
ANNUAL
REPORT  RT
— 2015 —

Our Corporate Philosophy



Vision

To be Nigeria's retail bank of choice

Mission

To create superior wealth for our stakeholders

Business Definition

A national commercial bank with a retail soul

Our Core Values

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 expectations of our customers.

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 stakeholders can always count on its reliability and loyalty.

Empathy

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

Excellence

We seek to create and raise standards



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FINANCIAL HIGHLIGHTS

31 December 2015
N'00031 December 2014
N'000**STATEMENT OF FINANCIAL
POSITION ITEMS**

Total Assets	443,321,012	413,305,111
Loans and Advances	246,143,129	219,335,346
Customer Deposits	231,440,942	273,934,899
Share Capital	5,844,669	58,446,690
Total Equity	82,574,531	76,263,995

INCOME STATEMENT ITEMS

Gross Earnings	78,805,800	77,068,524
Impairment Charge	22,234,333	15,054,246
Profit Before Tax	2,342,667	13,639,391
Taxation	2,346,490	(2,946,915)
Profit after Tax	4,689,157	10,692,476

RATIOS

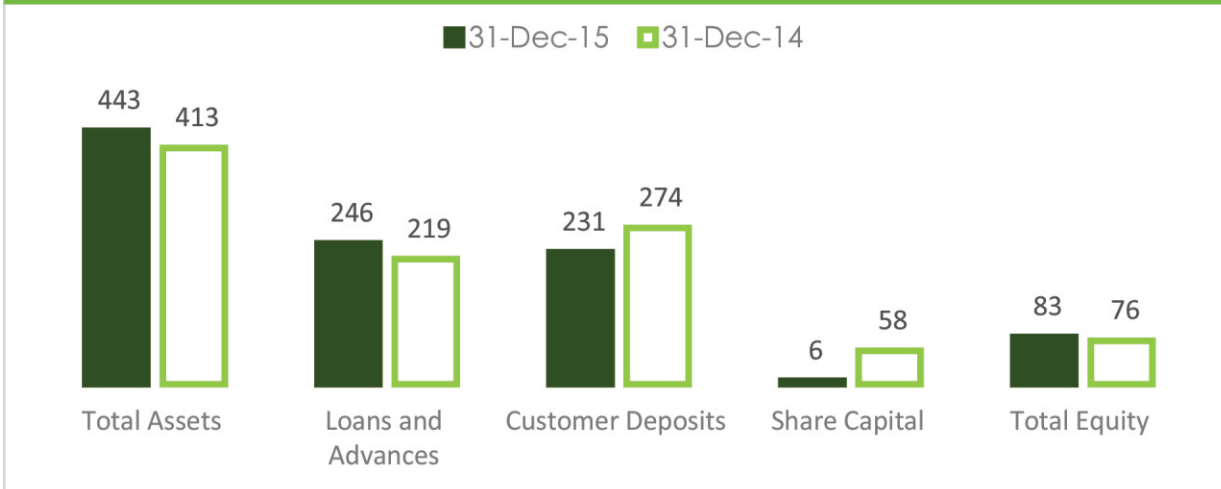
Cost to income Ratio	93%	68%
Return on Assets	1.1%	2.6%
Return on Equity	6%	20%
Capital Adequacy Ratio	-21.46%	2.02%
Liquidity Ratio	36.09%	44.80%
NPL Ratio	35.24%	17.60%

OTHERS

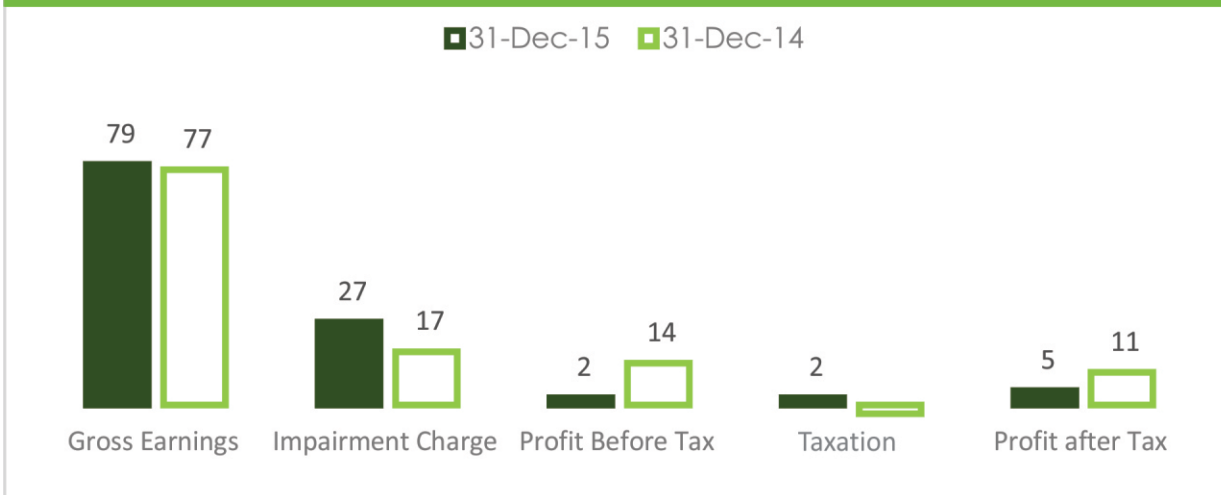
Number of Branches	238	238
No of Staff	2,126	2,331
Number of Shares in issue	11,689,338	116,893,379



Statement of Financial Position N'Bn



Income Statement N'Bn



BOARD OF DIRECTORS

DIRECTORS

The Bank's Board is composed of the following Directors:



Thomas A. Etuh
CHAIRMAN

(Appointed w.e.f March, 2011)

Mr Thomas Etuh joined the Board of Unity Bank Plc in March 2011. He was appointed Pioneer Vice Chairman of the Board of Directors, Unity Bank Plc on April 22, 2014. He has varied experience, gained from over two decades of contribution to the public and private sectors, especially the Agric sector of the economy. An astute businessman and experienced entrepreneur, Mr Etuh has served as Director in several companies in Nigeria and has chaired a number of board committees in Unity Bank including Finance and General Purpose Committee, Board Governance and Nominations Committee amongst others.

Etuh studied Banking, Public Administration and Management at the Ahmadu Bello University, Zaria, University of Jos and Abubakar Tafawa Balewa University, Bauchi respectively. Thomas Etuh is currently pursuing an MBA from the Business School, Netherlands. He has attended several local and international trainings and is an alumnus of the prestigious London Business School, University of Navarra, Barcelona, Spain, and the Lagos Business School.

He is currently the Founder/Chairman of Tak Group of Companies with business interests both at home and abroad which includes Mainstream Energy Solutions Limited, Tak Aviation Limited, Tak Asset Management Limited, Federal Superphosphate Fertilizer Company, Kaduna, Tak Agro & Chemical Limited, Lagos, Cape Cross Salt (PTY), Namibia. He is also a Principal Partner of Thomasses & Associates Limited, Kaduna, among others.

Mr. Thomas Etuh is a member of various professional bodies such as the Institute of Directors (IOD).

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

Babangida was appointed to the Board of Unity Bank Plc in March 2011 where he has held Chairmanship and membership positions in a number of board committees including Credit Committee, Audit Committee, Information Technology & Strategy Committee. He attended Regents Business School, London and Westminster Business School London where he obtained a BA in International Business and MA in International Business Management respectively.

He is knowledgeable in the field of oil exploration. He is a member of the Institute of Directors (IOD) and the Bank Directors Association of Nigeria.

He is currently the Chairman Board Governance and Nominations Committee, Member, Board Finance and General Purpose Committee and Member Board Information Technology and Strategy Committee.



Aminu Babangida

VICE CHAIRMAN
(Appointed w.e.f March, 2011)





Dr. Oluwafunsho Obasanjo was appointed to the Board as 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.

She is currently the Chairman Board Finance & General Purpose Committee, and Member, Board Risk Management Committee, Board Governance & Nominations Committee amongst others.

Dr. Oluwafunsho Obasanjo

DIRECTOR

(Appointed w.e.f March, 2011)

Mr. Hakeem Shagaya was appointed Non- Executive Director on March 18, 2011. He is currently the Chairman of the Board IT & Strategy Committee. A Member of Board Credit Committee, Board Finance & General Purpose Committee amongst others. 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, Kwara State, 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 holds an M.Sc graduate degree in Management of Science, Technology & Innovation from the University of Manchester Business School, UK.



Hakeem Shagaya

DIRECTOR

(Appointed w.e.f March, 2011)





Richard Gboyega Asabia
 INDEPENDENT DIRECTOR
 (Appointed w.e.f March, 2011)

Mr. Richard Gboyega Asabia is an Independent Director. He is currently the Chairman Board Risk Management Committee, and Member Board Information Technology & Strategy Committee, and Board Credit Committee.

Mr. Asabia was appointed to the Board as an Independent Director on March 18, 2011. 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 an MBA.

He is trained as a Legal Practitioner and Investment Banker. He is the MD/CEO of Interstate Securities Ltd; Chairman, Custodian Life Assurance Ltd; and Director, Custodian & Allied Plc, Crusader Sterling Pensions Ltd and Custodian & Allied Plc.

Prior to joining Interstate in 1989, he worked with NAL Merchant Bank Plc, Dr. F.A. Ajayi & Co and NCR (Nigeria) Limited. He is a former Director of the erstwhile First Interstate Bank Plc. At various times, he 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.

Alhaji Ibrahim M. A. Kaugama was appointed to the Board as a 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 attended 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.

He is a Member, Board Finance & General Purpose Committee, Board Risk Management Committee, Statutory Audit Committee amongst others.



Ibrahim M. A. Kaugama
 DIRECTOR
 (Appointed w.e.f March, 2011)





Hajjiya Yabawa Lawan Wabi, mni was appointed to the Board of Unity Bank Plc on February 9, 2015. She is a Member of the Board Information Technology and Strategy Committee, Board Risk Management Committee, Board Audit Committee amongst others.

Hajjiya 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 Director of Finance & Accounts, Ministry of Works & Housing, Borno State; Accountant-General, Borno State; Federal Minister of Finance, amongst others. She also served on the Board of Mainstreet Bank (now Skye Bank) as a Non-Executive Director.

Hajjiya Wabi holds a B.Sc in Accounting from the Ahmadu Bello University, Zaria. She is a Member of 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.

Yabawa Lawan Wabi, mni
 DIRECTOR
 (Appointed w.e.f February, 2015)

Mr. Dauda N. Iliya was appointed to the Board on February 9, 2015. He is currently the Chairman, Board Credit Committee, and Member Board Finance & General Purpose Committee, Board Risk Management Committee, Board Governance & Nominations Committee amongst others.

He 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 CBN.

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

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



Dauda N. Iliya
 DIRECTOR
 (Appointed w.e.f February, 2015)





Priya Heal
DIRECTOR

(Appointed w.e.f February, 2015)

Mrs. Priya Heal was appointed to the Board on February 9, 2015. She is a member of the Board Finance & General Purpose Committee, Board, Governance & Nomination Committee, Board, Audit Committee and Board, Credit Committee.

Mrs. 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.

Mr. Sam N. Okagbue, was appointed to the Board on February 9, 2015. He is currently the Chairman, Board Audit Committee and Member, Board Credit Committee.

He is a legal professional, a founding member, and the Managing Partner of 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.

Mr. Okagbue has 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.



Sam N. Okagbue

INDEPENDENT DIRECTOR
(Appointed w.e.f February, 2015)





Tomi Somefun
 MANAGING DIRECTOR/
 CHIEF EXECUTIVE OFFICER
 (Appointed w.e.f August, 2015)

Mrs. Tomi Somefun was appointed Executive Director on March 4, 2015 and later became MD/CEO in August, 2015. She is a Member, Board Finance & General Purpose Committee, Board Risk Management Committee, Board Credit Committee and Board Information Technology and Strategy Committee.

Mrs. Tomi Somefun has over 25 years cognate experience in the financial services industry and has proved her mettle in leading and developing highly effective teams as well as a demonstrable track record in leading complex change programs. She is equipped with strong strategy definition and execution skills, analytical & financial management capabilities, business development & negotiating skills which she acquired through a combination of top class international trainings.

She began her career with the then Arthur Andersen (now KPMG). She worked at different times with Ventures & Trusts Ltd, Credite Bank Ltd, UBA Trustee, UBA Plc, UBA Capital & Trustee Ltd and was the Founding Managing Director/ CEO UBA Pension Custodian Ltd.

Mrs. Somefun was also a Non-Executive Director on the Boards of UBA Foundations, UBA Trustees, UBA Nominees and UBA Registrars.

A graduate of Obafemi Awolowo University, Mrs. Somefun holds a B.Ed English Language (Second Class Upper). She has attended several local and foreign trainings including various industry-specific EuroMoney training programmes and INSEAD Fontainebleau, France.

She is a Fellow of the Institute of Chartered Accountants, Nigeria and an alumnus of the prestigious Harvard Business School and University of Columbia Business School, New York.

Mrs. Aisha A. Abraham was appointed to the Board in October, 2013. She 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 the setting up of 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 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 served as 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 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.



Aisha A. Abraham
 EXECUTIVE DIRECTOR
 Secretariat & Services/
 Company Secretary
 (Appointed in October, 2013)





Abubakar Abba Bello
 EXECUTIVE DIRECTOR
 North
 (Appointed w.e.f January, 2014)

Mr. Abubakar Abba Bello was appointed to the Board as Executive Director on 9th January 2014. He is a Member of the Board Information Technology and Strategy Committee and Board Credit Committee.

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 dexterous in operating within tight timelines and ambitious targets, 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).

Since 1991, Mr Bello has 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 in Zambia, and in Chad. 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 Public Sector. He was responsible for setting up two International Bank subsidiaries with different cultural backgrounds.

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 a member of the Chartered Institute of Bankers Nigeria (CIBN).

Mr. Dahiru Chadi was appointed to the Board as Executive Director on April 3rd, 2014. He is a Member, Board Finance and General Purpose Committee, Board Credit Committee, Board Risk Management Committee, and Board Information Technology and Strategy Committee.

He has demonstrated a laudable track record in Risk Management, having gained 25 years banking experience, with 21 years of those years 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 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; 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.



Dahiru Chadi
 EXECUTIVE DIRECTOR
 Enterprise Risk Management
 (Appointed w.e.f April, 2014)





Temisan Tuedor
EXECUTIVE DIRECTOR
South-South/South-East
(Appointed w.e.f June, 2015)

Mr. Temisan Tuedor was appointed to the Board as Executive Director on June 8, 2015. He is a member of the Board Credit Committee, and Board Information Technology and Strategy Committee.

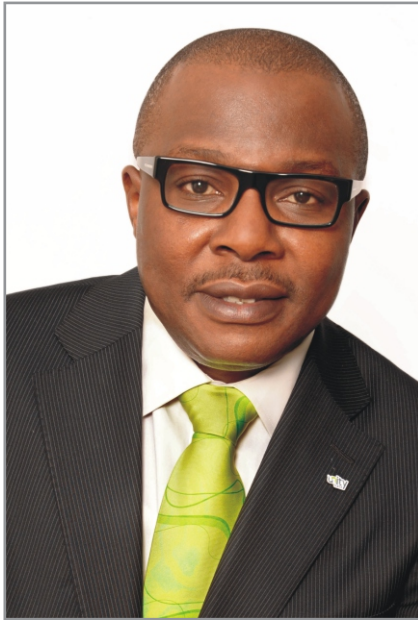
He has over two decades of experience spanning various facets of banking. He is an accomplished Banking Executive with a record for high level business transformation and change management. His professional career started with Chartered Bank Limited as a Credit Analyst, Corporate Banking Division before joining the Nigeria Liquefied Natural Gas (NLNG) as Estate Facility Officer, Bony Island.

He later came back 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 EcobankPlc); 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 has a certificate in Advanced Management Program from Fontainebleau, France, October, 2011.



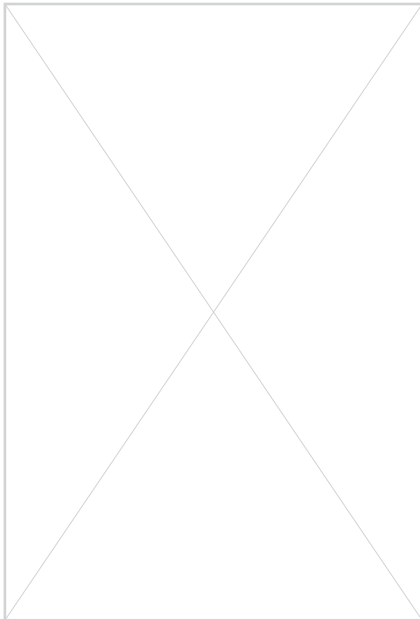
CHANGES THAT OCCURRED ON THE BOARD IN 2015



Henry James Semenitari
 MD/CEO
 (Resigned in August, 2015)



Ahmed Yusuf
 EXECUTIVE DIRECTOR
 (Resigned in June, 2015)



Arese Alonge
 EXECUTIVE DIRECTOR
 (Disengaged in January, 2015)



Oluseun A. Mabogunje
 DIRECTOR
 (Resigned in January, 2015)



AUDITORS	Ahmed Zakari & Co. (Chartered Accountants) 5th Floor, African Alliance House F1 Sani Abacha Way Kano
REGISTRAR AND TRANSFER OFFICE	Unity Registrars Limited 15 Ogulana Drive Surulere Lagos
SETTLEMENT BANK	First Bank of Nigeria PLC Samuel Asabia House 35 Marina Lagos
FOREIGN CORRESPONDENCE BANK	Deutsche Bank, New York Standard Chartered Bank, London Habibson Bank, London FBN Bank, UK Union Bank, UK Banque SBA, Paris Sumitamo Mitsui, London
TAX ADVISORY	Ijewerre & Co. (Chartered Tax Advisory) Itoya House 126, Lewis Street P.O Box 8713 Lagos, Nigeria.



REPORTS OF THE BOARD MANAGEMENT

CHAIRMAN'S STATEMENT



Thomas A. Etuh
CHAIRMAN

Distinguished Shareholders, Ladies and Gentlemen, I welcome you to the 2015 Annual General Meeting of your Bank. It is with great satisfaction that I present to you the Audited Financial Statements and key achievements of our Bank for the financial year ended December 2015.

Fellow shareholders, two years ago when Unity Bank embarked on its five-year Transformation Agenda, no one expected that the terrain would be as challenging as it is today. However, despite the hard realities of our economy, I am pleased to report that the Bank delivered results in the 2015 fiscal year largely enabled by focused leadership, proactive risk management and the concerted effort of an agile and devoted workforce. This performance reflects the continued effective execution of our bold strategy, as we innovate and break barriers to boost our bottom-line, build a customer focused bank and generate sustainable long-term value for our shareholders.

THE GLOBAL AND NIGERIAN ECONOMY – ADAPTING TO A LOWER OIL PRICE ENVIRONMENT

In 2015, global growth slowed further to 2.4%, thus marking the fifth consecutive year of growth levels below the 3% benchmark. Global recovery was also muted by heightened market anomalies during the year, including an accelerated decline in global oil prices to a 12-year low below \$40 a barrel as well as geopolitical conflicts and socio-economic difficulties in some of the world's most viable nations. While the net impact of lower oil prices on global GDP is expected to be positive, many energy-exporting nations including Nigeria, have recorded significant revenue shortfalls over the past twelve months, thereby leading to distortions and decline in fiscal balances.

According to the latest World Bank report, the global economy is expected to recover at a slower pace than previously forecast for 2016, as modest growth in the United States will be offset by weaker recoveries in the Eurozone, and economic slowdown in China, South East Asia and Japan. Coming home to Africa, the continuous drop in commodity prices, stringent fiscal



economic policies and the attendant slow growth in Nigeria and South Africa would imply an overall average growth of 3.7% for the region in 2016 – the lowest in the last few years. Nevertheless, owing largely to its rising demographic credentials, the continent has ample potential for economic recovery and expansion in the medium- to long-term that the Bank will seek to harness to boost sustainable operations in the coming year.

THE NIGERIAN ECONOMY

In the six months leading up to January 2015, the price of oil fell by 60% driven down largely by ramped up shale oil production in the United States in particular, the drop in energy demands from emerging markets and the strengthening of the US dollar. These trends dominated 2015 with severe consequences for the domestic economy. The effect of this price adjustment on the country, a net oil exporter, was far reaching on the economy with government revenue declining rapidly, foreign investors exiting the domestic market and increased pressure on the Naira. This ultimately led to devaluation in February 2015 as the Central Bank of Nigeria (CBN) moved the official mid-point from N168/US\$ to N198/US\$, barely three months from the first devaluation in November 2014. The drop in oil price necessitated a downward adjustment of growth expectations by the Ministry of Finance from 6.4% to 5.5% although the economy is expected to grow 1% less at 4.5%.

Also, the General Elections of 2015 were unprecedented in the nation's history with the relatively peaceful victory of the opposition party, The All Progressive Congress (APC), the first of its kind in Nigeria. The incumbent Government has set out its economic agenda for its first year in office with expansionary policies aimed at diversifying the country's economic base away from reliance on crude oil.

Overall, the outlook for the economy in 2016 remains challenged. Currency volatility and low oil prices will continue to set the tone for the year as the Government begins the long and arduous journey of diversifying the economy in an environment of dwindling revenue. The threat of

Boko Haram still poses a danger to the country especially along the North-East corridor of the country and remains a headwind to GDP growth.

We expect government policies in 2016 to address key areas that stifle meaningful intermediation especially risk, long-term funding and the continued erosion of margins. Increased industry competition with greater focus on the retail segment will be the theme for 2016. In 2015, we aligned our retail strategy to ensure that we are well positioned in 2016 to succeed in this area.

NAVIGATING THE CHANGING BANKING LANDSCAPE

Achieving sustained growth and profitability was a difficult task for Nigerian banks in 2015. The banking industry faced increased regulation and monetary tightening by the Central Bank, who during the first half of the year, actively sought to preserve the nation's reserves and ensure exchange rate stability. These efforts, coupled with macro inconsistencies, resulted in a landscape characterized by pressures on earnings and capital, stiffer competition for low-cost deposits and increased funding costs across the industry. Banks were more risk-conscious, which translated to marginal asset growth on the back of lower oil prices and pressures on the FX market.

The financial markets were also unstable in 2015. With the Nigerian Stock Exchange (NSE) Banking Index down by 23% YTD versus an 18% decline in the All Share Index. Share price performance within the industry reflected investor concerns on the outlook of the sector on account of uncertainties in the operating environment. Over the coming months, the eyes of local and international stakeholders will be fixed on the Federal Government and Central Bank to determine the true direction of the nation's fiscal and monetary agenda.

The Nigerian banking landscape has been fundamentally altered. However, at Unity Bank, Management is at the forefront of ensuring that our business constantly evolves and adapts to changes in consumer behaviour, technology, and the competitive landscape, all of which are largely defined by CBN's regulatory policies. Therefore, we are confident in our ability to achieve our committed growth plan despite the present economic constraints



and we have the antecedents to prove same.

MEASURING OUR PERFORMANCE

For the year ended Dec 31st, 2015 the bank posted gross earnings of N78.8bn and a profit after tax of N4.6bn compared to gross earnings of N77bn and PAT of N10.6bn in the year 2014. This was in spite of the challenging operating environment characterized by a continued lull in the economy and other regulatory headwinds that impacted earnings in the year 2015.

In gross earnings, the Bank recorded a modest growth of 2% over that of 2014. The Bank also grew its assets by 7% from N413 billion in 2014 to N443 billion in 2015, amid shrinking economic indicators, measurement and regulatory events such as Treasury Single Accounts (TSA) that occurred during the year.

In 2015, the Bank intensified efforts to maximize its exposure in the market place by leveraging existing and new strategic partnerships to deepen its brand awareness. We expect to begin to realize the benefits of these investments in 2016. In summary, our overall performance underscores our commitment to the continued execution of our strategy in order to generate sustainable economic returns, while maximizing shareholders' value. It further demonstrates our competence and ability to adapt to changes – both from the regulatory environment and the market place.

Deposit Liabilities

The impact of the TSA and the harsh monetary environment for large parts of the 2015 financial year significantly impacted the industry with large government funds sterilized from the banking sector. In spite of this harsh environment, the Bank recorded a slight movement in its overall deposit volumes at a rate of -3%; well ahead of inflation. The Bank has also refocused its Retail Banking strategy and measurement parameters to ensure that the 2016 financial year will see us improve on our 2015 performance in this area.

Loan Portfolio

Despite macroeconomic and regulatory volatilities, the Bank's loan portfolio stood at N246

billion in the year: an appreciable 12% growth over our performance in 2014. This reflects the simultaneous growth in interest and non-interest income in spite of the impact of higher CRR on interest income for the year and net effect of lower COT charges on fee income

CHANGES TO THE BOARD

During the course of the year, the Board said farewell to Engr Henry J. Sementari who resigned his appointment from the Bank to pursue other compelling interests. I would like to thank Henry for his selfless service during his time with the Bank, and on behalf of the Board and Management of Unity Bank, we wish him good fortune in all future endeavors in both his private and professional life.

Also, and with mixed feelings, the Bank bid farewell to one of its longest serving officers in 2015. Ahmed Yusuf, an Executive Director retired after 9 years of meritorious service to the Bank. Ahmed played a pivotal role in the improvement of the Bank's information technology, banking operations and risk management processes and was an invaluable member of the Board of Directors. On behalf of the Board of Directors and entire Staff of Unity Bank, I would like to take this opportunity to express my profound gratitude to Ahmed for his dedication and loyalty to the Bank and wish him well for the future.

During the year also, Mr. Sam Okagbue, Mr. Dauda Illiya, Mrs Priya Heal and Hajia Yabawa Wabi mni, where appointed to seat on the Bank's board as non-executive directors and Mr. Temisan Tuedor was appointed Executive Director by the Central Bank of Nigeria. Mrs. Tomi Somefun was appointed Managing Director/Chief Executive Officer following the resignation of erstwhile Managing Director/CEO, Engr. Henry J. Semenitari.



LOOKING AHEAD TO 2016 AND BEYOND

We expect government policies in 2016 to address key areas that stifle meaningful intermediation especially risk, long-term funding and the continued erosion of margins. Increased industry competition with greater focus on the retail segment will be the agenda for 2016. In 2015, we aligned our retail strategy to ensure that we are well positioned in 2016 to succeed in this area.

Also, technology will continue to play a big part in what we do as a Bank in 2016 as we engage the market. We have started to develop new products that will give us the edge in the alternate channels space and we have also restructured our E-Business function as a focal point for our strategy to increase market share in the youth segment.

In 2016, strategic partnerships will be critical for us as a Bank. Towards the end of 2015, the Bank commenced relationships with key players in various business segments and these relationships are expected to add significant value to us as a Bank in terms of brand equity and the bottom line.

In terms of talent, Unity Bank has not relented in the quest to attract and retain the best hands available and this remains crucial in 2016. Though the economy is stifled by a comatose oil industry, there are significant opportunities opening up on the domestic front. Our aim in 2016 will be to harness talents from various fields to ensure that we advance in our quest for capacity building.

Our people are our greatest asset – flexible, passionate and determined to win. In what was arguably a difficult year for the industry, we challenged our capacity to innovate, putting forward new ways of carrying out daily operations to achieve improved productivity, customer intimacy and ultimately, stronger results. We have an exceptional management team and a strong corporate culture that continue to promote alignment among the diverse groups within our firm, empower employees with the tools required to fulfill their personal development objectives and enable the clear communication of our objectives and priorities to produce better results.

As external forces continue to reshape our business, I am optimistic about the Bank's growth prospects. The Bank is in a position of strength for the future – we have a solid franchise that allows us to continue to succeed during difficult economic times.

On behalf of the Board of Directors, I would like to thank the management team and every one of our outstanding employees for their unwavering commitment. Guided by our solid strategy, we believe that Unity Bank is ready and well equipped to deliver sustainable long-term success and achieve its vision of becoming the Retail Bank of Choice.




MANAGING DIRECTOR/CEO'S REPORT



Tomi Somefun
MANAGING DIRECTOR/
CHIEF EXECUTIVE OFFICER

Our Esteemed Shareholders,

It is my great pleasure to present, on behalf of the Executive Management team, your bank's financial performance for the year ended December 31, 2015.

The year 2015 was certainly a challenging one for the Nigerian economy as the operating environment was defined by political, economic and regulatory changes that had ripple effects not only on the banking industry, but the economy at large. The plunge in global crude oil prices which began in late 2014, continued through 2015, putting significant constraints on the nation's foreign exchange management, intensifying the pressure on the Naira and heightening reserve depletion.

The economic impact of these developments include stifled business growth, increased inflation and foreign exchange illiquidity; this translated to higher non-performing loans, restricted lending activities and reduced customer deposit base for the banking industry. Several measures and policies were administered by the Central Bank of Nigeria (CBN) to alleviate currency pressures; notable of these was the restriction of access to foreign exchange to importers of selected items. Despite stabilization efforts by the government and regulators, economic prospects appeared challenging and investor bias remained bearish, thus translating to a subpar performance in the capital markets.

Nevertheless, we remained firmly committed to delivering value to our shareholders as we produced record profits on the back of a robust balance sheet and risk management framework. We have continued to maintain and sharpen our focus on the execution of our strategy to create a large diversified bank with a strong retail base; and this has helped us achieve a stable financial performance with sound prudential ratios.



2015 STRATEGIC INITIATIVES

At the beginning of the year, our strategic thrust was to put in place processes, procedures and systems that will facilitate sustainable earnings, drive efficiency and improved service delivery across our network. These have laid the foundation for building the high performing organization we aspire to be while leading to an increase in value creation, improved customer satisfaction as well as increase brand recognition and acceptance.

These key imperatives include:

- Improved human resource productivity and culture
- Significantly improve branch productivity
- Upgrade the bank's alternative channels and e-business capabilities
- Improve the bank's image and branches outlook
- Improve the bank's credit process and assets quality
- Raise fresh equity capital and sell down non-core assets
- Strengthening our risk and governance environment for sustainable growth.

During the year, we took collective steps to lay a solid foundation for the realization of these strategic imperatives as well as sustainable growth, as summarized below:

- We developed and implemented a governance framework and operating policies that guide our operations.
- We have remained very aggressive in deploying alternative e-channels so that our customers can reach us around-the-clock.
- To increase our customer convenience quotient as well as further deepen our retail strategy, we have improved our internet banking platform by increasing the bouquet of services available to our customers to meet global banking standards
- We attracted some of the best hands in the banking industry and commenced the implementation of manpower development programmes to drive higher productivity.

- During the year and as part of efforts to re-focus our business, we partnered with various public and private sector firms in priority sectors of the economy, particularly agriculture which support the Federal Government's transformation agenda.

Some of these measures started yielding positive results before the end of the 2015 financial year.

FINANCIAL PERFORMANCE

Our performance in 2015 is a direct result of our commitment in ensuring that resources are optimally deployed and business strategies effectively implemented.

In spite of the huge challenges that the bank faced, profit after tax of N4.6bn was declared showing that the Bank has maintained profitability despite the downturn in the economy. We also achieved the following results:

- Our gross earnings grew by 2% from N77 billion in 2014 to N78.8 billion in 2015;
- We grew total assets by 7% from N413bn in 2014 to N443bn in 2015, amid shrinking economic indicators, measurement and regulatory events such as Treasury Single Accounts (TSA) that occurred during the year;
- Shareholders' funds grew by 8.27% from N76.3bn to N82.6bn
- Earnings per share

The decline in profit year-on-year is due to the decision of the Bank's Management to stress its assets resulting in the impairment of financial assets to the tune of N27.12bn as against N17.36bn in the preceding year in addition to the challenges posed by loan assets deterioration especially in the manufacturing and general commerce sector.

The enormous tasks embarked upon by the new management is to position the Bank for proper clean-up and de-risking of its balance sheet, thus paving way for sustainable business in its overall transformation initiatives.

Our overall performance underscores our commitment to the continued execution of our strategy in order to generate sustainable economic returns, while maximizing shareholders' value.



LOOKING FORWARD TO 2016

As a growing institution, we see great potentials in the economy of this country. We will seek to entrench our business in areas that naturally represent the growth sectors of the economy, given our current level of development as a country. The Transport, Agriculture and Power (TAP) program of the Federal Government represents strategic development sectors and it is our desire to play strongly in these areas.

We would play very strongly in the Retail and Commercial market space, while leveraging on these areas to access business opportunities in the corporate market segment of the economy.

To consolidate our achievements in 2015 and make 2016 an even better year, we plan to focus on these areas:

- Leverage our transformed information technology infrastructure to drive deposit mobilization in the bank, strengthen our processes for quality service delivery and position the bank to compete for greater share of Industry business. The objective is to grow significantly our low cost funds;
- Implement efficient cost containment initiatives and structural changes to drive value creation in all aspects of our operations that will standardize our service delivery in the most cost effective way. This will significantly help us drive down our current cost-to-income ratio.
- Grow our risk assets aggressively whilst keeping our NPL ratio below the industry threshold
- Continue to make our staff a critical part of our success strategy. We will continue to train and retrain our people for excellent performance.

