,770	10,267,951	2,186,135	18,936,549
	Additions	415,092	273,774	285,079	1,019,426	391,881	2,385,252
	Disposals	(26,318)	-	(75,929)	(72,067)	-	(174,313)
	At 31 December 2014	2,484,237	1,893,005	2,976,920	11,215,310	2,578,016	21,147,488
<b>Net book value:</b>							
	At 31 December 2014	15,336,725	289,115	500,575	1,808,093	556,969	18,491,476
	At 01 January 2014	15,515,181	510,667	515,201	2,857,188	693,417	20,091,653

Leased assets of the bank have been disclosed separately as leasehold improvement as shown above. There are no outstanding commitments on lease payments.

21	Goodwill and other intangible assets	31 December 2014	31 December 2014	31 December 2014
		Goodwill N'000	Computer Software N'000	Goodwill & Computer Software N'000
<b>Cost:</b>				
	At 01 January 2014	16,471,335	3,092,363	19,563,698
	Additions:			
	Internally Developed	-	24,880	24,880
	External Purchase	-	40,437	40,437
	Disposals	-	-	-
	At 31 December 2014	16,471,335	3,157,681	19,629,015
<b>Amortisation and impairment:</b>				
	At 01 January 2014	509,256	2,173,890	2,683,146
	Additions	-	307,111	307,111
	Disposals/Write offs	(509,256)	-	-
		-	2,481,001	2,481,001
<b>Net book value:</b>				
		16,471,335	676,680	17,148,015
	At 31 December 2013	16,471,335	918,473	17,389,808

# Notes to the Financial Statements

Since 2008, the Bank has always tested Goodwill for impairment on an annual basis in line with IFRS 3. Goodwill carried in the Bank's books was tested for impairment as at the transition date 1/1/2011 and every other year. The impairment test of 2014 showed that no CGU was impaired during the 2014 financial year

22	<b>Deferred tax</b>	<b>31 December 2014</b>	31 December 2013
		<b>N'000</b>	N'000
	The movement on the deferred tax payable account during the year was as follows:		
	At the beginning of the period	<b>19,036,676</b>	7,147,823
	Temporary difference on fixed assets	<b>(178,719)</b>	250,524
	Impairment allowance on other assets	<b>(5,031,845)</b>	6,966,860
	Unabsorbed loss and capital Allowance	<b>661,550</b>	3,998,033
	Others	<b>2,249,826</b>	76,591
		<b>(2,299,188)</b>	11,292,007
	Unrealized gain on Available for sale financial investments	-	-
		<b>16,737,488</b>	19,036,676

23	<b>Non Current Assets Held For Sale</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
	At 1 January 2014	<b>3,617,913</b>	427,115
	Additions	-	<b>3,461,478</b>
	Less Impairment	<b>(405,470)</b>	<b>(405,470)</b>
	Disposals/Write offs	<b>(126,435)</b>	<b>(270,655)</b>
	At 31 December 2014	<b>3,086,008</b>	<b>3,212,468</b>

The balance on non current assets held for sale represent the cost of investment in two (2) subsidiaries of the bank that had not been fully disposed off as at the year end. These subsidiaries are Unity Bureau de Change and Unity Kapital Assurance Plc.

Unity Bureau De Change Limited	<b>30,000</b>	<b>156,435</b>
Unity Kapital Assurance Plc	<b>3,461,478</b>	<b>3,461,478</b>
	<b>3,491,478</b>	<b>3,617,913</b>

- a In line with directives of Central Bank of Nigeria, the Board and Shareholders approved the disposal of the Bank subsidiaries in 2011. The subsidiaries have been disposed except Unity Bureau De Change and Unity Kapital Assurance. A substantial percentage of Unity Bureau de Change has been disposed. The balance on them have been treated as non-current assets held for sale in line with IFRS 5.

Disposal process for Unity Kapital Assurance Plc had been concluded before the approval of this Financial Statements



# Notes to the Financial Statements

24	Due to customers	31 December 2014	31 December 2013
<b>i</b>	<b>Analysis by type of account:</b>		
		N'000	N'000
	Demand	149,646,956	152,612,502
	Savings	39,186,055	36,980,000
	Time deposits	75,861,095	73,750,467
	Special product	728,233	7,670,995
	Domiciliary	7,405,208	5,362,868
	Due to other banks	4,198,067	26,893,728
		<b>277,025,613</b>	<b>303,270,560</b>
<b>ii</b>	<b>Analysis by type of depositors</b>		
	Government	90,093,180	117,650,736
	Corporate	99,871,343	77,795,951
	Individuals	87,061,089	106,067,383
		<b>277,025,613</b>	<b>303,270,560</b>
<b>iii</b>	<b>Analysis by maturity</b>		
	0-30 days	246,610,279	206,047,520
	31-90 days	28,436,780	83,228,320
	91-180 days	1,019,498	972,197
	181-360 days	959,056	13,022,523
		<b>277,025,613</b>	<b>303,270,560</b>

25	Debt issued and other borrowed funds	Bank of Industry/CBN/Others N'000	AFREXIM N'000	Totals N'000
	As at 01 January 2014	36,827,009	17,492,083	54,319,092
	Additions	-	1,011,414	1,011,414
	Payments	(7,937,777)	(1,892,917)	(9,830,694)
	As at 31 December 2014	<b>28,889,232</b>	<b>16,610,580</b>	<b>45,499,812</b>

**a Bank of Industry Loan**

The amount represents finance from the bank of industry as intervention funds for some industries. Disbursements have been made and form part of the bank's total loan portfolio. The bank has pledged FGN Bonds for the above in the sum of N13.06 billion

**b 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 USD84 million deed whereby UnityBank will assign to AFREXIM all securities taken from its clients benefitting from this facility

# Notes to the Financial Statements

26	<b>Current tax liabilities</b>	31 December 2014 N'000	31 December 2013 N'000
	Current tax payable		
	At the beginning of the period	425,554	591,511
	Amounts recorded in the income statements	647,727	229,250
	Payments made on-account during the year	(425,554)	(400,935)
	Prior year's under/(over)provision	-	-
		<b>647,727</b>	<b>425,554</b>
27	<b>Other liabilities</b>		
	Interest payable	1,232,625	1,054,178
	Accounts payable	2,137,093	1,545,794
	Bankers payment and branch drafts	512,667	1,952,328
	Deferred fees	129,119	542,282
	Provisions and accruals	769,814	309,185
	Obligations under financial guarantees	-	4,415
	Unearned discounts and incomes	2,787,175	3,949,103
	Margin on letters of credit	145,983	1,405,571
	Banking sector resolution fund	5,239,629	4,232,536
	Sundry Creditors	838,079	1,936,497
		<b>13,792,184</b>	<b>16,931,889</b>

The movement in Obligations under financial guarantees during the period ended December 2014 is as follows:

At 1 January 2014	4,415	525,272
Arising during the year	125,200	125,200
Utilized	(129,615)	(646,057)
At 31 December 2014	-	4,415

## 28 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 assets of the plan are held separately from those of the bank in a fund under the control of trustees.

The total expense charged to income of N522 million represents contributions payable to these plans by the bank at rates specified in the rules of the plan.



# Notes to the Financial Statements

	31 December 2014 N'000	31 December 2013 N'000
Opening defined contribution obligation	469,555	319,771
Charge for the year	522,120	999,380
Payment to PFAs	(915,895)	(849,596)
	<b>75,780</b>	<b>469,555</b>

## 29 Issued capital and reserves

	31 December 2014 N'000	31 December 2013 N'000
120,000,000,000 ordinary shares of 50 kobo each (2013 - 80,000,000,000 ordinary shares of 50 kobo each)	<b>60,000,000</b>	60,000,000
<b>Ordinary shares</b>		
Issued and fully paid:		
116,893,379,420 ordinary shares of 50k each	<b>58,446,690</b>	19,223,345

### Reconciliation of No of Ordinary Shares

	N'000
At 01 January 2014	38,446,690
Rights Issue	38,446,690
Special Placement	40,000,000
At 31 December 2014	<b>116,893,379</b>

# Notes to the Financial Statements

30 Other reserves	Available for sale reserve N'000	Share reconstruction reserve N'000	Reserve for SMIEIS N'000	Total N'000
<b>At 31 December 2013</b>	<b>(54,585)</b>	<b>14,501,904</b>	<b>440,116</b>	<b>14,887,436</b>
<b>At 01 January 2014</b>	(54,585)	14,501,904	440,116	<b>14,887,435</b>
Write off from reserves	-	-	-	-
Transfer to/(from) retained earnings in respect of excess of Prudential guideline provisions over IFRS	-	-	-	-
Net loss on available for sale financial assets	(420,821)	-	-	<b>(420,821.27)</b>
<b>At 31 December 2014</b>	<b>(475,406)</b>	<b>14,501,904</b>	<b>440,116</b>	<b>14,466,615</b>

#### Available for Sale Reserve

Available for Sale Reserves comprises changes in the fair value of available for sale financial assets

#### Share Reconstruction Reserve

The Shareholders of the Bank agreed at the Extra-Ordinary General Meeting of the Bank held at Nicon Hilton Hotel, Abuja on the 6 December 2006 to restructure the issued and fully paid capital from N21,752, 856 to N7,250, 952 which represents one new issued share for every three previously held leading to capital reserve of N14,501,904,000. As at the time of preparing this financials, the Bank has concluded plans to restructure its fully paid capital by issuing one share for every ten previously held.

#### 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.



# Notes to the Financial Statements

31	Additional cash flow information	31 December 2014 N'000	31 December 2013 N'000
	<b>Cash and cash equivalents</b>		
	Cash on hand (Note 15)	3,949,646	5,465,576
	Current account with the Central Bank of Nigeria (Note 15)	2,864,572	4,245,350
	Due from banks	16,158,360	7,385,127
		<b>22,972,578</b>	<b>17,096,053</b>

The deposits with the Central Bank of Nigeria (Cash Reserve Requirements) is not available to finance the bank's day-to-day operations and, therefore, are not part of cash and cash equivalents.

	31 December 2014 N'000	31 December 2013 N'000
<b>Changes in operating assets</b>		
Deposits with the Central Bank of Nigeria	-	27,696,943
Loans and advances to customers	(39,160,019)	(30,853,791)
Other assets	4,656,054	(13,304,305)
	<b>(34,503,965)</b>	<b>(16,461,152)</b>
<b>Changes in operating liabilities</b>		
Due to customers	(26,244,948)	34,394,799
Current tax liabilities	0	(165,957)
Other liabilities	(3,139,705)	(1,924,782)
Defined contribution	(393,775)	149,784
	<b>(29,778,427)</b>	<b>32,453,844</b>

Other non-cash items included in profit before tax

	31 December 2014 N'000	31 December 2013 N'000
Impairment losses on Bank balances	-	10,125
Impairment losses on Other assets	2,315,294	17,049,243
Impairment losses on Risk assets	15,054,246	21,592,692
Impairment losses on Investments	-	11,000
Depreciation of property and equipment	2,307,269	2,508,152
Amortisation of intangible assets	307,111	390,668
Gains from sale of investments	(1,081,077)	(572,489)
Changes in operating assets	<b>18,819,698</b>	<b>40,921,216</b>

# Notes to the Financial Statements

## 32 Fair value of financial instruments

### 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.

### Financial investments – available for sale

Available for sale 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.

### 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 2014	Level 1	Level 2	Total
Financial assets	N'000	N'000	N'000
<b>Financial investments available for sale</b>			
Treasury bills	46,892,684	-	46,892,684
Government bonds	9,554,961	-	9,554,961
Quoted equity investment	282,324	-	282,324
Unquoted equity investments	-	1,455,523	1,455,523
	<b>56,729,969</b>	<b>1,455,523</b>	<b>58,185,492</b>
<b>31 December 2013</b>			
Financial assets	Level 1	Level 2	Total
	N'000	N'000	N'000
<b>Financial investments available for sale</b>			
Treasury bills	46,724,547	-	46,724,547
Government bonds	564,893	-	564,893
Quoted equity investment	282,324	-	282,324
Unquoted equity investments	-	2,602,128	2,602,128
	<b>47,571,764</b>	<b>2,603,278</b>	<b>50,173,892</b>



# Notes to the Financial Statements

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## Movements in level 1 financial instruments measured at fair value

The level of the fair value hierarchy of financial instruments is determined at the beginning of each reporting period. The following table shows a reconciliation of the opening and closing amounts of level 2 financial assets and liabilities which are recorded at fair value:

	At 1 January 2014 N'000	Total gains/ (losses) recorded in profit or loss N'000	Total gains/(losses) recorded in equity N'000	Purchases N'000	Sales N'000	Settlements N'000	Transfer from level 3 to level 2 N'000	At 31 Dec-14 N'000
<b>Financial investments available for sale:</b>								
Unquoted equity investments	2,602,128	-	-	-	(1,146,606)	-	-	1,455,523
	2,602,128	-	-	-	(1,146,606)	-	-	1,455,523

The following table shows total gains and losses recognised in profit or loss during the year relating to assets and liabilities held at the year end.

	Net trading Income N'000	Other operating Income N'000	Net gain or [loss] on financial instruments designated FVTPL N'000	Net trading Income N'000	Other operating Income N'000	Net gain or [loss] on financial instruments designated FVTPL N'000
<b>Financial investments - available for sale:</b>						
Quoted investments	-	272,440	-	-	288,435	-
Government bonds	-	1,450,316	(280,060)	-	3,524,505	-
Treasury bills	-	9,050,189	-	-	4,282,884	-
	-	10,772,945	(280,060)	-	8,095,824	-





# Risk Management Disclosures

## Risk Management Initiatives

The focus of Enterprise Risk Management in Unity Bank is to identify material risks that could affect the Bank's objectives and manage them in an integral basis across the enterprise following the evaluation of their potential impact.

The framework runs on a platform of policies and processes that can proactively identify, measure, manage, control, monitor and report on enterprise risk exposures in the Bank on an integrated basis.

The Bank has continued to carry on its implementation of risk management policies during the period under review. During the Financial Year ending 31st December 2014, the apex bank directed that all Deposit Money Banks (DMB) must certify to the Payment Card Industry Data Security Standard (PCI DSS) to ensure adequate protection for all payment channels. It also introduced the Information Technology Standard Baseline Assessment for all DMB i.e ITIL - For IT service Management, ISO 27001 - For Information Security Management Systems and ISO 8583 - For Financial transaction card originated messages, interchange message specification.

The above was in continuation of the Central Bank of Nigeria's continued drive for its cashless policy. It was therefore pertinent that certification to the PCI DSS was made compulsory for all players in the Banking industry, this is with prejudice to the fact that information security risks has correspondingly escalated along with the cashless policy. Unity Bank Plc having previously certified to the ISO 27001 Standards in 2012 and subsequent recertification in 2013, and in response to the Payment Channels risk as highlighted by the apex bank, the risk mitigation of Unity Bank was further strengthened with the Bank's successful re-certification to the prestigious Payments Cards Industry Security Standards (PCIDSS) in April 2014.

With respect to credit risk management, the Bank has continued to maintain the credit workflow engine, successfully deployed in the prior year.

## Global And Local Economic Environment Risk Overview

On the International economy scene, Global growth which moderated more than expected in the first quarter of 2014 regained momentum in the second quarter although recovery remained largely uneven. The United States provided strong tailwinds for growth recovery but fiscal constraints continued to limit robust possibilities.

Correspondingly, economic activity in the United Kingdom maintained a strong momentum in the second quarter, supported by improved household confidence and an impressively recovering housing market. Growth in China also recovered following the fiscal policy stimulus and a surge in credit.

On the contrary, growth moderated in Japan after the VAT hike in April, but the quantitative easing programme of the Bank of Japan continues to support recovery. Growth in the Euro area is expected to strengthen 1.5 per cent in 2015, but would remain uneven across the region, reflecting continued financial fragmentation, impaired private and public sector balance sheets, and high unemployment in some EU economies.

Global inflation has remained relatively stable while spare capacity remains large, suggesting no significant inflationary pressures in the short-to-medium-term. The stance of monetary policy has remained unchanged across most advanced and emerging economies in view of the unclear outlook for monetary conditions and financial stability especially in the post-QE tapering era.

The expectations of increase in policy interest rate remain in focus in the US and the UK, even though the Fed reaffirmed that it would maintain the current highly accommodative monetary policy stance. The European Central Bank (ECB) and Peoples Bank of China (PBoC) have also announced new monetary stimulus programmes which will moderate the impact of the end of QE3 on frontier markets.

On the Domestic scene, Security Risks took a new dimension, as the year has been characterized by terrorism activities, terrorist activities led to the closure of some business locations to mitigate security risk. Though, major successes were recorded in the fight against terrorism with the modified state of emergency declared by the Federal Government, full military actions in troubled areas, massive support from the international community and security awareness and education.

# Risk Management Disclosures

As all the attention went to politics, Political Risks were elevated as preparations for 2015 Presidential elections commences in earnest. The political parties intensified their efforts to ensure success for their various parties. INEC has been challenged to deliver a credible election in 2015.

On the domestic economy, the non-oil sectors contribution to the economy continued on its northward trajectory recording 6.71 per cent in Q2, 2014; although lower than the 8.21 and 8.88 per cent recorded in Q1, 2014 and the corresponding quarter of 2013, respectively.

The decline in growth of non-oil GDP in the two periods was traced to the decline in agricultural output, construction, trade and services relative to the levels recorded in Q1, 2014. The slowdown in agricultural output was attributed to the insurgency activities in the North Eastern axis and some parts of the North Central States which led to displacement of farming communities, thereby limiting agricultural activities and, hence, output from that region.

Growth in the services and industry sectors remained relatively stable compared with the corresponding period in 2013. The great efforts of government at all levels and the general population for the coordinated, prompt and effective response to the Ebola Virus Disease (EVD) in Lagos and Port Harcourt is highly commendable; two cities that are commercial hubs and leading growth axes for the service and industry sectors of the economy

The oil sector grew by 5.14 per cent in Q2 2014, a marked reversal from the decline recorded in the preceding four quarters. The intensification of efforts by government at addressing vandalism of oil facilities and theft of crude oil in the Niger Delta region as well as efforts towards addressing gas supply shortages to the power plants is a good development.

Currency Risk continues to be a major concern for the industry as the Apex Bank had to sustain its intervention strategy to avoid the local currency taking a free fall, relative to major International currencies.

## Strategic Risk

The Bank recently carried out a major structural review to enable a vigorous implementation of its growth strategy to move from the present position to become the retail bank of choice and take its place among the top five banks in the country.

This restructuring exercise carried out by the bank led to some reorganization to place its people based on demonstrated competence and talents, to support the drive towards the achievement of its ambitious but realistic corporate strategy and enable resources to align with strategic deliverables.

The Strategy is being communicated effectively to the workforce and efforts have been made to ensure the buy-in of all the stakeholders

Strategic risk associated with the development and successful implementation of the new strategy was and is being continually mitigated. The potential loss associated with the development of strategic plan which can arise from inappropriate implementation of strategy that can result in lack of achievement of desired corporate goals is being countered with appropriate mitigation.

## Compliance And Legal Risk

The Bank implemented both system-based and manual controls to ensure compliance with rules, regulations and laws governing operations of a financial institution in Nigeria. We have Zero-tolerance for non-compliance with Know-your-customer and Know-your-customers' business regulations in the Bank. Officers are exposed to detailed and regular training on anti-money laundering practices to acquire relevant capacity to manage these franchise risk issues. Expert opinions are obtained from internal and external solicitors to manage legal risks in all its key decision making processes. The bank regularly engages a consultant to carry out detailed review of the Bank's Compliance risk management policies and processes with a view to determining the existing gaps and proffering appropriate remediation for such identified gaps in the framework.



# Risk Management Disclosures

Compliance issues are given top priority by the bank, compliance and legal risks are proactively identified and mitigated accordingly.

## Credit Risk

As is already public information, the Bank's management witnessed major changes in the prior year. This changes and the inherent change in management style has impacted positively on the Bank's credit risk mitigation processes.

Credit risk is the risk that a counterparty will cause a financial loss to the Bank by his/her inability to discharge its obligation. This risk arise primarily from the Bank's lending activities (Risk Management Group) and investment activities (Treasury Group). An analyses of the Bank's risk portfolio, will show that credit risk forms a more than insignificant portion of that portfolio and therefore it is imperative to management that the risk relating to credits are managed carefully and optimally.

## Operational Risk

The Bank's operational risk management focus is on the minimization of operational losses attributable to failed or inadequate processes, systems, people and external events. The results of these efforts were evidenced in the relatively low fraud rate and amount during the period which is far below industry average.

Some fraud control measures including cheque processing and confirmation procedures were tightened during the period under review. Massive fraud awareness campaign which was commenced in previous financial year was concluded during the year.

The Information Technology system down-time and failure risk were isolated to be significant hence the Bank decided to increase investments in replacement and up-grading of its servers. In this respect, the Bank became the first to deploy Oracle 11G in the Nigerian banking industry. In line with this, it also introduced Citrix software to help optimize its network resources. Also in order to achieve higher level of customers' satisfaction, the Bank deployed 'BPM' workflow engine to automate its credit process.

Physical Security risk was also responded to with appropriate mitigation procedures by improved surveillance and caution in all the Bank's business locations.

## Reputational Risk

The Bank has intensified its efforts in mitigating any risk that can affect its reputation. Part of this effort is the implementation of a strategy to ensure Customers complaints are resolved within the stipulated timelines given by the CBN with regards its categorized complaints. The Bank is also in the process of integrating its complaints resolution portal with the CBN complaints portal, plan is in place to ensure we meet the CBN deadline of November 2015 to achieve same.

A full-fledged Customers' Care Centre has also been upgraded with adequate staffing to improve the response time to customers' issue logging and resolution across the enterprise and has since commenced 24 hours service to customers.

A department in charge of quality management across the Bank has also been set up. This is to ensure that high service standards are maintained across the Bank and to ensure that brand losses are reversed, this department is manned by highly qualified individuals and supervised by an Executive Director.

# Risk Management Disclosures

## Contingency Planning Framework

The Bank has a robust contingency plan in place to ensure that pragmatic steps are taken to manage exposure of enterprise risks relating to the potential occurrence of adverse events, minimize the impacts thereof and plan for how the business will resume normal operations after such events. Our Contingency Planning Framework aims to protect the Bank's resources, minimize customer inconveniences and ensure the smooth and uninterrupted conduct of our business, across all locations, despite uncertainties in the operating environment.

The framework includes the following:-

- **Succession Planning:** The Bank has the process of identifying and developing internal people with the potential to fill key leadership positions in the organization. This also increases the availability of experienced and capable employees that are prepared to assume roles for vacancies when they become available. It includes the process by which the Bank ensures that employees are recruited and developed to fill each key role as vacancies arise from eligible and qualified persons from within the Bank.
- **Liquidity and Capital Adequacy:** The Bank has liquidity contingency plan in place to enable it access alternative sources of funds if initial projections of funding sources and uses fail. As it is not feasible to hold funds to such an extent that it covers least likely events as well, the contingency plan will act as the bridge between the actual liquidity that is being held by the entity and the maximum that would be needed in the event of a run on liquidity.

Similarly, the enterprise-wide risk management approach adopted by the Bank in managing its affairs is to ensure that no material loss can occur so rapidly as to create insolvency condition for the Bank in case of an unforeseen loss event

- **ISMS and IT Risk Framework:** This process is being maintained by the Bank for the implementation and management of controls to ensure that the specific information security objectives of the Bank are met hence ensuring compliance with the regulatory standards. Nineteen (19) Information Security Management systems (ISMS) Policies are in place to enable proper maintenance of the framework. The Bank successfully carried out an information security surveillance audit for 2014 (Conducted by BSI- British Standard Institute)

Furthermore, the Bank has established a Disaster Recovery (DR) Site with standard Information Technology Infrastructures located at Lagos for timely data replication and backup for mission-critical business functions to ensure continuity during and after a disaster.



# Risk Management Disclosures

## Risk Management Outlook

The Bank has engaged professional risk specialist to anchor its enterprise risk management directorate to effectively prepare for the higher level of risk management in the next financial year. The successful upgrade of the Bank's enterprise risk management policies and processes is also a proactive way of preparing for the risk that may crystallize in the course of business. The Bank is poised to strategically control its risk with appropriate risk methodology and ensure a positive leap in the earnings of the Bank in future financial years.

## Conclusion

To create and preserve value for our numerous internal and external stakeholders, the Board and Management of the Bank are committed to implementing robust risk management policies and procedures.

In response to the sustained tightening policy stance of the Apex bank, the Bank recently accessed the capital market through a right issue and special placements to shore up its capital. The exercise was a huge success and has projected the Bank's image to the public in good light. The Management has also made significant strides in its effort to reduce operating expense and have embarked on an aggressive recovery of its Non Performing risk assets with an ambitious target to recover N40bn in the coming year.

We strongly believe that an effective and efficient enterprise risk management framework will lead to sustainable growth and survival of any enterprise especially during extreme conditions of stress as might be the case in the coming year.

The Bank will not rest on its oars, it will continue to ensure best practice in risk management, improve the risk management culture across the enterprise and ensure that the risk management policies are embedded in the decision and operational levels of the Bank.

Thank you.



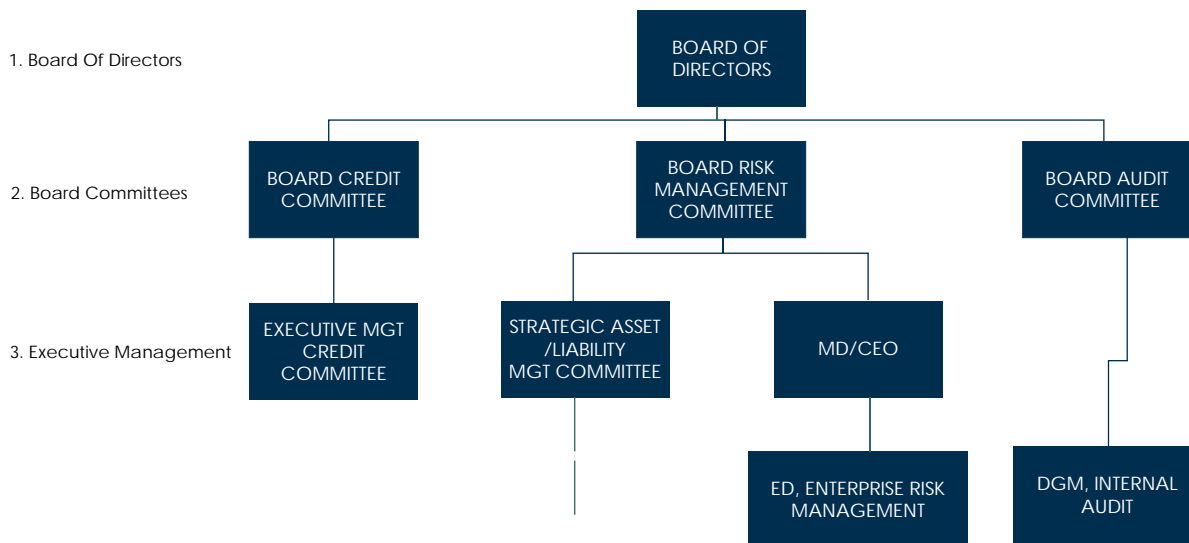
**Dahiru Chadi**

Executive Director, Enterprise Risk Management/Chief Risk Officer

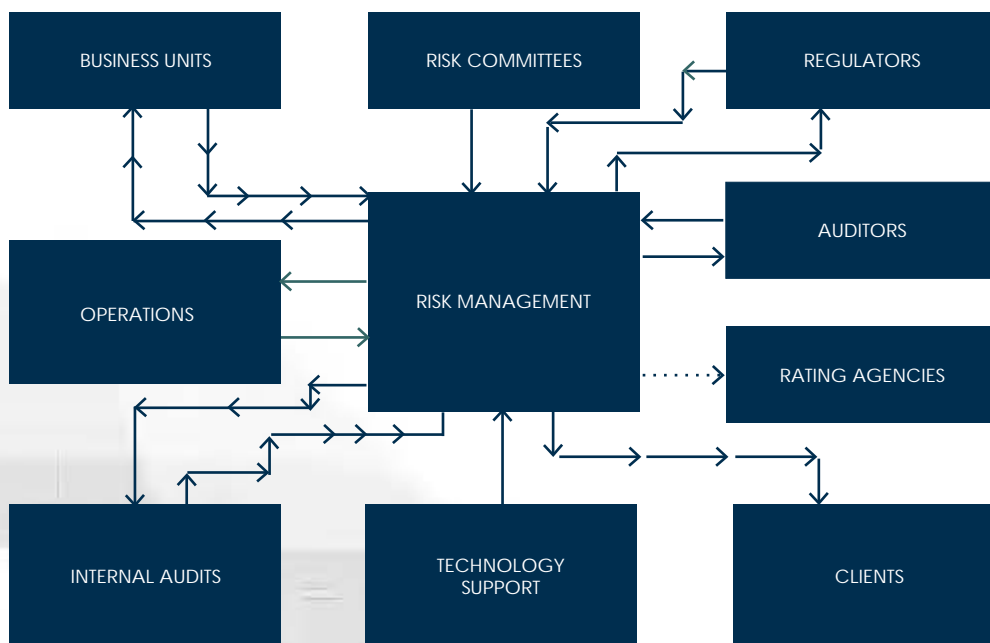
# Risk Management Disclosures

## Enterprise Risk Management Framework

### Risk Governance Structure



### Risk Management Relationships – Internal And External





# Risk Management Disclosures

## Roles and Responsibilities

### Board of Directors

The Board has the overall responsibility for all risk policy formulation bank-wide thereby setting the risk agenda for enterprise risk management. The Board and its Committees are being subjected to annual corporate governance review

### Board Risk Management Committee (BRMC)

The Board Risk Management Committee has the oversight function of insulating the Bank from operational and ending risks. It has the following membership.

#### Membership of Board Risk Management Committee

Mr. Richard Gboyega Asabia	Non-Executive Director	Chairman
Dr. Oluwafunsho Obasanjo	Non-Executive Director	Member
Mr Thomas Etuh	Non-Executive Director	Member
Mr Hakeem Shagaya	Non-Executive Director	Member
Engr. Henry James Seminitari	Managing Director/CEO	Member
Mr Dahiru Chadi	ED, Enterprise Risk Management	Member
Mrs. Aisha A. Abraham	ED, Secretariat & Services	Secretary

The Committee is charged with the following responsibilities:-

- Overseeing the overall Risk Management of the Bank;
- Review periodically, Risk Management objectives and Policies for consideration of the full Board;
- Establish the Risk Rating Agencies, Credit Bureau and other related services providers to be engaged by the Bank;
- Approve the Internal Risk Rating Mechanism;
- Review the Risk compliance reports for regulatory authorities;
- Review and approve exceptions to Group Risk policies
- Review of policy violations on Risk issues at Senior Management level;
- Certify Risk reports for credits, operations, market/liquidity subject to Limits set by the Board.

### Board Credit Committee (BCC)

The Board Credit Committee is charged with the responsibility of evaluating and or approving all credits beyond the powers of the Management and below the powers of the Board. The Committee has the following membership:-

Alh. Aminu Babangida	Non-Executive Director	Chairman
Mr Thomas Etuh	Non-Executive Director	Member
Mr Richard G Asabia	Non Executive Director	Member
Mr Hakeem Shagaya	Non Executive Director	Member
Engr. Henry James Seminitari	Managing Director/CEO	Member
Mr Dahiru Chadi	ED, Enterprise Risk Management	Member
Mr Ahmed Yusuf	ED, Retail Banking	Member
Mrs Arese Alonge	ED, Institution Banking	Member
Mr Abba Bello	ED, Corporate & Commercial	Member

The following are the responsibilities of the Committee:

- Evaluating and approving all credits within its powers delegated by the Board;
- Evaluating and recommending all credits beyond its powers to the Board;
- Review of credit portfolio in line with set objectives.
- Review of classification of Advances of the Bank based on Prudential guidelines on quarterly basis;
- Approving the restructuring and rescheduling of credit facilities within its powers;

# Risk Management Disclosures

- Write-off and grant of waivers within powers delegated by the Board; and
- Periodic review of Credit Manuals and Guidelines.

## Statutory Audit Committee

Membership of the Audit Committee consists of an equal number of Directors and representatives of the Shareholders of the Bank, subject to a maximum number of six members.

Members include:-

Name		
Mr. Sunday Akinnyi.	Shareholders' Representative	Chairman
Mr. Joseph Akin Ogbeni	Shareholders' Representative	Member
Ms Funke Titi Shodeinde	Shareholders' Representative	Member
Alh. Aminu Babangida	Non-Executive Director	Member
Engr. Oluseun Mabogunje	Non-Executive Director	Member
Alh. Ibrahim M.A. Kaugama	Non-Executive Director	Member

The Audit Committee shall be responsible for:-

- Ensuring that there is an open avenue of communication between the External Auditors and the Board.
- Reviewing the periodic financial results, and other published information to satisfy itself that they meet all statutory requirements and appropriate Financial Reporting Standards.
- Review annually the accounting policies of the Bank and make recommendations to the Board.
- Review and assess the annual internal audit plan.
- Receive and review on quarterly basis, Internal Auditors Reports of the Bank.
- Review and monitor Management's responsiveness to the findings and recommendations of the Internal Auditors.
- Reviewing the Bank's internal financial controls and risk management systems, and submitting these reviews and its recommendations to the Board.
- Considering and reviewing with the external auditors the adequacy of the Bank's systems of internal control (including computerized information systems).
- Review promptly all material Reports on the Bank from the internal auditors.
- Review the activities, resources, organizational structure and the operational effectiveness of internal audit, and where appropriate, make recommendations to the Board.
- Recommend to the Board the appointment, re-appointment and removal of the external auditors.
- Review and discuss any Report from the external auditors on critical accounting policies, including Management's response.
- Develop and implement policies on the engagement of Accountants other than the external auditors to supply non-audit services, and recommend to the Board e.g. tackling reconciliation problems.
- Review arrangements by which staff of the Bank 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.
- Monitor and review the standards of risk management and internal control, including the processes and procedures for ensuring that material business risks, including risks relating to IT security, fraud and related matters, are properly identified and managed.
- The effectiveness of internal control, financial reporting, accounting policies and procedures, and the Bank's statements on internal controls before they are agreed by the Board for each year's Annual Report.
- Consider and review the process for risk management annually to ensure adequate oversight of risk faced by the Bank and the system of internal controls and reporting of those risks within the Bank.
- Receive regular Reports on significant litigation and financial commitments and potential liability (including tax) issues involving the Bank.

Reporting - all the Board Committees are sub-committees of the Board hence they report their activities to it.



# Risk Management Disclosures

## Executive Management Committee (EXCO)

Membership of EXCO comprises all Executive Directors of the Bank. The Committee shall be responsible for amongst others:

- Ensuring the implementation of risk policies established by the Bank.
- Double as Management credit committee of the Bank as credit proposals are considered by the Committee.
- Credit Reports from Administration Division are also considered by the Committee.
- Report risk issues to the relevant Board Committees and the Board.
- Review and assess the annual internal audit plan.

## Assets- Liabilities Management Committee (ALCO)

Membership of EXCO comprises all Executive Directors and other top management staff of the Bank. The Committee shall be responsible for amongst others:

- Ensuring the optimum deployment of the Bank's liquidity.
- Efficient deployment of the assets and liabilities balancing risk and returns.
- Periodic capital adequacy review.
- Manage exposure to market risks generally.

The ALCO Committee has a technical Committee that carries out the review of the Assets and Liabilities of the Bank in more technical details and makes recommendations to Strategic ALCO for approval and implementation.

## Enterprise Risk Management Committee

This is a statutory body mandated by the regulatory authorities. It shall carry out the following functions:-

- Establish the Bank's risk profile and manage the profile to be in line with the Bank's risk appetite.
- Review and ensure the adequacy of enterprise 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 risk reports with a view to making necessary remedial recommendations.
- Review adequacy of controls bank-wide.
- Review the 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.

## Membership

1. ED, Enterprise Risk Management - (Chairman)
2. Divisional Head, Risk Management
3. Divisional Head, Operations
4. Divisional Head, Internal Audit and Inspection
5. Divisional Head, Corporate Services
6. Divisional Head, Compliance
7. Head, IRM
8. Representative of Finance & Strategy
9. A representative from Business Directorate
10. Head, Treasury
11. Head, Financial Control
12. Market Risk Department -Secretariat

The committee has reporting relationship to the Executive Management.

# Risk Management Disclosures

## Risk Management Departments and their Key Functions

### Regulatory Compliance Division:-

This Division comprising of two Departments viz: Regulatory Compliance and Internal Control Departments:-

- Ensuring compliance with regulatory laws, policies and instructions
- Ensure compliance with anti-money laundering laws
- Prepare anti-money laundering returns to NFIU and other Regulatory Bodies
- Ensure internal compliance with Know-your-customers regulations
- Organise training on Anti-money laundering as required.
- Ensure compliance with the Bank's approved policies and procedures in all locations by all stakeholders.
- Report exceptions timely to Management for appropriate action.
- Provide Management with processed information or statistics about trend of exceptions and events for strategic decision making e.g. for policy review.
- Provide information for Operational Risk Management.

### Risk Management Divisional Office

This office is headed by a Deputy General Manager who has responsibility for the following:

- Key three risk management functions:-Market Risk /Assets- Liabilities Management
- Credit Risk Management
- Monitor liquidity risk exposure bank wide

Accordingly the following risk management departments report to him:

### Credit Risk Department (CRD)

The CRD's responsibilities shall include:

- 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.
- Proposal annual list of insurance underwriters for Management approval
- Compiling data for the measurement of Credit Risk for the Bank.
- Listing and reviewing of credit events for consideration in Credit Risk Assessment.
- Preparing monthly Portfolio Credit Risk Ratings and Limits Reports showing Risks and Rewards.
- Ensure appropriate pricing of risk assets.
- Compliance with the Bank's risk appetite definitions and RAAC.

### Market Risk and Assets/Liabilities Department (CRD)

The Market Risk/ALM Department is headed by Senior Manager and has responsibilities for the following:-

- Proactive identification, measurement, management, reporting and monitoring of market and liquidity risks as they affect the Enterprise.
- Act as the Secretariat for Assets-Liabilities Management Committee
- Disseminate ALCO Decisions and follow up on same for implementation.
- Prepare ALCO reports
- Carry out periodic review of market related issues as they impact on the Bank's market risk exposures.

### Credit Administration Division (CAD)

This Division comprises of two Departments namely: Credit Management and Credit Control & Policy. CAD's responsibilities shall include:

- Evaluating performance of credits to ensure that they are managed in accordance with the dynamics, terms and conditions of their approval.



# Risk Management Disclosures

- Rendition of Credit Risk Management System (CRMS) Returns to CBN.
- Rendition of all periodic credit reports to CBN.
- Monthly review and classification of Risk Assets portfolio in line with the provisions of the Prudential Guidelines.
- Reviewing the Bank's credit process; identifying credit process lapses and recommending corrective measures.
- Monitoring and ensuring compliance with the Credit and Monetary Policy Guidelines as well as the Bank's portfolio plans.
- Evaluating and recommending of disbursement of approved credits.
- Approving requests for the release of security documents.
- Executes the Assets Remediation functions which includes;

## Institutional Risk Management Department

This Department reports to the Office of the ED, Enterprise Risk Management and has the following roles:-

- Coordinate the evolution of ERM Policy and custodian of same 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 Strategy Risk, Reputation Risk, and Business Continuity Management on enterprise wide basis and so on.
- 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
- Identification, reporting and management of operation risks bank-wide
- Operational risk management process
- Enterprise management of the Bank's information security risk

## Debt Recovery Department (DRD)

The DRD responsibilities shall include:

- 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.

## Legal Services Department (LSD)

The LSD responsibilities shall include:

- Provides 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.

# Risk Management Disclosures

Other Stakeholders – Corporate Planning and Strategy / Corporate Communication

## Corporate Communications:

This Department shall principally champion the management of the Bank's exposure to reputation risk. It shall be responsible for providing technical support for Management in managing the Bank's brand capital.

## Corporate Planning and Strategy

This Division shall be responsible for managing the Bank's strategic risk.

## Operational Risk

The Bank defined exposure to operational risk as exposure to loss resulting from inadequate or failed internal processes, people and systems or from external events.\*

The Bank has set up the process of identification, measurement, management, control and reporting of exposure to operational risks bank-wide.

The following table identifies the key operational risk classification in the Bank.

SIN	Unity Bank Name	Definition of risk	Risk Group Code
1	Fraud by insiders	Losses caused by act intended to defraud, misappropriate property or circumvent regulations, law or company policy. e.g. employee theft, insider trading on an employee's own account, intentional misreporting of positions.	001
2	Fraud by outsiders	Losses caused by acts of an outsider or third-party with intention to defraud, misappropriate property or circumvent the law. e.g. robbery, forgery, cheque kitting, loss or damage from computerhacking.	002
3	Staff welfare / Employee relations management risk	Losses arising from acts inconsistent with employment, health, or safety laws or agreements eg. losses from litigations by ex-staff on termination, payment of personal injury claims, discrimination or impairment etc.	003
4	Relationships and products management risk.	Losses arising from relationship management failures unintended or due to negligence, breach of contracts, product failures, money laundering violations etc. e.g. litigations arising from customer information disclosure.	004
5	Process errors and failure risk	Losses arising from failed transactions, errors in processing, accounting errors, un-reconciled balances, human capital competence and attitude issues.	005
6	Business disruption and system failure risk	Losses attributable to system failures, communication failures, software failures, system downtime, etc.	006
7		Losses arising from damages or outright loss of assets due to natural events like fire, flood, rain or thunderstorms, terrorism, vandalism,	007



# Risk Management Disclosures

The framework for risk registration and loss data management has also been set up.

Business Lines Mapping of loss data has been integrated into the loss data and risk registration framework.

The Bank has adopted the modified Basic Indicator Approach to measure its exposures to operational risk. Results of the measurement are contained below as part of the disclosure requirements.

Key Risk Indicators have been identified as proxies to measure the potential exposure to operational risk by the Bank. Loss events data base is being built up accordingly.

## 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 process.

### 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

# Risk Management Disclosures

## 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 cum 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.

## Market Risk

The Bank's exposure to potential loss or gain as a result of favourable or unfavourable changes in market prices such as interest rate, share prices, commodity prices and exchange rate are noted. However, controls are put in place to manage interest rate risk including gap limits, target net interest income changes, economic value of equity etc. It does not engage as a deliberate policy on speculative high risk trading activities. Nonetheless there are exposures to market risk more on local currency trading and the banking books (Banking book market risk exposures are managed more through the Bank's Assets-Liabilities Management Committee. Similarly, exposures to the equity market are negligible compared to its asset base.

## Interest Rate Risk

Interest rate risk is the impact that changes in interest rates could have on the Bank's margins, earnings and capital. The Bank's objective for interest rate risk management is to ensure that its earnings are optimised, stable and predictable over time.

The framework outlined below describes the methodology for the identification, measurement and management of interest rate risk inherent in the Bank's traditional banking activities.

Despite the tightening liquidity situation in the economy, the Bank fared well and recorded appreciates progress.

## Interest Rate Risk Management

Interest rate risk is managed through efficient Assets-Liabilities proactive reviews carried out through Assets-Liabilities Management Committee and sound portfolio management principles incorporating transfer pricing and directed at effectively managing the Bank's mismatched positions.

The Bank manages its inherent interest rate risk mismatch through the optimal structuring of on balance sheet portfolio, (i.e. corporate, commercial and retail funding structures) with due consideration to the re-pricing gaps between rate sensitive liabilities and rate sensitive assets. Note 42 to the financial statements shows an analysis of the interest rate risk in the Bank.

## Interest Rate Risk Identification and Measurement

Interest rate risk exposure in the Bank is being identified and measured through the use of traditional re-pricing gap, sensitivity and economic value analyses. In addition, simulation/sensitivity analysis techniques are being developed to assess interest rate risk/reward profile.

Re-pricing gap analysis refers to the mismatches that result from timing differences in the re-pricing of assets, liabilities and off balance sheet instruments. The exposure shall be measured by both static and dynamic gap analysis, based on current and projected balance sheet as well as off balance sheet structures.



## Risk Management Disclosures

Sensitivity analysis - to understand the impact on net interest income arising from possible changes in rates, a sensitivity analysis shall be performed. The sensitivity analysis shall cover a variety of possible interest rate scenarios including scenarios capturing likely and extreme economic developments impact on movements in interest rates as a way of stress testing the Bank's net interest income.

### Foreign Exchange Risk

Foreign exchange risk refers to losses that could result from changes in foreign currency exchange rates. Unity Bank is exposed mainly to non-trading foreign exchange risk when there is a mis-match between foreign currency assets and liabilities: foreign currency assets greater or less than its liabilities in a particular currency, creating a foreign currency open position. The following table shows the impact of currency gap

An adverse change in foreign exchange rate therefore, will have direct impact on the Bank's reported net income and equity, and also its capital ratios. Accordingly, the Bank's primary objective shall be to minimize these impacts.