We have made significant strides in delivering on our growth objectives, however, much work lies ahead to ensure that we remain well-positioned for long-term value creation. As we remain cautious in growing our existing business across geographies; we will place greater emphasis on expanding our retail business, improving cost discipline,

proactively managing risk and strictly adhering to policies guiding our business.

APPRECIATION

We sincerely appreciate our shareholders and members of our Board of Directors for their unwavering support throughout the year. We couldn't have achieved this success without them. We also salute our customers for staying with us during the difficult times. We appreciate their business and will continue to strive to meet and exceed their expectations. Of course, I cannot end this report, without recognizing and commending our most valuable asset - our people. Their determination to follow through with implementation of agreed plans is at the very heart of Unity Bank's renaissance. On behalf of the shareholders, the Board of Directors and the Executive Management team, I say a big "thank you" to the 2,126 employees of our bank.

In concluding, we hope we can continue to count on the support of all our stakeholders in achieving our vision of being the Retail Bank of Choice.

Thank you.



Tomi Somefun
MD/CEO, Unity Bank Plc



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 year ended 31st December, 2015.

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 2.25% and profit before tax of the Bank dropped from N13.64billion in the year 2014 to N2.34billion as a result of the increased impact of non-performing loans.



	31 December 2015 N'000	31 December 2014 N'000
Gross earnings	78,805,800	77,068,524
Profit before tax	2,342,667	13,639,391
Income tax credit/(expenses)	2,346,490	(2,946,915)
Profit after tax	4,689,157	10,692,476
Profit attributable to shareholders	4,689,157	10,692,476
Appropriations	703,373	3,641,207
Transfer to statutory reserve	3,985,784	7,051,269
	4,689,157	10,692,476

g. Directors

The names of the Directors that served during the year ended 31st December, 2015 are as follows:

NAMES	DESIGNATION
Thomas A. Etuh	Chairman
Aminu Babangida	Vice Chairman
Oluwafunsho Obasanjo	Director
Ibrahim M. A. Kaugama	Director
Hakeem Shagaya	Director
Richard Gboyega Asabia	Director (Independent)
Dauda N. Iliya	Director
Priya Heal	Director
Sam N. Okagbue	Director (Independent)
Yabawa Lawan Wabi, mni	Director
Tomi Somefun	MD/CEO (appointed in August, 2015)
Aisha A. Abraham	Executive Director
Abubakar Abba Bello	Executive Director
Dahiru Chadi	Executive Director
Temisan Tuedor	Executive Director
Mr. Henry James Semenitari	MD/CEO (resigned in August, 2015)
Ahmed Yusuf	Executive Director (resigned in June, 2015)
Olusegun Mabogunje	Director (resigned in January, 2015)
Arese Alonge	Executive Director (disengaged in January, 2015)



b. Director's 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:

DIRECTORS HOLDINGS AS AT 31ST DECEMBER 2015

Name of Directors	Direct Holdings	%	Indirect Holdings	%	
Thomas A. Etuh	1,053,199,290	9.01	NIL	-	
Aminu Babangida	NIL	-	615,889,636	5.27	El-Amin Nig. Ltd. & B-Sha Ltd.
Richard Gboyega Asabia	195,851	0.002	NIL	-	Asabia S. O. Estate
Oluwafunsho Obasanjo	NIL	-	926,104,410	7.89	Tempo Food & Packing Ltd, Obasanjo Holdings, Alarab Properties Ltd, Agro Mixed Nigeria Ltd, Ibad Ltd.
Ibrahim Muhammed Abega Kaugama	NIL	-	130,444,483	1.11	Jigawa State Inv. & Property & Jigawa Forum
Hakeem Shagaya	710,384	0.006	136,934,522	1.17	Shagaya Bola
Priya Heal	NIL	-	1,480,618,483	12.67	PanAfrican Capital Nominee
Dauda N. Iliya	NIL	-			
Sam N. Okagbue	NIL	-	NIL	-	
Yabawa Lawan Wabi	NIL	-	4,024,147,461	34.42	Asset Management Corporation of Nigeria
Tomi Somefun	NIL	-	NIL	-	
Aisha A. Abraham	1,024,667	0.01	NIL	-	
Abubakar Abba Bello	NIL	-	NIL	-	
Chadi Dahiru	NIL	-	NIL	-	
Temisan Tuedor	NIL	-	NIL	-	

DIRECTORS HOLDINGS 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 foods & Packaging 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	46,200,00	0.04	-	-	
Mrs. Aisha A. Abraham	10,246,683	0.01	-	-	
Mr. Abba Bello	-	-	-	-	
Ms. Arase Alonge	-	-	-	-	
Mr. Chadi Dahiru	-	-	-	-	



i. Shareholding Analysis

The shareholding pattern of the Bank as at 31st December, 2015 is as stated below:

RANGE	NO OF SHAREHOLDERS	UNITS
1- 9999	59,728	10,012,203
10000-50000	14,586	29,945,251
50001-100000	3,189	22,580,292
100001-500000	5,246	118,105,250
500001-1000000	1,216	90,957,924
1000001-50000000	1,402	563,384,069
50000001-100000000	13	93,778,098
100000001-500000000	30	759,206,462
500000001-1000000000	18	1,114,728,208
1000000001-5000000000	10	8,886,640,185
TOTAL	84,137	11,689,337,942

j. Substantial interest in shares

According to the register of members as at 31st December 2015 no shareholder held more than 5% of the issued share capital of the Bank except the following:

Shareholder	No of Shares Held	Shareholding (%)
ASSET MANAGEMENT CORPORATION OF NIGERIA	4,024,147,461	34.42%
PANAFRICAN CAPITAL NOMINEE	1,480,618,483	12.67%
ETUH THOMAS	1,053,199,290	9.01%
IBAD LIMITED	717,722,190	6.13%
EL-AMIN (NIG.) LIMITED	615,889,636	5.27%
TOTAL	7,891,573,060	67.31%

k. Acquisition of own shares

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

l. Corporate Social Responsibility (CSR)

The Bank expended the sum of N20,222,532 (Twenty Million Two Hundred and Twenty Two Thousand, Five Hundred and Thirty Two Naira), on various CSR Commitments covering the fields of Education/Capacity Building, Trade Promotions, Professional Developments, Community Interventions, Sports and Health as follows:



S/N	DETAILS OF EXPENDITURE	CATEGORY	AMOUNT(N)	DATE
1	Sponsorship of Inaugural Olusegun Obasanjo Professional/ Amateur Open Golf Tournament	Sport	500,000	26/11/2015
2	Sponsorship of African Technology Foundation Executive Training and Professional Development Programme in Partnership with Kannywood	Capacity Building	3,215,040	10/8/2015
3	Sponsorship of Unity Schools Old Students Association Plenary Session	Capacity Intervention	1,000,000	26/8/2015
4	Participation in the Maidunama Foundation Sickle Cell Awareness Walk	Health	622,125	4/6/2015
5	Sponsorship of Minna Polo Tournament	Sports	1,500,000	4/6/2015
6	Participation at the 2015 ICAN Annual Dinner	Community Intervention	300,000	15/4/2015
7	Financial contribution for Financial Literacy Curriculum	Capacity Building	1,857,450	4/1/2015
8	Contribution on BVN and Financial Literacy Campaign in respect of public enlightenment sub-committee	Capacity Building	3,000,000	16/10/2015
9	Support to Association of Senior Staff of Banks, Insurance and Financial Institutions (ASSIBIFI)	Capacity Intervention	5,000,000	16/4/2015
10	Participation at Lagos Bankers Clearing House Conference	Capacity Intervention	350,000	22/9/2015
11	Contribution to Financial Market Dealers Association for the ECCI Project	Capacity Intervention	2,697,917	31/12/2015
12	Support for Annual General Meeting of the ASUU Multipurpose Cooperative Society of Nasarawa State University	Capacity Intervention	150,000	21/4/2015
13	Sponsorship of 13th Bi-annual Inter-House Sport Competition of Liham Preparatory School	Sports	30,000	23/2/2015
Total			20,222,532	

m. Post Balance Sheet Events

As at the time of approving this account, the Bank is at advanced stages of raising additional equity and debt capital. It is expected that this will improve the capital ratios of the Bank, improve competitiveness and also in its expansion plans.



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.

ANALYSIS OF EXECUTIVE MANAGEMENT AND BOARD BY GENDER

GRADE	NUMBER			PERCENTAGE	
	Male	Female	Total	Male	Female
ED to MD	3	2	5	60%	40%
AGM to GM	23	2	25	92%	8%
Other Directors	7	3	10	70%	30%

ANALYSIS OF STAFF BY GENDER

EMPLOYEES	Total Number	%	Employed during the year	%
Male	1,387	65	132	61
Female	744	35	86	39
Total	2,131	100	218	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 performance are implemented whenever appropriate.

a. 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.

b. Statutory Audit Committee

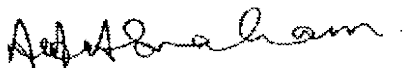
Pursuant to the requirements of the Code of Corporate Governance in the Banking sector, the Bank has in place a Statutory Audit Committee comprising three Non-Executive Directors and three Shareholders as follows:

1.	Sunday Akinniyi (Shareholder)	-	Chairman
2.	Ahmed U. Ndanusa (Shareholder)	-	Member
3.	Funke Titilayo Shodeinde (Shareholder)	-	Member
4.	Sam N. Okagbue (Non-Executive Director)	-	Member
5.	Ibrahim M. A. Kaugama (Non-Executive Director)	-	Member
6.	Yabawa Lawan Wabi (Non-Executive Director)	-	Member



c. 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 A. ABRAHAM**

Company Secretary

Unity Bank Tower

Plot 42, Ahmed Onibudo Street

Victoria Island, Lagos.

Dated this.....day of 2016



OTHER STATUTORY REPORTS

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 aims at protecting equity ownership, enhancement of sound organizational structure, promotion of industry transparency and guidelines for whistle blowing. The Code came into force on the 1st day of October, 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 31st December 2015:

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 2015 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 had between 2006 to 2010 reduced the public sector from 70% to 30.40%.

The Bank through the 2014 Capital Raising exercise (vide Rights Issue and Private Placement) diluted the percentage of public sector shareholding in the Bank from 30.40% as at September 3, 2014 to 8.91% as at December 31, 2015.

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

BOARD OF DIRECTORS

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



These competences have impacted on the Bank's stability and growth. The office of the Chairman of the Board is distinct and separate from that of the Managing Director/Chief Executive Officer and the Chairman does not participate in running the daily activities of the Bank. There are no family ties within the Board members. We confirm that the Chairman of the Board is not a member of any Board Committee and appointment to the Board is made by the shareholders at the Annual General Meeting upon the recommendation of the Board of Directors.

Membership of the Board of Directors

Memberships of the Board of Directors during the year ended 31 December, 2015 were as follows:

S/N	Director's Name	Position Held within the Board
1	Mr. Thomas A. Etuh	Board Chairman
2	Alh. Aminu Babangida	Board Vice Chairman
3	Alh. Ibrahim M. A. Kaugama	Non Executive Director
4	Mr. Hakeem Shagaya	Non Executive Director
5	Dr. Oluwafunsho Obasanjo	Non Executive Director
6	Mr. Richard Gboyega Asabia	Independent Director
7	Mrs. Yabawa Lawan Wabi	Non Executive Director
8	Mr. Sam N. Okagbue	Independent Director
9	Ms. Priya Heal	Non Executive Director
10	Mr. Dauda N. Iliya	Non Executive Director
11	Mrs. Tomi Somefun	Managing Director/CEO
12	Mrs. Aisha A. Abraham	Executive Director
13	Mr. Abubakar A. Bello	Executive Director
14	Mr. Dahiru Chadi	Executive Director
15	Mr. Temisan Tuedor	Executive Director

Tenure of Office

The tenure of office of an Executive and a Non-Executive Director is a renewable term of two (2) years and three (3) years respectively.

Standing Board Committees

The Board carries out its oversight responsibilities through its 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:

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



BOARD AUDIT COMMITTEE

The Board Audit Committee has oversight functions over the Bank's internal control systems, financial reporting, disclosure policies and practices. This comprises only Board members. The Committee is responsible for overseeing on behalf of the Board and shareholders.

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

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

General

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

Financial Statement

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

Internal Audit

- Review and assess the annual internal audit plan.
- Receive and review on quarterly basis, Internal Auditors Reports of the Bank, especially reports on efficiency, cost control and budgetary prudence.
- Review and monitor Management's responsiveness to the findings and recommendations of the Internal Auditors.
- Review the Bank's internal financial controls and risk management systems and submit these reviews and its recommendations to the Board.
- Consider and review with the external auditors the adequacy of the Bank's systems of internal control (including computerized information systems) and the integrity of the Bank's Financial Statement and its accounts.
- Review promptly all material Reports on the Bank from the internal auditors.
- Ensure that appropriate action is taken on issues arising from such reports.
- Review the activities, resources, organizational structure and the operational effectiveness of internal audit, and where appropriate, make recommendations to the Board.



External Audit

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

Whistle Blowing

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

Regulatory Reports

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



Reporting

The Board Audit Committee shall report its Committee business to the Board.

The Committee comprise of five (5) members made up of One (1) Independent Director and Four (4) Non-Executive Directors as follows:

1)	Sam N. Okagbue (Independent Director)	-	Chairman
2)	Ibrahim M. A Kaugama (Non-Executive Director)	-	Member
3)	Priya Heal (Non-Executive Director)	-	Member
4)	Yabawa Lawan Wabi (Non-Executive Director)	-	Member
5)	Dauda N Iliya (Non-Executive Director)	-	Member

Quorum : Three (3) 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. Articulating the Bank's tolerances with respect to credit risk, and overseeing Management's administration of, and compliance with, these policies and guidelines.
- ii. Oversee Management's establishment of appropriate systems (including policies, procedures, management and credit risk stress testing) that support measurement and control of credit risk.
- iii. 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.
- iv. Overseeing the administration of the Bank's credit portfolio, including Management's responses to trends in credit risk, credit concentration and asset quality.
- v. 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.
- vi. Evaluate and or approve all credits beyond the powers of the Executive Management.
- vii. Ensure that a qualitative and profitable Credit Portfolio exist for the Bank.
- viii. Evaluate and recommend to the Board all credits beyond the Committee's powers.
- ix. Review of credit portfolio within its limit in line with set objectives.
- x. Review of classification of credit advances of the Bank based on prudential guidelines on quarterly basis.
- xii. Approving the restructuring and rescheduling of credit facilities within its powers;
- xiii. Write-off and grant of waivers within powers delegated by the Board;
- xiv. Review and monitor the recovery of non-performing insider related loans.



Membership

The Committee has ten (10) members comprising of six (6) Non-Executive Directors and four (4) Executive Directors as follows:

· Dauda N. Iliya	-	Chairman
· Hakeem Shagaya	-	Member
· Sam N. Okagbue (Independent Director)	-	Member
· Priya Heal	-	Member
· Aminu Babangida	-	Member
· Richard G. Asabia (Independent Director)	-	Member
· Managing Director/CEO	-	Member
· ED, Enterprise Risk Mgt	-	Member
· ED, North	-	Member
· ED, South-South & South-East	-	Member

Quorum: Five (5) members with at least three (3) 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:

- 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.



Membership

The Committee has eight (8) members; five (5) Non-Executive Directors and three (3) Executive Directors as follows:

1. Richard Gboyega Asabia	-	Chairman
2. Dr. Oluwafunsho Obasanjo	-	Member
3. Ibrahim M. A Kaugama	-	Member
4. Yabawa L. Wabi	-	Member
5. Dauda N Iliya	-	Member
6. Managing Director/CEO	-	Member
7. ED, Secretariat & Services	-	Member
8. ED, Enterprise Risk Management	-	Member

Quorum

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

BOARD FINANCE AND GENERAL PURPOSE COMMITTEE

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

- Evaluate and monitor the capital and operational expenditure of the Bank.
- Periodic review of the Bank's Strategic Plans inclusive of required Organizational Structure to drive the plans.
- Review Management accounts and operating results with a view to measuring actual performance against budget.
- Review of the Bank's annual budget and on quarterly basis, budget variances.
- Hire, Fire and Promote staff of Principal Manager Grade and recommendations on such issues of staff in 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, programs and awards.
- Review long range planning for Top and Senior Management development and succession.
- Formulate Board/Board Committees Training Program for the approval of the Board.
- 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.
- Advise the Board of Directors on all areas of Corporate Governance within its purview and guide policy development, especially in relation to; Human Resource, Premises & Utilities, Accounting, Quality Management, Corporate Social Responsibility, Policies & Procedures, Business Aims, by ensuring that Unity Bank meets its objectives and any set standards.
- Ensure that Financial Reports and Management Accounts are accurate and adequate and provide a good basis for financial planning.
- Ensure that statutory requirements relating to the Bank's financial affairs are strictly adhered to.
- Ensure that internal Financial Records and Controls are adequate.
- Formulate framework for expenditure on capital items, and review the list of priorities within the framework.



- Monitor capital expenditure projects within approved budgets.
- Advise the Board on financial implications of any proposed capital expenditure projects in excess of approved budget.
- Review on-going expenditure against budgets and authorising additional expenditure.
- Review and make recommendations to the Board on the arrangements for securing value for money and solvency of the Bank.
- Safeguard the assets of the Bank and ensure propriety, efficiency and effectiveness in their use.
- To agree on the strategy to be followed in relation to financial claims against the Bank.
- Oversee the day-to-day business activities of the Bank through the Executive Management.
- Provide the Board of Directors with draft annual budgets for its consideration.
- Review and recommend to the Board the Integrated Planning and Budgeting Policy which includes guiding principles for changes to approved budgets and for transfer or reallocation of monies included in approved budgets. Also review major policy issues in respect to the annual and other budgets.
- The Committee shall perform other oversight functions as may from time to time be expressly requested by the Board.
- The Committee shall regularly review the terms of reference as may be required and recommend to the Board any required changes.

Membership

The membership of the Committee is nine (9) made up of Six (6) Non-Executive Directors and three (3) Executive Directors;

1. Dr. Oluwafunsho Obasanjo	-	Chairman
2. Mr. Hakeem Shagaya	-	Member
3. Priya Heal	-	Member
4. Dauda N. Iliya	-	Member
5. Alhaji Ibrahim M. A. Kaugama	-	Member
6. Alh. Aminu Babangida	-	Member
7. Managing Director/CEO	-	Member
8. ED, Secretariat and Services	-	Member
9. ED, Enterprise Risk Management	-	Member



Quorum

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

BOARD INFORMATION TECHNOLOGY & STRATEGY COMMITTEE (BITS)

The Board Information Technology & Strategy Committee is a Committee of the Board of Directors that assists the Board of Unity Bank Plc to discharge its oversight function on the Information Technology and Strategy requirements of the Bank.

Objective of the Committee

The Committee perform its duties in accordance with its Charter and make recommendations to the Board on the IT & Strategy Requirements of the Bank.

The duties and responsibilities of the Committee are broken down as follows:

Strategic Alignments

- a. Provide strategic direction and ensure I.T. strategies are aligned with the Bank's business objective.
- b. Issue high level policy guidance relating to Risk funding and partnerships.
- c. Verify compliance of the implementation of the strategy to the agreed objectives and goals.
- d. Review and recommend to the Board I.T related matters/policy for approval.

IT Resource Management

- a. Provide High Level direction on sourcing and utilization of IT resources.

Risk Management

- a. Ascertain that Management has resources in place to ensure the management of IT risks.
- b. Confirm that critical IT risks are managed.
- c. Establish a robust IT contingency plan for business continuity.

Performance Management

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

The Committee performs other oversight functions as may, from time to time, be expressly requested by the Board.

Membership

The Committee's membership is eleven (11) made up of six (6) Non-Executive Directors and five (5) Executive

Directors as follows:

- | | | |
|----------------------------|---|----------|
| · Hakeem Shagaya | - | Chairman |
| · Aminu Babangida | - | Member |
| · Dr. Oluwafunsho Obasanjo | - | Member |
| · Richard G. Asabia | - | Member |



· Dauda N. Iliya	-	Member
· Yabawa Lawan Wabi	-	Member
· Managing Director/CEO	-	Member
· ED, Secretariat & Services	-	Member
· ED, Enterprise Risk Mgt	-	Member
· ED, North	-	Member
· ED, South-South & South-East	-	Member

Quorum:

A quorum shall consist of five (5) members with at least one (1) member of Executive Director Status.

BOARD GOVERNANCE & NOMINATIONS COMMITTEE (BG&NC)

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

Functions

The functions of the Committee shall amongst others include:

- The Committee shall consider matters relating to the composition of the Board and Board Committees.
- The Committee shall handle matters relating to Board remunerations and appointment.
- The Committee shall determine the remuneration, incentive arrangements and benefits of the Chairman of the Board.
- The Committee shall determine the incentive arrangements and benefits of the Executive and Non-Executive Directors of the Bank within the limits imposed by Regulatory Authorities.
- The Committee shall determine the remuneration of executive Directors.
- Review and submit to the full Board, recommendations concerning renewal of Executive Directors' contract, their compensation plans and perquisites and ensure that their packages are competitive.
- The Committee shall recommend any proposed change(s) to the Board.
- The Committee shall keep under review the need for appointments and prepare a description of the specific experience and abilities needed for each Board appointment, consider candidates for appointment as either Executive or Non-Executive Directors and recommend such Appointments to the Board.



- Review the tenor of Non-Executive Directors on the Board and Board Committee assignments and other commitments to the Bank.
- Recommend to the Board renewal of appointment of Executive/Non Executive Directors at the end of their 1st and 2nd term of office based on the outcome of review of Directors performance.
- Advise the Board on succession planning regarding the roles of the Chairman, Chief Executive Officer and Executive 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 the matters within the Committee's Terms of Reference and establish the selection criteria and to select, appoint and set the terms of payment for any "Remuneration Consultant" engaged by the Committee to advise it.
- To consider and decide on such matters as the Board may refer to it.
- To establish the criteria for Board and Board Committee Memberships.
- To review candidates' qualifications and any potential conflict of interest.
- To assess the contribution of Directors in connection with their re-nomination and make recommendations to the Board.
- To prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate;
- To periodically evaluate the skills, knowledge and experience required on the Board
- To make recommendations on experience required by Board Committee Members, Committee Appointments and Removal, Operating Structure, Reporting and other Committee Operational matters;
- To provide input to the Annual Report of the Bank in respect of Directors' compensation;
- To ensure that the Board evaluates itself on an Annual basis;
- To review and make recommendations to the Board for approval of the Bank's organizational structure and any proposed amendments.
- Establish and maintain remuneration, recruitment, retention, incentive and termination policies and practices for Senior Management Staff in line with best practice and the highest standard of Corporate Governance.

Membership

The Committee shall comprise of a minimum of four (4) members made up of only Non-Executive Directors. The Membership of the Committee is as follows:

• Aminu Babangida	-	Chairman
• Hakeem Shagaya	-	Member
• Dauda N. Iliya	-	Member
• Priya Heal	-	Member
• Oluwafunsho Obasanjo	-	Member



Quorum: 3 Members

STATUTORY AUDIT COMMITTEE

The Statutory Audit Committee has oversight functions over the Bank's internal control systems, financial reporting, disclosure policies and practices. This committee comprises of equal number of Shareholders representative and Board Members. The Committee's terms of reference are as follows:

General

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

Financial Statement

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

Internal Audit

- Review and assess the annual internal audit plan.
- Receive and review on quarterly basis, Internal Auditors Reports of the Bank, especially reports on efficiency, cost control and budgetary prudence.
- Review and monitor Management's responsiveness to the findings and recommendations of the Internal Auditors.
- Review the Bank's internal financial controls and risk management systems and submit these reviews and its recommendations to the Board.
- Consider and review with the external auditors the adequacy of the Bank's systems of internal control (including computerized information systems) and the integrity of the Bank's Financial Statement and its accounts.
- Review promptly all material Reports on the Bank from the internal auditors.
- Ensure that appropriate action is taken on issues arising from such reports.
- Review the activities, resources, organizational structure and the operational effectiveness of internal audit, and where appropriate, make recommendations to the Board.



External Audit

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

Whistle Blowing

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

Regulatory Reports

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

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

Membership

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

1. Sunday B. Akinniyi	-	Chairman
2. Sam N. Okagbue (Independent Director)	-	Member
3. Ibrahim M. A Kaugama (Non-Executive Director)	-	Member
4. Funke T. Shodeinde	-	Member
5. Ahmed U. Ndanusa	-	Member
6. Yabawa Lawan Wabi (Non-Executive Director)	-	Member

Quorum : Four (4) members.

Remuneration of Directors

The Shareholders, at the Bank's Annual General Meeting, set and approve the annual remuneration of members of the Board of Directors. The annual emoluments of the Directors are stated in Note 46 of the Financial Statement.



Attendance of Board and Committee Meetings

The table below shows the frequency of meetings of the Board of Directors and Board Committees, as well as Members' attendance from January 31, 2015 to December 31, 2015.

Director	Board	Board Credit Committee	Board Risk Management Committee	Board Governance & Nomination Committee	Board Finance & General Purpose	Board Information Technology & Strategy Committee	Board Audit Committee	Statutory Audit Committee
Date of Meetings	07/01/15 31/01/15 09/03/15 07/05/15 23/06/15 23/07/15 03/11/15 04/11/15 08/12/15	22/01/15 04/05/15 21/07/15 20/10/15	22/01/15 04/05/15 21/07/15 20/10/15	13/01/15 05/05/15 22/07/15 21/10/15	21/01/15 06/05/15 13/05/15 23/06/15 06/07/15 22/07/15 29/09/15 22/10/15	22/01/15 05/05/15 22/07/15 17/09/15	25/02/15 21/07/15 29/07/15 21/10/15	26/02/15 28/07/15 26/08/15 19/10/15 17/12/15
Number of Meetings	9	4	4	4	8	4	4	5
Thomas A. Etuh	9	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Aminu Babangida	7	3	N/A	4	7	3	N/A	N/A
Richard G. Asabia	9	4	4	N/A	N/A	1 (joined the Committee w.e.f September 2015)	N/A	N/A
Ibrahim M. A. Kaugama	9	N/A	2(joined the Committee w.e.f July 2015)	N/A	8	N/A	4	5
Oluwafunsho Obasanjo	7	N/A	4	4	8	4	N/A	N/A
Hakeem Shagaya	7	4	2(seized to be a member w.e.f July 2015)	4	7	4	N/A	N/A
Priya Heal	7(appointed w.e.f Feb 2015)	2	N/A	2(joined the Committee w.e.f July 2015)	6	N/A	3	N/A
Yabawa Lawan Wabi	7(appointed w.e.f Feb 2015)	N/A	2	N/A	N/A	1 (joined the Committee w.e.f July 2015)	3	4
Sam Okagbue	7(appointed w.e.f Feb 2015)	2	N/A	N/A	N/A	N/A	3	4
Dauda N. Iliya	7(appointed w.e.f Feb 2015)	2	N/A	2(joined the Committee w.e.f July 2015)	6	2	2	N/A
Henry James Semenitari	5(commenced leave in July and resigned in August 2015)	2	2	N/A	4	2	N/A	N/A
Tomi Somefun	6(appointed as an Executive Director w.e.f March 2015. Appointed as MD/CEO w.e.f August 2015)	N/A	N/A	N/A	2(appointed MD/CEO w.e.f August 2015)	N/A	N/A	N/A
Aisha Azumi Abraham	9	N/A	4	N/A	7	1 (joined the Committee w.e.f July 2015)	N/A	N/A
Abubakar Abba Bello	9	3	N/A	N/A	N/A	N/A	N/A	N/A
Dahiru Chadi	9	4	4	N/A	7	3	N/A	N/A
Temisan Tuedor	4(appointed w.e.f June 2015)	1	N/A	N/A	N/A	N/A	N/A	N/A

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.

Management IT Steering Committee

Membership of the Management IT Steering Committee is as follows:

Chairman:	Group Head, IT & Operations Directorate
Members:	Executive Director, Secretariat & Services Executive Director, Enterprise Risk Management Head, Lagos & West Head, Abuja & Central 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
- Group Head, Operations & IT;
- Group Head, Internal Group;
- Secretariat: Risk Management Group

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, Secretariat & Services;

Executive Director, North
Head, Abuja & Central

Head, Lagos & West;

Head, Enterprise Risk Management;

Chief Financial Officer;

Group Head, Legal & Compliance;

Group Head, Internal Audit;

Group Head, Operations and IT;

Group Head, Internal Control;

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 counter parties to Management for consideration.



Assets and Liability Committee (ALCO)

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

Membership:

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

Chairman:	Executive Director, North
Member:	Executive Director, Secretariat & Services Executive Director, Enterprise Risk Management Head, Abuja & Central Head, Lagos & West Head, Loan Recovery Chief Financial Officer
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.



Risk Management

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

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

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

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

Implementation of Code of Corporate Governance

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

- In compliance with section 5.3.1 of the code of Corporate Governance, we have established an alert menu on our web site where all stakeholders can access and provide useful information or grievances on any issues that directly and /or indirectly affect them or the Bank.
- The Chairman of the Board does not serve as Chairman/Member of any of the Board Committees;
- The Bank's organizational chart approved by CBN reflects clearly defined lines of responsibility and hierarchy;
- The Bank also has in place, a system of internal control, designed to achieve efficiency, effectiveness of operations, reliability of and regulations at all levels of financial reporting and compliance with applicable laws.

Breaches of the Code

Based on the verification report on the Bank's compliance with the code of corporate governance, the Bank was in violation of two sections of the Code as at 31st December 2015.

Security Trading Policy

In compliance with section 14 of NSE amended rules, the Bank has developed a security trading policy and it is being adhered to by the Board, Management and Staff.



DIRECTORS' RESPONSIBILITY FOR THE **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 give a true and fair view of the state of the financial affairs of the Bank at the end of the year and of its profit or loss. The responsibility includes ensuring 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 judgements 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 judgements 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 profit for the year. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the 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 Bank's reporting date.

The financial statements of the Bank for the year ended 31st December 2015 were approved by the Directors on 30th March 2016.

On behalf of Directors of the Bank;

Aisha Abraham
Executive Director

Tomi Somefun
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 the 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 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 benefit 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 earning 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 complete year of service.



REPORT OF THE AUDIT COMMITTEE

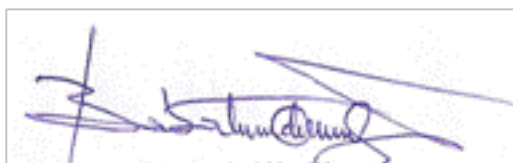
In accordance with the provisions of section 359(6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, we confirm that the accounting and reporting policies of the Bank conformed with the Statutory requirement and agreed ethical practices.

In our opinion, the scope and planning of both the internal and external audits for the year ended 31st December 2015 were adequate. We have also received, reviewed and discussed the auditor's findings on Management matters and were satisfied with the departmental responses thereon.

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

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

Dated this 29th Day of March 2016



Mr. Sunday Babatunde Akinniyi
Chairman, Statutory Audit Committee

Members of the Statutory Audit Committee

1. *Mr. Sunday Babatunde Akinniyi*
2. *Mrs. Funke Titilayo Shodeinde*
3. *Mr. Ahmed Umar Ndanusa*
4. *Mrs Yabawa Lawan Wabi*
5. *Alh. Ibrahim M. A. Kaugama*
6. *Mr. Sam N. Okagbue*





P H I L L I P S | C O N S U L T I N G | L I M I T E D

4th Floor, UBA House, 57 Marina, Lagos. G.P.O. Box 5129
 Tel: 2643111, 8535234, 8181895. Fax: 2702385
 E-mail: info@phillipsconsulting.net

BOARD EVALUATION EXECUTIVE SUMMARY

The Unity Bank Board Evaluation for 2015 (and the first quarter of 2016) fiscal year was conducted by Phillips Consulting Limited in compliance with the Central Bank of Nigeria Code of Corporate Governance, Securities and Exchange Commission Code of Corporate Governance and in accordance with best practices.

SCOPE

The scope of the evaluation covered the following areas:

- Board Composition and Balance
- Board Committees
- Board Responsibilities and Board Processes
- Financial Transparency and Corporate Behaviour.

The evaluation which was conducted in May 2016 was done by reviewing the Bank's Board Terms of Reference, Board papers, minutes of Board meetings (General and Committee meetings), Succession Planning Policy and conducting interviews with Board members. The Directors' understanding of their fiduciary duties and roles in providing financial oversight and improving shareholder value were also examined.

SUMMARY OF FINDINGS

The Board comprised of 15 members during the period under review (March 2015 to March 2016). Mr. Ahmed Yusuf and Henry Semenitari resigned from the board in June and August 2015 respectively. Both directors were replaced with Mr. Temisan Tuedor in June 2015 and Mrs. Tomi Somefun in August 2015.

Unity Bank is in compliance with section 2.2.4 of the CBN Code which states that the Board of Banks shall have at least two Independent Directors. The independent directors on the board are Mr. Sam Okagbue and Mr. Richard Asabia.