As at 31 December 2014	Dollar N'000	Pound N'000	Euro N'000	Yen N'000	Total N'000
<b>Assets</b>					
Cash and balances with central banks	541,864	110,473	35,515	-	687,852
Due from banks	7,887,667	144,673	514,464	11,317	8,558,122
Loans and advances to customers	17,470,120	19	-	-	17,470,140
Financial investments – available-for-sale	-	-	-	-	-
Financial investments – available-for-sale pledged as collateral	-	-	-	-	-
Financial investments – held-to-maturity	-	-	-	-	-
Other assets	-	16,021	8,675	158,459.75	11,908,318
Property and equipment	-	-	-	-	-
Goodwill and other intangible assets	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
Non current assets held for sale	-	-	-	-	-
<b>Total assets</b>	<b>25,896,651</b>	<b>271,186</b>	<b>558,654</b>	<b>169,777</b>	<b>26,896,268</b>
<b>Liabilities</b>					
Due to customers	17,175,065	217,620	254,132	-	17,646,817
Debt issued and other borrowed funds	16,610,580	-	-	-	16,610,580
Current tax liabilities	-	-	-	-	-
Other liabilities	958,307	39,732	188,145	28,312	1,214,496
Employee benefit liabilities	-	-	-	-	-
Equity	-	-	-	-	-
<b>Total liabilities</b>	<b>34,743,952</b>	<b>257,353</b>	<b>442,277</b>	<b>28,312</b>	<b>35,471,894</b>
<b>Gap</b>	<b>(8,847,301)</b>	<b>13,833</b>	<b>116,377</b>	<b>141,465</b>	

# Risk Management Disclosures

As at 31 December 2013	Dollar N'000	Pound N'000	Euro N'000	Yen N'000	Total N'000
<b>Assets</b>					
Cash and balances with central banks	430,826	116,656	100,071	-	647,553
Due from banks	172,806	756,463	-	11,317	940,586
Loans and advances to customers	15,424,706	19	-	-	15,424,725
Financial investments – available-for-sale	-	-	-	-	-
Financial investments – available-for-sale pledged as collateral	-	-	-	-	-
Financial investments – held-to-maturity	-	-	-	-	-
Other assets	319,379	-	1,632	2,247	323,258
Property and equipment	-	-	-	-	-
Goodwill and other intangible assets	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
Non current assets held for sale	-	-	-	-	-
<b>Total assets</b>	<b>16,347,717</b>	<b>873,138</b>	<b>101,703</b>	<b>13,564</b>	<b>17,336,122</b>
<b>Liabilities</b>					
Due to customers	8,941,328	80,266	286,493	-	8,858,087
Debt issued and other borrowed funds	8,077,500	-	-	-	8,077,500
Current tax liabilities	-	-	-	-	-
Other liabilities	776,691	81,110	199,727	11,325	1,068,853
Employee benefit liabilities	-	-	-	-	-
Equity	-	-	-	-	-
<b>Total liabilities</b>	<b>17,795,519</b>	<b>161,376</b>	<b>486,220</b>	<b>11,325</b>	<b>18,004,440</b>
<b>Gap</b>	<b>(1,447,802)</b>	<b>711,762</b>	<b>(384,517)</b>	<b>2,239</b>	

## Sensitivity analysis of currency risks

The table below indicates the currencies to which the Bank had significant exposure at 31 December 2014 on its non-trading assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the currency rate against the Naira (all other variables being held constant) on the income statement and equity. In carrying out this sensitivity analysis the closing exchange rates were varied at 5% and 2.5 %

	2014 Effect on PAT N'00	2014 Effect on Equity N'00	2013 Effect on PAT N'00	2013 Effect on Equity N'00
Dollar +5%	(442,465)	(442,465)	87,821	87,821
Pounds +5%	693	693	2,336	2,336
Euro +5%	5,819	5,819	7,438	7,438
Dollar -5%	442,365	442,365	(87,821)	(87,821)
Pounds -5%	(693)	(693)	(2,336)	(2,336)
Euro -5%	(5,819)	(5,819)	(7,438)	(7,438)
Dollar +2.5%	(221,183)	(221,183)	175,642	175,642
Pounds +2.5%	347	347	4,673	4,673
Euro +2.5%	2,910	2,910	1,487	1,487
Dollar -2.5%	221,183	221,183	(175,642)	(175,642)
Pounds -2.5%	(347)	(347)	(4,673)	(4,673)
Euro -2.5%	(2,910)	(2,910)	(1,487)	(1,487)



# Risk Management Disclosures

## Measuring, Controlling and Managing Foreign Exchange Risk

Foreign exchange risk in the Bank's books are being managed within the context of open position monitoring – specifically by computing the Net Open Position (i.e. the difference between the foreign currency denominated assets and liabilities) and maturity gaps for forward contracts. More sophisticated approaches such as value at risk methodology, stress test and variance/covariance approaches shall be adopted to measure the Bank's exposure at the appropriate time in the future.

Some of the key foreign exchange risk indicators and limit system to control and manage its exposure to foreign exchange risk include:-

- Net open position limit;
- Foreign Trading Position
- Dealing and dealers' limits;
- Overnight position limit;
- Intra-day limits;
- Single currency limits;
- Maturity gap limit;
- Stop loss/take profit limit; and

## Asset-Liabilities Management Committee

The Bank has an Asset Liability Committee whose function it is to consistently review its liquidity and asset-liability gaps as affected by exposure to interest rate risk, currency risk and general macro-economic conditions.

The senior executive of the Bank meets on bi-monthly basis (every 1st & 3rd Monday of the month) under the auspices of ALCO. The key term of reference is to ensure that the Bank's profitability and liquidity objectives are met on a proactive basis.

## Membership includes:-

ED, Corporate & Commercial Banking  
 ED, Retail Banking  
 ED, Secretariat & Services  
 ED, Institutional Banking  
 ED, Enterprise Risk Management  
 Group Head, Finance and Strategy  
 Head, Loan Recovery  
 Treasury Group

Chairman  
 Member  
 Member  
 Member  
 Member  
 Member  
 Member  
 Secretariat

The Committee reports to the Bank's Executive Management Committee.

## Liquidity Risk

Liquidity Risk is the risk that the Bank may suffer loss due to inability to fund increases in assets and or meeting deposit or other liability obligations as they fall due at reasonable cost or its inability to close out trading position as a result of adverse incidents in the market. Thus if asset growth or obligations falling due are met at unreasonable cost, liquidity risk has crystallised.

Liquidity Risk management is central to short-run on-going concern status of a Bank. It entails managing changes in the balance sheet specifically with respect to cash inflow and outflow to ensure that any imbalance is proactively bridged to avoid liquidity challenge.

A major goal of the bank is to maintain adequate liquidity to meet the expected and potential (unexpected) funding needs of loan and deposit customers within the broader objectives of profitability. The objective of the bank is to strike a prudent balance between liquidity and profitability.

A combination of risk appetite definition and risk response framework shall be deployed by the Bank for early detection of various categories of liquidity risk profile or status of the Bank.

# Risk Management Disclosures

There are two types of liquidity risk namely trading or market liquidity risk and funding liquidity risk.

Risk Limits are set by the Bank to set triggers should the limits be exceeded. These limits include loan-to-deposit ratio – 70% as against Regulatory 80%, Liquidity ratio 32.5% as against 30% of Regulatory benchmark and Net Open Position Limit in line with regulatory benchmarks.

The Bank also has a liquidity and capital contingency plan to ensure that pragmatic steps are taken to manage exposure to liquidity and solvency risks in an optimal way.

The Asset and Liability Committee (ALCO) is responsible for managing the overall liquidity of the Bank. The specific responsibilities of ALCO are spelt out accordingly.

ALCO shall delegate the day to day operating responsibilities for liquidity risk management to the Market and Liquidity Risk management division.

The following rating grid shall be applied to describe the liquidity risk position of the Bank at any point in time based on the evaluation carried out weekly by Enterprise Risk Management Department

The Bank's liquidity rating framework is tabulated below.

Liquidity Rating	Description
1	The Bank has more than adequate volume of liquid assets and very ready and easy access to external sources of liquidity on favourable terms with no dependence on purchased funds, expensive tenor deposits/interbank funds.
2	The Bank can obtain sufficient funds by increasing liabilities or by converting assets promptly at a reasonable cost. Liquidity ratio is generally in line with peer group.
3.	The liquidity position of the Bank reflects a lack of sufficient liquid assets and or a reliance on interest-sensitive funds approaching intolerable proportions; some reliance on purchased funds/interbank funds.
4.	It represents an increasingly serious liquidity position. Liquidity needs cannot be met through liquid assets holdings. The Bank is heavily dependent on purchased/interbank funds
5.	Liquidity risk is critical and constitutes a threat to the on-going concern status of the Bank and therefore requires an immediate remedial action or external financial assistance.



# Risk Management Disclosures

	31 December 2014	31 December 2013
Maximum	44.79%	42.65%
Minimum	35.79%	20.65%
Average	39.93%	31.65%

Loans to Deposit Ratios from average balances

	31 December 2014	31 December 2013
Maximum	76.86%	76.86%
Minimum	73.75%	67.00%
Average	75.31%	71.93%

## Treasury Marketing Department

Liquidity risk management is centralized in the Bank with Treasury Management Department and oversight residing with Enterprise Risk Management Department. Daily liquidity ratio report is being circulated to all Management members.

The Treasury function is responsible for implementing the Bank's funding policies. The Business Units have their role clearly spelt out with respect to volumes and mixture of assets and liabilities.

The Bank has introduced daily liquidity risk rating framework which is being implemented subsequent to year-end.

## Strategic Risk

Steps taken to manage strategic risk exposures in the bank are enumerated below:

- Integrate risk management practices into the Bank's strategic planning process.
- Align resource requirements with strategic deliverables and ensure availability of commensurate resources working in conjunction with Corporate Services and make recommendations to MD/CEO.
- Provide the right platform to generate input for the evolution of an appropriate and effective strategic plan for the Bank.
- Ensure the effective communication and assimilation of the Bank's strategy to all staff and Management.
- Ensure the alignment of the Bank's goal with its risk appetite definitions
- Ensure the effective and proactive monitoring of the Bank's strategic plan.
- Implement risk-adjusted performance management system in conjunction with ERM's Office of the ED, Risk Management.
- Proactively monitor business performance vis-a-vis strategic targets through
- Periodic appraisal of strategy implementation on monthly, quarterly, bi-annual review.
- Competition review.

## Reputational Risk

The Bank takes the risk of brand capital very seriously and consequently a number of robust risk treatment plans have been implemented to manage this risk. Such include the Rebranding Projects, Customer satisfaction training project which include the hiring of a renowned American-based service excellent specialist for management and staff capacity building.

Corporate Communications Department is saddled with the direct responsibility to manage the Bank's reputation risk. Appointment of Chief Customer Care Officer at Management level is being done subsequent to year-end to ensure that customer satisfaction is given the top most drive.

The Bank has also created a Customer Service and Total Quality Department that is saddled with the responsibility of reviewing the processes to make them more customer friendly without compromising risk management. Certain processes are automated – Credit Risk Process has been automated and others are being considered for automation in order to shorten turn-around time and give customers' satisfactory experience at all times.

# Risk Management Disclosures

## Legal Risks

A full fledge Legal Department had been created with the Head of Department reporting to the ED, Risk Management & Control Directorate. All exposures to legal risks are being managed and mitigated on a proactive basis. Contingent liabilities are monitored closely and disclosed accordingly.

## Systemic Risk

The Bank designed a comprehensive action plan to manage exposure to systemic risk. Transmission points of systemic risks were identified as follows:

1. Lending transactions
2. Interbank activities
3. Clearing activities

It is the responsibility of the Divisional Head, Risk Management to declare the occurrence of systemic risk situation.

## Credit Risk

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.

Credit Risk Management is a full-fledged Department headed by Assistant General Manager. The Department is under the Risk Management Division which is headed by a Deputy General Manager.

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.

## Principal Credit Policies

The Bank's Risk Assets mission is "to generate and manage a qualitative diversified loan portfolio that provides returns consistent with the Bank's expectations in terms of assumed risk, return on asset and value added to individual credit transactions within the context of the overall regulatory requirements".

The main objective for creating risk assets are:

1. To generate income, while ensuring Liquidity, Safety Solvency and Growth
2. Market for and obtain credit businesses that are consistent with the Bank's Risk Assets Acceptance Criteria as defined in the Credit Policy;
3. Manage credit risk so that the Bank's portfolio performance measured by levels of non-performing assets and write-offs is consistently one of the best in the industry;



# Risk Management Disclosures

4. In a timely and professional manner avoid granting credit facilities to customers not able to, on a sustainable basis, satisfy the Risk Assets Acceptance Criteria and;
5. Maintain a Deposit Ratio within the levels provided by regulatory authorities as may be prevailing from time to time.

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.

## Credit Rating System

The Bank currently has an Internal Rating System designed in-house. The rating system was designed around the following criteria with scores ranging between 1 and 5 for every parameter under these criteria.

- Borrowers Economic Performance
- Industry performance
- Collateral
- Actual Credit/Track Record or Performance with Unity Bank Plc or other related Banks

The Credit Scoring ranges from A and C as depicted below:

A	Rating with scores between	15 and 12
B+	Rating with scores between	11 and 10
B-	Rating with scores between	9 and 8
C	Rating with scores between	7 and below

This rating system is being reviewed for it to be more applicable to the Bank's target market definition.

# Risk Management Disclosures

An age analysis of risk assets that are past due but not impaired at the end of the reporting period is shown below.

Age analysis	31 December, 2014
0 - 30 days	101,775,506
31 - 60 days	17,879,618
61 - 90 days	32,790,460
Total	152,445,585

Age analysis	31 December, 2013
0-30 days	26,906,640
31-60 days	52,685,723
61 - 90 days	-
Total	79,592,364

## 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.

The Managing Director in consequence of business exigencies further delegated Business powers to key officers based on responsibilities and accountability as follows:

- Executive Directors (Business Directorates)
- Zonal Heads

The credit powers of Regional Managers were suspended during the year in a credit process re-engineering that was embarked upon by the Bank.

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.

The following structure exists for the Management of Credit risk in the Bank:

- The Board has ownership of the Bank's credit risk. Policies and Procedures are approved by the Board and reviewed from time-to-time.
- Credit management is carried out in the Bank under well-defined credit policies and procedure manuals. There is dual control in credit origination in the Bank, namely the Business Units with the concurrence of Risk Management Unit.
- Credit approval powers are devolved across authority lines in the Bank.
- Credit Administration Department is saddled with the responsibility of general administration of the Bank's credit process. Disbursement and documentation, remedial management, monitoring and classification of credit exposures, as well as credit portfolio reporting are the primary concern of the Department.
- Also there is a full-fledged Debt Recovery Department that concentrates on the recovery of certain non-performing loans.
- Portfolio distribution is being watched regularly to ensure that there is no risk of concentration.



# Risk Management Disclosures

## Credit Risk Assessment

For accounting purposes, the Bank uses an incurred loss model for the recognition of losses on impaired financial assets. This means that losses can only be recognized when objective evidence of a specific loss event has been observed. Triggering events include the following:

- i) Significant financial difficulty of the customer
- ii) A breach of contract such as a default of payment
- iii) Where the bank grants the customer a concession due to the customer experiencing financial difficulty.
- iv) It becomes probable that the customer will enter bankruptcy or other financial reorganization
- v) Observable data that suggests that there is a decrease in the estimated future cash flows from the loans

This approach differs from the expected loss model used for regulatory capital purposes in accordance with Basel II

## Maximum Exposure to Credit Risk

The amount that best represents the Bank's exposure to credit risk at the end of the reporting period is as show below:

31-Dec-14	Maximum Exposure to credit	Fair Value of collateral and credit enhancements held					Netting agreements	Net collateral	Net Exposure
		Cash	Securities	Letters of Credit/ Gaurantees	Property	Others			
	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm	
Maximum exposure to credit risk									
Due from banks	16,158	-	7,683	-	-	-	7,683	8,476	
Loans & Advances	266,124	1,500	0	0	139,114	120,160	-	5,350	
Financial Investments- Held For Trading	-	-	-	-	-	-	-	-	
Available for sale	-	-	-	-	-	-	-	-	
Held to maturity	-	-	-	-	-	-	-	-	
Financial guarantees	38,243	1,487	-	1,195	18,186	14,621	4,355	39,844	
Letters of credits	-	-	-	-	-	-	-	-	

# Risk Management Disclosures

31-Dec-13		Fair Value of collateral and credit enhancements held							Net Exposure
		Cash	Securities	Letters of Credit/ Gaurantees	Property	Others	Netting agreements	Net collateral	
Maximum exposure to credit risk	Maximum Exposure to credit	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm
Due from banks	5,629	-	-	-	-	-	-	-	5,629
Loans & Advances	195,230	0	1,298	0	48,701	43,180	-	93,179	102,050
Financial Investments-	-	-	-	-	-	-	-	-	-
Held For Trading	-	-	-	-	-	-	-	-	-
Available for sale	-	-	-	-	-	-	-	-	-
Held to maturity	-	-	-	-	-	-	-	-	-
Financial guarantees	73	-	-	-	-	-	-	-	73
Letters of credits	4	4	-	-	-	-	-	4	0
	317,077	0	1,298	-	156,226	43,180	-	200,709	110,421

NB: No credit exposure exists when investments are in own government securities (Governemnt Bonds & Treasury Bills)

## Individually Assessed Allowance

The Bank determines the allowances appropriate for each individually significant loan or advance on an individual basis, including any overdue payments of interests, credit rating downgrades, or infringement of the original terms of the contract. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance if it is in a financial difficulty, projected receipts and the expected payout should bankruptcy ensue, the availability of other financial support, the realizable value of collateral and the timing of the expected cash flows. Impairment allowances are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

Gross amount of individually assessed loans during the year amounted to N49.91 billion. An analysis of risk assets that were individually determined to be impaired as at the end of the reporting period is shown in the following table.



# Risk Management Disclosures

S/N	INDUSTRY	GROSS INDIVIDUALLY LOANS	
		IMPAIRED N'000	IMPAIRMENT N'000
1	ADMINISTRATION	75,137	75,137
2	AGRICULTURE	2,783,028	2,574,390
3	CAPITAL	172,743	172,743
4	COMMERCE	2,265,304	2,165,304
5	CONSTRUCTION	9,206,521	8,461,231
6	EDUCATION	604,458	604,458
7	ESTATE	2,964,042	2,868,531
8	FINANCE	733,526	630,865
9	GENENERAL	5,224,771	4,719,588
10	GOVERNMENT	6,801,105	6,801,105
11	HEALTH	-	-
12	INFORMATION	1,140,957	1,016,680
13	MANUFACURING	3,355,319	3,938,338
14	OIL & GAS	3,105,835	3,590,484
15	PROFESSIONAL	204,955	-
16	TRANSPORT	5,407,558	5,027,807
17	WATER	-	-
TOTALS		44,045,252	42,646,661
Percentage of gross amount of Individually Impaired loans to total gross loans		17%	
Percentage of Individual Impairment to total impairment			16%

# Risk Management Disclosures

Analysis of individually assessed loans as at 31 December 2013.

S/N	INDUSTRY	GROSS INDIVIDUALLY LOANS	
		IMPAIRED N'000	IMPAIRMENT N'000
1	ADMINISTRATION	98,546	-
2	AGRICULTURE	4,091,211	1,395,529
3	CAPITAL	124,864	-
4	COMMERCE	2,527,498	1,619,809
5	CONSTRUCTION	9,925,313	6,163,027
6	EDUCATION	505,320	-
7	ESTATE	1,661,822	1,515,023
8	FINANCE	3,397,961	88,770
9	GENENERAL	6,252,026	2,500,830
10	GOVERNMENT	5,485,679	48,000
11	HEALTH	-	-
12	INFORMATION	2,624,754	2,275,981
13	MANUFACURING	5,819,894	3,659,078
14	OIL & GAS	2,970,836	674,356
15	PROFESSIONAL	146,016	102,688
16	TRANSPORT	4,273,543	2,805,276
17	WATER	-	-
TOTALS		49,905,289	22,848,367
Percentage of gross amount of Individually Impaired loans to total gross loans		22.12	-
Percentage of Individual Impairment to total impairment			75.15



# Risk Management Disclosures

The Bank generally bases its analyses on historical experience. However, when there are significant market developments, regional and/or global, the bank would include macroeconomic factors within its assessments. These factors include, depending on the characteristics of the individual or collective assessment: unemployment rates, current levels of bad debts, changes in laws, changes in regulations, bankruptcy trends, and other consumer data. The bank may use the aforementioned factors as appropriate to adjust the impairment allowances. Allowances are evaluated separately at each reporting date with each portfolio.

## Probability of Default (PD):

This is the chance that an obligor will fail in meeting up with the financial obligations on its debt as and when due. PD calculation is based on historical experience over twelve calendar months. This is not being done right now as the Bank adopted Standardized Approach in computing capital charge for credit risk exposures.

The collective assessment is made for groups of assets with similar risk characteristics (buckets) in order to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident in the individual loans assessments. The collective assessment takes account of data from the loan portfolio (such as historical losses on the portfolio, levels of arrears, credit utilization, loan to collateral ratios and expected receipts and recoveries once impaired) or economic data (such as current economic conditions, unemployment levels and local or industry-specific problems). The approximate delay between the time a loss is likely to have been incurred and the time it will be identified (Lag Identification Period) as requiring an individually assessed impairment allowance is also taken into consideration in adjusting the probability of default. Since a credit asset is assessed for objective evidence of impairment monthly, our LIP is 1/12. The impairment allowance is then reviewed by credit management to ensure alignment with the bank's overall policy. The following table shows the probability of default computed for bucket of risk assets.

BUCKET- 2014	PROBABILITY OF DEFAULT
ADMINISTRATION	0.2317
AGRICULTURE	0.0615
CAPITAL	0.3700
COMMERCE	0.2597
CONSTRUCTION	0.3855
EDUCATION	0.3754
ESTATE	0.2851
FINANCE	0.4853
GENERAL	0.1740
GOVERNMENT	0.2688
HEALTH	0.0425
INFOMATION	0.1086
MANUFACURING	0.1535
OIL & GAS	0.0717
PROFESSIONAL	0.0732
TRANSPORT	0.1585
WATER	0.0003

# Risk Management Disclosures

BUCKET- 2013	PROBABILITY OF DEFAULT
ADMINISTRATION	0.25
AGRICULTURE	0.12
COMMERCE	0.12
CONSTRUCTION	0.10
EDUCATION	0.07
ESTATE	0.12
FINANCE	0.10
GENERAL	0.04
GOVERNMENT	0.07
HEALTH	0.09
INFORMATION	0.07
MANUFACTURING	0.08
OIL & GAS	0.06
POWER	0.06
PROFESSIONAL	0.06
RECREATION	0.07
TRANSPORT	0.09
UTILITIES	0.03
WATER	0.06

## Loss Given Default (LGD):

This is the probable loss that the Bank stands to incur (suffer) if an exposure becomes impaired after consideration of expected cash inflow including realization of the associated collateral security. This is computed by discounting the expected cash flows from the impaired loans to present value.

## Credit-Related Commitments Risks

The bank makes available to its customers guarantees that may require that the bank makes payments on their behalf and enters into commitments to extend credit lines to secure their liquidity needs. 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. Such commitments expose the bank to similar risks to loans and are mitigated by the same control processes and policies.

## Collateral and Other Credit Enhancement

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are as follows:

- i) Securities lending and reverse repurchase transactions, cash or securities
- ii) Commercial lending, charges over real estate properties, inventory and trade receivables
- iii) Retail lending, mortgages over residential properties

Management monitors the market value of collateral, and will request additional collateral in accordance with the underlying agreement. It is the bank's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. In general, the Bank does not occupy repossessed properties for



# Risk Management Disclosures

business use.

The bank also makes use of master netting agreements with counterparties with whom a significant volume of transactions are undertaken. Such an arrangement provides for a single net settlement of all financial instruments covered by the agreement in the event of default on any one contract. Master netting arrangements do not normally result in an offset of balance-sheet assets and liabilities unless certain conditions for offsetting under IAS 32 apply.

Although master netting arrangements may significantly reduce credit risk, the credit risk is eliminated only to the extent that amounts due to the same counterparty will be settled after the assets are realized.

## Integrated Capital Adequacy Assessment Process (ICAAP)

The key objectives of capital management in the Bank includes:-

- Sets out the general framework for the management of the bank's capital, in line with present and anticipated risk levels
- Ensure that the available capital is in line with both overall level of risk being taken and anticipated in line with the bank's business and growth plans
- Ensures the meeting of minimum capital adequacy standards as required by regulatory authorities
- Defines additional capital adequacy standards to be maintained by the Bank in-house
- Sets out the framework for an Integrated Capital Adequacy Assessment Process in the Bank

The Bank continued to employ traditional Basle 1 template to monitor its capital adequacy during the year. The Asset-Liability Management Committee reviews movements and risks of the Bank's capital at its sittings and report to Executive Management, who in turn escalates to the Board with respect to any major exceptions, for direction and appropriate remedial action.

The Board has approved the implementation of the integrated approach in managing the Bank's capital using Basle 2. This comprises Standardized approach for credit risk and market risk management respectively and Modified Basic Indicator Approach to measuring exposure to operations risk. This will run in parallel with the Basle 1 template until regulatory approval is obtained for the new template.

## Stress Testing and Reverse Stress Testing

The Bank also has as part of its ERM framework the policies and process of subjecting its operations to barrage of stress tests and reverse stress tests to put extreme scenarios in perspective of risk review and mitigation planning. Quarterly stress tests were carried out on credit risk during the year. The results of these tests were employed in designing appropriate response to credit risk portfolio management.

Full implementation of the approved policies subsequent to year-end an all-encompassing stress test as well as reverse stress test exercises which will provide comprehensive input into the Bank's risk management processes

## Risk Concentration.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Management determines risk concentration using geographical and industry classifications. Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographical location. In order to avoid excessive concentrations of risk, the Bank's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective approval is used within the bank to manage risk concentrations at both the relationship and industry levels. The amount of risk exposure associated with all financial instruments sharing industry characteristics is shown in the following table:

# Risk Management Disclosures

Industry Type -2014	Cash and balances with Central Bank N'000	Due from banks N'000	Loans and advances to customers N'000	Financial investments held for trading N'000	Financial investments available for sale N'000	Financial investments available-for sale pledged as collateral N'000	Financial investments held to maturity N'000	Total N'000
AGRICULTURE	-	-	40,120,018	-	-	-	-	40,120,018
OIL & GAS	-	-	17,745,756	-	-	-	-	17,745,756
CAPITAL MARKET	-	-	462,070	-	1,455,522	-	-	1,917,592
REAL ESTATE ACTIVITIES	-	-	8,996,470	-	-	-	-	8,996,470
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	-	-	3,889,275	-	-	-	-	3,889,275
ADMINISTRATIVE, SUPPORT SERVICE ACTIVITIES	-	-	784,788	-	-	-	-	784,788
EDUCATION	-	-	1,670,011	-	-	-	-	1,670,011
HUMAN HEALTH & SOCIAL WORK ACTIVITIES	-	-	250,483	-	-	-	-	250,483
MANUFACTURING	-	-	30,160,071	-	-	-	-	30,160,071
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	-	-	183,817	-	-	-	-	183,817
REAL ESTATE & CONSTRUCTION	-	-	33,563,450	-	-	-	-	33,563,450
FINANCE & INSURANCE	-	16,158,360	3,337,419	-	-	-	-	19,495,779
GOVERNMENT	2,864,575	-	13,479,147	2,793,700	56,447,645	19,605,200	26,550,431	121,740,695
POWER	-	-	6,643,844	-	-	-	-	6,643,844
GENERAL COMMERCE	-	-	15,685,596	-	-	-	-	15,685,596
OTHER PUBLIC UTILITIES	-	-	3,920	-	-	-	-	3,920
TRANSPORTATION	-	-	17,744,680	-	-	-	-	17,744,680
COMMUNICATION	-	-	12,173,678	-	-	-	-	12,173,678
GENERAL	-	-	59,229,708	-	-	-	-	59,229,708
	2,864,572	16,158,360	263,987,974	2,793,700	57,903,167	19,605,200	26,550,431	391,999,631



# Notes to the Financial Statements

IndustryType -2014	Cash and balances with Central Bank N'000	Due from banks N'000	Loans and advances to customers N'000	Financial investments available for sale N'000	Financial investments available-for sale pledged as collateral N'000	Financial investments held to maturity N'000	Total N'000
AGRICULTURE	-	-	34,014,577	-	-	-	34,014,577
OIL & GAS	-	-	20,608,296	-	-	-	20,608,296
CAPITAL MARKET	-	-	622,357	-	-	-	622,357
REAL ESTATE ACTIVITIES	-	-	7,307,945	-	-	-	7,307,945
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	-	-	3,170,461	-	-	-	3,170,461
ADMINISTRATIVE, SUPPORT SERVICE ACTIVITIES	-	-	635,512	-	-	-	635,512
EDUCATION	-	-	1,539,843	-	-	-	1,539,843
HUMAN HEALTH & SOCIAL WORK ACTIVITIES	-	-	523,358	-	-	-	523,358
MANUFACTURING	-	-	23,457,500	-	-	-	23,457,500
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	-	-	100,258	-	-	-	100,258
REAL ESTATE & CONSTRUCTION	-	-	28,001,026	-	-	-	28,001,026
FINANCE & INSURANCE	-	6,621,121	5,960,831	-	-	-	12,581,952
GOVERNMENT	4,245,350	-	11,384,340	49,456,338	38,330,267	28,259,864	131,676,158
POWER	-	-	-	-	-	-	-
GENERAL COMMERCE	-	-	64718.143	-	-	-	64,814,153
OTHER PUBLIC UTILITIES	-	-	-	-	-	-	-
TRANSPORTATION	-	-	14,139,915	-	-	-	14,139,915
COMMUNICATION	-	-	9,450,567	-	-	-	9,450,567
	4,245,350	6,621,121	225,634,959	49,456,338	38,330,267	28,259,864	352,643,878

## Risk Mitigation

As part of its overall risk management, the Bank actively uses numerous approaches to manage to reduce its credit risk exposures. These are:

- i) Existence of well articulated credit policies
- ii) Existence of credit risk analysis and documentation procedures
- iii) Existence of hierarchical credit approval process
- iv) Use of perfected collaterals to hedge exposures
- v) Existence of efficient credit review, monitoring and reporting processes.

# Notes to the Financial Statements

## 35 Contingent Liabilities, Commitments and Lease Arrangements

### 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 426 litigation suits: 138 cases instituted by the Bank and 288 cases instituted against the bank, none of which is likely to give rise to any material contingent liability. The Directors are of the opinion that none of the aforementioned cases is likely to have a single material effect on the Bank and are not aware of any other pending or threatened claims and litigations

### b Capital Commitments

At 31 December 2014, the Bank had capital commitments amounting to N 264.89 million (2013:129.042 million) in respect of authorized and contracted capital projects

### c Contingent Liabilities

To meet the financial needs of customers, the bank enters into various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other undrawn commitments to lend.

Even though these obligations may not be recognised 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.

These instruments are used to meet the financial requirements of customers. The contractual amounts of the contingent liabilities

	31 December 2014	31 December 2013
	N'000	N'000
Performance Bonds and Guarantees	38,242,596	72,561,088
Letters of credit	3,987,049	4,045,201
	<u>42,229,645</u>	<u>76,606,288</u>

## 36 Lease arrangements

### Operating lease commitments – Bank as lessee

The bank has entered into commercial leases for premises and equipment. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases.



# Notes to the Financial Statements

	31 December 2014	31 December 2013
	N'000	N'000
Within one year	59,003	207,247
After one year but not more than five years	662,176	1,133,728
More than five years	379,027	379,669
	1,100,206	1,720,645

37 Events after the reporting date  
As at the time of approving this account, the Bank is at advanced stages of restructuring its fully paid rights issue. This will reduce the share capitalization of the Bank.

38 Capital  
The Bank maintains an actively managed capital base to cover risks inherent in the business and meet the capital adequacy requirements of the local banking supervisor, Central Bank of Nigeria. The adequacy of the Bank's capital is monitored using among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (BIS rules/ratios) and adopted by the Central Bank of Nigeria in supervising the bank. During the past year, the Bank had complied in full with all its externally imposed capital requirements.

#### Capital Management

The primary objectives of the bank's capital management policy are 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 to maximise shareholder value.

The bank manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the bank may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Regulatory capital	31 December 2014	31 December 2013
	N'000	N'000
Tier 1 capital		
Share capital	58,446,690	19,223,345
Share premium	10,485,871	11,929,515
Share Reconstruction	14,501,904	14,501,904
Statutory Reserves	10,898,794	7,691,052
SMEIES Reserves	440,116	440,116
Retained earnings	(56,434,482)	(58,700,475)
Less: goodwill and intangible assets	(17,148,015)	(17,389,808)
Less: Deferred Tax Assets	(16,737,488)	(19,036,676)
Total qualifying Tier 1 Capital	4,453,389	(41,341,029)
Tier 2 capital		
Preference Share	-	-
Non-Controlling Interest	-	-
Convertible Bonds	-	-
Qualifying Other Reserves	-	33,181,767
Qualifying Long Term Loan	7,571,667	-
Revaluation Reserve_ Investment Securities	(475,406)	(54,585)
Total qualifying Tier 2 Capital(1/3 of total qualifying tier 1 capital)	1,484,463	-
Total Qualifying Capital	5,937,853	(41,341,029)

# Notes to the Financial Statements

Risk - weighted assets:		
Risk Weighted Amount for credit risk	203,386,104	261,129,092
Risk Weighted Amount for operational risk	78,166,624	-
Risk Weighted Amount for market risk	12,183,352	-
Contingents	-	38,310,418
Total risk-weighted assets	293,736,080	299,439,510
<hr/>		
Ratio	2.02%	-13.81%



The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

As at 31 December 2014	Up to 1		1 to 3		3 to 6		6 to 12		1 to 3		Over 3		Total
	Month	N'000	Months	N'000	Months	N'000	Months	N'000	Years	N'000	Years	N'000	
<b>Assets</b>													
Cash and balances with central banks	6,814,218	-	-	-	-	-	-	-	-	-	-	-	6,814,218
Due from banks	16,158,360	-	-	-	-	-	-	-	-	-	-	-	16,158,360
Loans and advances to customers	101,775,507	50,670,079	20,636,576	25,976,313	42,791,267	1,906,300	2,793,700	219,335,346	-	-	-	-	279,335,346
Financial investments – held-for-trading	-	-	500,000	-	387,400	1,906,300	2,793,700	-	-	-	-	-	2,793,700
Financial investments – available-for-sale	10,455,803	3,583,833	16,820,977	16,060,898	6,818,433	4,163,224	57,903,167	-	-	-	-	-	57,903,167
“Financial investments – available-for-sale pledged as collateral”	-	-	-	19,605,200	-	-	-	-	-	-	-	-	19,605,200
Financial investments – held-to-maturity	-	-	2,000,000	-	11,907,732	12,986,534	26,550,431	-	-	-	-	-	26,550,431
Other assets	4,733,757	2,786,785	464,464	387,054	309,643	-	-	8,681,702	-	-	-	-	8,681,702
Non current assets held for sale	-	-	3,086,008	-	-	-	-	3,086,008	-	-	-	-	3,086,008
Property and equipment	-	-	-	-	-	-	-	18,491,476	-	-	-	-	18,491,476
Goodwill and other intangible assets	-	-	-	-	-	-	-	17,148,015	-	-	-	-	17,148,015
Deferred tax assets	-	-	-	-	-	-	-	16,737,488	-	-	-	-	16,737,488
<b>Total assets</b>	<b>139,937,645</b>	<b>57,040,696</b>	<b>43,508,025</b>	<b>62,029,465</b>	<b>78,951,963</b>	<b>54,695,549</b>	<b>413,305,111</b>	<b>413,305,111</b>	<b>413,305,111</b>	<b>413,305,111</b>	<b>413,305,111</b>	<b>413,305,111</b>	<b>413,305,111</b>
<b>Liabilities</b>													
Due to customers	246,610,279	28,436,780	1,019,498	959,056	-	-	-	277,025,613	-	-	-	-	277,025,613
Debt issued and other borrowed funds	-	-	-	9,038,913	-	-	36,460,899	45,499,812	-	-	-	-	45,499,812
Current tax liabilities	-	-	647,727	-	-	-	647,727	-	-	-	-	-	647,727
Other liabilities	6,832,848	3,936,747	875,242	1,165,563	932,450	49,332	13,792,184	-	-	-	-	-	13,792,184
Employee benefit liabilities	-	75,780,000	-	-	-	-	-	75,780	-	-	-	-	75,780
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	76,263,995	76,263,995	-	-	-	-	76,263,995
<b>Total liabilities</b>	<b>253,443,127</b>	<b>32,449,307</b>	<b>2,542,468</b>	<b>11,163,532</b>	<b>932,450</b>	<b>112,774,226</b>	<b>413,305,111</b>	<b>413,305,111</b>	<b>413,305,111</b>	<b>413,305,111</b>	<b>413,305,111</b>	<b>413,305,111</b>	<b>413,305,111</b>
<b>Gap</b>	<b>(113,505,482)</b>	<b>24,591,389</b>	<b>40,965,558</b>	<b>50,865,933</b>	<b>78,019,512</b>	<b>(58,078,677)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

As at 31 December 2013	Up to 1		1 to 3		3 to 6		6 to 12		1 to 3		Over 3		Total
	Month	N'000	Months	N'000	Months	N'000	Months	N'000	Years	N'000	Years	N'000	
<b>Assets</b>													
Cash and balances with central banks	9,710,926	-	-	-	-	-	-	-	-	-	-	-	9,710,926
Due from banks	7,385,127	-	-	-	-	-	-	-	-	-	-	-	7,385,127
Loans and advances to customers	26,906,640	52,685,723	15,476,293	47,984,091	58,307,751	195,229,573	49,456,338	195,229,573	49,456,338	195,229,573	49,456,338	195,229,573	195,229,573
Financial investments – available-for-sale	-	-	-	49,456,338	-	-	-	-	-	-	-	-	49,456,338
“Financial investments – available-for-sale pledged as collateral”	-	-	-	38,330,267	-	-	-	-	-	-	-	-	38,330,267
Financial investments – held-to-maturity	-	-	-	-	-	-	-	-	-	-	-	-	28,259,864
Other assets	8,465,979	4,983,961	830,660	692,217	553,773	20,091,653	17,389,808	17,389,808	17,389,808	17,389,808	17,389,808	17,389,808	17,389,808
Property and equipment	-	-	-	-	-	-	-	-	-	-	-	-	20,091,653
Goodwill and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	20,091,653
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	17,389,808
Non Current Assets Held for Sale	-	3,212,468	-	-	19,036,676.0	-	-	-	-	-	-	-	19,036,676
Total assets	52,468,672	57,669,684	19,519,421	136,462,912	77,898,200	65,741,325	403,629,290	403,629,290	403,629,290	403,629,290	403,629,290	403,629,290	403,629,290
<b>Liabilities</b>													
Due to customers	206,047,520	83,228,320	972,197	13,022,523	-	-	303,270,560	303,270,560	303,270,560	303,270,560	303,270,560	303,270,560	303,270,560
Debt issued and other borrowed funds	-	-	-	-	-	-	54,319,092.00	54,319,092	54,319,092	54,319,092	54,319,092	54,319,092	54,319,092
Current tax liabilities	-	-	425,554	-	-	-	-	425,554	425,554	425,554	425,554	425,554	425,554
Other liabilities	8,388,303	4,832,923	1,074,486	1,430,896	1,144,717	60,562,000	16,931,889	16,931,889	16,931,889	16,931,889	16,931,889	16,931,889	16,931,889
Employee benefit liabilities	-	-	469,555	-	-	-	-	469,555	469,555	469,555	469,555	469,555	469,555
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity	214,435,823	88,061,243	2,941,792	14,453,420	1,144,717	28,212,639	28,212,639	28,212,639	28,212,639	28,212,639	28,212,639	28,212,639	28,212,639
Total liabilities	214,435,823	88,061,243	2,941,792	14,453,420	1,144,717	82,592,294	403,629,290	403,629,290	403,629,290	403,629,290	403,629,290	403,629,290	403,629,290
Gap	(161,967,151)	(30,391,559)	16,577,629	122,009,492	76,753,483	(16,850,969)	-	-	-	-	-	-	-



# Notes to the Financial Statements

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## Maturity Profile of Contingents

The table below shows an analysis of contingents analysed according to when they are expected to be

As at 31 December 2014	Up to 1 Month N'million	1 to 3 Months N'million	3 to 6 Months N'million	6 to 12 Months N'million	1 to 3 Years N'million	Total N'million
Performance Bonds & Guarantees	407	4,065	1,731	30,540	1,499	38,243
Letters of credit	-	-	-	3,987	-	3,987
	407	4,065	1,731	34,527	1,499	42,230

As at 31 December 2013						
Performance Bonds & Guarantees	773	7,712	3,284	57,947	2,845	72,561
Letters of credit	-	-	-	4,045	-	4,045
	773	7,712	3,284	61,992	2,845	76,606

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## 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 2014	Naira N'000	Dollar N'000	Pound N'000	Euro N'000	Yen N'000	Total N'000
<b>Assets</b>						
Cash and balances with central banks	5,959,268	568,825	248,977	37,148	-	6,814,218
Due from banks	7,565,876	7,922,031	144,672	514,464.36	11,317	16,158,360
Loans and advances to customers	201,865,225	17,470,120	-	-	-	219,335,346
Financial investments – held-for-trading	2,793,700	-	-	-	-	2,793,700
Financial investments – available-for-sale	57,903,167	-	-	-	-	57,903,167
"Financial investments – available-for-sale pledged as collateral"	19,605,200	-	-	-	-	19,605,200
Financial investments – held-to-maturity	26,550,431	-	-	-	-	26,550,431
Other assets	8,498,547	-	16,021	8,675	158,459.75	8,681,702
Property and equipment	18,491,476	-	-	-	-	18,491,476
Goodwill and other intangible assets	17,148,015	-	-	-	-	17,148,015
Deferred tax assets	16,737,488	-	-	-	-	16,737,488
Non current assets held for sale	3,086,008	-	-	-	-	3,086,008
<b>Total assets</b>	<b>386,204,401</b>	<b>25,960,975</b>	<b>409,670</b>	<b>560,288</b>	<b>169,777</b>	<b>413,305,111</b>
<b>Liabilities</b>						
Due to customers	259,378,796	17,175,065	217,620	254,132	-	277,025,613
Debt issued and other borrowed funds	28,889,232	16,610,580	-	-	-	45,499,812
Current tax liabilities	647,727	-	-	-	-	647,727
Other liabilities	12,577,688	958,307	39,732	188,145	28,312	13,792,184
Employee benefit liabilities	75,780	-	-	-	-	75,780
Equity	76,263,995	-	-	-	-	76,263,995
<b>Total liabilities</b>	<b>377,833,218</b>	<b>34,743,952</b>	<b>257,353</b>	<b>442,277</b>	<b>28,312</b>	<b>413,305,111</b>
Gap	8,371,183	(8,782,976)	152,317	118,011	141,465	

# Notes to the Financial Statements

As at 31 December 2013	Naira N'000	Dollar N'000	Pound N'000	Euro N'000	Yen N'000	Total N'000
<b>Assets</b>						
Cash and balances with central banks	9,063,373	430,826	116,656	100,071	-	9,710,926
Due from banks	6,444,541	172,806	756,463	-	11,317	7,385,127
Loans and advances to customers	179,804,867	15,424,706	19	-	-	195,229,592
Financial investments – available-for-sale	49,456,338	-	-	-	-	49,456,338
"Financial investments – available-for-sale pledged as collateral"	38,330,267	-	-	-	-	38,330,267
Financial investments – held-to-maturity	28,259,864	-	-	-	-	28,259,864
Other assets	15,203,332	319,379	-	1,632	2,247	15,526,590
Property and equipment	20,091,653	-	-	-	-	20,091,653
Goodwill and other intangible assets	17,389,808	-	-	-	-	17,389,808
Deferred tax assets	19,036,676	-	-	-	-	19,036,676
Non current assets held for sale	3,212,468	-	-	-	-	3,212,468
<b>Total assets</b>	<b>386,293,187</b>	<b>16,347,717</b>	<b>873,138</b>	<b>101,703</b>	<b>13,564</b>	<b>403,629,290</b>
<b>Liabilities</b>						
Due to customers	293,962,473	8,941,328	80,266	286,493	-	303,270,560
Debt issued and other borrowed funds	46,241,592	8,077,500	-	-	-	54,319,092
Current tax liabilities	425,554	-	-	-	-	425,554
Other liabilities	15,863,036	776,691	81,110	199,727	11,325.00	16,931,889
Employee benefit liabilities	469,555	-	-	-	-	469,555
Deferred tax liabilities	-	-	-	-	-	-
Equity	28,212,639	-	-	-	-	28,212,639
<b>Total liabilities</b>	<b>385,174,849</b>	<b>17,795,519</b>	<b>161,376</b>	<b>486,220</b>	<b>11,325</b>	<b>403,629,290</b>
<b>Gap</b>	<b>1,118,339</b>	<b>(1,447,802)</b>	<b>711,762</b>	<b>(384,517)</b>	<b>2,239</b>	



# Notes to the Financial Statements

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.