The Unity Bank Board of Directors consists of individuals, who are knowledgeable in business, financial matters, and who are fit to be members of the Board of a banking institution. In accordance with Section 2.3.1 of the CBN Code, the position of Chairman and Chief Executive are held by separate individuals. Mr. Thomas Etuh and Mr. Henry Semenitari maintained the position of Chairman and Chief Executive respectively. However, following the resignation of Mr. Henry James Semenitari in August 2015, Mrs. Tomi Somefun was appointed as the Managing Director/Chief Executive. This shows clear separation of powers between both offices while the duties and roles of each office are clearly understood.

Abuja Office: 2nd Floor, NEXIM House, Plot 975 Cadastral Zone AO, Central Business District, Abuja
 Tel: 09-2904738, 09-2904748



REPORT ON **BOARD EVALUATION**

There are seven (7) Board Committees, namely:

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

All these committees were 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 both in Nigeria and outside Nigeria to improve the capacity of the board members in line with expected responsibilities as a board member and the committee they belong. A few of the trainings attended include:

1. Company Direction Course 1 – Effective Board.
2. Corporate Governance Workshop on Board Strategic Thinking and Management.
3. Transformation Leadership Course
4. AML/CFT Compliance Training

In summary, our evaluation shows that the Board of Unity Bank Plc is largely compliant with the directives of the CBN Code. Details of our findings and recommendations in respect of identified gaps are contained in the full report to the board.

Yours faithfully,
For: Phillips Consulting Limited

A handwritten signature in black ink, appearing to read "Olaide".

Olaide Martins
Managing Consultant

A handwritten signature in black ink, appearing to read "Bayo".

Bayo Adesanya
Associate Partner





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 statements of Unity Bank Plc which comprise the statement of financial position as at 31 December 2015, the income statement, the 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.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in compliance with the Financial Reporting 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 Act, 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. Those 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 judgement, including the assessment of the risks of material misstatement of the financial statements, 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 that 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 and fair view of the financial position of Unity Bank Plc as at 31 December 2015 and of 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 Michael Opara way, Wuse Zone 7, Abuja.

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

REPORT OF THE INDEPENDENT AUDITORS

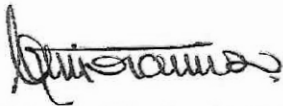
Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act CAP C20, LFN 2004

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 statements are in agreement with the books of account;

Compliance with Section 27 (2) of the Banks and Other Financial Institutions 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 Standards;
- ii) Related party transactions and balances are disclosed in Note 48 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 52 of the financial statements.



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



30 March 2016
Abuja, Nigeria



FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST DECEMBER 2015

	NOTES	2015 N'000	2014 N'000
Interest and similar income	6	62,711,194	62,635,546
Interest and similar expense	7	(19,619,178)	(17,184,561)
Net interest income		43,092,016	45,450,985
Fee and commission income	8	9,251,682	8,816,004
Fee and commission expense		-	-
Net fee and commission income		9,251,682	8,816,004
Net trading income	9	2,688,582	1,454,633
Net Income from sale of financial instrument at fair value through profit & Loss	10	(20,880)	(280,060)
Other operating income	11	4,175,222	4,442,401
		6,842,924	5,616,974
Total operating income		59,186,622	59,883,963
Impairment of financial assets	12	(27,122,182)	(17,369,540)
Net operating income		32,064,440	42,514,423
Personnel expenses	13	(14,395,452)	(13,884,015)
Depreciation of property and equipment	22	(2,003,959)	(2,307,269)
Amortisation of intangible assets	23	(246,271)	(307,111)
Other operating expenses	14	(13,076,091)	(12,376,638)
Total operating expenses		(29,721,773)	(28,875,032)
Profit before tax		2,342,667	13,639,391
Income tax credit/(expenses)	15	2,346,490	(2,946,915)
Profit after tax		4,689,157	10,692,476
Earnings per share			
Basic earnings per share (Basic)	16	12.34	17.45
Diluted earnings per share	16	12.34	17.45



FINANCIAL STATEMENTS

STATEMENT OF OTHER COMPREHENSIVE INCOME. FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTES	2015 N'000	2014 N'000
Profit/(Loss) for the year		4,689,157	10,692,476
Other comprehensive income			
Reclassifiable to Income Statement:			
Net (loss) on available-for-sale financial assets		1,145,974	(420,821)
Other comprehensive income for the year, net of tax		1,145,974	(420,821)
Total comprehensive income for the year, net of tax		5,835,130	10,271,654



FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

	NOTES	2015 N'000	2015 N'000
Assets			
Cash and balances with Central Bank	17	27,587,476	6,814,218
Due from banks	18	18,579,346	16,158,360
Loans and advances to customers	19	246,143,129	219,335,346
Financial investments – held-for-trading	20a	110,633	2,793,700
Financial investments – available-for-sale	20b	43,114,404	57,316,741
Financial investments – available-for-sale pledged as collateral	20c	17,138,888	19,605,200
Financial investments – held-to-maturity	20d	25,239,272	26,550,431
Other assets	21	6,391,066	9,050,194
Property and equipment	22	18,968,143	18,709,410
Goodwill and other intangible assets	23	16,920,408	17,148,015
Deferred tax assets	24	19,666,769	16,737,488
Non current assets held for sale	25	3,461,478	3,086,008
Total assets		443,321,012	413,305,111
Liabilities and Equity Liabilities			
Due to other banks	26	40,531,041	4,323,339
Due to customers	27	231,440,942	273,934,899
Debt issued and other borrowed funds	28	70,294,256	45,499,812
Current tax liabilities	29	613,373	647,727
Other liabilities	30	17,781,333	12,559,559
Employee benefit liabilities	31	85,536	75,780
Total liabilities		360,746,481	337,041,116
Equity			
Issued share capital	32	5,844,669	58,446,690
Share premium	SCE	10,485,871	10,485,871
Statutory reserve	SCE	11,602,168	10,898,794
Retained earnings	SCE	(117,270,296)	(56,434,482)
Non Distributable Regulatory Reserve	SCE	103,222,105	38,400,508
Other reserves	33	68,690,015	14,466,615
Total equity		82,574,531	76,263,995
Total liabilities and equity		443,321,012	413,305,111



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



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



Yabawa Lawan Wabi, mni
Director
FRC/2013/ANAN/0000000022

The accounting policies and the accompanying explanatory notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
AS AT 31ST DECEMBER 2015

	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
At 1 January 2014	19,223,345	11,929,515	7,691,052	(58,700,475)	33,181,768	14,887,436	28,212,639
Profit/(Loss) for the period	-	-	-	10,692,476	-	-	10,692,476
Transfer from/to retained earnings	-	-	3,207,743	(8,426,483)	5,218,740	-	-
Issued Share Capital	39,223,345	(1,443,644)	-	-	-	-	37,779,701
Dividend paid	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	(420,821)	(420,821)
At 31 December 2014	58,446,690	10,485,871	10,898,794	(56,434,482)	38,400,508	14,466,615	76,263,995
At 1 January 2015	58,446,690	10,485,871	10,898,794	(56,434,482)	38,400,508	14,466,615	76,263,995
Profit/(Loss) for the period	-	-	-	4,689,157	-	-	4,689,157
Transfer to Statutory Reserve	-	-	703,373	(703,373)	-	-	-
Transfer to Non Distributable Reserve	-	-	-	(64,821,597)	64,821,597	-	-
Issued Share Capital	-	-	-	-	-	-	-
Share Reconstruction	(52,602,021)	-	-	-	-	52,602,021	-
Other comprehensive income	-	-	-	-	-	1,145,974	1,145,974
Reclassification of Prior Year AFS Reserve	-	-	-	-	-	475,406	475,406
At 31 December 2015	5,844,669	10,485,871	11,602,168	(117,270,296)	103,222,105	68,690,015	82,574,531

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 charged to the the retained earnings and transferred to a non distributable reserve.

Share Reconstruction Reserve

As a result of the Bank's continuous expansion and growth, it became imperative to reduce the total number of issued and fully paid shares of the Bank. This is to provide the Bank a platform for continuous growth through rights issues or special placement in the future. During the year the Bank successfully/restricted its issued capital by issuing one new share for every ten previously held.

STATEMENT OF CASH FLOWS		
FOR THE YEAR ENDED 31 DECEMBER 2015		
	2015	2014
	N'000	N'000
Operating activities		
Profit before tax	2,342,667	13,639,390
Adjustment for non cash items:		
Impairment losses on Risk assets	22,234,333	15,054,246
Impairment losses on Other assets	4,887,849	2,315,294
Depreciation of property and equipment	2,003,959	2,307,269
Amortisation of intangible assets	246,271	307,111
Profit on disposal of Property and equipment	(213,748)	(83,145)
Gains from sale of investments	(0)	(1,081,077)
	31,501,331	32,459,089
Changes in operating assets		
Deposits with the Central Bank of Nigeria	(14,874,324)	
Loans and advances to customers	(49,042,116)	(39,160,019)
Other assets	(2,604,191)	4,656,054
	(66,520,631)	(34,503,965)
Changes in operating liabilities		
Due to customers	(42,493,957)	(26,244,948)
Due to Other Banks	36,207,702	
Other liabilities	5,221,774	(3,139,705)
Defined contribution	9,756	(393,775)
	(1,054,724)	(29,778,427)
Cash generated from operations	(36,074,024)	(31,823,304)
Income tax paid	(617,146)	(425,554)
Net cash flows from/(used in) operating activities	(36,691,170)	(32,248,858)
Investing activities		
Purchase of property and equipment	(2,048,945)	(772,381)
Purchase of intangible assets	(473,878)	(65,318)
Proceeds from sale of property and equipment	455,215	148,433
Proceeds from sale of investment	-	2,145,831
Available for sale investments	2,683,067	8,792,662
Held for trading investments	18,290,029	(2,793,700)
Held to maturity investments	1,311,159	1,709,432
Net cash flows from/(used in) investing activities	20,216,648	9,164,961
Financing activities:		
Share Capital	0	37,779,700
Debt issued and other borrowed funds	24,794,444	(8,819,280)
Net cash flows from /(used in) financing activities	24,794,445	28,960,420
Net increase/(decrease) in cash and cash equivalents	8,319,922	5,876,523
Cash and cash equivalents at 1 January	22,972,576	17,096,054
Cash and cash equivalents at 31 December	31,292,498	22,972,576



FINANCIAL STATEMENTS

STATEMENT OF PRUDENTIAL ADJUSTMENTS

FOR THE YEAR ENDED 31 DECEMBER

During the year, the Bank transferred the sum of N66.96billion from its retained earnings to a non distributable reserve within the statements of Changes in Equity. The transfer is to reflect differences between the Risk Asset impairment model and prudential guideline provisioning. The Bank's regulator's increased the provisioning on performing loans & advances from 1% to 2% during the year. This movement will bring the total non distributable reserve balance to N103.22billion

A breakdown of the transfer is given below:

	Note	Specific N'000	General N'000	Total N'000
Loans and Advances				
Provision per CBN Prudential Guidelines		166,960,821	2,015,701	168,976,522
Impairment Allowance as Per IAS 39 (Individual and Collective)	Note 17d	(65,754,418)	-	(65,754,418)
Amount Required in Non Distributable Reserve		103,222,104	2,015,701	103,222,104



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate Information

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

Unity Bank is a Public Limited Liability company incorporated in Nigeria to carry on the business of banking. The Bank's shares are listed on the Nigerian Stock Exchange. Its registered office is at Plot 785, Herbert Macaulay Way, Central Business District, Abuja. However it has obtained its regulator's approval to relocate its Corporate Head Office to Lagos at 42, Ahmed Onibudo Street, Victoria Island, Lagos.

2 Basis of preparation

This 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.

For better understanding, certain disclosures and some prior year figures have been presented in line with current year figures. Due to rounding numbers presented throughout this document, numbers may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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.

3 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.

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:



FINANCIAL STATEMENTS

a. 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. The Bank is negotiating with potential investors for investment in its equity to address the Bank's negative capitalisation. Management is optimistic that negotiations shall be successful. Consequently, management is of the opinion that the application of the going concern assumption is appropriate. Therefore, Management will continue to prepare the financial statements on the going concern basis.

b. 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.

c. 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.

d. 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.



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4 Summary of significant accounting policies

a. Foreign currency translation

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

b. 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.

c. 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.



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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 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'.



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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'.

(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.



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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.

d. 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, 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.



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e. 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'.

f. 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.

g. 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 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.



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(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 between loss estimates and actual loss experience.



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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.

h. 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.



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I. 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.

(i) 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.

(ii) 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.

j. 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'.



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(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.

k. 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.

l. 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.

m. 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



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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.

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

n. 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



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residual values over their estimated useful lives as follows:

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

o. 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.

p. 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 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



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expenditure required to settle any financial obligation arising as a result of the guarantee.

q. 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.

r. 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.

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



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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.

t. 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.

u. 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.

v. Equity reserves

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

'Available-for-sale' 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.

w. 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.



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x. 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. No-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 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.

5. 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 North, Central 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 2014 or the year ended 31 December 2015.

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

31 DECEMBER 2015					
	Central N'000	South N'000	North N'000	Unallocated N'000	Total N'000
Segmented results					
Revenue	<u>12,605,872</u>	<u>10,797,077</u>	<u>15,653,395</u>	<u>20,130,278</u>	<u>59,186,622</u>
Operating profit before tax	8,594,891	4,819,046	10,381,351	(21,452,621)	2,342,667
Income Tax				2,346,490	2,346,490
Profit for the year	<u>8,594,891</u>	<u>4,819,046</u>	<u>10,381,351</u>	<u>(19,106,131)</u>	<u>4,689,157</u>
Segmented assets and liabilities					
Segment assets	<u>153,317,570</u>	<u>91,786,906</u>	<u>105,100,984</u>	<u>93,115,553</u>	<u>443,321,012</u>
Segment Liabilities	<u>153,317,570</u>	<u>91,786,906</u>	<u>105,100,984</u>	<u>93,115,553</u>	<u>443,321,012</u>



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5. Segment information (Continued)

31 DECEMBER 2014

	Central N'000	South N'000	North N'000	Unallocated N'000	Total N'000
Segmented results					
Segment Revenues	<u>17,667,351</u>	<u>10,794,882</u>	<u>19,733,181</u>	<u>11,688,548</u>	<u>59,883,962</u>
Operating profit before tax	13,945,416	5,307,113	14,557,738	(20,173,842)	13,636,425
Income Tax expenses	<u> </u>	<u> </u>	<u> </u>	<u>(2,946,915)</u>	<u>(2,946,915)</u>
Profit for the year	<u>13,945,416</u>	<u>5,307,113</u>	<u>14,557,738</u>	<u>(23,120,757)</u>	<u>10,689,510</u>
Segmented assets and liabilities					
Segment assets	<u>162,086,090</u>	<u>70,506,940</u>	<u>120,151,051</u>	<u>60,561,030</u>	<u>413,305,111</u>
Segment Liabilities	<u>162,086,090</u>	<u>70,506,940</u>	<u>120,151,051</u>	<u>60,561,030</u>	<u>413,305,111</u>



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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

	2015 N'000	2014 N'000
6. Interest and similar income		
Placement with Banks	131,350	92,479
Due from Banks and Discount Houses	-	17
Loans and advances to customers*	52,254,809	49,744,863
Advances under finance lease	75	727
Financial investments – available-for-sale	6,354,082	9,050,189
Financial investments – held-to-maturity	3,970,877	3,747,271
	<u>62,711,194</u>	<u>62,635,546</u>
*Included in the interest earned on loans and advances are interest earned on impaired loans.		
7. Interest and similar expense:		
Due to banks	4,638,098	4,308,192
Due to customers	13,125,363	12,098,662
Debt issued and other borrowed funds	1,855,717	777,708
	<u>19,619,178</u>	<u>17,184,561</u>
8. Net fees and commission income		
Fees and commission income		
Credit related fees and commission	8,020,052	6,703,791
Commission on turnover	542,761	1,097,427
Facilities management fees	74,727	666,596
Other fees and commission	614,142	348,190
	<u>9,251,682</u>	<u>8,816,004</u>
9. Net trading income		
Foreign exchange*	2,688,582	1,454,633
	<u>2,688,582</u>	<u>1,454,633</u>
* Included in the amount above as income from foreign exchange is N817,249Million FX revaluation gain 2014: N35.3Million		
10. Net Income from financial instruments at fair value through profit & Loss		
Net Gain/(Loss) on HFT trading(Bonds)	(20,880)	(280,060)
	<u>(20,880)</u>	<u>(280,060)</u>



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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

	2015 N'000	2014 N'000
11. Other operating income		
Dividend income	118,242	272,440
E-banking income	1,418,721	985,410
Gains from sales of financial investment	1,575,668	1,324,676
Operating lease income	2,897	-
Other income	1,059,693	1,859,875
	<u>4,175,222</u>	<u>4,442,401</u>
12. Impairment losses		
<i>Credits</i>		
Charge for the year	23,928,482	15,267,840
Recoveries	(1,694,149)	(213,594)
	<u>22,234,333</u>	<u>15,054,246</u>
Credit loss expense	22,234,333	15,054,246
<i>Goodwill</i>	-	-
<i>Other Assets</i>	4,887,849	2,315,294
	<u>27,122,182</u>	<u>17,369,540</u>
Included in the credit charge for the year is a write off against Profit or loss of N2.288Billion. This amount is not therefore included in the Schedule of reconciliation of impairment allowance Also included in the Recovery are recovery of loans which have been fully written off the Bank's books		
13. Personnel Expenses		
Wages and salaries	13,774,381	13,361,895
Pension cost - Defined contribution plan	621,071	522,119
	<u>14,395,452</u>	<u>13,884,015</u>
14. Other operating expenses		
Advertising and marketing	178,332	111,941
Administrative	9,470,297	8,956,771
Professional fees	431,954	449,430
Rental charges payable under operating leases	454,272	451,376
Banking Sector Resolution Funds	2,218,560	1,036,643
Others	322,676	1,370,478
	<u>13,076,091</u>	<u>12,376,638</u>

Professional fees includes fees payable to the auditors in relation to the statutory audit of N80 million (2014: N80million).



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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

	2015 N'000	2014 N'000
15. Income tax		
The components of income tax expense for the years ended 31 December 2015 and 2014 are:		
Current tax		
Company Income tax	516,506	494,108
Education tax	-	-
Technology levy	56,994	149,525
Capital gains tax	9,292	4,094
Total current tax	582,791	647,727
Deferred tax		
(Origination)/ reversal of temporary differences	(2,929,281)	2,299,187
Total deferred tax	(2,929,281)	2,299,187
Total income tax expense	(2,346,490)	2,946,915

The Bank has unrelieved losses carried forward as at 31 December, 2015. Thus its tax was assessed on minimum tax basis.

16. 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, 2015 did 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:

	2015 N'000	2014 N'000
Net profit attributable to ordinary shareholders for basic earnings:	4,689,157	10,692,476
Weighted average number of ordinary shares for basic earnings per share:	37,990,348	61,262,252
Basic earnings per ordinary share (kobo)	12.34	17.45
Diluted earnings per ordinary share (kobo)	12.34	17.45

During the year at an extraordinary general meeting, it was resolved to implement a share capital reconstruction scheme with the objective of increasing the market value of existing shareholders by compressing (reducing) the units held by each shareholder to one (1) share for every ten (10) held. Consequently, the issued and fully paid share capital was restructured from N58,446,689,710 to N5,844,668,971. The amount by which the share capital was reduced was transferred to the share capital reconstruction reserve.



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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

	2015 N'000	2014 N'000
17. Cash and Balances with Central Bank		
Cash on hand	4,672,197	3,949,646
Less: Allowance for impairment losses	-	-
	<u>4,672,197</u>	<u>3,949,646</u>
Current account with the Central Bank of Nigeria	8,040,955	2,864,572
Deposits with the Central Bank of Nigeria	<u>14,874,324</u>	<u>-</u>
	<u>27,587,476</u>	<u>6,814,218</u>
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		
	Cash on hand N'000	Current Account with CBN N'000
At 01 January	-	59,836
Amounts written off	-	<u>(59,836)</u>
At 31 December	<u>-</u>	<u>-</u>
18. Due from banks	2015 N'000	2014 N'000
Placements with banks and discount houses	9,182,286	7,682,714
Balances with banks within Nigeria	2,880,637	68,684
Balances with banks outside Nigeria	<u>6,516,423</u>	<u>8,406,962</u>
	<u>18,579,346</u>	<u>16,158,360</u>
Less: Allowance for impairment losses	-	-
	<u>18,579,346</u>	<u>16,158,360</u>
Current	18,579,346	16,158,360
Non-Current	-	-
	<u>18,579,346</u>	<u>16,158,360</u>
Reconciliation of impairment allowance for due from banks		
At 1 January	-	992,484
Provision no longer required	-	(431,421)
Amounts written off	-	<u>(561,063)</u>
At 31 December	<u>-</u>	<u>-</u>



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

	2015 N'000	2014 N'000
19. Loans and advances		
a Loans and advances to customers by customer type:		
Government lending	10,537,355	13,479,148
Corporate lending	163,285,976	108,863,024
Consumer lending	132,618,407	141,320,969
Interest receivable	5,455,809	2,461,062
Gross Loans	<u>311,897,547</u>	<u>266,124,203</u>
Less: Allowance for impairment losses	<u>(65,754,418)</u>	<u>(46,788,857)</u>
	<u>246,143,129</u>	<u>219,335,346</u>
Current	201,855,718	176544078.4
Non-Current	44,287,411	42791267.09
	<u>246,143,129</u>	<u>219,335,346</u>
b Loans and advances to customers by Security:		
Secured against real estate	237,726,524	148,612,582
Secured by shares of quoted companies	-	951,090
Otherwise secured	45,005,641	107,573,768
Unsecured	29,165,382	8,986,762
	<u>311,897,547</u>	<u>266,124,202</u>
c Loans and advances to customers by Maturity		
0 to 30 days	232,746,122	101,775,507
1 -3 months	4,896,341	50,670,079
3-6 months	14,833,160	20,636,576
6-12 Months	15,134,513	25,976,313
Over 12 Months	44,287,411	67,065,728
	<u>311,897,547</u>	<u>266,124,203</u>
d Reconciliation of impairment allowance for loans and advances to customers		
At 1 January	46,788,857	30,405,386
Charge for the year	21,640,257	15,267,840
Recoveries	(1,464,108)	(213,594)
Amounts written off/ written back	(1,210,588)	1,329,225
At 31 December	<u>65,754,418</u>	<u>46,788,857</u>
Individual impairment	59,878,629	42,646,667
Collective impairment	5,875,789	4,142,190
	<u>65,754,418</u>	<u>46,788,857</u>
Gross amount of loans individually determined to be impaired before deducting individually assessed impairment allowance.	<u>109,910,445</u>	<u>44,045,259</u>



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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

19. Loans and advances (continued)

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

S/n	State /Region	Total credit 2015 N'000	Total credit 2014 N'000
SOUTH SOUTH			
1	Akwa Ibom	135,769	179,220
2	Bayelsa	129,269	232,486
3	Cross rivers	2,759,608	2,030,494
4	Delta	8,024,612	7,154,694
5	Edo	3,338,754	2,537,653
6	Rivers	7,260,296	5,611,036
	Sub-total	21,648,308	17,745,582
SOUTH WEST			
7	Ekiti	527,746	616,450
8	Lagos	62,870,216	47,936,867
9	Ogun	5,754,971	5,292,954
10	Ondo	2,077,728	1,761,560
11	Osun	1,483,140	2,229,859
12	Oyo	1,308,152	683,017
	Sub-total	74,021,953	58,520,707
SOUTH EAST			
13	Anambra	1,282,614	1,048,352
14	Imo	998,861	842,596
15	Enugu	802,524	568,378
16	Abia	1,015,719	799,063
17	Ebonyi	40	-
	Sub-total	4,099,758	3,258,389
NORTH WEST			
18	Kano	36,829,779	31,985,301
19	Katsina	3,391,185	3,330,819
20	Kebbi	763,374	609,940
21	Jigawa	1,377,841	1,405,527
22	Sokoto	1,890,476	1,506,268
23	Zamfara	6,815,652	6,326,103
24	Kaduna	36,612,779	31,065,467
	Sub-total	87,681,086	76,229,425
NORTH CENTRAL			
25	Nasarawa	2,521,648	1,976,723
26	Niger	2,896,672	4,022,695
27	Plateau	952,862	948,183
28	Kogi	946,384	783,235
29	Kwara	5,687,634	5,597,153
30	Abuja	91,781,041	79,223,978
31	Benue	9,348,050	8,087,043
	Sub-total	114,134,291	100,639,011
NORTH EAST			
32	Adamawa	959,720	728,222
33	Borno	1,511,085	1,696,856
34	Bauchi	5,336,918	4,583,218
35	Gombe	1,324,384	1,141,349
36	Yobe	402,925	304,105
37	Taraba	777,120	1,277,337
	Sub-total	10,312,151	9,731,088
	TOTALS	311,897,547	266,124,203

19. Loans and advances (continued)
 f Concentration of credit risk by Industry Bucket At 31 December 2015

Industry Type	Gross Loans & Advances		Value of Collateral	Impairment		Net Unimpaired Balance	
	N'000	%		N'000	%	N'000	%
AGRICULTURE	47,939,536	15.37	44,026,844	7,120,878	14.85	40,818,658	85.15
OIL & GAS	19,775,598	6.34	45,147,103	3,728,664	18.85	16,046,933	81.15
CAPITAL MARKET	385,765	0.12	12,740	217,088	56.27	168,677	43.73
REAL ESTATE ACTIVITIES	11,235,371	3.60	6,789,170	1,498,515	13.34	9,736,856	86.66
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	5,193,085	1.66	6,800,626	159,118	3.06	5,033,968	96.94
ADMINISTRATIVE, SUPPORT SERVICE ACTIVITIES	926,974	0.30	1,026,500	171,867	18.54	755,107	81.46
EDUCATION	2,458,965	0.79	3,974,020	916,022	37.25	1,542,943	62.75
HUMAN HEALTH & SOCIAL WORK ACTIVITIES	326,147	0.10	354,367	53,417	16.38	272,730	83.62
MANUFACTURING	38,837,876	12.45	107,969,996	3,472,228	8.94	35,365,648	91.06
WATER SUPPLY, SEWERAGE AND WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	77,735	0.02	74,300	2,040	2.62	75,695	97.38
CONSTRUCTION	36,361,078	11.66	61,501,008	10,391,677	28.58	25,969,401	71.42
FINANCE & INSURANCE	3,129,678	1.00	2,025,754	877,716	28.04	2,251,962	71.96
GOVERNMENT	10,399,345	3.33	1,383,011	7,580,388	72.89	2,818,957	27.11
POWER	6,619,544	2.12	30,478,000	78,843	1.19	6,540,701	98.81
GENERAL COMMERCE	86,299,253	27.67	103,253,507	24,365,153	28.23	61,934,100	71.77
OTHER PUBLIC UTILITIES	4,419	0.00	-	276	6.24	4,144	93.76
TRANSPORTATION	24,821,944	7.96	22,322,464	4,132,957	16.65	20,688,987	83.35
COMMUNICATION	17,105,234	5.48	18,797,379	987,572	5.77	16,117,662	94.23
TOTAL	311,897,547	100	455,936,788	65,754,418	21.08	246,143,129	78.92

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2015

19. Loans and advances (continued)

f Concentration of credit risk by Industry Bucket At 31 December 2014

Industry Type	Gross Loans & Advances		Value of Collateral		Impairment		Net Unimpaired Balance	
	N'000	%	N'000	%	N'000	%	N'000	%
AGRICULTURE	47,939,536	15.37	44,026,844	14.85	7,120,878	14.85	40,818,658	85.15
OIL & GAS	19,775,598	6.34	45,147,103	18.85	3,728,664	18.85	16,046,933	81.15
CAPITAL MARKET	385,765	0.12	12,740	56.27	217,088	56.27	168,677	43.73
REAL ESTATE ACTIVITIES	11,235,371	3.60	6,789,170	13.34	1,498,515	13.34	9,736,856	86.66
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	5,193,085	1.66	6,800,626	3.06	159,118	3.06	5,033,968	96.94
ADMINISTRATIVE, SUPPORT SERVICE ACTIVITIES	926,974	0.30	1,026,500	18.54	171,867	18.54	755,107	81.46
EDUCATION	2,458,965	0.79	3,974,020	37.25	916,022	37.25	1,542,943	62.75
HUMAN HEALTH & SOCIAL WORK ACTIVITIES	326,147	0.10	354,367	16.38	53,417	16.38	272,730	83.62
MANUFACTURING	38,837,876	12.45	107,969,996	8.94	3,472,228	8.94	35,365,648	91.06
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	77,735	0.02	74,300	2.62	2,040	2.62	75,695	97.38
CONSTRUCTION	36,361,078	11.66	61,501,008	28.58	10,391,677	28.58	25,969,401	71.42
FINANCE & INSURANCE	3,129,678	1.00	2,025,754	28.04	877,716	28.04	2,251,962	71.96
GOVERNMENT	10,399,345	3.33	1,383,011	72.89	7,580,388	72.89	2,818,957	27.11
POWER	6,619,544	2.12	30,478,000	1.19	78,843	1.19	6,540,701	98.81
GENERAL COMMERCE	86,299,253	27.67	103,253,507	28.23	24,365,153	28.23	61,934,100	71.77
OTHER PUBLIC UTILITIES	4,419	0.00	-	6.24	276	6.24	4,144	93.76
TRANSPORTATION	24,821,944	7.96	22,322,464	16.65	4,132,957	16.65	20,688,987	83.35
COMMUNICATION	17,105,234	5.48	18,797,379	5.77	987,572	5.77	16,117,662	94.23
TOTAL	311,897,547	100	455,936,788	21.08	65,754,418	21.08	246,143,129	78.92

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

	2015 N'000	2014 N'000
20. Financial investments		
a Held for trading investments		
Quoted investments		
Debt securities - Bills	-	500,000
Debt securities - Bonds	110,633	2,293,700
	<u>110,633</u>	<u>2,793,700</u>
Collective impairment	-	-
	<u>110,633</u>	<u>2,793,700</u>
Current	110,633	500,000
Non-Current	-	2,293,700
	<u>110,633</u>	<u>2,793,700</u>
b Available for sale investments		
Quoted investments		
Debt securities - Bills	41,572,300	46,892,684
Debt securities - Bonds	673,107	9,554,961
Equities	282,324	282,324
	<u>42,527,732</u>	<u>56,729,969</u>
Unquoted investments		
Equities	1,455,423	1,455,523
	<u>43,983,154</u>	<u>58,185,492</u>
Less: Allowance for impairment	(868,751)	(868,751)
	<u>43,114,404</u>	<u>57,316,741</u>
c Financial investments – available for sale and pledged as collateral		
Collective impairment	17,138,888	19,605,200
	<u>17,138,888</u>	<u>19,605,200</u>
Total Financial Investment - Available for Sale	<u>60,253,292</u>	<u>76,921,941</u>
Current	54,494,229	65,940,285
Non-Current	5,759,063	10,981,656
	<u>60,253,292</u>	<u>76,921,941</u>



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20. Financial investments (continued)

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

	2015 N'000	2014 N'000
Held for trading investments		
Quoted investments		
Government debt securities	25,239,272	26,550,431
	<u>25,239,272</u>	<u>26,550,431</u>
Unquoted investments		
Debt securities	-	-
	<u>25,239,272</u>	<u>26,550,431</u>
Collective impairment	-	-
	<u>25,239,272</u>	<u>26,550,431</u>
Current	5,244,732	1,656,165
Non-Current	19,994,540	24,894,266
	<u>25,239,272</u>	<u>26,550,431</u>
21. Other assets		
Prepayments	4,570,470	2,827,576
Interbranch balances	(0)	5,612,911
Fraud suspense	730,427	982,206
Stationery stocks	157,455	226,049
Other stocks	71,938	44,642
Account receivables	3,498,627	417,080
Other debit balances	3,843,668	10,201,927
	<u>12,872,584</u>	<u>20,312,392</u>
Less:		
Allowance for impairment on other assets	(6,481,519)	(11,262,198)
	<u>6,391,066</u>	<u>9,050,194</u>
Current	5,080,881	8,740,552
Non-Current	1,310,184	309,643
	<u>6,391,066</u>	<u>9,050,194</u>

Impairment allowance for available for sale financial assets, other assets and non current assets held for sale

	Available for sale Investments N'000	Other Assets N'000	Non Current Assets held for sale N'000	Total N'000
At 01 January 2015	868,751	11,262,198	405,471	12,536,419
Charge for the year	-	4,887,849	-	4,887,849
Amounts written off	-	(9,668,528)	(405,471)	(10,073,999)
At 31 December 2015	<u>868,751</u>	<u>6,481,519</u>	<u>-</u>	<u>7,350,269</u>



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22. Property and equipment

	Land and Building N'000	Leasehold Improvement N'000	Motor Vehicle N'000	Plant & Equipment N'000	Furniture & Fittings N'000	Work in Progress N'000	Total N'000
Cost:							
At 01 January 2015	17,820,962	2,182,120	3,477,495	13,023,403	3,134,985	217,933	39,856,898
Additions	410,978	207,276	355,523	903,029	128,457	441,900	2,447,163
Disposals	(201,082)	-	(181,350)	(42,717)	(7,093)	(88,831)	(521,073)
At 31 December 2015	18,030,858	2,389,396	3,651,668	13,883,715	3,256,349	571,002	41,782,988
Depreciation and impairment:							
At 01 January 2015	2,484,237	1,893,005	2,976,920	11,215,310	2,578,016	-	21,147,489
Additions	426,142	199,856	297,317	821,362	259,282	-	2,003,959
Disposals	(106,178)	-	(181,061)	(42,273)	(7,093)	-	(336,603)
At 31 December 2015	2,804,202	2,092,861	3,093,177	11,994,399	2,830,206	-	22,814,845
Net book value:							
At 01 January 2015	15,226,656	296,535	558,491	1,889,316	426,143	571,002	18,968,143
At 31 December 2014	15,336,725	289,115	500,575	1,808,093	556,969	217,933	18,709,410

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23. Goodwill and other intangible assets

	Goodwill N'000	Computer Software N'000	Total N'000
Cost:			
At 01 January 2015	16,471,335	3,157,681	19,629,015
Additions:			
Internally Developed	-	-	-
External Purchase	-	18,664	18,664
Disposals	-	-	-
At 31 December 2015	<u>16,471,335</u>	<u>3,176,345</u>	<u>19,647,680</u>
Amortisation and impairment:			
At 01 January 2015	-	2,481,001	2,481,001
Additions	-	246,271	246,271
Disposals/Write offs	-	-	-
At 31 December 2015	<u>-</u>	<u>2,727,272</u>	<u>2,727,272</u>
Net book value:			
At 31 December 2015	<u>16,471,335</u>	<u>449,073</u>	<u>16,920,408</u>
At 31 December 2014	<u>16,471,335</u>	<u>676,680</u>	<u>17,148,015</u>

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 2015 showed that no CGU was impaired during the 2015 financial year



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	2015 N'000	2014 N'000
24. Deferred tax		
The movement in the deferred tax account during the year was as follows:		
At 1 January	16,737,488	19,036,676
Tempoary difference on fixed assets	40,798	(178,719)
Impairment allowance on other assets	672,022	(5,031,845)
Unabsorbed loss and capital Allowance	2,169,461	661,550
Others	47,001	2,249,826
	<u>2,929,281</u>	<u>(2,299,188)</u>
At 31 December	<u>19,666,769</u>	<u>16,737,488</u>
25. Non Current Assets Held For Sale		
a The movement in non current assets held for sale during the year was as follows:		
At 1 January 2015	3,491,478	3,617,913
Additions	-	-
Less Impairment	-	(405,470)
Disposals/Write offs	(30,000)	(126,435)
At 31 December 2015	<u>3,461,478</u>	<u>3,086,008</u>
b Balance of non current assets held for sale comprises of:		
Unity Bureau De Change Limited	-	30,000
Unity Kapital Assurance Plc	3,461,478	3,461,478
	<u>3,461,478</u>	<u>3,491,478</u>

c In line with directives of Central Bank of Nigeria, the Board and Shareholders approved the disposal of the Bank's subsidiaries in 2011. The subsidiaries have all been disposed with exception of Unity Kapital Assurance. During the year, the Bank had received amounts higher than the carrying amount of Unity Kapital Assurance from a prospective buyer. Approval for the sale was however declined by the National Insurance Corporation of Nigeria. Management remained committed to the sale of this investment and thus have informed the second preferred bidder to make payments for a transfer of interest. In the subsequent period, the investment was disposed to the second preferred bidder for the sum of N5.3 billion. The subsequent disposal and profit thereof shall be recognised in the subsequent period as they are non adjusting events in accordance with IAS 10.