	As at 31 December 2014							Total N'000
	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		
<b>Assets</b>								
Due from banks	16,158,360	-	-	-	-	-	-	16,158,360
Loans and advances to customers	101,775,507	50,670,079	20,636,576	25,976,313	42,791,267	-	266,124,203	277,025,613
Financial investments – held-for-trading	-	-	500,000	-	387,400	-	1,906,300	2,793,700
Financial investments – available-for-sale	10,209,012	3,830,624	16,820,977	16,060,898	6,818,433	-	4,163,224	77,508,367
Financial investments – held-to-maturity	-	-	-	2,000,000	11,907,732	-	12,986,534	26,550,431
<b>Total assets</b>	<b>128,142,879</b>	<b>54,500,703</b>	<b>39,957,553</b>	<b>42,037,211</b>	<b>61,904,832</b>	<b>19,056,058</b>	<b>389,135,061</b>	
<b>Liabilities</b>								
Due to customers	246,610,279	28,436,780	1,019,498	959,056	-	-	-	277,025,613
Debt issued and other borrowed funds	-	-	-	9,038,913	-	-	36,460,899	45,499,812
<b>Total liabilities</b>	<b>246,610,279</b>	<b>28,436,780</b>	<b>1,019,498</b>	<b>9,997,969</b>	<b>-</b>	<b>36,460,899</b>	<b>322,525,425</b>	
<b>Gap</b>	<b>(118,467,401)</b>	<b>26,063,923</b>	<b>38,938,055</b>	<b>32,039,242</b>	<b>61,904,832</b>	<b>(17,404,841)</b>	<b>66,609,636</b>	
	<b>As at 31 December 2013</b>							
	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	
<b>Assets</b>								
Due from banks	7,385,127	-	-	-	-	-	7,385,127	
Loans and advances to customers	223,583,857	297	330,841	138,901	1,505,552	75,511	225,634,959	
Financial investments – available-for-sale	-	29,399,672	25,644,595	32,742,338	-	-	87,786,605	
“Financial Investments – available-for-sale pledged as collateral”	-	-	-	-	-	-	-	
Financial investments – held-to-maturity	-	-	2,500,000	-	8,402,825.00	-	17,357,039	28,259,864
<b>Total assets</b>	<b>230,968,984</b>	<b>29,399,969</b>	<b>28,475,436</b>	<b>32,881,239</b>	<b>9,908,377</b>	<b>17,432,550</b>	<b>349,066,554</b>	
<b>Liabilities</b>								
Due to customers	249,715,281	24,395,778	921,110	311,422	27,926,968	-	303,270,560	
Debt issued and other borrowed funds	-	-	-	-	-	54,319,092.00	54,319,092	
<b>Total liabilities</b>	<b>249,715,281</b>	<b>24,395,778</b>	<b>921,110</b>	<b>311,422</b>	<b>27,926,968</b>	<b>54,319,092</b>	<b>357,589,653</b>	
<b>Gap</b>	<b>(18,746,297)</b>	<b>5,004,191</b>	<b>27,554,326</b>	<b>32,569,817</b>	<b>(18,018,591)</b>	<b>(36,886,542)</b>	<b>(8,523,099)</b>	

# Notes to the Financial Statements

## 43. Customer complaints data

	DESCRIPTION	NUMBER		AMOUNT CLAIMED		AMOUNT REFUNDED	
		2014 Nos	2013 Nos	2014 N'000	2013 Nos	2014 N'000	2013 Nos
1	Pending Complaints B/F	87	2	2,066,757	70.00	N/A	N/A
2	Received Complaints	6,183	2,338	8,698,825	3,083,106	N/A	N/A
3	Resolved Complaints	5,919	2,251	1,398,155	1,016,349	258,451	300,710
4	Unresolved Complaints escalated to CBN for intervention	1	1	17,843	-	N/A	N/A
5	Unresolved Complaints pending with the Bank C/F	264	87	7,300,670	2,066,757	N/A	N/A

## 43b. Fraud and Forgeries

	DESCRIPTION	TOTAL
1	Number of Fraud Attempts during the Year	35
2	Number of Successful Fraud Attempts	18
3	Total Attempted Fraud Amount	N592,197,588.14
4	Actual Fraud Loss for the Bank During the Year	N402,144,535.83



# Notes to the Financial Statements

44 a	Employees and Directors The average number of persons employed by the Bank during the year was as follows	31 December 2014	31 December 2013
		Number	Number
	Executive Directors	6	3
	Management	210	305
	Non-management	2,115	1,797
		2,331	2105

During the year, the acting Managing Director resigned from the Bank. This was in continuance of the reorganisation to reposition the Bank for greater achievement. A new Managing Director and three Executive Directors have since resumed.

Compensation for the above staff (excluding Bank directors) include:	N'000	N'000
Salaries and wages	13,218,641	14,464,388
Pension costs:		
Defined Contribution plans	522,119	629,277
Other retirement plans	-	-
	13,740,760	15,093,664

The number of employees of the Group, other than directors, who received employments in the following ranges (excluding pension contributions), were:

	Number	Number
N300,000 and below	-	-
N300,001 - N2,000,000	-	-
N2,000,000 - N2,800,000	540	230
N2,800,001 - N3,500,000	775	679
N3,500,001 - N4,000,000	319	345
N4,000,001 - N5,500,000	198	222
N5,500,001 - N6,500,000	174	182
N6,500,001 - N7,800,000	161	164
N7,800,001 - N9,000,000	59	80
b	105	200
	2,331	2,102

# Notes to the Financial Statements

## 45 Related party disclosures

a Compensation of key management personnel of the bank IAS 24.17	31 December 2014 N'000	31 December 2013 N'000
Short-term employee benefits (Executive Compensation)	279,931	466,380
Termination benefits	67,522	406,990
	<b>347,453</b>	<b>873,370</b>

Related party within the Bank are the Bank's Executive Directors and Non Executive Directors  
The non-executive directors do not receive pension entitlements from the bank.

## b Transactions with key management personnel of the bank

The bank enters into transactions, arrangements and agreements involving directors, and their related concerns in the ordinary course of business at commercial interest and commission rates.

The following table provides the total amount of transactions, which have been entered into with key management personnel for the relevant financial year.

	31 December 2014 N'000	31 December 2013 N'000	Income/ Expense 31 December 2014 N'000
Key management personnel of the bank:			
Loans and advances (Note 45c)	23,968,366	19,599,911	1,438,102
Deposits	196,313	89,167	144,290

The details of the directors deposits as at 31 December, 2014 are shown below:

	Directors	A/c Number	N'000
1	Alh. Lamis S. Dikko (Chairman)	233/83787/1/7/0	10,205
2	Mr. Thomas A. Etuh	359/1706538/1/1/1	4,426
3	Engr. Oluseun Mabogunje	377/1890216/1/1/0	7,114
4	Mr Hakeem Shagaya	233/1890494/1/1/0	29,846
5	Alh. Ibrahim M.A. Kaugama	290/1876606/1/1/0	3
6	Alh. Aminu Babangida	0020614597	76,289
7	Mr. Richard G. Asabia	416/1979491/1/1/0	525
8	Dr. Oluwafunsho Obasanjo	418/1962945/1/1/0	5,855
9	Henry James Semenitari - MD/CEO	233/2041135/1/6/0	9,233
10	Yusuf Ahmed - ED Retail Banking	207/143487/1/6/0	100
11	Aisha Azumi Abraham - ED Secretariat & Services	330/73167/1/6/0	1,988
12	Arese Alonge - ED Institutional Banking	359/2172729/1/6/0	5,497
13	Abubakar Abba Bello - ED Corporate & comm Banking	233/2176387/1/6/0	13,428
14	Dahiru Chadi - ED Enterprise Risk Mgt	233/2202710/1/6/0	31,805
			<b>196,313</b>

## c Risk assets outstanding as at 31 December 2014.

i) At the time this financials and reports were approved by the Bank's Board, the term loan of N5,500,000 had been fully repaid by Aisha Azumi Abraham.

ii) Included in loans and advances is an amount of N22.039 billion (2013: N19.599) representing credit facilities to companies in which certain directors and shareholders have interest. The balances as at 31 december, 2014 are as follows:



As at 31 December 2014

NAME OF BORROWERS	NAME OF THE RELATED INTEREST	RELATIONSHIP TO REPORTING INSTITUTION	FACILITY TYPE	APPROVED LIMIT =N=	CREDIT	DATE GRANTED	EXPIRY DATE	PERFORMING =N=	NON_PERFORMING =N=	BALANCE
ABRAHAM AISHA AZUMI	ABRAHAM AISHA AZUMI	EXECUTIVE DIRECTOR	TERM LOAN	5,500,000.00		5/14/2014	2/23/2015	5,500,000.00		5,500,000.00
ABRAHAM AISHA AZUMI	ABRAHAM AISHA AZUMI	EXECUTIVE DIRECTOR	TERM LOAN	6,000,000.00		6/18/2013	6/23/2016	3,887,891.00		3,887,891.00
ABRAHAM AISHA AZUMI	ABRAHAM AISHA AZUMI	EXECUTIVE DIRECTOR	SHARE LOAN	8,000,000.00		10/25/2010	10/10/2016	2,916,869.51		2,916,869.51
ADEKUNLE OYINLOYE	ADEKUNLE OYINLOYE	FORMER ED	SHARE LOAN	120,000,000.00		11/2/2010	4/28/2017	53,113,080.71		53,113,080.71
ADEKUNLE OYINLOYE	ADEKUNLE OYINLOYE	FORMER ED	OVERDRAFT					1,511.83		1,511.83
AHMED YUSUF	AHMED YUSUF	EXECUTIVE DIRECTOR	TERM LOAN	184,150,525.28		2/5/2013	7/21/2017	184,150,525.28		184,150,525.28
AHMED YUSUF	AHMED YUSUF	EXECUTIVE DIRECTOR	TERM LOAN	261,247,265.75		4/30/2013	7/22/2016	261,247,265.75		261,247,265.75
AHMED YUSUF	AHMED YUSUF	EXECUTIVE DIRECTOR	SHARE LOAN	15,600,000.00		1/5/2012	1/10/2017	15,600,000.00		15,600,000.00
AHMED YUSUF	AHMED YUSUF	EXECUTIVE DIRECTOR	SHARE LOAN	10,000,000.00		10/25/2010	9/8/2016	4,000,000.00		4,000,000.00
AHMED YUSUF	AHMED YUSUF	EXECUTIVE DIRECTOR	SHARE LOAN	6,859,768.67		4/4/2012	1/10/2017	3,249,364.07		3,249,364.07
ALARAB PROPERTIES LTD	DRO.O. OBASANJO	DIRECTOR	TERM LOAN	600,000,000.00		11/15/2012	11/19/2015	304,119,862.70		304,119,862.70
ALARAB PROPERTIES LTD	DRO.O. OBASANJO	DIRECTOR	OVERDRAFT					700,927,870.21		700,927,870.21
ALHAJI HARUNA USMAN ILLO	ALHAJI HARUNA USMAN ILLO	EX-DIRECTOR (DEFUNCT BON)	OVERDRAFT	1,844,188.54		9/11/2007	10/28/2011	3,269,739.23		3,269,739.23
BACKBONE CONNECTIVITY NETWORK	LAMIS DIKKO	EX-CHAIRMAN	TERM LOAN	1,552,951,235.39		4/14/2014	6/30/2016	1,552,951,235.39		1,552,951,235.39
BAGDAUDA TEXTILE (ABDUSSAMADI RABU)	ABDUSSAMADI RABU	EX-CHAIRMAN (DEFUNCT TCB)	OVERDRAFT	1,687,239.83		9/1/2006	2/28/2007		1,738,827.81	1,738,827.81
BELLO ABUBAKAR ABBA	BELLO ABUBAKAR ABBA	EXECUTIVE DIRECTOR	TERM LOAN	15,111,200.62		4/3/2014	4/10/2020	13,851,933.90		13,851,933.90
ETUH THOMAS	ETUH THOMAS	CHAIRMAN	OVERDRAFT	312,169,196.67		11/14/2014	3/12/2015	312,169,196.67		312,169,196.67
EVANS EJIKE WOHEREM	EVANS EJIKE WOHEREM	EX- EXECUTIVE DIRECTOR	SHARE LOAN	150,000,000.00		11/2/2010	2/26/2027	19,711,380.17		19,711,380.17
EVANS EJIKE WOHEREM	EVANS EJIKE WOHEREM	EX- EXECUTIVE DIRECTOR	SHARE LOAN	54,437,610.75		2/21/2012	1/31/2017	54,437,610.75		54,437,610.75
FALALU BELLO	FALALU BELLO	EX-MD	OVERDRAFT	584,940,000.00		12/30/2014	6/30/2015	585,538,977.21		585,538,977.21
FALALU BELLO	FALALU BELLO	EX-MD	SHARE LOAN	64,422,464.93		1/20/2012	1/10/2017	64,422,464.93		64,422,464.93
FALALU BELLO	FALALU BELLO	EX-MD	SHARE LOAN	21,474,154.97		1/20/2012	1/10/2017	10,171,968.17		10,171,968.17
GENERAL METAL PRODUCTS LIMITED	ALH. AMINU BABANGIDA	VICE CHAIRMAN	OVERDRAFT	115,289,254.40		11/26/2012	3/4/2016	115,289,254.40		115,289,254.40
HEAVYIND INTEGRATED SERV.LTD	SHAGAYA HAKEEM	DIRECTOR	OVERDRAFT	56,000,000.00		7/30/2013	12/31/2014	3,464,321.86		3,464,321.86
IBRAHIM BABANGIDA B.	ALH. AMINU BABANGIDA	VICE CHAIRMAN	TERM LOAN	500,000,000.00		10/19/2012	2/29/2016	192,307,692.32		192,307,692.32
IBRAHIM BABANGIDA B.	ALH. AMINU BABANGIDA	VICE CHAIRMAN	OVERDRAFT	200,000,000.00		12/23/2014	12/23/2015	218,132,845.92		218,132,845.92
KASHTON CONCEPTS NIGERIA LTD	HAKEEM SHAGAYA	DIRECTOR	OVERDRAFT	250,000,000.00		7/4/2013	8/12/2015	107,414,927.01		107,414,927.01
KASHTON HOMES LIMITED	HAKEEM SHAGAYA	DIRECTOR	OVERDRAFT	49,000,000.00		1/22/2013	2/24/2015	7,739,638.24		7,739,638.24
LAMIS SHEHU DIKKO	ALHAJI LAMIS SHEHUDIKKO	EX-CHAIRMAN	TERM LOAN	30,000,000.00		4/12/2013	12/30/2016	22,500,000.00		22,500,000.00
LAMIS SHEHU DIKKO	ALHAJI LAMIS SHEHUDIKKO	EX-CHAIRMAN	TERM LOAN	1,750,000,000.00		7/25/2013	12/12/2016	1,750,000,000.00		1,750,000,000.00
M B S MERCHANTS	FALALU BELLO	EX-MD	OVERDRAFT	3,070,000,000.00		12/31/2014	6/30/2015	3,069,568,161.08		3,069,568,161.08
MR ADELUPO ADEREMI	MR ADELUPO ADEREMI	EX-DIRECTOR	OVERDRAFT	4,656,598.40		12/31/2009	1/30/2010	4,680,327.93		4,680,327.93
NIGER NORTH LIMITED	ALH. UMARU NANDANUSA	EX-DIRECTOR	TERM LOAN	40,190,001.99		2/24/2011	2/23/2016	9,941,177.07		9,941,177.07
NIGER NORTH LIMITED	ALH. UMARU NANDANUSA	EX-DIRECTOR	OD	10,000,000.00		5/2/2008	2/23/2016	2,265,999.87		2,265,999.87
OBQ QUARRY LIMITED	DRO.O. OBASANJO	DIRECTOR	TERM LOAN	400,000,000.00		11/15/2012	11/14/2015	204,529,680.11		204,529,680.11
OBQ QUARRY LIMITED	DRO.O. OBASANJO	DIRECTOR	OVERDRAFT					495,905,342.42		495,905,342.42
PACIFIC ENERGY COMPANY LIMITED	DR. ADEDEJI ADELEKE	EX-DIRECTOR	SYNDICATED CONTRACT FINANCE	USD10,666,818.79		12/5/2013	12/5/2018	1,756,150,704.98		1,756,150,704.98
PACIFIC ENERGY COMPANY LIMITED	DR. ADEDEJI ADELEKE	EX-DIRECTOR	SYNDICATED CONTRACT FINANCE	12,319,500.32		2/28/2014	2/27/2015	153,480,502.03		153,480,502.03
PROFILE ENERGY LIMITED	ALH. AMINU BABANGIDA	VICE CHAIRMAN	TERM LOAN	2,053,250.02				2,053,250.02		2,053,250.02
PROFILE ENERGY LIMITED	ALH. AMINU BABANGIDA	VICE CHAIRMAN	OVERDRAFT	277,969,361.46		6/16/2014	6/15/2018	1,144,358.56		1,144,358.56
SALINUA INVESTMENT COMPANY LIMITED	ALHAJINUJUMAN BARAUDANBATT	EX-CHAIRMAN	OVERDRAFT	110,000,000.00		8/12/2014	8/12/2019	177,969,361.46		177,969,361.46
SHAGAYA HAKEEM	SHAGAYA HAKEEM	DIRECTOR	TERM LOAN	2,115,104.35		2/7/2010	12/31/2015	110,000,000.00		110,000,000.00
SHAGAYA HAKEEM	SHAGAYA HAKEEM	DIRECTOR	OVERDRAFT	788,250,098.20		12/30/2014	6/30/2016	2,201,134.03		2,201,134.03
TAK AGRO & CHEMICAL LIMITED	THOMASETIUH	CHAIRMAN	OVERDRAFT	5,099,183,503.83		4/16/2014	6/30/2016	788,250,098.20		788,250,098.20
TAK AGRO & CHEMICAL LIMITED	THOMASETIUH	CHAIRMAN	TERM LOAN	179,720,422.68		12/30/2014	4/30/2015	5,099,183,503.83		5,099,183,503.83
TAK CONTINENTAL LTD	THOMASETIUH	CHAIRMAN	TERM LOAN					179,720,422.68		179,720,422.68
TAK CONTINENTAL LTD	THOMASETIUH	CHAIRMAN	OVERDRAFT	1,000,000,000.00		9/27/2010	9/30/2016	823,513.80		823,513.80
TEMPO STARCH AND GLUCOSE LTD	DRO.O. OBASANJO	DIRECTOR	BOI Loan	3,000,000,000.00		2/19/2014	4/19/2024	350,000,000.00		350,000,000.00
TEMPO STARCH AND GLUCOSE LTD	DRO.O. OBASANJO	DIRECTOR	OVERDRAFT					3,039,758,673.61		3,039,758,673.61
				20,832,930,359.05				1,206,522,107.60		22,039,452,466.65

# Notes to the Financial Statements

	31 December 2014	31 December 2013
46		
Remuneration paid to Non Executive Directors	N'000	N'000
Fees and sitting allowances	96,042	78,204
Termination costs	-	-
Other director expenses and benefits	40,634	61,641
	<u>136,677</u>	<u>139,845</u>
Included in remuneration paid to Non-Executive Directors are annual fees paid to:		
The Chairman	9,720	9,720

	Number	Number
The number of directors who received fees and other emoluments( excluding pension contributions)		
Below N1,000,000	-	-
N1,000,000 - N2,000,000	-	-
N2,000,001 - N3,000,000	-	-
N5,000,001 and above	14	13
	<u>14</u>	<u>13</u>

47	Reconciliation of profit before tax to cash generated from operation		
		N'000	N'000
	Profit before tax	13,639,390	(33,639,369)
	Adjustments to reconcile profit to net cashflow from operating activities		
	Depreciation	2,307,269	2,508,152
	Impairments	16,721,813	2,476,144
	Amortization of intangible assets	307,111	390,668
	Profit on sale of fixed assets	(83,145)	(68,175)
	Profit from sale of Investment	(1,081,077)	(572,489)
	Net change in operating assets	(34,503,965)	(16,461,152)
	Net change in operating liabilities	(29,778,427)	32,453,844
	Increase/(Decrease) in tax payable	222,173	(165,957)
	Net Cash from operating activities	<u>(32,248,858)</u>	<u>23,788,331</u>

- 48 Acquisitions and disposals
- In line with directives of Central Bank of Nigeria, the Board and Shareholders approved the disposal of the Bank subsidiaries in 2011. The subsidiaries have been disposed except Unity Bureau De Change where a substantial percentage has been disposed. The balance on it is treated as non-current assets held for sale in line with IFRS 5. Unity Kapital Assurance Plc was also classified as Held for sale owing to CBN instructions and Management remains Commitment in disposing same.



# Notes to the Financial Statements

## 49 Contraventions

The Bank contravened certain extant regulatory provisions during the year. The details of such contraventions and the penalties paid are shown below.

S/n	Nature of Contravention	Regulatory Body	31 December	31 December
			2014	2013
			N'000	Penalty Paid N'000
1	Penalty in respect of 2011 Management promotions	CBN	-	20,000.00
2	Penalty for Software Licensing Registration violation	CBN	-	100.00
3	Penalty	SEC	-	694.00
4	Under reporting of public sector deposit	CBN	-	2,000.00
5	Penalty for Absenteeism-4th Quarter Bankers's Forum	CBN	-	5.00
6	Penalty with respect to FOREX dealings	CBN	-	2,000
7	Late filing of Bank's 2009 & 2011 Report	SEC	3,100	-
8	Non submission of parastatal returns	CBN	150	-
9	Failure to implement CBN Circular	CBN	2,000	-
10	Non compliance with prudential guideline	CBN	2,000	-
			7,250	24,799

# Notes to the Financial Statements

## 50 Future Accounting Development and its impact on the Bank

### Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Bank's financial statements are listed below. This listing of standards and interpretations issued are those that the Bank reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Bank intends to adopt these standards when they become effective.

### IAS 19 Employee Benefits (Amendment)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Bank is currently assessing the full impact of the remaining amendments. The amendment becomes effective for annual periods beginning on or after 1 January 2013. This does not currently affect the Bank as it does not account for defined benefit scheme.

### IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Company's financial statements understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Bank's financial position or performance. No financial asset has been transferred as such does not affect the Bank.

### IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Bank's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Bank will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.



# Statement of Value Added

FOR THE YEAR ENDED 31 DECEMBER 2013

	31 December 2014		31 December 2013	
	N'000	%	N'000	%
Gross earnings	77,071,490		62,827,927	
Interest expense	(17,184,561)		(22,052,800)	
	59,886,928		40,775,127	
Administrative and other expenses:				
Local	(20,879,732)		16,094,583	
Impairment of assets	(17,369,540)		(39,577,787)	
	21,637,656	100	17,291,923	100
Applied to pay:				
Employees:				
Wages, salaries and pensions	13,884,015	64	15,093,664	87
Taxes	(3,096,440)	(14)	11,057,029	64
Information technology levy	149,525	1	-	-
Shareholders:				
Dividend	-	-	-	-
To be retained in the business for expansion for expansion and future wealth creation				
Depreciation	2,307,269	11	2,508,152	15
Deferred taxation	(2,299,188)	(11)	11,215,416	65
(Loss)/Profit for the year	10,692,476	49	(22,582,339)	(131)
	21,637,656	100	17,291,922	100

# Five Year Financial Summary

## STATEMENT OF FINANCIAL POSITION

	31 December 2014 N'000	31 December 2013 N'000	31 December 2012 N'000	31 December 2011 N'000	31 December 2010 N'000
<b>Assets</b>					
Cash and balances with Central Bank	6,814,218	9,710,926	41,245,431	27,702,285	17,334,975
Due from banks	16,158,360	7,385,127	13,586,887	61,034,229	31,721,963
Loans and advances to customers	219,335,346	195,229,573	189,041,345	117,875,258	116,688,894
Financial investments – held-for-trading	2,793,700	-	-	-	-
Financial investments – available-for-sale	57,903,167	49,456,338	25,247,739	16,221,557	19,439,165
"Financial investments – available-for-sale pledged as collateral"	19,605,200	38,330,267	6,295,200	13,604,253	6,295,200
Financial investments – held-to-maturity	26,550,431	28,259,864	55,072,364	55,939,144	35,427,340
Other assets	8,681,702	15,526,590	19,271,529	31,629,931	27,120,262
Property and equipment	18,491,476	20,091,653	20,886,553	21,954,455	22,076,596
Goodwill and other intangible assets	17,148,015	17,389,808	17,498,195	17,928,538	18,263,550
Deferred tax assets	16,737,488	19,036,676	7,147,823	7,634,265	7,755,608
Investment in subsidiaries	-	-	-	1,402,832	1,921,177
Non current assets held for sale	3,086,008	3,212,468	427,115	-	-
<b>TOTAL ASSETS</b>	<b>413,305,111</b>	<b>403,629,290</b>	<b>395,720,179</b>	<b>372,926,748</b>	<b>304,044,730</b>
<b>Liabilities and Equity</b>					
<b>Liabilities</b>					
Due to customers	277,025,613	303,270,560	270,060,046	266,877,426	222,145,561
Debt issued and other borrowed funds	45,499,812	54,319,092	54,434,499	43,007,826	17,738,789
Current tax liabilities	647,727	425,554	591,511	642,480	899,277
Other liabilities	13,792,184	16,931,889	18,856,671	16,928,998	18,666,506
Employee benefit liabilities	75,780	469,555	319,771	1,648,335	1,392,823
<b>Total liabilities</b>	<b>337,041,116</b>	<b>375,416,650</b>	<b>344,262,498</b>	<b>329,105,065</b>	<b>260,842,956</b>
<b>Equity</b>					
Issued share capital	58,446,690	19,223,345	19,223,345	17,475,768	16,643,588
Share premium	10,485,871	11,929,515	11,929,515	13,677,092	14,509,272
Statutory reserve	10,898,794	7,691,052	7,691,052	5,837,033	5,106,539
Retained earnings	(56,434,482)	(58,700,475)	(7,478,136)	(11,682,091)	(10,554,895)
Non distributable regulatory reserves	38,400,508	33,181,767	4,541,768	4,419,678	3,209,215
Other reserves	14,466,615	14,887,436	15,550,140	14,094,203	14,288,055
<b>Total equity</b>	<b>76,263,995</b>	<b>28,212,639</b>	<b>51,457,684</b>	<b>43,821,683</b>	<b>43,201,774</b>
<b>Total liabilities and equity</b>	<b>413,305,111</b>	<b>403,629,290</b>	<b>395,720,180</b>	<b>372,926,748</b>	<b>304,044,730</b>



# Five Year Financial Summary

## STATEMENT OF PROFIT OR LOSS

	31 December 2014 N'000	31 December 2013 N'000	31 December 2012 N'000	31 December 2011 N'000	31 December 2010 N'000
Net operating income	59,886,928	40,775,127	37,786,331	37,111,721	50,177,125
Operating expenses	(31,193,291)	(51,885,952)	(29,669,741)	(32,330,846)	(30,067,172)
Impairment losses	(15,054,246)	(22,528,543)	(1,659,863)	(1,323,194)	(6,795,204)
Profit before taxation	13,639,390	(33,639,369)	6,456,727	3,457,682	13,314,749
Information technology Levy	(149,525)	-	(67,220)	(30,470)	-
Current taxation	(498,202)	(234,978)	(520,586)	(612,010)	(899,277)
Deferred taxation	(2,299,187)	11,292,007	311,140	(121,343)	-
Profit/(Loss) after taxation	10,692,476	(22,582,339)	6,180,061	2,693,859	12,415,472
Profit/(Loss) attributable to shareholders	10,692,476	(22,582,339)	6,180,061	2,693,859	12,415,472
Earnings per share (basic)	17.45	(58.74)	17.68	7.71	37.52

Note that financial statements for 2010 were prepared under local GAAP

# CORPORATE INFORMATION



# Corporate Social Responsibility

The bank expended the sum of N188,168,500 (One Hundred and Eighty Eight Million, One Hundred and Sixty Eight Thousand, Five Hundred Naira Only) on various CSR commitments covering the fields of Education/Capacity Building, Trade Promotions, Professional Developments, Community Interventions, Sports and Health.

S/N	DETAILS OF EXPENDITURE	CATEGORY	AMOUNT	DATE
1	Sponsorship of Lagos International Polo Tournament	Sports	1,000,000	20 -02- 14
2	Donation to Finance Correspondents Association of Nigeria (FICAN)	community intervention	340,000	5 -03- 14
3	Sponsorship of the Nigerian Stock Exchange Corporate Sports Event	Trade & Promotions	678,500	11 -03- 14
4	Donation towards the 2014 Rivers State Civil Service Week	community intervention	150,000	16 -06- 14
5	11th Annual Corporate Financial Reporting Summit and Dinner	Capacity building	1,000,000	04 -12- 14
6	Donation in favour of Women for Change Initiative	community intervention	5,000,000	03 -11- 14
7	Donation towards the Victims of Terror (A CBN initiative)	community intervention	175,000,000	27 -10- 14
8	Participation in Nigeria Stock Exchange Roadshow in Asia	Trade & Promotions	5,000,000	07 -11- 14
TOTAL			188,168,500	

# Principal Officers

## Group Heads

	NAME	GRADE	GROUP
1	Adamu Mohammed Umar Mr.	General Manager	Compliance /CCO
2	Okhaimo Enike Bonaventure Mr.	General Manager	Operations & IT
3	Ogunrinde Abiodun Olubowale Mr.	General Manager	Corporate & Commercial Banking
4	Abubakar Baba Danlami Mr.	Deputy General Manager	Enterprise Risk Management
5	Essel Gregory Chukwudi Mr.	Deputy General Manager	Internal Control
6	Aboyade-Cole Olufemi Agboola Mr.	Deputy General Manager	Operations - North
7	Okafor Kaodinye Maurice Mr.	Deputy General Manager	Operations - South
8	Atiku Abubakar Zubairu	Assistant General Manager	Central Operations
9	Lere Aliyu Yahaya Mr.	Assistant General Manager	Credit Administration
10	Ahunanya Chinwe Patricia	Assistant General Manager	Finance and Strategy / CFO
11	Bakwunye Obijieza Sunny Mr.	Assistant General Manager	Treasury
12	Anyalenkeya Uzoma Benedict Mr.	Assistant General Manager	E-Business
13	Usman Kabir Mr.	Senior Manager	Agri-Business
14	Oni Olajide Abayomi Mr.	Senior Manager	Information Technology

## Heads of Department

	NAME	GRADE	DEPARTMENT
15	Williams Adejumobi Alaba Mr.	Assistant General Manager	Human Capital Management Department
16	Ugo-Okoye Ify Mrs.	Principal Manager	Consumer Products Department
17	Akpakpan Okon Ibere-Abasi Mr.	Senior Manager	Datacentre Operations Department
18	Abba Kazaure Yahaya Mr.	Senior Manager	IS Audit Department
19	Abubakar Siddiki Adamu Mr.	Senior Manager	Regulatory Compliance Department
20	Ibrahim Fatima Binta Mrs.	Senior Manager	Performance Management Department
21	Yahaya Bungudu Rufai Mr.	Senior Manager	General Audit & Inspection Department
22	Yomi-Balogun Chinyere Grace Mrs.	Senior Manager	E-Settlement/Clearing Department
23	Amechi Nwaego Theodora Mrs.	Senior Manager	Corporate Communication Department
24	Hussein Mohammed Gambo Mr.	Senior Manager	Investigation Department
25	Kehinde Bello	Manager	Financial Control
26	Odeh Michael Mr.	Manager	Total Quality Management Department
27	Oluwaniyi Simeon Adegboyega Mr.	Manager	Audit Monitoring & Control Department
28	Otueso Olorunfunmi Mr.	Manager	Credit Management Department
29	Dagun Nangwan Andrew Mr.	Manager	Business Support Department
30	Usman Kuburat Hadijat Mrs.	Deputy Manager	e-Services Support Department
31	Adum-Ozuzu Mwuese Mrs.	Deputy Manager	Training & Development Department
32	Toyo Chinyere Lovelyn Mrs.	Deputy Manager	Treasury Sales & Currencies
33	Abdullahi Abubakar Abubakar Mr.	Assistant Manager	Technical Support Department
34	Odiaka Chinonyelum Emmanuel Mr.	Assistant Manager	Fixed Income Trading

\*CCO Chief Compliance Officer \*CFO Chief Finance Officer



# Principal Officers

35	Mayo Anthony Mr.	Senior Banking Officer	Business Process Improvement Department
36	Elfrida Igiebu	Senior Banking Officer	Customer Service
37	Abubakar Muhammed Alhaji	Deputy Manager	Administration Department

## Zonal Heads

	NAME	GRADE	ZONE
38	Muhammad Mustapha Mr.	Assistant General Manager	North East
39	Mohammed Abdullahi Nura Mr.	Assistant General Manager	Abuja Central
40	Muhammad Shu'Aibu Sani Mr.	Assistant General Manager	North West

## Regional Managers

	NAME	GRADE	REGION
41	Bashir Mohammed Nuruddin Mr.	Assistant General Manager	Kaduna
42	Ohagwu Tifus Emeka Mr.	Assistant General Manager	Victoria Island Regional Office
43	Sani Shehu Mr.	Principal Manager	Bauchi
44	Owolewa Anthony Oluyide Mr.	Principal Manager	Benin
45	Ajuebon Nkemchor Hilary Mr.	Senior Manager	Asaba
46	Baba Idris Mustapha Mr.	Senior Manager	Kano-South
47	Ibrahim Farouk Umar Mr.	Senior Manager	Katsina
48	Gana Ibrahim Abbakura Mr.	Senior Manager	Maiduguri
49	Tijjani Rabi Mrs.	Senior Manager	Kano-South
50	Ejiwunmi Olawale Abdullateef Mr.	Senior Manager	Akure
51	Sani Ismaila Sabiu Mr.	Senior Manager	Abuja Satellite
52	Egena Adejo Idris Mr.	Senior Manager	Lokoja
53	Abba Kabir Zubairu Mr.	Senior Manager	Sokoto
54	Oladokun Adeboyin Mrs.	Manager	Ibadan
55	Lawal Mashi Kabir Mr.	Deputy Manager	Kano-North
56	Taiwo John Adeola Mr.	Senior Manager	Lagos Island
57	Egan Okwe Eucharía	Manager	Uyo
58	Sabiu Saidu Mahuta	Deputy Manager	Garki
59	Habib Uba	Assistant Manager	Abuja Central
60	Nwambu Obidike Chris Mr.	Assistant General Manager	Porthacourt

# Product Information



## Current Account

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### Features

- Flexible opening balance of N5000.00 for individuals and N10,000.00 for Corporate with minimum operating balance of N500.00.
- cash/cheque lodgements and payment
- Clearing of banking and financial instruments
- Unlimited Withdrawals on demand
- Flexible third party transactions

### Benefits

- ATM card
- Internet banking access
- Mobile Banking access.
- SMS Alerts
- Funds transfer
- personalized cheque booklet,
- Attractive interest payment.



## General Savings Account (NYSC Savings Indv, Partnership, Club & Society accounts)

---

### Features

- Flexible opening balance of N2000.00 and operating balance of N500.00
- Cash lodgment and payment,
- Quarterly statements of account (By email or surface mail).

### Benefit

- ATM card,
- Internet banking access,
- SMS alert,
- Mobile Banking access,
- Competitive Interest rate (subject to three withdrawals per month)
- Online deposit/ withdrawals from any Unity Bank branch.



## Product Information



### Double Edge Account (Individual & Corporate)

---

#### features

- Combines features of savings and current account,
- Non-clearing customized cheque,
- Opening and minimum operating balance of N20,000 for individuals and N50,000 for corporate bodies

#### Benefit

- Cheque and dividend warrant lodgment allowed,
- Interest Bearing at normal savings rate,
- COT free,
- Instant access to electronic banking Facilities (Internet Banking, ATM, SMS Alerts),
- Allows withdrawals by third party but subject to maximum of N50,000.00, Account serves as Collateral for borrowing.



### Target Savings Account (TSA)

---

#### Features

- Flexible opening balance of N2000.00 and operating balance of N5000.00,
- Personal cheque and dividend warrant lodgment applicable
- Cash lodgment and payment,
- Instalment deposit plan to be mutually agreed and fixed based on investor's financial capabilities and tenor
- Monthly statements of account (By email or surface mail),
- Threshold i.e. operating balance of N5000.00, Flexible deposit options i.e. weekly, monthly, quarterly.
- Access to PTA for international passengers (e.g Holy Pilgrimages)

#### Benefit

- Debit card. (for individuals),
- Internet banking access,
- SMS alert
- Mobile Banking access,
- Bridging facility subject to terms and conditions as advised by the Credit Process
- Interest rate of 1% above savings rate

## Product Information



### Unity Kids Account

---

#### Features

- Normal savings interest rate,
- one withdrawal allowed monthly,
- converts automatically to major when the child turns 18 years

#### Benefits

- Encourages savings and banking habits from childhood,
- A chance to win Scholarship,
- Automatically becomes member of ACE Kiddy Club,
- The child gets free birthday gift.



### Business Empowerment Thrift Account (BETA)

---

#### Features

- Flexible opening balance of N2,000.00
- Regular periodic deposit up to a targeted amount over a specific period (max period of 5yrs),
- Competitive Interest rate
- Personal cheque lodgement in the name of the account holder (Conditions Apply),
- Only one withdrawal in a quarter.
- Non-clearing customised cheque
- Business expansion support available (Condition apply)

#### Benefits

- Cheque and dividend warrant lodgements allowed.
- Interest Bearing at normal savings rate
- COT free
- Collateral for borrowing
- Instant access to electronic banking Facilities (Internet Banking, ATM, SMS Alert, etc)
- On-line withdrawal /deposit from any of our branches
- Allows withdrawals by third party but subject to maximum of N50,000
- Draft/MCs issuance allowed from the account



## Product Information



### Unitypays Salary Advance "UNITY SALAD"

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#### Features

- The salary advance will be a maximum of 33.33% of monthly salary
- Monthly deduction will not exceed 33 1/3 % of net salary paid into the customer's account with Unity Bank.
- Domiciliation of Monthly Salary
- Tenor not exceeding 12 months

#### Benefits

- Assists customers in addressing immediate financial challenges
- Very fast credit processes.



### Unitypays Salary Loan "SALOAN"

---

#### Features

- The salary advance will be a maximum of 33.33% of Annual Pay.
- Monthly deduction will not exceed 33.33% of net salary paid into the customer's account with Unity Bank
- Domiciliation of Monthly Salary
- Tenor not exceeding 36 months

#### Benefits

- Assists customers in carrying out specific purpose e.g. financing of Long-term transactions
- Very fast credit processes.



### Uniprime Zero Cot Current Account

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#### Features

- Product is a non-borrowing current account
- Minimum balance / threshold expected on the account is N250,000.00
- Account is to be charged N1/mille COT if the balance falls below the minimum threshold of N250,000.00
- Non Interest bearing current account.

# Product Information

## Benefits

- Zero COT
- Debit card
- Internet banking access
- Mobile Banking access.
- SMS Alerts
- Funds transfer
- Personalized cheque booklet

## RETAIL DEPOSIT PRODUCT

### Retail Deposit Product "2-60-10"

---

#### Features

- it's a fixed deposit product
- Minimum deposit of 2m for 60 days at 10% interest rate pa.
- At pre-mature liquidation customers will only earn 3%
- Withdrawals are not allowed

#### Benefits

- It encourages savings habit
- Depositors earns high attractive interest rate of 10% pa

## 2-90-10

### 11 " <2-90-10"

---

#### Features

- It's a fixed deposit products
- Below 2m but more than N500,000 for 90 days attracts 10% interest pa.
- At pre-mature liquidation customers will only earn 3%
- Withdrawals are not allowed

#### Benefits

- It encourages savings habit
- Depositors earns high attractive interest rate of 10% pa



# Product Information

## Debit Cards



### 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.

#### Features

- Naira denominated Card
- 3 years validity period
- For local transactions (within Nigeria)
- CHIP & PIN secured

#### Benefits

- 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.
- Ease of making payments.



### MasterCard Platinum (\$)

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.

#### Features

- Dollar denominated
- Higher transaction limits
- Off-line transaction capability
- 3 years validity period
- For International & Local transactions
- CHIP & PIN secured

#### Benefits

- 24 hours access to funds on ATM, POS and WEB within and outside Nigeria
- Increased withdrawal limits
- Increased transaction velocity limit

# Product Information

## Prepaid Cards



### Generic Prepaid MasterCard (\$)

An international prepaid card issued in partnership with MasterCard Worldwide. It is denominated in US Dollars 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.

#### Features

- Dollar denominated
- 3 years validity period
- For local & International transactions
- CHIP & PIN secured

#### Benefits

- 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



### Mastercard Naira Debit Card (N)

#### Features

- Naira denominated
- 3 years validity period
- For local & International transactions
- CHIP & PIN secured

#### Benefits

- 24 hours access to funds on ATM, POS and WEB within and outside 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



## Product Information



### Verve Prepaid (N)

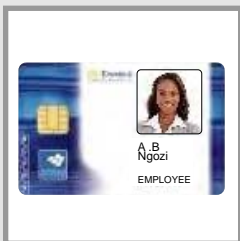
It is card issued in partnership with Interswitch Limited. This is a reloadable naira denominated card that can be used for transaction on all terminals within Nigeria. The card is not attached to any account as walk-in customers/customers load funds on the card at their convenience.

#### Features

- Naira denominated
- 3 years validity period
- For local transactions
- CHIP & PIN secured

#### Benefits

- 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



### 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

#### Features

- Data of Institution /Student
- Naira denominated
- 3 years validity period
- For local transactions
- CHIP & PIN secured

#### Benefits

- Customised 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

## Product Information



### Holytrip Prepaid Mastercard (\$)

It is an international prepaid card issued in partnership with MasterCard Worldwide. It is a US Dollar denominated card that enables you to make purchases in the holy land. It is not attached to any account and can be used to settle purchases in other currencies. Settlement of outstanding is not applicable as customers spend the available funds loaded on their card.

#### Features

- Dollar denominated
- 3 years validity period
- For local & International transactions
- CHIP & PIN secured

#### Benefits

- 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



### Genesis Card (N)

This is a reloadable card issued in partnership with e-Tranzact Limited. The card is a complimentary product for PocketMoni (our mobile banking solution). PocketMoni subscribers can transfer funds at their convenience to third parties (cardholders). The card is not linked to any account.

#### Features

- Pin and Chip secured
- Card validity is 3 years
- Card is not attached to any account

#### Benefits

- Card is not attached to any account
- 24 hours access to funds on ATM, POS and WEB within Nigeria

N:B: Currently the bank does not issue Credit cards.

### 2014 Volume and Value of Transactions

<u>Volume of Transaction (2014)</u>	<u>Value of Transactions (2014)</u>
36,374,655	N353,815,716,842



# Agric Products



## Unity Farmers Cooperatives Finance Scheme.

### Features

- Targeted at farmers' cooperative societies/ farmers groups to meet their financial needs for the production of crops such as maize, cotton, rice, cassava etc.
- Maintenance of 30% in savings account to serve as collateral support
- Counter guarantee of members of the Cooperative Societies.

### Benefits

- Loan amount to be granted is up to 3 times the collateral balance
- Maximum tenor of 12 months
- Free Professional advice from Agric Desk.
- Flexible repayment periods.
- CBN guarantee with interest rebate under under NIRSAL



## Unity Farmers Cooperatives Leasing Scheme

### Features

- Targeted at farmer's cooperative societies / farmers groups in need of farming tools and equipment e.g irrigation pumps, sprayers, ploughs etc.
- Maintenance of 30% in savings account to serve as collateral support
- Counter guarantee of members of the cooperative Society.