	2015 N'000	2014 N'000
26. Due to other banks		
a Due to other banks comprise of:		
Balances Due to Other Banks	4,108,591	4,323,339
Takings From Others Banks (note 26b)	36,422,450	-
	<u>40,531,041</u>	<u>4,323,339</u>
Current	40,531,041	4,323,339
Non-Current	-	-
	<u>40,531,041</u>	<u>4,323,339</u>



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	2015 N'000	2014 N'000
26. Due to other banks (continued)		
b Takings From Banks		
FSDH Merchant Bank	5,900,000	-
Access Bank Plc	5,250,000	-
First Bank of Nigeria Plc	3,350,000	-
Coronation Bank	8,250,000	-
United Bank for Africa Plc	5,450,000	-
Diamond Bank Plc	4,660,000	-
Ecobank Plc	3,500,000	-
Accrued interest	62,450	-
	<u>36,422,450</u>	<u>-</u>
27. Due to customers		
a Analysis by type of account:		
Demand	92,933,246	150,173,013
Savings	41,961,917	39,202,522
Time deposits	91,586,090	76,380,737
Special product	234,453	772,133
Domiciliary	4,725,235	7,406,494
	<u>231,440,942</u>	<u>273,934,899</u>
b Analysis by type of depositors		
Government	20,887,778	90,343,691
Corporate	124,438,925	96,344,043
Individuals	86,114,239	87,247,166
	<u>231,440,942</u>	<u>273,934,899</u>
c Analysis by maturity		
0-30 days	196,346,584	243,519,565
31-90 days	33,122,196	28,436,780
91-180 days	1,403,825	1,019,498
181-360 days	568,337	959,056
	<u>231,440,942</u>	<u>273,934,899</u>
Current	231,438,642	273,934,899
Non-Current	2,300	-
	<u>231,440,942</u>	<u>273,934,899</u>



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28. Debt issued and other borrowed

a Movement in debt and other borrowed funds during the year is as follows:

	CBN Short Term Loan N'000	Pass Through Loans N'000	AFREXIM N'000	Total N'000
At 1 January 2015	-	28,889,232	16,610,580	45,499,812
Additions	34,448,055	11,928,284	601,671	46,978,010
Payments	-	(15,525,281)	(6,658,285)	(22,183,566)
At 31 December 2015	34,448,055	25,292,235	10,553,967	70,294,256

b Central Bank of Nigeria Short Term Loan

This represents short term borrowings obtained from the Central Bank of Nigeria to meet working capital requirements.

c Pass Through Loans

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.

d AFREXIM Loan

This represents a term loan facility obtained from African Export-import Bank for a tenor of seven years, which qualifies it as Tier II . capital. Interest is payable quarterly. The facility will bear interest at a rate per annum equal to LIBOR + 5.45% (6.45%). The facility was secured over the permitted accounts, the charge over FGN Treasury and a security assignment bills valued at USD84 million deed whereby UnityBank will assign to AFREXIM all securities taken from its clients benefitting from this facility.

29. Current tax liabilities

Current tax payable

At the beginning of the period
Amounts recorded in the income statements
Payments made on-account during the year

Current
Non-Current

	2015 N'000	2014 N'000
At the beginning of the period	647,727	425,554
Amounts recorded in the income statements	582,791	647,727
Payments made on-account during the year	(617,146)	(425,554)
	613,373	647,727
Current	613,373	647,727
Non-Current	-	-
	613,373	647,727



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	2015 N'000	2014 N'000
30. Other liabilities		
Interest payable	-	-
Accounts payable	5,294,659	2,137,093
Bankers payment and branch drafts	388,609	512,667
Deferred fees	13,129	129,119
Provisions and accruals	627,027	769,814
Unearned discounts and incomes	43,697	2,787,175
Margin on letters of credit	188,145	145,983
Banking sector resolution fund	5,457,342	5,239,629
Sundry Creditors	5,768,725	838,079
	<u>17,781,333</u>	<u>12,559,559</u>
Current	17,781,333	11,577,776
Non-Current	-	981,782
	<u>17,781,333</u>	<u>12,559,559</u>

31. 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 N621.07 million represents contributions paid to these plans by the bank at rates specified in the Bank's collective agreement with Staff. These agreed rates are currently higher than rates advised by the pension plan.



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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

	2015 N'000	2014 N'000
Other liabilities		
<i>Movement in defined contribution obligation is shown below:</i>		
At 1 January	75,780	469,555
Charge for the year	621,071	522,120
Payment to Pension Fund Administrators (PFAs)	(611,315)	(915,895)
At 31 December	<u>85,536</u>	<u>75,780</u>
Current	85,536	75,780
Non-Current	-	-
	<u>85,536</u>	<u>75,780</u>
32. Share capital		
a Authorised share capital		
120,000,000,000 ordinary shares of 50 kobo each (2014 - 120,000,000,000 ordinary shares of 50 kobo each)	<u>60,000,000</u>	<u>60,000,000</u>
b Issued and fully paid share capital		
At 1 January: 116,893,379,420 ordinary shares of 50k each	58,446,690	58,446,690
Transfer to share capital reconstruction reserve: reduction to 1 share for every 10 held (105,204,041,478)	(52,602,021)	-
At 31 December: 11,689,337,942 ordinary shares of 50k each (31 December 2014: 116,893,379,420 ordinary shares of 50k each)	<u>5,844,669</u>	<u>58,446,690</u>



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33. Other reserves

	Available for sale reserve N'000	Share reconstru- ction reserve N'000	Reserve for SMIEIS N'000	Total N'000
At 31 December 2014	(475,406)	14,501,904	440,116	14,466,614
At 1 January 2015	(475,406)	14,501,904	440,116	14,466,614
Share Reconstruction (1 New Shares for 10 Shares Previously held)	-	52,602,021	-	52,602,021
Net loss on available for sale financial assets	1,145,974	-	-	1,145,974
Reclassification of AFS Reserve	475,406	-	-	475,406
At 31 December 2015	1,145,974	67,103,925	440,116	68,690,014

Available for Sale Reserve

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

Share Reconstruction Reserve

During the year at an extraordinary general meeting, it was resolved to implement a share capital reconstruction scheme with the objective of increasing the market value of existing shareholders by compressing (reducing) the units held by each shareholder to one (1) share for every ten (10) held. Consequently, the issued and fully paid share capital was restructured from N58,446,689,710 to N5,844,668,971. The amount by which the share capital was reduced was transferred to the share capital reconstruction reserve.

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.

34. Additional Cash Flow Information

Cash and cash equivalents

	2015 N'000	2014 N'000
Cash on hand (Note 15)	4,672,197	3,949,646
Current account with the Central Bank of Nigeria (Note 15)	8,040,955	2,864,572
Due from banks	18,579,346	16,158,360
	31,292,498	22,972,578

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.



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	2015 N'000	2014 N'000
34. Additional cash flow information (continued)		
b Changes in operating assets		
Deposits with the Central Bank of Nigeria	(14,874,324)	-
Loans and advances to customers	(49,042,116)	(39,160,019)
Other assets	(2,604,191)	4,656,054
	(66,520,631)	(34,503,965)
c Changes in operating liabilities		
Due to customers	(42,493,957)	(26,244,948)
Due to Other Banks	36,207,702	
Other liabilities	5,221,774	(3,139,705)
Defined contribution	9,756	(393,775)
	(1,054,724)	(29,778,427)
d Other non-cash items included in profit before tax		
Impairment losses on Other assets	4,887,849	2,315,294
Impairment losses on Risk assets	22,234,333	15,054,246
Depreciation of property and equipment	2,003,959	2,307,269
Amortisation of intangible assets	246,271	307,111
Profit on disposal of Property and equipment	(213,748)	(83,145)
Gains from sale of investments	(0)	(1,081,077)
	29,158,665	18,819,698

35. 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.



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35. Fair value of financial instruments (continued)

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

As at the date of finalising this financials, the Bank did not determine the fair value of any investments using the level 3 technique. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

31 December 2015	Level 1	Level 2	Total
Financial assets	N'000	N'000	N'000
Financial investments available for sale			
Treasury bills	48,549,300	-	48,549,300
Government bonds	10,834,995	-	10,834,995
Quoted equity investment	-	282,324	282,324
Unquoted equity investments	-	1,455,423	1,455,423
	59,384,295	1,737,747	61,122,042
31 December 2014			
Financial assets	Level 1	Level 2	Total
	N'000	N'000	N'000
Financial investments available for sale			
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
	56,447,645	1,737,847	58,185,492



**NOTES TO THE FINANCIAL STATEMENTS ENDED
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36. Movements in level 2 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 2015 N'000	Total gains/ (losses) recorded in		Total gains/(losses) recorded in equity N'000	Purchases N'000	Sales N'000	Settlements level 3 to level 2 N'000	Transfer from level 3 to level 2 N'000	At 31 Dec-15 N'000
	profit or loss N'000	recorded in equity N'000						
1,737,747	-	-	-	-	-	-	-	1,455,523
1,737,747	-	-	-	-	-	-	-	1,455,523

Financial investments available for sale:

Unquoted equity investments

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	For the year ended 31-Dec-15		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	Net gain or [loss] on financial instruments designated FVTPL N'000
	Net trading income N'000	Other operating income N'000					
-	118,242	-	-	-	272,440	-	-
-	347,107	(20,880)	(20,880)	-	243,599	-	-
-	1,481,405	-	-	-	164,503	-	-
-	1,946,753	(20,880)	(20,880)	-	680,542	-	-

Financial investments - available for sale:

Quoted investments

Government bonds

Treasury bills

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37. Set out below is a comparison, by class, of the carrying amounts and fair values of the bank's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	2015		2014	
	Carrying amount N'000	Fair value N'000	Carrying amount N'000	Fair value N'000
Financial assets				
Cash and balances with central bank	27,587,476	27,587,476	6,814,218	6,814,218
Due from banks	18,579,346	18,579,346	16,158,360	16,158,360
Loans and advances to customers	246,143,129	246,143,129	219,335,346	219,107,624
	292,309,951	292,309,951	242,307,923	242,080,202
Financial investments – held to maturity	25,239,272	23,089,040	26,550,431	26,550,431
	317,549,223	315,398,991	268,858,354	268,630,633
Financial liabilities				
Due to customers	231,440,942	231,440,942	273,934,899	277,025,613
Due to Other Banks	40,531,041	40,531,041	4,323,339	
Debt issued and other borrowed funds	70,294,256	69,846,202	45,499,812	45,499,812
	342,266,239	341,818,185	322,525,425	322,525,425

Fair value of financial assets and liabilities not carried at fair value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that have a short term maturity (less than three months) it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to demand deposits, and savings accounts without a specific maturity.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity. For quoted debt issued the fair values are determined based on quoted market prices. For those notes issued where quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining term to maturity and credit spreads. For other variable rate instruments, an adjustment is also made to reflect the change in required credit spread.

Fair Value of financial assets attributable to changes in credit risk.

In respect of the net gain on Available for sale financial assets (Debt Securities), recognised in equity, the fair value changes are attributable to changes in market interest rate and not the credit risk of the issuer.



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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

38. 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 487 litigation suits: 187 cases instituted by the Bank and 300 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.

Cases	Volume
Civil cases against the bank	300
Civil cases by the bank	187
Judgements in favour of the bank awaiting execution	37
Civil appeals against the bank	47
Civil appeals by the bank	22
Garnishee order absolute being contested by the bank	2
	595

b Capital Commitments

As at 31 December 2015, the Bank had outstanding capital commitments amounting to N600.20 Million (2014: N264.89 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. contingent liabilities are:

	2015 N'000	2014 N'000
Performance Bonds and Guarantees	17,779,369	38,242,596
Letters of credit	4,740	3,987,049
	17,784,108	42,229,645



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39. 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. Future minimum lease payments under non-cancellable operating leases as at 31 December, 2015 are, as follows:

	2015 N'000	2014 N'000
Within one year	510,419	389,385
After one year but not more than five years	1,011,140	1,125,556
More than five years	337,906	476,565
	1,859,465	1,991,505

40. Events after the reporting date

The bank is pursuing strategic initiatives aimed at repositioning the bank by enhancing its capitalisation and improving liquidity. They include:

Equity and debt capitalisation

The Bank is seeking financing from investors through investment in its equity or provision of long term debt financing. Approval of the Central Bank of Nigeria has been sought and negotiations are ongoing with interested investors.

Disposal of non performing loans

The Bank is negotiating with an institutional debt buyer for the purchase of its non performing assets which constituted a significant proportion of its total loan portfolio as at 31 December 2015. The elimination of the non performing loans is fundamental to the decision by the prospective investors to invest in the equity of the Bank.

Management is acting in the best interest of the Bank and its shareholders regarding negotiations on the above transactions. Management is of the opinion that negotiations shall be successful and the implementation of these strategies shall improve the bank's capitalisation and liquidity and make the Bank more responsive to the challenging competition in the industry.

41. Capital

a 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.

b 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. Though the Bank currently maintains a low capital ratio, it is anticipated that this will improve significantly before the end of the second quarter of 2016 as the Bank has triggered sections of its contingency plan by requesting the injection of new capital from prospective investors.

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41. Capital (continued)

The Bank presents details of its regulatory capital resources in line with the Central Bank of Nigeria's guidance on Pillar I Capital requirements.

	2015 N'000	2014 N'000
Regulatory capital		
Tier 1 capital		
Share capital	5,844,669	58,446,690
Share premium	10,485,871	10,485,871
Share Reconstruction	67,103,925	14,501,904
Statutory Reserves	11,602,168	10,898,794
SMEIES Reseves	440,116	440,116
Retained earnings	(117,270,296)	(56,434,482)
Less: goodwill and intangible assets	(16,920,408)	(17,148,015)
Less: Deferred Tax Assets	(19,666,769)	(16,737,488)
Total qualifying Tier 1 Capital	(58,380,725)	4,453,389
Tier 2 capital		
Preference Share	-	-
Non-Controlling Interest	-	-
Convertible Bonds	-	-
Qualifying Other Reserves	-	-
Qualifying Long Term Loan	-	7,571,667
Revaluation Reserve_Investment Securities	1,145,974	(475,406)
Total qualifying Tier 2 Capital(100% of total qualifying tier I capital)	-	1,484,463
Total Qualifying Capital	(58,380,725)	5,937,853
Risk - weighted assets:		
Risk Weighted Amount for credit risk	208,896,789	203,386,104
Risk Weighted Amount for operational risk	57,764,688	78,166,624
Risk Weighted Amount for market risk	5,357,088	12,183,352
Total risk-weighted assets	272,018,565	293,736,080
Ratio	-21.46%	2.02%



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42. Maturity Profile of Assets and Liabilities

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

As at 31st December 2015	Up to 1 Month N'000	1 to 3 Months N'000	3 to 6 Months N'000	6 to 12 Months N'000	1 to 3 Years N'000	Over 3 Years N'000	Total N'000
Assets							
Cash and balances with central banks	12,713,152	-	-	-	14,874,324	-	27,587,476
Due from banks	16,897,060	-	-	1,682,286	-	-	18,579,346
Loans and advances to customers	166,981,151	3,151,418	16,588,636	15,134,513	24,333,020	19,954,391	246,143,129
Financial investments – held-for-trading	-	-	-	110,633	-	-	110,633
Financial investments – available-for-sale	6,898,818	12,271,376	11,884,738	23,439,297	442,532	5,316,531	60,253,292
Financial investments – available-for-sale pledged as collateral	-	-	-	-	-	-	-
Financial investments – held-to-maturity	-	-	-	5,244,732	5,716,860	14,277,680	25,239,272
Other assets	385	30,814	553,884	4,495,799	546,165	764,019	6,391,066
Non current assets held for sale	-	-	3,461,478	-	-	-	3,461,478
Property and equipment	-	-	-	-	-	18,968,143	18,968,143
Goodwill and other intangible assets	-	-	-	-	-	16,920,408	16,920,408
Deferred tax assets	-	-	-	19,666,769	-	-	19,666,769
Total assets	203,490,566	15,453,609	32,488,735	69,774,030	45,912,901	76,201,171	443,321,012
Liabilities							
Due to other banks	4,171,041	10,800,000	9,410,000	16,150,000	-	-	40,531,041
Due to customers	196,346,584	33,122,196	1,403,825	566,037	2,300	-	231,440,942
Debt issued and other borrowed funds	4,477,631	34,455,769	3,440,763	2,061,681	8,502,151	17,356,262	70,294,256
Current tax liabilities	-	-	613,373	-	-	-	613,373
Other liabilities	9,622,337	1,009,718	-	7,149,279	-	-	17,781,334
Employee benefit liabilities	85,536	-	-	-	-	-	85,536
Deferred tax liabilities	-	-	-	-	-	-	-
Equity	-	-	-	-	-	82,574,531	82,574,531
Total liabilities	214,703,129	79,387,683	14,867,960	25,926,997	8,504,451	99,930,793	443,321,013
Gap	(11,212,563)	(63,934,074)	17,620,775	43,847,033	37,408,450	(23,729,622)	-

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42. Maturity Profile of Assets and Liabilities (continued)

As at 31st December 2014	Up to 1 Month N'000	1 to 3 Months N'000	3 to 6 Months N'000	6 to 12 Months N'000	1 to 3 Years N'000	Over 3 Years N'000	Total N'000
Assets							
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	79,261,111	50,670,079	20,636,576	25,976,313	42,791,267	-	219,335,346
Financial investments – held-for-trading	-	-	500,000	-	387,400	1,906,300	2,793,700
Financial investments – available-for-sale	9,869,377	3,583,833	16,820,977	16,060,898	6,818,433	4,163,224	57,316,741
Financial investments – available-for-sale pledged as collateral	-	-	2,000,000	19,605,200	11,907,732	12,986,534	19,605,200
Financial investments – held-to-maturity	(343,835)	-	464,464	387,054	309,643	-	26,550,431
Other assets	5,102,249	2,786,785	3,086,008	-	-	-	9,050,194
Non current assets held for sale	-	-	-	-	-	-	3,086,008
Property and equipment	217,934	-	-	-	-	18,491,476	18,709,410
Goodwill and other intangible assets	-	-	-	-	-	17,148,015	17,148,015
Deferred tax assets	-	-	-	-	16,737,488	-	16,737,488
Total assets	117,079,413	57,040,696	43,508,025	62,029,465	78,951,963	54,695,549	413,305,111
Liabilities							
Due to customers	247,842,905	28,436,780	1,019,498	959,056	-	-	278,258,238
Debt issued and other borrowed funds	-	-	-	9,038,913	-	36,460,899	45,499,812
Current tax liabilities	-	-	647,727	-	-	-	647,727
Other liabilities	5,600,224	3,936,747	875,242	1,165,563	932,450	49,332	12,559,559
Employee benefit liabilities	-	75,780	-	-	-	-	75,780
Deferred tax liabilities	-	-	-	-	-	-	-
Equity							
Total liabilities	253,443,129	32,449,307	2,542,468	11,163,532	932,450	112,774,226	413,305,111
Gap	(136,363,715)	24,591,389	40,965,558	50,865,933	78,019,512	(58,078,677)	-

NOTES TO THE FINANCIAL STATEMENTS
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43.

Maturity Profile of Contingents

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

	Naira N'000	Dollar N'000	Pound N'000	Euro N'000	Yen N'000	Total N'000
As at 31st December 2015						
Performance Bonds & Guarantees	2,334,053	913,069	3,822,768	3,916,840	6,756,108	17,742,838
Letters of credit	-	-	-	3,987	-	3,987
	2,334,053	913,069	3,822,768	3,920,827	6,756,108	17,746,825
As at 31 December 2014						
Performance Bonds & Guarantees	407,402	4,064,537	1,730,801	30,540,424	1,499,431	38,242,596
Letters of credit	-	-	-	3,987,049	-	3,987,049
	407,402	4,064,537	1,730,801	34,527,473	1,499,431	42,229,645

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44. 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	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	Total N'000
Assets						
Cash and balances with central banks	27,395,086	107,015	19,543	65,832	-	27,587,476
Due from banks	10,348,145	7,087,914	437,906	694,064	11,317	18,579,346
Loans and advances to customers	225,401,634	20,741,495	-	-	-	246,143,129
Financial investments – held-for-trading	110,633	-	-	-	-	110,633
Financial investments – available-for-sale	60,253,293	-	-	-	-	60,253,293
Financial investments – held-to-maturity	25,239,272	-	-	-	-	25,239,272
Other assets	6,387,062	-	-	3,996	8	6,391,066
Property and equipment	18,968,143	-	-	-	-	18,968,143
Goodwill and other intangible assets	16,920,408	-	-	-	-	16,920,408
Deferred tax assets	19,666,769	-	-	-	-	19,666,769
Non current assets held for sale	3,461,478	-	-	-	-	3,461,478
Total assets	414,151,922	27,936,424	457,449	763,892	11,325	443,321,013
Liabilities						
Due to other banks	40,531,041	-	-	-	-	40,531,041
Due to customers	203,991,163	27,061,959	199,579	188,241	-	231,440,942
Debt issued and other borrowed funds	59,740,290	10,553,967	-	-	-	70,294,256
Current tax liabilities	613,373	-	-	-	-	613,373
Other liabilities	14,262,654	3,196,077	68,268	126,722	127,612	17,781,333
Employee benefit liabilities	85,536	-	-	-	-	85,536
Equity	82,574,531	-	-	-	-	82,574,531
Total liabilities	401,798,589	40,812,002	267,847	314,963	127,612	443,321,013
Gap	12,353,333	(12,875,578)	189,602	448,929	(116,286)	-

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YEAR ENDED 31ST DECEMBER 2015

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44. Concentrations of currency risk: Financial Instruments (continued)

As at 31 December 2014	Naira N'000	Dollar N'000	Pound N'000	Euro N'000	Yen N'000	Total N'000
Assets						
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	-	16,158,360
Loans and advances to customers	201,865,225	17,470,120	-	-	11,317	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	158,460	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
Total assets	386,204,401	25,960,975	409,670	560,288	169,777	413,305,111
Liabilities						
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
Total liabilities	377,833,218	34,743,952	257,353	442,277	28,312	413,305,111
Gap	8,371,183	(8,782,976)	152,317	118,011	141,465	-

NOTES TO THE FINANCIAL STATEMENTS
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45. **Maturity Profile of Assets and Liabilities (continued)**

The table below shows an analysis of interest bearing assets and liabilities analysed according to when they are expected to be settled:

As at 31st December 2015	Up to 1 Month N'000	1 to 3 Months N'000	3 to 6 Months N'000	6 to 12 Months N'000	1 to 3 Years N'000	Over 3 Years N'000	Total N'000
Assets							
Due from banks	16,897,060	-	-	1,682,286	-	-	18,579,346
Loans and advances to customers	166,981,151	3,151,418	16,588,636	15,134,513	24,333,020	19,954,391	246,143,129
Financial investments – held-for-trading	-	-	-	110,633	-	-	110,633
Financial investments – available-for-sale	6,898,818	12,271,376	11,884,738	23,439,297	442,532	5,316,531	60,253,292
Financial investments – held-to-maturity	-	-	-	5,244,732	5,716,860	14,277,680	25,239,272
Total assets	190,777,029	15,422,794	28,473,374	45,611,461	30,492,412	39,548,602	350,325,672
Liabilities							
Due to other banks	4,171,041	10,800,000	9,410,000	16,150,000	-	-	40,531,041
Due to customers	196,346,584	33,122,196	1,403,825	566,037	2,300	-	231,440,942
Debt issued and other borrowed funds	4,477,631	34,455,769	3,440,763	2,061,681	8,502,151	17,356,262	70,294,256
Total liabilities	200,824,215	67,577,965	4,844,587	2,627,718	8,504,451	17,356,262	301,735,198
Gap	(10,047,186)	(52,155,171)	23,628,787	42,983,743	21,987,961	22,192,340	48,590,474
As at 31 December 2014							
Assets							
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
Financial investments – held-for-trading	-	-	500,000	-	387,400	1,906,300	2,793,700
Financial investments – held-to-maturity	-	-	2,000,000	-	11,907,732	12,986,534	26,550,431
Total assets	128,142,879	54,500,703	39,957,553	42,037,211	61,904,832	19,056,058	389,135,061
Liabilities							
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
Total liabilities	246,610,279	28,436,780	1,019,498	9,997,969	-	36,460,899	322,525,425
Gap	(118,467,401)	26,063,923	38,938,055	32,039,242	61,904,832	(17,404,841)	66,609,636

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46. Customers complaints data

SN	Description	Number		Amount claimed		Amount refunded	
		2015	2014	2015	2014	2015	2014
		Nos	Nos	N'000	N'000	N'000	N'000
1	Pending Complaints B/F	264	87	7,300,670	2,066,757	N/A	N/A
2	Received Complaints	15,298	6,183	3,671,628	8,698,825	N/A	N/A
3	Resolved Complaints	14,946	5,919	1,352,510	1,398,155	275,059	258,451
4	Unresolved Complaints escalated to CBN for intervention	5	1	17,843	17,843	N/A	N/A
5	Unresolved Complaints pending with the Bank C/F	352	264	2,319,119	7,300,670	N/A	N/A

47. Employees and Directors

a The average number of persons employed by the Bank during the year was as follows:

Executive Directors
Management
Non-management

2015 Number	2014 Number
5	6
214	210
1,911	2,115
2130	2,331

b Compensation for the above staff (excluding Bank directors) include:

Salaries and wages

Pension costs:

Defined Contribution plans

N'000	N'000
13,774,381	13,361,895
621,071	522,119
14,395,452	13,884,015



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47. Employees and Directors (continued)

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

	2015 Number	2014 Number
N300,000 and below	-	-
N300,001 - N2,000,000	-	-
N2,000,000 - N2,800,000	-	540
N2,800,001 - N3,500,000	929	775
N3,500,001 - N4,000,000	402	319
N4,000,001 - N5,500,000	254	198
N5,500,001 - N6,500,000	211	174
N6,500,001 - N7,800,000	159	161
N7,800,001 - N9,000,000	70	59
N9,000,001 and above	101	105
	<u>2,126</u>	<u>2,331</u>

48. Related party disclosures

a Compensation of key management personnel of the bank IAS

24.17

Short-term employee benefits (Executive Management

Compensation)

Termination benefits

	N'000	N'000
	435,437	279,931
	159,093	67,522
	<u>594,530</u>	<u>347,453</u>

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:

Key management personnel of the bank:
Loans and advances (Note 48d)

Deposits (Note 48c)

	N'000	N'000
	<u>26,529,796</u>	<u>23,968,366</u>
	<u>160,349</u>	<u>196,313</u>



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48.

Related party disclosure (continued)**c Transactions with key management personnel of the bank**

The details of the directors deposits as at 31 December, 2015 are shown below:

Serving Directors

	2015 Number	2014 Number
1 Aisha Azumi Abraham	7,801	1,988
2 Thomas A. Etuh	696	4,426
3 Ibrahim M. A Kaugama	461	3
4 Oluwafunsho Obasanjo	20,687	5,855
5 Richard G. Asabia	4,219	525
6 Aminu Babangida	1,399	76,289
7 Abubakar Abba Bello	417	13,428
8 Dahiru Chadi	41,931	31,805
9 Iliya Dauda Ndirpaya	2,809	-
10 Tomi Somefun	63,615	-
11 Yabawa Lawan Wabi, mni	674	-
12 Priya Heal	15,338	-
13 Tuedor Temisan	303	-
14 Hakeem Shagaya	-	29,846
15 Sam N. Okagbue	-	-
	160,349	164,164

Ex-Directors

1. Alh. Lamis S. Dikko (Chairman)	-	10,205
2. Engr. Oluseun Mabogunje	-	7,114
3. Henry James Semenitari MD/CEO	-	9,233
4. Yusuf Ahmed-ED Retail Banking	-	100
5. Arese Alonge ED Institutional Banking	-	5,497
	160,349	196,313

d Risk assets outstanding as at 31 December 2015.

- 1) As at the close of business exposure to related party totaled N26.53billion (2014: N23.97Billion). This amount represents credit facilities granted to companies in which certain present and past directors and shareholders have interest.

Currently Serving Directors
Previous Serving Directors

	2015 N'000	2014 N'000
	15,524,466	15,348,136
	11,005,330	7,740,074
	26,529,796	23,088,210



48. Related party disclosure (continued)
e. Insider related credit as at 31 December 2015

S/N	NUBAN NUMBER	BORROWER	RELATED INTEREST	RELATIONSHIP TO BANK	FACILITY TYPE	APPROVED CREDIT LIMIT =N=	DATE GRANTED	EXPIRY DATE	PERFORMING =N=	NON PERFORMING =N=	BALANCE
1	0022089105	Abraham Aisha Azumi	Abraham Aisha Azumi	Executive Director	Term Loan	6,000,000.00	6/18/2013	6/23/2016	2,072,116	-	2,072,116
2	0004404512	Abraham Aisha Azumi	Abraham Aisha Azumi	Executive Director	Term Loan	8,000,000.00	10/25/2010	10/10/2016	2,392,552	-	2,392,552
3	0017176631	Abraham Aisha Azumi	Abraham Aisha Azumi	Executive Director	Term Loan	20,000,000.00	2/2/2015	10/30/2020	20,069,041	-	20,069,041
4	0021611146	Adekunle Oyintoye	Adekunle Oyintoye	Former Executive Director	Share Loan	120,000,000.00	11/2/2010	4/28/2017	-	33,512,171	33,512,171
5	0021936515	Ahmed Yusuf	Ahmed Yusuf	Executive Director	Term Loan	184,150,525.28	2/5/2013	7/21/2017	155,334,607	-	155,334,607
6	0014496592	Alarab Properties Ltd	Dr.O.O. Obasanjo	Executive Director	Term Loan	261,247,265.75	4/30/2013	7/22/2016	226,590,116	-	226,590,116
7	0023137370	Backbone Connectivity Net Work	Lamis Dikko	Director	Overdrawn	600,000,000.00	11/15/2012	11/19/2015	946,292,150	-	946,292,150
8	0023142435	Bello Abubakar Abba	Bello Abubakar Abba	Ex-Chairman	Term Loan	1,552,951,235.39	4/14/2014	6/30/2016	2,076,476,692	-	2,076,476,692
9	0018121047	Evans Ejike Woherem	Evans Ejike Woherem	Executive Director	Term Loan	15,111,200.62	4/3/2014	4/10/2020	11,981,733	-	11,981,733
10	0020334080	Evans Ejike Woherem	Evans Ejike Woherem	Ex-Director	Share Loan	150,000,000.00	11/2/2010	2/26/2027	12,158,125	-	12,158,125
11	0020189434	Falalu Bello	Falalu Bello	Ex-Director	Share Loan	54,437,610.75	2/21/2012	1/31/2017	29,499,965	-	29,499,965
12	0020190356	Falalu Bello	Falalu Bello	Ex Managing Director	Share Loan	584,940,000.00	12/30/2014	6/30/2015	776,741,055	-	776,741,055
13	0020190796	Falalu Bello	Falalu Bello	Ex Managing Director	Share Loan	64,422,464.93	1/20/2012	1/10/2017	34,991,106	-	34,991,106
14	0020225702	General Metal Products Limited	Alh. Aminu Babangida	Ex Managing Director	Share Loan	21,474,154.97	1/20/2012	1/10/2017	5,704,973	-	5,704,973
15	0021261699	Ibrahim Babangida B.	Alh. Aminu Babangida	Director	OD	115,289,254.40	11/26/2012	3/4/2016	160,982,207	-	160,982,207
16	0000984658	Kashlon Concepts Nigeria Ltd	Alh. Aminu Babangida	Relation Of Director	Term Loan	500,000,000.00	10/19/2012	2/29/2016	39,420,443	-	39,420,443
17	0017534208	Lamis Shehu Dikko	Hakeem Shagaya	Director	OD	250,000,000.00	11/10/2011	2/29/2016	525,613,642	-	525,613,642
18	0021881639	Lamis Shehu Dikko	Alhaji Lamis Shehu Dikko	Ex-Chairman	Term Loan	36,000,000.00	7/4/2013	8/12/2015	108,152,951	-	108,152,951
19	0021480874	M.B.S Merchants	Alhaji Lamis Shehu Dikko	Ex-Chairman	Term Loan	30,000,000.00	4/12/2013	12/30/2016	14,085,863	-	14,085,863
20	002248251	M.B.S Merchants	Falalu Bello	Ex Managing Director	Term Loan	1,750,000,000.00	12/20/2012	3/17/2017	10,111,781	-	10,111,781
21	0000436337	Niger North Limited	Falalu Bello	Ex Managing Director	Term Loan	3,070,000,000.00	7/25/2013	12/12/2016	-	2,092,575,339	2,092,575,339
22	0000167862	Niger North Limited	Alh. Umaru Ndanusa	Ex-Director	Term Loan	40,190,001.99	12/31/2014	6/30/2015	4,069,022,467	-	4,069,022,467
23	0000160564	Oba Quarry Limited	Alh. Umaru Ndanusa	Ex-Director	OD	10,000,000.00	2/24/2011	2/23/2016	2,026,557	-	2,026,557
24	0014478671	Pacific Energy Company Limited	Dr O.O. Obasanjo	Ex-Director	OD	400,000,000.00	5/2/2008	2/23/2016	14,250,600	-	14,250,600
25	0022799588	Salmu Investment Company Limited	Dr. Adeleji Adeleke	Director	OD	USD10,666,818.79	11/15/2012	11/14/2015	666,614,596	-	666,614,596
26	0023334658	Shagaya Hakeem	Alhaji Nu'uman Barau Dambatta	Ex-Director	Syndicated Contract Finance	277,969,361.46	12/5/2013	12/5/2018	1,439,344,409	-	1,439,344,409
27	0023485512	Shagaya Hakeem	Shagaya Hakeem	Director	Term Loan	110,000,000.00	6/16/2014	6/15/2018	12,903,817	-	12,903,817
28	0000206488	Swap Technologies And Telecomm	Henry Semintari	Director	OD	2,115,104.35	8/12/2014	8/12/2019	42,598,907	-	42,598,907
29	0021289981	Tak Agro & Chemical Limited	Thomas Eruh	Managing Director	Term Loan	USD10,000,000	2/7/2007	12/31/2018	3,395,124	-	3,395,124
30	0023178270	Tempo Starch And Glucose Ltd	Dr O.O. Obasanjo	Chairman	Term Loan	5,099,183,503.83	11/1/2012	7/13/2018	2,135,725,899	-	2,135,725,899
31	0023178270	Tempo Starch And Glucose Ltd	Dr O.O. Obasanjo	Chairman	Term Loan	3,500,000,001.00	4/16/2014	6/30/2016	7,119,966,594	-	7,119,966,594
32	0023178270	Tempo Starch And Glucose Ltd	Dr O.O. Obasanjo	Director	BOI	200,000,000.00	9/27/2010	9/30/2016	3,589,105,763	-	3,589,105,763
33									150,082,192	-	150,082,192
									15,768,615,793	10,761,179,756	26,529,795,549

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YEAR ENDED 31 DECEMBER 2015

49. Remuneration paid to Non Executive Directors

	2015 Number	2014 Number
Fees and sitting allowances	380,783	96,042
Other director expenses and benefits	16,391	40,634
	<u>397,175</u>	<u>136,677</u>

Fees and other emoluments disclosed above include amounts paid to:

The Chairman	39,389	9,720
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The number of directors who received fees and other emoluments (excluding pension contributions)

	Number	Number
Below N1,000,000	-	-
N1,000,000 - N2,000,000	-	-
N2,000,001 - N3,000,000	-	-
N5,000,001 and above	15	14
	<u>15</u>	<u>14</u>

50. Reconciliation of profit before tax to cash generated from operation

	N'000	N'000
Profit before tax	2,342,667	13,639,390
Adjustments to reconcile profit to net cashflow from operating activities		
Depreciation	2,003,959	2,307,269
Impairments	27,122,182	16,721,813
Amortization of intangible assets	246,271	307,111
Profit on sale of fixed assets	(213,748)	(83,145)
Profit from sale of Investment	(0)	(1,081,077)
Net change in operating assets	(66,520,631)	(34,503,965)
Net change in operating liabilities	(1,054,724)	(29,778,427)
Increase/(Decrease) in tax payable	(617,146)	222,173
Net Cash from operating activities	(36,691,170)	(32,248,858)

51. 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 Committed to disposing same.



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YEAR ENDED 31 DECEMBER 2015

52. Contraventions

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

a Nature of Contravention and penalty paid	Regulatory Body	2015 N'000	2014 N'000
Late filing of Bank's 2009 & 2011 Report	SEC	-	3,100
Non submission of parastatal returns	CBN	-	150
Failure to implement CBN Circular	CBN	-	2,000
Non compliance with prudential guideline	CBN	-	2,000
Failure to meet deadline for remittance of certain TSA Deposits	CBN	2,000	-
Penalty and Interest for delayed remittance to FIRS	FIRS	860	-
Failure to classify customer into risk categories and lack of due diligence	CBN	2,000	-
Failure to review the Bank's credit policy	CBN	2,000	-
Non compliance with provision of SEC Rule 305(2)	SEC	135	-
		6,995	7,250

b Forbearance on cash reserve ratio

Unity Bank Plc was initially granted forbearance by the Central Bank of Nigeria for compliance with the cash reserve ratio when it was set at 33%. Upon the request of Unity Bank Plc, the Central Bank of Nigeria extended the forbearance period to 30 June 2016 after the lapse of the period of the forbearance granted previously. The current revised cash reserve ratio is set at 20%.



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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

53. Future Accounting Development and its impact on the Bank (continued)

IAS 1 (Presentation of Financial Statements) - Amendments Effective 1 January 2016

The amendments to IAS 1 include narrow-focus improvements in the following five areas:

Materiality: The amendments reemphasise that, when a standard requires a specific disclosure the information must be assessed to determine whether it is material and, consequently, whether presentation or disclosure of that information is warranted

Disaggregation of subtotals: The Board introduces requirements for how an entity shall present additional subtotals, i.e. in addition to those already required in IFRS, in the statement(s) of profit or loss and OCI and the statement of financial position. In particular, subtotals must:

1. Be comprised of line items made up of amounts recognised and measured in accordance with IFRS
2. Be presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable
3. Be consistent from period to period
4. Not be displayed with more prominence than the subtotals and totals currently required in IFRS for the statement of financial position or the statement(s) of profit or loss and OCI

Notes Structure: The amendments clarify that entities have flexibility as to the order in which they present the notes to financial statements, but also emphasize that understandability and comparability should be considered by an entity when deciding on that order

Disclosure of Accounting Policy: The amendments remove the examples of significant accounting

Presentation of items of other comprehensive income (OCI) arising from equity

accounted investment: The amendments also clarify that the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to the amendment to this standard will be adopted by the Bank. We are however of the opinion that we had interpreted IAS 1 in line with the provisions of this amendments and as such there will be no significant impact on disclosures, financial position or performance at any time in the future.

IFRS 15 (Revenue From Contracts With Customers) Effective 1 January 2017

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Identify the contract(s) with a customer

Identify the performance obligations in the contract

Determine the transaction price

Allocate the transaction price to the performance obligations in the contract

Recognise revenue when (or as) the entity satisfies a performance obligation

The standard will be adopted by the Bank when it becomes effective. It will impact the income statement (Interest Income from loans and advances)



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

54. 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 both those that the Bank reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date and others that will not be applied by the bank and will have no impact on disclosure, financial position or performance.

IFRS 14 (Regulatory Deferral Accounts) Effective 1 January 2016

IFRS 14 (Regulatory Deferral Accounts) allows rate regulated entities to continue the recognition of regulatory deferral accounts in connection with their first time adoption of IFRS. It is expected that entities that recognise regulatory deferral accounts, show it as a separate line item in the statement of financial position and also show movement within periods in the income statement and other comprehensive income.

Existing IFRS preparers are however not allowed to adopt this standard. This standard will not be adopted by the Bank and will thus not affect disclosures, financial position or performance at any time in the future.

IAS 16 (Property, Plant & Equipment) and IAS 38 (Intangible Assets) - Amendments Effective 1 January 2016

The IFRS interpretations committee made clarifications to the term 'consumption of the expected future economic benefits embodied in the asset' when determining the appropriate amortisation method for intangible assets under IAS 38 Intangible Assets and depreciation method under IAS 16 Property, Plant & Equipment. The Committee made the clarification that though the determination of an amortisation/depreciation methodology involves the use of judgement, a revenue-based method is not considered to be an appropriate manifestation of consumption. This is because revenue represents the generation of expected economic benefits rather than the consumption of economic benefits.

The amendment to this standard will not be adopted by the Bank as the Bank's amortization and depreciation methodology was not previously based on a revenue based method. This will therefore not affect disclosures, financial position or performance at any time in the future.

IAS 41 (Agriculture - Bearer fruits) and IAS 16 (Property, Plant & Equipment) - Amendments Effective 1 January 2016

Based on amendments issued by the International Financial Reports Standards Board, bearer plants will now be within the scope of IAS 16 Property, Plant and Equipment and will be subject to all of the requirements therein. This includes the ability to choose between the cost model and revaluation model for subsequent measurement.

The amendment to this standard will not be adopted by the Bank as the Bank does not currently hold any bearer fruits as assets. This will therefore not affect disclosures, financial position or performance at any time in the future.



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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

NON IFRS DISCLOSURE

	2015 N'000	%	2014 N'000	%
Gross earnings	78,805,800		77,071,490	
Interest expense	(19,619,178)		(17,184,561)	
	59,186,622		59,886,928	
Bought in materials and services				
Local	(13,076,091)		(12,376,638)	
Impairment of assets	(27,122,182)		(17,369,540)	
	18,988,349	100	30,137,786	100
Applied to pay:				
Employees:				
Wages, salaries and pensions	14,395,452	76	13,884,015	46
Government				
Taxes	582,791	3	647,727	2
Shareholders:				
Dividend	-	-	-	-
To be retained in the business for expansion and future wealth creation:				
Depreciation	2,003,959	11	2,307,269	8
Amortisation	246,271	1	307,111	1
Deferred taxation	(2,929,281)	(15)	2,299,188	8
(Loss)/Profit for the year	4,689,157	25	10,692,476	35
	18,988,349	100	30,137,786	100

Value Added is the additional wealth created by the efforts of the Bank and its Employees. The statement shows the allocation of the wealth amongst employees, government, capital providers and that retained in the business for expansion and future wealth creation.



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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

NON IFRS DISCLOSURE

	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Assets					
Cash and balances with Central Bank	27,587,476	6,814,218	9,710,926	41,245,431	27,702,285
Due from banks	18,579,346	16,158,360	7,385,127	13,586,887	61,034,229
Loans and advances to customers	246,143,129	219,335,346	195,229,573	189,041,345	117,875,258
Financial investments – held-for-trading	110,633	2,793,700	-	-	-
Financial investments – available-for-sale	43,114,404	57,903,167	49,456,338	25,247,739	16,221,557
"Financial investments – available-for-sale pledged as collateral"	17,138,888	19,605,200	38,330,267	6,295,200	13,604,253
Financial investments – held-to-maturity	25,239,272	26,550,431	28,259,864	55,072,364	55,939,144
Other assets	6,391,066	8,681,702	15,526,590	19,271,529	31,629,931
Property and equipment	18,968,143	18,491,476	20,091,653	20,886,553	21,954,455
Goodwill and other intangible assets	16,920,408	17,148,015	17,389,808	17,498,195	17,928,538
Deferred tax assets	19,666,769	16,737,488	19,036,676	7,147,823	7,634,265
Investment in subsidiaries	-	-	-	-	1,402,832
Non current assets held for sale	3,461,478	3,086,008	3,212,468	427,115	-
TOTAL ASSETS	443,321,012	413,305,111	403,629,290	395,720,179	372,926,748
Liabilities and Equity					
Liabilities					
Due to other banks	40,531,041				
Due to customers	231,440,942	277,025,613	303,270,560	270,060,046	266,877,426
Debt issued and other borrowed funds	70,294,256	45,499,812	54,319,092	54,434,499	43,007,826
Current tax liabilities	613,373	647,727	425,554	591,511	642,480
Other liabilities	17,781,333	13,792,184	16,931,889	18,856,671	16,928,998
Employee benefit liabilities	85,536	75,780	469,555	319,771	1,648,335
Total liabilities	360,746,481	337,041,116	375,416,650	344,262,498	329,105,065
Equity					
Issued share capital	5,844,669	58,446,690	19,223,345	19,223,345	17,475,768
Share premium	10,485,871	10,485,871	11,929,515	11,929,515	13,677,092
Statutory reserve	11,602,168	10,898,794	7,691,052	7,691,052	5,837,033
Retained earnings	(117,270,296)	(56,434,482)	(58,700,475)	(7,478,136)	(11,682,091)
Non distributable regulatory reserves	103,222,105	38,400,508	33,181,767	4,541,768	4,419,678
Other reserves	68,690,015.5	14,466,615	14,887,436	15,550,140	14,094,203
Total equity	82,574,531	76,263,995	28,212,639	51,457,684	43,821,683
Total liabilities and equity	443,321,012	413,305,111	403,629,290	395,720,180	372,926,748



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED 31 DECEMBER 2015
NON IFRS DISCLOSURE

	2015	2014	2013	2012	2011
	N'000	N'000	N'000	N'000	N'000
Total operating income	59,186,622	59,886,928	40,775,127	37,786,331	37,111,721
Operating expenses	(29,721,773)	(31,193,291)	(51,885,952)	(29,669,741)	(32,330,846)
Impairment losses	(27,122,182)	(15,054,246)	(22,528,543)	(1,659,863)	(1,323,194)
Profit before taxation	2,342,666	13,639,390	(33,639,369)	6,456,727	3,457,682
Information technology Levy	(56,994)	(149,525)	-	(67,220)	(30,470)
Current taxation	(525,797)	(498,202)	(234,978)	(520,586)	(612,010)
Deferred taxation	2,929,281	(2,299,187)	11,292,007	311,140	(121,343)
Profit/(Loss) after taxation	4,689,156	10,692,476	(22,582,339)	6,180,061	2,693,859
Profit/(Loss) attributable to shareholders	4,689,156	10,692,476	(22,582,339)	6,180,061	2,693,859
Earnings per share (basic)	12.34	17.45	(58.74)	17.68	7.71

NON IFRS DISCLOSURE

	2015	2014
	N'000	N'000
Loans and Advances	311,897,547	266,124,203
Impaired Loans (IFRS)	109,910,445	54,045,259
Non_Performing Loans (PG)	241,317,690	129,242,620
NPL Ratio (%)	77	49

In line with CBN prudential guideline and directive, the Bank charged additional provisions of N64.8billion against the retained earning in 2015 financial year and transferred it to Non-Distributable Regulatory Reserves. This brings the balance in the Non-Distributable Regulatory Reserve to N103.2billion being the excess of prudential provisioning over ifrs impairment.



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 integrated 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 risk exposures in the Bank enterprise-wide.

The Bank has continued to carry on the implementation of risk management policies during the period under review.

During the Financial Year ended 31st December 2015, Unity Bank Plc upgraded its certification to the ISO 27001 Standards version 2013 from the previous versions – ISO 27001:2005. The Bank first certified to ISO 27001 in 2012; it passed all surveillance audits and went further by upgrading to the latest version of the standards evidenced with the issuance of a certificate by the British Standards International (BSI). The Bank also sustained its PCIDSS certification and upgraded to the version 3.0 of the Certification which is currently the Industry Best Practice. Improved controls around Payment Cards Data transmission and storage of these information were tested, vulnerabilities were measured and adequately mitigated using approved scans, vulnerability assessment and also penetration testing.

The Bank is currently expanding the scope of its ISO 27001 Certification to cover its e-business Department and Disaster Recovery Site. This is in a bid to securely manage information exchange, build a culture of security and protect the Bank, its assets and reputation. The scope expansion will also help the Bank improve its ability to recover operations and continue business in case of an event and improve the overall organization's security awareness.

The Bank's strategy to improve service delivery across the enterprise and in meeting regulatory requirements as contained in the CBN IT Standards Blue-print, engaged the services of consultants to see it through to attaining ISO 20000 global standards for Information Technology Service Management (ITSM).

GLOBAL AND LOCAL ECONOMIC ENVIRONMENT RISK OVERVIEW

Together with China, the resumption of falling oil prices contributed to the gloomy feel of the New Year. Oil is already in a supply glut owing to the technological advances of US shale and OPEC's decision to protect market share rather than shore up prices by cutting output and the promise of new production from within OPEC, primarily from Iran, will keep oil prices low in the first half of 2016.

The effect on oil exporters like Nigeria has been depressive, seeing export and government revenues decline rapidly, foreign investors fleeing domestic financial markets and imposing significant downward pressure on fixed or managed currencies.

Oil is Nigeria's main source of foreign exchange earnings and government financing. Getting the policy response right matters as falling economic growth imposes a real 'human' cost on the population.

Sluggish growth in South Africa, Nigeria and Angola, and a deceleration in some of the previously dynamic regions will continue to depress Sub-Saharan African growth in 2016. At around 3%, GDP growth in 2016 will be at the third-slowest rate since the year 2000. A less supportive external environment, including generally weak commodity prices and much reduced international liquidity amid rising interest rates in the US, will continue to expose the structural flaws that plague many African economies. Although Nigeria continues to suffer from low oil prices and internal security threats, a more stable political environment and increased government spending on social welfare and infrastructure are expected to support growth in 2016.

Strong dollar will reduce demand for exports from international markets and the current low oil prices will continue to curtail investments in the energy sector. However, critical uncertainties present a strong imperative for investors, businesses and policy makers to examine.



On a domestic scene, drastic fall in oil price (currently at \$35 per barrel), heavy fuel subsidy bill nearing N1 trillion in 2015, wide spread insolvency among state governments across the country, increasing sovereign debt (about \$60 billion, including debt provisions in 2016 MTEF) and debt service obligation of N1.3 trillion in 2016, the financial crisis may linger. However, we expect that series of regulatory measures such as intervention funds including the N300bn MSME Funds, export stimulation funds, anchor lending program in the agricultural sector in 2016 would boost development of small businesses and employment generation as well as increase non-oil export.

Also, our forecast is that with the right mix of fiscal and monetary policies to stimulate the economy and attract investments in 2016, Nigeria's Gross Domestic Product (GDP) may rebound, despite a potential high inflation of about 11 per cent due to exchange rate volatility. The expected deregulation in the downstream sub-sector will be a game changer. With the declining trend of global oil price and its attendant impact on government revenue and foreign reserves, general business outlook will remain tense. Implications on cost of and access to credit will be undesirable. Businesses, especially those with high forex exposure, will continue to face challenges of meeting foreign obligations to suppliers and partners. This will also impact contractual trust and integrity.

Risk of default in financial obligations in both public and private sectors will be high as macro-economic conditions and cash flow remains tight.

Unfortunately, the resultant economic situation was worse than had been predicted above as the Nigerian economy slipped into recession characterized by high price levels, weak domestic demand, major devaluation of the domestic currency, fiscal revenue-expenditure program imbalance resulting in huge budget deficit, high and increasing unemployment rate and rising misery index. Government came out with series of policy responses such as bail-out funds for state governments most of which were unable to pay salaries, currency control measures, tightening monetary policies amongst others. The impact of the policy measures are yet to be felt positively in the domestic economic front.

STRATEGIC RISK

The Bank underwent significant changes in the year under review. A change at the helm of affairs saw the emergence of a new Managing Director and the resignation of the former one. The Board further engaged the services of PriceWaterHouseCoopers to assess the Bank's resources and processes—human and material resources with a view to aligning these resources and processes to its strategy to achieve optimal result.

This strategy which is retail-focus is centred along service, people and technology. The Board is implementing a strong strategy focused on SME financing, agriculture and retail banking and this strategy is being cascaded down to the various directorates and business units for effective buy-in of all. The Bank is taking a bold and courageous step in relocating its corporate Head Office with the approval of the CBN to Plot 42, Ahmed Onibudo Street, Victoria Island, Lagos State which is termed the commercial nerve centre of Nigeria all in a bid to enhance services, deepen our level of market penetration in addition to positioning the Bank to compete favourably with its peers in the industry. This was achieved within Q1, 2016.

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 trainings 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 consultants 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.

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

CREDIT RISK

A credit risk is the risk of default on a debt that may arise from a borrower failing to make required payments. In the first resort, the risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. The loss may be complete or partial and can arise in a number of circumstances

The Bank has taken proactive measures to continually mitigate risks arising from its credit risks and counter-party risks with an effective risk based pricing model, appropriate risk selection criteria that reflect the Bank's risk appetite, in the creation of risk assets, and effective monitoring.

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.

The Regulators introduced the fraud desk in all Banks and we are fully compliant to quickly attend to acts of fraud from our e-channels.

The Information Technology system deployed the use of Network Access Control (NAC) to minimize information theft from systems in the enterprise. Improved controls around financial applications were achieved and additional controls are being proposed to close all vulnerabilities envisaged owing to the increase in frauds on the electronic platforms across the financial industry.

Physical Security risks were treated seriously in response to reports from the Security Organizations in the Country and internal awareness raised for locations with peculiar security breaches.

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.

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.



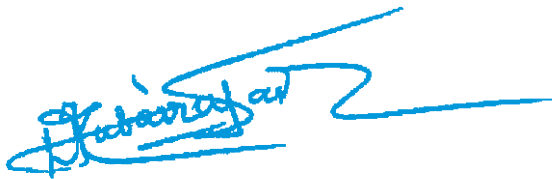
RISK MANAGEMENT DISCLOSURES

RISK MANAGEMENT OUTLOOK

The successful upgrade of the Bank's enterprise risk management policies and processes is 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.

TRAININGS

Reducing unacceptable performance variability, aligning and integrating the varying Risk Management, building confidence on investment, community and stakeholders, enhancing corporate governance, successfully responding to a challenging business environment and aligning strategy with corporate culture led the Bank along the path of training its' Board of Directors and Executive Management on Anti-Money Laundering/Combating the Finance of Terrorism (AML/CFT) bearing in mind the statutory and regulatory industry best practice. Subsequent to year end, the Enterprise Risk Management training for the Board Members and Executives was postponed but hitherto held in February, 2016.

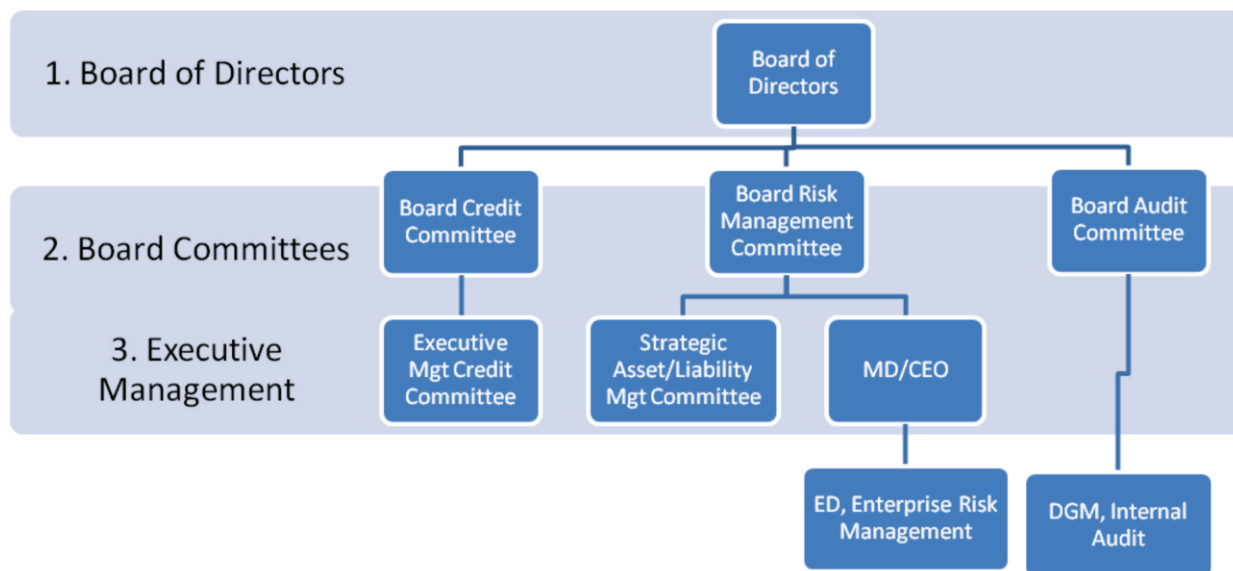


Dahiru Chadi
Executive Director, Enterprise Risk Management/Chief Risk Officer



ENTERPRISE RISK MANAGEMENT FRAMEWORK

RISK GOVERNANCE STRUCTURE



RISK MANAGEMENT RELATIONSHIPS – INTERNAL AND EXTERNAL



RISK MANAGEMENT DISCLOSURES

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 lending risks. It has the following membership.

Membership of Board Risk Management Committee

· Richard G. Asabia	-	Chairman	(Independent Director)
· Dr. Oluwafunsho Obasanjo	-	Member	(Director)
· Ibrahim M. A Kaugama	-	Member	(Director)
· Yabawa Lawan Wabi		Member	(Director)
· Dauda N. Iliya		Member	(Director)
· Managing Director/CEO	-	Member	
· ED, Secretariat & Services	-	Member	
· ED, Enterprise Risk Mgt	-	Member	

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.



RISK MANAGEMENT DISCLOSURES

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:-

Dauda Iliya	-	Chairman	(Director)
Hakeem Shagaya	-	Member	(Director)
Sam N. Okagbue	-	"	(Independent Director)
Priya Heal	-	"	(Director)
Aminu Babangida	-	"	(Director)
Richard G. Asabia	-	"	(Independent Director)
Managing Director/CEO	-	"	Managing Director
ED, Enterprise Risk Mgt	-	"	Executive Director
ED, North	-	"	Executive Director
ED, South-South & South-East	-	"	Executive Director

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;
- 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:-

· Sunday Akinniyi	-	Chairman
· Funke T. Shodeinde	-	Representative of Shareholders
· Ahmed U. Ndanusa	-	Representative of Shareholders
· Yabawa Lawan Wabi	-	(Director)
· Sam Okagbue	-	(Director)
· Ibrahim M. A Kaugama	-	(Director)



RISK MANAGEMENT DISCLOSURES

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.



RISK MANAGEMENT DISCLOSURES

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

Executive Management Committee (EXCO)

Membership of EXCO comprises the Managing Director/CEO and all Executive Directors of the Bank as follows:

- Managing Director/CEO
- ED, Secretariat & Services
- ED, North
- ED, Enterprise Risk Mgt
- ED, South-South & South-East
- Others present are in attendance only.

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)

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 terms of reference are to ensure that the Bank's profitability and liquidity objectives are met on a proactive basis.

Membership includes:-

- | | |
|----------------------------------|-------------|
| · ED, North | Chairman |
| · ED, Lagos & West | Member |
| · ED, South-South & South-East | Member |
| · ED, Secretariat & Services | Member |
| · ED, Enterprise Risk Management | Member |
| · GM, Credit Risk Management | Member |
| · CFO/GH Finance & Strategy | Member |
| · Head, Loan Recovery | Member |
| · Treasurer | Secretariat |

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



RISK MANAGEMENT DISCLOSURES

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. Group Head, Credit Risk Management | | |
| 3. Group Head, Credit Analysis & Processing | | |
| 4. Group Head, Operations & IT | | |
| 5. Group Head, Internal Audit and Inspection | | |
| 6. Chief Compliance Officer | | |
| 7. Market & Liquidity Risk Department | | |
| 8. Representative of Corporate Planning & Strategy | | |
| 9. A representative from Business Directorate | | |
| 10. Group Head, Treasury | | |
| 11. CFO/GH Finance & Strategy | | |
| 12. Head, IRM | - | Secretariat |

The committee has reporting relationship to the Executive Management.

Risk Management Departments and their Key Functions

Credit Analysis & Processing Group (CAP)

The units in **Credit Analysis and Processing Group (CAP)** are as follows:

1. Abuja & Central Risk Analysis Unit
2. Lagos & West Risk Analysis Unit
3. North West Risk Analysis Unit
4. North East Risk Analysis Unit
5. South/South & South East Risk Analysis Unit
6. Specialised Lending Risk Analysis Unit



RISK MANAGEMENT DISCLOSURES

The CAP'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.
- Ensure appropriate pricing of risk assets.
- Compliance with the Bank's risk appetite definitions and RAAC.

Market and Liquidity Risk Department (MLRD)

The function should be sub-divided into:

- Strategic Planning (ALCO)
- Risk Identification
- Interest Rate Risk
- Foreign currency Risk
- Equity Risk
- Liquidity Risk
- Counterparty Risk
- Risk Measurement (For same risk areas as above)

Risk Control

Risk Control is critical. It deals with such issues as Dealing Limits, Overnight Position Limits, Intra-day Limits, Concentration Limits, and Liquidity gap Limits, Contingency Funding Plan, Crisis Management Plan, Counterparty Limits, etc.

Risk Monitoring (Covers all the control areas)

Risk Reporting.

Credit Risk Management Group (CRM)

Credit Risk Management Group is subdivided into the following Departments and Units, with clearly defined responsibilities:



RISK MANAGEMENT DISCLOSURES

Credit Risk Control:

- Conveyance of credit decisions
- Processing availment of credit facilities, including contingents – Ensuring Compliance with approved facility terms and conditions.
- Controlling Portfolio and Concentration Limits
- Ensuring compliance with Credit Policy and Processes.

Credit Risk Monitoring:

- Total Portfolio Policing
- Monitoring Industry Exposure
- Risk Migration
- Limits Management
- Collateral Management
- Account Activity Monitoring
- Maintenance and Monitoring of Repayment Records
- Risk-Return Correlation Monitoring
- Market Intelligence
- Material Adverse Events
- Impaired Assets – Classification/Declassification.
- IFRS Provisioning Monitoring & Control

This function is very critical and wide in coverage. It makes the difference between whether an exposure remains performing or goes bad. It would, therefore, need adequate staffing in number and skills. The function is organized in teams, with each team being responsible for a particular zone or zones.