### Benefits

- Maximum loan amount is 3 times the collateral balance.
- Maximum tenor of 36 months.
- The leased equipments serve as part of the collateral.
- Free Professional advice from Agric Desk.
- Flexible repayment periods.
- CBN guarantee with interest rebate under NIRSAL



## Unity Industrial Input Farmers Scheme

### Features

- Targeted at farmers that grow crops on large scale or can purchase produce/animal bye-products in large quantities to serve as raw materials for industries.
- To maintain a collateral of 30% of facility required
- Domiciliation of sales proceeds to the bank

# Agric Products

## Benefits

- Facility has no limit
  - Tenor depends on business analysis of the project to be financed subject to a maximum period of 12months.
  - Free Professional advice from Agric Desk.
  - Flexible repayment periods.
- CBN guarantee with interest rebate under under NIRSA



## General Agro –Allied Farmers Scheme

### Features

- Targeted at farmers who need farm equipments such as: planters, harvesters, irrigation equipments, battery cages, storage facilities etc.
- Collateral includes equipments to be purchased.

### Benefits

- No facility limit.
- Tenor depends on business analysis of what is to be financed.
- Flexible repayment period.
- Free Professional advice from Agric Desk.

CBN guarantee with interest rebate under NIRSA



## Commercial Agriculture Credit Scheme.

### Features

- Targeted at Corporate, large and Medium scale commercial farmers/Agro enterprises as well as State Governments
- Business plan
- Submission of financials i.e. audited account, cash flow projections etc

### Benefits

- Single digit interest rate (9%).
- Relatively longer period of loan repayment (7 years).
- Free Professional advice from Agric Desk.
- State Governments have a loan limit of N1 billion to on lend to farmers.



# Agric Products

## AGRICULTURAL TRUST FUND MODEL

### Agricultural Trust Fund Model

#### Features

- Designed to partner with Federal, State/Local Governments, Non-Governmental organizations and private companies in making credits available to small and medium scale farmers and cooperative societies, that lack tangible collateral to offer for agricultural loan facilities.
- Employer or partnering body to contribute at least 50% of loan able funds.
- Farmers to contribute 25% of the loan

#### Benefits

- Farmers/Farmer group to access agric facilities up to 4 times the collateral balance
  - Flexible tenure
  - Refund of deposit held in lien after the loan repayment.
  - Free Professional advice from Agric Desk.
- CBN guarantee with interest rebate under under NIRSAL

## GES

### Growth Enhancement Support Scheme (GESS).

#### Features

- A Federal Government Initiative
- Targeted at Agro dealers and Small Holder Farmers to facilitate subsidy to farmers
- Interest rate at 16% (50% interest drawback)

#### Benefits

- Facility limit – 400 Million per obligor.
- Tenor is a maximum of six (6) months.
- Free Professional advice from Agric Desk.
- Buy back of unsold fertilizer (optional)

# Agric Products



## Agricultural Credit Guarantee Scheme Fund

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### Features

- All Agric activities covered
- Obligor limit is N10M (under review to N50M)
- Employee's are eligible to borrow

### Benefits

- Offers up to 75% credit risk guarantee to lenders
- Attracts up to 40% interest rebate
- Tenor is up to 24months



## Electronic Channels



### Internet Banking Service

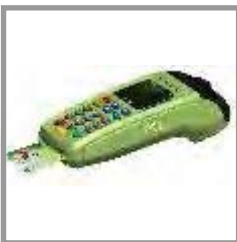
It is a convenient and fast online Banking Platform that enables customers transact on their accounts 24/7, at the comfort of their Personal computers/devices.

#### Features

- Account balance/statement
- Quick payment
- Cheque request
- Bills payment
- One-time payment
- Loans report
- Standing Instructions
- Direct Debit
- Mobile Top-up
- Intra/Inter Bank transfers
- Self-Services
- ATM Cardless
- Token Management

#### Benefits

- Access to enquiries and statements
- Funds transfer
- Issue basic instructions such as cheque book request, hotlist card.
- Empowering the Bank's Customers with the tool to monitor their accounts 24/7.
- Enable POS merchants to view and reconcile their daily transactions on their POS terminals.



### Point of Sale Terminals (POS)

#### Features

- Bills payment
- Purchases

#### Benefits

- Merchants can operate 24/7 without risk
- Lower operational cost.
- Reduced risk of theft and pilfering by cashiers
- Increased sales-cardholders are likely to make spontaneous purchases with cards
- Increase market share.
- Increase patronage.
- Image projection internationally for merchants accepting International card I.e. MasterCard, Visa Cards

## Electronic Channels



### Unity Mobile

This is a mobile banking technology that allows you to access your bank account from a mobile device, usually a cell phone

#### Features

- Airtime Top-up
- Check Balance
- Statements (Last 5 transactions)
- Fund transfer
- Send money to phone
- Bill payments
- Other banking services

#### Benefits

- Excellent customer service
- 24 hour access to transfer from your account.
- Convenient and saves time of queuing at the branch



### Automated Teller Machine

It is an electronic banking outlet, which allows customers to complete basic transactions without the aid of a branch representative or teller.

#### Features

- Cash withdrawal
- Fund transfers
- Balance Enquiry
- Utility Bills Payment etc
- Airtime top-up

#### Benefits

- Excellent customer services
- 24 hour access to transfer from your account
- Convenient and saves time of queuing at the branch



# MSME Products

## MSME

### MSME Credit

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This is a product funded by CBN/MSME

#### Features

- The bank is specially interested in supporting MSMEs who are engaged in the following sub-sectors:
  - Manufacturing (Plastics, Furniture, Metal fabrication etc.)
  - Education (Nursery, Primary & Secondary)
  - Medical & Health (Hospitals, Pharmacists, Medical Laboratories)
  - Agric Processing (Rice, Oil & grain milling, Private Abattoirs, Garri processing etc)
  - Food Beverages & Confectionaries (FMCG trade, Restaurants, Bakeries, Packaged drinks etc)
  - Hospitality (Hotels, Clubs, event Centre etc)
  - Services (Private Security firms, Law firms, Auto workshops, Laundries etc)
- Low Interest loans from intervention windows of CBN.
- Interest rate of 9% per annum.
- Tenor of up to 5 years

#### Benefits

- Easy and fast access to facility in MSME sub sector.
- Low interest rate facilities.
- Free financial advice.

## LOANS

### Other Loan Products

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Partnering with State Governments, Microfinance Banks and other relevant Agencies

#### Features

- Manage designated MSME Funds.
- Support access to Intervention funds to States & Microfinance Banks and Finance NGOs
- Collaborate, develop and manage specific MSME funding structure for state and other interested parties.
- Collaborate with development partners to support small businesses and farmers.

#### Benefits

- Easy management of customers in MSME sub-sector.
- Low Interest rate on facilities.
- Free financial advice.

# Payments & Collections Products



## e-COLLECTIONS

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### Features

Facilitates electronic collections for customers using the web, mobile, and bank branches

### Target Customers

- Schools
- Local, State & Federal Govt levies and taxes
- Transport sector
- Hotels
- Hospitals
- Online stores
- Housing Estates
- Religious bodies & NGOs
- Airlines
- Pay TV Companies
- Manufacturers and Distributors
- Other Corporates and Businesses

### Benefits

- Reduces risk of carrying cash
- Ensure prompt collection of Customer funds from anywhere in the world
- Easy management of relationships
- Enhances Operational efficiency
- Efficient cash management

## Web School

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### Features

- Automation of registration
- Electronic Fees Collections
- On-Line sale of forms
- On-Line publishing of Results

### Benefits

- Easy Management of account by schools that sign on.
- Easy and convenient payment method for students
- Stress-free means of getting examination results.

## UnityRemits





# Payments & Collections Products



## 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
- Liquidity Management
- Payment of vendors and other sundry expenses, Bulk Payment to people without bank accounts
- View and manage all your accounts in various banks on a single platform

## Benefits

- Secured payment
- Reduced risk of carrying cash
- Reduced social cost of transactions
- Improve your brand equity
- No reconciliation challenges
- Easy Management of funds

## REMMITTANCE

## Remittance

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 Western Union and Moneygram networks and indeed a choice destination 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 Monegram platform from any Unity bank branch nationwide

## Features

- Send and receive funds in Naira
- 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 item for every transaction.

# BRANCH NETWORK INFORMATION



# Branch Network Information

S/N	Branch Name	Branch Address	State	Region	Directorate
1	NASS Branch	National Assembly Complex, The Three-Arms Zone, Garki-Abuja	FCT	Abuja Central	Abuja & North Central
2	Head Office Branch	Plot 785, Herbert Macaulay Way, C.B.D, Abuja	FCT	Abuja Central	Abuja & North Central
3	Hafsat Plaza Branch	Hafsat Plaza, Plot 472, Constitution Ave. Central Area, Abuja	FCT	Abuja Central	Abuja & North Central
4	Russell Centre Branch	Russell Centre Complex, Plot 2097, Herbert Macaulay Way, Wuse Zone 4, Abuja	FCT	Abuja Central	Abuja & North Central
5	Maitama Branch	No.11, Inant Esti, Shehu Shagari Way, Maitama, Abuja	FCT	Abuja Central	Abuja & North Central
6	FMBN Building Branch	Federal Mortgage Bank of Nigeria Building, Plot 266 Cadastral Zone AO, C.B.D, Abuja.	FCT	Abuja Central	Abuja & North Central
7	Bannex Branch	Banex Plaza, Plot 750, Aminu Kano Crescent Wuse II, Abuja	FCT	Abuja Satellite	Abuja & North Central
8	Gwagwalada Branch	Secretariat Road, Gwagwalada, FCT	FCT	Abuja Satellite	Abuja & North Central
9	Kwali Branch	Secretariat Road, Kwali, Abuja	FCT	Abuja Satellite	Abuja & North Central
10	Bwari Branch	No. 44, Shagari Road, Opposite Jamb Headquarters Bwari, Abuja	FCT	Abuja Satellite	Abuja & North Central
11	Kubwa Branch	No. 2, Gbazango Off Gado Nasko Street, Kubwa Abuja	FCT	Abuja Satellite	Abuja & North Central
12	Gwarimpa Branch	Anatara Plaza, 1st Avenue, Gwarimpa Abuja	FCT	Abuja Satellite	Abuja & North Central
13	Karu Branch	No. 5, Cadastral Zone 09/06 Karu Abuja	FCT	Abuja Satellite	Abuja & North Central
14	Keffi Branch	No. 2, Abubakar Burga Way, Keffi	Nassarawa	Abuja Satellite	Abuja & North Central
15	Mararaba Branch	No. 2, Baba Street, Keffi Road, Mararaba	Nassarawa	Abuja Satellite	Abuja & North Central
16	Suleja Branch	Usman farouk Road, by Police 'A' Division, Suleja	Niger	Abuja Satellite	Abuja & North Central
17	Dawaki Road Branch	Dawaki Road, After Shuaibu Nabli Primary School, Suleja	Niger	Abuja Satellite	Abuja & North Central
18	Evarist House Branch	Evarist House, Plot 1529, Nouakchott Str, Wuse Zone I	FCT	Garki	Abuja & North Central
19	Jabi Branch	Sabon Dale Shopping Complex, No. 219, Obafemi Awolowo Street, Jabi District, Abuja	FCT	Garki	Abuja & North Central
20	Garki/Area 3 Branch	No.11, Faskari Street, Area 3, Garki, Abuja	FCT	Garki	Abuja & North Central
21	Wuse Zone 5 Branch	Copper House Plaza, No 4 , Aigies Street, Wuse Zone 5	FCT	Garki	Abuja & North Central
22	Wuse II Branch	No. 515, Adetokunbo Ademola Way, Wuse II, Abuja	FCT	Garki	Abuja & North Central
23	Wuse Zone 3 Branch	No. 35, Aswan street, Wuse Zone 3, Abuja	FCT	Garki	Abuja & North Central
24	Lafia Branch	Opposite Deputy Governor's Office, Shendam Road, Lafia	Nassarawa	Lafia	Abuja & North Central
25	Akwanga Branch	Lafia Road, Akwanga	Nassarawa	Lafia	Abuja & North Central
26	Ahmadu Bello Way Branch	No 7, Ahmadu Bello way, Jos	Plateau	Lafia	Abuja & North Central
27	Anglo Jos Branch	No. 41 Yakubu Gowon Way, Jos	Plateau	Lafia	Abuja & North Central
28	Wase Branch	Emir Street, Wase	Plateau	Lafia	Abuja & North Central
29	Pankshin Branch	New layout, Langtang Road, Pankshin	Plateau	Lafia	Abuja & North Central
30	Farin Gada Branch	No. 1, Farin Gada, Kaduna-Zaria Road, Jos	Plateau	Lafia	Abuja & North Central
31	Ajaokuta Branch	Gegegu Camp, Ajaokuta	Kogi	Lokoja	Abuja & North Central
32	Lokoja Branch	Murtala Mohammed Way, Lokoja.	Kogi	Lokoja	Abuja & North Central
33	Okene Branch	No. 6, Hospital Road, Okene	Kogi	Lokoja	Abuja & North Central
34	Ankpa Branch	Anyigba Road, Ankpa	Kogi	Lokoja	Abuja & North Central
35	Kabba Branch	Odo-Afin Quarters, Kabba-Ilorin Road-Kabba	Kogi	Lokoja	Abuja & North Central
36	Lokoja 2 Init' Market Branch	New International Market, Lokoja	Kogi	Lokoja	Abuja & North Central
37	Murtala Mohammed Way, Ilorin Branch	No. 147, Murtala Mohammed Way, Ilorin	Kwara	Lokoja	Abuja & North Central
38	Offa Branch	Ibrahim Taiwo Road, Opposite Offa Club, PMP 424, Offa	Kwara	Lokoja	Abuja & North Central
39	New Market Road, Ilorin Branch	No. 1, New Market Road Babooko Ilorin	Kwara	Lokoja	Abuja & North Central
40	New Bridge Road Branch	Plot 1339, New Bridge (Otukpo Road) Road, Makurdi	Benne	Makurdi	Abuja & North Central
41	Gboko Branch	No. 42, J S Tarika Way, Gboko	Benne	Makurdi	Abuja & North Central
42	Otukpo Branch	No. 63, Ahmadu Bello Way, Otukpo	Benne	Makurdi	Abuja & North Central
43	Ugbokolo Branch	Old Otukpo Road, Ugbokolo	Benne	Makurdi	Abuja & North Central
44	Zaki Biam Branch	Y- Junction, Zaki Biam, Benue	Benne	Makurdi	Abuja & North Central

# Branch Network Information

45	Bank Road, Makurdi Branch	No. 35, Bank Road, Makurdi	Benue	Makurdi	Abuja & North Central
46	Apa Branch	No. 1, Market Road Ugbokpo, Apa	Benue	Makurdi	Abuja & North Central
47	Bosso Road Branch	No. 3, Commercial Complex, Bosso Road, Minna	Niger	Minna	Abuja & North Central
48	Paiko Road Branch	No. 77, Abdulsalam Abubakar Way, Minna	Niger	Minna	Abuja & North Central
49	Bida Branch	No. 48, BCC Road, Bida	Niger	Minna	Abuja & North Central
50	Zungeru Branch	Old Kontagora Road, Zungeru	Niger	Minna	Abuja & North Central
51	Kontagora Branch	Bokame Estate, Lagos-Kaduna Road, Kontagora	Niger	Minna	Abuja & North Central
52	Ado Ekiti Branch	No. 158, Opopogboro Street, Ado-Ekiti	Ekiti	Akure	Lagos & West
53	Otun Ekiti Branch	Amututu Street, Along Ayetoro Road, Otun Ekiti, Ekiti State	Ekiti	Akure	Lagos & West
54	Oba Adesida Branch	No. 15A, Oba Adesida Road Akure	Ondo	Akure	Lagos & West
55	Commercial Zone Branch	Plot 9 Block XIII Commercial Zone GRA Alagbaka Akure	Ondo	Akure	Lagos & West
56	Oyemekun Road Branch	No. 59/61, Oyemekun Road, Akure, Ondo	Ondo	Akure	Lagos & West
57	Igbokoda Branch	No. 54, Broad Street, Igbokoda, Ondo	Ondo	Akure	Lagos & West
58	Eleganza Plaza Branch	No. 1, Wharf Road, Eleganza Plaza, Apapa	Lagos	Apapa	Lagos & West
59	Creek Road Branch	Plot 18, Creek Road, Apapa	Lagos	Apapa	Lagos & West
60	Ibaforon Branch	Bank House No. 1 Capital Oil Close by WestMinister, Ibru Jetty Complex, Ibaforon, Apapa	Lagos	Apapa	Lagos & West
61	Burma Road Branch	No. 44 Burma Road, Apapa	Lagos	Apapa	Lagos & West
62	Burma Road 2 Branch	No. 32, Burma Road, Apapa	Lagos	Apapa	Lagos & West
63	Tincan Port, Branch	Behind Tincan Port Admin Block, Tincan, Apapa.	Lagos	Apapa	Lagos & West
64	Apapa Comm Ave Branch	Plot 3, Block C, L.S.D.P. C. Industrial Scheme, Lagos-Badagry Expressway, Orlite-Coker	Lagos	Apapa	Lagos & West
65	Alaba Intl Branch	No. A65, Ojo-Igede Road, Alaba International Market, Alaba	Lagos	Apapa	Lagos & West
66	Aspamda Branch	BTC 6 New Gate, Aspamda market, Trade Fair Complex, Lagos - Badagry Express way	Lagos	Apapa	Lagos & West
67	Festac Branch	House 26, Second Avenue, Festac Town, Amuwo Odofin	Lagos	Apapa	Lagos & West
68	Oshogbo Branch	Kim 4, Gbongan/Ibadan Road, (Opp. Zarah Guest House), Osoybo	Lagos	Apapa	Lagos & West
69	Ede Branch	No. 250 Station Road, Back To Land Junction Agip Area, Ede	Osun	Ibadan	Lagos & West
70	Odutola Road Branch	No. 7, Alhaji Jimoh Odutola Street, Ogunpa, Ibadan	Oyo	Ibadan	Lagos & West
71	Lebanon Road Branch	No. 9, Lebanon Road, Ogunpa, Ibadan	Oyo	Ibadan	Lagos & West
72	Bodija Branch	No. 98, Bodija-Agbowo Road, New Bodija Ibadan	Oyo	Ibadan	Lagos & West
73	Iwo Road Branch	No. 96, Iwo Road, beside Ibadan North/East LGA, Ibadan	Oyo	Ibadan	Lagos & West
74	Allen Branch	No. 95, Allen Avenue, Ikeja	Lagos	Ikeja	Lagos & West
75	Opebi Branch	No. 37, Opebi Road, Ikeja	Lagos	Ikeja	Lagos & West
76	Oba Akran Branch	No. 42, Oba Akran Avenue, Ikeja	Lagos	Ikeja	Lagos & West
77	Abule Egba Branch	Lagos State Abattoir Complex, Oko-Oba, Agege, Lagos	Lagos	Ikeja	Lagos & West
78	Mile 12 Branch	No. 565, Ikorodu Road, Kosofe, Mile 12	Lagos	Ikeja	Lagos & West
79	Oregun Road Branch	No. 100, Kudirat Abiola Way, Oregun Road, Ikeja	Lagos	Ikeja	Lagos & West
80	Ikorodu Branch	No. 32, Lagos Road, Ikorodu	Lagos	Ikeja	Lagos & West
81	Abeokuta Branch	No. 4, Tinubu Street, Ita -eko, Abeokuta	Ogun	Ikeja	Lagos & West
82	Balogun Branch	No. 32, Balogun Street, Lagos Island	Lagos	Lagos Island	Lagos & West
83	Broad Street Branch	No. 114, Broad Street, Lagos Island	Lagos	Lagos Island	Lagos & West
84	Marina Branch	No. 274, Davies Street, Off Marina Road, Lagos Island	Lagos	Lagos Island	Lagos & West
85	Ebute-Ero Branch	No. 110, Alakoro Street, Ebute-Ero, Lagos Island	Lagos	Lagos Island	Lagos & West
86	Adetokunbo Ademola 2 Branch	Plot 1704, Adetokunbo Ademola St., Victoria Island	Lagos	Victoria Island	Lagos & West
87	Tiamiyu Savage Branch	Plot 1397A, Tiamiyu Savage Street, Victoria Island	Lagos	Victoria Island	Lagos & West
88	Head Office Annex Branch	Plot 290A, Akin Olugbade Street, Victoria Island	Lagos	Victoria Island	Lagos & West
89	Sanusi Fatunwa Road Branch	Plot 1683, Sanusi Fatunwa Street, Victoria Island	Lagos	Victoria Island	Lagos & West
90	Adeola Odeku Branch	No. 19, Adeola Odeku Street, Victoria Island	Lagos	Victoria Island	Lagos & West
91	Awolowo Road Ikoyi, Branch	No. 128, Awolowo Road, Ikoyi	Lagos	Victoria Island	Lagos & West