Credit Risk Reporting, Policy Formulation & Review and Portfolio Planning:

- Reporting on Total Portfolio by:
 - Industry
 - Risk Rating
 - Product Programmes
 - Geographical Location
 - Business Units
- Impaired Assets Report
- Watch List
- Exceptions/Breaches
- Risk/Return Reports
- **Portfolio Planning**
 - Macro-economic Indicators
 - Socio-political Environment
 - Target Capital Adequacy Ratio
 - Total Portfolio Limit



RISK MANAGEMENT DISCLOSURES

- Target Industries/Markets
- Portfolio Distribution – Concentration and Diversification
- Target Names
- Credit Product Offerings

Credit Administration:

- Provide Secretariat for EXCO (Credit) – Collection and Distribution of Credit Papers, Production of Minutes of EXCO (Credit) Meetings, Ensuring the processing of credit related requests to appropriate approval levels,
- Management of Credit Files – Proper filing, Completeness, integrity and Safe custody.
- Management of Credit Offenses Disciplinary Process.

Institutional Risk Management Department (IRM)

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 Strategic Risk, Reputational 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 bank-wide
- Identification, reporting and management of operational risks bank-wide
- Responsible for implementing programme for managing IT and information security risks across the Bank.
- Champion the maintenance and recertification of the Bank to the PCIDSS and ISO 27001 ISMS standards. Review of ISMS and IT Risk policies and coordinate its implementation.
- Coordinate the review of all IT risks and Non conformities in line with ISMS Standards, IT Risk register, change management issues, access control monitoring and review, monitoring of implementation of remediation programs for vulnerabilities on e-platforms amongst others.



RISK MANAGEMENT DISCLOSURES

- Escalation of critical risks to appropriate levels of risk owners, management and board periodically Update board and management of the implementation of risk remediation programmes for vulnerabilities Bank wide.

Loan Recovery Department (LRD)

The LRD responsibilities shall include:

- Recovery of bad loans
- Coordination of recovery activities across the network
- Appointment of recovery agents
- Coordination of collateral liquidation for debt recovery
- Initiating along with BUs, and processing of Loan Workout proposals.
- Reporting of the Bad Loans Portfolio.
- Coordinating recovery efforts on accounts in lost category and initiate recovery plans.
- Processing of interest waivers and write-off requests in respect of accounts classified Lost.
- Liaise with Legal Services Department on accounts under recovery.
- Processing restructuring/workout arrangement of lost credits.
- Monthly review and rendition of reports on accounts under lost category.

The Head of Loan Recovery shall report to the Directorate Head, Enterprise Risk Management.

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.

Internal Control Group (ICG)

The ICG responsibilities shall include:

- Ensure that all the Bank activities and business are carried out in strict compliance with the approved policies and procedures and in line with the Regulatory Provisions.
 - Profiling and creation of users on financial applications in the Bank and deactivation of same as the case may be.
 - Monitoring of agreements as contained in duly executed Service Level agreements
 - Managing the Bank's Fraud desk as required by regulators.
 - Appropriately escalate report to Management any observed breaches after preliminary investigations and recommend appropriate actions to be taken to prevent reoccurrence.
- § Recommend amendments to policies and procedures in order to enhance efficiency and effectiveness of the system.
- To ensure all branches and other relevant locations are manned with Control Officers to review their



operations and environment

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.



RISK MANAGEMENT DISCLOSURES

S/N	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 computer hacking.	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 claim payments 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, unreconciled balances, human capital competence and attitude issues.	005
6	Business disruption and system failures risk.	Losses attributable to system failures, communication failures, software failures, system downtime, etc.	006
7	Damage to physical assets	Losses arising from damages or outright loss of assets due to natural events like fire, flood, rain or thunderstorms, terrorism, vandalism, earthquakes, civil unrest.	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, NAFLU – Anti-money laundering laws, as well as all other regulatory bodies

Optimal Staffing

- The Bank shall ensure the optimal level of staffing in all its functional units. To this end, job evaluation shall be carried out for every job role to determine the quantum of man-hour and skill level required to handle the roles. This shall be carried out by Human Capital Management, Strategy Division, Operations Risk Department and Financial Control.

Authority Limits and Access Rights

- Delegated authority limits whether operational or fund-based 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-



RISK MANAGEMENT DISCLOSURES

pricing gaps between rate sensitive liabilities and rate sensitive assets. Note 45 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.

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.



RISK MANAGEMENT DISCLOSURES

As at 31 December 2015	Dollar N'000	Pound N'000	Euro N'000	Yen N'000	TOTAL N'000
ASSETS					
Cash and balances with central banks	107,015	19,543	65,832	-	192,390
Due from banks	7,087,914	437,906	694,064	11,317	8,231,201
Loans and advances to customers	20,741,495	-	-	-	20,741,495
Financial investments – HFT	-	-	-	-	-
Financial investments – AFS	-	-	-	-	-
Financial investments –HTM	-	-	-	-	-
Other assets	-	-	3,996	8	4,004
Property and equipment	-	-	-	-	-
Goodwill and other intangible assets	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
Non current assets held for sale	-	-	-	-	-
Total Assets	27,936,424	457,449	763,892	11,325	29,169,090
LIABILITIES					
Due to other banks	-	-	-	-	-
Due to customers	27,061,959	199,579	188,241	-	27,449,778
Debt issued and other borrowed funds	10,553,967	-	-	-	10,553,967
Current tax liabilities	-	-	-	-	-
Other liabilities	3,196,077	68,268	126,722	127,612	3,518,679
Employee benefit liabilities	-	-	-	-	-
Equity	-	-	-	-	-
Total Liabilities	40,812,002	267,847	314,963	127,612	41,522,424
Gap	(12,875,578)	189,602	448,929	(116,287)	(12,353,333)



RISK MANAGEMENT DISCLOSURES

As at 31 December 2014	Dollar N'000	Pound N'000	Euro N'000	Yen N'000	Total N'000
Assets					
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– AFT	-	-	-	-	-
Financial investments – AFS	-	-	-	-	-
Financial investments – HTM	-	-	-	-	-
collateral					
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					
Total assets	25,896,651	271,186	558,654	169,777	26,896,268
Liabilities					
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	-	-	-	-	-
Total liabilities	34,743,952	257,353	442,277	28,312	35,471,894
Gap	-8,847,301	13,833	116,377	141,465	(8,575,626)



Sensitivity analysis of currency risks

The table below indicates the currencies to which the Bank had significant exposure at 31 December 2015 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 %

Currency Details	2015	2015	2014	2014
	Effect on PAT	Effect on Equity	Effect on PAT	Effect on Equity
	N'000	N'000	N'000	N'000
Dollar +5%	295,550	295,550	(442,465)	(442,465)
Pounds +5%	6,677	6,677	693	693
Euro +5%	8,199	8,199	5,819	5,819
Dollar -5%	(295,550)	(295,550)	442,365	442,365
Pounds -5%	(6,677)	(6,677)	(693)	(693)
Euro -5%	(8,199)	(8,199)	(5,819)	(5,819)
Dollar +2.5%	147,775	147,775	(221,183)	(221,183)
Pounds +2.5%	3,339	3,339	347	347
Euro +2.5%	4,099	4,099	2,910	2,910
Dollar -2.5%	(147,775)	(147,775)	221,183	221,183
Pounds -2.5%	(3,339)	(3,339)	(347)	(347)
Euro -2.5%	(4,099)	(4,099)	(2,910)	(2,910)

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

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.

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.

Liquidity Ratios

	31 December 2015	31 December 2014
Maximum	48.04%	44.79%
Minimum	32.33%	35.79%
Average	44.19%	39.93%

Treasury Marketing Department

Liquidity risk management is centralized in the Bank with Treasury Management Department and oversight residing with Market & Liquidity 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 has been 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.
- Planned implementation of risk-adjusted performance management system.
- 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.

Legal Risks

A full fledged Legal Department with an Assistant General Manager as its Head of Department reporting to the ED, Risk Management & Control Directorate. All exposures to legal risks such as change in law, disputes for and against the Bank, and any other contractual and non-contractual rights management are being managed and mitigated on a proactive basis.



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 Group 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 group headed by General Manager. The Department is under the Enterprise Risk Management Directorate which is headed by an Executive Director.

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;
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 Risk Rating

The Risk Rating Approach is to assign **two Risk Ratings** to each existing or prospective borrowing customer of the bank based on the Credit Risk Assessment of:



- i. The **Customer's business** and;
- ii. The **facility security and structure**.

The Risk Rating obtained in (i) above will be referred to as the **Customer Quality Rating (CQR)** while the rating obtained in (ii) above will be referred to as the **Facility Risk Rating (FRR)**. Each borrowing customer of Unity Bank will have both ratings rendered in the frequency indicated below.

FREQUENCY OF RATING

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

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

- A. During the appraisal of any Credit request, renewals, increases, reductions, restructures, new lines or material change in the terms of an existing facility.
- B. Once information is received or suspected about a material change in the business condition, internal arrangements or other circumstances or industry in which a borrowing customer operates.
- C. When there is a material change in the Credit facility or the circumstances affecting the Credit facility such as a change in the structure of the Credit change in the Security change in the circumstances of a bank that is part of the syndication etc.
- D. Any material change in regulations affecting the customer or the customer's industry.

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 2015
0 - 30 days	232,986,376,789
31 - 60 days	3,140,864,951
61 - 90 days	1,755,475,659
Total	237,882,717,400

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



Credit Approval Limits

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

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

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

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-15	Maximum Exposure to credit	Fair Value of collateral and credit enhance ments held		Letters of Credit/ Gaurantees	Property	Others	Netting agree- ments	Net collateral	Net Exposure
		Cash	Securities						
Maximum exposure to credit risk	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm
Due from banks	16,158	-	7,683	-	-	-	-	7,683	8,476
Loans & Advances	316,	1,500	0	0	139,114	120,160	-	-	-
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	-	-	-	-					

31-Dec-14	Fair Value of collateral and credit enhancements held								
	Maximum Exposure to credit	Cash	Securities	Letters of Credit/ Gaurantees	Property	Others	Netting agreements	Net collateral	Net Exposure
Maximum exposure to credit risk	N'm	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 guarantee	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 (Government 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 value of individually assessed loans as at 31st December 2015 amounted to N109.91 billion. An analysis of risk assets individually determined to be impaired as at the end of the reporting period is presented below:



Analysis of individually assessed loans as at 31 December 2015.

GROSS VALUE OF LOANS BY INDUSTRIES	COLLECTIVE IMPAIRMENT	INDIVIDUAL IMPAIRMENT	COLLECTIVE IMPAIRMENT	COLLECTIVE IMPAIRMENT	TOTALS
	SIGNIFICANT PERFORMING	SIGNIFICANT NON PERFORMING	INSIGNIFICANT PERFORMING	INSIGNIFICANT NON PERFORMING	
	₦	₦	₦	₦	₦
ADMIN	465,050,429	221,672,272	93,390,496	146,861,295	926,974,494
AGRIC	36,278,064,975	10,959,515,392	223,869,012	478,086,150	47,939,535,531
CAPITAL	-	196,520,085	115,865,830	73,378,631	385,764,547
COMMERCE	7,209,588,982	10,051,210,955	1,142,959,296	931,516,964	19,335,276,198
CONSTRUCTION	14,218,728,272	21,713,049,559	158,177,817	271,122,432	36,361,078,082
EDUC	1,091,258,491	936,526,398	241,377,310	189,802,817	2,458,965,018
ESTATE	9,160,062,315	2,007,528,291	28,872,573	38,907,418	11,235,370,599
FINANCE	1,898,439,668	1,064,579,451	59,774,733	106,884,139	3,129,677,993
GEN	21,768,120,219	24,514,269,883	5,992,053,498	14,724,412,132	66,998,855,733
GOVT	2,140,944,907	7,702,971,146	134,135,212	425,713,131	10,403,764,397
HEALTH	383,412,266	86,486,210	24,516,436	37,107,584	531,522,498
INFO	15,603,159,613	1,302,386,825	48,987,549	150,700,077	17,105,234,066
MANUFAC	23,761,246,441	14,733,950,285	162,294,298	180,384,643	38,837,875,669
OIL & GAS	18,221,012,974	7,648,736,664	238,324,574	287,067,750	26,395,141,963
PROF	4,606,042,517	456,023,212	22,336,130	108,683,568	5,193,085,428
TRANSPORT	18,245,792,016	6,315,018,405	117,221,266	143,912,675	24,821,944,364
WATER	60,906,841.42	-	770,029	16,057,980	77,734,851
	175,111,830,934	109,910,445,044	8,804,926,067	18,310,599,393	312,137,801,439



Analysis of individually assessed loans as at 31 December 2015.

	INDUSTRY	GROSS INDIVIDUALLY LOANS IMPAIRED	IMPAIRMENT
		₦'000	₦'000
1	ADMINISTRATION	221,672	119,015
2	AGRICULTURE	10,959,515	6,479,960
3	CAPITAL	196,520	196,520
4	COMMERCE	10,051,210	5,517,346
5	CONSTRUCTION	21,713,049	9,063,083
6	EDUCATION	936,526	850,322
7	ESTATE	2,007,528	1,192,324
8	FINANCE	1,064,579	799,643
9	GENENERAL	24,514,269	15,361,590
10	GOVERNMENT	7,702,971	7,444,663
11	HEALTH	86,486	44,152
12	INFORMATION	1,302,386	683,943
13	MANUFACURING	14,733,950	2,841,175
14	OIL & GAS	7,648,736	3,341,548
15	PROFESSIONAL	456,023	115,793
16	TRANSPORT	6,315,018	3,688,108
17	WATER	-	-
	TOTALS	109,910,445	57,739,193
	Percentage of gross amount of Individually Impaired loans to total gross loans	35.2%	
	Percentage of Individual Impairment to total impairment	90.8%	



The Bank generally bases its analyses on historical experience. However, when there are significant market developments, regional and/or global, the bank would incorporate relevant macroeconomic factors into 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 likelihood that an obligor will fail to meet up with the financial obligations on risk assets as and when due. PD calculations are based on historical experience of defaults occurring within the respective industry buckets over a period of sixty calendar months. However, considering that the relevant data pool commenced from January 2012, for the current financial year, our PD calculations are based on a 48-month average. This will be converted to a sixty-month moving average effective end of 2016 financial year when the data set would become sufficient to support it.

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, etc) 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. In view of a quarterly threshold for triggering of relevant loss indicators, we currently adopt LIP of 0.25%. The following table shows the probability of default computed for the various buckets or industry categories as at 31st December 2015.



INDUSTRY BUCKETS	Probability Of Default Dec 2014	Probability Of Default Dec 2015
Administration	0.2317	0.1856
Agriculture	0.0615	0.0705
Capital	0.3700	0.2984
Commerce	0.2597	0.2600
Construction	0.3855	0.2776
Education	0.3754	0.2778
Estate	0.2851	0.2405
Finance	0.4853	0.2571
General	0.1740	0.1872
Government	0.2688	0.2839
Health	0.0425	0.0812
Information	0.1086	0.1461
Manufacturing	0.1535	0.1394
Oil & gas	0.0717	0.0998
Professional	0.0732	0.0489
Transport	0.1585	0.1372
Water	0.0003	0.0282

Loss Given Default (LGD):

This is the probable loss that the Bank stands to incur (suffer) if an exposure becomes unrealizable after consideration of expected cash inflow including realization of the associated collateral security.

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 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.

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:



Industry Type -2015	Cash and balances with Central Bank	Due from banks	Loans and advances to customers	Financial investments available for sale	Financial investments available-for sale pledged as collateral	Financial investments held to maturity	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
AGRICULTURE	-	-	47,939,535	-	-	-	34,014,577
OIL & GAS	-	-	19,775,597	-	-	-	20,608,296
CAPITAL MARKET	-	-	385,764	-	-	-	622,357
REAL ESTATE ACTIVITIES	-	-	11,235,370	-	-	-	7,307,945
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	-	-	5,193,085	-	-	-	3,170,461
ADMINISTRATIVE, SUPPORT SERVICE ACTIVITIES	-	-	926,976	-	-	-	635,512
EDUCATION	-	-	2,458,965	-	-	-	1,539,843
HUMAN HEALTH & SOCIAL WORK ACTIVITIES	-	-	326,147	-	-	-	523,358
MANUFACTURING	-	-	38,837,845	-	-	-	23,457,500
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	-	-	77,734	-	-	-	100,258
REAL ESTAE & CONSTRUCTION	-	-	36,361,078	-	-	-	28,001,026
FINANCE & INSURANCE	-	6,621,121	3,129,677	-	-	-	12,581,952
GOVERNMENT	4,245,350	-	10,399,345	49,456,338	38,330,267	28,259,864	131,676,158
POWER	-	-	6,619,544	-	-	-	-
GENERAL COMMERCE	-	-	19,335,276	-	-	-	64,814,153
OTHER PUBLIC UTILITIES	-	-	4,419	-	-	-	-
TRANSPORTATION	-	-	24,821,944	-	-	-	14,139,915
COMMUNICATION	-	-	17,105,234	-	-	-	9,450,567
GENERAL	-	-	67,204,231	-	-	-	-
	4,245,350	6,621,121	312,137,801	49,456,338	38,330,267	28,259,864	352,643,878



INTEGRATED CAPITAL ADEQUACY ASSESSMENT PROCESS REPORT

There is a direct relationship between the capital needs of the Bank and the soundness and effectiveness of its internal governance, risk management and control systems and procedures. Accordingly, the Board of the Bank sets the strategies that drive the operations and activities of the Bank. These strategies are pursued and implemented by the Executive Management Committee and various functional organs within the Bank.

The Bank's risk appetite is moderate, and seeks to pursue a middle-ground approach in the acceptance of risks that surround identified business strategies and objectives. The Bank's strategies are in turn affected by its stated objective of becoming the Retail Bank of choice. Accordingly, various detailed objectives are being pursued in this direction, but based on the outcome of a continuous process by which risk measurement and capital requirement are determined and assessed concurrently; the approaches are being moderated so as not to upset the risk-capital trade-off.

In addition to the various components of its strategies that are being implemented in the current year, the Bank is also mindful of the longer term requirements, as well as the attendant risk implications and capital requirements, and is continually making efforts to see that there is neither undue exposures due to aggressive implementation or underutilization of available capital.

As part of efforts to leverage on progress achieved in this area, the Bank is currently at an advanced stage of raising further long term capital. To deliver on its strategic mandate therefore, the Bank is committed to continuous improvement of its ICAAP process which will play a significant role in guaranteeing the successful achievement of the Bank's overall strategic objectives.

Objective of ICAAP

Main objective of ICAAP is to determine both the regulatory and economic capital need of the Bank over the immediate term as well as in the long-term horizon based on normal business operating conditions and abnormal but plausible conditions subjected to due stressed scenarios.

Three major scenarios have been set out for this capital evaluation process as follows:

1. Baseline Capital estimate – the Capital estimate based on the Standardized capital computation model as mandated by the regulators (Central Bank of Nigeria). All major categories of Risk under Pillar 1 are captured under this scenario.
2. Projected Capital under normal business conditions – this is capital estimate that may not be allocated immediately but may be used up over a 12-month horizon as business activities grow. It does not contain economic capital estimates. Also Capital plan for a five year period was included.
3. Risk-adjusted capital based on Stressed scenarios – this is the capital estimate that considers unusual events over and above expected losses, that is, expected and unexpected losses. The unexpected losses are brought about under certain extreme stressed though far-fetched but plausible conditions.



Scope of Capital Charge for Economic Capital Estimate

Risk Factors considered include the following:

1. Credit Risk
2. Market Risk – Exposure to foreign currency risk in the Banking book mainly
3. Liquidity Risk
4. Operational Risk
5. Strategic Risk
6. Concentration Risk – mainly in the credit book.
7. Reputational Risk
8. Legal Risk not estimated in this version. It will be updated in Half-year, 2016 version.
9. Interest Rate in the banking book risk – rate mis-match

2.1. Definition of Risk Appetite

According to the Committee of Sponsoring Organizations of the Treadway Commission (COSO), risk appetite is the amount of risk, on a broad level, an organization is willing to accept in pursuit of value.

2.2. Risk Appetite Category Rating

We categorize our Risk Appetite definitions into five broad categories as follows:

Risk Appetite Category	Risk Appetite Indicator	Details
High Risk Appetite	5	Actively seeking opportunities that have inherent risks that, should they crystallize, may result in reputation damage, financial loss, major breakdown in IT systems/data integrity, regulatory breaches, potential injury to staff and/or customer, etc.
Moderate Risk Appetite	4	Willing to accept risks that, should they crystallize, may result in reputation damage, financial loss, major breakdown in IT systems/data integrity, regulatory breaches, potential injury to staff and/or customer, etc.
Modest Risk Appetite	3	Willing to accept some risks in certain circumstances that, should they crystallize, may result in reputation damage, financial loss, major breakdown in IT systems/data integrity, regulatory breaches, potential injury to staff and/or customer, etc.
Low Risk Appetite	2	In most cases, not willing to accept risks that, should they crystallize, may result in reputation damage, financial loss, major breakdown in IT systems/data integrity, regulatory breaches, potential injury to staff and/or customer, etc.
Zero Risk Appetite	1	Not willing to accept under any circumstance, any risks that has the potential to result in reputation damage, financial loss, major breakdown in IT systems/data integrity, regulatory breaches, potential injury to staff and/or customer, etc.



2.3. Unity Bank Statement of Risk Appetite

Our risk appetite definitions are based on a top-down approach, and derive from the global risk acceptance attitude as follows:

The Bank shall have modest risk appetite in the pursuit of its business objectives. In effect, the Bank shall maintain a middle-ground or fairly conservative attitude to risk. Except in exceptional circumstances (in which case due approvals of at least the Managing Director and one other member of EXCO shall be obtained), the Bank's risk shall not rank higher than 3 on a scale of 5 as above. This also translates to 60% on a percentage scale.

Flowing from the above, various additional detailed and function-specific risk appetite definitions are as follows:

- a. The Bank maintains a low appetite for solvency risk. It is now willing to take risks that will have the potential of making its capital adequacy go below 15.0%.
- b. The Bank has a moderate appetite for credit risk, and is not willing to incur a loan loss expense above 2.0% of interest income. Also, a target average rating of the risk asset portfolio of BBB+ shall be pursued.
- c. The Bank has modest appetite for market risk, and is not willing to earn a return on investment that is less than MPR plus 1 on the Treasury Trading Book.
- d. The Bank maintains a moderate appetite for operational risks, and is not willing to incur actual loss or be exposed to potential loss that is higher than 5.0% of budgeted PBT for any given year from overall operational risks.
- e. The Bank shall operate within a low appetite for reputational risks, and aspires to be among the top 5% most respected Bank. Accordingly, the Bank has zero tolerance for instances or events that would result in negative publicity which will in turn impact adversely on the reputation of the Bank.
- f. The Bank has a low appetite for strategic risk, and shall not accept strategic risk profile with potential for loss above 5% of budgeted PBT.

RISK ASSESSMENT AND CAPITAL ADEQUACY

3.0. Background

The Bank maintains an actively managed capital base to cover risks inherent in the business as well as meet the capital adequacy requirements of the 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) as adopted by the Central Bank of Nigeria. During the 2015 financial year, the Bank complied in full with all its externally imposed capital requirements.



3.1. Capital Management

The primary objectives of the Bank's capital management policy are to ensure that the bank complies with externally imposed capital requirements, maintains strong credit ratings and healthy capital ratios in order to support its business as well as maximize shareholder value.

Beyond complying with externally imposed capital requirements, the Bank also maintains various internal limits on key material risks with a view to achieving an internal buffer and kick-starting corrective action early, should any such limit be breached even before the external limit is reached.

Accordingly, the bank manages its capital structure and makes adjustments based on changes in economic conditions and the risks in or around its business and associated activities. In order to maintain or adjust the capital structure, the bank may adjust the amount of dividend payment to shareholders, issue capital securities or make adjustments in its choice of business commitments with a view to moderating the risk profile.

3.2. Methodologies Adopted

For the pillar one risks, the following methodologies were adopted in the calculation of capital requirement:

3.2.1. Credit Risk:

In line with the regulatory requirement, the Bank adopted the Standardized Approach in calculating the risk-weighted assets for Credit Risk. Thus, the Bank adopted the various prescribed weights for the various categories of counter-parties.

No External Credit Assessments have been used. Rather, the respective risk weights employed are based on the pronouncements of the CBN Guidance Notes on Calculation of Capital Requirement for Credit Risk. Thus, our risk assets portfolio and other relevant exposures were categorized into exposures to Sovereigns, exposures to Public Sector Entities (PSEs), exposures to State and Local Governments, exposures to Supervised Institutions (Deposit Money Banks, Discount Houses, etc), exposures to Corporate and other Persons, exposures to Regulatory Retail obligors, etc.

In addition to applying the applicable risk-weight factors to each category of counter-parties, the relevant adjustments to the risk-weights for the non-performing portion of each category were also applied. Total risk-weighted assets for Credit Risk for 2015 financial year amounted to N208.90 billion.

3.2.2. Operational Risk:

The Bank adopted the Basic Indicator Approach in calculating its Operational Risk capital requirement. As prescribed in the CBN Guidance Notes on the Calculation of Capital Requirement for Operational Risk, the aggregate of the Bank's gross income for the past three years was multiplied by 15.0% and the result divided by three to obtain an annual equivalent.

Accordingly, the Bank's Operational Risk capital requirement for the current report stands at N4.80 billion while risk-weighted amount for Operational Risk stood at N60.06 billion.

3.2.3. Market Risk:



As required by the CBN Guidance Notes on the Calculation of Capital Requirement for Market Risk, the Standardized approach was employed in calculating the capital requirements for Market risk. During the 2015 financial year, the Bank was not active in the trading of Equities, Commodities and Options.

Various controls such as gap limits, target net interest income changes, economic value of equity etc are put in place to manage interest rate risk. Also, as a deliberate policy (in line with our Risk Appetite) the Bank does not engage in 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).

For the 2015 financial year, our Market Risk capital charge was limited to the capital requirement for Exchange rate risk, which was 0.5 % of net open position as at end of the year.

Total capital requirement for Market risk amounted to N428.57million, while the risk-weighted amount for Market Risk stood at N5.36 billion.

3.2.4. Non Pillar 1 Risks

Risks other than the key Pillar 1 risks are assessed using a variety of measures as follows:

3.2.5. Concentration Risk:

Concentration risks for individual and groups of associated counter-parties are assessed on both sides of the Balance Sheet. On the asset side, the Bank is guided by the single-obligor limit of the Banks and other Financial Institutions Act as amended, primarily for fund-based risk asset exposures. Contingent exposures are also subject to maximum limits across the various categories.

There are also placement limits that guide Treasury exposure to counterparties based on a periodic assessment of the risk profile of each counter party (either individually or by category).

On the liability side, concentration risk is generally managed by efforts to diversify the customer base and not place too much reliance on few large-ticket depositors. This is also in consonance with the Bank's strategic intent of becoming the retail bank of choice. To that end, various retail-oriented products are at different stages of approval, and will hopefully be ready for deployment before the end of the current financial year.

The Bank has taken steps to ensure that concentration risks observed in the deposit composition with respect to depositors are managed through aggressive focus on retail funding sources.

Technical freeze on expansion of risk assets is in place as branches with significant NPL or Loan to-deposit ratios above benchmarks are not allowed to book new credits except for those that secured against Cash collateral, high quality contingents and similar transactions.

3.2.6. Interest Rate Risk in the Banking Book:

The management of interest rate risk in the Banking books is driven through periodic reviews by Assets-Liability Management Committee that comes up with policy directives on the type of deposits to take and



those to deemphasize in order to manage down the Bank's re-pricing gap.

3.2.7. Legal Documentation Risks:

The Bank is currently addressing the management of CRM at two levels. Firstly, while the quality of documentations and valuations are usually reviewed at the point of initial approval, there is an ongoing initiative to strengthen the capacity of our Legal department to monitor a second level review through the creation of an automated documentation portal. To support this, custody of all physical title documents held as security were recently centralized with Legal department, as against the earlier practice where they could be held in Branch Vaults.

Secondly, we are considering the enforcement of requirements for the renewal of valuations of landed properties, mortgage debentures and other customer assets held as security that are older than two years since last valuation. The enforcement of this was relaxed in the past based on considerations that the process was creating additional cost burdens for our borrowing customers without commensurate return, more so for the accounts which had deteriorated, or which were already in a watch-list condition.

3.2.8. Business and Strategic Risk:

Through its Strategy and Corporate Development department, the Bank regularly monitors indices and market trends that relate to its business and strategic risk. The department in turn reports to the MD/CEO through the Chief Finance Officer (CFO) of the Bank for timely and appropriate response.

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

The major strategic risk facing the Bank is the fact that its core earning assets are under significant

stress due to inherent poor risk acceptance culture in the past which the current Risk Management team is poised to redress. The Bank's net interest income is therefore under severe downward trend as significant part of the underlying assets have been classified and their estimated Regulatory loss through provisioning has been adjusted through the Non-distributable Reserve.



3.2.9. Reputational Risk:

The cost of meeting liquidity gap has increased tremendously due to TSA implementation and rather high reputation risk. We have made provision for the associated economic capital for this situation using the proxy of the cost of funding liquidity gap from Regulatory Forbearance on CRR. The Stress-test of 100% Run in Long Term Deposit resulted in significant impact on Liquidity Ratio which plunged into negative territory of 38%.

Generally a lot of efforts are on-going towards reposition the Bank's brand capital through engagement of the social media; significant improvement in service delivery and gradual resolution of poorly assumed contingents especially with Financial Partners such as Bank of Industry and CBN Intervention that are being unwound gradually.

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.

The Bank hired PriceWaterHouse Coopers to review its processes which has been completed. We are now at implementation stage. Expectedly, the implementation will see the Bank's service promise delivered seamlessly in all areas without exception.

3.2.10. Liquidity Risk:

The management of the Bank's liquidity risks is carried out through collaboration between its Operations and Treasury Groups, under the guidance of its Asset and Liability Committee (ALCO). Various limits exist that guide net settlement balances, as well as thresholds beyond which contingency options can be activated.

Also, various vault limits are maintained across the Bank's branch network with a total branch vault limit of N2.67 billion, all duly insured. These are in turn supported by a robust team of Cash



Management personnel as well as twenty-two CMU Vaults with an additional total limit of N2.15 billion serving the 240 branches.

The Bank's ALCO meets to review market and liquidity matters at least once a month, or more frequently based on need.

Regulatory forbearance were sought and obtained for CRR in the wake of the full implementation of TSA by the Federal Government. This position is being wound down on monthly basis.

3.2.11. Compliance with Minimum Standards and Disclosure Requirements:

As is currently mandatory, the Bank currently prepares its financial statements in line with International Financial Reporting Standards (IFRS). As such, it is guided by, and complies with the disclosure requirements in IAS 1 (Presentation of Financial Statements) and IAS 24 (Related Party Disclosures) in addition to applying all other relevant standards in maintaining its internal records as well as for the preparation of its financial statements.

This is confirmed by a statement of compliance in our 2015 published financial statements.

3.2.12. Information Technology Risks:

Various controls have been put in place by the Bank to ensure that specific information security objectives of the Bank are met hence ensuring compliance with the regulatory standards. To this end, twenty-six Information Security Management Systems (ISMS) Policies are in place to enable proper maintenance of the Bank's IT infrastructure.

Various relevant IT certifications have also been obtained and are regularly renewed. These include the Payment Card Industry Data Security Standards (PCIDSS), ISO/IEC 27001: 2013 ISMS, etc.

Furthermore, the Bank has established a Disaster Recovery (DR) Site with standard Information Technology facilities for timely data replication and backup for mission-critical business functions to ensure continuity during and after a disaster. While our primary sites are located in Abuja, the DR site is located in Lagos, in keeping with best practice for managing such back-up locations.

3.2.13. Factors External to the Bank:

The Bank's response to potential external events is defined by the nearest category of existing risk management structures to which they fall. Broadly though, various strategic or senior management Committees which meet at varying frequencies may determine an appropriate response and either take action (if the required action is within the Committee's terms of reference) or make recommendations accordingly.



Methodology

4.0. Overview

The Bank's SFP for 2015 FY December was used with detailed account data for the period. Given the significant exposure to credit and liquidity risk, the significant portion of the report is devoted to review the risk profile of these risk categories. The analysis is focused on identifying the primary risk drivers of capital requirements of each risk component and then estimate capital need for the areas so identified for the immediate and near time and economic capital based on significant stress tests. Capital plan based on normal operations is also included.

Baseline Capital - 'As is'

Items	Capital charge	Risk Weighted Asset (RWA)
Market risk	428,567,074	5,357,088,430
Operational risk	4,804,805,076	60,060,063,450
Credit risk		208,896,788,752
Total RWA		274,313,940,632
Total Qualifying Capital		- 58,548,725,888
Capital Adequacy Ratio		- 21.34%
Tier1 Capital Ratio		- 21.34%

Scenario 2 – PROJECTED CAPITAL UNDER NORMAL BUSINESS OPERATIONS AFTER

Items	Capital charge	Risk Weighted Asset (RWA)
Market risk	428,567,074	5,357,088,430
Operational risk	4,804,805,076	60,060,063,450
Credit risk		177,223,828,950
Total RWA		242,640,980,830
Total Qualifying Capital		25,975,867,846
Capital Adequacy Ratio		10.71%
Tier 1 Capital Ratio		10.90%

Please note that this scenario has incorporated expected minimal fresh injection of equity to fill the gap in the 'As is' position indicated above.