# Branch Network Information

92	Lekki Express Way Branch	No. 1 Prince Ibrahim Odofin Street, Lekki Expressway, Lekki	Lagos	Victoria Island	Lagos & West
93	Yaba Comm Avenue Branch	No. 32A, Commercial Avenue, Sabo Yaba	Lagos	Yaba	Lagos & West
94	Idi Oro Branch	No. 94, Agege Motor Road, Idi Oro, Mushin	Lagos	Yaba	Lagos & West
95	Mushin Branch	No. 87, Ladipo Street, Mushin	Lagos	Yaba	Lagos & West
96	Iddo Branch	No. 8, Taylor Road Off G. Cappa Bus-stop, Iddo	Lagos	Yaba	Lagos & West
97	Surulere Branch	No. 53, Bode Thomas Street, Surulere	Lagos	Yaba	Lagos & West
98	Yola Branch	No. 1 Bank Road, Bekaji, Yola	Adamawa	Adamawa	North East
99	Mubi Branch	Ahmadu Bello Way, Mubi	Adamawa	Adamawa	North East
100	Numan Branch	Plot 24/26 Yola Road, Numan	Adamawa	Adamawa	North East
101	Hong Branch	No. 5 Malajisa Road, Opposite First Bank Plc. Close to District Head Palace, Hong Town	Adamawa	Adamawa	North East
102	Ganye Branch	Mbulu Road, Opposite AP Filling Station Ganye	Adamawa	Adamawa	North East
103	Jalingo Branch	No. 11, Hamma Ruwa Road, Jalingo	Taraba	Adamawa	North East
104	Wukari Branch	Ibibi Road, Wukari	Taraba	Adamawa	North East
105	Murtala Mohd Way Branch	560 Murtala Mohammed Way, Bauchi	Bauchi	Bauchi	North East
106	Commercial Road Branch	Ahmed Abdulkadir Road, Bauchi	Bauchi	Bauchi	North East
107	Alkaleri Branch	Gombe Road, Alkaleri Town, Bauchi	Bauchi	Bauchi	North East
108	Azare Branch	Jama'are Road, Azare, Bauchi	Bauchi	Bauchi	North East
109	Biu Road Branch	Plot 9, Gombe/Biu Road, Gombe	Gombe	Bauchi	North East
110	Gombe Commercial Area Branch	Commercial Area, Gombe	Gombe	Bauchi	North East
111	Billiri Branch	No. 3, Yola Road, Billiri Town	Gombe	Bauchi	North East
112	Tudun Hatsi Branch	Tudun Hatsi Grain Market, Emiss Palace Road, Gombe State	Gombe	Bauchi	North East
113	Kirkasama Road Branch	No. 10 Kirkasama Road, Maiduguri	Borno	Maiduguri	North East
114	Bama Road Branch	No. 11 Bama Road, Maiduguri	Borno	Maiduguri	North East
115	Lake Chad Road Branch	Lake Chad Road, Maiduguri	Borno	Maiduguri	North East
116	Monday Market Branch	Alli Monguno Road, Monday Market, Maiduguri.	Borno	Maiduguri	North East
117	Baga Road Branch	No. 4 Baga Road, Maiduguri	Borno	Maiduguri	North East
118	Damaturu Branch	Maiduguri Road, Damaturu	Yobe	Maiduguri	North East
119	Nguru Yobe Branch	Market Road, Nguru	Yobe	Maiduguri	North East
120	Potiskum Branch	Opposite NPN Market, Main Road Potiskum	Yobe	Maiduguri	North East
121	New Road Duse Branch	New Road Duse, Adjacent to Investment House, Duse	Jigawa	Duse	North West
122	Abubakar Maje Road Branch	No. 7, Maje Road, Hadejia	Jigawa	Duse	North West
123	Birnin-kudu Town Branch	No. 1, Maiduguri Road, Birnin-kudu Town, Jigawa	Jigawa	Duse	North West
124	Kiyawa Road Branch	Sani Abacha way, Opposite PHCN, Duse	Jigawa	Duse	North West
125	Malam Madori Road Branch	No. 205, Malam Madori Road, Hadejia Town	Jigawa	Duse	North West
126	Kazauru Branch	No. 14, Kanfi Daura Road, Kazauru, Jigawa	Jigawa	Duse	North West
127	Maigatari Branch	Chiroma Ahmadu Street, Maigatari	Jigawa	Duse	North West
128	Ringim Branch	Sabon Gida, Ringim Town, Jigawa State	Jigawa	Duse	North West
129	Gwaram Branch	Bustika Road, Gwaram	Jigawa	Duse	North West
130	Jahun Branch	448 Kafin Hausa Road, Jahun	Jigawa	Duse	North West
131	Gumel Branch	No. 2 Unguwar Yadi Gumel	Jigawa	Duse	North West
132	Kafin Hausa Branch	Kafin Hausa by Main Market, Opposite Old Motor Park, Kafin Hausa LGA	Jigawa	Duse	North West
133	Intercity Bank Street Branch	No. 1, Intercity Bank Street, Kaduna	Kaduna	Kaduna 1	North West
134	Sokoto Road Zaria Branch	No. 1 Sokoto Road, Zaria	Kaduna	Kaduna 1	North West
135	Inuwa Abdulkadir Road Branch	No.24 Inuwa Abdulkadir Road Industrial Area Kakuri Kaduna	Kaduna	Kaduna 1	North West
136	Ikara Branch	No. 7, Secretariat Road, Ikara	Kaduna	Kaduna 1	North West
137	Yakubu Gowon Way Branch	Plot 1B Yakubu Gowon Way, Kaduna	Kaduna	Kaduna 1	North West
138	Kachia Road Branch	No. 7 Kachia Road Kaduna	Kaduna	Kaduna 1	North West

# Branch Network Information

139	Main Street Zaria Branch	No. 1A Main Street Zaria	Kaduna	Kaduna 1	North West
140	Bakori House Branch	No.A3, Ahmadu Bello Way, Bakori House, Kaduna	Kaduna	Kaduna 1	North West
141	Pampegua Branch	Kaduna - Jos Road, Near UBE Primary Education, Pampegua.	Kaduna	Kaduna 1	North West
142	Abubakar Gumi Market 1 Branch	Broad Casting Road, Kaduna	Kaduna	Kaduna 2	North West
143	Kafanchan Branch	No. 12, Kagoro Road, Kafanchan	Kaduna	Kaduna 2	North West
144	Mangal Plaza Branch	Shop 78/79 & 84/85, Mangal Plaza, Broadcasting Road, Kaduna	Kaduna	Kaduna 2	North West
145	Birnin Gwari Branch	No. 30, Lagos Road Birnin Gwari	Kaduna	Kaduna 2	North West
146	Abubakar Gumi Market 2 Branch	No. 243, Ibrahim Taiwo Road, Abubakar Gumi Market, Central Market, Kaduna	Kaduna	Kaduna 2	North West
147	Independence Way Branch	No. 134/136, Opposite Ranchers Bees Stadium Independence Way, Kaduna	Kaduna	Kaduna 2	North West
148	Junction Road, Kaduna Branch	No.175BZ, Junction Road, Kaduna	Kaduna	Kaduna 2	North West
149	Kaduna Refinery Branch	MNPC/KRPC Staff Cooperative Plaza Building, Kaduna Refinery And Petrochemical Company Complex, MNPC Depot, Kachia Road, Kaduna	Kaduna	Kaduna 2	North West
150	Ibrahim Taiwo Road Branch	No:89E, Ibrahim Taiwo Road, Kano	Kano	Kano North	North West
151	Kanin Kwari Branch	No. 50, Ibrahim Taiwo Road, Kano.	Kano	Kano North	North West
152	Kano City Branch	No. 2, Durumin Iya Qrs, Beside PHCN Kano City Service Station	Kano	Kano North	North West
153	Nassarawa Branch	No.2, Zaria Road, Kano.	Kano	Kano North	North West
154	Sharada Branch	Sharada Ind Est, Phase 1, Kano	Kano	Kano North	North West
155	Takai Branch	No 2A Albasu Road, Takai Kano	Kano	Kano North	North West
156	Danbatta Branch	Kazure Road, Danbatta	Kano	Kano North	North West
157	Murtala Mohammed Way Branch	No. 72B, Murtala Mohammed Way, Kano	Kano	Kano North	North West
158	Wudi Branch	No.2, Aliu Dan Darman Street, Gaya Road	Kano	Kano North	North West
159	Dawanau Grain Market Branch	Dawanau Grain Market, Katsina Road, Dawakin Tofa Local Govt. Kano	Kano	Kano North	North West
160	Hotofo Branch	No. 458, Bashir Maitama Sule Street, Hotofo (Opposite Rimi Holding Limited, Maidugur Road), Kano.	Kano	Kano North	North West
161	Sani Abacha Way Branch	No.5A, Sani Abacha Way, Kano	Kano	Kano South	North West
162	Chiomawa Toll Gate Branch	Chiomawa Toll Gate, Kano-Zaria Road	Kano	Kano South	North West
163	Kofar Ruwa Market Branch	Kofar Ruwa Market, Opposite Bank PHB, Kano	Kano	Kano South	North West
164	Eldorado Branch	Eldorado By Airport Road, Kano.	Kano	Kano South	North West
165	Zoo Road Branch	No. 1 Zoo Road by New Court Road, Kano	Kano	Kano South	North West
166	Bello Road Branch	No.10E Bello Road, Kano	Kano	Kano South	North West
167	Dawakin Kudu Branch	Dawakin Kudu Unguwar Nalbi, Kofar Arewa, Dawakin Kudu	Kano	Kano South	North West
168	IBB Way Branch	No. 4 IBB Way, Kanin Kwari	Kano	Kano South	North West
169	Bompai Branch	188 Murtala Mohammed Way, Bompai	Kano	Kano South	North West
170	Taludu Branch	No.311 Aminu Kano Way, Opposite Jagora Bookshop, Taludu.	Kano	Kano South	North West
171	Gwarzo Branch	Adjacent to Honeywell Filling Station, Kano-Gwarzo Road.	Kano	Kano South	North West
172	Bichi Branch	Kim 30, Kano – Katsina Road, Bichi Local Government, Kano	Kano	Kano South	North West
173	Karaye Branch	Kabo Road, Karaye, Kano.	Kano	Kano South	North West
174	Kipdeco Building Branch	No. 61 IBB Way Kipdeco Building Katsina	Katsina	Katsina	North West
175	Katsina Branch	No. 210, IBB Way, PMB 2002, Katsina	Katsina	Katsina	North West
176	Funtua Branch	No 41 Gusau Road Funtua, Katsina	Katsina	Katsina	North West
177	Daura Branch	Kongolon Road, Daura	Katsina	Katsina	North West
178	Dutsin-Ma Branch	No.10, Hospital Road, Dutsin-Ma	Katsina	Katsina	North West
179	Katsina Central Market Branch	Katsina Central Market, Katsina	Katsina	Katsina	North West
180	Musawa Branch	Musawa Town, Adjacent Musawa market, Katsina	Katsina	Katsina	North West
181	Sultan Abubakar Road Branch	No. 1, Sultan Abubakar Road, Birnin Kebbi	Kebbi	Sokoto	North West
182	Jega Branch	No. 3, Sokoto Road, Jega Birnin Kebbi	Kebbi	Sokoto	North West
183	Birnin Kebbi Branch	No. 3, Ahmadu Bello Way, Birnin Kebbi	Kebbi	Sokoto	North West
184	Wasagu Branch	Danko/Wasagu Local Government, Kebbi	Kebbi	Sokoto	North West



# Branch Network Information

185	Yauri Branch	No.35, Sokoto-kontagora Road, Yauri, Kebbi	Kebbi	Sokoto	North West
186	Aliyu Jodi Road Branch	No. 1 Aliyu Jodi Road, Sokoto	Sokoto	Sokoto	North West
187	Sokoto Main Branch	Gusau Road, Sokoto	Sokoto	Sokoto	North West
188	Bodinga Branch	Birin Kebbi Road, Bodinga	Sokoto	Sokoto	North West
189	Gada Branch	Opposite Local Government Secretariat, Gada Town	Sokoto	Sokoto	North West
190	Gwadabawa Branch	Lallah Road Gwadabawa Town, Sokoto	Sokoto	Sokoto	North West
191	Sabon Birni Branch	Sabon Birni Town	Sokoto	Sokoto	North West
192	Market Branch	No. 3 Aliyu Jodi Road, Sokoto	Sokoto	Sokoto	North West
193	Yabo Branch	Shehu Shagari Way, Yabo Town, Sokoto	Sokoto	Sokoto	North West
194	Bungudu Branch	35 Canteen Area, Gusau	Zamfara	Sokoto	North West
195	Gusau Branch	No. 5 Canteen Road, Gusau	Zamfara	Sokoto	North West
196	Talatan Mafara Branch	Gusau/Sokoto Road, Talatan Mafara, Zamfara State.	Zamfara	Sokoto	North West
197	Abiraka Branch	Delta State University Road, Abiraka	Delta	Asaba	South South/ South East
198	Agbor Branch	Old Lagos-Asaba Road, Agbor	Delta	Asaba	South South/ South East
199	Asaba Branch	No. 69 Dennis Osadebe Road, Asaba	Delta	Asaba	South South/ South East
200	Efurun Branch	No. 29, Efurun/ Sapele Road, Efurun Warri	Delta	Asaba	South South/ South East
201	Kwale Branch	No. 109, Urnusadege Road	Delta	Asaba	South South/ South East
202	Oleh Branch	No. 6, I.D.C Road Oleh	Delta	Asaba	South South/ South East
203	Sapele Branch	No. 2 Court Road Sapele	Delta	Asaba	South South/ South East
204	Ughelli Branch	No. 2, Post Office Road, Ughelli	Delta	Asaba	South South/ South East
205	Warri Branch	No. 10 Warri-Sapele Road	Delta	Asaba	South South/ South East
206	Ozoro Branch	Urude Road, Ozoro	Delta	Asaba	South South/ South East
207	Afuze Branch	No. 26 Auchi Afuze Road, Afuze	Edo	Benin	South South/ South East
208	Auchi Branch	No. 1 Otari Road, Auchi.	Edo	Benin	South South/ South East
209	Mission Road Branch	No. 69 Mission Road, Benin	Edo	Benin	South South/ South East
210	New Benin Branch	No. 98, New Lagos Road, New Benin, Benin City	Edo	Benin	South South/ South East
211	Ring Road Branch	Kings Square By Air Port Road, Ring Road, Benin City	Edo	Benin	South South/ South East
212	Uromi Branch	No. 15, Market Road, Uromi	Edo	Benin	South South/ South East
213	Igarra Branch	No. 292 Momodu Aiayi Road, Igarra	Edo	Benin	South South/ South East
214	Unben Branch	Ugbowo Campus, Beside Bursary Department, University of Benin, Benin City	Edo	Benin	South South/ South East
215	Niger House Branch	No. 1B Bright Street, Opposite De-Young Shopping Complex, Onitsha	Anambra	Enugu	South South/ South East
216	SGBN Building Branch	No. 38, New Market Road, Nkpor	Anambra	Enugu	South South/ South East
217	New Market Road, Onitsha Branch	No. 33 New Market Road, Onitsha.	Anambra	Enugu	South South/ South East
218	Awka Branch	No. 37, Zik Avenue, Awka	Anambra	Enugu	South South/ South East
219	Abakaliki Branch	No. 30B, Ogoja Road, along Sam Egwu Way Abakpa, Abakaliki	Ebonyi	Enugu	South South/ South East
220	Enugu Branch	No. 46, Ogui Road, Enugu	Enugu	Enugu	South South/ South East
221	Owerri Branch	No. 23 Wetheral Road Owerri	Imo	Enugu	South South/ South East
222	Yenegoa Branch	No. 552 Chief Mefior Road Okilo way, Ebi Junction, Biogbolo, Yenegoa.	Bayelsa	Port Harcourt	South South/ South East
223	Azikiwe Road Branch	No. 3 Azikiwe Road Port Harcourt	Rivers	Port Harcourt	South South/ South East
224	Old Aba Road Branch	No. 28A Old Aba Road, Port Harcourt	Rivers	Port Harcourt	South South/ South East
225	Omoku Branch	No. 171, Ahoada Road Omoku Rivers	Rivers	Port Harcourt	South South/ South East
226	Aba Road 1 Branch	No. 198A, Aba Road, Opposite Presidential Hotel Rumuola Port-Harcourt	Rivers	Port Harcourt	South South/ South East
227	Trans Amadi Branch	No. 474, Trans Amadi layout, Port Harcourt	Rivers	Port Harcourt	South South/ South East
228	Olu Obasanjo Branch	No. 63A Olu Obasanjo Road Port Harcourt	Rivers	Port Harcourt	South South/ South East
229	Aba Road 2 Branch	No. 112E, Aba Road 2, Port Harcourt	Rivers	Port Harcourt	South South/ South East
230	Onne Branch	Ejamah, Opposite Trailer Park, Onne Junction, Eleme	Rivers	Port Harcourt	South South/ South East
231	Woji Branch	No. 46 Woji Road, Woji	Rivers	Port Harcourt	South South/ South East

# Branch Network Information

232	Ikot Ekpene Branch	No. 164 Ikot Ekpene Road Uyo	A\lbom	Uyo	South South/ South East
233	Aka Road Branch	No. 268, Aka road Uyo, Akwa Ibom	A\lbom	Uyo	South South/ South East
234	Factory Road Branch	No 7 Factory Road Aba	Abia	Uyo	South South/ South East
235	Faulks Road Branch	No. 185, Faulks Road, Aba	Abia	Uyo	South South/ South East
236	Umuahia Branch	No. 2 Club Road,Umuahia,Abia	Abia	Uyo	South South/ South East
237	Calabar Branch	No. 84 Ndiidem Usang Iso Road Opp Marian Market Calabar	C \V River	Uyo	South South/ South East

## Cash Centres

State	Cash Centre	Branch Attached to	Region
1 Ekiti	Ikere Ekiti	367-Ado Ekiti Branch	Ibadan
2 Oyo	Lead City University	332 Lebanon Branch	Ibadan
3 Edo	Irrua	353 Uromi Branch	Benin
4 Delta	Secretariate- Asaba	341 Asaba Branch	Benin
5 Adamawa	Savannah Sugar Numan	277 Numan Branch	Yola
6 Lagos	Lekki	444 Lekki Express Way Branch	Lagos Island
7 Rivers	NPA	248 Azikiwe Branch	Port Harcourt
8 Rivers	Sauter House	249 Azikiwe Branch	Port Harcourt
9 Edo	Ublajala	353 Uromi Branch	Benin
10 Benue	BCC (Benue Cement Company)	283 Gboko Branch	Makurdi
11 Niger	Bosso	203 Bosso Road Branch	Minna
12 Edo	Medical Centre	422 Uniben Branch	Benin
13 Kano	TudunWada Doguwa	294 Chiomawa Toll Gate Branch	Kano South



# SHAREHOLDERS COMPLAINT MANAGEMENT POLICY

# Shareholders Complaint Management Policy Of Unity Bank plc

## 1. Scope

The Complaints Management Policy 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 BankPlc

## 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



# Shareholders Complaint Management Policy Of Unity Bank plc

handling process.

- Operate from the view that a shareholder who makes a complaint is entitled to a review of the issues raised and a considered response.

## 6. Nature of Complaint Channels

There are various channels through 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:

- Unauthorized sale of shares
- Non-payment of proceeds of sale
- Non-verification of share certificates
- Refusal to transfer a client's account to other Dealing Members as requested
- Unauthorized transfer of a client's account to another Dealing Member
- Guaranteed return investments
- Fund / Portfolio management
- Non-payment of dividend
- 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 complain 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

# Shareholders Complaint Management Policy Of Unity Bank plc

- 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.

## 8.3 Acknowledge Complaint

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 of all meetings, conversations or Findings

## 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.



# Shareholders Complaint Management Policy Of Unity Bank plc

8.7 Prepare and file a report on the disposition of the Complaint, and periodically analyse 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.

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 <a href="http://www.unitybankng.com">www.unitybankng.com</a>
Email	Email shareholder and acknowledge receipt of complaint	Email to <a href="mailto:we_care@unitybankng.com">we_care@unitybankng.com</a> , <a href="mailto:customercare@unitybankng.com">customercare@unitybankng.com</a>
Letter	Logger to call shareholder and acknowledge receipt of complaint	

## 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](http://www.unitybankng.com) ([www.unitybankng.com/rightissues/](http://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 gains tax information applicable to previous takeovers/mergers

# Shareholders Complaint Management Policy Of Unity Bank plc

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 UnityBank Plc Plot 785, Herbert Macaulay Way Central Business District, Abuja. 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 a third-party dispute resolution. Thirdparty 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.

Aisha Azumi Abraham  
SECRETARY

Tomi Somefun  
MANAGING DIRECTOR/CEO

# SHAREHOLDERS' INFORMATION



# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 9th Annual General Meeting of members of UNITYBANK PLC will be held on 6th October, 2015 at Idris Legbo Kutigi International Conference Centre, Opposite Government House, Minna – Niger State at 11.00 a.m. to transact the following:

## ORDINARY BUSINESS

1. To receive the audited accounts for the year ended 31st December, 2014 together with the reports of the Directors, Auditors and Audit Committee thereon.
2. To authorize the Directors to fix the remuneration of the Auditors.
3. To elect/re-elect Directors.
4. To approve the remuneration of Directors.
5. To elect members of the Audit Committee.

## PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote in his stead. A proxy need not also be a member. A proxy form is attached at the end of the financial statements. All instruments of proxy should be duly stamped at the Stamp Duties Office and deposited at the registered office of the Company or the office of the Registrar, 25 Ogunlana Drive, Surulere-Lagos, not later than 48 hours before the time of holding the meeting.

## CLOSURE OF REGISTER OF MEMBERS

The Register of Members and Transfer Books of the Company shall close from 28th September to 2nd October, 2015 (both dates inclusive).

## AUDIT COMMITTEE

In accordance with Section 359(3) of the Companies & Allied Matters Act CAP C20 LFN 2004, any shareholder may nominate another shareholder for appointment to the Audit Committee. Such nomination should be in writing and must reach the Company Secretary not less than 21 days before the Annual General Meeting.

## By Order of the Board

**Aisha A. Abraham**  
Company Secretary



# Proxy Form

## Ninth Annual General Meeting

To be held on Tuesday, 6th October, 2015 at Idris Legbo Kutigi International Conference Centre, Opposite Government House, Minna – Niger State at 11.00 a.m

Being member/members of UnityBank Plc hereby appoint.....or failing him MR. THOMAS A. ETUH, or failing him MRS. TOMI SOMEFUN, as my/our proxy to act and vote for me/us and on my/our behalf at the 9th Annual General Meeting of the Bank to be held on..... 2015 at 11.00 a.m. and at any adjournment thereof.

As witness my/our hand this..... day of ... 2015.

Signed:.....

**NOTE:**

A member to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. All proxy forms should be deposited at the Office of the Registrar, Unity Registrars Limited, 25 Ogunlana Drive, Surulere, Lagos not less than 48 hours before the time for holding the meeting. A proxy need not be a member of the company.

In the case of joint shareholders, any one of such may complete the form but the name of all joint shareholders must be stated.

It is required by law under the Stamp Duties Act, Cap 41 Law of the Federation of Nigeria 1990, that any adjustment of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear Stamp Duty at the appropriate rate, not adhesive postage stamps.

If the shareholder is a corporation, this form must be under its common seal or under the hand of some officers or attorney duly authorised in that behalf.

	ORDINARY BUSINESS		FOR	AGAINST	
I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside (strike out which ever is note desired).	1	To receive the audited accounts for the year ended 31st December, 2014 together with the Reports of the Directors, Auditors and the Audit Committee thereon.			
	2	To authorize the Directors to fix the remuneration of the Auditors;			
	3	To elect Directors;			
	4	To re-elect retiring Directors:	(i) Hakeem Shagaya		
			(ii) Ibrahim M. A. Kaugama		
	5	To approve the remuneration of Directors.			
6	To elect members of the Audit Committee.				
Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolution set out above. Unless otherwise instructed, the proxy votes or abstains from voting at his/her discretion.					

TEAR OFF THIS CARD AND RETAIN IT

# Admission Card

## Ninth Unity Bank Plc Annual General Meeting

PLEASE ADMIT ONLY THE SHAREHOLDERS NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE SECOND ANNUAL GENERAL MEETING BEING HELD AT .....  
ON .....

NAME OF SHAREHOLDERS/PROXY

SIGNATURE

ADDRESS

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR.