Scenario 3 – PROJECTED CAPITAL UNDER STRESSED EXTREME BUT PLAUSIBLE CONDITIONS

Items	Capital charge	Risk Weighted Asset (RWA)
Market risk	428,567,074	5,357,088,430
Operational risk	4,804,805,076	60,060,063,450
Credit risk		208,896,788,752
Total RWA		274,313,940,632
Total Qualifying Capital*		(137,579,599,641.40)
Capital Adequacy Ratio		-50.15%
Tier 1 Capital Ratio*		-50.15%

Please note that impacts of stress tests are recognized through their capital usage such as loss to capital through provisions or direct charge against retained earnings. These impacts were assumed to be the allocated capital for the risk variables that were measured.

That is economic capital were estimated using impacts of the scenario assumptions on Qualifying Capital in form of additional provision resulting from the various underlying assumptions. More sophisticated methods would be employed to estimate economic capital in the future.

4.1 Risk Capital Charge (Capital Allocation)

As indicated above, capital adequacy assessment for credit risk and other risks referencing impact on credit risk covers three (3) components as follows:-

- 1. Baseline capital based on 'as is' position.**
- 2. Expected capital** – this is estimated capital requirements based on normal conditions of the expected growth in the Bank's business over a 12-month horizon. The estimate is based purely on provisions from normal migration of the loan book and the fresh capital of N80billion to be injected from June, 2016.
- 3. Stressed Capital Requirements** based on worst-case projected earnings and profitability analysis by stress-testing the credit risk portfolio. It is based on stress on capital as a result of expected and unexpected losses derived from stress scenarios. This also include estimate of economic capital for Pillar 2 risks derived from stress-test scenarios by working back.

5.0. Base Capital

The Bank's capital base as computed using the adopted methodologies under Pillar 1 stood at negative (-) N58.55billion while the corresponding regulatory capital adequacy ratio derived



there from stood at -21.34% as at FYE 2015. The risk-weighted asset for all Pillar 1 Risks – Operational, Market and Credit risks was estimated at N274.31billion. RWA for Credit stood at N208billion during the period which constitutes the lion share of the total. The second most material risk inherent in the Bank's operations is Operational risk which contributed N60.1billion to the RWA. The Bank is not very active in the speculative trading business. Exposures in market risk are mainly driven by foreign currency open positions in the banking book. Not much activity is taking place in the trading book.

The above signifies shortage of qualifying capital – N86billion.

6.0 Economic Capital

Economic capital was estimated using six scenarios with six corresponding impacts on qualifying capital. Total economic capital estimate stood at N165billion. Value@Risk internal sophisticated models could be applied in determining economic capital. However, these models are considered inadequate to capture the real economic capital of organisations hence the we have relied simply on scenario analyses.

The six scenarios covered the major risks the Bank is faced with as follows:

Credit Risk

Portfolio concentration

Liquidity Risk

impact of various scenarios of deposit run on the Bank's liquid assets and ultimate impact on capital base through exceptional loss events arising from cost of CRR forbearance and rise in the cost of funds.

Reputational Risk

The cost of reputation damage is usually passed through risk-premium in rising of liquidity either through liability or equity market.

Strategic Risk

This risk is measured through loss of business passed through the qualifying capital vide additional provisions of N5.4billion.

Operational Risk due to significant Loss Event

usually capital is set aside for expected losses but unexpected losses that are abnormal requires some additional risk mitigation plans such as contingency or risk financing. However, in estimating economic capital, plausible but far-fetched in crystallizing – peculiar to the Bank is the event of migration of Production Server from Abuja to Lagos. This could lead to significant business disruption which may end up in additional impact on capital. This sum of N2.7billion has been estimated for this event.



S/No	Risk Items	Additional Provision	Naira
	Market Risk Weighted Assets		5,357,088,430
	Operational Risk		60,060,063,450
	Credit Risk		208,896,788,752
	RWA		274,313,940,632
1	Base Capital		(58,548,725,887) -21.34%
	Concentration Risk Impact - Scenario 1		274,313,940,632
			QC and CAR
2	Stressed Regulatory Capital	(45,810,000,000)	(104,358,725,887)
	CAR		-38.04%
3	Liquidity Risk	(22,051,284,295)	(126,410,010,183)
	CAR		-46.08%
4	Reputational Risk	(2,940,171,239)	(129,350,181,422)
	CAR		-47.15%
5	Strategic Risk	(5,486,278,812)	(134,836,460,235)
	CAR		-49.15%
6	Operational Risk due to significant Loss Event	(2,743,139,406)	(137,579,599,641)
	CAR		-50.15%
			(137,579,599,641)
	Regulatory Capital for RWA –Pillar 1		<u>(27,431,394,063)</u>
	Economic Capital		165,010,993,704
			27,431,394,063
	CAR		10%

Action plan from ICAAP

- 1.Capital injection project is being fast-tracked by the Board.
- 2.Implementation of sale of NPL.
- 3.Short-term Lending Strategy to be reinforced until capital injection.
- 4.Expansion of market share in retail space
- 5.Process re-engineering implementation through adoption and deployment of recommendations by PWC.



CAPITAL PROJECTION –QUALIFYING CAPITAL

	2018	2017	2016	2015
	Nmillion	Nmillion	Nmillion	Nmillion
Cash & CBN	120,000	100,000	65,000	27,587
Interbank	40,000	40,000	20,000	18,579
Government securities	249,519	206,856	170,664	84,147
Loans and advances	390,000	320,000	270,000	246,143
Other assets	25,000	25,000	15,000	9,854
Equity securities	1,200	1,200	1,200	1,455
Goodwill	16,000	16,000	16,000	16,920
Deferred tax	10,000	10,000	12,000	19,668
Fixed assets	32,000	30,000	29,000	18,968
Total assets	883,719	749,056	598,864	443,321
Customer deposits	500,000	412,000	330,000	231,440
Interbank	30,000	30,000	20,000	40,531
Debt securities	60,000	60,000	40,000	70,294
Other liabilities	40,000	35,000	30,000	18,481
Equity	253,719	212,056	178,864	82,575
Total liabilities & equity	883,719	749,056	598,864	443,321

QUALIFYING CAPITAL				
Equity	253,719	212,056	178,864	82,575
Deductions				
Goodwill	16,000	16,000	16,000	16,920
Deferred Tax	10,000	10,000	12,000	19,668
Investment Security Reserve	-	-	-	1,146
Non-distributable Reserves	7,800	6,400	5,400	103,222
Qualifying Capital	219,919	179,656	145,464	-58,381

Even if Risk Weighted Assets of the Bank increased by 500% from N274billion as at December, 2015, to N1.37trillion in 2018, its Capital Adequacy Ratio will still be sufficient at 16%.



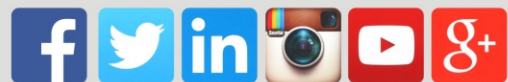
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For enquires kindly visit your nearest Unity Bank branch or contact our Customer Care Center on **0708 0666 000, 0705 7323 255-30**, or email we_care@unitybankng.com

Corporate Head Office: Plot 42 Ahmed Onibudo Street, Victoria Island, Lagos State

Head Office Annex: Unity Bank Plc, Plot 290A, Akin Olugbade Street, Lagos State

Website: www.unitybankng.com

CORPORATE INFORMATION

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Bank expended the sum of N20,222,532 (Twenty Million Two Hundred and Twenty Two Thousand, Five Hundred and Thirty Two Naira), (2014 – N188,168,500) on various CSR Commitments covering the fields of Education/Capacity Building, Trade Promotions, Professional Developments, Community Interventions, Sports and Health as follows:

SN	Details of Expenditure	Category	Amount (N)	Date
1	Sponsorship of Inaugural Olusegun Obasanjo Professional/Amateur Open Golf Tournament	Sports	500,000	26/11/2015
2	Sponsorship of African Technology Foundation Executive Training and Professional Development Programme in Partnership with Kannywood	Capacity Building	3,215,040	10/8/2015
3	Sponsorship of Unity Schools Old Students Association Plenary Session	Community Intervention	1,000,000	26/8/2015
4	Participation in the Maidunama Foundation Sickle Cell Awareness walk	Health	622,125	4/6/2015
5	Sponsorship of Minna Polo tournament	Sports	1,500,000	4/6/2015
6	Participation at the 2015 ICAN Annual Dinner	Community Intervention	300,000	15/4/2015
7	Financial contribution for Financial Literacy Curriculum.	Capacity Building	1,857,450	4/1/2015
8	Contribution on BVN and financial literacy campaign in respect of public enlightenment sub-committee	Capacity Building	3,000,000	16/10/2015
9	Support to Association of Senior Staff of Banks, Insurance and Financial Institutions (ASSIBIFI)	Community Intervention	5,000,000	16/4/2015
10	Participation at Lagos Bankers Clearing House Conference	Community Intervention	350,000	22/9/2015
11	Contribution to Financial Market Dealers Association for the ECCI Project	Community Intervention	2,697,917	31/12/2015
12	Support for Annual General Meeting of the ASUU Multipurpose Cooperative Society of Nasarawa State University	Community Intervention	150,000	21/4/2015
13	Sponsorship of 13 th Bi-annual Inter-House Sport Competition of Liham Preparatory School	Sports	30,000	23/2/2015
	TOTAL		20,222,532	



PRINCIPAL OFFICERS

Employee Name	Gender	Grade	Job Name	Department
Tomi Somefun	Female	Managing Director	Managing Director	Executive Office
Abraham Azumi Aisha Mrs.	Female	Executive Director	Executive Director	Company Secretariat
Bello Abba Abubakar Mr.	Male	Executive Director	Executive Director	Executive Office - North
Dahiru Chadi Mr.	Male	Executive Director	Executive Director	Enterprise Risk Management
Tuedor Temisan Mr.	Male	Executive Director	Executive Director	Executive Office - South
Okhaimo Enike Bonaventure Mr.	Male	General Manager	Zonal Head	Abuja & North Central Zonal Office
Ogunrinde Abiodun Olubowale Mr.	Male	General Manager	Zonal Head	Lagos & West Zonal Office
Adamu Mohammed Umar Mr.	Male	General Manager	Chief Compliance Officer	Compliance Group
Kolawole Ademola Ebenezer Mr.	Male	General Manager	Chief Financial Officer	Finance & Strategy Group
Omorogieva Osamwonyi Solomon Mr.	Male	General Manager	Group Head	Risk Management
Bakwunye Obijije Sunny Mr.	Male	Deputy General Manager	Group Head	Treasury
Aboyade-Cole Olufemi Agboola Mr.	Male	Deputy General Manager	Group Head	IT & Operations
Okafor Kaodinye Maurice Mr.	Male	Deputy General Manager	Group Head	Internal Control
Afiku Abubakar Zubairu Mr.	Male	Assistant General Manager	Group Head	Operations Group North
Anyalenkeya Uzoma Benedict Mr.	Male	Assistant General Manager	Group Head	eBusiness
Akinmade Olugbenga Olufunwa Mr.	Male	Assistant General Manager	Group Head	SME & Retail Banking
Ahunanya Chinwe Patricia Mrs.	Female	Assistant General Manager	Group Head	Credit Administration
Owolewa Anthony Oluyide Mr.	Male	Principal Manager	Group Head	Credit Control & Policy
Oni Olajide Abayomi Mr.	Male	Senior Manager	Group Head	Information Technology
Garba Sani Balarabe Mr.	Male	Manager	Group Head	Operations Group South
Bashir Mohammed Nuruddin Mr.	Male	Assistant General Manager	Regional Manager	Regional Relationship - Kaduna
Muhammad Mustapha Mr.	Male	Assistant General Manager	Regional Manager	Regional Relationship - Maiduguri
Nwambu Obidike Chris Mr.	Male	Assistant General Manager	Regional Manager	Regional Relationship - Port Harcourt
Oladipo Babatunde Olusegun Mr.	Male	Assistant General Manager	Regional Manager	Regional Relationship - Victoria Island
Odigie William Otaigboria Innocent Mr.	Male	Assistant General Manager	Regional Manager	Regional Relationship - Benin
Sani Shehu Mr.	Male	Principal Manager	Regional Manager	Regional Relationship - Kano-North
Enoka Gloria Ngozi Mrs.	Female	Principal Manager	Regional Manager	Regional Relationship - Abuja Central

Okafor Richard Obiajulu Mr.	Male	Principal Manager	Regional Manager	Regional Relationship - Ikeja
Olanrewaju K Olusegun Mr.	Male	Principal Manager	Regional Manager	Regional Relationship - Ibadan
Abimbola Simiat Adenike Mrs.	Female	Principal Manager	Regional Manager	Regional Relationship - Akure
Agbaeze Chilasa Clifford Mr.	Male	Principal Manager	Regional Manager	Business Development - Enugu
Ajebon Nkemchor Hilary Mr.	Male	Senior Manager	Regional Manager	Regional Relationship - Asaba
Baba Idris Mustapha Mr.	Male	Senior Manager	Regional Manager	Regional Relationship - Kano-South
Ibrahim Farouk Umar Mr.	Male	Senior Manager	Regional Manager	Regional Relationship - Katsina
Gana Ibrahim Abbakura Mr.	Male	Senior Manager	Regional Manager	Regional Relationship - Adamawa
Egena Adejo Idris Mr.	Male	Senior Manager	Regional Manager	Regional Relationship - Lokaja
Abba Kabir Zubairu Mr.	Male	Senior Manager	Regional Manager	Regional Relationship - Kano-South
Amushitan Grace Olushola Miss	Female	Senior Manager	Regional Manager	Regional Relationship - Garki
Dahiru Abul্লাhi Mohammed Mr.	Male	Manager	Regional Manager	Regional Relationship - Kaduna II
Ukpe Uma Etop Mr.	Male	Manager	Regional Manager	Business Development - Uyo
Arabi Ahmad Mahmoud Mr.	Male	Deputy Manager	Regional Manager	Regional Relationship - Bauchi
Sa'Idu Mahuta Sabiu Mr.	Male	Deputy Manager	Regional Manager	Regional Relationship - Minna
Ikimalo Benson Mr.	Male	Deputy Manager	Regional Manager	Regional Relationship - Lafia
Shehu Mohammed Mr.	Male	Senior Manager	Deputy Company Secretary	Company Secretariat
Williams Adejumo Alaba Mr.	Male	Assistant General Manager	Head Of Department	Legal Services
Abubakar Siddiki Adamu Mr.	Male	Principal Manager	Head Of Department	Regulatory Compliance
Gbewesa Abiola Babatunde Mr.	Male	Principal Manager	Head Of Department	Debt Recovery
Abba Kazaure Yahaya Mr.	Male	Senior Manager	Head Of Department	IS Audit
Ibrahim Fatima Binta Mrs.	Female	Senior Manager	Head Of Department	Training & Development
Dagun Nangwan Andrew Mr.	Male	Senior Manager	Head Of Department	Business Support
Amana Oboni John Mr.	Male	Senior Manager	Head Of Department	Financial Institution
Oluwaniyi Simeon Adegboyega Mr.	Male	Manager	Head Of Department	Audit Monitoring & Control



Mohammed Alhaji Abubakar Mr.	Male	Manager	Head Of Department	Administration
Jibril Abu Sadiq Mr.	Male	Manager	Head Of Department	Human Capital Management
Ojesina Akintunde Opeyemi Mr.	Male	Manager	Head Of Department	SME Banking
Odubogun Oluwale Olushoga Mr.	Male	Manager	Head Of Department	Business Process Improvement
Toyo Chinyere Lovelyn Mrs.	Female	Deputy Manager	Head Of Department	Treasury Sales & Currencies
Obiazikwor Matthew Mr.	Male	Deputy Manager	Head Of Department	Corporate Communication
Iko Tiekuro James Mr.	Male	Deputy Manager	Head Of Department	Market & Operations Risk
Fairoti Olusegun Olusola Mr.	Male	Deputy Manager	Head Of Department	Credit Management
Akanji Adesina Olaosun Mr.	Male	Deputy Manager	Head Of Department	Compliance Monitoring & Enforcement
Bello Olabisi Monsurat Mrs.	Female	Assistant Manager	Head Of Department	E-Settlement/Clearing
Igebu Emike Elfrida Miss	Female	Assistant Manager	Head Of Department	Customer Care
Abdullahi Abubakar Abubakar Mr.	Male	Assistant Manager	Head Of Department	Technical Support
Oluwale Olufunke Taiwo Mrs.	Female	Assistant Manager	Head Of Department	Cards & Mobile Business
Lawal King Emmanuel Mr.	Male	Assistant Manager	Head Of Department	Treasury Sales & Currencies
Wilcox Chienyenwa Anita Miss	Female	Senior Banking Officer	Head Of Department	Total Quality Management

unity
bank

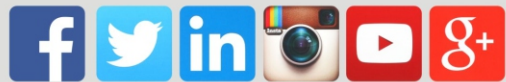
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For enquires kindly visit your nearest Unity Bank branch or contact our Customer Care Center on
0708 0666 000, 0705 7323 255-30, or email we_care@unitybankng.com

Corporate Head Office: Plot 42 Ahmed Onibudo Street, Victoria Island, Lagos State

Head Office Annex: Unity Bank Plc, Plot 290A, Akin Olugbade Street, Lagos State

Website: www.unitybankng.com

PRODUCT INFORMATION

CURRENT ACCOUNTS- PERSONAL BANKING

CURRENT ACCOUNT-INDIVIDUAL

Current Account-Individuals is a cheque- issuing product designed to meet the needs of customers who need to issue third party cheques and also enjoy transaction flexibility. The product offers customers a complete range of services as well as a simple and convenient way to manage their day to day finances.

Target Market: Suitable for individuals that wants a checking account

Product Features and Benefits

- Bundled with our alternate channels Internet Banking, Mobile banking
- Account opening balance of N5,000
- Zero operating balance
- Attracts Account maintenance fee. *AMF Concessions for large turnover available*
- Lodgment of cheques and dividend warrants
- No limit to turnover and withdrawals
- SMS alerts on transactions



UNITYMAX CURRENT ACCOUNT

Unity Max Current Account is designed to cater to the entire spectrum of financial needs of working professionals, across all segments – from lower-level employees to top executives.

Target Market: Working professionals, across all segments – from lower-level employees to top executives

Product Features and Benefits

- 50% concession on account-maintenance charge
- Zero opening and minimum balances
- 1% p.a interest earned on daily balances above N10,000
- Debit card at the point of account opening
- For large cluster salary-mandates (over 5,000 members)a customized Verve debit card, with identity card features
- Lodgment of cheques and dividend warrants
- No limit to turnover and withdrawals
- SMS alerts on transactions



SAVINGS ACCOUNTS- PERSONAL BANKING

SAVINGS ACCOUNT- INDIVIDUAL

Savings account-Individual enable individuals put some funds away regularly and earn interest.

Target Market: Individuals

Product Features and Benefits

- Account opening balance of N5,000
- Minimum Balance of N1,000
- Bundled account that comes with our alternate channels Internet Banking, Mobile banking
- Attractive Interest rate
- Third party cheque lodgment (up to the tune of N2m per day for accounts with (BVN)
- No maintenance fee
- Customized withdrawal slips (not valid for clearing)

DOUBLE EDGE SAVINGS ACCOUNT

It is a hybrid account that allows customers enjoy the benefit of a savings account while also enjoying the flexibility of a current account at no cost to the customer.

Target Market: Individuals

- Combines features of savings and current account
- Non-clearing customized cheque
- Opening and minimum operating balance of N20,000 for individuals
- Cheque and dividend warrant lodgment allowed
- Attractive Interest rate
- Electronic banking facilities (internet banking, ATM, SMS alerts)
- Allows withdrawals by third Party at any Unity Bank branch nationwide
- Account serves as collateral for borrowing

Target Market: Individuals

- Flexible opening balance of N2,000 and operating balance of N5,000
- Personal cheque and dividend warrant lodgment applicable
- Cash lodgment and payment
- Installment deposit plan to be mutually agreed and fixed based on investors 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)



UNITY KIDS ACCOUNT

Target Market: Children and Teenagers

Product Features and Benefits

- Attracts interest
- Converts automatically to major when the child turns 18 years
- Encourages savings and banking habits from childhood
- A chance to win scholarship



PERSORNAL LOAN SOLUTIONS

UNITYPAYS SALARY ADVANCE "UNITY SALAD"

Features

- The salary advance will be a maximum of 33.33% of monthly salary
- 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 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



MSME PRODUCTS

MSME Credit

This is a product funded by CBN/MSME

Features

The bank is especially 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



OTHER LOAN PRODUCTS

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 business and farmers

Benefits

- . Easy management of customers MSME sub sector
- . Low interest on facilities
- . Free financial advice



DOMICILIARY ACCOUNTS- PERSONAL BANKING

DOMICILIARY ACCOUNT-PERSONAL

This is a foreign currency account that can be funded through foreign/local remittance and cash deposit.

Target Market: Individuals

Product Features

- Opening balance \$100 (€, £) or its equivalent in € & £
- Direct remittances
- Interest payment on deposit
- Foreign and home remittances
- Withdrawals in foreign denominated currencies

All Individual Customers have access to propositions such as:

- Unity Mobile & Internet Banking
- Remittance (MoneyGram & Western Union)
- Investment products
- Access to personal loans subject to meeting the Bank's RAAC
- 24/7 dedicated contact centre



SME BANKING

CURRENT ACCOUNTS- BUSINESS BANKING

CURRENT ACCOUNT- CORPORATE

Current account-Corporate is a flexible current account designed to meet the needs of registered businesses. The product is suitable for businesses and large corporates that do very high turnover volumes and issue third party cheques. The product affords business owners transaction flexibility and robust payment and collection platforms that is required for day to day smooth running of their business.

Target Market: All registered business from different segments can benefit from this product

Product Features

- Bundled account that comes with our alternate channels Internet Banking, Mobile banking (for one signatory account)
- Attracts Account maintenance fee. *AMF Concessions for large turnover available*
- Account opening balance of N10,000
- Zero operating balance
- Collection, payment and eInvoicing platform (Bank3D)
- Lodgment of cheques and dividend warrants
- No limit to turnover and withdrawals
- SMS alerts on transactions
- Access to POSTerminal
- Access to loans subject to meeting the Bank's RAAC



UNITYBIZ CURRENT ACCOUNT

Unity-Biz Current Account is a cost effective current account designed for SMEs. This BUNDLED product comes with robust payment and collection solutions for smooth day to day banking activities.

Target Market: All registered business can benefit from this account. Suitable for owner managed micro, small and mid-sized companies

Product Features

- Bundled account that comes with our alternate channels i.e. Debit card (maximum of 5 cards/ entity), Internet Banking, Mobile banking (for one signatory account)
- No account maintenance fee(AMF or COT) subject to minimum daily operating balance of N50,000
- Account opening balance of N20,000
- Minimum operating balance of N50,000
- Collection, payment and eInvoicing platform (Bank3D)
- Cheques are VALID FOR CLEARING
- No limit to turnover and withdrawals
- Business / Financial Advisory
- Access to POSTerminal
- Access to loans subject to meeting the Bank's RAAC

N50,000

Minimum Daily OPERATING BALANCE

Note: If account balance drops below the minimum daily operating balance, customer will pay N0.25k/mile for customer induced debit transactions in month of default.

unitybiz

~~N100,000~~

unity bank
MEMBERED COMPANY



PRODUCT INFORMATION

SAVINGS ACCOUNTS- BUSINESS BANKING

BUSINESS SAVINGS ACCOUNT

This savings account enables all kinds of business put some funds away for ventures and earn interest.

Target Market: All registered businesses can benefit from this account. Suitable for businesses that want set aside some cash for the future or a project

Product Features

- Account opening balance of N5,000
- Minimum Balance of N1,000
- Bundled account that comes with our alternate channels Internet Banking, Mobile banking
- Maximum of 3 withdrawals after which interest is forfeited
- Attractive Interest rate
- Third party cheque lodgment (up to the tune of ₦2mn per day for account with BVN)
- No maintenance fee
- Customized personalized withdrawal slips (not valid for clearing)

DOMICILLIARY ACCOUNTS- BUSINESS BANKING

DOMICILIARY ACCOUNTS-BUSINESS

This is a foreign currency account that can be funded through foreign/local remittance and cash deposit.

Target Market: All registered businesses

Product Features

- Opening balance \$100 (€, £) or its equivalent in € & £
- Direct remittances
- Interest payment on deposit
- Foreign and home remittances
- Withdrawals in foreign denominated currencies

LOAN PRODUCTS-BUSINESS BANKING

Loan solutions	What we can offer you	Benefits
Working Capital Facility	Finance solutions that enable businesses manage their working capital/operating cycle. These solutions include overdraft and short term loans.	To assist businesses with sufficient funds to satisfy both maturing short-term obligations and upcoming operational expenses
Asset Acquisition	For acquisition of new equipment and business assets.	To finance the acquisition of plant and machinery and other assets for business expansion.



E-Products

	Card Types	Features	Benefits
	DEBIT CARDS		
1	UNITY VERVE CARD (₦) 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.	<ul style="list-style-type: none"> • Naira denominated Card • 3 years validity period • For local transactions (within Nigeria) • CHIP & PIN secured 	<ul style="list-style-type: none"> • 24 hours access to funds on ATM, POS and WEB within Nigeria. • All customers' accounts can be linked to one card to enable accessibility to funds on any account type. • Reduces the risk and inconvenience of carrying cash. • Chip and Pin secured. • Access to discounts on Verve rewards partner locations worldwide
2	UNITY NAIRA DEBIT MASTERCARD (₦) Unity Naira Debit MasterCard is an international card denominated in Naira. It can be linked to customer's savings or current account. This type of card enables customers to carry out transactions both within and outside Nigeria on electronic terminals.	<ul style="list-style-type: none"> • Naira denominated Card • 3 years validity period • For local and International transactions • CHIP & PIN secured 	<ul style="list-style-type: none"> • 24 hours access to funds on ATM, POS and WEB within and outside Nigeria • Reduces the risk and inconvenience of carrying cash. • Chip and Pin secured. • Convenient, reliable and safe means of carrying out transaction both locally and internationally • Provides additional security for web based transactions; Secure code for International transaction and safe token for local transactions.
3	UNITY PLATINUM MASTERCARD (\$) An internationally accepted debit card denominated in dollar and 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.	<ul style="list-style-type: none"> • Dollar denominated • Higher transaction limits • Off-line transaction capability • 3 years validity period • For International & Local transactions • CHIP & PIN secured 	<ul style="list-style-type: none"> • 24 hours access to funds on ATM, POS and WEB within and outside Nigeria • Increased withdrawal limits • Increased transaction velocity limit • Access to VIP lounges and discounts at MasterCard partner locations worldwide • Provides additional security for web based transactions; Secure code for International transaction and safe token for local transactions.
	PREPAID CARDS		
4	UNITY GENERIC PREPAID MASTERCARD (\$/₦) An international prepaid card which can either be denominated in US Dollars or Naira and is not attached to any account. It can be used for payment worldwide and customers spend the available funds loaded on their card.	<ul style="list-style-type: none"> • Dollar /Naira denominated • 3 years validity period • For local & International transactions • CHIP & PIN secured 	<ul style="list-style-type: none"> • 24 hours access to funds on ATM, POS and WEB within and outside Nigeria • Your card eliminates the risk and inconvenience of carrying cash. • Unity Bank Prepaid MasterCard can be loaded with a minimum of \$100. • Helps to manage the risk of overspending • Provides additional security for web based transactions; Secure code for International transaction and safe token for local transactions.



5	<p>UNITY HOLYTRIP PREPAID MASTERCARD (\$/₦)</p> <p>It is an international prepaid denominated in US Dollars or Naira and 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.</p>	<ul style="list-style-type: none"> • Dollar /Naira denominated • 3 years validity period • For local & International transactions • CHIP & PIN secured 	<ul style="list-style-type: none"> • Specifically designed for pilgrims. • 24 hours access to funds on ATM, POS and WEB within and outside Nigeria • Your card eliminates the risk and inconvenience of carrying cash. • Unity Bank Prepaid MasterCard can be loaded with a minimum of \$100. • Helps to manage the risk of overspending • Provides additional security for web based transactions; Secure code for International transaction and safe token for local transactions.
6	<p>UNITY VERVE PREPAID (₦)</p> <p>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.</p>	<ul style="list-style-type: none"> • Naira denominated • 3 years validity period • For local transactions • CHIP & PIN secured 	<ul style="list-style-type: none"> • 24 hours access to funds on ATM, POS and WEB within Nigeria • Your card eliminates the risk and inconvenience of carrying cash. • Helps to manage the risk of overspending • Access to discounts on Verve rewards partner locations worldwide
7	<p>UNITY COMBO CARD (₦)</p> <p>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</p>	<ul style="list-style-type: none"> • Data of Institution /Student • Naira denominated • 3 years validity period • For local transactions • CHIP & PIN secured 	<ul style="list-style-type: none"> • Customized identity & payment card • 24 hours access to funds on ATM, POS and WEB within Nigeria • Your card eliminates the risk and inconvenience of carrying cash. • Helps to manage the risk of overspending • Access to discounts on Verve rewards partner locations worldwide
8	<p>GIFT CARD (₦)</p> <p>It is a variant of Verve Prepaid card loaded with funds and issued as a gift to loved ones, friends and acquaintances. The card enables cardholder to make purchases of goods and services on electronic terminals within Nigeria.</p>	<ul style="list-style-type: none"> • Preloaded Naira denominated card • 3 years validity period • For local transactions • CHIP & PIN secured 	<ul style="list-style-type: none"> • Designed to suit occasions • 24 hours access to funds on ATM, POS and WEB within Nigeria. • Enables cardholder access to enjoy discounts in Verve rewards locations nationwide.



ELECTRONIC CHANNELS

Unity Mobile

This is a mobile banking that allows you to access your bank account from your 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



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
- Quickpayment
- Cheque request
- Bills payment
- One-time payment
- Loans report
- Standing instructions
- Direct Debit
- Mobile Top-up
- Intra/Inter Bank transfers
- Self-Services
- 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

- o Bills payment
- o Purchases

Benefits

- o Merchants can operate 24/7 without risk
- o Lower operational cost
- o Reduced risk of theft and pilfering by cashiers
- o Increased sales – cardholders are likely to make spontaneous purchases with cards
- o Increase market share
- o Increase patronage
- o Image projection internationally for merchants accepting international cards i.e. MasterCard, Visa cards



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

- o Cash withdrawal
- o Balance Enquiry
- o Intra-Bank Transfers
- o Interbank transfers
- o Utility bills payment, etc.
- o Airtime top-up

Benefits

- o Excellent customer services
- o 24 hour access to transfer from your account
- o Convenient and saves time of queuing at the branch



Payments Products – UNITY REMIT

Features

- o Automate your staff payroll at no cost
- o Prepare your payroll from anywhere in the world
- o Make vendor payments online from anywhere in the world
- o Make salary payments online from anywhere in the world
- o Make your tax payments from the comfort of your office or homes
- o Liquidity management
- o Payment of vendors and other sundry expenses, bulk payment to people without bank accounts
- o View and manage all your accounts in various banks on a single platform

Benefits

- o Secured payment
- o Reduced risk of carrying cash
- o Reduced social cost of transactions
- o Improve your brand equity
- o No reconciliation challenges
- o Easy management of funds



REMMITTANCE

REMITTANCE

WESTERN UNION MONEY TRANSFER

MONEYGRAM MONEY TRANSFER

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 for money transfer services. Unity bank offers both inbound and outbound money transfer services across all our branches nationwide. This service is open to account holders and non account holders alike. Customers can receive funds from or transfer funds to over 250 countries in the world through either Western Union or Moneygram platforms from any Unity bank branch nationwide.

Features

- o Send and receive funds in Naira
- o Transactions are secured with the use of pin pad
- o Open to non account holders subject to regulatory limit

Benefits

- o Receive and send money within 10 minutes from/to anywhere in the world
- o Service is absolutely free for receivers.... No charges
- o Enjoy personalized and excellent customer service
- o Free gift for every transaction

E-Collections

e – Collections is an electronic way of collecting funds on behalf of business-oriented organizations from their customers and paid through any of the platforms online or at the bank branch seamlessly.

It is the process of accepting payment for goods, services, taxes, fines, levies, subscriptions, fees etc by bank branches and web on behalf of government agencies and private organizations via electronic platforms such as Paydirect, Payarena, eBillspay , etranzact Payoutlet , Remitta etc

E-Collections Products

- Webpay
- Hospital Management Solution (HMS)
- School Portal Solution
- Church Management Solution
- Transport Management System(e-Ticketing)
- IGR Collections
- EstatePay
- E-Hotel Solutions
- IGR Collections
- MFBs Solution
- E-Judiciary
- Direct Debit
- Distributors Portal



Features

- Provide seamless modes of transaction.
- Bill payment
- Self Service
- Online real – time access to record of transactions.
- Enable customers to carry out reconciliation and settlement tasks in automated manner.
- Provides customer with satisfaction and efficiency of service.

Benefits

- A cheap means of mobilizing deposits/low cost funds
- Sure means of getting a Customer to open account
- More 'effortless' and constant income stream
- Enhanced leadership through technology innovation
- Customer satisfaction and retention



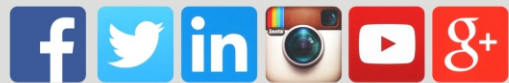


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0708 0666 000, 0705 7323 255-30, or email we_care@unitybankng.com

Corporate Head Office: Plot 42 Ahmed Onibudo Street, Victoria Island, Lagos State

Head Office Annex: Unity Bank Plc, Plot 290A, Akin Olugbade Street, Lagos State

Website: www.unitybankng.com

BRANCH NETWORK INFORMATION

ABUJA & NORTH CENTRAL

S/No	BRANCH NAME	BRANCH ADDRESS	STATE	REGION
1	NASS Branch	National Assembly Complex, The Three-Arms Zone, Garki-Abuja	FCT	Abuja Central
2	CBD Branch	Plot 785, Herbert Macaulay Way, C.B.D. Abuja	FCT	Abuja Central
3	Hafsat Plaza Branch	Hafsat Plaza, Plot 472, Constiution Ave. Central Area, Abuja	FCT	Abuja Central
4	Rusell Centre Branch	Rusell Centre Complex, Plot 2097, Herbert Macaulay Way, Wuse Zone 4, Abuja	FCT	Abuja Central
5	Maitama Branch	No.11, Imani Est, Shehu Shagari Way, Maitama, Abuja	FCT	Abuja Central
6	FMBN Building Branch	Federal Mortgage Bank of Nigeria Building, Plot 266 Cadastral Zone AO, C.B.D. Abuja.	FCT	Abuja Central
7	Bannex Branch	Banex Plaza, Plot 750, Aminu Kano Crescent Wuse II, Abuja	FCT	Abuja Central
8	Gwagwalada Branch	Secreteriat Road, Gwagwalada, FCT	FCT	Abuja Satellite
9	Kwali Branch	Secretariat Road, Kwali, Abuja	FCT	Abuja Satellite
10	Bwari Branch	No. 44, Shagari Road. Opposite Jamb Headquarters Bwari, Abuja	FCT	Abuja Satellite
11	Kubwa Branch	No. 2, Gbazango Off Gado Nasko Street, Kubwa Abuja	FCT	Abuja Satellite
12	Gwarimpa Branch	Anafara Plaza, 1st Avenue, Gwarimpa Abuja	FCT	Abuja Satellite
13	Karu Branch	No. 5, Cadastral Zone 09/06 Karu Abuja	FCT	Abuja Satellite
14	Keffi Branch	No. 2, Abubakar Burga Way, Keffi	Nassarawa	Abuja Satellite
15	Mararaba Branch	No. 2, Baba Street, Keffi Road, Mararaba	Nassarawa	Abuja Satellite
16	Suleja Branch	Usman farouk Road, by Police 'A' Division, Suleja	Niger	Abuja Satellite
17	Dawaki Road Branch	Dawaki Road, After Shuaibu Naibi Primary School, Suleja	Niger	Abuja Satellite
18	Evarist House Branch	Evarist House, Plot 1529, Nouakchott Str, Wuse Zone I	FCT	Garki
19	Jabi Branch	Sabon Dale Shopping Complex, No. 219, Obafemi Awolowo Street, Jabi District, Abuja	FCT	Garki
20	Garki Area 3 Branch	No.11, Faskari Street, Area 3, Garki, Abuja	FCT	Garki
21	Wuse Zone 5 Branch	Copper House Plaza, No 4 , Algies Street, Wuse Zone 5	FCT	Garki
22	Wuse II Branch	No. 515, Adetokunbo Ademola Way, Wuse II, Abuja	FCT	Garki
23	Wuse Zone 3 Branch	No. 35, Aswan street, Wuse Zone 3, Abuja	FCT	Garki
24	Lafia Branch	Opposite Deputy Governor's Office, Shendam Road, Lafia	Nassarawa	Lafia



ABUJA & NORTH CENTRAL

25	Akwanga Branch	Lafia Road, Akwanga	Nassarawa	Lafia
26	Ahmadu Bello Way Branch	No 7, Ahmadu Bello way, Jos	Plateau	Lafia
27	Anglo Jos Branch	No. 41 Yakubu Gowon Way, Jos	Plateau	Lafia
28	Wase Branch	Emir Street, Wase	Plateau	Lafia
29	Pankshin Branch	New layout, Langtang Road, Pankshin	Plateau	Lafia
30	Farin Gada Branch	No. 1, Farin Gada, Kaduna-Zaria Road, Jos	Plateau	Lafia
31	Ajaokuta Branch	Geregu Camp, Ajaokuta	Kogi	Lokoja
32	Lokoja Branch	Murtala Mohammed Way, Lokoja.	Kogi	Lokoja
33	Okene Branch	No. 6, Hospital Road, Okene	Kogi	Lokoja
34	Ankpa Branch	Anyigba Road, Ankpa	Kogi	Lokoja
35	Kabba Branch	Ilupa Quarters Iyara-Kabba	Kogi	Lokoja
36	Lokoja 2 Intl' Market Branch	New International Market, Lokoja	Kogi	Lokoja
37	Murtala Mohammed Way, Ilorin Branch	No. 147, Murtala Mohammed Way, Ilorin	Kwara	Lokoja
38	Offa Branch	Ibrahim Taiwo Road, Opposite Offa Club, PMP 424, Offa	Kwara	Lokoja
39	New Market Road, Ilorin Branch	No. 1, New Market Road Babooko Ilorin	Kwara	Lokoja
40	New Bridge Road Branch	Plot 1339, New Bridge (Otukpo Road) Road, MakuRoadi	Benue	Makurdi
41	Gboko Branch	No. 42, J S Tarka Way, Gboko	Benue	Makurdi
42	Otukpo Branch	No. 63, Ahmadu Bello Way, Otukpo	Benue	Makurdi
43	Ugbokolo Branch	Old Otukpo Road, Ugbokolo	Benue	Makurdi
44	Zaki Biam Branch	Y- Junction, Zaki Biam, Benue	Benue	Makurdi
45	Bank Road, MakuRoadi Branch	No. 35, Bank Road, MakuRoadi	Benue	Makurdi
46	Apa Branch	No. 1, Market Road Ugbokpo, Apa	Benue	Makurdi
47	Bosso Road Branch	No. 3, Commercial Complex, Bosso Road, Minna	Niger	Minna
48	Paiko Road Branch	No. 77, Abdulsalam Abubakar Way, Minna	Niger	Minna
49	Bida Branch	No. 48, BCC Road, Bida	Niger	Minna
50	Zungeru Branch	Old Kontagora Road, Zungeru	Niger	Minna
51	Kontagora Branch	Bokane Estate, Lagos-Kaduna Road, Kontagora	Niger	Minna



LAGOS & WEST

52	Ado Ekiti Branch	No. 158, Opopogboro Street, Ado-Ekiti	Ekiti	Akure
53	Otun Ekiti Branch	Amututu Street, Along Ayetoro Road, Otun Ekiti, Ekiti State	Ekiti	Akure
54	Oba Adesida Branch	No 15A, Oba Adesida Road Akure	Ondo	Akure
55	Commercial Zone Branch	Plot 9 Block XLIII Commercial Zone GRA Alagbaka Akure	Ondo	Akure
56	Oyemekun Road Branch	No. 59/61, Oyemekun Road, Akure, Ondo	Ondo	Akure
57	Igbokoda Branch	No. 54, Broad Street, Igbokoda, Ondo	Ondo	Akure
58	Creek Road Branch	Plot 18, Creek Road, Apapa	Lagos	Apapa
59	Burma Road Branch	No. 44 Burma Road, Apapa	Lagos	Apapa
60	Tincan Port, Branch	Behind Tincan Port Admin Block, Tincan, Apapa,	Lagos	Apapa
61	Apapa Comm Ave Branch	Plot 3, Block C, L.S.D.P.C. Industrial Scheme, Lagos-Badagry Expressway, Orile-Coker	Lagos	Apapa
62	Alaba Int'L Branch	No. A65, Ojo-Igede Road, Alaba International Market, Alaba	Lagos	Apapa
63	Aspamda Branch	BTC 6 New Gate, Aspamda market, Trade Fair Complex, Lagos - Badagry Express way	Lagos	Apapa
64	Festac Branch	House 26, Second Avenue, Festac Town, Amuwo Odofin	Lagos	Apapa
65	Oshogbo Branch	Klm 4, Gbongan/Ibadan Road, (Opp. Zarah Guest House), Osogbo	Osun	Ibadan
66	Ede Branch	No. 250 Station Road, Back To Land Junction Agip Area, Ede	Osun	Ibadan
67	Odutola Road Branch	No. 7, Alhaji Jimoh Odutola Street, Ogunpa, Ibadan	Oyo	Ibadan
68	Lebanon Road Branch	No. 9, Lebanon Road, Ogunpa, Ibadan	Oyo	Ibadan
69	Bodija Branch	No. 98, Bodija-Agbowo Road, New Bodija Ibadan	Oyo	Ibadan
70	Iwo Road Branch	No. 96, Iwo Road, beside Ibadan North/East LGA, Ibadan	Oyo	Ibadan
71	Allen Branch	No. 95, Allen Avenue, Ikeja	Lagos	Ikeja
72	Opebi Branch	No. 37, Opebi Road, Ikeja	Lagos	Ikeja
73	Oba Akran Branch	No.42, Oba Akran Avenue, Ikeja	Lagos	Ikeja
74	Abule Egba Branch	Lagos State Abattoir Complex, Oko-Oba, Agege. Lagos	Lagos	Ikeja
75	Mile 12 Branch	No. 565, Ikorodu Road, Kosofe, Mile 12	Lagos	Ikeja
76	Oregun Road Branch	No. 100, Kudirat Abiola Way, Oregun Road, Ikeja	Lagos	Ikeja



LAGOS & WEST

77	Ikorodu Branch	No. 32, Lagos Road, Ikorodu	Lagos	Ikeja
78	Abeokuta Branch	No. 4, Tinubu Street, Ita -eko, Abeokuta	Ogun	Ikeja
79	Balogun Branch	No. 32, Balogun Street, Lagos Island	Lagos	Lagos Island
80	Broad Street Branch	No. 114, Broad Street, Lagos Island	Lagos	Lagos Island
81	Marina Branch	No. 2/4, Davies Street, Off Marina Road, Lagos Island	Lagos	Lagos Island
82	Ebute Ero Branch	No. 110, Alakoro Street, Ebute-Ero, Lagos Island	Lagos	Lagos Island
83	Head Office Branch	No. 42 Ahmed Onibudo Street, Victoria Island	Lagos	Victoria Island
84	Adetokumbo Ademola 2 Branch	Plot 1704, Adetokunbo Ademola St., Victoria Island	Lagos	Victoria Island
85	Tiamiyu Savage Branch	Plot 1397A, Tiamiyu Savage Street, Victoria Island	Lagos	Victoria Island
86	Head Office Annex Branch	Plot 290A, Akin Olugbade Street, Victoria Island	Lagos	Victoria Island
87	Sanusi Fafunwa Road Branch	Plot 1683, Sanusi Fafunwa Street, Victoria Island	Lagos	Victoria Island
88	Adeola Odeku Branch	No. 19, Adeola Odeku Street, Victoria Island	Lagos	Victoria Island
89	Awolowo Road Ikoyi, Branch	No. 128 Awolowo Road, Ikoyi	Lagos	Victoria Island
90	Lekki Express Way Branch	No. 1 Prince Ibrahim Odofin Street, Lekki Expressway, Lekki	Lagos	Victoria Island
91	Yaba Comm Avenue Branch	No. 32A, Commercial Avenue, Sabo Yaba	Lagos	Yaba
92	Idi Oro Branch	No. 94, Agege Motor Road, Idi Oro, Mushin	Lagos	Yaba
93	Mushin Branch	No. 87, Ladipo Street, Mushin	Lagos	Yaba
94	Iddo Branch	No 8, Taylor Road Off G.Cappa Bustop, Iddo	Lagos	Yaba
95	Surulere Branch	No. 53, Bode Thomas Street, Surulere	Lagos	Yaba



NORTH EAST

96	Yola Branch	No. 1 Bank Road, Bekaji, Yola	Adamawa	Adamawa
97	Mubi Branch	Ahmadu Bello Way, Mubi	Adamawa	Adamawa
98	Numan Branch	Plot 24/26 Yola Road, Numan	Adamawa	Adamawa
99	Hong Branch	No 5 Majalisa Road, Opposite First Bank Plc, Close to District Head Palace, Hong Town	Adamawa	Adamawa
100	Ganye Branch	Mbulu Road, Opposite AP Filling Station Ganye	Adamawa	Adamawa
101	Jalingo Branch	No. 11, Hama Ruwa Road, Jalingo	Taraba	Adamawa
102	Wukari Branch	Ibbi Road, Wukari	Taraba	Adamawa
103	Murtala Mohd Way Branch	560 Murtala Mohammed Way, Bauchi	Bauchi	Bauchi
104	Commercial Road Branch	Ahmed Abdulkadir Road, Bauchi	Bauchi	Bauchi
105	Alkaleri Branch	Gombe Road, Alkaleri Town, Bauchi	Bauchi	Bauchi
106	Azare Branch	Jama'are Road, Azare, Bauchi	Bauchi	Bauchi
107	Kirfi Branch	Bauchi Gombe Road, Adjacent Kirfi Local Government Secretariat, Kirfi	Bauchi	Bauchi
108	Biu Road Branch	Plot 9, Gombe/Biu Road, Gombe	Gombe	Bauchi
109	Gombe Commercial Area Branch	Commercial Area, Gombe	Gombe	Bauchi
110	Billiri Branch	No. 3, Yola Road, Billiri Town	Gombe	Bauchi
111	Tudun Hatsi Branch	State	Gombe	Bauchi
112	Kirkasama Road Branch	No. 10 Kirkisama Road, Maiduguri	Borno	Maiduguri
113	Bama Road Branch	No. 11 Bama Road, Maiduguri	Borno	Maiduguri
114	Lake Chad Road Branch	Lake Chad Road, Maiduguri	Borno	Maiduguri
115	Monday Market Branch	Ali Monguno Road, Monday Market, Maiduguri.	Borno	Maiduguri
116	Baga Road Branch	No. 4 Baga Road, Maiduguri	Borno	Maiduguri
117	Damaturu Branch	Maiduguri Road, Damaturu	Yobe	Maiduguri
118	Nguru Yobe Branch	Market Road, Nguru	Yobe	Maiduguri
119	Potiskum Branch	Opposite NPN Market, Main Road Potiskum	Yobe	Maiduguri
120	New Road Dutse Branch	New Road Dutse , Adjacent to Investment House, Duste	Jigawa	Duste
121	Abubakar Maje Road Branch	No. 7, Maje Road, Hadeija	Jigawa	Duste
122	Birinkudu Town Branch	No. 1, Maiduguri Road, Birnin-Kudu Town, Jigawa	Jigawa	Duste
123	Kiyawa Road Branch	Sani Abacha way, Opposite PHCN, Dutse	Jigawa	Duste
124	Malam Madori Road Branch	No. 205, Malam Madori Road, Hadejia Town	Jigawa	Duste
125	Kazaure Branch	No. 14, Kanti Daura Road, Kazaure, Jigawa	Jigawa	Duste
126	Maigatari Branch	Chiroma Ahmadu Street, Maigatari	Jigawa	Duste
127	Ringim Branch	Sabon Gida, Ringim Town, Jigawa State	Jigawa	Duste



NORTH EAST

128	Gwaram Branch	Busirka Road, Gwaram	Jigawa	Duste
129	Jahun Branch	448 Kafin Hausa Road, Jahun	Jigawa	Duste
130	Gumel Branch	No 2 Unguwar Yadi Gumel	Jigawa	Duste
131	Kafin Hausa Branch	Kafin Hausa by Main Market, Opposite Old Motor Park, Kafin Hausa LGA	Jigawa	Duste
132	Intercity Bank Street Branch	No. 1, Intercity Bank Street, Kaduna	Kaduna	Kaduna 1
133	Sokoto Road Zaria, Branch	No 1 Sokoto Road, Zaria	Kaduna	Kaduna 1
134	Inuwa Abdulkadir Road Branch	No.24 Inuwa Abdulkadir Road Industrial Area Kakuri Kaduna	Kaduna	Kaduna 1
135	Ikara Branch	No. 7, Secretariat Road, Ikara	Kaduna	Kaduna 1
136	Yakubu Gowon Way Branch	Plot 1B Yakubu Gowon Way, Kaduna	Kaduna	Kaduna 1
137	Kachia Road Branch	No. 7 Kachia Road Kaduna	Kaduna	Kaduna 1
138	Main Street Zaria Branch	No. 1A Main Street Zaria	Kaduna	Kaduna 1
139	Bakori House Branch	No.A3, Ahmadu Bello Way, Bakori House, Kaduna	Kaduna	Kaduna 1
140	Pambegua Branch	Pambegua.	Kaduna	Kaduna 1
141	Abubakar Gumi Market 1 Branch	Broad Casting Road, Kaduna	Kaduna	Kaduna 2
142	Kafanchan Branch	No. 12, Kagoro Road, Kafanchan	Kaduna	Kaduna 2
143	Mangal Plaza Branch	Shop 78/79 & 84/85, Mangal Plaza, Broadcasting Road, Kaduna	Kaduna	Kaduna 2
144	Birnin Gwari Branch	No. 30, Lagos Road Birnin Gwari	Kaduna	Kaduna 2
145	Abubakar Gumi Market 2 Branch	No. 243, Ibrahim Taiwo Road, Abubakar Gumi Market, Central Market, Kaduna	Kaduna	Kaduna 2
146	Independence Way Branch	No. 134/136, Opposite Ranchers Bees Stadium Independence Way, Kaduna	Kaduna	Kaduna 2
147	Junction Road, Kaduna Branch	No.175BZ, Junction Road, Kaduna	Kaduna	Kaduna 2
148	Kaduna Refinery Branch	NNPC/KRPC Staff Cooperative Plaza Building, Kaduna Refinery And Petrochemical Company Complex, NNPC Depot, Kachia Road, Kaduna	Kaduna	Kaduna 2
149	Ibrahim Taiwo Road Branch	No.89E, Ibrahim Taiwo Road, Kano	Kano	Kano North
150	Kantin Kwari Branch	No. 50, Ibrahim Taiwo Road, Kano.	Kano	Kano North
151	Kano City Branch	Station	Kano	Kano North
152	Nassarawa Branch	No.2, Zaria Road, kano.	Kano	Kano North
153	Sharada Branch	Sharada Ind Est, Phase 1, Kano	Kano	Kano North
154	Takai Branch	No 2A Albasu Road, Takai Kano	Kano	Kano North
155	Danbatta Branch	Kazaure Road, Danbatta	Kano	Kano North
156	Murtala Mohammed Way Branch	No. 72B, Murtala Mohammed Way, Kano	Kano	Kano North
157	Wudi Branch	No.2, Alu Dan Darman Street, Gaya Road	Kano	Kano North
158	Branch	Local Govt. Kano	Kano	Kano North
159	Hotoro Branch	No. 458, Bashir Maitama Sule Street, Hotoro (Opposite Rimi Holding Limited, Maiduguri Road), Kano.	Kano	Kano North



NORTH EAST

160	Sani Abacha Way Branch	No.5A, Sani Abacha Way, Kano	Kano	Kano South
161	Chiromawa Toll Gate Branch	Chiromawa Toll Gate, Kano-Zaria Road	Kano	Kano South
162	Kofar Ruwa Market Branch	Kofar Ruwa Market, Opposite Bank PHB, Kano	Kano	Kano South
163	Eldorado Branch	Eldorado By Airport Road, Kano.	Kano	Kano South
164	Zoo Road Branch	No.1 Zoo Road by New Court Road, Kano	Kano	Kano South
165	Bello Road Branch	No.10E Bello Road, Kano	Kano	Kano South
166	Dawakin Kudu Branch	Kudu	Kano	Kano South
167	IBB Way Branch	No. 4 IBB Way, Kantin Kwari	Kano	Kano South
168	Bompai Branch	18B Murtala Mohammed Way, Bompai	Kano	Kano South
169	Tal'Udu Branch	Taludu.	Kano	Kano South
170	Gwarzo Branch	Adjacent to Honeywell Filling Station, Kano-Gwarzo Road.	Kano	Kano South
171	Bichi Branch	Kano	Kano	Kano South
172	Karaye Branch	Kabo Road, Karaye, Kano.	Kano	Kano South
173	Kipdeco Building Branch	No. 61 IBB Way Kipdeco Building Katsina	Katsina	Katsina
174	Katsina Branch	No. 210, IBB Way, PMB 2002, Katsina	katsina	Katsina
175	Funtua Branch	No 41 Gusau Road Funtua, Katsina	Katsina	Katsina
176	Daura Branch	Kongolon Road, Daura	Katsina	Katsina
177	Dutsin-Ma Branch	No.10, Hospital Road, Dutsin-Ma	Katsina	Katsina
178	Katsina Central Market Branch	Katsina Central Market, Katsina	Katsina	Katsina
179	Musawa Branch	Musawa Town, Adjacent Musawa market, Katsina	Katsina	Katsina
180	Sultan Abubakar Road Branch	No. 1, Sultan Abubakar Road, Birnin Kebbi	Kebbi	Sokoto
181	Jega Branch	No. 3, Sokoto Road, Jega Birnin Kebbi	Kebbi	Sokoto
182	Birnin Kebbi Branch	No. 3, Ahmadu Bello Way, Birnin Kebbi	Kebbi	Sokoto
183	Wasagu Branch	Danko/Wasagu Local Government, Kebbi	Kebbi	Sokoto
184	Yauri Branch	No.35, Sokoto-Kontagora Road, Yauri, Kebbi	Kebbi	Sokoto
185	Aliyu Jodi Road Branch	No. 1 Aliyu Jodi Road, Sokoto	Sokoto	Sokoto
186	Sokoto Main Branch	Gusau Road, Sokoto	Sokoto	Sokoto
187	Bodinga Branch	Birnin Kebbi Road, Bodinga	Sokoto	Sokoto
188	Gada Branch	Opposite Local Government Secretariat, Gada Town	Sokoto	Sokoto
189	Gwadabawa Branch	Lailah Road Gwadabawa Town, Sokoto	Sokoto	Sokoto
190	Sabon Birni Branch	Sabon Birni Town	Sokoto	Sokoto
191	Market Branch	No. 3 Aliyu Jodi Road, Sokoto	Sokoto	Sokoto
192	Yabo Branch	Shehu Shagari Way, Yabo Town, Sokoto	Sokoto	Sokoto
193	Bungudu Branch	35 Canteen Area, Gusau	Zamfara	Sokoto
194	Gusau Branch	No. 5 Canteen Road, Gusau	Zamfara	Sokoto
195	Talatan Mafara Branch	Gusau/Sokoto Road, Talatan Mafara, Zamfara State.	Zamfara	Sokoto



SOUTH SOUTH/ SOUTH EAST

196	Abraka Branch	Delta State University Road, Abraka	Delta	Asaba
197	Agbor Branch	Old Lagos-Asaba Road, Agbor	Delta	Asaba
198	Asaba Branch	Asaba	Delta	Asaba
199	Effurun Branch	No. 29, Effurun/ Sapele Road, Effurun Warri	Delta	Asaba
200	Kwale Branch	No. 109, Umusadege Road	Delta	Asaba
201	Oleh Branch	No. 6, I.D.C Road Oleh	Delta	Asaba
202	Sapele Branch	No.2 Court Road Sapele	Delta	Asaba
203	Ughelli Branch	No. 2, Post Office Road, Ughelli	Delta	Asaba
204	Warri Branch	No. 10 Warri-Sapele Road	Delta	Asaba
205	Ozorro Branch	Urude Road, Ozoro	Delta	Asaba
206	Afuze Branch	No. 26 Auchi Afuze Road, Afuze	Edo	Benin
207	Auchi Branch	No. 1 Otaru Road, Auchi.	Edo	Benin
208	Mission Road Branch	No. 69 Mission Road, Benin	Edo	Benin
209	New Benin Branch	No. 98, New Lagos Road, New Benin, Benin City	Edo	Benin
210	Ring Road Branch	Kings Square By Air Port Road, Ring Road, Benin City	Edo	Benin
211	Uromi Branch	No. 15, Market Road, Uromi	Edo	Benin
212	Igarra Branch	No. 292 Momodu Ajayi Road, Igarra	Edo	Benin
213	Uniben Branch	Ugbowo Campus, Beside Bursary Department, University of Benin, Benin City	Edo	Benin
214	Niger House Branch	No. 1B Bright Street, Opposite De-Young Shopping Complex, Onitsha	Anambra	Enugu
215	SGBN Building Branch	No. 38, New Market Road, Nkpor	Anambra	Enugu
216	New Market Road, Onitsha Branch	No. 33 New Market Road, Onitsha.	Anambra	Enugu
217	Awka Branch	No. 37, Zik Avenue, Awka	Anambra	Enugu
218	Abakaliki Branch	No. 30B, Ogoja Road, along Sam Egwu Way Abakpa, Abakaliki	Ebonyi	Enugu
219	Enugu Branch	No. 46, Ogui Road, Enugu	Enugu	Enugu
220	Owerri Branch	No. 23 Wetheral Road Owerri	Imo	Enugu



SOUTH SOUTH/ SOUTH EAST

221	Yenegoa Branch	No. 552 Chief Melfo Road Okilo way, Ebis Junction, Biogbolo, Yenagoa.	Bayelsa	Port Harcourt
222	Azikiwe Road Branch	No. 3 Azikiwe Road Port Harcourt	Rivers	Port Harcourt
223	Old Aba Road Branch	No. 28A Old Aba Road, Port Harcourt	Rivers	Port Harcourt
224	Omoku Branch	No. 171, Ahoada Road Omoku Rivers	Rivers	Port Harcourt
225	Aba Road 1 Branch	No. 198A, Aba Road, Opposite Presidential Hotel Rumuola Port-Hacourt	Rivers	Port Harcourt
226	Trans Amadi Branch	No. 474, Trans Amadi Layout, Port Harcourt	Rivers	Port Harcourt
227	Olu Obasanjo Branch	No. 63A Olu Obasanjo Road Port Harcourt	Rivers	Port Harcourt
228	Aba Road 2 Branch	No. 112E, Aba Road 2, Port Harcourt	Rivers	Port Harcourt
229	Onne Branch	Ejamah, Opposite Trailer Park, Onne Junction, Eleme	Rivers	Port Harcourt
230	Woji Branch	No. 46 Woji Road, Woji	Rivers	Port Harcourt
231	Ikot Ekpene Branch	No. 164 Ikot Ekpene Road Uyo	A \ Ibom	Uyo
232	Branch	No. 26B, Aka road Uyo, Akwa Ibom	A \ Ibom	Uyo
233	Factory Road Branch	No 7 Factory Road Aba	Abia	Uyo
234	Faulks Road Branch	No. 185, Faulks Road, Aba	Abia	Uyo
235	Branch	No. 2 Club Road, Umuahia, Abia	Abia	Uyo
236	Calabar Branch	No. 84 Ndidem Usang Iso Road Opp Marian Market Calabar	C \ River	Uyo



SHAREHOLDER INFORMATION

SHAREHOLDER INFORMATION

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 Bank Plc

3. The Goal of this complaint management Policy is to:

- Provide efficient and easy access to shareholder information
- Provide an avenue for shareholders to channel their complaints.
- Recognize, promote and protect the shareholders' rights, including the right to comment and provide feedback on service.
- Provide an efficient, fair and accessible framework for resolving shareholders' complaints and monitoring feedback to improve service delivery.
- Enabling shareholders to have shareholder related matters acknowledged and addressed; and
- Provide staff with information about the shareholder feedback process.

4. Principles of complaint management

- Information on how and where to complain should be well publicized to shareholders, staff and other interested parties.
- Complaint management processes should be easily accessible to all complainants. The process should be easy to find, use and understand.

5. Objectives of the Unity Bank Policy

Unity Bank shall:

- Address each complaint in a timely, sensitive, fair, transparent, equitable, objective, professional and unbiased manner through the complaints handling process.
- Operate from the view that a shareholder who makes a complaint is entitled to a review of the issues raised and a considered response.



SHAREHOLDER INFORMATION

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:

- i. Unauthorized sale of shares
- ii. Non-payment of proceeds of sale
- iii. Non-verification of share certificates
- iv. Refusal to transfer a client's account to other Dealing Members as requested
- v. Unauthorized transfer of a client's account to another Dealing Member
- vi. Guaranteed return investments
- vii. Fund / Portfolio management
- viii. Non-payment of dividend
- ix. Non receipt of Share Certificates

8. Process Flow

8.1 Process and Record Complaints:

Upon receipt of a complaint from a shareholder, the Customer Care Department will record enquiries and 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
- 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.



SHAREHOLDER INFORMATION

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.

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.



SHAREHOLDER INFORMATION

Channel	Bank Communication	Action shareholders can take
Branches	The Bank will have provided a complaint management system. Shareholders are immediately given confirmation that his/her complaint has been received, logged and will be resolved by x date based on the SLA for each complaint type.	Call or visit a branch in person. Fill in a shareholder feedback card available in all branches.
Unity Bank Contact centre	Provide the complaint at the point.	Call hotline 07080666000
Website	Email shareholder and acknowledge receipt of complaint	Visit www.unitybankng.com
Email	Email shareholder and acknowledge receipt of complaint	Email to we_care@unitybankng.com , customercare@unitybankng.com
Letter	Logger to call shareholder and acknowledge receipt of complaint	

9. Sources for Information.

Shareholders need to know where and how to file complaints or make inquiries. This is available on Unity Bank's website www.unitybankng.com (www.unitybankng.com/rightissues/).

The shareholders can also get information regarding the following on the website:

- Current Financials
- Historical Bank Performance
- Dividend history;
- Dividend Reinvestment Plan information;
- Bonus Issue if any
- Calendar of key dates;
- Useful shareholder forms;
- Frequently asked questions; and
- Capital

Shareholders who wish to make an enquiry or complaint about their shares should initially contact Unity Bank Registrars located at 25, Ogunlana Drive, Surulere, Lagos or the Company Secretariat Department of the Bank located at the Head Office Unity Bank Plc Plot 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.



SHAREHOLDER INFORMATION

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. Third party mechanisms use the services of unbiased regulatory bodies or panels to resolve disputes through conciliation, mediation and arbitration.

1. Conciliation:

A neutral conciliator brings the parties together and encourages them to find a mutually acceptable resolution to the dispute.

2. Mediation:

A neutral mediator becomes actively involved in negotiations between the parties. The mediator can propose a resolution, but cannot dictate a settlement of the dispute.

3. Arbitration:

An independent regulatory body or panel hears the facts on both sides of a dispute and reaches a decision. Usually both parties have previously agreed to abide by the decision, but in some systems, only the business agrees in advance to abide by the outcome of the arbitration.

AISHA AZUMI ABRAHAM
Secretary

TOMI SOMEFUN
Managing Director/CEO



SHAREHOLDER INFORMATION



NOTICE OF UNITY BANK PLC TENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of Members of UNITY BANK PLC will be held on Tuesday, December 13, 2016 at 11.00am at Orchid Hotels, Plot 3, Dream World Africana Way, Ikota – Epe Expressway, Lekki, Lagos, to transact the following:

ORDINARY BUSINESS

1. To receive the audited accounts for the year ended 31st December, 2015 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.

Dated this 21st day of November, 2016.

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 date of the Meeting.

NOTES:

1. **Closure of Register of Members**
The Register of Members shall be closed from December 5, 2016 to December 12, 2016 (both dates inclusive).
2. **Audit Committee**
In accordance with Section 359 (5) of the Companies & Allied Matters Act, 2004, any shareholder may nominate a 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.
3. **Rights of Securities Holders to ask Questions**
Securities Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before Tuesday, December 6, 2016.

By order of the Board

AISHA A. ABRAHAM
Company Secretary





SHAREHOLDER INFORMATION

Proxy Form

Tenth Annual General Meeting to be held on Tuesday, December 13, 2016 at Orchid Hotels, Plot 3, Dream World Africana Way, Ikota – Epe Expressway, Lekki, Lagos at 11.00am.

We.....
(Name of Shareholder in block letters)

The undersigned, being member/members of Unity Bank 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 10th Annual General Meeting of the Bank to be held on..... 2016 at 11.00 a.m. and at any adjournment thereof.

As witness my/our hand this.....day of ...2016.

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 whichever is not desired).	1	To receive the audited accounts for the year ended 31 st December, 2015 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 retiring Director(s):		
		i. Thomas Etuh		
		ii. Oluwafunsho Obasanjo		
		iii. Richard G. Asabia		
	4	To approve the remuneration of Directors		
5	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.				



SHAREHOLDER INFORMATION

Admission Card

Tenth Unity Bank Plc Annual General Meeting

PLEASE ADMIT ONLY THE SHAREHOLDERS NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE TENTH ANNUAL GENERAL MEETING BEING HELD AT ON

NAME OF SHAREHOLDERS/PROXY	<input type="text"/>
SIGNATURE	<input type="text"/>
ADDRESS	<input type="text"/>
	<input type="text"/>
	<input type="text"/>

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR.

